

Fiscal Year 2020 (FY '20)
2019-20 Budget Summary & Information
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06 – General Fund

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
12,999,412	13,439,236	14,224,066	784,830	5.8%

- The general fund budget mill levy is set by the State and equalized at 20 mills. Expenditures from the general fund are limited by state law and may be transferred to numerous program and weighted funds such as K-12 at risk, bilingual education, virtual education, Parents As Teachers, vocational education, professional development, special education, etc.
- Base State Aid per pupil (BSAPP) changes:

Budget Year	BSAPP	BSAPP Change (\$)	BSAPP Change (%)	General Fund
FY '09 (2008-09)	\$4,433 (reduced to \$4,400)	---	---	\$13,172,216 (Budgeted; reduced by \$394,616)
FY '10 (2009-10)	\$4,218 (reduced to \$4,012)	(\$215)	(4.85%)	\$11,982,494 (reduced by \$558,324)
FY '11 (2010-11)	\$3,937	(\$281)	(6.66%)	\$11,540,528
FY '12 (2011-12)	\$3,780	(\$157)	(3.99%)	\$11,444,328
FY '13 (2012-13)	\$3,838	+\$58	+1.53%	\$11,514,768
FY '14 (2013-14)	\$3,838	---	---	\$11,660,228
FY '15 (2014-15)	\$3,852	+\$14	+.36%	\$11,710,080 (republished)
FY '16 (2015-16)	Block Grant	N/A	N/A	\$15,657,287 (net \$11,719,397)
FY '17 (2016-17)	Block Grant	N/A	N/A	\$14,334,082 (net \$11,795,169)
FY '18 (2017-18)	\$4,006	+\$154	3.99%	\$12,581,569
FY '19 (2018-19)	\$4,165	+\$159	3.97%	\$13,439,236
FY '20 (2019-20)	\$4,436	+\$271	6.51%	\$14,224,066
TOTAL INCREASE:		+\$3	.07%	+\$784,830 (+5.84%)

- From FY '09 to FY '20, the BSAPP increased \$3 (.07%). BSAPP is not reflected in FY 16 & 17 due to block grant funding.
- Local Option Budget is calculated using a BSAPP of \$4,558. If USD #368's General Fund was based on a BSAPP of \$4,558 in 2019-20 it would have been \$14,465,345. This would equate to \$241,279 in additional General Fund budget.

Future Base State Aid increases per the recently resolved school funding litigation are as follows:

Fiscal Year	BSAPP	Increase	%
2020-21	\$4,569	\$133	3%
2021-22	\$4,706	\$137	3%
2022-23	\$4,846	\$140	3%
2023-24	To Be Determined	Based on CPI %	TBD

- Following is a summary of recent district FTE enrollment:

Year	Actual FTE Enrollment
FY '08 (2007-08)	2,062.5
FY '09 (2008-09)	2,027.9
FY '10 (2009-10)	2,028.1
FY '11 (2010-11)	2,010.3
FY '12 (2011-12)	1,986.6
FY '13 (2012-13)	1,953.3
FY '14 (2013-14)	1,919.0
FY '15 (2014-15)	1,931.0
FY '16 (2015-16)	1,936.1
FY '17 (2016-17)	2,012.5
FY '18 (2017-18)	2,029.0
FY '19 (2018-19)	1,937.4
FY '20 (2019-20)	1,960.0 (projected)

- FTE Enrollment is calculated using the higher of:
 - 2018-19 Audited enrollment (excluding 4-year-old at risk & virtual students) 1,934.4
 - 2017-18 Audited enrollment (excluding 4-year-old at risk & virtual students) 2,029.0
 - **The 2019-20 budget is based on the higher of the two which is 2,029.0 FTE.**

- For fiscal year 2020-21, the district faces a declining enrollment funding cliff as the 2017-18 FTE of 2,029 will roll off. The 2020-21 FTE for budget purposes could be:
 - 2018-19 Audited enrollment (excluding 4-year-old at risk & virtual students) 1,934.4
 - 2019-20 Audited enrollment (excluding 4-year-old at risk & virtual students) 1,960.0 (projected)
 - The 2020-21 budget would be based on the higher of the two which is 1,960.0 FTE.
 - **The difference or drop in enrollment from 2,029 FTE to 1,960 FTE is 69 FTE x \$4,436 or a potential funding decrease of **-\$306,048****

- Weighted FTE Enrollment comparison (Form 150/151 summary):

Weighting	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Enrollment (<i>Sept 20th</i>)	1961.6	1934.4	Block Grant	Block Grant	2,009.5	2,029.0	2,029.00
Enrollment used	Average	Average	Block Grant	Block Grant	Average	Prior Year	2 nd preceding
High Enrollment	68.7	67.8	N/A	N/A	70.4	71.1	71.1
Bilingual Education (hours)	.4	.5	N/A	N/A	2.0	5.6	5.6
Vocational Education (hours)	40.8	37.7	N/A	N/A	39.7	37.5	44.2
At-Risk (<i>free lunch</i>) .484 FTE	268.6	281.8	N/A	N/A	284.1	290.4	290.4
Non-Proficient (testing)	5.2	0	N/A	N/A	0	0	0
New Facilities	0	0	0	32.9	37.5	0	0
Transportation (>2.5 <i>miles</i>)	154.6	154.8	N/A	N/A	155.7	150.0	150.8
Special Education	538.2	562.0	N/A	N/A	529.3	625.1	598.5
FHSU Math & Science Academy	0	1.0	N/A	N/A	0	0	0
TOTAL WEIGHTED FTE:	3,038.1	3,040.0	N/A	N/A	3,128.2	3,208.7	3,189.6
x BSAPP	\$3,838	\$3,852	N/A	N/A	\$4,006	\$4,165	\$4,436
= GENERAL FUND	\$11,660,228	\$11,710,080	\$15,657,287	\$14,334,082	\$12,531,569	\$13,364,236	\$14,149,066
Virtual State Aid					\$50,000	\$75,000	\$75,000
TOTAL GEN FUND					\$12,581,569	\$13,439,236	\$14,224,066

- District's calculated free lunch percentage:

Students	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19*	2019-20*
Students eligible for free lunches	421	508	556	645	589	618	618	563	587	600	600
Free Lunch Percentage	20.66%	25.05%	27.40%	32.47%	30.00%	32.1%	31.6%	29.1%	30.1%	29.2%	30.6%

*For 2018-19, free lunch students estimated at 600, Percent calculated using 18-19 projected enrollment of 2,052.

*For 2019-20, free lunch students estimated at 600, Percent calculated using 19-20 projected enrollment of 1,960. Actual May 2019 count was 483 students.

- General Fund Revenue Summary: General State Aid (\$11,568,955) and Special Education Aid (\$2,655,111) for a total of \$14,224,066
- General Fund Expense Summary: Salaries/Benefits \$9,613,584 (67%), Transfers \$3,650,181 (26%), Transportation \$570,000 (4%), and Supplies/Misc. \$390,301 (3%)
- Transfers from the General Fund include Bilingual Education (\$16,250), Virtual Education (\$75,000) Professional Development (\$50,000), Special Education (\$2,655,111), and At-Risk (\$853,820) for a total of \$3,650,181.

- District assessed valuation history (Miami & Franklin County):

Year	Assessed Valuation (all funds)	Increase/Decrease	%
2008	\$133,432,513	---	---
2009	\$132,273,894	(\$1,158,619)	(.87%)
2010	\$130,610,152	(\$1,663,742)	(1.26%)
2011	\$129,616,864	(\$993,288)	(.76%)
2012	\$128,895,556	(\$721,308)	(.56%)
2013	\$128,620,538	(\$275,018)	(.21%)
2014	\$129,108,957	\$488,419	.38%
2015	\$131,461,696	\$2,352,739	1.82%
2016	\$134,241,286	\$2,779,590	2.11%
2017	\$140,445,128	\$6,203,842	4.62%
2018	\$149,152,760	\$8,707,632	6.20%
2019	\$159,969,259	\$10,816,499	7.25%
TOTAL:		\$26,536,746	19.89%

- Average Tax Delinquency Percentage for Miami County:

Miami County					
Year	2017	2016	2015	2014	2013
Delinquency	0.69%	0.80%	0.73%	1.28%	1.23%

- The delinquent tax rate used for the 2019-20 budget is 4%.

08 – Supplemental General (Local Option Budget)

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
4,532,983	4,687,255	4,773,564	86,309	1.8%

- Supplemental General’s (“LOB”) balance of \$320,291 is money that is carried over from the prior year due to receiving more property tax than necessary to fund the budget (budgeted 91% tax collection in 2019-20). The balance is carried over to reduce the succeeding year’s property tax.
- The LOB was calculated by using the BSAPP of \$4,558 per state statute.
- The district passed a successful Local Option Budget election on 5/1/2015 which provided authority to increase the LOB from 30% to 33% of General Fund.
- After state aid, the balance of the LOB revenue is generated with a local levy.
- The estimated levy for 2019-20 is 14.143 mills, a decrease of .455 mills.
- Supplemental General (LOB) Fund Revenue Summary: Balance \$320,291 (7%); Local \$2,371,999 (50%); State \$2,081,274 (43%)
- Supplemental General (LOB) Fund Expense Summary: Transfers \$2,455,924 (51.5%), Transportation/fuel \$100,000 (2.1%), Electricity/Heating \$821,000 (17.2%), Maintenance salaries \$307,350 (6.4%), Insurance \$260,000 (5.5%), Repairs/Maintenance/Cleaning \$240,690 (5.1%), Water \$107,500 (2.2%), Textbooks \$145,000 (3%), Technology \$110,000 (2.3%) and \$226,100 (4.7%) for remaining LOB expenses (instructional equipment, supplies, etc.).
- Transfers from LOB include Bilingual (\$8,592), Parents As Teachers (\$30,000), Special Education (\$1,299,881), Vocational Education (\$683,057), and At- Risk (\$434,394).

07 – Federal Funds

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
377,509	377,509	373,628	(3,881)	(1.03%)

- This fund is a consolidated reporting of the various Federal Title programs the District receives funding for through applications.
- Programs include Title I Reading (\$307,452) Title II-a Teacher Quality (\$44,463), and Title IV 21st Century (\$21,713)
- The Title I budget amount includes funds for the District and Lakemary Center neglected funds. The amount for Neglected for 2019-20 is \$69,776.

010 – Adult Education

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
271,280	277,160	282,958	5,798	2.09%

- The District serves as host for an adult education consortium providing services for Paola and Osawatomie USD #367.
- The consortium does not impact our mill levy. Each district contributes according to the services provided to them. However, the additional expenses from the consolidated program overstate our overall budget and expenses per pupil. This is like the Parents As Teachers consortium and the Special Education Cooperative which the Paola district also hosts.
- The District is required to provide financial support in order to receive federal and state aid. In prior years, this was achieved by a transfer of \$32,500 from LOB. In 2013-14 and forward, expenses for the adult education will be charged directly to LOB (utilities & custodial expenses) in order to meet the required district contribution (approx. \$18,000).
- FY 20 proposed budget amount includes the carryover balance for this fund. District does not plan to expend the carryover balance but must have the budget authority to do so if necessary.

012 – Adult Supplementary Education

FY 19 Actual	FY 19 Budget	FY 19 Proposed Budget	\$ Difference	% Difference
23,351	82,563	96,245	13,682	16.6%

- This fund is used for the District’s adult alternative education program.
- Revenue from this fund is generated by SRS programs such as Life Skills Job Club and Vocational Rehab as well as Adult contract courses and GED student testing.
- For 2019-20, the program received an AO-K @ Work grant for \$24,350 to provide training for Circle C Café, Paola Inn & Suites, and Miami County Auto.
- In the past, District supported this fund with a transfer from LOB. This transfer was eliminated in 2011-12.
- FY 20 proposed budget amount includes the carryover balance for this fund. District does not plan to expend the carryover balance but must have the budget authority to do so if necessary.

013 – At Risk

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
1,183,541	1,709,516	1,788,214	78,698	4.6%

- At-Risk funds are transferred from the General Fund (\$853,820) and LOB (\$434,394). The revenue generated by at-risk students must be spent on programs for students that meet the definition of at-risk and are charged to this fund. Funding is calculated by and must be spent on at-risk students as defined by State guidelines.
- Programs included are: Foster Grandparents, Jumpstart and after school tutoring, in-school suspension, Alternative school, Supplemental reading, Instructional aides, MAP testing services, secondary reading intervention program and general education salary allocations.

- At Risk Funding for 2019-20 is based on the following:

Estimated students eligible for free lunches (600 students)	<u>FTE</u> 600 students x .484 weighting = 290.4 x \$4,436 = \$1,288,214
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- At-Risk funding is based on the number of eligible students that qualify for free lunches (see table below).
- District’s calculated free lunch percentage:

Students	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19*	2019-20*
Students eligible for free lunches	421	508	556	645	589	618	618	563	587	600	600
Free Lunch Percentage	20.66%	25.05%	27.40%	32.47%	30.00%	32.1%	31.6%	29.1%	30.1%	29.2%	30.6%

*For 2018-19, free lunch students estimated at 600, Percent calculated using 18-19 projected enrollment of 2,052.

*For 2019-20, free lunch students estimated at 600, Percent calculated using 19-20 projected enrollment of 1,960. Actual May 2019 count was 483 students.

- FY 20 proposed budget amount includes the carryover balance for this fund. District does not plan to expend the carryover balance but must have the budget authority to do so if necessary.

014 – Bilingual Education

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
12,912	55,311	56,829	1,518	2.7%

- Funding is calculated based on the number of hours of bilingual education services provided to qualifying students.
- For 2019-20, the bilingual FTE is 5.6 (30 ELL headcount x .185 = 5.6) resulting in a budget of \$24,842 for this fund (5.6 FTE x \$4,436 = \$24,842)
- District can only pay actual salaries and expenses associated with those teachers who are providing bilingual services and who are ELL certified.
- FY 20 proposed budget amount includes the carryover balance for this fund. District does not plan to expend the carryover balance but must have the budget authority to do so if necessary.

015 – Virtual Education

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
21,000	88,100	89,100	1,000	1.1%

- Funding is calculated based on the number of virtual education students.
- For 2019-20, the estimated number of virtual education students used for budget authority is 15 (actual projected is 6 students).
- Revenue for 2019-20 based on up to 15 students at \$5,000 state aid each (\$75,000), plus miscellaneous revenue (\$10,000) and fund balance (\$4,100).
- Fund was established in 2016-17 through budget republication.
- FY 20 proposed budget amount includes the carryover balance for this fund. District does not plan to expend the carryover balance but must have the budget authority to do so if necessary.

016 – Capital Outlay

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
3,270,716	4,999,314	3,924,440	(1,074,874)	(21.5%)

- Per state statutes, the maximum mill levy is 8 mills. Funds must be spent for capital outlay items as identified in state statutes. Revenue in this fund cannot be spent for operating expenses. Can be used to build up reserves to fund special projects, reducing the need for issuing bonded indebtedness.
- The capital outlay resolution authorizing 8 mills was approved 7/28/2014 and has continuous & permanent authorization. The resolution passed also included the expanded use language, which allows for greater usage of capital outlay funds which makes some operational expenses (custodians & maintenance salaries) a valid expenditure.
- The capital outlay mill levy for 2019-20 will be 8 mills.
- Capital outlay availability continues to be important. Without this critically important funding, district facilities could suffer as repairs/renovations might be delayed or would reduce the funds available for general education expenses if general funds had to be used in lieu of capital outlay.
- Capital Outlay state aid was eliminated effective for the 2009-10 fiscal year and was reinstated for the 2014-15 budget.
- For 2019-20, capital outlay state aid is estimated at \$383,926, an increase of \$2,954 over 2018-19.
- An important item to note is the district receives 30% state aid on Capital Outlay and 30% on Bond & Interest (bond passed prior to 7/1/2015). On future bond issues passed after 7/1/2015, the state aid rate is 0%, meaning all the bond costs would be paid by local taxpayers with no state aid support.
- FY 20 proposed budget amount includes a portion of the carryover balance for this fund. In order to expend the carryover balance, the District must have the budget authority to do so if necessary.

018 – Driver Training

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
19,341	72,245	74,363	2,118	2.9%

- Expenses remain stable from year to year but do carryover into different budget years due to one session of the class being in June and the other session in July.
- The District eliminated the transfer to this fund for it to be self-supporting in 2009-10.
- The revenue for this fund consists of the carryover balance and student-paid driver’s education fees (\$240/student) as well as \$9,750 state safety aid (\$130/student).
- The enrollment for the 2019-20 budget is based on 75 students.
- FY 20 proposed budget amount includes the carryover balance for this fund. District does not plan to expend the carryover balance but must have the budget authority to do so if necessary.

024 – Food Service

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
925,120	1,429,704	1,319,365	(110,339)	(7.7%)

- The transfer to this fund was eliminated for 2010-11 and the program has been self-supporting since that time. This transfer had been as high as \$70,000 in the past.
- Food Service Revenue Summary: Meal Sales (\$551,187), State school food assistance (\$6,956), Federal Child Nutrition Programs (\$387,693), and Interest (\$1,000)
- Food Service Expense Summary: Salaries & Benefits \$572,700 (44%), Food & Supplies/Other \$374,136 (28%), Fund Balance \$372,529 (28%)
- District meal prices for 2019-20 are increasing \$0.10 for lunches. Breakfast prices are not increasing for students (Adult breakfast increasing \$0.05).
- Following is a summary of the meal reimbursement rates, number of meals served, and meal prices:

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Federal Reimbursement Rate (per meal)	.5725	.5875	.5875	.5900	.6025	.6025
State Reimbursement Rate (per meal)	.0400	.0400	.0400	.0400	.0400	.0400
Lunches Served (prior year)	223,180 (2013-14)	226,521 (2014-15)	214,279 (2015-16)	209,473 (2016-17)	200,117 (2017-18)	181,373 (2018-19)
Breakfasts Served (prior year)	53,874 (2013-14)	61,229 (2014-15)	56,909 (2015-16)	58,776 (2016-17)	58,854 (2017-18)	50,207 (2018-19)
Total Meals Served	277,054 (2013-14)	287,750 (2014-15)	271,188 (2015-16)	268,249 (2016-17)	258,971 (2017-18)	231,580 (2018-19)
Lunch Price (elementary/middle school/high school)	\$2.60 / \$2.65 / \$2.75	\$2.65 / \$2.70 / \$2.80	\$2.65 / \$2.70 / \$2.80	\$2.65 / \$2.70 / \$2.80	\$2.65 / \$2.70 / \$2.80	\$2.75 / \$2.80 / \$2.90
Breakfast Price (K-5/6-12)	\$1.90 / \$1.95	\$1.95 / \$2.00	\$1.95 / \$2.00	\$1.95 / \$2.00	\$1.95 / \$2.00	\$1.95 / \$2.00

- FY 20 proposed budget amount includes the carryover balance for this fund. District does not plan to expend the carryover balance but must have the budget authority to do so if necessary.

026 – Professional Development

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
32,475	208,112	212,384	4,272	2.1%

- Professional development activities are funded via transfer and state aid in the amount of \$6,250.
- The budgeted transfer amount for 2019-20 is \$50,000 from General Fund.
- FY 20 proposed budget amount includes the carryover balance for this fund. District does not plan to expend the carryover balance but must have the budget authority to do so if necessary.

028 – Parent Education

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
283,342	292,881	332,912	40,031	13.7%

- The District is the sponsoring district for several area school districts’ Parents As Teachers programs, including Central Heights, Prairie View, Osawatomie, Louisburg, Jayhawk Linn, and Paola. USD #368’s anticipated portion of the budget after state aid is \$30,000 for 2019-20. This is increased from \$26,340 in 2018-19. The district is required to match 65% of the state aid.
- This fund remains stable unless additional children are added to the program.
- Hosting this consortium does not impact our mill levy. Each district contributes according to the services provided to them. However, the additional expenses from the consortium overstate our overall budget and expenses per pupil. This is like the Adult Education consortium and the Special Education Cooperative which the Paola district also hosts.
- FY 20 proposed budget amount includes the carryover balance for this fund. District does not plan to expend the carryover balance but must have the budget authority to do so if necessary.

030 – Special Education

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
3,620,722	4,430,851	4,604,992	174,141	3.9%

- Money for Special Education is transferred into this fund to help operate special education programs for the first 3.5 months of the fiscal year. The state does not provide any aid for special education until at least October 15 of each year. The carryover balance in this fund is needed in order to operate for the first 3.5 months of the fiscal year.
- Special Education categorical aid funding is figured on a per teacher basis, not a per student basis method used for regular education funding. The funding amount based on the number of teachers is then divided by the BSAPP to arrive at an FTE.
- Categorical aid per teacher for 2018-19 was \$30,085 and is estimated to be \$29,800 for 2019-20.
- The special education FTE results in a \$2,655,111 transfer from General Fund to Special Education and a LOB transfer of \$1,299,881.
- This fund includes expenditures for Coop payments/USD 368 assessments (\$1,299,881), special education contracted transportation (\$626,600), pass through of USD 368 special education entitlement aid to the Coop (\$1,830,303), Greenbush Special Education flow through state aid (\$309,208) Salaries for special education teacher substitutes (\$38,000), and Misc. (\$501,000).
- FY 20 proposed budget amount includes the carryover balance for this fund. District does not plan to expend the carryover balance but must have the budget authority to do so if necessary.

034 – Vocational Education

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
661,319	1,100,564	1,275,137	174,573	15.9%

- This fund includes salary and course expenditures for approved district vocational programs, including business education, vo-ag, family and consumer science (FACS), trade/industry, and journalism. Carl Perkins grant revenue is also included in this fund for three districts (\$42,738).
- USD #368 administers the Carl Perkins grant for Osawatomie, Louisburg, and Paola (USD 368’s share is \$17,717)
- FY 20 proposed budget amount includes the carryover balance for this fund. District does not plan to expend the carryover balance but must have the budget authority to do so if necessary.

035 – Gifts and Grants

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
44,087	179,287	212,318	33,031	18.4%

- This fund represents charitable grants or gifts provided to the District. Contributions each year are typically spent in the year received.
- Revenue & Expense Summary:

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue	\$35,889	\$39,969	\$44,478	\$45,049	\$59,764	\$54,570	\$56,920	\$59,482	\$104,633	\$72,118
Expense	\$22,322	\$37,155	\$33,798	\$37,379	\$57,478	\$52,588	\$53,640	\$48,197	\$90,117	\$44,087

- Budget for FY 20 is the ending balance of \$125,318 plus estimated revenue of \$87,000.
- FY 20 proposed budget amount includes the carryover balance for this fund. District does not plan to expend the carryover balance but must have the budget authority to do so if necessary.

047 – Special Reserve Fund (Health Insurance)

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
3,209,499	0	0	0	0

- USD #368 is semi self-insured utilizing a third-party claims administrator, insurance broker, and stop loss (re-insurance) carrier.
- Following is a summary of the health insurance fund:

	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual
Beginning Balance	\$532,210	\$793,230	\$1,260,852	\$1,042,338	\$1,000,826	\$1,380,426	\$1,231,717	\$736,961
Revenue	\$1,787,589	\$1,854,260	\$1,898,349	\$1,930,699	\$2,040,775	\$2,249,262	\$2,264,260	\$3,037,890
Expenses	\$1,526,569	\$1,386,638	\$2,116,863	\$1,972,211	\$1,661,175	\$2,397,971	\$2,759,016	\$3,209,499
Ending Balance	\$793,230	\$1,260,852	\$1,042,338	\$1,000,826	\$1,380,426	\$1,231,717	\$736,961	\$565,352
Stop Loss (per person)	\$75,000	\$75,000	\$85,000	\$85,000	\$85,000	\$85,000	\$95,000	\$110,000

- During 2018-19, expenses exceeded revenue, resulting in a reserve balance decrease of -\$171,609.
- Actual expenses only are reported for this fund, therefore, there are no budgeted amounts shown.
- For 2019-20, the stop loss (per person) specific deductible will be \$110,000.
- The maximum payment for 2019-20 per the stop loss re-insurance policy is \$4,350,730.
- Based on the increased district (employer) and employee contributions, the total estimated revenue for 2019-20 is \$3,283,380.
- The difference between the projected revenue and the maximum expenses leaves a liability of \$1,067,350.
- Original contingency funds of \$345,800 were earmarked for the health insurance fund. In 2018-19, \$147,374 from contingency was used for health insurance, leaving \$198,426 of the original amount for health insurance.
- The health reserve fund of \$565,352 plus the \$996,626 district contingency funds will be used for any shortfall up to the \$1,067,350 max liability.

051 – KPERS Contribution Fund

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
1,485,924	3,737,198	4,548,785	811,587	21.7%

- This is a pass-through fund to show State financial support of KPERS payments.
- District normally receives four quarterly KPERS payments. However, past payments have been deferred resulting in fluctuations to the fund expenses.
- Budget includes the estimated increase in the KPERS state rate (est. 144.9%) and any additional change based on salary increases or staff changes (25% cushion).
- USD #368 did not receive a 3rd quarter KPERS payment in 2018-19 (35 districts across the state did not receive this payment due to appropriation limitations) and no district received their 4th quarter payment (there are expenditure per pupil impacts for both of these items).

053 – Contingency Reserve

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
147,374	0	0	0	0

- The contingency reserve fund may be used for emergency or unanticipated expenditures.
- The current balance is \$996,626 (had been \$1,144,000 before \$147,374 transfer for health insurance expenses)
- Original contingency funds of \$345,800 were earmarked for the health insurance fund. In 2018-19, \$147,374 from contingency was used for health insurance, leaving \$198,426 of the original amount for health insurance.

055 – Student Materials Revolving

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
320,736	0	0	0	0

- Revenues are generated by student enrollment fees and were \$155,298 in 2018-19. These fees support textbook purchases, workbooks, some required classroom materials and replacement textbooks as well as Chromebook maintenance and rotation.
- Actual expenses only are reported for this fund, therefore, there are no budgeted amounts shown.
- In 2018-19, \$202,867 was spent on technology related supplies, including the purchase of additional Chromebooks.
- Upcoming K-12 textbook replacement initiatives will increase the expenses in this fund by based on planned textbook replacement schedule.

056 – Activity Fund

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
210,923	0	0	0	0

- This was a new budget reporting fund beginning in 2010-11. Reporting is of actual expenses only – no budgeted figures for 2019-20 included.
- Expenses reflect PHS and PMS expenses as defined by statutory requirements.
- The term “activities” means activities, events, and competitions in such fields as athletics, music, forensics, and dramatics, and other interschool or intra-school extracurricular activities in which pupils may participate directly or indirectly. Does not include student organizations or clubs (only district funds).
- Majority of expenses are supplies, officials/referees, and equipment.

• Activity Fund Summary:

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue	\$197,223	\$228,165	\$222,421	\$235,750	\$221,740	\$202,016	\$211,367	\$214,299	\$216,079
Expenses	\$198,288	\$175,287	\$169,882	\$251,606	\$234,501	\$201,961	\$214,162	\$208,149	\$210,923

062 – Bond and Interest

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
2,204,434	2,204,434	2,196,512	(7,922)	(.36%)

- Revenue in this fund is generated by a mill levy and is available for payment of bond principal and interest.
- The proposed levy for this fund is 10.886 mills.
- The budgeted amount is necessary to meet the bond repayment schedule for the next 18 months.

	<u>2011-12</u> Actual	<u>2012-13</u> Actual	<u>2013-14</u> Actual	<u>2014-15</u> Actual	<u>2015-16</u> Actual	<u>2016-17</u> Actual	<u>2017-18</u> Actual	<u>2018-19</u> Budget	<u>2019-20</u> Budget
Expenditures (pmts)	\$2,484,390	\$2,439,577	\$1,536,136	\$2,192,765	\$2,950,743	\$2,739,714	\$1,769,032	\$2,204,434	\$2,196,512
State aid factor (%)	19%	21%	24%	25%	27%	31%	32%	32%	30%
State aid (\$)	\$472,034	\$512,311	\$368,673	\$548,191	\$796,701	\$849,311	\$566,090	\$705,419	\$658,954
Outstanding Debt	\$11,570,000	\$10,000,000	\$7,860,000	\$23,550,000	\$22,030,000	\$19,835,000	\$18,365,000	\$17,145,000	\$15,470,000
Mill Levy	13.262	12.344	11.117	11.128	9.034	13.78	10.447	11.924	10.886

- Assessed valuation changes impact the bond & interest state aid percentage.

067 – Special Assessment

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
0	26,418	26,427	9	.03%

- The levy for this fund was previously eliminated at which time the cash balance in this fund was \$29,107.
- Expenses in 2013-14 were made for the installation of sidewalks (8-foot asphalt trails) along Hedge Lane on the East side of PHS and Sunflower and along the Adult Education property. USD #368 was assessed for the cost of the sidewalk installation of \$28,830.
- The mill levy was reinstated in 2014-15 to fund crosswalk safety enhancements planned by the City of Paola (\$7,050).
- No revenue will be levied for 2019-20.
- Any remaining cash balance will be used for future special assessments due.
- FY 20 proposed budget amount includes the carryover balance for this fund. District does not plan to expend the carryover balance but must have the budget authority to do so if necessary.

078 – Coop Special Education

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
16,071,549	17,181,366	18,391,890	1,210,524	7.0%

- The District is the sponsoring district of the East Central Kansas Special Education Cooperative for seven other area school districts (Central Heights, Garnett, Jayhawk, Louisburg, Osawatomie, Paola, Pleasanton, and Prairie View).
- Coop Revenue Comparison (budgeted):

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Interest	\$20,000	\$10,000	\$10,000	\$10,000	\$10,000	\$15,000	\$25,000	\$30,000
Payments from participating school districts	\$8,649,854	\$9,000,797	\$8,598,306	\$8,712,439	\$8,886,387	\$9,437,118	\$9,961,987	\$10,960,635
Payments from USD #368	\$2,146,391	\$2,684,236	\$2,700,276	\$2,579,322	\$2,617,973	\$2,578,823	\$3,048,765	\$3,130,184
Federal aid/Medicaid	\$2,122,672	\$2,149,025	\$2,141,558	\$2,169,997	\$2,200,823	\$2,273,940	\$2,288,528	\$2,296,863
Greenbush state aid flow through & Miscellaneous	\$365,000	\$243,700	\$450,661	\$760,000	\$779,888	\$780,874	\$857,086	\$974,208
TOTAL REVENUE:	\$13,303,917	\$14,087,758	\$13,900,801	\$14,231,758	\$14,495,071	\$15,085,755	\$16,181,366	\$17,391,890

- Sponsoring the special education coop does not impact our mill levy. Each district contributes according to the services provided to them. However, the additional expenses from the special education coop overstate our overall budget and expenses per pupil. This is like the Parents As Teachers consortium and the Adult Education consortium which the Paola district also hosts.
- FY 20 proposed budget amount includes the carryover balance for this fund. District does not plan to expend the carryover balance but must have the budget authority to do so if necessary.

TOTAL EXPENDITURES & BUDGET AUTHORITY:

FY 19 Actual	FY 19 Budget	FY 20 Proposed Budget	\$ Difference	% Difference
51,929,549	56,579,024	58,804,129	2,225,105	3.9%

- As noted, the FY 20 proposed budget amounts include the carryover balance for most funds. District does not plan to completely expend the carryover balances but must have the budget authority to do so if necessary. As the Notice of Hearing states, the expenditures establish the maximum limits of the 2019-20 Budget.
- To illustrate this, the 2018-19 proposed budget was \$56,579,024 and the actual expenditures were \$51,929,549, a difference of \$4,649,475 less than the published budget amount. FY 20 actual expenditures will most likely be less than the published budget of \$58,804,129 as the fund balances are not expected to be completely expended.
- Estimated FY 20 net expenditures are \$52,698,024 after budgeted transfers of \$6,106,105.

Summary:

- Following is a summary of the mill levy history:

	<u>2013-14</u> <u>(actual)</u>	<u>2014-15</u> <u>(actual)</u>	<u>2015-16</u> <u>(actual)</u>	<u>2016-17</u> <u>(actual)</u>	<u>2017-18</u> <u>(actual)</u>	<u>2018-19</u> <u>(actual)</u>	<u>2019-20</u> <u>(projected)</u>
General Fund	20.000	20.000	20.000	20.000	20.000	20.000	20.000
Supplemental General (LOB)	19.150	14.952	21.606	14.830	17.119	14.598	14.143
Capital Outlay	8.000	8.000	8.000	7.992	7.996	8.000	8.000
Bond and Interest	11.117	11.128	9.034	13.780	10.442	11.931	10.886
Special Assessment	0.000	0.213	0.000	0.000	0.000	0.000	0.000
Total Mill Levy	58.267	54.293	58.64	56.602	55.557	54.529	53.029
Change from prior year	.0080 increase	3.974 decrease	4.347 increase	2.038 decrease	1.045 decrease	1.028 decrease	1.5 decrease
Total Taxes Levied	\$7,295,645	\$6,814,496	\$7,531,319	\$7,435,839	\$7,637,034	\$7,956,501	\$8,278,544

- The proposed budget is the maximum amount which can be adopted should the hearing notice be approved for publication.
- The estimated tax rate (mill levy) is subject to slight change depending on final assessed valuation.
- Budget hearing will be held at the August 12th Board of Education meeting at 7 PM.

Questions:

- Questions should be directed to Jimmy Hay, USD #368 Director of Finance at 913-294-8090 or via email to jimmy_hay@usd368.org.
- Complete budget information is available on the USD #368 district website.

