



# SHAWNEE MISSION

SCHOOL DISTRICT

## 2022-23 Budget Workshop Operating Funds

*May 23, 2022*



# DESTINATION

Every student will have a **personalized learning plan** that supports them in being **college/career ready** and having the **interpersonal skills** important to life success.

# Operational vs Non-Operational Budgets Expenditures

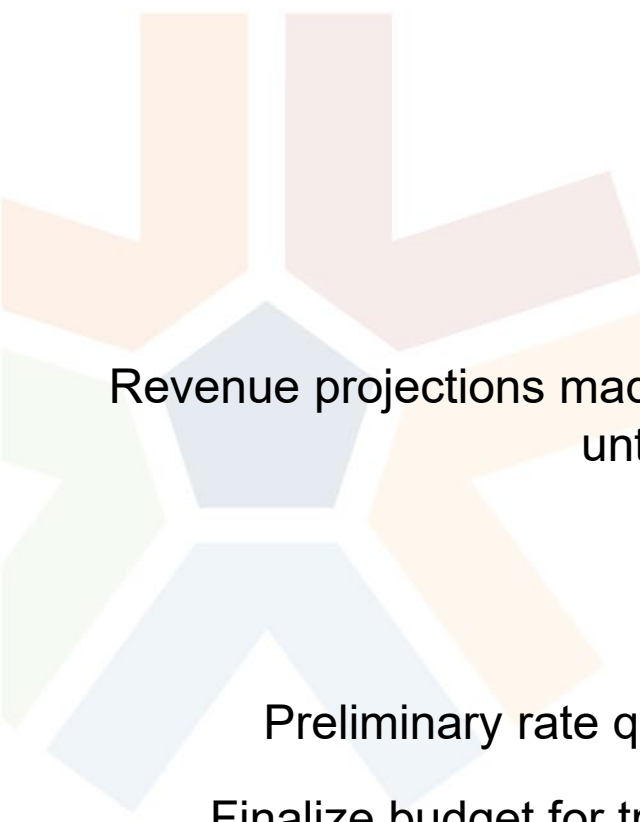
- **Operational Budget** includes the daily expenditures associated with running the school district, primarily salaries & benefits as well as transportation, utilities and supplies & services.
- **Non-Operational** are directed primary to maintaining, repairing, and rebuilding district facilities. Non-operational dollars cannot be used for daily operational expenditures, but for a few specifically defined exceptions.
  - **Capital Budget** include purchases for educational equipment, ongoing facilities upkeep and repairs to buildings according to an established replacement cycle. These funds are typically not large enough for major renovations or reconstruction. Capital outlay dollars cannot be used for operational needs, except for the salaries of maintenance and custodians who maintain the facilities.
  - **Bond Funds** is dedicated to new construction and remodel of district facilities. Bond funds cannot be used for operational needs.

see [SMSD Budget and Finance FAQ](#)

# SMSD BUDGET 2021-2022

<b>OPERATING</b> <i>Unrestricted</i> <b>\$256,966,883</b> <b>61% of Total</b>	<b>FEDERAL</b> <i>Restricted</i> <b>\$23,853,435</b> <b>6% of Total</b>	<b>CAPITAL OUTLAY</b> <i>Restricted</i> <b>\$47,056,580</b> <b>11% of Total</b>	<b>BOND (DEBT)</b> <i>Restricted</i> <b>\$24,661,306</b> <b>6% of Total</b>	<b>FLOW-THROUGH</b> <i>Restricted</i> <b>\$41,304,691</b> <b>10% of Total</b>	<b>SELF-SUPPORTED</b> <i>Restricted</i> <b>\$24,344,015</b> <b>6% of Total</b>
State & Local Revenues (State = 74%)	Federal Revenues (Federal = 100%)	Local Revenues (State = 0%)	Local & Bond Proceeds \$264,220,000 (State = 0%)	State & Local Revenues (State = 78%)	Fees, Gifts & Grants Revenues (State = 1%)
<p>Unrestricted for these purposes:</p> <ul style="list-style-type: none"> <li>• Salary &amp; benefits 84%</li> <li>• Student transportation 6%</li> <li>• Supplies &amp; services 5%</li> <li>• Utilities 4%</li> <li>• Other 1%</li> </ul>	<p>Restricted by federal statute for these purposes:</p> <ul style="list-style-type: none"> <li>• ESSER Pandemic</li> <li>• Title VIB special education</li> <li>• Title I reading &amp; math support in our high poverty schools</li> <li>• Title IIA to develop high qualified teachers and principals</li> <li>• Title III &amp; IV</li> </ul>	<p>Restricted by state statute for these purposes:</p> <ul style="list-style-type: none"> <li>• Bond Debt &amp; Apple Leases</li> <li>• Construction</li> <li>• Renovation &amp; repair</li> <li>• Maintenance salaries</li> <li>• Technology and software</li> <li>• Furnishings and equipment</li> <li>• Uniform purchases</li> </ul>	<p>Requires voter approval and is restricted for these purposes:</p> <ul style="list-style-type: none"> <li>• Major construction and renovation of facilities</li> <li>• Equip and furnish facilities</li> <li>• Cannot be used for operations</li> <li>• Bond debt is paid from the Bond &amp; Interest Fund</li> </ul>	<p>Restricted by state statute for these purposes:</p> <ul style="list-style-type: none"> <li>• KPERS flow-through contribution funded by the state</li> <li>• Cost of living weighting funded by local taxes</li> </ul>	<p>Restricted by state statute for the revenue specific purposes:</p> <ul style="list-style-type: none"> <li>• Food service and summer school</li> <li>• Textbook rental &amp; student materials</li> <li>• Gift, Donations &amp; non-federal grants</li> <li>• Special liability</li> </ul>

# Budget Development Process



Assess building needs	November
Budget requests made by departments	November
Projected enrollment finalized	November
Revenue projections made (accurate estimates cannot be made until funding is finalized by the legislature)	January
Cabinet reviews preliminary budget	January – March
HR assesses future staffing needs	February
Preliminary rate quotes are received for health insurance	April
Finalize budget for transportation, utilities, other large items	May
Negotiations for certified compensation begins	May
Budget workshop with board and public	May
Budget approval	July - August

# OPERATING FUNDS

- Funds are used to account for the general operation of the district. This includes salaries, benefits, student transportation, utilities, and supplies & services.
- Includes the general, supplemental general (Local Option Budget), special education (SPED), at-risk, bilingual (ELL), career technical education (CTE), virtual, professional development, parent as teachers, and workers compensation funds that are supported by transfers from the general and supplemental general funds.
- Main revenue sources -- state aid, local taxes and reimbursable fees.

# Current Budget Assumptions: *Funding*

BASE increases \$140 to \$4,846	\$4,763,875
Enrollment decrease of 1,049.3 FTE	(5,084,908)
Weighted 149.2 FTE increase (At-Risk, CTE)	716,602
Special Education – increased 8.0 FTE teachers, 7.6 FTE paras, increased SPED transportation cost	897,308
LOB BASE 3% increase to \$4,846	130,552
Increase in Reimbursables & Medicaid	174,743
<b>Total</b>	<b>\$1,598,172</b>

# 2022-23 Anticipated Operating Funding

**Total  
Funding -  
\$251,065,499**

General Fund  
(State Aid)  
\$162M

Special Education  
(State Aid)  
\$23M

Medicaid  
(Federal)  
\$2M

Local Option Budget  
(Local Taxes)  
\$62M

Reimbursable  
Fees (Local)  
\$2M

Other (Local)  
\$1M



# Current Budget Assumptions: *Expenditures*

Professional Growth (column movement for additional education)	\$800,000
Personnel changes of 38.8 FTE	2,811,866
Maintains health insurance cap at \$792 and new participants in 2022	2,637,109
Includes 3% increase for student transportation	808,775
Changes in supplies & services and other	(848,711)
Increase in utilities	291,847
Decrease in instructional resources	(1,721,491)
Change in recapture	(1,000,000)
Additional custodial salaries to the Capital Outlay Fund (secondary workload)	(2,200,000)
<b>Total</b>	<b>\$1,579,395</b>

# Current Budget Assumptions: *Personnel Changes*

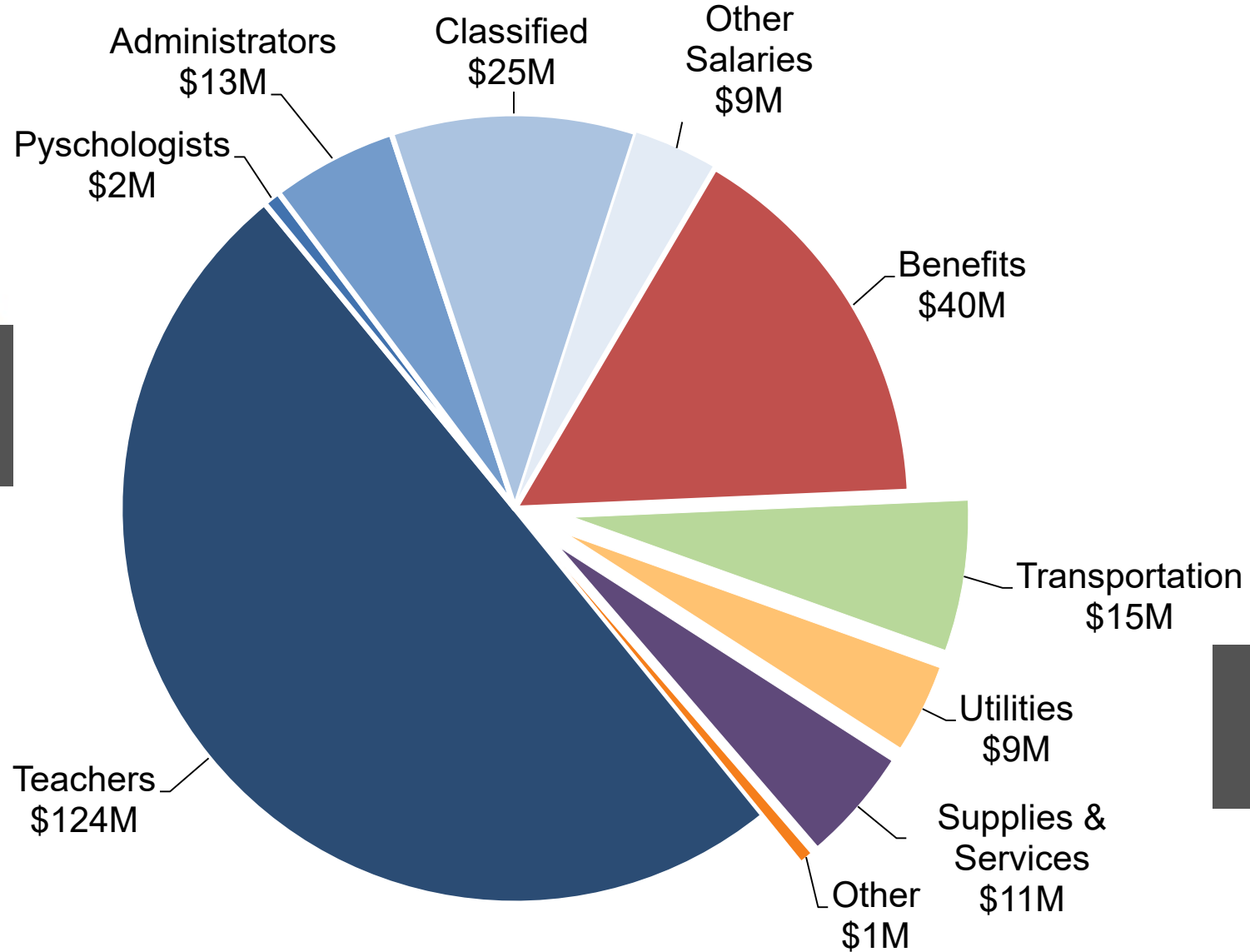
<u>Operating</u>	<u>FTE</u>	<u>Increase</u>
Secondary Teachers (6→5 periods)	23.6	\$1,855,183
Teacher Staffing per enrollment	0.4	31,444
SPED Teachers (reduced caseload)	6.0	462,440
Title VIB SPED Teachers	2.0	171,392
Paraprofessionals	8.6	291,407
<i>Operating Total</i>	38.8	\$2,811,866
<u>ESSER</u>		
Elementary Teachers (22/25 Class Size) *	22.0	\$1,404,000
Social Workers**	7.0	572,000
High School Counselors**	4.0	372,000
Secondary Math Teachers**	10.0	780,000
Instructional Coaches**	7.0	500,500
<i>ESSER Total</i>	50.0	\$3,628,500

\* Elementary class sizes to return to 24/27 in 2024-25

\*\* Positions will need to be reduced or absorbed into operating funds in 2024-25

# 2022-23 Anticipated Operating Expenditures

**Total Expenditures - \$249,195,974**



**85.3% for Salaries & Benefits**

# Summary of Fund Balances

	Actual	Projected	Anticipated
	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
<b>BASE</b>	\$4,569	\$4,706	\$4,846
<b>Revenues</b>	\$246,851,624	\$249,467,327	\$251,065,499
<b>Expenditures</b>	\$244,426,874	\$247,690,962	\$249,195,974
<b>Surplus (Deficit)</b>	\$2,424,750	\$1,776,365	\$1,869,525
<b>Beginning Fund Balance</b>	\$18,158,468	\$20,583,218	\$22,359,583
<b>Ending Fund Balance</b>	\$20,583,218	\$22,359,583	\$24,229,108
<b>Balance as % of Expenditures*</b>	10.73%	11.30%	11.99%
<b>Workers Comp Reserve</b>	\$2,600,000	\$2,600,000	\$2,600,000
<b>Contingency Reserve</b>	\$5,638,052	\$5,638,052	\$5,638,052
<b>* Ending Fund Balance + Contingency Reserve divided by Expenditures</b>			

Does not include salary and health increases for 2022-23

# Minimum Operating Fund Balance & Use of Capital Outlay Fund for Salaries

*Board Policy DBB*

- **10-15%** -- Minimum unencumbered operating fund balance (including contingency)
- **8.3%** -- Budget reductions are implemented
- Why?
  - Reserves are an important component of a healthy school district budget and need to be available to cover everyday cash flow;
  - protect against the risk of the district having insufficient operating funds to cover payroll or other operating expenses in the event of a delay or unplanned reduction of state payments or county payments;
  - maintain a high bond rating.
- Custodial & maintenance salaries/benefits may be moved to the capital outlay fund
- In no event will such salaries/benefits exceed 25% of capital outlay annual tax revenues.

# FEDERAL FUNDS

- Federal grants received directly from the federal government or passed through the state of Kansas.
- Restricted to the specific use detailed in the grant documents.

Title I – Low Income	\$3,108,959
Title I – Migrant	50,000
Title IIA – Teacher Quality	658,873
Title III – ELL	228,729
Title IVA – Prof. Development	159,440
Title VIB – SPED IDEA	6,571,818
Title VIB – ESSER SPED Supp	889,012
Title VIB – TIP	211,822
Carl Perkins – CTE	176,739
ESSER III	11,871,503

Increase of  
\$271,695

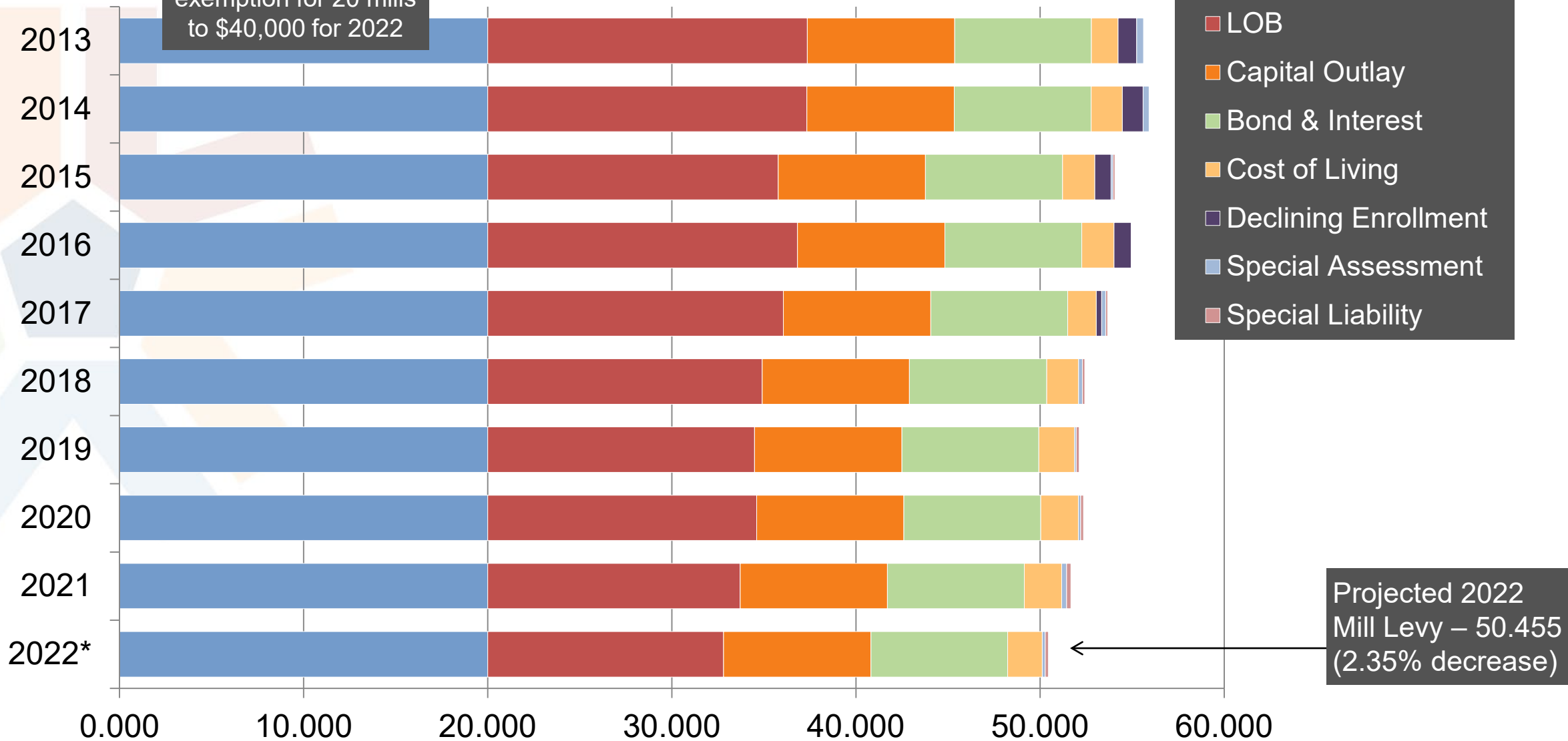
# ESSER III Funds Allocations

ESSER III Budget Allocations (Award \$23,743,005) 2022-2023	Budget \$11,871,503
<i>Items Committed for 2022-2023:</i>	
*Elementary Social Workers (7)	\$572,000
*High School Counselors (4)	\$372,000
**Reduce Elementary Class Size to 22/25 (22)	\$1,716,000
*Secondary Math Teachers (10)	\$780,000
*6.5 Elementary Instructional Coaches	\$500,500
Substitutes to support student learning, professional learning, and COVID for the 22-23 school year (61)	\$2,460,000
Elementary CARES Team	\$675,000
Middle School CARES Team	\$500,000
High School CARES Team	\$550,000
Technology Needs (Canvas, ClassLink, Hot Spots)	\$450,000
Substitute nurse services (up to 15 subs not to exceed \$960,000)	\$500,000
Indoor Air Quality	\$796,003
Retention Payment to eligible employees for all pay groups – September 2022	\$2,000,000
<b>Total Commitments</b>	<b>\$11,871,503</b>
*These positions will need to be reduced or absorbed into the general fund 2024-25.	
** Elementary class sizes would return to 24/27 in the 2024-25 school year.	

\$700 retention pay pending approval by the ESSER Task Force & Kansas State Board of Education

# Mill Levy History

State increased exemption for 20 mills to \$40,000 for 2022



Projected 2022 Mill Levy – 50.455 (2.35% decrease)

\* Anticipated 2022 cost to owner of \$200,000 home -- \$1,068



# Budget Timeline

Budget Workshop – Non-Operating Funds	May 9, 2022 (BOE Meeting)
Budget Workshop – Operating Funds	May 23, 2022 (BOE Meeting)
Approval to Exceed Revenue Neutral Mill Rate	June 27, 2022 (BOE Meeting)
Notify County Clerk of Intent to Exceed Revenue Neutral Rate	July 20, 2022
County Clerk Notifies Individual Taxpayers of New Tax Levy	After July 20, 2022
Approval of Publication	July 25, 2022 (BOE Meeting) *
Publication of Notice of Hearing in KC Star	July 29, 2022 *
10-day Publication Noticed Ends	August 8, 2022 *
Revenue Neutral & Budget Hearings and Adoption	August 22, 2022 (BOE Meeting) *
Budget Submission Deadline	September 20, 2022

Revenue Neutral  
Rate Statute --  
K.S.A. 79-2988

\* Tentative

Presentation can be found at [SMSD.org – Budget & Finance Section](https://www.smsd.org/Budget-Finance-Section)



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