

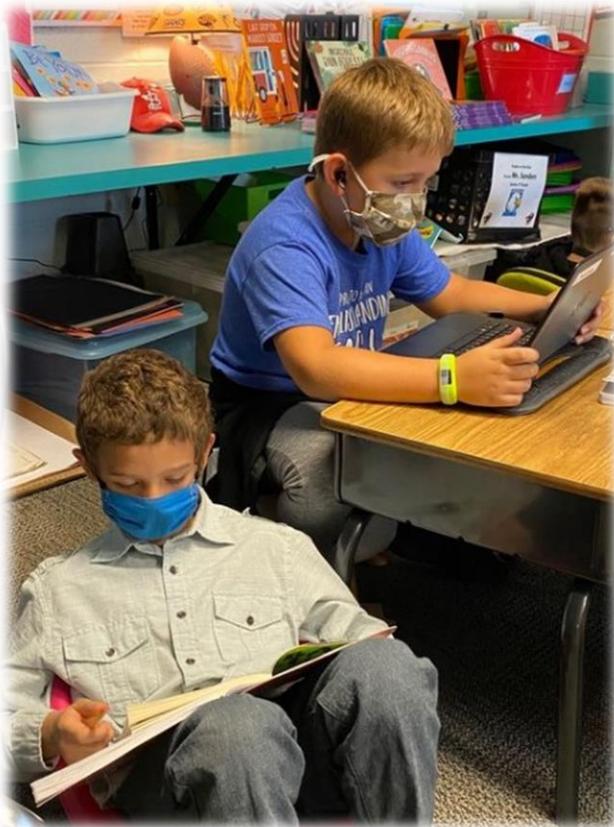
EXECUTIVE SUMMARY

The Executive Summary is the first major section of the school budget document. It highlights important information contained in the budget. Users may rely on this section for an overview of what can be found in the rest of the document.

*TACO TWOSDAY: To celebrate 2/22/2022, Hazel Lackey and her classmates at Park Hill Gerner Family Early Education Center practiced cutting and gluing all the ingredients that go into a taco. They also read the book *Dragons Love Tacos*.*



FOUNDATIONAL SKILLS: Second graders Tomas Mendoza and Warren Nelson learned how words are made of sound parts during English Language Arts class at English Landing Elementary School.



PARK HILL SCHOOL DISTRICT

7703 NW Barry Road
Kansas City, Missouri 64153
(816) 359-4000
www.parkhill.k12.mo.us



Park Hill School District

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EXECUTIVE SUMMARY—ORGANIZATIONAL COMPONENT

DISTRICT VISION, MISSION, VALUES, AND GOALS

Park Hill School District’s culture of high expectations and continuous improvement is guided by the tenets of a professional learning community with a shared vision, mission, and values. The district focuses on identified strategic focus areas and articulated goals within a five-year strategic plan that are aligned with student and stakeholder requirements/expectations. Staff members utilize collective inquiry, collaborative teams, and an action orientation to accomplish the goals of the district.

The Board of Education and senior leaders have defined the vision, mission, and values of the school district.

The vision of the district is:

Building Successful Futures • Each Student • Every Day

The mission is:

Through the expertise of an engaged staff, the Park Hill School District provides a relevant education in a safe, caring environment to prepare each student for success in life.

These are the values of the district:

**Student Focus
Integrity
High Expectations
Continuous Improvement
Visionary Leadership
Equity**

The Missouri Department of Elementary and Secondary Education (DESE) requires a five-year strategic plan for each public school district in Missouri. These plans are called Comprehensive School Improvement Plans (CSIPs). The current five-year plan was adopted by the Board of Education in spring 2018 with goals, objectives, and actions to take place through the 2022–2023 school year. The goals of the 2018–2023 CSIP are monitored biannually by the Board of Education with revisions occurring because of input from the CSIP team based on results or progress toward goals.

Goals of the 2018–2023 CSIP have been identified as these:

COLLEGE, CAREER, and LIFE READINESS: All students will graduate college, career, and life ready.

ACCESS and OPPORTUNITY: Ensure success for all students, regardless of background.

KEYS TO EXCELLENCE: Park Hill School District will leverage its Keys to Excellence for sustainability into the future.

Further detail of the 2018–2023 CSIP, including measurable objectives and actions, can be found in the [Organizational Section](#) of this document beginning on page 35.

BUDGET PROCESS AND TIMELINE

The Park Hill School District has developed systematic and repeatable budget processes to prepare the annual budget. The process includes the work of the Board of Education, district administration, and district staff throughout the school year.

BUDGET PROCESS

Federal, state, and local guidelines set the foundation for the budget development process. The process begins in November of each year with the preparation of the budget calendar and preliminary enrollment projections. These enrollment forecasts are used extensively during the budget development stage to determine the allocation of available resources, including staffing, services, and supplies. The Board of Education has the responsibility of adopting the budget no later than June 30.

The budgeting process is composed of three major phases: Development, Implementation and Monitoring. The Budget Development phase aligns the budget plan to assure that optimum fund balances are maintained, provide a reasonable staff compensation plan, maintain a reasonable tax collection rate, provide for a stable per pupil expenditure and contingency planning. The recommended budget is in line with established assumptions and district priorities based on the district's strategic plan in the Budget Implementation phase. In the last phase, the Budget Monitoring phase, information is compiled and analyzed to assess the performance of each individual campus and department as well as the district as a whole.

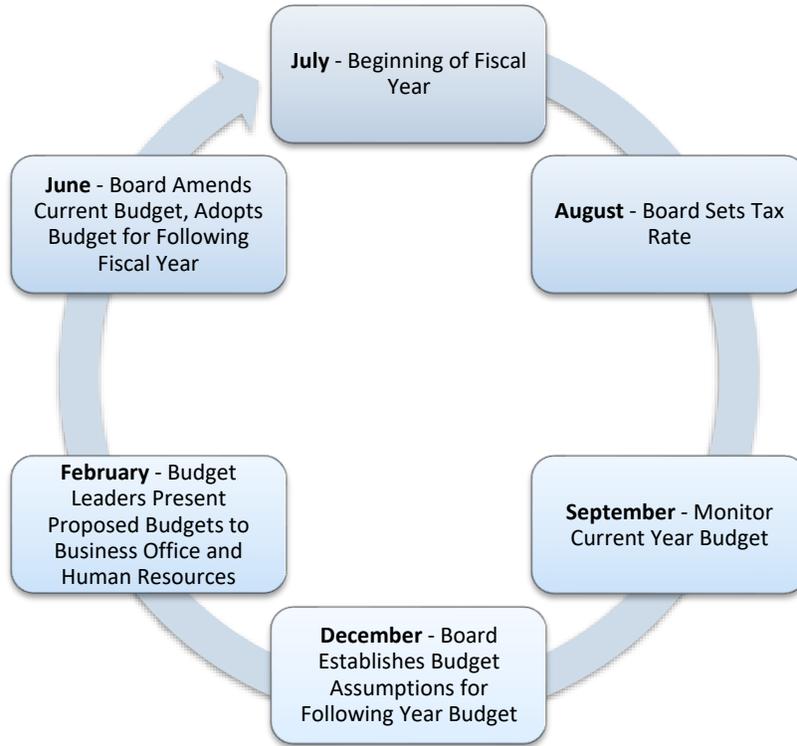
Training workshops and budget reviews are held with principals and department heads to guide them in developing their budget. Each school receives a basic allotment per student to be used for supplies, materials, equipment, staff development, and other appropriate instructional costs.

The Human Resources Department plays an important role assisting the Business Office in the budget process as they develop salary estimates utilizing established staffing guidelines. Personnel units Full Time Employees (FTEs) are allocated to each campus based on student membership following local class size and staffing ratios, and state mandated ratios, as applicable.

Following the initial budget development process and through a series of work sessions with the Superintendent and Board of Education, a final budget proposal is recommended to the Board of Education at the last public Board meeting in June. Implementation of the budget begins on July 1, the first day of the fiscal year.

BUDGET TIMELINE/CYCLE

The preparation and approval of a district budget is a cyclical 12-month process, oriented around the district’s fiscal year, which begins each July 1. State law requires Board of Education approval of the budget prior to July 1. Below is a graphic depicting the cyclical nature of budget preparation and approval.



A Budget Calendar that includes detail of the budget monitoring, preparation, and approval process can be found in the [Organizational Section](#) of this document beginning on page 35.

CHANGES IN BUDGET PROCESS AND POLICIES

Key budget processes and timelines (as described previously) are largely unchanged from prior years. Continuous improvement in processes is made annually by the business office after reviewing feedback from district staff and budgetary performance measures.

Members of the Business Office manage budget processes. District administrators (i.e., directors, principals), with oversight from the business office, manage individual budget units (i.e., programs, schools). School bookkeepers and administrative assistants conduct day-to-day budget management.

ALLOCATION OF HUMAN AND FINANCIAL RESOURCES

The allocation of resources to schools and programs begins with establishing funds available for the budget year. Targets for ending year operating, capital, and debt service fund balances have been established by the Board of Education. These targets serve as guidelines for the total amount of funds that can be spent in the proposed budget year.

As in previous years, school-based decision recommendations were incorporated into the financial planning process. Schools and programs are provided an allocation, which includes a previous year breakdown, a forecast of 2022-2023 enrollment by school/program, and new allocations for each building. The school principal then allocates the amounts to specific departments based on feedback from faculty members, either directly or through a representative such as a grade-level department chairperson and/or faculty advisory committee.

For schools, per-pupil allocations are made for supplies, services (i.e., field trips), and equipment based on multiple factors, including these:

- Projected student enrollment by grade
- Student enrollment count in special programs such as Special Education, English Language Development (ELD), and Gifted
- Students who qualify for free and reduced lunch through the National School Lunch Program
- Students participating in high school extra-curricular activities (i.e., clubs, teams, etc.)

Program budgets are zero-based with the program leaders proposing new budgets based on district goals and identified needs.

All proposed budgets are reviewed, revised, and ultimately approved by senior leaders and the Board of Education to ensure alignment with district goals.

During the budget review process, budget leaders request additional allocations, if necessary, to support the goals and vision of the school and school district. In addition, capital improvement and maintenance requests are submitted at this time. All budget allocations and requests for each school and program are maintained in an electronic budget system.

Capital budgeting takes place throughout the school year as inventories are reviewed, growth issues are defined, and specific building needs are presented. Upon review of building specific needs and staff input, the building/program administrator presents a prioritized capital expenditure proposal to the assistant superintendent for business and technology for review and approval. This process usually takes place during budget reviews in January through March of each year. Unfunded capital requests are forwarded to the district's Long-Range Capital Planning Committee for future consideration.

Staff salaries and benefits, which account for more than 70% of the operating expenditures of the district, are budgeted based on current staffing combined with anticipated staff additions. School board policy regarding class size plays a significant role in anticipating staff additions, as each school and class cohort are analyzed for the possibility of increase or decrease in staff for the following year. This provides Park Hill School District with a salary and benefit budget closely aligned with the actual expenditures, allowing for more accurate salary projections for

future years. To provide support for the students, the district employs over 1,700 teachers, support personnel, and administrators.

School board policy regarding class size plays a significant role in anticipating certified staff additions; each school and class cohort are analyzed for the possibility of an increase or decrease in staff for the following year. For the 2020-2021 school year, the classroom student-to-teacher ratio was 18:1 and student-to-administrator ratio 229:1 (these data lag a year because DESE publishes these after the conclusion of each school year; 2021-2022 data is expected to be available in September 2022).

As a part of the district's agreement with teachers, the district has established the following class size guidelines for specific grade levels:

- No more than 23 students for kindergarten and grade 1
- No more than 25 students for grades 2 through 3
- No more than 27 students for grades 4 through 6
- No more than 30 students for grades 7 through 12, except when state recommendations indicate a larger allowable class size

It is recognized that a smaller class size may need to be considered in some special situations.

Additions to support staff are based on input from district staff and quantifiable service demands (i.e., work orders, overtime requests) on an annual basis during the budgeting process.

The district has centralized the staffing process through the district office, with individual school leaders working collaboratively with administration on staffing budgets. Funds for employee salaries and benefits are not included in allocations to schools because these funds are budgeted and spent from district-level accounts.



Park Hill School District

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PARK HILL BOARD OF EDUCATION

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Park Hill School District

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2022-2023 PARK HILL SENIOR ADMINISTRATIVE OFFICIALS



Superintendent of Schools
Dr. Michael Kimbrel



**Assistant Superintendent
Academic Services**
Dr. Jasmine Briedwell



**Assistant Superintendent
Quality and Student Services**
Dr. Jaime Dial



**Assistant Superintendent
Human Resources**
Dr. Amy Dillon



**Assistant Superintendent
Business and Technology**
Dr. Paul Kelly



Park Hill School District

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EXECUTIVE SUMMARY—FINANCIAL COMPONENT

Missouri state statutes require school districts to prepare an annual budget to provide a definite financial policy for the direction of business operations of a school district. The district Board of Education is required to formally adopt this budget in June prior to the beginning of the new school term on July 1.

FISCAL YEAR

Fiscal years for all public-school districts in Missouri begin on July 1 and run through June 30. Because school years follow the same timeframe, fiscal years and school years are used interchangeably throughout the budget. For example, 2022-2023 is used to describe the school year and fiscal year for the term July 1, 2022, through June 30, 2023.

CURRENT FINANCIAL CONDITION

The Park Hill School District has established key performance indicators (KPIs) to monitor financial performance and condition. In addition, the district budget includes forecasts for three fiscal years beyond the budget year to detail both short and long-term financial sustainability. While the State of Missouri does not regulate fund balances for public school districts, the Park Hill School District Board of Education has established guidelines for fund balances that demonstrate sound financial stewardship and long-term sustainability for district taxpayers. Below are the guidelines the district uses to monitor the unrestricted fund balances in each of the district’s four major funds:

Fund Code - Name	Key Performance Indicator Target / Guideline
100 - General (Incidental) Fund	A fund balance of 18 to 22% of previous year’s operating expenditures at the end of the school year
200 - Special Revenue (Teachers) Fund	A fund balance of \$0 at the end of the school year
300 - Debt Service Fund	A fund balance that is a “reasonable reserve” no higher than the next calendar year’s debt payment
400 - Capital Projects Fund	A fund balance of 65 to 85% of the average of the prior year’s capital expenditures at the end of the school year

The district anticipates ending the 2021-2022 school year and opening the 2022-2023 school year with the following fund balances:

Fund Code – Name	Target	Performance	Condition
100 - General (Incidental) Fund	18 to 22%	21.6% \$36.5 million	✓ KPI Met
200 - Special Revenue (Teachers) Fund	\$0	\$0	✓ KPI Met
300 - Debt Service Fund	< next calendar year debt payment	\$11,065,167	✓ KPI Met
400 - Capital Projects Fund	65 to 85%	55.5% \$6.6 million	⚠ KPI Not Met

The KPI condition in 400 – *Capital Projects Fund* is the result of \$14.5 million in capital improvements made in 2021-2022. Some of these improvements were emergency repairs and exceeded contingency funds originally planned within the capital fund. Using fund balances for unexpected expenditures is the primary rationale for maintaining a balance in a fund.

Beginning with the 2022-2023 budget, future budgets will include a strategic financial plan to return this balance to the board guideline/target. This plan will incorporate \$137 million in bond proceeds approved by voters in April 2022 (Proposition I).

2022-2023 FUND BALANCE ASSUMPTIONS AND TRENDS

The district anticipates ending the 2022-2023 school year with the following unrestricted fund balances:

Fund Code – Name	Target	Performance	Condition
100 - General (Incidental) Fund	18 to 22%	18.0% \$34.6 million	✓ KPI Met
200 - Special Revenue (Teachers) Fund	\$0	\$0	✓ KPI Met
300 - Debt Service Fund	< next calendar year debt payment	\$12,493,361	✓ KPI Met
400 - Capital Projects Fund	65 to 85%	60.0% \$7.9 million	⚠ KPI Not Met

The KPI condition in 400 – *Capital Projects Fund* marks an improvement over the prior year and will continue to be a focus of financial plans in future budgets. This fund balance does not include the \$137 million in bond proceeds

that will be used for the capital improvements approved by voters in April 2022 as bond funds are considered “restricted” for only the purpose of completing projects as approved by the voters.

OVERVIEW OF DISTRICT TOTAL REVENUE

The Park Hill School District budget reports Total Revenue by Fund and by Operating Funds. *Total Revenue by Fund* reports include the four funds required by Missouri State law for school districts: 100 - General (Incidental) Fund, 200 - Special Revenue (Teachers) Fund, 300 - Debt Service Fund, and 400 – Capital Projects Fund. Revenue detail is included to report the major sources of revenue and the proportion of those sources to the whole.

TOTAL REVENUE BY FUND

The table below compares the total revenue budget by fund, utilizing actual values for 2020-2021, estimated year-end figures 2021-2022, and budgeted values for 2022-2023. In addition, the percent of revenue in the 2022-2023 budget is presented by fund as well as the change from the 2021-2022 estimated values to the 2022-2023 budget.

FUND	ACTUAL 2020-2021	ESTIMATED 2021-2022	BUDGET 2022-2023	PERCENT OF REVENUE	PERCENT CHANGE
100 - General (Incidental) Fund	115,943,795	118,559,504	139,072,567	49.0%	+17.3%
200 - Special Revenue (Teachers) Fund	51,268,103	57,155,718	56,907,059	20.0%	-0.4%
300 - Debt Service Fund	48,460,293	33,196,141	12,829,694	4.5%	-61.4%
400 - Capital Projects Fund	5,264,969	6,822,241	75,167,040	26.5%	+1,001.8%
TOTAL	220,937,160	215,733,604	283,976,360	100.0%	+31.6%

DISCUSSION OF TOTAL REVENUE BY FUND

100 - General (Incidental) Fund. The most significant trends, events and initiatives impacting revenue budgeted in *100 - General (Incidental) Fund* include:

- Approximately \$6.5 million in revenue from local sources will move from *300 - Debt Service Fund* to *100 - General (Incidental) Fund* based on voter approval of Proposition N in April 2022. This revenue is generated by the district’s local property tax levy. The total tax rate is budgeted to remain at \$5.3955.
- An anticipated 3.5 % increase in aggregate assessed valuation (AAV) and current property tax
- One-time operating revenue (\$5.2 million) from the Universal Service Administration Co. (USAC) Emergency Connectivity Fund (ECF) program for technology purchases.

200 - Special Revenue (Teachers) Fund. The most significant trends, events and initiatives impacting revenue budgeted in *200 - Special Revenue (Teachers) Fund* include:

- Revenue from federal sources will drop significantly in 2022-2023 after the district receives the final allocations from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

- An increase in School District Trust Fund (Prop C), Basic Formula, Classroom Trust Fund, and Transportation monies due to anticipated increased student enrollment.

300 - Debt Service Fund. The most significant trends, events and initiatives impacting revenue budgeted in 300 – Debt Service Fund include:

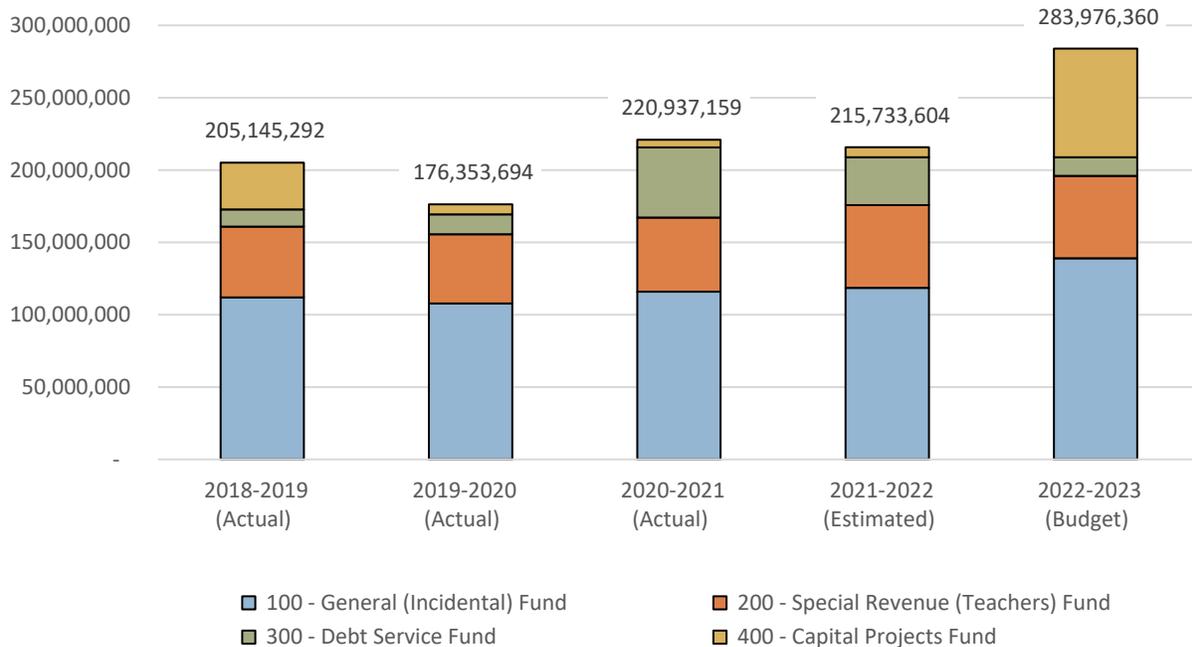
- Approximately \$6.5 million in revenue from local sources will move from 300 - Debt Service Fund to 100 - General (Incidental) Fund based on voter approval of Proposition N in April 2022. This revenue is generated by the district’s local property tax levy. The total tax rate is budgeted to remain at \$5.3955.
- The district is not expected to sell refunding bonds to refinance or repay debt early as was done in the two previous school years. This will decrease the budgeted revenue (and expenditures) in 300 – Debt Service Fund.

400 - Capital Projects Fund. The most significant trends, events and initiatives impacting revenue budgeted in 400 – Capital Projects Fund include:

- The sale of the first series of bonds (estimated to be \$68.5 million) approved by voters in April 2022 to fund the capital improvement/facility projects outlined in Proposition I. The total amount of bonds authorized by voters is \$137 million, and the district will consult with financial advisors on a plan of finance on the amounts and timing of any future sale of General Obligation bonds.

FIVE-YEAR COMPARISON - TOTAL REVENUE BY FUND (CHART)

The chart below represents total revenue by fund since the 2018-2019 school year.



SIGNIFICANT REVENUE TRENDS, EVENTS, AND INITIATIVES

Total revenue for the Park Hill School District is budgeted to increase in 2022-2023 by over \$68.0 million. The most significant trends, events and initiatives that drive these budget assumptions are:

- The sale of the first series of general obligation bonds (budgeted to be \$68.5 million) approved by voters in April 2022. The total amount of bonds authorized by voters is \$137 million, and the district will consult with financial advisors on a plan of finance on the amounts and timing of the sale of these bonds.
- Approximately \$6.5 million in revenue from local sources will move from *300 - Debt Service Fund* to *100 - General (Incidental) Fund* based on voter approval of Proposition N in April 2022. This revenue is generated by the district's local property tax levy. The total tax rate is budgeted to remain at \$5.3955.
- An anticipated 3.5% increase in aggregate assessed valuation (AAV) will increase property tax revenues in *100 - General (Incidental) Fund*, *300 - Debt Service Fund*, and *400 - Capital Projects Fund*.
- The district has received a commitment for one-time operating revenue (\$5.2 million) from the Universal Service Administration Co. (USAC) Emergency Connectivity Fund (ECF) program for technology purchases.
- Revenue from federal sources will drop significantly in 2022-2023 after the district receives the final allocations from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).
- An increase in School District Trust Fund (Prop C), Basic Formula, Classroom Trust Fund, and Transportation monies due to anticipated increased student enrollment.
- No refunding bonds are anticipated to be sold in 2022-2023 to refinance or repay debt early as was done in prior years. This will reduce the revenue budgeted in *300 - Debt Service Fund*.

OVERVIEW OF DISTRICT TOTAL EXPENDITURES

The Park Hill School District budget reports total expenditures by fund. These reports include the four funds required by Missouri State law for school districts: *100 - General (Incidental) Fund*, *200 - Special Revenue (Teachers) Fund*, *300 - Debt Service Fund*, and *400 - Capital Projects Fund*. Expenditure detail is included to report the major expenditures and the proportion of those sources to the whole.

TOTAL EXPENDITURES BY FUND

The table below compares the total expenditure budget by fund, utilizing actual values for 2020-2021, estimated year-end figures for 2021-2022, and budgeted values for 2022-2023. In addition, the percent of expenditures in the 2021-2022 budget is presented by fund as well as the change from the expected expenditures in 2021-2022 to the 2022-2023 budget.

FUND	ACTUAL 2020-2021	ESTIMATED 2021-2022	BUDGET 2022-2023	PERCENT OF EXPENDITURES	PERCENT CHANGE
100 - General (Incidental) Fund	66,986,064	71,231,594	87,971,058	34.3%	+23.5%
200 - Special Revenue (Teachers) Fund	94,061,559	98,204,844	104,720,743	40.9%	+6.6%
300 - Debt Service Fund	46,088,335	28,687,395	18,731,500	7.3%	-34.7%
400 - Capital Projects Fund	23,566,708	14,526,302	44,861,086	17.5%	+208.8%
TOTAL	230,702,666	212,650,135	256,284,387	100.0%	20.5%

100 – General (Incidental) Fund. The most significant trends, events and initiatives impacting expenditures budgeted in *100 - General (Incidental) Fund* include:

- The 2022-2023 budget includes expenditures for activities and programming to support the district’s strategic plan, Comprehensive School Improvement Plan (CSIP). Specific expenditures include: (1) Expanded implementation of Multi-Tiered System of Supports (MTSS); (2) Expansion of Advancement Via Individual Determination (AVID) expansion to all elementary schools; (3) Continued partnership with Sophic Solutions to support the district’s diversity, equity, inclusion and belonging (DEIB) efforts.
- In May 2022, the Board of Education approved compensation increases and salary schedule adjustments to reflect an average of 5.25% salary increases for all work groups.
- Staffing increases to fill open positions throughout the workforce and to address enrollment growth, and to meet programming needs in Special Services.
- Increased employee benefit costs associated with an increase of full-time equivalent (FTE) positions to address student enrollment growth, fill open positions throughout the workforce, and maintain class size and other staffing ratios.
- A budgeted increase of employee insurance benefits of 3.0%.
- An increase in the district’s contribution to employee retirement due to the increase in wages and FTE.

- Due to supply chain delays, the 2022-2023 budget includes student and staff technology expenditures originally planned and ordered in 2021-2022. This includes laptop and desktop computers, student iPads, networking equipment, and audio-visual equipment. The delays in receiving the technology devices have doubled the 2022-2023 budget to accommodate two years of technology replacement cycles.
- Overall cost increases for food, fuel, utilities, paper, textbooks are included in the 2022-2023 budget based on best estimates during budgeting.
- Projected increases in utility costs such as water and sewer and trash removal.
- An increase in general supplies, classroom technology, and textbooks due to student enrollment growth.
- Anticipated increases in student transportation costs associated with an increase in summer school enrollment (additional bus routes), an increase in student enrollment and daily route ridership (additional routes), and a return to co-curricular and extracurricular participation in field trips and student athletics and activities. In addition, the district's current contract with FirstStudent includes an annual increase in bus route rates of 2.5%.
- Restoration of pre-COVID-19 participation within preschool, Adventure Club, Aquatic Center, and Community Education.

200 - Special Revenue (Teachers) Fund. The most significant trends, events and initiatives impacting expenditures budgeted in 200 – *Special Revenue (Teachers) Fund* include:

- The Board of Education approved compensation increases and salary schedule adjustments to reflect an average of 5.25% salary increases for all certified staff paid from this fund.
- Increased certified staffing to fill open instructional positions, address enrollment growth, and to meet programming needs in Special Services.
- Increased employee benefit costs associated with an increase of full-time equivalent (FTE) positions to address student enrollment growth, fill open positions throughout the workforce, and maintain class size and other staffing ratios.
- A budgeted increase of district-paid employee insurance benefits of 3.0%.
- An increase in the district's contribution to employee retirement due to the increase in wages and FTE.
- A shift in costs in employee compensation to a purchased service as the district moves online learning courses to a third-part provider.

300 - Debt Service Fund. The most significant trends, events and initiatives impacting expenditures budgeted in 300 – *Debt Service Fund* include

- The district is not expected to sell refunding bonds to refinance or repay debt early as was done in prior years. This will reduce the revenue and expenditures budgeted in 300 – *Debt Service Fund*.

400 - Capital Projects Fund. The most significant trends, events and initiatives impacting expenditures budgeted in 400 – Capital Projects Fund include:

- The district’s capital improvement plan in 2022-2023 is budgeted to exceed \$44 million and will incorporate the projects approved by voters in April 2022 (Proposition I).

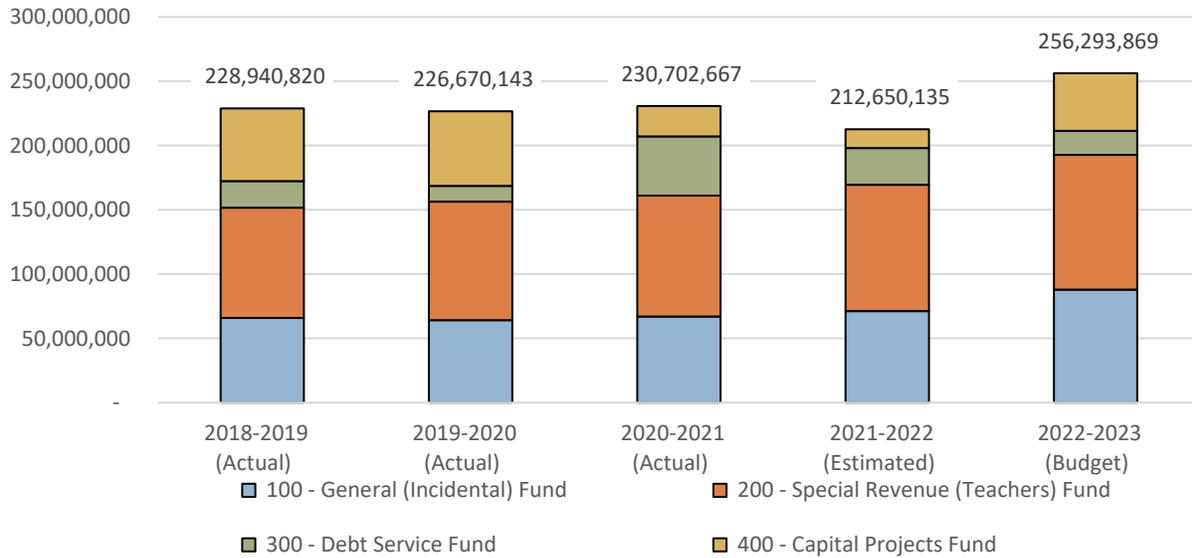
TOTAL EXPENDITURES BY SUBFUND

The table below compares the total expenditure budget by subfund, utilizing actual values for 2020-2021, estimated year-end figures for 2021-2022, and budgeted values for 2022-2023. In addition, the percent of expenditures in the 2021-2022 budget is presented by fund as well as the change from the expected expenditures in 2021-2022 to the 2022-2023 budget.

SUBFUND	ACTUAL 2020-2021	ESTIMATED 2021-2022	BUDGET 2022-2023	PERCENT OF REVENUE	PERCENT CHANGE
Subfund 101 - Operating	57,572,667	59,904,640	75,275,904	29.4%	+25.7%
Subfund 105 - Student Activities/Trust	1,096,205	1,761,424	2,042,434	0.8%	+16.0%
Subfund 107 - Food Service/Enterprise	4,955,283	6,451,670	6,610,253	2.6%	+2.5%
Subfund 111 - Community Svcs/Enterprise . . .	3,361,909	3,113,860	4,042,467	1.6%	+29.8%
Subfund 202 - Special Revenue (Teachers)	94,061,559	98,204,844	104,720,743	40.9%	+6.6%
Subfund 303 - Debt Service	46,088,335	28,687,395	18,731,500	7.3%	-34.7%
Subfund 404 - Regular Capital Outlay	14,770,368	14,526,302	10,375,531	4.0%	-28.6%
Subfund 408 - Bond Proceeds’ Capital Outlay	8,796,340	0	34,485,555	13.5%	
TOTAL	230,702,667	212,650,135	256,284,387	100.0%	+20.5%

FIVE-YEAR COMPARISON - TOTAL EXPENDITURES BY FUND (CHART)

The chart below represents the values and percentages of projected 2022-2023 expenditures by object.



SIGNIFICANT EXPENDITURE TRENDS, EVENTS, AND INITIATIVES

Total expenditures are expected to increase in 2022–2023 by approximately \$43.3 million. The most significant trends, events and initiatives that drive these budget assumptions are:

- The 2022-2023 budget includes expenditures for activities and programming to support the district’s strategic plan, Comprehensive School Improvement Plan (CSIP). Specific expenditures include: (1) Expanded implementation of Multi-Tiered System of Supports (MTSS); (2) Expansion of Advancement Via Individual Determination (AVID) expansion to all elementary schools; (3) Continued partnership with Sophic Solutions to support the district’s diversity, equity, inclusion and belonging (DEIB) efforts.
- In May 2022, the Board of Education approved compensation increases and salary schedule adjustments to reflect an average of 5.25% salary increases for all work groups.
- Increased staffing increases to fill open positions throughout the workforce and to address enrollment growth, and to meet programming needs in Special Services.
- A budgeted increase of employee insurance benefits of 3.0%.
- Increased employee benefit costs associated with an increase of full-time equivalent (FTE) positions to address student enrollment growth, fill open positions throughout the workforce, and maintain class size and other staffing ratios.

- An increase in the district’s contribution to employee retirement due to the increase in wages and FTE.
- Due to supply chain delays, the 2022-2023 budget includes student and staff technology expenditures originally planned and ordered in 2021-2022. This includes laptop and desktop computers, student iPads, networking equipment, and audio-visual equipment. The delays in receiving the technology devices have doubled the 2022-2023 budget to accommodate two years of technology replacement cycles.
- Overall cost increases for food, fuel, utilities, paper, textbooks are included in the 2022-2023 budget based on best estimates during budgeting.
- Projected increases in utility costs such as water and sewer and trash removal.
- An increase in general supplies, classroom technology, and textbooks due to student enrollment growth.
- Anticipated increases in student transportation costs associated with an increase in summer school enrollment (additional bus routes), an increase in student enrollment and daily route ridership (additional routes), and a return to co-curricular and extracurricular participation in field trips and student athletics and activities. In addition, the district’s current contract with FirstStudent includes an annual increase in route rates of 2.5%.
- Restoration of pre-COVID-19 participation within preschool, Adventure Club, Aquatic Center, and Community Education.
- A shift in costs in employee compensation to a purchased service as the district moves online learning courses to a third-part provider
- The district is not expected to sell refunding bonds to refinance or repay debt early as was done in prior years. This will reduce the revenue and expenditures budgeted in *300 – Debt Service Fund*.
- The district’s capital improvement plan in 2022-2023 is budgeted to exceed \$44 million and will incorporate the projects approved by voters in April 2022 (Proposition I).

SUMMARY OF 2022-2023 BUDGET

2022-2023 OPENING AND ENDING FUND BALANCES

The table below shows opening and ending fund balances for all funds. Opening balances are estimated. The revenue, expenditures, and transfers reflect budgeted amounts within the 2022-2023 budget.

FUND	3111 - OPENING BALANCE	5899 - TOTAL REVENUE	9999 - EXPENDITURES	5510/6710 - TRANSFERS	3112 - ENDING FUND BALANCES
100 - General (Incidental) Fund	36,591,066	139,072,567	(87,971,058)	(53,008,684)	34,683,891
200 - Special Revenue (Teachers) Fund	0	56,907,059	(104,720,743)	47,813,684	0
300 - Debt Service Fund	18,395,167	12,829,694	(18,731,500)	0	12,493,361
400 - Capital Projects Fund	6,676,151	75,167,040	(44,861,086)	5,195,000	42,177,105
TOTAL	61,662,384	283,976,360	(256,284,387)	0	89,354,357

The fiscal year-end balance of \$34.6 million in *100 - General (Incidental) Fund* is typical, as most district revenue (i.e., local taxes) is placed in *100 – General (Incidental) Fund*; the district maintains a fund balance of approximately 18–22%. State regulations allow for transfers from *100 – General (Incidental) Fund* to *200 – Special Revenue (Teachers) Fund* via the “Zero Teachers Fund Balance Transfer” to avoid deficits in *200 – Special Revenue (Teachers) Fund*. A transfer of \$47.8 million from *100 – General (Incidental) Fund* to *200 – Special Revenue (Teachers) Fund* (which will include the fund balance) will zero out *Fund 200* at fiscal year-end.

It is anticipated that *100 - General (Incidental Fund)* will open 2022–2023 with a \$36.5 million balance and end the year with a \$34.6 million balance (18.0% of prior year expenditures). This ending fund balance falls within the Board-desired range of 18–22%.

200 – Special Revenue (Teachers) Fund is expected to open and end the 2022-2023 school year with a zero balance. This is common for Missouri public school districts, as balances can be transferred between *100 - General (Incidental) Fund* and *200 – Special Revenue (Teachers) Fund*.

The fund balance in *400 - Capital Projects Fund* is expected to open the 2022–2023 school year at \$6.2 million. State regulations also allow for limited transfers from *100 - General (Incidental) Fund* to *400 – Capital Projects Fund* via the “Greater of \$162,326 or 7% x SAT x Prior Year Weighted Average Daily Attendance (WADA)” transfer, which allows the district to transfer more than \$5.0 million dollars annually from the *100 - General Incidental Fund* to *400 - Capital Projects*

Fund. The district will also utilize existing fund balances within 400 - *Capital Projects Fund* to cover future capital costs associated with the April 2022 Proposition I list of facility improvements.

BUDGET FORECASTS FOR ALL FUNDS

Forecasts are made for three years beyond the budget year to monitor financial stability and sustainability of programming and staffing decisions made within the budget year. The Board of Education has established a target to maintain an 18–22% July 1 fund balance in operating funds and a 65–85% July 1 fund balance in capital funds.

BUDGET FORECAST—ALL FUNDS

TOTAL REVENUE FORECASTS BY FUND

FUND	BUDGET 2022-2023	FORECAST 2023-2024	FORECAST 2024-2025	FORECAST 2025-2026
100 - General (Incidental) Fund	139,072,567	134,329,789	139,763,417	145,199,685
200 - Special Revenue (Teachers) Fund	56,907,059	58,723,692	61,317,504	64,256,648
300 - Debt Service Fund	12,829,694	17,365,142	17,977,336	18,849,782
400 - Capital Projects Fund	75,167,040	4,378,149	72,988,583	4,819,084
TOTAL	283,976,360	214,796,772	292,046,840	233,125,199

TOTAL EXPENDITURE FORECASTS BY FUND

FUND	BUDGET 2022-2023	FORECAST 2023-2024	FORECAST 2024-2025	FORECAST 2025-2026
100 - General (Incidental) Fund	87,971,058	84,286,300	87,370,291	89,393,470
200 - Special Revenue (Teachers) Fund	104,720,743	107,784,330	110,565,475	113,350,538
300 - Debt Service Fund	18,731,500	18,731,500	18,731,500	18,731,500
400 - Capital Projects Fund	44,861,086	40,555,894	41,324,795	43,059,310
TOTAL	256,284,387	251,358,024	257,992,061	264,534,818

PROJECTED ENDING FUND BALANCE BY FUND

Fund balance totals appear in the table below. Forecasted transfers between funds are included in the values. Additional detail on fund balances, including the amount of transfers, restricted funds, and unrestricted funds can be found on page 99.

FUND	BUDGET 2022-2023	FORECAST 2023-2024	FORECAST 2024-2025	FORECAST 2025-2026
100 - General (Incidental) Fund	34,683,891	35,105,015	36,520,856	39,260,393
200 - Special Revenue (Teachers) Fund	0	0	0	0
300 - Debt Service Fund	12,493,361	11,127,003	10,372,839	10,491,121
400 - Capital Projects Fund	42,177,105	6,709,025	40,102,127	5,830,001
TOTAL	89,354,357	52,941,043	86,995,822	55,581,515

UNRESTRICTED FUND BALANCES

The Board of Education has established a guideline of maintaining a June 30 (end of fiscal year) operating fund balance between 18–22% of prior year operating expenditures. This guideline is applied during the development of the budget, with the expectation that the operating fund balance at the conclusion of the budget year falls within this approved range. In some years, this requires a deficit operating budget to spend down operating balances accumulated from prior years.

100 - GENERAL (INCIDENTAL) FUND

FUND	BUDGET 2022-2023	FORECAST 2023-2024	FORECAST 2024-2025	FORECAST 2025-2026
Ending Unrestricted Fund Balance	34,683,891	35,105,015	36,520,856	39,260,393
Ending Unrestricted Fund Balance %	18.0%	18.3%	18.5%	19.4%

The Board of Education will develop a proactive long-range financial plan to address any future shortfalls in operating fund balance.

400 - CAPITAL PROJECTS FUND

The district FACT, a team made up of district staff and key stakeholders, has established a target for capital fund balance between 65 and 85% of the average of the prior three years’ capital expenditures. This fund balance allows the district to address the planned capital needs without revenues from the sale of general obligation bonds. The capital needs of the district vary greatly from year to year as maintenance cycles for facility upkeep (e.g., school roofs, flooring, parking lots) converge with technology maintenance cycles (e.g., laptop, technology equipment replacements) and other one-time capital needs (e.g., playground upkeep).

FUND BALANCE	BUDGET 2022-2023	FORECAST 2023-2024	FORECAST 2024-2025	FORECAST 2025-2026
Ending Unrestricted Fund Balance	7,930,609	6,709,025	5,850,966	5,830,001
Ending Unrestricted Fund Balance %	60.0%	65.3%	75.9%	82.0%

The strategic use of the capital fund balance has been planned as the district addresses capital needs, as described in the district’s capital improvement plan (page 128).

The Board of Education will develop a proactive long-range financial plan to address any future shortfalls in capital fund balance.

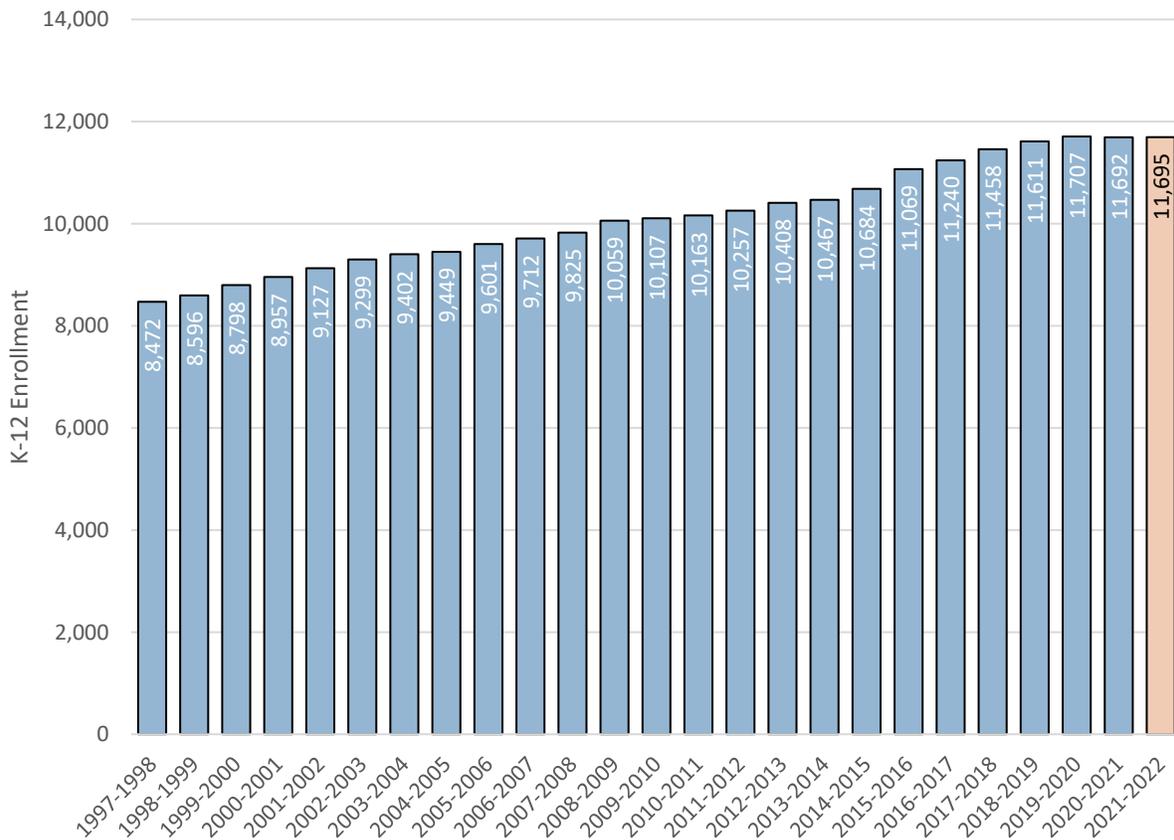
EXECUTIVE SUMMARY—INFORMATIONAL COMPONENT

STUDENT ENROLLMENT TRENDS AND FORECAST

The Missouri DESE has established the annual official enrollment count as the number of students in grades K–12 enrolled on the last Wednesday in September of each year. The enrollment information throughout the budget document uses this value to represent annual enrollment.

HISTORICAL ENROLLMENT GROWTH (GRAPH)

The following graph depicts the 25-year enrollment history of the Park Hill School District. The district has seen steady enrollment growth over three decades at a rate of about 1.5% annually. The 2021-2022 enrollment for the district was 11,695 students. The 2022-2023 budget was prepared with a forecasted enrollment of 11,782 (0.74% growth).



ENROLLMENT AND FUTURE PROJECTIONS BY SCHOOL

Predicting future enrollment is important to many school processes: long-range planning, budgeting, staffing, and predicting future building and capital needs. Annually, the Park Hill School District utilizes two major tools to predict future enrollment: cohort growth (three-year and five-year) and household construction patterns. These tools allow for projection models that create an anticipated range of enrollment for future years.

K–12 ENROLLMENT PROJECTIONS

The table that follows utilizes the enrollment projection tools to estimate the 2022-2023 school enrollments for each grade level in the district. Because the district uses three methods (three-year cohort survival, five-year cohort survival, and household construction patterns) to predict future enrollment growth, the data below represents the median value of the three projections.

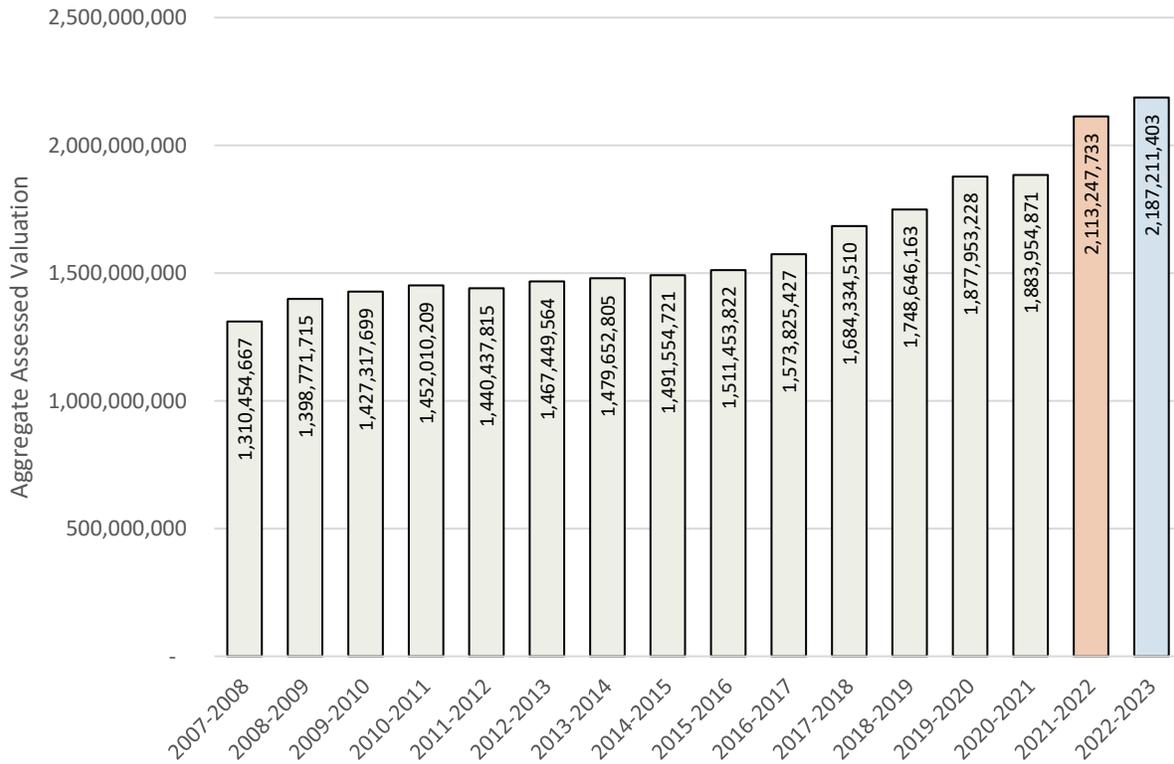
GRADE SPAN		ACTUAL 2020-2021	ACTUAL 2021-2022	PROJECTED 2022-2023
Elementary Schools		5,186	5,140	5,204
	K	811	822	865
	1	863	842	846
	2	849	868	859
	3	866	852	871
	4	857	878	870
	5	940	878	893
Middle Schools		2,793	2,838	2,797
	6	936	937	892
	7	937	943	959
	8	920	958	946
High Schools		3,713	3,717	3,781
	9	965	989	1,026
	10	899	939	970
	11	923	876	925
	12	926	913	860
TOTAL		11,692	11,695	11,782

The enrollment of 11,782 is used in the 2022-2023 budget to estimate revenues directly dependent upon this figure, such as basic formula funds and Proposition C. The projected enrollment is also utilized to calculate school and program allocations for 2022-2023 as well as projected expenditures.

PARK HILL SCHOOL DISTRICT TAX BASE

Because the single largest revenue item for the district is local taxes, the district’s AAV of property is a critical value in planning the annual budget. The Park Hill School District has experienced strong growth to the tax base over the last 15 years, from a total assessed valuation of \$1.3 billion in 2007 to over \$2.1 billion in 2021.

For the purposes of budgeting for 2022-2023, the district’s AAV is estimated to be \$2.19 billion. This reflects an increase of 3.5% from the certified assessed valuation from August 2021. This increase is due, in part, to new growth in residential and commercial property, which has been characteristic of Platte County over the past two decades.



The Platte County Assessor and Clerk of the County Court will finalize assessment values prior to the district’s setting the tax rate in August 2022.

TAX RATE SUMMARY

The Park Hill School District currently has tax rates in three funds: 100 - General (Incidental) Fund, 300 - Debt Service Fund and 400 – Capital Projects Fund.

The 2021-2022 operating rate total (Fund 100 + Fund 400) is \$4.4046 per \$100 of assessed valuation. The total current rate is \$5.3955 per \$100 of assessed valuation.

The Park Hill School District successfully passed Proposition N in April 2022. Proposition N allows the Board of Education to set the operating tax rate up to \$4.9907. The operating tax rate increase passed with a 65.8% favorable vote.

The 2021-2022 debt service rate is \$0.9909 is anticipated to decrease for 2022-2023 to \$0.5400 per \$100 of assessed valuation.

Per state law, the district’s tax rate is officially set at a tax rate hearing in August 2022. At this meeting the Board of Education will decide on a potential tax rate increase should the tax rate ceiling increase due to a decrease in local property assessments. Conversely, the Board may be mandated to decrease the levy should the ceiling be lowered due to increases in local property assessments.

The table below shows a history of the district’s tax rates over the past four years and the projected tax rates for 2022-2023.

FUND	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	ACTUAL 2021-2022	PROJECTED 2022-2023*
100 - General (Incidental) Fund	4.6048	4.5227	4.6108	4.2046	4.7555
200 - Special Revenue (Teachers) Fund	0.0000	0.0000	0.0000	0.0000	0.0000
300 - Debt Service Fund	0.6107	0.7128	0.6347	0.9909	0.5400
400 - Capital Projects Fund	0.1800	0.1600	0.1500	0.2000	0.1000
TOTAL	5.3955	5.3955	5.3955	5.3955	5.3955

* 2022-2023 tax rates are set in August 2022.

PERSONNEL RESOURCE CHANGES

The staffing plan for the 2022-2023 school year is developed by human resources in conjunction with the administration and Board of Education. The 2022-2023 budget reflects the district's plan on adding staff to address enrollment growth.

The 2022-2023 Budget has been prepared with the following changes to staffing counts. All values are measured as FTEs.

SOURCE	Actual 2021-2022	Budget 2022-2023	Δ (Change)	Δ (Change %)
Administrator	67.0	70.0	+3.0	+4.5%
Community Services	46.5	58.0	+11.5	+24.8%
Instructional Support	202.5	222.5	+20.0	+9.9%
Office Staff	117.1	120.4	+3.3	+2.9%
Operations	220.2	228.0	+7.8	+3.5%
Other Support	41.6	43.1	+1.5	+3.6%
Student Health	31.9	31.9	0.0	0.0%
Student Nutrition	72.3	78.3	+6.0	+8.3%
Teacher	952.4	962.4	+10.0	+1.0%
TOTAL	1751.5	1,814.60	+63.2	+3.6%

A detailed accounting of the staffing FTE counts for school years 2018-2019 through 2025-2026, including an explanation of major shifts from the current year, appears in the [Informational Section](#) of this document beginning on page 155.

CHANGES IN DEBT

The district generates debt service revenue via the 300 - *Debt Service Fund* tax rate to pay debt accumulated after the sale of general obligation bonds authorized by the district voters. The table below summarizes the outstanding principal for bonds sold in previous years:

BOND SERIES	PURPOSE	OUTSTANDING PRINCIPAL
Series 2015	Refinance of a portion of 2004 bonds.	1,450,000
Series 2016	Refinance of a portion of 2011 bonds.	8,830,000
Series 2017	First series of bonds authorized by voters in April, 2017. Purpose of Bonds: (a) constructing, furnishing and equipping a new middle school, (b) constructing, furnishing and equipping a new elementary school, (c) constructing, furnishing and equipping a facility for use by high school students, (d) constructing and equipping a facility for school support services, and (e) improvements and renovations to various school buildings.	74,530,000
Series 2018	Second series of bonds from the April 4, 2017 bond issue. \$23.3 million of \$110 million authorized by voters.	22,755,000
Series 2020	Refinance a portion of Series 2012 bonds.	27,905,000
Series 2021	Refund a portion of Series 2017 bonds, specifically, the bonds originally scheduled to mature in 2037 for principal amount of \$12,095,000.	7,330,000
TOTAL		142,800,000

As a result, bond issues, refunds or refinances in prior years, the district debt obligation is currently \$142.8 million, which is well below the legal debt limit in the state of Missouri of 15% of total assessed valuation, or \$316 million.

Debt payments (principal and interest) are due in September and March of each fiscal year. Currently, debt payments are scheduled to be made through March 2038. Expenditures for principal and interest average \$12.3 million per fiscal year.

In April 2022, district taxpayers overwhelmingly passed (74.0%) a \$137.0 million bond issue for the purpose of constructing, acquiring, improving, renovating, furnishing, and equipping new and existing school facilities including but not limited to the construction of an elementary school and acquiring land.

The strategic sale of revenue bonds over time supports the cash flow necessary to construct and renovate facilities. With guidance from the district's financial advisors, the district will structure the new debt over time as to maintain the district's total tax rate of \$5.3955 rate per \$100 of the assessed valuation of real and personal property, resulting in no tax increase for district taxpayers. The district's current debt service tax rate is the lowest in the greater Kansas City area. District staff and financial advisors will also consider assessed valuation growth, the bond market, interest rates, and interest rate risk to determine the size and number of the future bond sales.

A full accounting of the debt service fund balance for school years 2018-2019 through 2025-2026 appears in the [Financial Section](#) of this document on page 138. The district's bond amortization schedule can be found on page 159 of this document.