



Paola USD #368

2021-22 Budget Presentation

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2021-22 Budget Documents

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General Fund

- Mill levy set by State at 20 mills
- Funds are transferred to numerous programs and funds (PD, Virtual, At-Risk, Bilingual, Special Education, etc.) based on weightings.
- Funding Formula: Base State Aid Per Pupil (BSAPP) x Weighted Enrollment = General Fund Budget



Base State Aid Per Pupil - History

- 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	+3.6%	\$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
FY '21 (2020-21)	\$4,569	+\$133	3.0%	\$14,077,226
FY '22 (2021-22)	\$4,706	+\$137	3.0%	\$14,319,640
TOTAL CHANGE:		+\$273	6.16%	+\$242,414 (1.72%)

- From FY '09 to FY '21, the BSAPP increased \$273 (6.16%). BSAPP is not reflected in FY 16 & 17 due to block grant funding.
- Local Option Budget is also calculated using a BSAPP of \$4,706 plus the current year special ed state aid (excluding virtual state aid).



Base State Aid Per Pupil - Future

- Future Base State Aid increases per the current school finance legislation:

■ <u>Fiscal Year</u>	<u>BSAPP</u>	<u>Increase</u>	<u>%</u>
■ 2020-21	\$4,569	\$133	3%
■ 2021-22	\$4,706	\$137	3%
■ 2022-23	\$4,846	\$140	3%
■ 2023-24	TBD	CPI %	TBD



General Fund – Enrollment

- 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)	1,933.4
FY '20 (2019-20)	1,911.1
FY '21 (2020-21)	1,677.8
FY '22 (2021-22)	1,772.0 (projected)

- FTE Enrollment is calculated using the higher of:
 - 2019-20 Audited enrollment (excluding 4-year-old at risk & virtual students) 1,911.1
 - 2020-21 Audited enrollment (excluding 4-year-old at risk & virtual students) 1,677.8
 - The 2021-22 budget is based on the higher of the two which is 1,911.1 FTE (2019-20 FTE).**

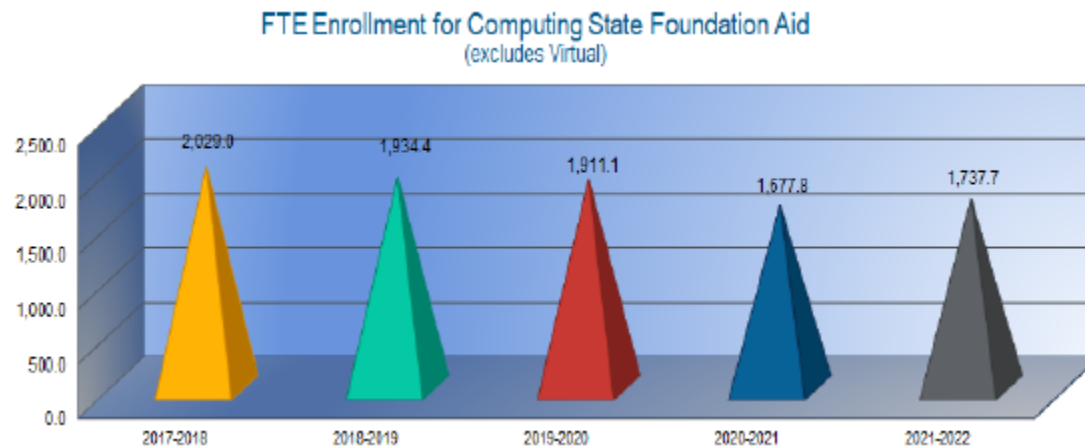


General Fund – another (smaller) cliff?

- FTE Enrollment is calculated using the higher of:
 - 2019-20 Audited enrollment (excluding 4-year-old at risk & virtual students) 1,911.1
 - 2020-21 Audited enrollment (excluding 4-year-old at risk & virtual students) 1,677.8
 - **The 2021-22 budget is based on the higher of the two which is 1,911.1 FTE (2019-20 FTE).**
- For fiscal year 2022-23, the district could see an additional budget decrease if enrollment declines again. This would result in a decline of General Fund budget based on the overall enrollment decrease.



Enrollment Chart:



KASB Enrollment Projections (2019-20)

- Projections for 2020-21 through 2024-25:
 - Total Enrollment will decline from 499,331 in 2019-20 to 487,655 in 2024-25 (2.3% decline)
 - No notable change in ELL/bilingual, free or reduced price lunch, or special education.
 - Birth rates have declined 13% in the past decade.
 - Enrollment by grade level shows a notable decrease in lower grades, making a continued decline in enrollment past 2024-25 likely.



Paola Planning 2050

- Miami County Republic, 6/30/21:
 - City of Paola comprehensive plan update
 - Need for more affordable housing
 - Population growth estimates:
 - Mid-range growth estimate shows growth from 5,611 residents (current) to 8,400 (in 2050).
 - That equates to a 49.5% population growth over 30 years or 1.65% per year.



General Fund – Weighted FTE

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

Weighting	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Enrollment (<i>Sept 20th</i>)	Block Grant	Block Grant	2,009.5	2,029.0	2,029.00	1,933.4	1,911.1
Enrollment used	Block Grant	Block Grant	Average	Prior Year	2 nd preceding	2 nd preceding	2 nd preceding
High Enrollment	N/A	N/A	70.4	71.1	71.1	67.7	67.0
Bilingual Education (<i>hours</i>)	N/A	N/A	2.0	5.6	5.6	5.6	5.6
Vocational Education (<i>hours</i>)	N/A	N/A	39.7	37.5	44.2	44.2	45.8
At-Risk (<i>free lunch</i>) .484 FTE	N/A	N/A	284.1	290.4	290.4	242.0	242.0
Non-Proficient (<i>testing</i>)	N/A	N/A	0	0	0	0	0
New Facilities	0	32.9	37.5	0	0	0	0
Transportation (>2.5 <i>miles</i>)	N/A	N/A	155.7	150.0	150.8	134.5	124.8
Special Education	N/A	N/A	529.3	625.1	598.5	620.8	540.3
FHSU Math & Science Academy	N/A	N/A	0	0	0	0	0
TOTAL WEIGHTED FTE:	N/A	N/A	3,128.2	3,208.7	3,189.6	3,048.2	2,936.6
x BSAPP	N/A	N/A	\$4,006	\$4,165	\$4,436	\$4,569	\$4,706
= GENERAL FUND	\$15,657,287	\$14,334,082	\$12,531,569	\$13,364,236	\$14,149,066	\$13,927,226	\$13,819,640
Virtual State Aid			\$50,000	\$75,000	\$75,000	\$150,000	\$500,000
TOTAL GEN FUND			\$12,581,569	\$13,439,236	\$14,224,066	\$14,077,226	\$14,319,640



General Fund - Summary

- General Fund Revenue Summary:

▪ General State Aid	\$11,777,102
▪ Special Education Aid	<u>\$2,542,538</u>
▪ Total	\$14,319,640

- General Fund Expense Summary:

▪ Salaries/Benefits	\$9,044,399	63%
▪ Transfers	\$4,181,390	29%
▪ Transportation	\$700,000	5%
▪ Supplies/Misc.	<u>\$393,851</u>	<u>3%</u>
▪ Total	\$14,319,640	100%

- General Fund Transfers:

▪ Bilingual	\$0
▪ Virtual Education	\$500,000
▪ Professional Development	\$0
▪ Special Education	\$2,542,538
▪ At-Risk	<u>\$1,138,852</u>
▪ Total	\$4,181,390



General Fund – Assessed Value

- 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%
2020	\$168,704,299	\$8,735,040	5.46%
2021	\$183,296,779	\$14,592,480	8.65%
TOTAL:		\$49,864,266	37.7%

- Average Tax Delinquency Percentage for Miami County:

Miami County							
Year	2019	2018	2017	2016	2015	2014	2013
Delinquency	0.62%	0.81%	0.69%	0.80%	0.73%	1.28%	1.23%

- The delinquent tax rate used for the 2021-22 budget is 4%.



Assessed Valuation Trend



General Fund Comparison

2020-21 GENERAL FUND (ACTUAL)

■ Misc. & Reimb.	\$99,876
■ State Aid	\$11,299,058
■ Special Ed Aid	\$2,185,476
■ TOTAL:	\$13,584,410

2021-22 GENERAL FUND (BUDGET)

■ Misc. & Reimb.	\$0
■ State Aid	\$11,777,102
■ Special Ed Aid	\$2,542,538
■ TOTAL:	\$14,319,640

- Increase +\$478,044 State Aid
(\$350,000 due to virtual state aid
projections; net increase \$128,044)



Supplemental General (LOB)

08 – Supplemental General (Local Option Budget)

FY 21 Actual	FY 21 Budget	FY 22 Proposed Budget	\$ Difference	% Difference
4,356,449	4,627,286	4,560,444	(66,842)	(1.4%)

- Supplemental General's ("LOB") balance of \$395,557 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 2021-22). The balance is carried over to reduce the succeeding year's property tax.
- The LOB was calculated by using the BSAPP of \$4,706 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 2021-22 is 12.532 mills, a decrease of .621 mills.



Supplemental General (LOB) – Summary

- Supplemental General (LOB) Fund Revenue Summary:

▪ Balance	\$395,557	9%
▪ Local	\$2,309,040	51%
▪ State	<u>\$1,855,847</u>	40%
▪ TOTAL:	\$4,560,444	100%

- Supplemental General (LOB) Fund Expense Summary:

▪ Transfers	\$2,396,212	52.5%
▪ Contracted transportation & fuel	\$85,000	1.8%
▪ Electricity/Heating	\$744,000	16.3%
▪ Maintenance salaries	\$312,750	7.0%
▪ Insurance	\$260,000	5.7%
▪ Repairs/Maintenance/Cleaning	\$151,000	3.3%
▪ Water	\$76,500	1.7%
▪ Textbooks	\$125,000	2.7%
▪ Technology	\$110,000	2.4%
▪ Remaining LOB expenses	<u>\$299,982</u>	6.6%
▪ TOTAL:	\$4,560,444	100.0%

- Transfers from LOB include: Bilingual (\$8,665), Parents As Teachers (\$30,000), Special Education (\$1,244,867), Vocational Education (\$736,899), and At- Risk (\$375,781).



Supplemental General (LOB) Comparison

2020-21 LOB REVENUE (ACTUAL)

■ Balance	\$333,365
■ Local Tax	\$2,562,794
■ State Aid	<u>\$1,855,847</u>
■ TOTAL:	\$4,752,006

2021-22 LOB REVENUE (BUDGET)

■ Balance	\$395,557
■ Local Tax	\$2,435,111
■ State Aid	<u>\$1,729,776</u>
■ TOTAL:	\$4,560,444
■ LOB decrease	-\$191,562



Increased Operational Costs:

- Following are some of the estimated increased expenses for 2021-22:
 - Salaries (approx. \$200k)
 - Benefits (Health Insurance) ~approx. \$100k
 - Bus Contract 7.5%
 - Other Expenses/Inflationary Increases (LOB: 3% = ~\$150k)
 - Building maintenance & upkeep of facilities
 - COVID-19 related expenses



Operational Costs – COVID-19:

- Possible additional expenses will be incurred for the safe reopening of school (2020-21 info):
 - Additional supplies (paper towels, soap, sanitizer, etc.)
 - Additional PPE (masks, face shields, safety glasses, etc.)
 - Additional cleaning of buildings
 - Additional nursing staff (RN & Health Aid)
 - Additional technology for temperature screening
 - Others?



KASB Estimates – COVID-19:

- Kansas Association of School Boards (KASB) estimates school districts may spend an additional **\$490 per student** in order to cover costs associated with safely re-opening.

(Twitter, KASB – Topeka, 6/30/2020)

- USD 368: $\$490/\text{student} \times 2,000 \text{ students} = \$980,000$
- (info is from 2020-21)



ASBO & ASSA Estimates – COVID-19

WHAT WILL IT COST TO REOPEN SCHOOLS?

This document estimates some of the expenses school districts may incur in response to the COVID-19 pandemic and as they plan to reopen for the 2020-2021 school year. These calculations assume the statistics of an average* school district with 3,659 students, 8 school buildings, 183 classrooms, 329 staff members, and 40 school buses (transporting at 25% capacity, or 915 students, to comply with recommended social distancing guidelines).



ADHERING TO HEALTH MONITORING & CLEANING/ DISINFECTING PROTOCOLS

Hand sanitizers for students in classrooms
\$39,517

Disinfectant wipes for classrooms
(four/day per classroom)
\$16,833

No-touch thermometer
(one per school)
\$640

Oximeter
(one per school)
\$360

Electrostatic disinfectant sprayers
\$33,600

Deep cleaning of school after a confirmed case
\$26,000



HIRING STAFF TO IMPLEMENT HEALTH & SAFETY PROTOCOLS

Additional custodial staff for increased cleaning/disinfecting of schools and buses to prevent spread
\$448,000

Ensuring at least one FT/PT nurse in every public school
\$400,000

Ensuring one aide per bus to screen student temperatures before boarding
\$384,000



PROVIDING PERSONAL PROTECTIVE EQUIPMENT (PPE)

Gloves for custodial staff
(five pairs/day for two custodians per school)
\$1,440

Daily disposable masks for in-school staff
\$44,415

Disposable masks for students who do not bring masks from home
(est. 30% of students)
\$148,190



PROVIDING TRANSPORTATION & CHILD CARE

Resume before/after school childcare programs
(with social distancing and cleaning protocols)
\$168,750

Fog machines and cleaner for buses
(7 machines)
\$55,860

Hand sanitizer for buses
\$10,534

TOTAL ADDITIONAL EXPENSES AN AVERAGE* DISTRICT MAY INCUR TO REOPEN: \$1,778,139

*Costs will vary by district depending on many factors, including regional/market price as economy of scale (i.e., larger districts may have access to lower unit costs because they can buy in higher volumes), and the availability of labor and goods necessary to comply with recommended social distancing and cleaning protocols. Model assumes 25% transportation capacity to adhere to social distancing guidelines. (Bus fleets would need to quadruple in size to safely transport 100% of students under COVID-19 circumstances, which is financially unfeasible for districts.)

This list of costs is not intended to be exhaustive but illustrates how the overall cost of school operations will substantially increase to safely reopen as a direct result of the COVID-19 pandemic. For more information on the impact of the COVID-19 pandemic on K-12 education, please contact ASBO International & ASSA.



External References:

*Now What? Navigating K-12 Reopening, A Collaborative Planning Process? National Council on School Facilities, Working Document, May 2020

"School Bus Driver Pay Rises as Shortage Worsens," *Transportation*, School Bus Fleet Magazine, November 2018

"Total School Districts, Student Enrollment by State and Metro Area," *Governing*, The Future of States and Localities, eRepublic, Accessed June 2020



ESSER Funding – COVID-19:

- Funding for COVID-19 expenses:
 - ESSER (Elementary and Secondary Schools Emergency Relief)
 - 2020-21: ESSER I funding (Sept 2022) - \$733,464
 - 2021-22: ESSER II funding (Sept 2023) - \$1,150,333
 - Future: ESSER III funding (Sept 2024) - \$2,585,305
 - Included in Federal Funds (Code 07)



Funding Expenses - 2021-22

- Fund balances will be used if 2021-22 projected expenses exceed projected revenue.
- Fund balances will decline as planned.
- Cash balances can only be spent once.
- USD #368 is at the maximum for Operating funds – 33% LOB, 8 mills Capital Outlay.
- Federal ESSER funds will end Sept 2024. Revenue and expense must reconcile.



Budget-opoly Review (Nov 2019):

CASH BALANCES



OOPS! WILD CARD!

?
1 FTE exception = \$4,569/\$6,780
3 FTE exceptions = \$13,707/\$20,340
5 FTE exceptions = \$22,845/\$33,900

AUDIT EXCEPTION

State audit has determined that students

BUSING (CONTRACT)



The bus contract extension has a 3% cost increase for 2020-21. Based on 2018-19 expenditures, the additional cost to the General Fund would be \$45,339. The total cost will be

STATE AID INCREASE



State aid for 2021-2021 is set to increase by \$133 to \$4,569. Based on our weighted enrollment of 2,439.8. (less special ed), additional funding would be \$334,252.

DECLINING ENROLLMENT



District enrollment is declining. The budget impact of declining enrollment is as follows:

Loss of 89 students FTE x \$4,569 =
\$406,641

SPECIAL EDUCATION

Cash balances are best used for one-time, non-recurring expenses. As of 6/30/19, the Special Ed cash balance was **\$2,302,251**.

AMOUNT OF CASH BALANCE TO SPEND: _____

HEALTH INSURANCE



HEALTH INSURANCE

For 2019-2020, the potential health insurance unfunded liability for the district could reach as high as \$1,067,350.

INFLATION



Operational costs & utilities increase each year. Using an estimated inflation factor of 2.5%, the projected operational expenses (based on the 2019-2020 Local Option Budget of \$4,773,584) would be approximately \$119,339.

OOPS! WILD CARD!



HEALTH INSURANCE

Health Insurance Claims are higher than projected. For 2019-20, the potential health insurance unfunded liability for the district could reach as high as **\$1,067,350**.

CASH BALANCES



AT RISK (K-12)

Cash balances are best used for one-time, non-recurring expenses. As of 6/30/19, the At-Risk cash balance was **\$785,712**.

AMOUNT OF CASH BALANCE TO SPEND: \$ _____

Other Funds

(levied funds in blue)

2020-21 Budget:

■ Federal Funds	\$418,489
■ Adult Education	\$269,189
■ Adult Ed Suppl.	\$92,337
■ At-Risk	\$1,605,698
■ Bilingual	\$57,573
■ Virtual (republished)	\$165,100
■ Capital Outlay	\$3,969,209
■ Driver Training	\$68,817
■ Food Service	\$1,055,722
■ Professional Dev.	\$210,110
■ Parent Education	\$340,345
■ Special Education	\$4,781,417

2021-22 Budget:

■ Federal Funds	\$1,329,623
■ Adult Education	\$261,562
■ Adult Ed Suppl.	\$91,131
■ At-Risk	\$2,014,633
■ Bilingual	\$40,652
■ Virtual	\$697,380
■ Capital Outlay	\$4,042,939
■ Driver Training	\$75,828
■ Food Service	\$1,209,574
■ Professional Dev.	\$123,048
■ Parent Education	\$381,052
■ Special Education	\$4,494,722



Other Funds, cont. (levied funds in blue)

2020-21 Budget:

■ Vocational Education	\$1,274,602
■ Gifts & Grants	\$238,641
■ Special Reserve	\$0
■ KPERS	\$4,636,348
■ Contingency Reserve	\$0
■ Student Materials	\$0
■ Activity Fund	\$0
■ Bond & Interest	\$2,196,062
■ Special Assessment	\$26,435
■ Special Ed Coop	\$19,149,345

2021-22 Budget:

■ Vocational Education	\$1,284,729
■ Gifts & Grants	\$277,634
■ Special Reserve	\$0
■ KPERS	\$4,474,097
■ Contingency Reserve	\$0
■ Student Materials	\$0
■ Activity Fund	\$0
■ Bond & Interest	\$2,197,137
■ Special Assessment	\$26,435
■ Special Ed Coop	\$19,435,093



At-Risk (potential impact by decreased enrollment)

013 – At Risk

FY 21 Actual	FY 21 Budget	FY 22 Proposed Budget	\$ Difference	% Difference
981,759	1,605,698	2,014,633	408,935	25.5%

- At-Risk funds are transferred from the General Fund (\$1,138,852) and LOB (\$375,781). 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 2021-22 is based on the following:

Estimated students eligible for free lunches (500 students)	<u>FTE</u> 500 students x .484 weighting = 242.0 x \$4,706 = \$1,138,852
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- In 2021-22, due to the mandatory General Fund and LOB transfers, the revenue for fund of \$1,514,633 exceeds the allowable expenses of \$1,138,852 by \$375,781 which is the reason for the overall budget increase compared to FY21.**
- 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	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21*	2021-22†
Students eligible for free lunches	645	589	618	618	563	587	600	600	500	500
Free Lunch Percentage	32.47%	30.0%	32.1%	31.6%	29.1%	30.1%	29.2%	30.6%	25.8%	28.2%

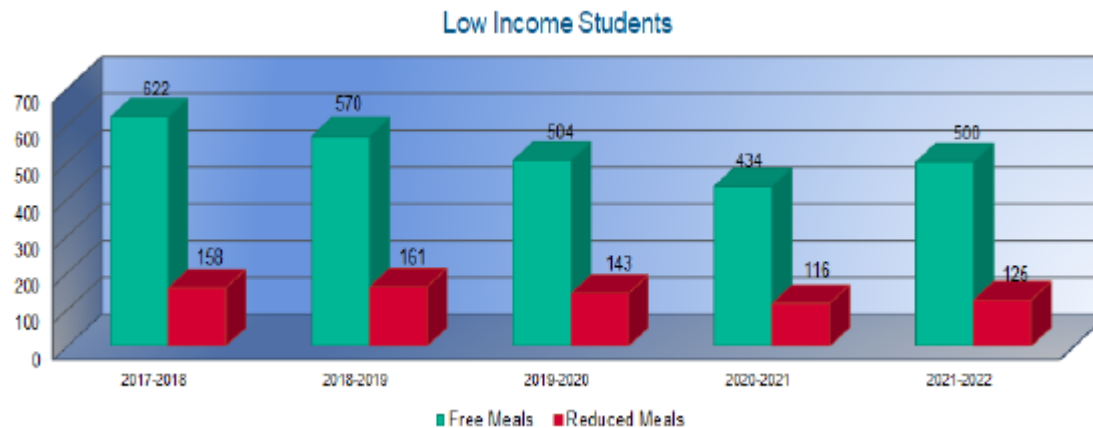
*For 2020-21, free lunch students estimated at 500, Percent calculated using 20-21 projected enrollment of 1,937. Actual March 2020 count was 439 students.

†For 2021-22, free lunch students estimated at 500, Percent calculated using 21-22 projected enrollment of 1,772.

- FY 22 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.



Free & Reduced Meal Trends



Special Education

030 – Special Education

FY 21 Actual	FY 21 Budget	FY 22 Proposed Budget	\$ Difference	% Difference
3,766,449	4,781,417	4,494,722	(286,695)	(6.0%)

- Funds for Special Education are 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 2020-21 was \$31,465 and is estimated to be \$30,085 for 2021-22.
- The special education FTE results in a \$2,542,538 transfer from General Fund to Special Education and a LOB transfer of \$1,244,867.
- ESSER II funds of \$57,317 are also budgeted for 2021-22. ESSER I funds of \$38,018 were received in fiscal year 2020-21.
- This fund includes expenditures for Coop payments/USD 368 assessments (\$1,244,867), special education contracted transportation (\$683,117), mileage/fuel transportation expenses (\$23,000) pass through of USD 368 special education entitlement aid to the Coop (\$1,818,203), Greenbush Special Education flow through state aid (\$189,535) Salaries for special education teacher substitutes (\$35,000), and Misc. (\$501,000).
- FY 22 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.



Special Reserve Fund – Health Insurance

047 – Special Reserve Fund (Health Insurance)

FY 21 Actual	FY 21 Budget	FY 22 Proposed Budget	\$ Difference	% Difference
3,372,007	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:

	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual
Beginning Balance	\$1,260,852	\$1,042,338	\$1,000,826	\$1,380,426	\$1,231,717	\$736,961	\$565,353	\$676,419
Revenue	\$1,898,349	\$1,930,699	\$2,040,775	\$2,249,262	\$2,264,260	\$3,037,890	\$2,843,439	\$3,316,299
Expenses	\$2,116,863	\$1,972,211	\$1,661,175	\$2,397,971	\$2,759,016	\$3,209,499	\$2,732,373	\$3,372,007
Ending Balance	\$1,042,338	\$1,000,826	\$1,380,426	\$1,231,717	\$736,961	\$565,353	\$676,419	\$620,711
Stop Loss (per person)	\$85,000	\$85,000	\$85,000	\$85,000	\$95,000	\$110,000	\$110,000	\$110,000

- During 2020-21, expenses exceeded revenues, resulting in a reserve balance decrease of \$55,708.
- Actual expenses only are reported for this fund, therefore, there are no budgeted amounts shown.



Special Reserve Fund – Health Insurance, continued.

- For 2021-22, the stop loss (per person) specific deductible will be \$110,000 (unchanged since 2018-19).
- The maximum payment for 2021-22 per the stop loss re-insurance policy is \$4,185,827 (up from \$3,696,300 in 2020-21).
- Based on the increased district (employer) and employee contributions, the total estimated revenue for 2021-22 is \$3,228,660.
- The difference between the projected revenue and the maximum expenses leaves a potential unfunded liability of \$957,166.
- 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 \$620,711 plus the remaining district contingency funds (if needed) together would cover \$819,137 of the potential unfunded liability, leaving \$138,029 needed from district operating funds if the worst case claims scenario were to occur during this coming plan year (10/1/21 – 9/30/22).



Bond & Interest

062 – Bond and Interest

FY 21 Actual	FY 21 Budget	FY 22 Proposed Budget	\$ Difference	% Difference
2,196,063	2,196,062	2,197,137	1,111	(0%)

- 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 10.008 mills.
- The budgeted amount is necessary to meet the bond repayment schedule for the next 18 months.

	<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	<u>2020-21</u> Budget	<u>2021-22</u> Budget
Expenditures (pmts)	\$1,536,136	\$2,192,765	\$2,950,743	\$2,739,714	\$1,769,032	\$2,204,434	\$2,196,512	\$2,196,062	\$2,197,137
State aid factor (%)	24%	25%	27%	31%	32%	32%	30%	24%	16%
State aid (\$)	\$368,673	\$548,191	\$796,701	\$849,311	\$566,090	\$705,419	\$658,954	\$527,055	\$351,542
Outstanding Debt	\$7,860,000	\$23,550,000	\$22,030,000	\$19,835,000	\$18,365,000	\$17,145,000	\$15,470,000	\$13,755,000	\$11,985,000
Mill Levy	11.117	11.128	9.034	13.78	10.447	11.924	10.886	10.790	10.008

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



State Aid Rates

■ Capital Outlay State Aid 16%*

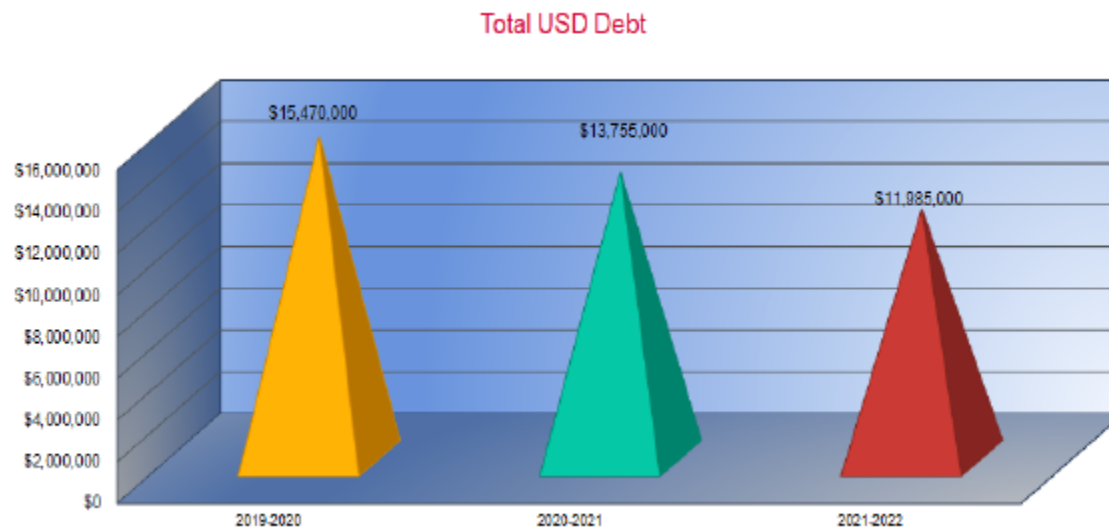
■ Bond & Interest State Aid 16%*

*decreased from 24% (2020-21)

■ Bonds passed after 7/1/17 0%



Outstanding Bond Debt



Bond Maturity – 2024:

- Outstanding Balances (as of 6/30/21):
 - Series 2014 - \$1,630,000 (final payment 9/1/28)
 - Series 2016 - \$6,265,000 (final payment 9/1/26)
 - Series 2017 - \$4,090,000 (final payment 9/1/26)
 - **TOTAL: \$11,985,000**
- Based on assumed assessed value growth and state aid %, the current bonds could pay off in 2024.



Coop Special Education

078 – Coop Special Education

FY 21 Actual	FY 21 Budget	FY 22 Proposed Budget	\$ Difference	% Difference
16,549,446	19,149,345	19,435,093	285,748	1.49%

- 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):

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Interest	\$10,000	\$10,000	\$15,000	\$25,000	\$30,000	\$30,000	\$30,000
Payments from participating school districts	\$8,712,439	\$8,886,387	\$9,437,118	\$9,961,987	\$10,960,635	\$11,501,412	\$12,100,504
Payments from USD #368	\$2,579,322	\$2,617,973	\$2,578,823	\$3,048,765	\$3,130,184	\$3,229,090	\$3,063,070
Federal aid/Medicaid	\$2,169,997	\$2,200,823	\$2,273,940	\$2,288,528	\$2,296,863	\$2,334,516	\$2,361,984
Greenbush state aid flow through & Miscellaneous	\$760,000	\$779,888	\$780,874	\$857,086	\$974,208	\$1,054,327	\$879,535
TOTAL REVENUE:	\$14,231,758	\$14,495,071	\$15,085,755	\$16,181,366	\$17,391,890	\$18,149,345	\$18,435,093

- 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 22 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

TOTAL EXPENDITURES & BUDGET AUTHORITY:

FY 21 Actual	FY 21 Budget	FY 22 Proposed Budget	\$ Difference	% Difference
54,679,702	59,259,951	61,337,353	2,077,402	3.51%

- As noted, the FY 22 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 2021-22 Budget.
- To illustrate this, the 2020-21 proposed budget was \$59,259,951 and the actual expenditures were \$54,679,702, a difference of \$4,580,249 less than the published budget amount. FY 22 actual expenditures will most likely be less than the published budget of \$61,337,353 as the fund balances are not expected to be completely expended.
- Estimated FY 22 net expenditures are \$54,759,751 after budgeted transfers of \$6,577,602.



Mill Levy Comparison

	2020-21 (actual)	2021-22 (projected)
General Fund	20.000	20.000
Supplemental General (LOB)	13.153	12.532
Capital Outlay	8.000	8.000
Bond and Interest	10.789	10.008
Special Assessment	0.000	0.000
Total Mill Levy	51.942	50.540
Change from prior year	1.0 decrease	1.4 decrease
Total Taxes Levied	\$8,557,301	\$9,056,484



Funding Expenses - 2021-22

- Fund balances will be used if 2021-22 projected expenses exceed projected revenue.
- Fund balances will decline as planned.
- Cash balances can only be spent once.
- **USD #368 is at the maximum for Operating funds – 33% LOB, 8 mills Capital Outlay.**
- Federal ESSER funds will end Sept 2024.
Revenue and expense must reconcile.



Mill Levy Summary

Summary:

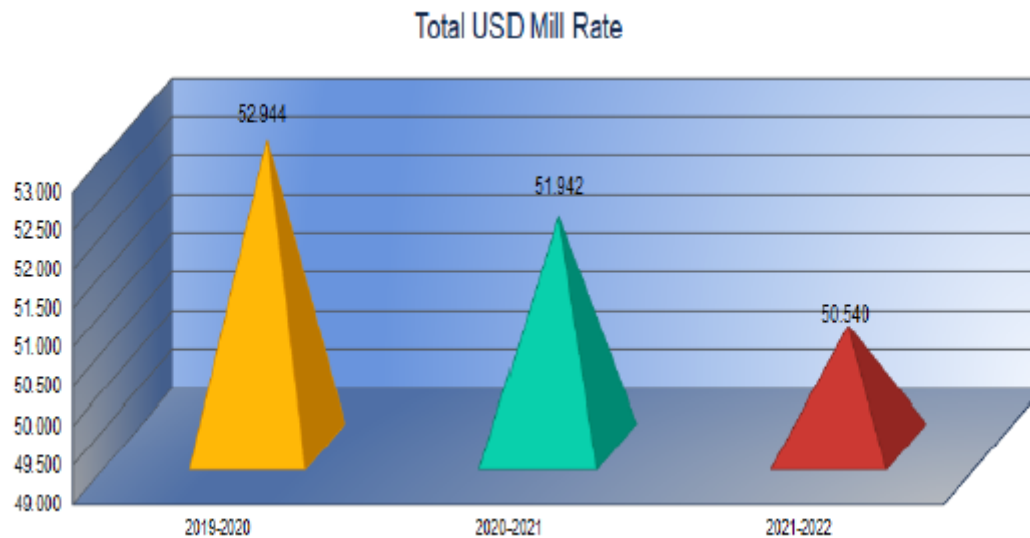
- Following is a summary of the mill levy history:

	<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>(actual)</u>	<u>2020-21</u> <u>(actual)</u>	<u>2021-22</u> <u>(projected)</u>
General Fund	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000
Supplemental General (LOB)	14.952	21.606	14.830	17.119	14.598	14.106	13.153	12.532
Capital Outlay	8.000	8.000	7.992	7.996	8.000	7.980	8.000	8.000
Bond and Interest	11.128	9.034	13.780	10.442	11.931	10.858	10.789	10.008
Special Assessment	0.213	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Mill Levy	54.293	58.64	56.602	55.557	54.529	52.944	51.942	50.540
Change from prior year	3.974 decrease	4.347 increase	2.038 decrease	1.045 decrease	1.028 decrease	1.585 decrease	1.0 decrease	1.4 decrease
Total Taxes Levied	\$6,814,496	\$7,531,319	\$7,435,839	\$7,637,034	\$7,956,501	\$8,278,544	\$8,557,301	\$9,056,484

- 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.
- Exceeding the Revenue Neutral Tax Rate hearing will be held on August 23rd at 6:00 PM.
- Budget hearing to approve the 2021-2022 budget will be held on August 23rd at 6:15 PM.



Mill Rates (3 years)



Miami County School Districts – 2020-21 Mill Levy (2020 Levy)

■ USD #230	Spring Hill	67.875
■ USD #231	Gardner-Edgerton	64.682
■ USD #229	Blue Valley	60.503
■ USD #367	Osawatomie	59.108
■ USD #368	Paola	51.942
■ USD #289	Wellsville	47.390
■ USD #416	Louisburg	45.486
■ USD #362	Prairie View	44.241

*Source: Miami County Clerk



Per Pupil Expenditures

- Cost per student factors (Paola)
 - Title/Neglect (Lakemary Center)
 - Adult Education – 2 districts: Paola/Osawatomie
 - Parents As Teachers – 7 districts
 - Special Education Coop – 8 districts (\$19 million)
 - Vocational – Carl Perkins Consortium (3 districts) – ended 2020-21 (now part of Greenbush consortium)
- **USD #368's budget is the 31st largest in Kansas (out of 286 districts)***

*Source: KSDE Custom Comparative Performance & Fiscal System Summary Reports, 2019-20



Per Pupil Expenditures

Source: KSDE Custom Comparative Performance & Fiscal System Detail Reports, 2019-20

2019-20 BUDGETED EXPENSES:

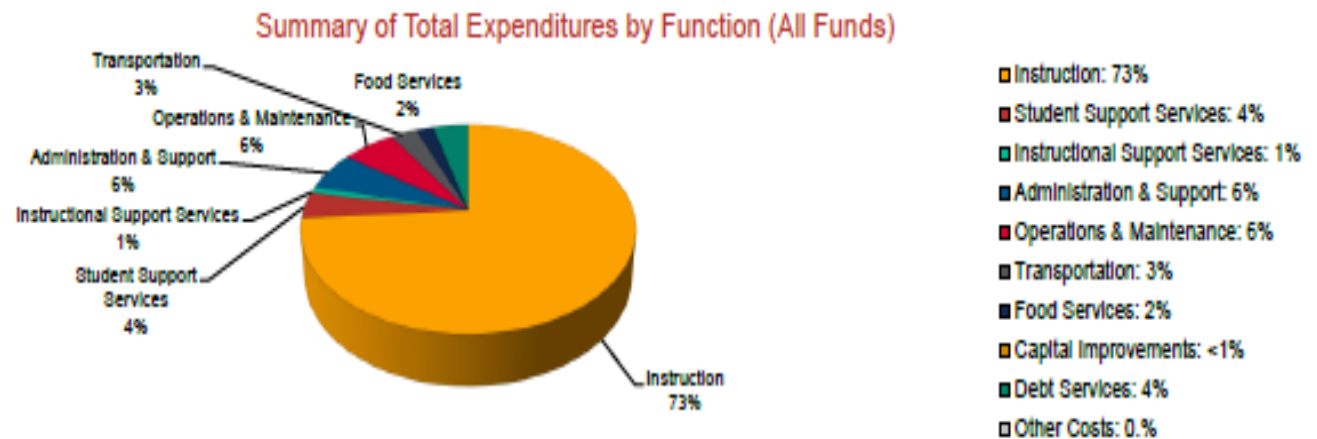
- Total Expenditures: \$52,698,024
- Less *:
 - Lakemary (Neglected) \$69,776
 - Adult Education \$282,958
 - Parents As Teachers \$332,912
 - Special Education Coop \$18,391,890
 - Carl Perkins \$42,738
 - TOTAL: \$19,120,274

PER STUDENT – 1,914 FTE:

- Total Expenditures: \$27,531 (15th)
- Less*:
 - Lakemary (Neglected) -\$36/FTE
 - Adult Education -\$148/FTE
 - Parents As Teachers -\$174/FTE
 - Special Education Coop -\$9,609/FTE
 - Carl Perkins -\$22/FTE
 - TOTAL: -\$9,989/FTE
- NET EXPENDITURE PER FTE: \$17,542 (156th)*
- STATE RANGE: \$10,489 - \$38,600
- STATE AVERAGE: \$16,571

*A portion of the above are attributable to USD #368

Expenditure by Function



Public Notices

- Legal notices for the 2021-22 Budget will be published in the 8/11/21 edition of the Miami County Republic
- Hearings will be held at the special Board Meeting on August 23rd:
 - Exceeding the Revenue Neutral Tax Rate hearing will be held on August 23rd at 6:00 PM.
 - Budget hearing to approve the 2021-2022 budget will be held on August 23rd at 6:15 PM.



Hearing – Exceeding the Revenue Neutral Tax Rate

Exceeding the Revenue Neutral Tax Rate for the 2021-2022 School Year					
The governing body of Unified School District 368 will meet on the 23rd day of August 2021 at 6:00 PM at 1115 East 303rd Street, Paola, KS 66071 for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of tax to be levied. Detailed budget information, including budget profile, is available at USD #368 Central Services (913-294-8000) and will be available at this hearing.					
Revenue Neutral Tax Rate					
	2020-2021			2021-2022	
	Actual Tax Levied	Actual Tax Rate	Neutral Tax Rate	Estimated Tax	Est. Tax
General	\$3,174,656	20.000	18.322	\$3,458,523	20.000
Capital Outlay	\$1,358,473	8.000	7.364	\$1,466,374	8.000
Bond and Interest #2	\$0	0.000	0.000	\$0	0.000
ALL OTHER FUNDS					
Supplemental General (LOB)	\$2,234,202	13.153		\$2,297,162	12.532
Adult Education	\$0	0.000		\$0	0.000
Cost of Living	\$0	0.000		\$0	0.000
Special Liability Expense Fund	\$0	0.000		\$0	0.000
Extraordinary Growth Facilities	\$0	0.000		\$0	0.000
Bond and Interest #1	\$1,832,625	10.789		\$1,834,425	10.008
No-Fund Warrant	\$0	0.000		\$0	0.000
Special Assessment	\$0	0.000		\$0	0.000
Temporary Note	\$0	0.000		\$0	0.000
Historical Museum	\$0	0.000		\$0	0.000
Public Library Board	\$0	0.000		\$0	0.000
Public Library Board Employee Benefits	\$0	0.000		\$0	0.000
Sub Total - All Other Funds	\$4,066,827	23.942	22.038	\$4,131,587	22.540
Board President			Clerk of the Board		



Revenue Neutral Tax Rate – preliminary

- The preliminary mill rates were approved by the BOE on 7/12/21 @ 22.915 mills.
- Final / proposed mill rate is 22.54.

	Revenue Neutral Tax Rate				
	2020-2021			2021-2022	
	Actual Tax Levied	Actual Tax Rate	Neutral Tax Rate	Estimated Tax Levied	Est. Tax Rate
General	\$ -	20.0000	18.322	\$ 3,458,523	20.000
Capital Outlay	\$ 1,358,473	8.0000	7.364	\$ 1,466,374	8.000
ALL OTHER FUNDS					
Supplemental General (LOB)	\$ 2,234,202	13.1530		\$ 2,365,748	12.907
Bond and Interest #1	\$ 1,832,625	10.7890		\$ 1,834,425	10.008
Sub Total - All Other Funds	\$ 4,066,827	23.942	22.038	\$ 4,200,173	22.915



Revenue Neutral Tax Rate – Miami County

- Miami County provided the Revenue Neutral Rates for USD 368 as follows:

3. Actual Tax Rates Levied for the 2021 Budget

Fund	Rate	RNR
USD 368 BOND & INT. #2	10.789000	9.931000
USD 368 CAP OUTLAY	8.000000	7.364000
USD 368 GENERAL (KSTO)	20.000000	18.322000
USD 368 SPECIAL ASSESS.	0.000000	0.000000
USD 368 SUPP GENERAL	13.153000	12.107000
	<hr/> 51.942000	<hr/> 47.724000



Budget At A Glance - Revenues

Sources of Revenue

	2019-2020	2020-2021	2021-2022
State Revenues	19,643,788	19,325,632	21,378,919
Federal Revenues	3,154,098	4,544,513	4,998,282
Local Revenues ¹	24,934,644	25,635,910	23,120,849
Total Revenues	47,732,530	49,506,055	49,498,050
Revenues Per Pupil	24,937	28,229	26,935

¹ Excludes "Transfers" to avoid duplication of revenue.

Notice of Hearing – 2021-22 Budget

Notice of Hearing 2021-2022 Budget

The governing body of Unified School District 368 will meet on the 23rd day of August 2021 at 6:15 PM at 1115 East 303rd Street, Paola, KS 66071 for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of tax to be levied. Detailed budget information, including budget profile, is available at USD #368 Central Services (913-294-8000) and will be available at this hearing. The Amount of 2021 Tax to be Levied and Expenditures (published below) establish the maximum limits of the 2021-2022 Budget. The 'Est. Tax Rate' (column 7), shown for comparative purposes, is subject to slight change depending on final assessed valuation.

	Code 99 Line	2019-2020 Actual		2020-2021 Actual		2021-2022 Proposed Budget		
		Actual Expenditures (1)	Actual Tax Rate (2)	Actual Expenditures (3)	Actual Tax Rate* (4)	Expenditures (5)	Amount of 2021 Tax to be Levied (6)	Est. Tax Rate* (7)
OPERATING								
General	06	13,414,304	20.000	13,584,410	20.000	14,319,640	3,458,523	20.000
Supplemental General (LOB)	08	4,514,666	14.106	4,356,449	13.153	4,560,444	2,297,162	12.532
SPECIAL REVENUE								
Federal Funds	07	373,668		1,373,238		1,329,623		
Adult Education	10	272,380	0.000	256,713	0.000	261,562	0	0.000
Preschool-Aged At-Risk	11	0		0		0		
Adult Supplemental Education	12	26,100		22,643		91,131		
At Risk (K-12)	13	1,130,927		981,759		2,014,633		
Bilingual Education	14	11,534		10,052		40,652		
Virtual Education	15	14,000		194,250		697,380		
Capital Outlay	16	1,985,969	7.980	1,858,061	8.000	4,042,939	1,466,374	8.000
Driver Training	18	26,291		20,348		75,828		
Declining Enrollment	19	0	0.000	0	0.000	0	0	0.000
Extraordinary School Program	22	0		0		0		
Food Service	24	1,018,187		1,056,629		1,209,574		
Professional Development	26	39,653		38,289		123,048		
Parent Education Program	28	310,836		294,703		381,052		
Summer School	29	0		0		0		
Special Education	30	3,615,278		3,766,449		4,494,722		
Cost of Living	33	0	0.000	0	0.000	0	0	0.000
Career and Postsecondary Education	34	728,384		733,517		1,284,729		
Gifts and Grants	35	122,163		61,532		277,634		
Special Liability Expense Fund	42	0	0.000	0	0.000	0	0	0.000
School Retirement	44	0	0.000	0	0.000	0	0	0.000
Extraordinary Growth Facilities	45	0	0.000	0	0.000	0	0	0.000
Special Reserve Fund	47	2,732,373		3,372,007				
KPERs Special Retirement Contribution	51	3,601,047		3,389,467		4,474,097		
Contingency Reserve	53	0		28,871				
Textbook & Student Material Revolving	55	245,243		353,219				
Activity Fund	56	210,242		181,587				
DEBT SERVICE								
Bond and Interest #1	62	2,196,513	10.858	2,196,063	10.789	2,197,137	1,834,425	10.008
Bond and Interest #2	63	0	0.000	0	0.000	0	0	0.000
No-Fund Warrant	66	0	0.000	0	0.000	0	0	0.000
Special Assessment	67	0	0.000	0	0.000	26,435	0	0.000
Temporary Note	68	0	0.000	0	0.000	0	0	0.000
COOPERATIVES								
Special Education	78	16,636,141		16,549,446		19,435,093		
TOTAL USD EXPENDITURES	100	53,225,899	52.944	54,679,702	51.942	61,337,353	9,056,484	50.540
Less: Transfers	105	8,093,559		8,597,848		6,577,602		
NET USD EXPENDITURES	110	45,132,340		46,081,854		54,759,751		
TOTAL USD TAXES LEVIED	115	8,319,810		8,593,601		9,056,484		

1. Sponsoring District Only

*Tax Rates are expressed in Mills



Notice of Hearing – cont.

	Code 99 Line	2019-2020 Actual		2020-2021 Actual		2021-2022 Proposed Budget		
		Actual Expenditures (1)	Actual Tax Rate (2)	Actual Expenditures (3)	Actual Tax Rate* (4)	0 Expenditures (5)	Amount of 2021 Tax to be Levied (6)	Est. Tax Rate* (7)
OTHER								
Historical Museum	80	0	0.000	0	0.000	0	0	0.000
Public Library Board	82	0	0.000	0	0.000	0	0	0.000
Public Library Board Employee Benefits	83	0	0.000	0	0.000	0	0	0.000
Recreation Commission	84	0	0.000	0	0.000	0	0	0.000
Rec Comm Emp Benefits & Spec Liab	86	0	0.000	0	0.000	0	0	0.000
TOTAL OTHER	120	0	0.000	0	0.000	0	0	0.000
TOTAL TAXES LEVIED	125	\$8,319,810		\$8,593,601		\$9,056,484		
Assessed Valuation - General Fund	128	\$150,174,449		\$158,415,072		\$172,926,142		
Assessed Valuation - All Other Funds	130	\$160,388,364		\$168,712,431		\$183,296,779		
Assessed Valuation - Capital Outlay	129	\$160,175,688		\$168,561,295		\$183,296,779		
Outstanding Indebtedness, July 1		2019		2020		2021		
General Obligation Bonds	135	15,470,000		13,755,000		11,985,000		
Capital Outlay Bonds	140	0		0		0		
Temporary Note	145	0		0		0		
No-Fund Warrant	150	0		0		0		
Lease Purchase Principal	153	0		0		0		
TOTAL USD DEBT	155	15,470,000		13,755,000		11,985,000		
*Tax Rates are expressed in Mills								
Board President		Clerk of the Board						



Questions?

Questions:

- Questions may 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 homepage at www.usd368.org.

