



SHAWNEE MISSION

SCHOOL DISTRICT

2022-23 Budget Workshop Non-Operating Funds

May 9, 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

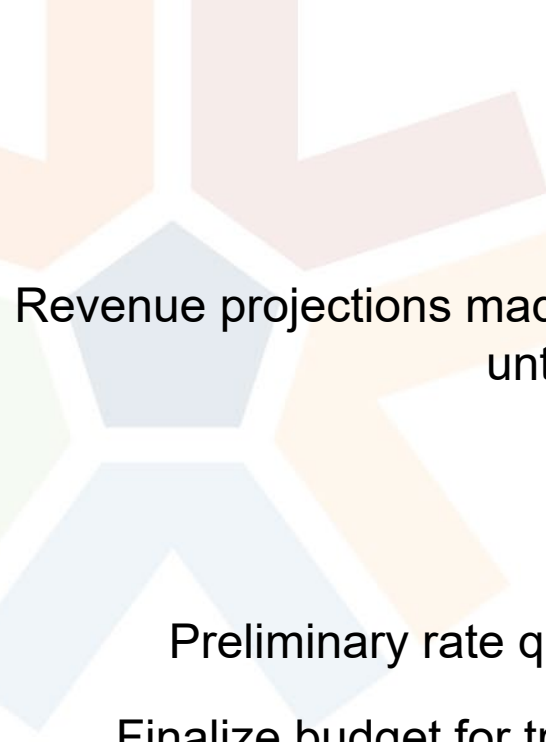
- **Operational Budget** includes the daily expenditures associated with running the school district, primarily salaries & benefits as well as transportation, utilities and supplies & services.
- **Non-Operational** are directed primary to maintaining, repairing, and rebuilding district facilities. Non-operational 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** 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

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

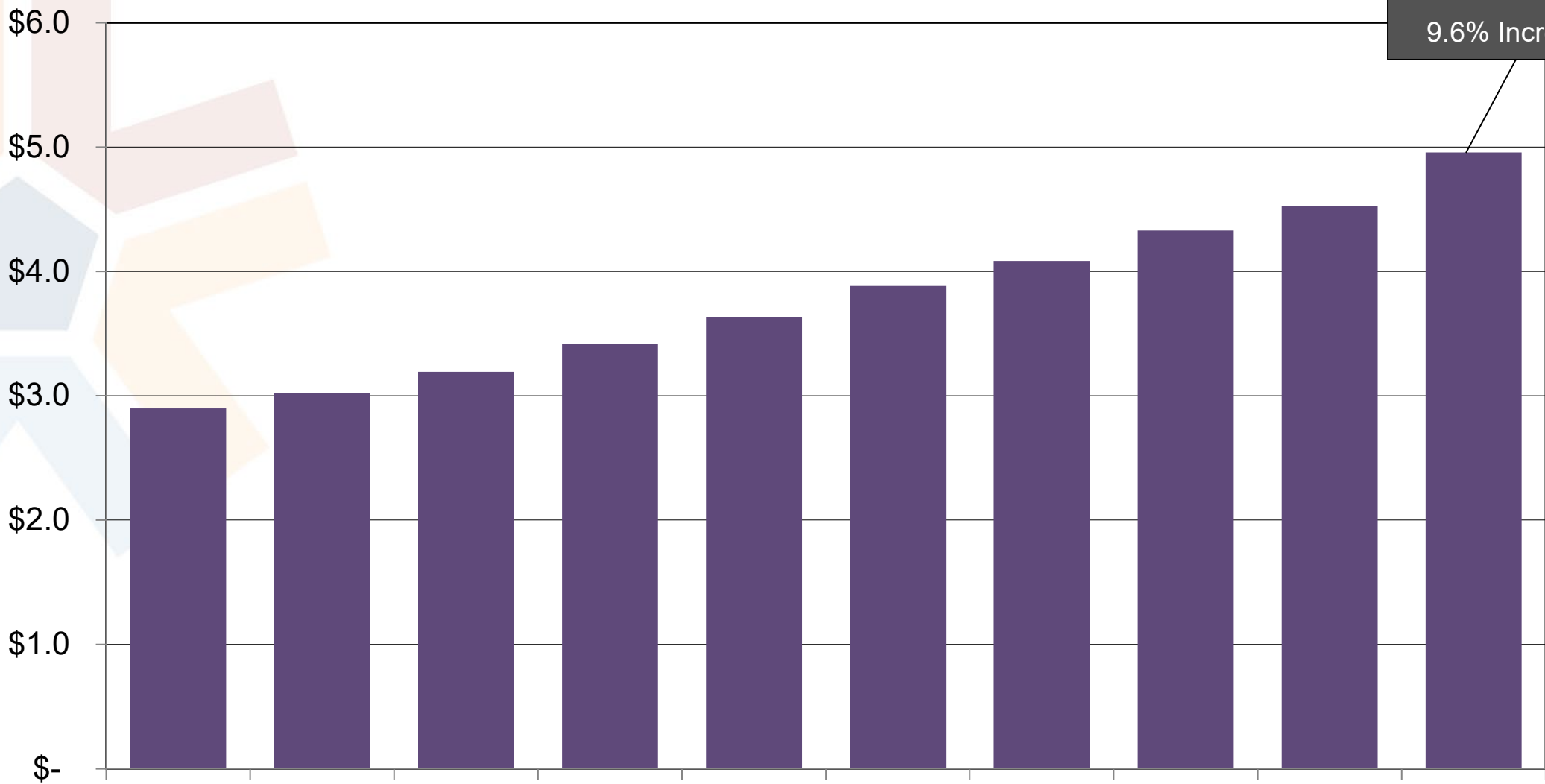
Budget Development Process



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

Assessed Valuation Growth

Billions



\$4.96 Billion
9.6% Increase

Capital Outlay: Revenue

Beginning Fund Balance

\$15,268,849

Revenues:

Property/MV Taxes

\$40,128,429

Miscellaneous/Interest

76,553

Apple Repair/Replacement Fees

125,000

Apple Trade-In

2,000,000

Total Revenues

\$42,329,982

Total Budget Available

\$57,598,831

Capital Outlay: *Expenditures*

Total Budget Available

\$57,598,831

Expenditures:

Schools/Departments

\$ 1,628,800

Technology

6,919,597

Operations and Maintenance

12,945,000

Salaries & Benefits (inc. \$4.5M custodial)

9,343,775

Apple Lease Payments

6,757,294

Unallocated Projects

15,004,365

Total Expenditures

\$52,598,831

Ending Fund Balance

\$5,000,000

Operating

Capital

Bond



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

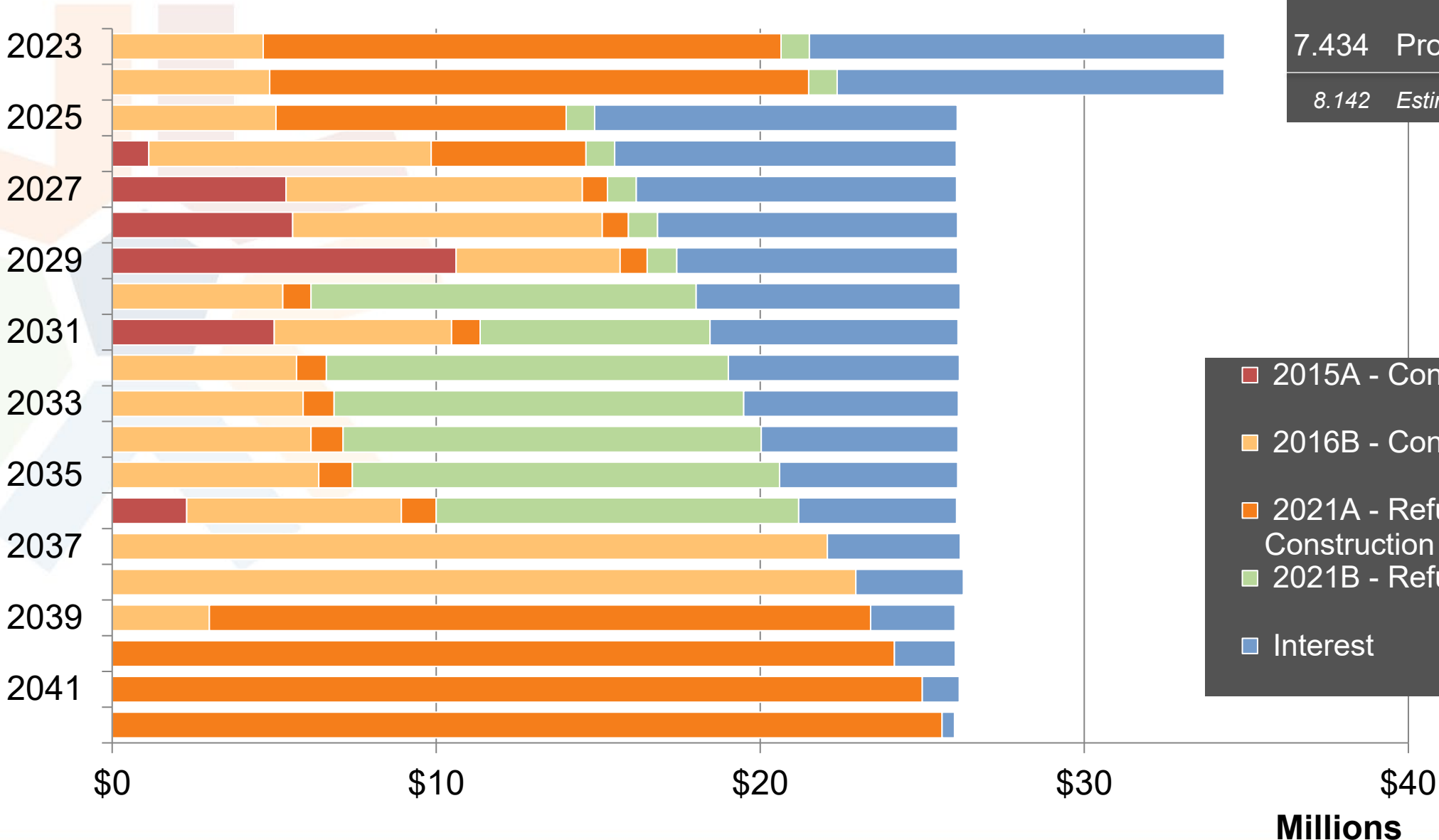
Board Policy DBB

- **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.**

OTHER DEBT FUNDS

Fund	Beginning Balance	Receipts	Expenditures	Ending Balance
Bond & Interest	\$ 31,736,301	\$ 35,204,993	\$ 34,338,635	\$ 32,602,659
Special Assessment	973,196	794,994	850,000	918,190

Debt Retirement Schedule

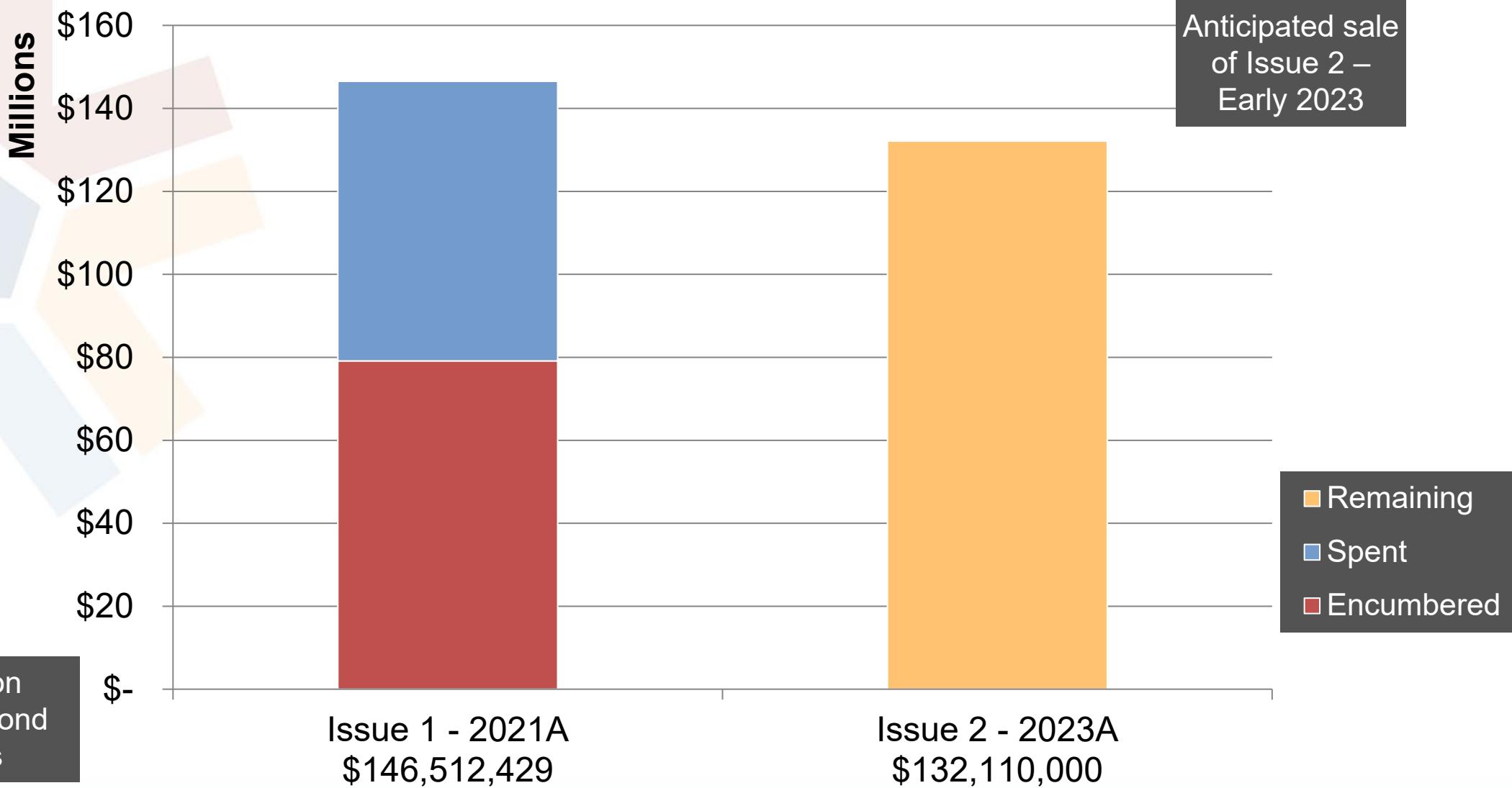


7.438 Current Mill Levy
 7.434 Projected Mill Levy
 8.142 Estimate at 2021 Bond Election

- 2015A - Construction
- 2016B - Construction
- 2021A - Refunding & Construction
- 2021B - Refunding
- Interest

2021 Bond Authorization

\$264.22 Million



Anticipated sale of Issue 2 – Early 2023

- Remaining
- Spent
- Encumbered

\$14.4 Million received in bond premiums

FLOW-THROUGH FUNDS TO THE STATE



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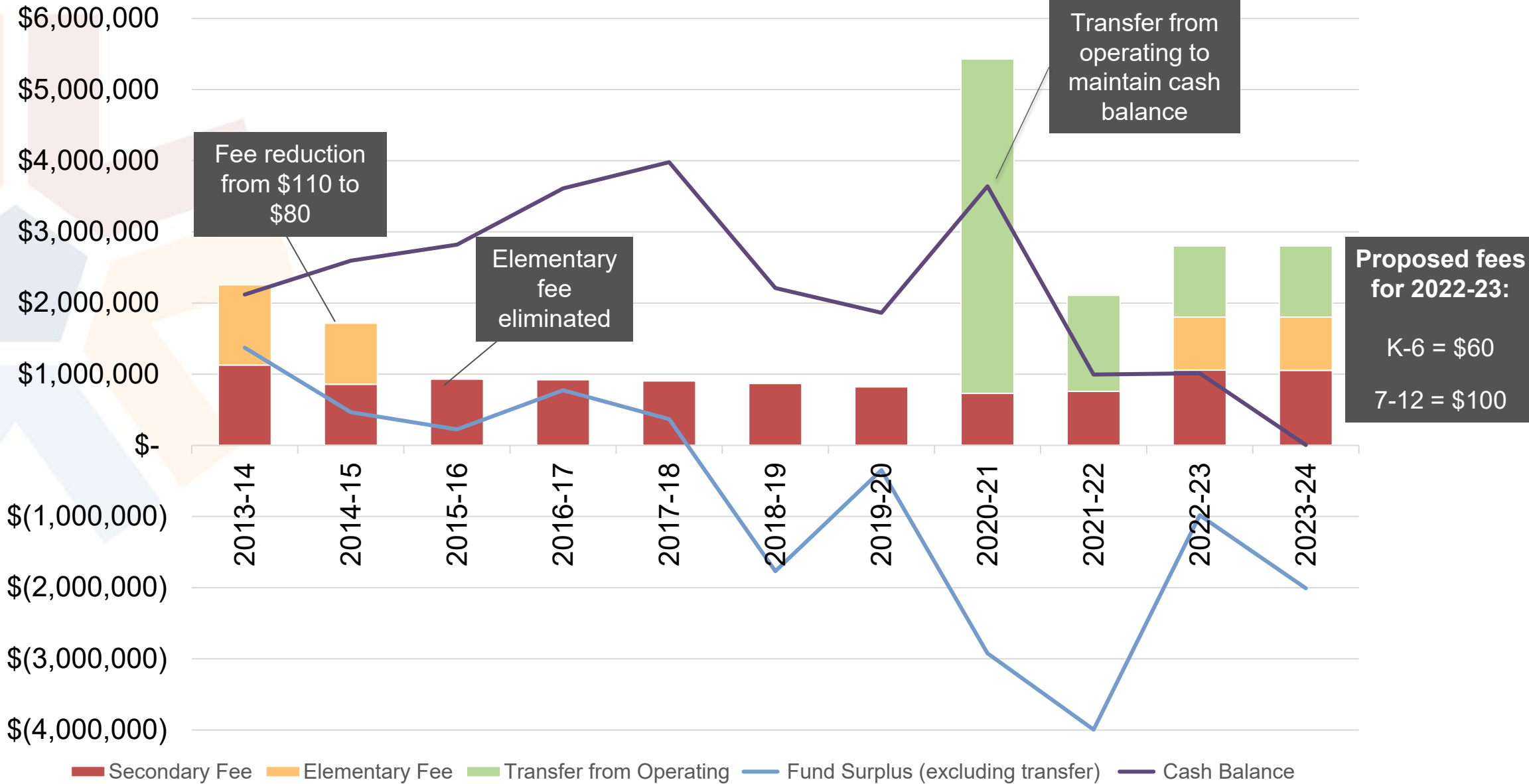
Cost of Living	\$ 8,792,562
KPERS	32,469,838
Total	\$ 41,262,400



SELF-SUPPORTED FUNDS

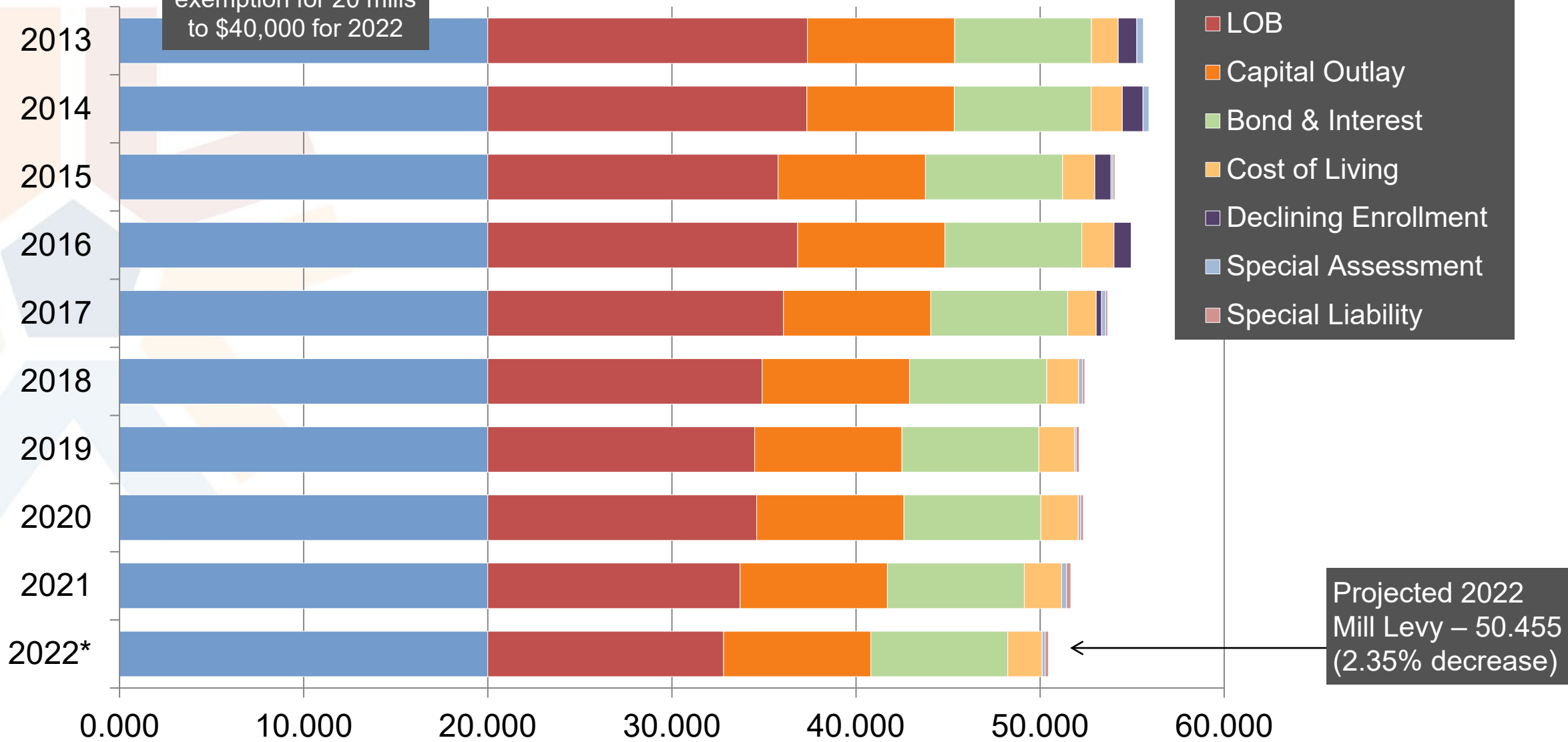
Fund	Beginning Balance	Receipts	Expenditures	Ending Balance
Adult Supplemental	\$ 35,421	\$ 0	\$ 35,421	\$ 0
E-School	698,335	147,900	215,025	631,210
Food Service	7,781,919	11,520,000	13,403,682	5,898,237
Summer School	543,014	345,000	824,184	63,830
Special Liability	2,034,262	842,844	1,313,266	1,563,840
Student Materials	431,739	567,000	998,739	0
Instructional Resources	995,597	2,807,340	2,789,500	1,013,437
Health Reserve	114,149	1,704,300	1,704,300	114,149
Gifts, Grants & Donations	1,174,714	1,187,106	1,187,106	1,174,714
Drug Free Schools-Local	3,539	0	3,539	0

Instructional Resource Fund



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)



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