

Fiscal Year 2022 (FY '22)
2021-22 Budget Summary & Information
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06 – General Fund

| FY 21 Actual | FY 21 Budget | FY 22 Proposed Budget | \$ Difference | % Difference |
|--------------|--------------|-----------------------|---------------|--------------|
| 13,584,410 | 14,077,226 | 14,319,640 | 242,414 | 1.72% |

- 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 |
| 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).

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

| Fiscal Year | BSAPP | Increase | % |
|-------------|------------------|----------------|-----|
| 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) | 1,933.4 |
| 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).**
- 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.

- 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 (hours) | N/A | N/A | 2.0 | 5.6 | 5.6 | 5.6 | 5.6 |
| Vocational Education (hours) | 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 (testing) | 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 |

- For 2021-22, the estimated virtual state aid is \$350,000 higher than 2020-21 due to increased estimates for number of students. The General Fund budget for 21-22 is higher due to estimated virtual state aid.

- 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.

- General Fund Revenue Summary: General State Aid (\$11,777,102) and Special Education Aid (\$2,542,538) for a total of \$14,319,640
- General Fund Expense Summary: Salaries/Benefits \$9,044,399 (63%), Transfers \$4,181,390 (29%), Transportation \$700,000 (5%), and Supplies/Misc. \$393,851 (3%)
- Transfers from the General Fund include Virtual Education (\$500,000) Special Education (\$2,542,538), and At-Risk (\$1,138,852) for a total of \$4,181,390.
- 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%.

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) Fund Revenue Summary: Balance \$395,557 (9%); Local \$2,309,040 (51%); State \$1,855,847 (40%)
- Supplemental General (LOB) Fund Expense Summary: Transfers \$2,396,212 (52.5%), 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%) and \$299,982 (6.6%) for remaining LOB expenses (instructional equipment, supplies, etc.).
- 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).

07 – Federal Funds

| FY 21 Actual | FY 21 Budget | FY 22 Proposed Budget | \$ Difference | % Difference |
|--------------|--------------|-----------------------|---------------|--------------|
| 1,373,238 | 418,489 | 1,329,623 | 911,134 | 217.7% |

- This fund is a consolidated reporting of the various Federal Title programs the District receives funding for through applications.
- Programs include Title I Reading (\$339,129) Title II-a Teacher Quality (\$43,063), Title IV 21st Century (\$26,257) and ESSER II funds (\$1,150,333).
- The Title I budget amount includes funds for the District and Lakemary Center neglected funds. The amount for Neglected for 2021-22 is \$68,110.
- **Federal Funds in 2020-21 included CARES (Coronavirus Aid, Relief and Economic Security) Act funds (State of Kansas) of \$255,538 and SPARK (Strengthening People and Revitalizing Kansas) funds from Miami County of \$477,926.**
- The ending balance for Federal Funds was -\$229,159 as of 6/30/21. Although it normally does not, Federal Funds can end the year with a negative balance. This was due to spending ESSER II funds before they were available for draw down.

010 – Adult Education

| FY 21 Actual | FY 21 Budget | FY 22 Proposed Budget | \$ Difference | % Difference |
|--------------|--------------|-----------------------|---------------|--------------|
| 256,713 | 269,189 | 261,562 | (7,627) | (2.8%) |

- 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. \$20,000).
- 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.

012 – Adult Supplementary Education

| FY 21 Actual | FY 21 Budget | FY 22 Proposed Budget | \$ Difference | % Difference |
|--------------|--------------|-----------------------|---------------|--------------|
| 22,643 | 92,337 | 91,131 | (1,206) | (1.3%) |

- 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 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.

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 |

- **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.

014 – Bilingual Education

| FY 21 Actual | FY 21 Budget | FY 22 Proposed Budget | \$ Difference | % Difference |
|--------------|--------------|-----------------------|---------------|--------------|
| 10,052 | 57,573 | 40,652 | (16,921) | (29.4%) |

- Funding is calculated based on the number of hours of bilingual education services provided to qualifying students or the ELL headcount, whichever is higher.
- For 2021-22, the bilingual FTE is 5.6 (30 ELL headcount x .185 = 5.6) resulting in a budget of \$26,354 for this fund (5.6 FTE x \$4,706 = \$26,354)
- District can only pay actual salaries and expenses associated with those teachers who are providing bilingual services and who are ELL certified.
- 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.

015 – Virtual Education

| FY 21 Actual | FY 21 Budget | FY 22 Proposed Budget | \$ Difference | % Difference |
|---------------------|---------------------|------------------------------|----------------------|---------------------|
| 194,250 | 165,100 | 697,380 | 532,280 | 322.4% |

- Funding is calculated based on the number of virtual education students.
- For 2021-22, the estimated number of virtual education students used for budget authority is 100 (Virtual Ed fund was republished in 20-21 due to increased students.
- Revenue for 2021-22 based on up to 100 students at \$5,000 state aid each (\$500,000), plus miscellaneous revenue (\$10,000) and fund balance (\$187,380).
- Fund was originally established in 2016-17 through budget republication.
- 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.

016 – Capital Outlay

| FY 21 Actual | FY 21 Budget | FY 22 Proposed Budget | \$ Difference | % Difference |
|---------------------|---------------------|------------------------------|----------------------|---------------------|
| 1,858,061 | 3,969,209 | 4,042,939 | 73,730 | 1.9% |

- 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 2021-22 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 and forward.
- For 2021-22, capital outlay state aid is estimated at \$234,620, a decrease of \$89,018 from 2020-21.
- An important item to note is the district receives 16% state aid on Capital Outlay (down 8% from 2020-21) and 16% on Bond & Interest (bond passed prior to 7/1/2015) which is down 8% from 2020-21. 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 22 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 21 Actual | FY 21 Budget | FY 22 Proposed Budget | \$ Difference | % Difference |
|---------------------|---------------------|------------------------------|----------------------|---------------------|
| 20,348 | 68,817 | 75,828 | 7,011 | 10.2% |

- 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 \$8,400 state safety aid (\$120/student).
- The enrollment for the 2021-22 budget is based on 70 students.
- 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.
- During fiscal year 2020-21, the district received a federal KDOT grant to provide up to \$2,000 for driver’s ed program fee reimbursement for qualifying families. This will be paid out during the 2021-22 fiscal year.

024 – Food Service

| FY 21 Actual | FY 21 Budget | FY 22 Proposed Budget | \$ Difference | % Difference |
|---------------------|---------------------|------------------------------|----------------------|---------------------|
| 1,056,629 | 1,055,722 | 1,209,574 | 153,852 | 14.6% |

- 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 (\$201,433, State school food assistance (\$6,576), Federal Child Nutrition Programs (\$823,369), and Interest (\$1,000)
- Food Service Expense Summary: Salaries & Benefits \$618,500 (51%), Food & Supplies/Other \$591,074 (49%)
- District meal prices for 2021-22 are not increasing (breakfast and lunch prices). Adult meal prices were increased due to the increased federal meal reimbursement.

• Following is a summary of the meal reimbursement rates, number of meals served, and meal prices:

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Federal Reimbursement Rate (per meal) | .5900 | .6025 | .6025 | .6275 | \$4.50 |
| State Reimbursement Rate (per meal) | .0400 | .0400 | .0400 | .0400 | .0400 |
| Lunches Served (prior year) | 209,473 (2016-17) | 200,117 (2017-18) | 181,373 (2018-19) | 165,508 (2019-20) | Not available |
| Breakfasts Served (prior year) | 58,776 (2016-17) | 58,854 (2017-18) | 50,207 (2018-19) | 46,983 (2019-20) | Not available |
| Total Meals Served | 268,249 (2016-17) | 258,971 (2017-18) | 231,580 (2018-19) | 212,491 (2019-20) | Not available |
| Lunch Price (elementary/middle school/high school) | \$2.65 / \$2.70 / \$2.80 | \$2.65 / \$2.70 / \$2.80 | \$2.75 / \$2.80 / \$2.90 | \$2.75 / \$2.80 / \$2.90 | \$2.75 / \$2.80 / \$2.90 |
| Breakfast Price (K-5/6-12) | \$1.95 / \$2.00 | \$1.95 / \$2.00 | \$1.95 / \$2.00 | \$1.95 / \$2.00 | \$1.95 / \$2.00 |

- Meals served in 2019-20 were “grossed up” by 25% to allow for the early school closure due to COVID-19 (approximately 25% of school year via remote learning).
- In 2020-21, all students were eligible for free lunches due to the federal lunch program pandemic funding.
- The Food Service fund balance decreased by \$208,003 (from \$372,529 to \$164,526) during 2019-20 due to the closure of school in March and the continued payment of staff expenses without receiving any meal sales revenue.
- 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.

026 – Professional Development

| FY 21 Actual | FY 21 Budget | FY 22 Proposed Budget | \$ Difference | % Difference |
|---------------------|---------------------|------------------------------|----------------------|---------------------|
| 38,289 | 210,110 | 123,048 | (87,062) | (41.4%) |

- Past professional development activities were funded via transfer and estimated state aid.
- The budgeted transfer amount for 2020-21 was \$50,000 from General Fund, although no transfer was made. State aid for 2020-21 was \$8,528.
- For 2021-22, professional development state aid was not funded by the legislature. No transfer is budgeted either. Expenses will be funded by the fund balance.
- 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.

028 – Parent Education

| FY 21 Actual | FY 21 Budget | FY 22 Proposed Budget | \$ Difference | % Difference |
|---------------------|---------------------|------------------------------|----------------------|---------------------|
| 294,703 | 340,345 | 381,052 | 40,707 | 11.96% |

- The District is the sponsoring district for several area school districts’ Parents As Teachers programs, including Central Heights, Prairie View, Osawatomic, Louisburg, Jayhawk Linn, Garnett and Paola. USD #368’s anticipated portion of the budget after state aid is \$30,000 for 2021-22.
- 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 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.
- The change in the PAT budget and ending balance is due to carryover balance due to the Bright Futures grant.

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.

034 – Vocational Education

| FY 21 Actual | FY 21 Budget | FY 22 Proposed Budget | \$ Difference | % Difference |
|---------------------|---------------------|------------------------------|----------------------|---------------------|
| 733,517 | 1,274,602 | 1,284,729 | 10,127 | .79% |

- 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 for USD 368 is also included in this fund (\$12,830). In the past, USD #368 administered the Carl Perkins grant for Osawatomic, Louisburg, and Paola.
- 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.

035 – Gifts and Grants

| FY 21 Actual | FY 21 Budget | FY 22 Proposed Budget | \$ Difference | % Difference |
|---------------------|---------------------|------------------------------|----------------------|---------------------|
| 61,532 | 238,641 | 277,634 | 38,993 | 16.3% |

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

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue | \$59,764 | \$54,570 | \$56,920 | \$59,482 | \$104,633 | \$72,118 | \$148,486 | \$98,444 |
| Expense | \$57,478 | \$52,588 | \$53,640 | \$48,197 | \$90,117 | \$44,087 | \$122,163 | \$61,532 |

- Budget for FY 22 is the ending balance of \$188,553 plus estimated revenue of \$89,081.
- 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.

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.
- 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).

051 – KPERS Contribution Fund

| FY 21 Actual | FY 21 Budget | FY 22 Proposed Budget | \$ Difference | % Difference |
|---------------------|---------------------|------------------------------|----------------------|---------------------|
| 3,389,467 | 4,636,348 | 4,474,097 | (162,251) | (3.5%) |

- 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. 10%) and any additional change based on salary increases or staff changes (20% cushion).

053 – Contingency Reserve

| FY 21 Actual | FY 21 Budget | FY 22 Proposed Budget | \$ Difference | % Difference |
|---------------------|---------------------|------------------------------|----------------------|---------------------|
| 28,871 | 0 | 0 | 0 | 0 |

- The contingency reserve fund may be used for emergency or unanticipated expenditures.
- The current balance is \$967,755 (had been \$1,144,000 before \$147,374 transfer for health insurance expenses and \$28,871 encumbered for the February 2021 natural gas bills subject to ongoing negotiation with the KASB KJUMP natural gas program and Symmetry Energy)
- 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 21 Actual | FY 21 Budget | FY 22 Proposed Budget | \$ Difference | % Difference |
|---------------------|---------------------|------------------------------|----------------------|---------------------|
| 353,219 | 0 | 0 | 0 | 0 |

- Revenues are generated by student enrollment fees and were \$169,882 in 2020-21. 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.
- Future K-12 textbook replacement initiatives will increase the expenses in this fund by based on planned textbook replacement schedule.

056 – Activity Fund

| FY 21 Actual | FY 21 Budget | FY 22 Proposed Budget | \$ Difference | % Difference |
|---------------------|---------------------|------------------------------|----------------------|---------------------|
| 181,587 | 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 2021-22 are 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:

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue | \$222,421 | \$235,750 | \$221,740 | \$202,016 | \$211,367 | \$214,299 | \$216,079 | \$204,192 | \$173,941 |
| Expenses | \$169,882 | \$251,606 | \$234,501 | \$201,961 | \$214,162 | \$208,149 | \$210,923 | \$210,242 | \$181,587 |

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.

067 – Special Assessment

| FY 21 Actual | FY 21 Budget | FY 22 Proposed Budget | \$ Difference | % Difference |
|---------------------|---------------------|------------------------------|----------------------|---------------------|
| 0 | 26,435 | 26,435 | 0 | 0% |

- 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 2021-22.
- Any remaining cash balance will be used for future special assessments due.
- 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.

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:

| 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.

Summary:

- Following is a summary of the mill levy history:

| | 2014-15 (actual) | 2015-16 (actual) | 2016-17 (actual) | 2017-18 (actual) | 2018-19 (actual) | 2019-20 (actual) | 2020-21 (actual) | 2021-22 (projected) |
|----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------|
| 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.

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.

