

Fiscal Year 2018 (FY '18)
2017-18 Budget Summary & Information
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06 – General Fund

FY 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
13,197,399	14,334,082	12,581,569	(1,752,513)	(12.2%)

- 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, driver education, food service, Parents As Teachers, vocational education, professional development, 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
TOTAL DECREASE:		(\$427)	(9.6%)	(\$590,647) (-4.48%)

- From FY '09 to FY '18, the BSAPP decreased \$427 (9.6%). BSAPP is not reflected in FY 16 & 17 due to block grant funding.
- From FY '09 to FY '18, the Budgeted General Fund has decreased \$590,647 or (4.48%).
- Local Option Budget is calculated using a BSAPP of \$4,492. If USD #368's General Fund was based on a BSAPP of \$4,492 in 2017-18 it would have been \$13,789,385. This would equate to \$1,207,816 in additional General Fund budget.

- 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)	1,955.0
FY '18 (2017-18)	2,004.0 (projected)

- FTE Enrollment is calculated using the higher of:
 - 2014-15 Audited enrollment (less Kindergarten) 1,837.5
 - 2015-16 Audited enrollment (less Kindergarten) 1,852.6
 - 2016-17 Audited enrollment (less Kindergarten) **1,867.5**
 - 3 Year Average 1,852.5
- **The higher of the enrollment figures (1,867.5) is then used plus the 9/20/16 Kindergarten headcount (142) for a total FTE of 2,009.5.**

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

Weighting	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Enrollment (<i>Sept 20th</i>)	2,062.5	2,039.5	2,028.1	2,010.3	1,986.6	1961.6	1934.4	Block Grant	Block Grant	2,009.5
Enrollment used	Prior year	Average	Prior Year	Prior Year	Prior Year	Average	Average	Block Grant	Block Grant	Average
High Enrollment	72.3	71.5	71.1	70.4	69.6	68.7	67.8	N/A	N/A	70.4
Bilingual Education (<i>hours</i>)	.7	.7	.3	.7	.5	.4	.5	N/A	N/A	2.0
Vocational Education (<i>hours</i>)	50.2	50.4	51.2	53.4	40.5	40.8	37.7	N/A	N/A	39.7
At-Risk(<i>free lunch</i>) .456 FTE	192.0	231.6	253.5	294.1	294.1	268.6	281.8	N/A	N/A	284.1
Non-Proficient (<i>testing</i>)	7.0	7.3	5.5	5.3	5.3	5.2	0	N/A	N/A	0
New Facilities	0	0	0	0	0	0	0	0	32.9	37.5
Transportation (>2.5 <i>miles</i>)	139.3	148.2	139.0	151.5	152.1	154.6	154.8	N/A	N/A	155.7
Special Education	380.0	297.3	381.6	441.9	451.5	538.2	562.0	N/A	N/A	529.3
FHSU Math & Science Academy	0	0	1.0	0	0	0	1.0	N/A	N/A	0
TOTAL WEIGHTED FTE:	2,904.0	2,847.5	2,931.3	3,027.6	3,000.2	3,038.1	3,040.0	N/A	N/A	3,128.2
x BSAPP	\$4,400	\$4,012	\$3,937	\$3,780	\$3,838	\$3,838	\$3,852	N/A	N/A	\$4,006
= GENERAL FUND	\$12,777,600	\$11,424,170	\$11,540,528	\$11,444,328	\$11,514,768	\$11,660,228	\$11,710,080	\$15,657,287	\$14,334,082	\$12,531,569
Virtual State Aid										\$50,000
TOTAL GEN FUND										\$12,581,569

- District's calculated free lunch percentage:

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

*For 2015-16, used 2014-15 year end free lunch students (618); Percent lower due to higher projected enrollment.

*For 2016-17, used 2015-16 year end free lunch students (563); Percent calculated using 2015-16 audited FTE of 1936.1.

*For 2017-18, used 2016-17 year end free lunch students (587); Percent calculated using 2016-17 audited FTE of 1,952.

- General Fund Revenue Summary: General State Aid (\$10,461,245) and Special Education Aid (\$2,120,324) for a total of \$12,581,569
- General Fund Expense Summary: Salaries/Benefits \$8,713,374 (69%), Transfers \$3,488,654 (28%), and Supplies/Misc. \$379,541 (3%)
- Transfers from the General Fund include Virtual Education (\$50,000) Capital Outlay state aid (\$150,225), Professional Development (\$30,000), Special Education (\$2,120,324), and At-Risk (\$1,138,105) for a total of \$3,488,654.
- 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%
TOTAL:		\$7,012,615	5.26%

- Average Tax Delinquency Percentage for Miami County:

Year	Delinquency
2015	0.73%
2014	1.28%
2013	1.23%
2012	1.88%
2011	2.19%

- The delinquent tax rate used for the 2017-18 budget is 4%.

08 – Supplemental General (Local Option Budget)

FY 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
4,307,408	4,307,408	4,550,497	243,089	0%

- Supplemental General’s (“LOB”) balance of \$209,716 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 2017-18). The balance is carried over to reduce the succeeding year’s property tax.
- The LOB was calculated by using the BSAPP of \$4,490 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 2017-18 is 17.128 mills, an increase of 2.298 mills.
- Supplemental General (LOB) Fund Revenue Summary: Balance \$209,716 (4.6%); Local \$2,507,548 (55.1%); State \$1,833,233 (40.3%)
- Supplemental General (LOB) Fund Expense Summary: Transfers \$1,577,291 (35%), Contracted transportation & fuel \$695,000 (15%), Electricity/Heating \$829,500 (18%), Maintenance salaries \$240,950 (5%), Insurance \$300,000 (7%), Repairs/Maintenance/Cleaning \$210,956 (5%), Water \$94,000 (2%), Textbooks \$145,000 (3%), Technology \$110,000 (2%) and \$347,800 (8%) for remaining LOB expenses (instructional equipment, supplies, etc).
- Transfers from LOB include Parents As Teachers (\$26,340), Special Education (\$1,031,373), and Vocational Education (\$519,578).

07 – Federal Funds

FY 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
347,665	347,665	368,451	20,786	6%

- This fund is a consolidated reporting of the various Federal Title programs the District receives funding for through applications.
- Programs include Title I Reading (\$312,808) Title II-a Teacher Quality (\$47,497), and Title IV 21st Century (\$8,146)
- The FY 18 increase is in additional Title I funding (\$8,066), Title II-a funding (\$4,574), and new Title IV funding for 17-18 (\$8,146)
- The Title I budget amount includes funds for the District and Lakemary Center neglected funds. The amount for Neglected for 2017-18 is \$61,519.

010 – Adult Education

FY 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
221,621	232,082	239,924	7,842	3.4%

- 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 similar to the Parents As Teachers consortium and the Special Education Cooperative which the Paola district also hosts.
- The District is required to provide financial support in order to receive federal and state aid. In prior years, this was achieved by a transfer of \$32,500 from LOB. In 2013-14 and forward, expenses for the adult education will be charged directly to LOB (utilities & custodial expenses) in order to meet the required district contribution (approx. \$18,000).
- FY 18 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 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
38,119	75,977	74,182	(1,795)	(2.4%)

- 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.
- In the past, District supported this fund with a transfer from LOB. This transfer was eliminated in 2011-12.
- FY 18 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 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
556,757	1,489,194	1,638,105	148,911	10%

- At-Risk funds are transferred from the General Fund (\$1,138,105). 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 2017-18 is based on the following:

Final 2016-17 Students eligible for free lunches (587 students)	<u>FTE</u>
	587 students x .484 weighting = 284.1 x \$4,006 = \$1,138,105

- At-Risk funding is based on the number of eligible students that qualify for free lunches (see table below).
- District’s calculated free lunch percentage:

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

*For 2015-16, used 2014-15 year end free lunch students (618); Percent lower due to higher projected enrollment.
 *For 2016-17, used 2015-16 year end free lunch students (563); Percent calculated using 2015-16 audited FTE of 1936.1.
 *For 2017-18, used 2016-17 year end free lunch students (587); Percent calculated using 2016-17 audited FTE of 1,952.

- FY 18 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 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
343	29,618	29,275	(343)	(1.2%)

- Funding is calculated based on the number of hours of bilingual education services provided to qualifying students.
- For 2017-18, the bilingual FTE was 2.0 based on the hours of service received by students, resulting in expenses of \$8,012 for this fund.
- District can only pay actual salaries associated with those teachers who are providing bilingual services and who are ELL certified.
- FY 18 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 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
14,950	25,000 (republished)	60,050	35,050	140%

- Funding is calculated based on the number of hours of bilingual education services provided to qualifying students.
- For 2017-18, the bilingual FTE was 2.0 based on the hours of service received by students, resulting in expenses of \$8,012 for this fund.
- Revenue for 2017-18 based on up to 10 students at \$5,000 state aid each (\$50,000), plus miscellaneous revenue (\$10,000) and fund balance (\$50).
- Fund was established in 2016-17 through budget republication.
- FY 18 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 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
1,426,881	5,155,156	5,618,650	463,494	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 2017-18 will be 8 mills.
- Capital outlay availability continues to be important. Without this critically important funding, district facilities could suffer as repairs/renovations might be delayed or would reduce the funds available for general education expenses if general funds had to be used in lieu of capital outlay.
- Capital Outlay state aid was eliminated effective for the 2009-10 fiscal year and was reinstated for the 2014-15 budget.
- For 2017-18, capital outlay state aid is estimated at \$359,540, an increase of \$27,502 over 2016-17.
- FY 18 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 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
25,231	48,976	64,519	15,543	31.7%

- 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 in order 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 \$12,460 state safety aid (\$140/student).
- The enrollment for the 2017-18 budget is based on 89 students.
- FY 18 proposed budget amount includes the carryover balance for this fund. District does not plan to expend the carryover balance, but must have the budget authority to do so if necessary.

024 – Food Service

FY 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
899,435	1,430,273	1,470,161	39,888	2.8%

- The budgeted amount of the Food Service transfer for 2009-10 was reduced from \$70,000 to \$50,000. The transfer was eliminated for 2010-11 and the program has been self-supporting since that time.
- Food Service Revenue Summary: Meal Sales (\$527,140), State school food assistance (\$8,060), Federal Child Nutrition Programs (\$460,509), and Interest (\$500)
- Food Service Expense Summary: Salaries & Benefits \$546,709 (37%), Food & Supplies/Other \$449,500 (31%), Fund Balance \$473,952 (32%)
- The District did not increase 2017-18 student lunch and breakfast prices (K-12) as required in the past to comply with recently released Equity in Meal Pricing guidance from USDA and new USDA lunch meal patterns effective July 1, 2012 related to proper portion size based on age/grade groups.
- Following is a summary of the meal reimbursement rates, number of meals served, and meal prices:

	2013-14	2014-15	2015-16	2016-17	2017-18
Federal Reimbursement Rate (per meal)	.4975	.5725	.5875	.5875	.5900
State Reimbursement Rate (per meal)	.0400	.0400	.0400	.0400	.0400
Lunches Served (prior year)	229,300 (2012-13)	223,180 (2013-14)	226,521 (2014-15)	214,279 (2015-16)	209,473 (2016-17)
Breakfasts Served (prior year)	58,059 (2012-13)	53,874 (2013-14)	61,229 (2014-15)	56,909 (2015-16)	58,776 (2016-17)
Total Meals Served	287,359 (2012-13)	277,054 (2013-14)	287,750 (2014-15)	271,188 (2015-16)	268,249 (2016-17)
Lunch Price (elementary/middle school/high school)	\$2.50 / \$2.55 / \$2.65	\$2.60 / \$2.65 / \$2.75	\$2.65 / \$2.70 / \$2.80	\$2.65 / \$2.70 / \$2.80	\$2.65 / \$2.70 / \$2.80
Breakfast Price (K-5/6-12)	\$1.80 / \$1.85	\$1.90 / \$1.95	\$1.95 / \$2.00	\$1.95 / \$2.00	\$1.95 / \$2.00

- FY 18 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 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
29,636	167,934	176,298	8,364	5%

- Professional development activities are funded via transfer from LOB and new for 17-18 state aid in the amount of \$3,000.
- The budgeted transfer amount for 2017-18 is \$30,000 from General Fund.
- FY 18 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 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
234,562	264,705	313,653	48,948	18.5%

- The District is the sponsoring district for several area school districts’ Parents As Teachers programs, including Central Heights, Prairie View, Osawatomie, Louisburg, Jayhawk Linn, and Paola. USD #368’s anticipated portion of the budget after state aid is \$26,340 (60 slots @ \$439/slot). The district is required to match 65% of the state aid.
- This fund remains stable unless additional children are added to the program.
- Of the projected budget increase for this fund, \$15,438 is 2016-17 carryover (which will be expended in 2017-18) and an additional \$35,000 TANF grant received for 2017-18.
- 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 similar to the Adult Education consortium and the Special Education Cooperative which the Paola district also hosts.
- FY 18 proposed budget amount includes the carryover balance for this fund. District does not plan to expend the carryover balance, but must have the budget authority to do so if necessary.

030 – Special Education

FY 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
2,931,587	3,827,861	3,801,697	(26,164)	(.68%)

- 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 2016-17 was \$27,750 and is estimated to be \$28,250 for 2017-18.
- The special education FTE results in a \$2,120,324 transfer from General Fund to Special Education.
- This fund includes expenditures for Coop payments/USD 368 assessments (\$1,031,373), special education contracted transportation (\$401,000), pass through of USD 368 special education entitlement aid to the Coop (\$1,547,450), Greenbush Special Education flow through state aid (\$220,874), Tuition for Life Skills program at USD #367 (\$80,000) and salaries for special education teacher substitutes (\$20,000), and Misc. (\$501,000).
- FY 18 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 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
494,424	798,076	1,062,989	264,913	33.2%

- This fund includes salary and course expenditures for approved district vocational programs, including business education, vo-ag, family and consumer science (FACS), trade/industry, and journalism. Carl Perkins grant revenue is also included in this fund for three districts (\$31,889).
- USD #368 administers the Carl Perkins grant for Osawatomie, Louisburg, and Paola (USD 368’s share is \$12,711)
- FY 18 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 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
48,197	121,486	132,771	11,285	9.3%

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

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

- Budget for FY 18 is the ending balance of \$82,771 plus estimated revenue of \$50,000.
- FY 18 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 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
2,397,971	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:

	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual
Beginning Balance	\$650,400	\$532,210	\$793,230	\$1,260,852	\$1,042,338	\$1,000,826	\$1,380,426
Revenue	\$1,992,171	\$1,787,589	\$1,854,260	\$1,898,349	\$1,930,699	\$2,040,775	\$2,249,262
Expenses	\$2,110,361	\$1,526,569	\$1,386,638	\$2,116,863	\$1,972,211	\$1,661,175	\$2,397,971
Ending Balance	\$532,210	\$793,230	\$1,260,852	\$1,042,338	\$1,000,826	\$1,380,426	\$1,231,717
Stop Loss (per person)	\$75,000	\$75,000	\$75,000	\$85,000	\$85,000	\$85,000	\$85,000

- During 2016-17, expenses exceeded revenue, resulting in a reserve balance decrease of \$148,709.
- Actual expenses only are reported for this fund, therefore, there are no budgeted amounts shown.
- For 2017-18, the stop loss (per person) specific deductible will be \$95,000.
- The maximum payment for 2017-18 per the stop loss re-insurance policy is \$2,886,763.
- Original contingency funds of \$345,800 were earmarked for the health insurance fund. Including the reserve fund of \$1,231,717, this makes a total health insurance reserve of \$1,577,517.

051 – KPERS Contribution Fund

FY 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
1,622,915	2,356,313	2,677,810	321,497	13.6%

- 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.
- While the FY 17 budget was \$2,356,313, actual expenses were \$733,398 less than expected due to legislative action.
- Budget includes the estimated increase in the KPERS state rate (est. 50%) and any additional change based on salary increases or staff changes.

053 – Contingency Reserve

FY 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
0	0	0	0	

- The contingency reserve fund may be used for emergency or unanticipated expenditures.
- The current balance is \$1,144,000 or approximately 10% of the 2011-12 General Fund (\$11,444,328).
- During the 2013 Legislative session, the 10% cap on contingency was removed effective 7/1/2013 (2013-14 fiscal year).
- The current contingency balance represents approx. 2 weeks of salary expense for the district (approx. \$2 million per month payroll).

055 – Student Materials Revolving

FY 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
116,555	0	0	0	0

- Revenues are generated by student enrollment fees and were \$159,248 in 2016-17. 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.
- Upcoming K-12 textbook replacement initiatives will increase the expenses in this fund by based on planned textbook replacement schedule.

056 – Activity Fund

FY 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
214,162	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 2017-18 included.
- Expenses reflect PHS and PMS expenses as defined by statutory requirements.
- The term “activities” means activities, events, and competitions in such fields as athletics, music, forensics, and dramatics, and other interschool or intra-school extracurricular activities in which pupils may participate directly or indirectly. Does not include student organizations or clubs (only district funds).
- Majority of expenses are supplies, officials/referees, and equipment.

• Activity Fund Summary:

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

062 – Bond and Interest

FY 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
2,739,714	2,826,146	1,769,032	(1,057,114)	(37.4%)

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

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

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

067 – Special Assessment

FY 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
0	20,029	26,341	6,312	31.5%

- 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 (actually 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 2017-18.
- Any remaining cash balance will be used for future special assessments due.
- FY 18 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 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
13,400,505	15,495,071	16,085,755	590,684	3.8%

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

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Interest	\$20,000	\$10,000	\$10,000	\$10,000	\$10,000	\$15,000
Payments from participating school districts	\$8,649,854	\$9,000,797	\$8,598,306	\$8,712,439	\$8,886,387	\$9,437,118
Payments from USD #368	\$2,146,391	\$2,684,236	\$2,700,276	\$2,579,322	\$2,617,973	\$2,578,823
Federal aid/Medicaid	\$2,122,672	\$2,149,025	\$2,141,558	\$2,169,997	\$2,200,823	\$2,273,940
Greenbush state aid flow through & Miscellaneous	\$365,000	\$243,700	\$450,661	\$760,000	\$779,888	\$780,874
TOTAL REVENUE:	\$13,303,917	\$14,087,758	\$13,900,801	\$14,231,758	\$14,495,071	\$15,085,755

- 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 similar to the Parents As Teachers consortium and the Adult Education consortium which the Paola district also hosts.
- FY 18 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 17 Actual	FY 17 Budget	FY 18 Proposed Budget	\$ Difference	% Difference
45,266,037	53,328,052 (republished)	52,741,729	(586,323)	(1.1%)

- As noted, the FY 18 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 2017-18 Budget.
- To illustrate this, the 2016-17 proposed budget was \$53,328,052 and the actual expenditures were \$45,266,037, a difference of \$8,062,015 less than the published budget amount. FY 18 actual expenditures will most likely be less than the published budget of \$52,741,729 as the fund balances are not expected to be completely expended.
- Estimated FY 18 net expenditures are \$47,675,784 after budgeted transfers of \$5,065,945.

Summary:

- Following is a summary of the mill levy history:

	<u>2011-12</u> <u>(actual)</u>	<u>2012-13</u> <u>(actual)</u>	<u>2013-14</u> <u>(actual)</u>	<u>2014-15</u> <u>(actual)</u>	<u>2015-16</u> <u>(actual)</u>	<u>2016-17</u> <u>(actual)</u>	<u>2017-18 (budget)</u>
General Fund	20.000	20.000	20.000	20.000	20.000	20.000	20.000
Supplemental General (LOB)	19.017	17.919	19.150	14.952	21.606	14.830	17.128
Capital Outlay	6.000	7.996	8.000	8.000	8.000	7.992	8.000
Bond and Interest	13.262	12.344	11.117	11.128	9.034	13.780	10.447
Special Assessment	0.000	0.000	0.000	0.213	0.000	0.000	0.000
Total Mill Levy	58.279	58.259	58.267	54.293	58.64	56.602	55.575
Change from prior year	.0960 decrease	.02 decrease	.0080 increase	3.974 decrease	4.347 increase	2.038 decrease	1.027 decrease
Total Taxes Levied	\$7,355,460	\$7,304,790	\$7,295,645	\$6,814,496	\$7,531,319	\$7,435,839	\$7,604,970

- 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 28th Board of Education meeting at 6 pm.

Questions:

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

