



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 |

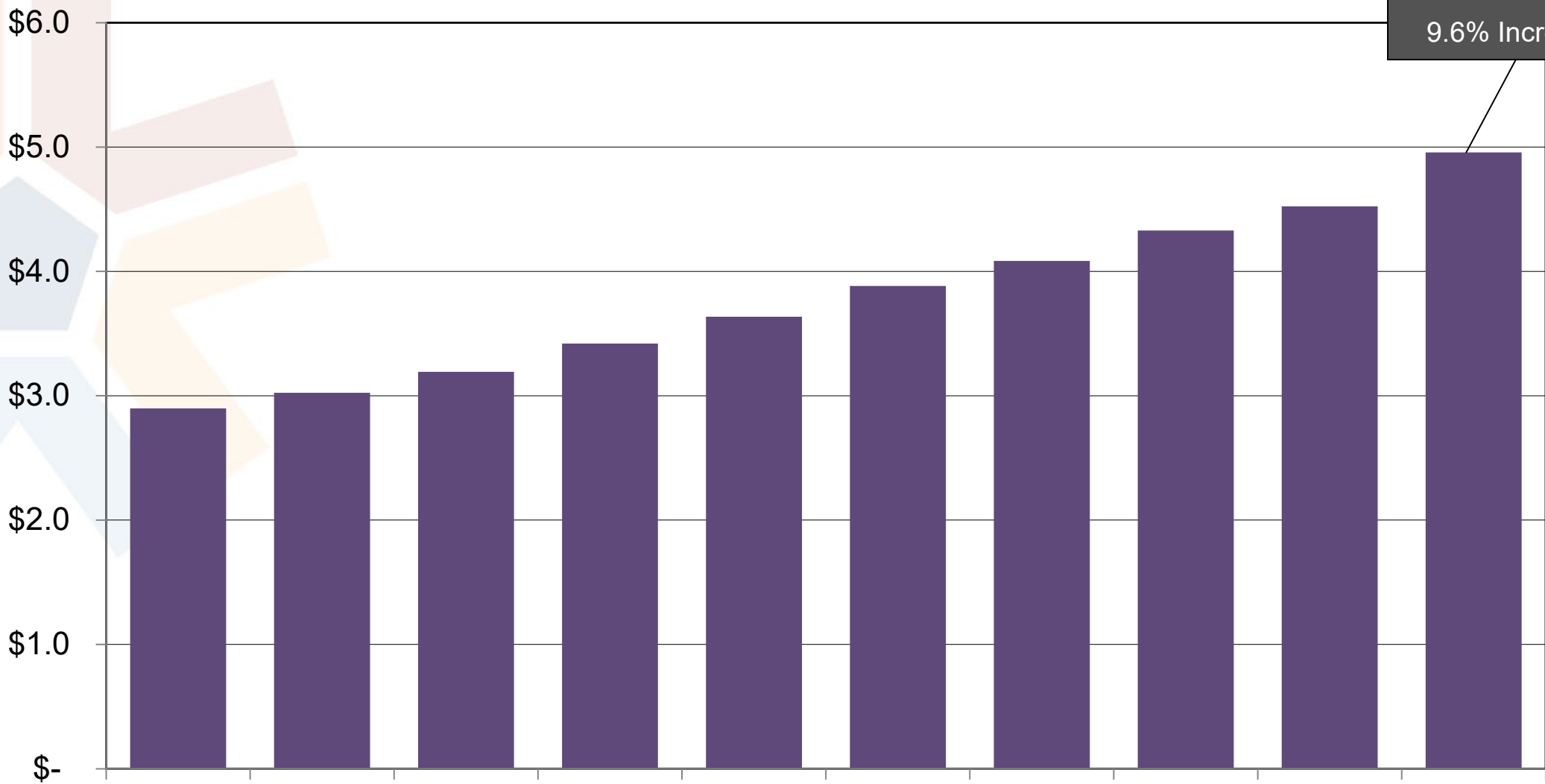
Budget Development Process



| | |
|--|-----------------|
| 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

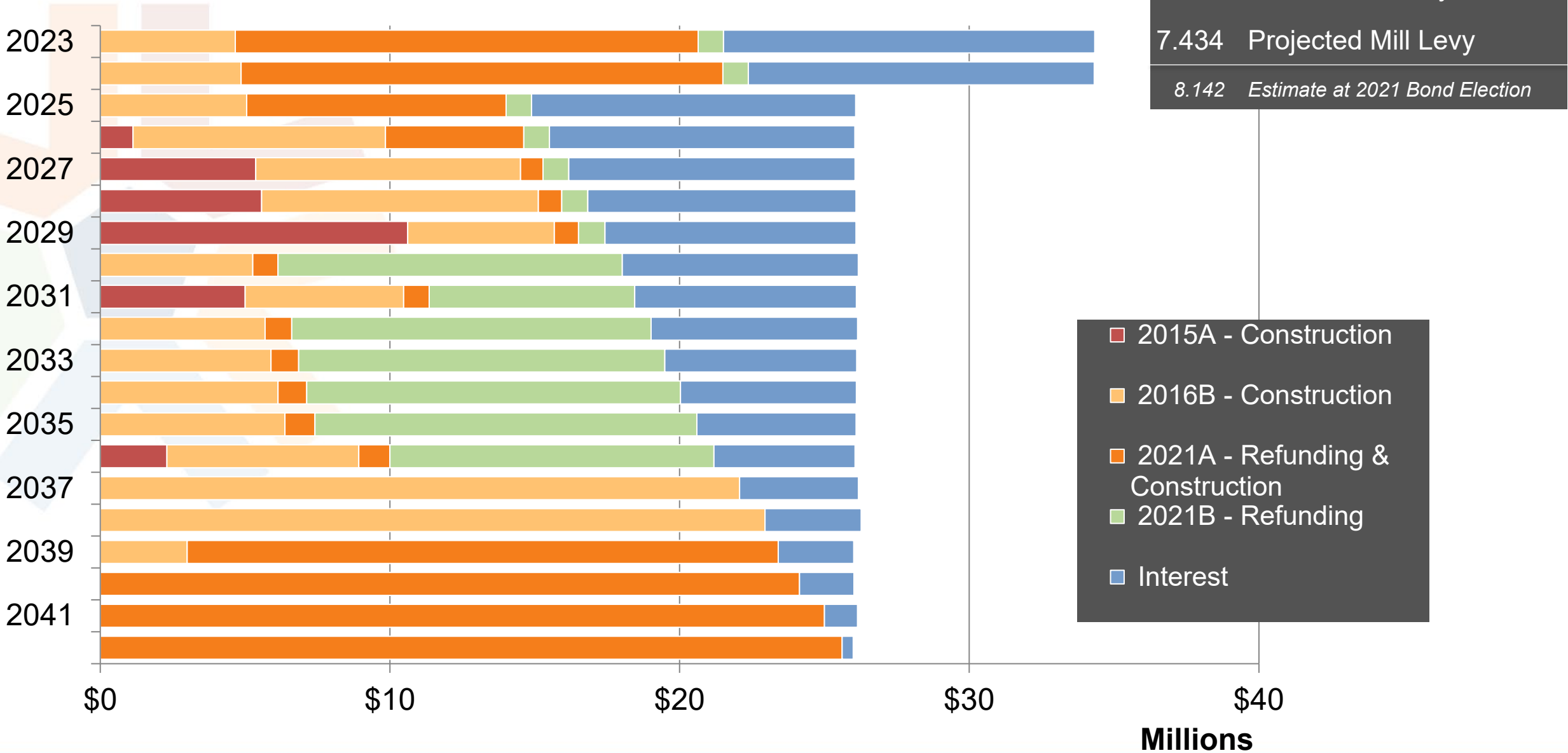
Board Policy DBB

- **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



2021 Bond Authorization

\$264.22 Million

Millions

\$160
\$140
\$120
\$100
\$80
\$60
\$40
\$20
\$-

Anticipated sale
of Issue 2 –
Early 2023

- Remaining
- Spent
- Encumbered

\$14.4 Million
received in bond
premiums

Issue 1 - 2021A
\$146,512,429

Issue 2 - 2023A
\$132,110,000

FLOW-THROUGH FUNDS TO THE STATE



SHAWNEE
MISSION

SCHOOL DISTRICT

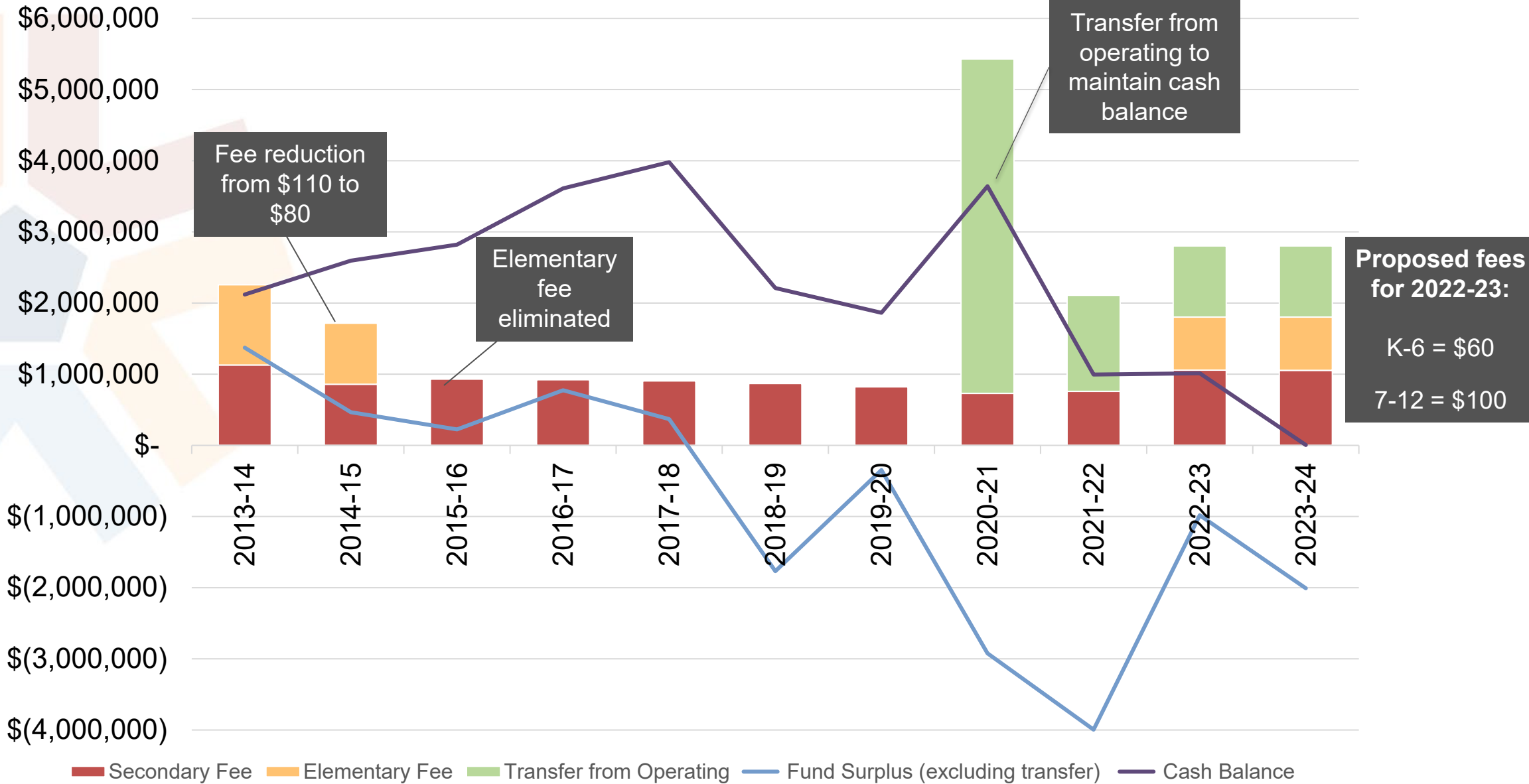
| | |
|----------------|----------------------|
| Cost of Living | \$ 8,792,562 |
| KPERS | 32,469,838 |
| Total | \$ 41,262,400 |



SELF-SUPPORTED FUNDS

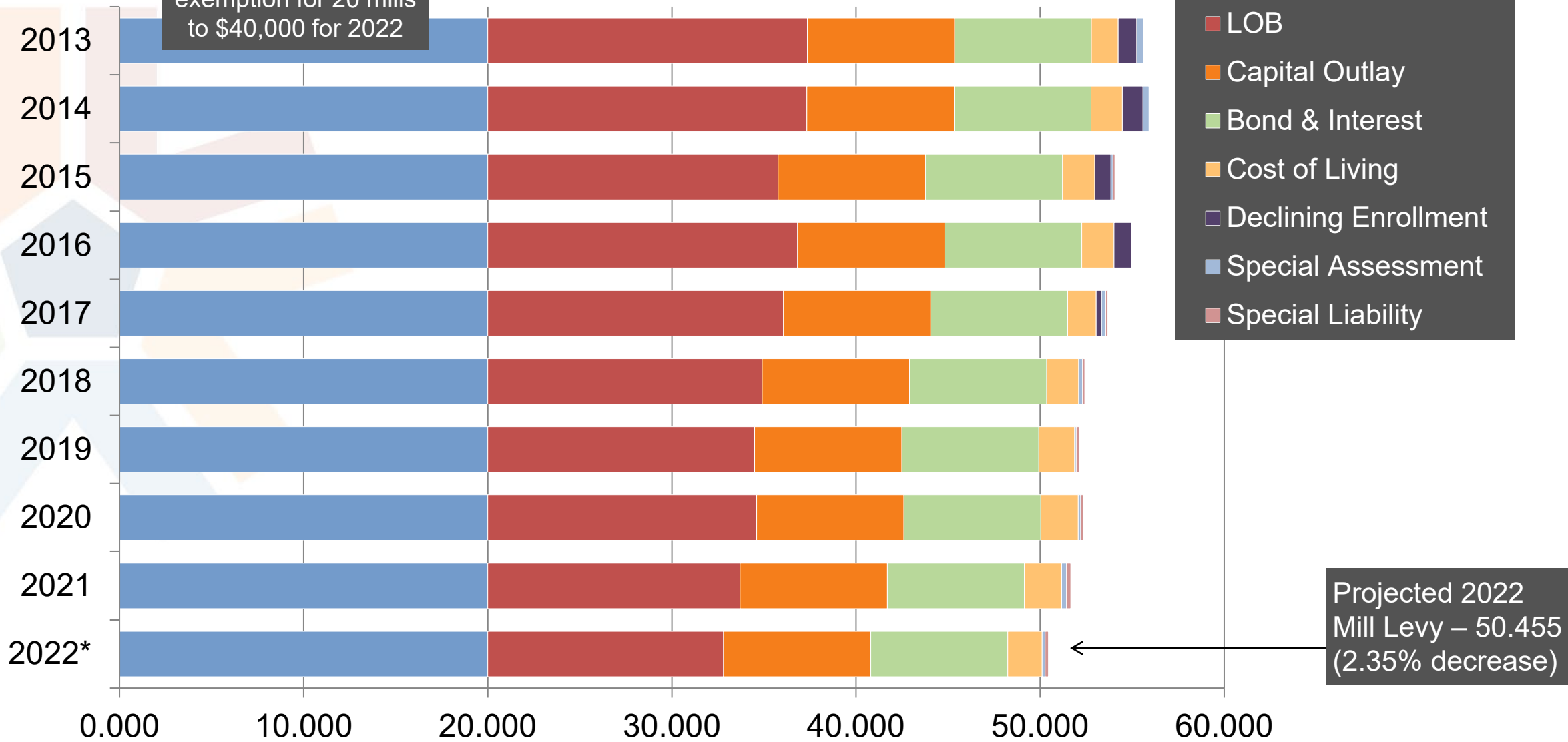
| Fund | Beginning Balance | Receipts | Expenditures | Ending Balance |
|---------------------------|-------------------|------------|--------------|----------------|
| Adult Supplemental | \$ 35,421 | \$ 0 | \$ 35,421 | \$ 0 |
| E-School | 698,335 | 147,900 | 215,025 | 631,210 |
| Food Service | 7,781,919 | 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)



SHAWNEE
MISSION

SCHOOL DISTRICT