



Paola USD #368

2020-21 Budget Presentation

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# 2020-21 Budget Contents

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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%	<b>\$14,077,226</b>
<b>TOTAL CHANGE:</b>		<b>+\$136</b>	<b>3.07%</b>	<b>-\$146,840 (-1.03%)</b>

- From FY '09 to FY '21, the BSAPP increased \$133 (3.07%). BSAPP is not reflected in FY 16 & 17 due to block grant funding.
- Local Option Budget is calculated using a BSAPP of \$4,608. If USD #368's General Fund was based on a BSAPP of \$4,608 in 2020-21 it would have been \$14,196,105. This would equate to \$118,879 in additional General Fund budget.



# 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)	1,937.4
FY '20 (2019-20)	1,911.1
FY '21 (2020-21)	1,914.1 (projected)

- FTE Enrollment is calculated using the higher of:
  - 2018-19 Audited enrollment (excluding 4-year old at risk & virtual students) 1,933.4
  - 2019-20 Audited enrollment (excluding 4-year-old at risk & virtual students) 1,911.1
  - The 2020-21 budget is based on the higher of the two which is 1,933.4 FTE (2018-19 FTE).**



# General Fund – a (smaller) cliff?

- FTE Enrollment is calculated using the higher of:
  - 2018-19 Audited enrollment (excluding 4-year old at risk & virtual students) 1,933.4
  - 2019-20 Audited enrollment (excluding 4-year-old at risk & virtual students) 1,911.1
  - **The 2020-21 budget is based on the higher of the two which is 1,933.4 FTE (2018-19 FTE).**
- For fiscal year 2021-22, 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.



# Miami County Republic – October 2019

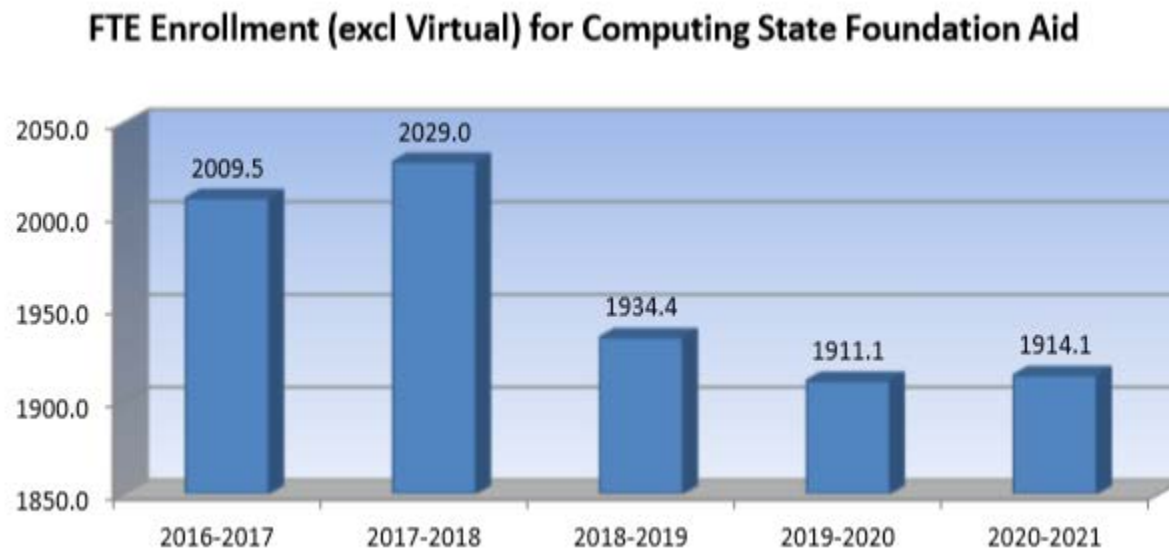
## Paola USD 368 Enrollment

<u>2010-2011</u>	<u>2,083</u>
<u>2011-2012</u>	<u>2,070</u>
<u>2012-2013</u>	<u>2,035</u>
<u>2013-2014</u>	<u>2,015</u>
<u>2014-2015</u>	<u>2,019</u>
<u>2015-2016</u>	<u>2,018</u>
<u>2016-2017</u>	<u>2,029</u>
<u>2017-2018</u>	<u>2,057</u>
<u>2018-2019</u>	<u>1,960</u>
<u>2019-2020</u>	<u>1,940</u>





# 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.



# General Fund – Weighted FTE

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

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



# General Fund - Summary

- General Fund Revenue Summary:

▪ General State Aid	\$11,240,605
▪ Special Education Aid	<u>\$2,836,621</u>
▪ Total	\$14,077,226

- General Fund Expense Summary:

▪ Salaries/Benefits	\$9,366,206	67%
▪ Transfers	\$3,792,169	27%
▪ Transportation	\$530,000	3%
▪ Supplies/Misc.	<u>\$388,851</u>	<u>3%</u>
▪ Total	\$14,077,226	100%

- General Fund Transfers:

▪ Bilingual	\$17,257
▪ Virtual Education	\$150,000
▪ Professional Development	\$50,000
▪ Special Education	\$2,836,621
▪ At-Risk	<u>\$738,291</u>
▪ Total	\$3,792,169



# 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%
<b>TOTAL:</b>		<b>\$35,271,786</b>	<b>26.4%</b>

- Average Tax Delinquency Percentage for Miami County:

Miami County						
Year	2018	2017	2016	2015	2014	2013
Delinquency	<b>0.81%</b>	<b>0.69%</b>	<b>0.80%</b>	<b>0.73%</b>	<b>1.28%</b>	<b>1.23%</b>

- The delinquent tax rate used for the 2020-21 budget is 4%.



# Assessed Valuation Trend



# General Fund Comparison

## 2019-20 GENERAL FUND (ACTUAL )

■ Misc. & Reimb.	\$26,165
■ State Aid	\$11,232,696
■ Special Ed Aid	\$2,155,443
■ TOTAL:	\$13,414,304

## 2020-21 GENERAL FUND (BUDGET)

■ Misc. & Reimb.	\$0
■ State Aid	\$11,240,605
■ Special Ed Aid	\$2,836,621
■ TOTAL:	\$14,077,226

- Increase +\$7,909 State Aid  
(-~~\$67,091~~ without increased virtual aid)
- Decrease -~~\$146,840~~ from 2019-20  
Published General Fund budget  
(\$14,224,066)



# Supplemental General (LOB)

## 08 – Supplemental General (Local Option Budget)

<b>FY 20 Actual</b>	<b>FY 20 Budget</b>	<b>FY 21 Proposed Budget</b>	<b>\$ Difference</b>	<b>% Difference</b>
4,514,666	4,773,564	4,627,286	(146,278)	(3.1%)

- Supplemental General's ("LOB") balance of \$333,365 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 2020-21). The balance is carried over to reduce the succeeding year's property tax.
- The LOB was calculated by using the BSAPP of \$4,608 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 2020-21 is 13.154 mills, a decrease of .952 mills.





# Supplemental General (LOB) – Summary

- Supplemental General (LOB) Fund Revenue Summary:

▪ Balance	\$333,365	7%
▪ Local	\$2,322,697	50%
▪ State	<u>\$1,971,224</u>	<u>43%</u>
▪ TOTAL:	\$4,627,286	100%

- Supplemental General (LOB) Fund Expense Summary:

▪ Transfers	\$2,406,431	52%
▪ Contracted transportation & fuel	\$85,000	1.8%
▪ Electricity/Heating	\$802,505	17.3%
▪ Maintenance salaries	\$324,750	7.0%
▪ Insurance	\$265,000	5.7%
▪ Repairs/Maintenance/Cleaning	\$118,000	2.6%
▪ Water	\$86,500	1.9%
▪ Textbooks	\$125,000	2.7%
▪ Technology	\$110,000	2.4%
▪ Remaining LOB expenses	<u>\$304,100</u>	<u>6.5%</u>
▪ TOTAL:	\$4,627,286	100.0%

- Transfers from LOB include: Bilingual (\$8,329), Parents As Teachers (\$30,000), Special Education (\$1,294,796), Vocational Education (\$705,899), and At- Risk (\$367,407).



# Supplemental General (LOB) Comparison

## 2019-20 LOB REVENUE (ACTUAL)

■ Balance	\$320,291
■ Local Tax	\$2,225,530
■ State Aid	<u>\$1,968,845</u>
■ TOTAL:	\$4,514,666

## 2020-21 LOB REVENUE (BUDGET)

■ Balance	\$333,365
■ Local Tax	\$2,322,697
■ State Aid	<u>\$1,971,224</u>
■ TOTAL:	\$4,627,286

- LOB Increase +\$112,620
- Decrease **-\$146,278** from 2019-20  
Published General Fund budget  
(\$4,773,564)



# Increased Operational Costs:

- Following are some of the estimated increased expenses for 2020-21:
  - Salaries (approx. \$320k)
  - Benefits (Health Insurance) ~approx. \$200k
  - Bus Contract 3%
  - Other Expenses/Inflationary Increases (LOB: 3% = ~\$150k)
  - COVID-19 related expenses



# Operational Costs – COVID-19:

- Additional expenses will be incurred for the safe reopening of school:
  - 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:  $\$490/\text{student} \times 2,000 \text{ students} = \$980,000$



# 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," Thomas McElroy, 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



# Funding – COVID-19:

- Funding for COVID-19 expenses:
  - CARES (Coronavirus Aid, Relief , and Economic Security Act) Act Funding of **\$255,538**
  - Miami County SPARK (Strengthening People and Revitalizing Kansas) Funds – county awarded **\$6,894,269 in SPARK funding** (distribution to schools to be determined).



# Funding Expenses - 2020-21

- Fund balances will be used as 2020-21 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.
- Mill levy decreases when General Fund decreases; LOB also decreases.





# 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 \$45,559. Additional 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)

## 2019-20 Budget:

■ Federal Funds	\$373,628
■ Adult Education	\$282,958
■ Adult Ed Suppl.	\$96,245
■ At-Risk	\$1,788,214
■ Bilingual	\$56,829
■ Virtual	\$89,100
■ Capital Outlay	\$3,924,440
■ Driver Training	\$74,363
■ Food Service	\$1,319,365
■ Professional Dev.	\$212,384
■ Parent Education	\$332,912
■ Special Education	\$4,604,992

## 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	\$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



# Other Funds, cont. (levied funds in blue)

## 2019-20 Budget:

■ Vocational Education	\$1,275,137
■ Gifts & Grants	\$212,318
■ Special Reserve	\$0
■ KPERS	\$4,548,785
■ Contingency Reserve	\$0
■ Student Materials	\$0
■ Activity Fund	\$0
■ Bond & Interest	\$2,196,512
■ Special Assessment	\$26,427
■ Special Ed Coop	\$18,391,890

## 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



# At-Risk

## 013 – At Risk

FY 20 Actual	FY 20 Budget	FY 21 Proposed Budget	\$ Difference	% Difference
1,130,927	1,788,214	1,605,698	(182,516)	(10.2%)

- At-Risk funds are transferred from the General Fund (\$738,291) and LOB (\$367,407). 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 2020-21 is based on the following:  

Estimated students eligible for free lunches (500 students)	<u>FTE</u> 500 students x .484 weighting = 242.0 x \$4,569 = \$1,105,698
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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	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20*	2020-21*
Students eligible for free lunches	556	645	589	618	618	563	587	600	600	500
Free Lunch Percentage	27.40%	32.47%	30.00%	32.1%	31.6%	29.1%	30.1%	29.2%	30.6%	25.8%

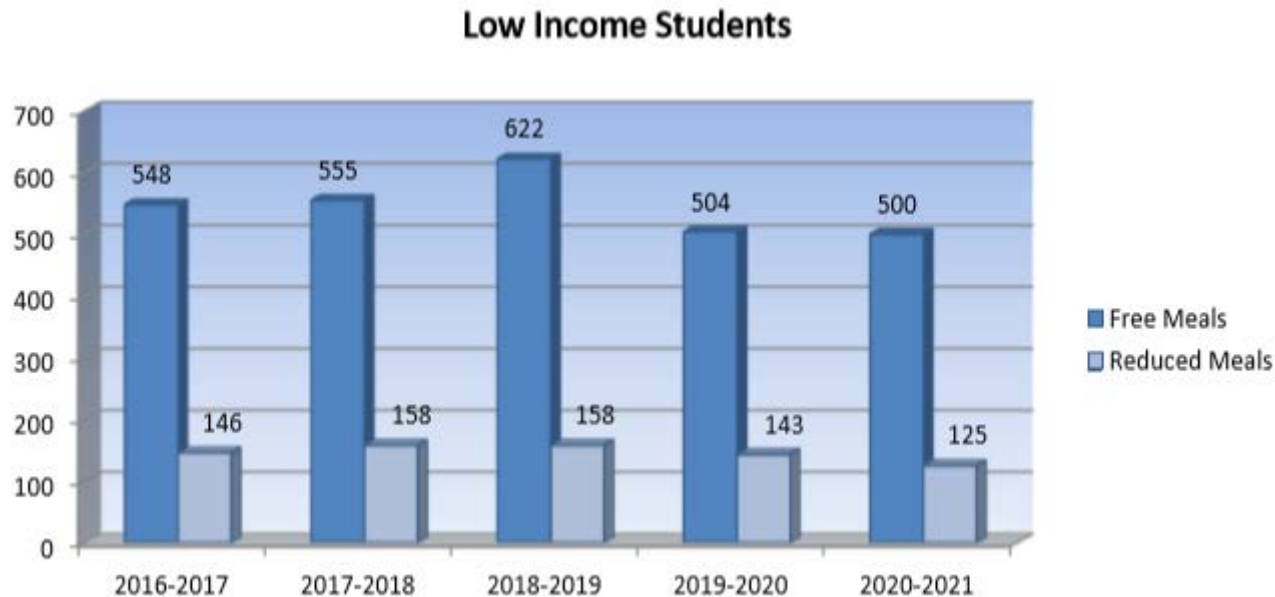
\*For 2019-20, free lunch students estimated at 600, Percent calculated using 19-20 projected enrollment of 1,960. Actual May 2019 count was 483 students.

\*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.

- FY 21 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

<b>FY 20 Actual</b>	<b>FY 20 Budget</b>	<b>FY 21 Proposed Budget</b>	<b>\$ Difference</b>	<b>% Difference</b>
3,615,278	4,604,992	4,781,417	176,425	3.8%

- 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 2019-20 was \$30,010 and is estimated to be \$29,510 for 2020-21.
- The special education FTE results in a \$2,836,621 transfer from General Fund to Special Education and a LOB transfer of \$1,294,796.
- This fund includes expenditures for Coop payments/USD 368 assessments (\$1,294,796), special education contracted transportation (\$649,000), pass through of USD 368 special education entitlement aid to the Coop (\$1,934,294), Greenbush Special Education flow through state aid (\$364,327) Salaries for special education teacher substitutes (\$38,000), and Misc. (\$501,000).
- FY 21 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 20 Actual	FY 20 Budget	FY 21 Proposed Budget	\$ Difference	% Difference
2,732,373	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:

	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual
Beginning Balance	\$793,230	\$1,260,852	\$1,042,338	\$1,000,826	\$1,380,426	\$1,231,717	\$736,961	\$565,353
Revenue	\$1,854,260	\$1,898,349	\$1,930,699	\$2,040,775	\$2,249,262	\$2,264,260	\$3,037,890	\$2,843,439
Expenses	\$1,386,638	\$2,116,863	\$1,972,211	\$1,661,175	\$2,397,971	\$2,759,016	\$3,209,499	\$2,732,373
Ending Balance	\$1,260,852	\$1,042,338	\$1,000,826	\$1,380,426	\$1,231,717	\$736,961	\$565,353	\$676,419
Stop Loss (per person)	\$75,000	\$85,000	\$85,000	\$85,000	\$85,000	\$95,000	\$110,000	\$110,000

- During 2019-20, revenue exceeded expenses, resulting in a reserve balance increase of \$111,066.
- Actual expenses only are reported for this fund, therefore, there are no budgeted amounts shown.



# Special Reserve Fund – Health Insurance, continued.

- For 2020-21, the stop loss (per person) specific deductible will be \$110,000 (same as 2019-20 and 2018-19).
- The maximum payment for 2020-21 per the stop loss re-insurance policy is \$3,696,300 (down from \$4,350,730 in 2019-20).
- Based on the increased district (employer) and employee contributions, the total estimated revenue for 2020-21 is \$3,124,248.
- The difference between the projected revenue and the maximum expenses leaves a potential unfunded liability of \$572,052.
- 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 \$676,419 plus the district contingency funds (if needed) will be used for any shortfall up to the \$572,052 potential unfunded liability.





# Bond & Interest

## 062 – Bond and Interest

<b>FY 20 Actual</b>	<b>FY 20 Budget</b>	<b>FY 21 Proposed Budget</b>	<b>\$ Difference</b>	<b>% Difference</b>
2,196,513	2,196,512	2,196,062	(450)	(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 10.79 mills.
- The budgeted amount is necessary to meet the bond repayment schedule for the next 18 months.

	<b><u>2013-14</u> Actual</b>	<b><u>2014-15</u> Actual</b>	<b><u>2015-16</u> Actual</b>	<b><u>2016-17</u> Actual</b>	<b><u>2017-18</u> Actual</b>	<b><u>2018-19</u> Budget</b>	<b><u>2019-20</u> Budget</b>	<b><u>2020-21</u> Budget</b>
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
State aid factor (%)	24%	25%	27%	31%	32%	32%	30%	24%
State aid (\$)	\$368,673	\$548,191	\$796,701	\$849,311	\$566,090	\$705,419	\$658,954	\$527,055
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
Mill Levy	11.117	11.128	9.034	13.78	10.447	11.924	10.886	10.790

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



# State Aid Rates

■ Capital Outlay State Aid 24%\*

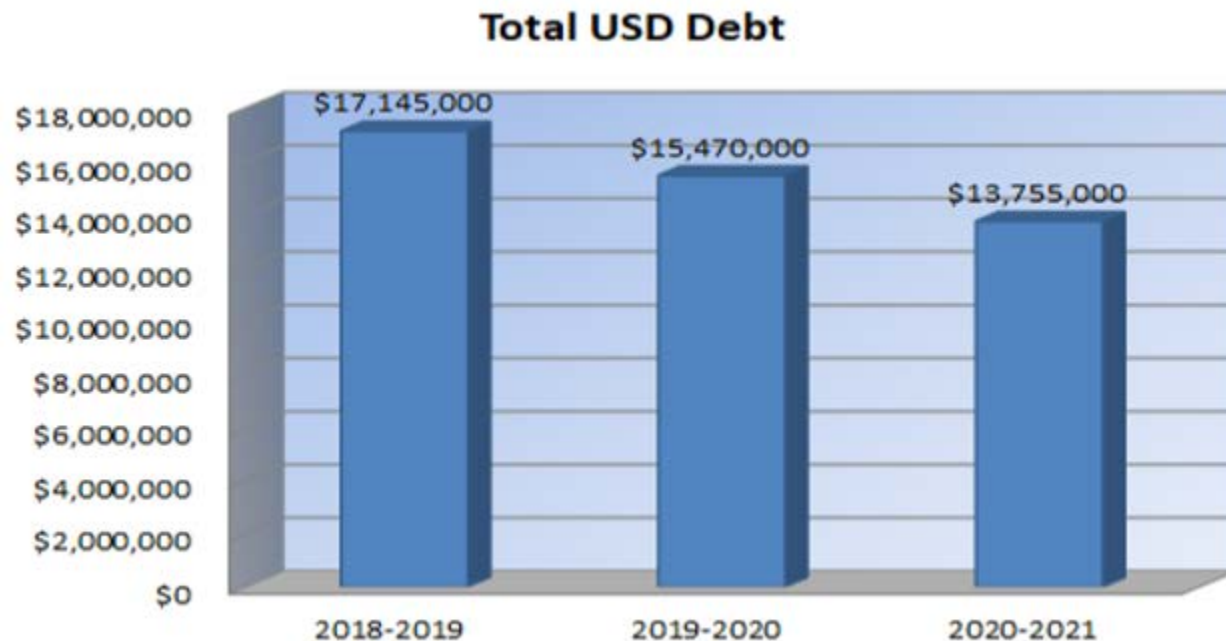
■ Bond & Interest State Aid 24%\*

\*decreased from 30% (2019-20)

■ Bonds passed after 7/1/17 0%



# Outstanding Bond Debt



# Bond Maturity – 2024:

- Outstanding Balances (as of 6/30/20):
  - Series 2012 - \$2,945,000 (final payment 6/30/28)
  - Series 2014 - \$6,510,000 (final payment 6/30/26)
  - Series 2016 - \$4,300,000 (final payment 6/30/26)
  - **TOTAL: \$13,755,000**
- Based on assumed assessed value growth and state aid %, the current bonds could pay off in 2024.



# Coop Special Education

## 078 – Coop Special Education

<b>FY 20 Actual</b>	<b>FY 20 Budget</b>	<b>FY 21 Proposed Budget</b>	<b>\$ Difference</b>	<b>% Difference</b>
16,636,141	18,391,890	19,149,345	757,455	4.1%

- 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):

	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
Interest	\$10,000	\$10,000	\$10,000	\$15,000	\$25,000	\$30,000	\$30,000
Payments from participating school districts	\$8,598,306	\$8,712,439	\$8,886,387	\$9,437,118	\$9,961,987	\$10,960,635	\$11,501,412
Payments from USD #368	\$2,700,276	\$2,579,322	\$2,617,973	\$2,578,823	\$3,048,765	\$3,130,184	\$3,229,090
Federal aid/Medicaid	\$2,141,558	\$2,169,997	\$2,200,823	\$2,273,940	\$2,288,528	\$2,296,863	\$2,334,516
Greenbush state aid flow through & Miscellaneous	\$450,661	\$760,000	\$779,888	\$780,874	\$857,086	\$974,208	\$1,054,327
<b>TOTAL REVENUE:</b>	<b>\$13,900,801</b>	<b>\$14,231,758</b>	<b>\$14,495,071</b>	<b>\$15,085,755</b>	<b>\$16,181,366</b>	<b>\$17,391,890</b>	<b>\$18,149,345</b>

- 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 21 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:

<b>FY 20 Actual</b>	<b>FY 20 Budget</b>	<b>FY 21 Proposed Budget</b>	<b>\$ Difference</b>	<b>% Difference</b>
53,225,899	58,804,129	59,259,951	455,822	.78%

- As noted, the FY 21 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 2020-21 Budget.
- To illustrate this, the 2019-20 proposed budget was \$58,804,129 and the actual expenditures were \$53,225,899, a difference of \$5,578,230 less than the published budget amount. FY 21 actual expenditures will most likely be less than the published budget of \$59,259,951 as the fund balances are not expected to be completely expended.
- Estimated FY 21 net expenditures are \$53,061,351 after budgeted transfers of \$6,198,600.



# Mill Levy Comparison

	<u>2019-20</u> <u>(actual)</u>	<u>2020-21</u> <u>(projected)</u>
General Fund	20.000	20.000
Supplemental General (LOB)	14.106	13.154
Capital Outlay	7.980	8.000
Bond and Interest	10.858	10.790
Special Assessment	0.000	0.000
Total Mill Levy	52.944	51.944
Change from prior year	<b>1.585 decrease</b>	<b>1.0 decrease</b>
<b>Total Taxes Levied</b>	<b>\$8,278,544</b>	<b>\$8,557,301</b>



# Funding Expenses - 2020-21

- Fund balances will be used as 2020-21 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.**
- **Mill levy decreases when General Fund decreases; LOB also decreases.**





# Mill Levy Summary

## Summary:

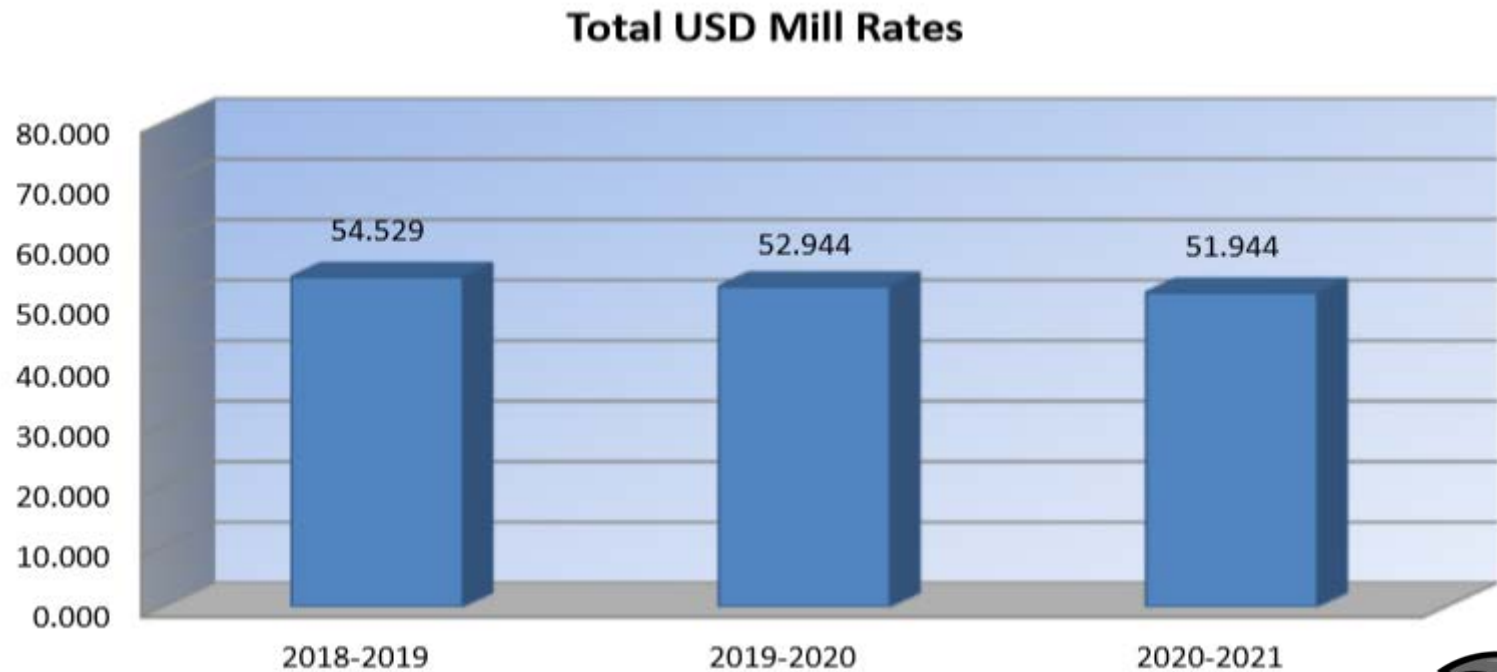
- Following is a summary of the mill levy history:

	<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>(projected)</u>
General Fund	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	13.154
Capital Outlay	8.000	8.000	7.992	7.996	8.000	7.980	8.000
Bond and Interest	11.128	9.034	13.780	10.442	11.931	10.858	10.790
Special Assessment	0.213	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	51.944
Change from prior year	<b>3.974 decrease</b>	<b>4.347 increase</b>	<b>2.038 decrease</b>	<b>1.045 decrease</b>	<b>1.028 decrease</b>	<b>1.585 decrease</b>	<b>1.0 decrease</b>
<b>Total Taxes Levied</b>	<b>\$6,814,496</b>	<b>\$7,531,319</b>	<b>\$7,435,839</b>	<b>\$7,637,034</b>	<b>\$7,956,501</b>	<b>\$8,278,544</b>	<b>\$8,557,301</b>

- 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 10<sup>th</sup> Board of Education meeting at 7 PM.



# Mill Rates (last 3 years)



# Miami County School Districts – 2019-20 Mill Levy (2019 Levy)

■ USD #230	Spring Hill	67.980
■ USD #231	Gardner-Edgerton	65.775
■ USD #416	Louisburg	64.847
■ USD #229	Blue Valley	62.797
■ USD #367	Osawatomie	59.124
■ <b>USD #368</b>	<b>Paola</b>	<b>52.944</b>
■ USD #289	Wellsville	50.518
■ 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 – 5 districts
  - Special Education Coop – 8 districts (\$19 million)
  - Vocational – Carl Perkins Consortium (3 districts)
- **USD #368's budget is the 30th 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:

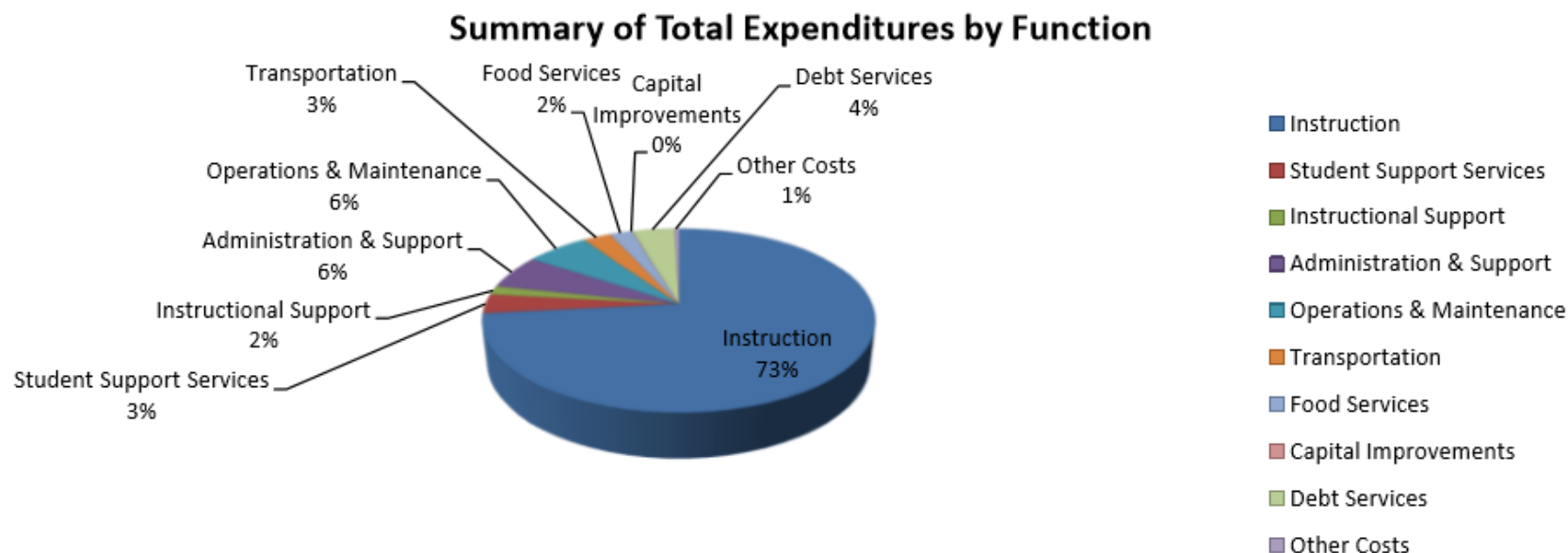
- Total Expenditures: \$52,698,024
- Less \*:
  - Lakemary (Neglected) \$69,776
  - Adult Education \$282,958
  - Parents As Teachers \$332,912
  - Special Education Coop \$18,391,890
  - Carl Perkins \$42,738
  - TOTAL: \$19,120,274

## PER STUDENT – 1,914 FTE:

- Total Expenditures: \$27,531 (15<sup>th</sup>)
- 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 (156<sup>th</sup>)\*
- 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

- Upon approval, the Notice of Hearing for the 2020-21 Budget will be published in the 7/29/20 edition of the Miami County Republic
- Budget Hearing will be held at the regular Board Meeting on August 10<sup>th</sup> @ 7 PM



# Notice of Hearing

STATE OF KANSAS  
Budget Form USD-A  
2020-2021

USD# 368

## NOTICE OF HEARING 2020-2021 BUDGET

The governing body of Unified School District 368 will meet on the 10th day of August, 2020 at 7:00 PM, at 1115 E 303rd St, 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 2020 Tax to be Levied and Expenditures (published below) establish the maximum limits of the 2020-2021 Budget. The "Est. Tax Rate" in the far right column, shown for comparative purposes, is subject to slight change depending on final assessed valuation.

Code Line	2018-2019 Actual		2019-2020 Actual		PROPOSED BUDGET 2020-2021		
	Actual Expenditures (1)	Actual Tax Rate* (2)	Actual Expenditures (3)	Actual Tax Rate* (4)	Expenditures (5)	Amount of 2020 Tax to be Levied (6)	Est. Tax Rate* (7)
OPERATING							
General	06	12,999,412	20,000	13,414,304	20,000	14,077,226	3,168,280
Supplemental General (LOB)	08	4,532,983	14,558	4,514,669	14,106	4,627,285	2,219,074
SPECIAL REVENUE							
Federal Funds	07	377,509		373,668		418,489	
Adult Education	10	271,280	0.000	272,390	0.000	269,189	0.000
Preschool-Aged At-Risk	11	0		0		0	
Adult Supplemental Education	12	23,351		25,100		52,337	
At Risk (K-12)	13	1,103,483		1,175,927		1,605,997	
Bilingual Education	14	12,912		11,534		57,673	
Virtual Education	15	21,000		14,000		155,100	
Capital Outlay	16	3,270,116	8.000	1,984,969	7.980	3,569,262	1,349,634
Driver Training	18	19,340		25,291		68,817	
Dedlining Enrollment	19	0	0.000	0	0.000	0	0.000
Extraordinary School Program	22	0		0		0	
Food Service	24	925,192		1,018,187		1,055,729	
Professional Development	26	32,475		39,653		210,110	
Parent Education Program	28	283,342		310,836		340,342	
Summer School	29	0		0		0	
Special Education	30	3,620,725		3,615,279		4,781,417	
Cost of Living	33	0	0.000	0	0.000	0	0.000
Career and Postsecondary Education	34	661,300		728,384		1,274,600	
Gifts and Grants	35	44,081		122,163		238,641	
Special Liability Expense Fund	42	0	0.000	0	0.000	0	0.000
School Retirement	44	0	0.000	0	0.000	0	0.000
Extraordinary Growth Facilities	45	0	0.000	0	0.000	0	0.000
Special Reserve Fund	47	3,209,499		2,732,373			
KPERG Special Retirement Contribution	51	1,485,924		3,601,047		4,636,345	
Contingency Reserve	53	147,472		0		0	
Textbook & Student Material Revolving	55	320,736		245,243			
Activity Fund	56	210,923		210,242			
DEBT SERVICE							
Bond and Interest #1	62	2,204,434	11.931	2,195,513	10.858	2,196,062	1,820,313
Bond and Interest #2	63	0	0.000	0	0.000	0	0.000
No-Fund Warrant	65	0	0.000	0	0.000	0	0.000
Special Assessment	67	0	0.000	0	0.000	28,436	0.000
Temporary Note	68	0	0.000	0	0.000	0	0.000
COOPERATIVES**							
Special Education	78	16,071,549		15,636,141		19,149,345	
TOTAL USD EXPENDITURES	100	51,929,251	54.529	53,223,699	52.944	59,259,921	8,557,301
Less: Transfers	105	6,546,084	xxxxxxx	6,093,559	xxxxxxx	6,195,600	xxxxxxx
NET USD EXPENDITURES	110	45,383,167	xxxxxxx	47,130,140	xxxxxxx	53,064,321	xxxxxxx
TOTAL USD TAXES LEVIED	115	7,956,551	xxxxxxx	8,319,810	xxxxxxx	8,557,301	xxxxxxx
OTHER							
Historical Museum	80	0	0.000	0	0.000	0	0.000
Public Library Board	82	0	0.000	0	0.000	0	0.000
Public Library Board Employee Benefits	83	0	0.000	0	0.000	0	0.000
Recreation Commission	84	0	0.000	0	0.000	0	0.000
Rec Comm Emp Benefits & Spec Lib	86	0	0.000	0	0.000	0	0.000
TOTAL OTHER	120	0	0.000	0	0.000	0	0.000
TOTAL TAXES LEVIED	125	7,956,551		8,319,810		8,557,301	
Assessed Valuation - General Fund	129	\$139,332,493		\$150,174,443		\$158,413,591	
Assessed Valuation - All Other Funds	130	\$149,057,017		\$160,388,364		\$168,704,299	
Assessed Valuation - Capital Outlay	129	148,817,151		160,175,686		168,704,299	
Outstanding Indebtedness, July 1	135	2015		2019		2020	
General Obligation Bonds	136	17,145,000		15,470,000		13,755,000	
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	17,145,000		15,470,000		13,755,000	

\*Tax Rates are expressed in Mills

\*\* Sponsoring District Only

President

Clerk of the Board

7/27/2020 9:14 PM

Code No. 99

Page 1





# Notice of Vote – 2<sup>nd</sup> Publication

(not needed)

STATE OF KANSAS  
2nd Publication

## USD 368 PUBLIC NOTICE OF VOTE

### 2020-21 PROPERTY TAX RATES

### 2-YEAR PROPERTY TAX REVIEW

(Excluding General Fund, Bond and Interest, No-Fund Warrants, and Temporary Note)

Fund	2019-20		2020-21		Percent Increase Over Prior Year
	Amount Levied	Rate	Amount Levied	Rate	
1. Supplemental General	2,262,438	14.106	2,219,074	13.154	-1.92%
2. Adult Education	0	0.000	0	0.000	0.00%
3. Capital Outlay	1,279,899	7.980	1,349,634	8.000	5.45%
4. Special Liability Expense	0	0.000	0	0.000	0.00%
5. Extraordinary Growth	0	0.000	0	0.000	0.00%
6. Cost of Living	0	0.000	0	0.000	0.00%
7. Special Assessment	0	0.000	0	0.000	0.00%
8. TOTAL	3,542,337	22.086	3,568,708	21.154	0.74%

NOTE: Publication in the official county newspaper is required if Line 8 is over 1.8 percent increase over the prior year.

Required by KSA 79-2925b.

### BOARD OF EDUCATION VOTE

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_

\_\_\_\_\_  
Clerk of the Board



# Questions?

## 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](mailto:jimmy_hay@usd368.org).
- Complete budget information is available on the USD #368 district website homepage at [www.usd368.org](http://www.usd368.org).

