Lee's Summit R-7 Schools

Tax Rate and Voluntary Rollback Town Hall Meeting

September 1, 2026

LEE'S SUMMIT R-7 SCHOOLS

Town Hall Objectives

Lee's Summit R-7 Schools

Historical Perspective

Understanding past financial trends and decisions that shaped our current position.

Current Revenue Impact

Analyzing the immediate impact of Jackson County Tax Credits and State Funding Shortfalls on our operating budget.

Potential Paths Forward

Evaluating strategic projections and key scenarios for 26-27 school year and beyond.

Lee's Summit R-7 Schools

Historical Perspective

Understanding past financial trends and decisions that shaped our current position.

LEE'S SUMMIT R-7 SCHOOLS

Key Terms & Definitions

Lee's Summit R-7 Schools

Assessed Valuation (AV)
The taxable value of property within the school district. Property taxes are calculated using assessed value, not the property's market value.

Tax Levy / Tax Rate
The amount of property tax charged for every $100 of assessed valuation.

Tax Rate Ceiling
The maximum voter approved tax rate the district is legally permitted to levy before required or voluntary reductions.

Voluntary Rollback
A Board decision to set the district's tax levy below the amount legally allowed, resulting in the district collecting less property tax revenue.

Recoup / Reinstatement
Reducing some or all of the voluntary rollback, allowing the district to collect additional tax revenue.

Prop C Rollback
A required reduction to the operating tax rate associated with Missouri Proposition C sales tax revenue. This is separate from LSR7's voluntary rollback.

Operating Fund
The funds used for the district's day-to-day operations, including salaries, benefits, supplies, services and other costs of educating students.

Fund Balance
Balance remaining in the district's general operating fund at year end. The purpose of this balance is primarily to meet financial obligations until tax revenue for the next fiscal year is realized.

ASBR Fund Balance Percentage
Balance remaining in the district's general operating fund at fiscal year end divided by the total operating expenditures for that fiscal year.

LEE'S SUMMIT R-7 SCHOOLS

Before we talk about the Tax Rate

Lee's Summit R-7 Schools

67%

Most district revenue is local.

Approximately 67% of total revenue comes from local sources.

83%

Most expenditures support people.

More than 83% of operating expenditures are salaries and benefits.

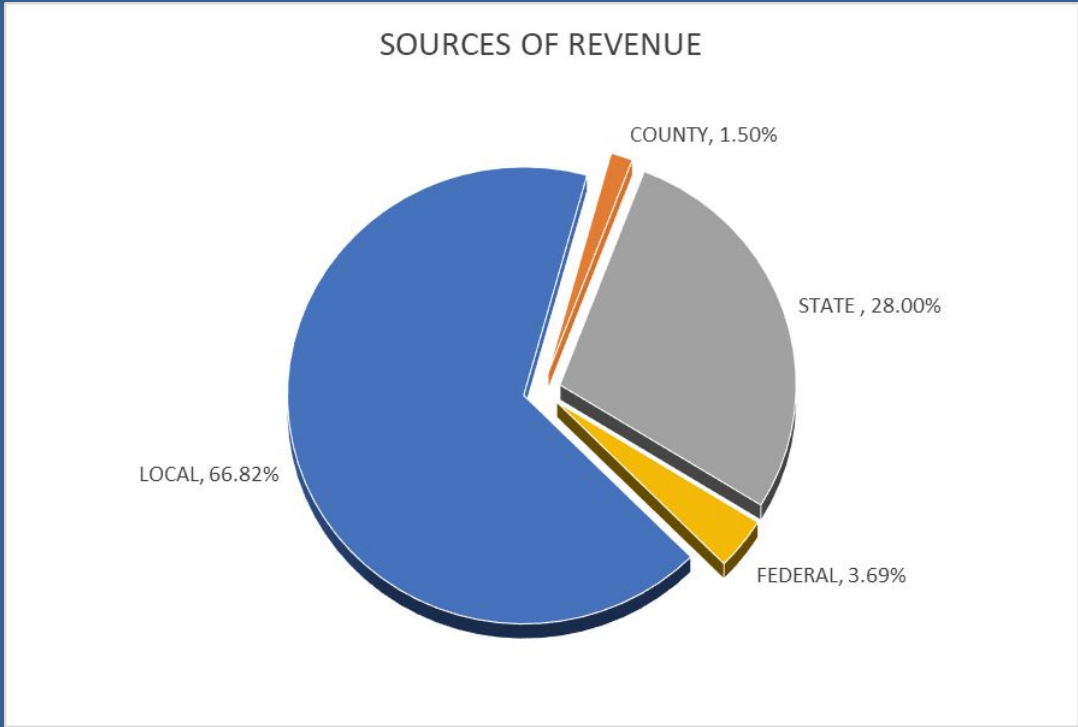


Direct budget impact.

Tax rate decisions directly affect the operating budget. The operating levy helps fund the people, the programs, and the services that directly impact our students.

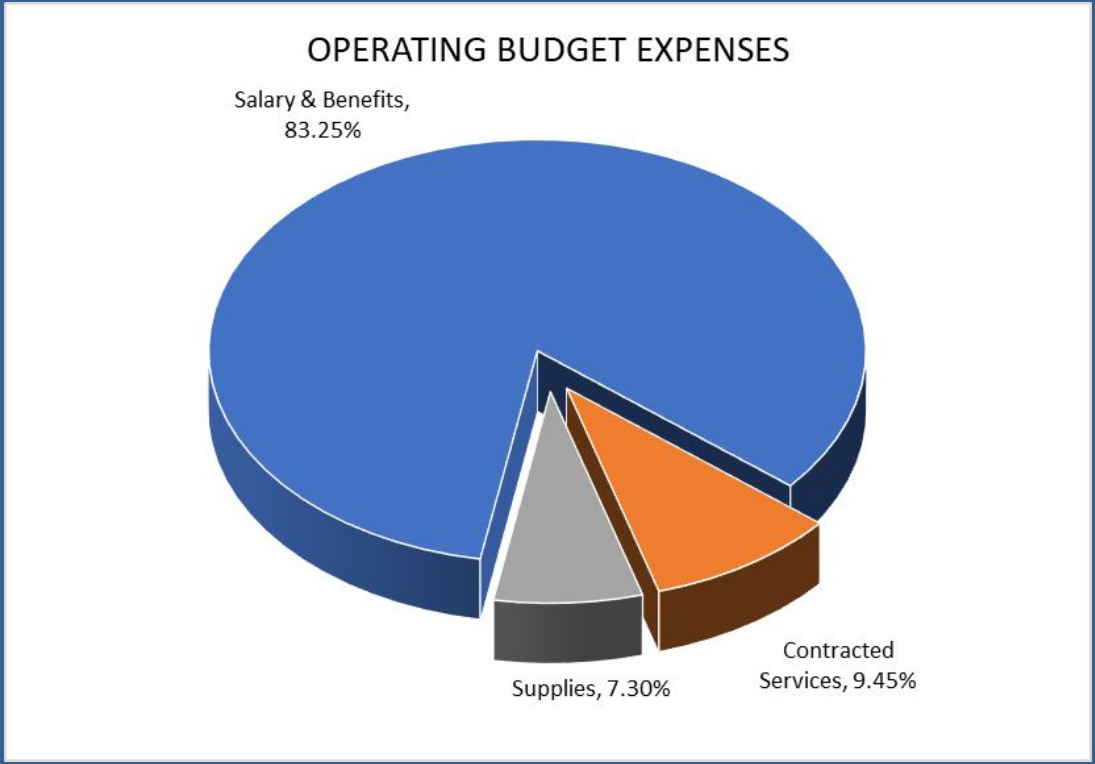
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Revenue Sources



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Operating Expenses



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State Foundation Formula

The state formula has not kept up with inflation.

Year	Change in CPI over 12 months (December of that year)	SAT (Paid)	% Change in SAT	SAT v CPI
FY10 (2009-2010)	*2.70%*	$6,117		
FY11	1.50%	$6,117	0.00%	-1.50%
FY12	3.00%	$6,124	0.11%	-2.89%
FY13	1.70%	$6,131	0.11%	-1.59%
FY14	1.50%	$6,131	0.00%	-1.50%
FY15	0.80%	$6,131	0.00%	-0.80%
FY16	0.70%	$6,131	0.00%	-0.70%
FY17	***2.10%***	***$6,145***	0.23%	-1.87%
FY18	2.10%	$6,199	0.87%	-1.23%
FY19	1.90%	$6,241	0.67%	-1.23%
FY20	2.30%	$6,308	1.06%	-1.24%
FY21	1.40%	$6,375	1.05%	-0.35%
FY22	7.00%	$6,375	0.00%	-7.00%
FY23	6.50%	$6,375	0.00%	-6.50%
FY24	3.40%	$6,375	0.00%	-3.40%
FY25	2.90%	$6,760	5.70%	2.80%
FY26	2.70%	$6,958	2.85%	0.15%
Total (FY11-FY26)	**41.50%**		**12.65%**	**-28.85%**

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Operating Expenses and Balances

Lee's Summit R-7 Schools

GROWTH BELOW STATE AVERAGES

LSR7's operating budget and fund balance have increased, but both key metrics remain below the Missouri state average.

HISTORICAL REVENUE & EXPENDITURES

Operating Fund Balance in Dollars
2019-20: **$63,891,471** | 2024-25: **$73,761,089**
Change: **+$9,869,618 (+15.45%)**

Total Operating Budgets
2019-20: **$221,041,392** | 2024-25: **$281,537,903**
Change: **+$60,496,511 (+27.37%)**

FUND BALANCE GROWTH

15.45%

State Avg: **57.65%**

OPERATING BUDGET GROWTH

27.37%

State Avg: **30.18%**

OPERATING FUND BALANCE PERCENTAGE

-2.70%

Fund Balance Percentage Decreased over the 5-year period

2019-20: **28.90%** of budget | 2024-25: **26.20%** of budget

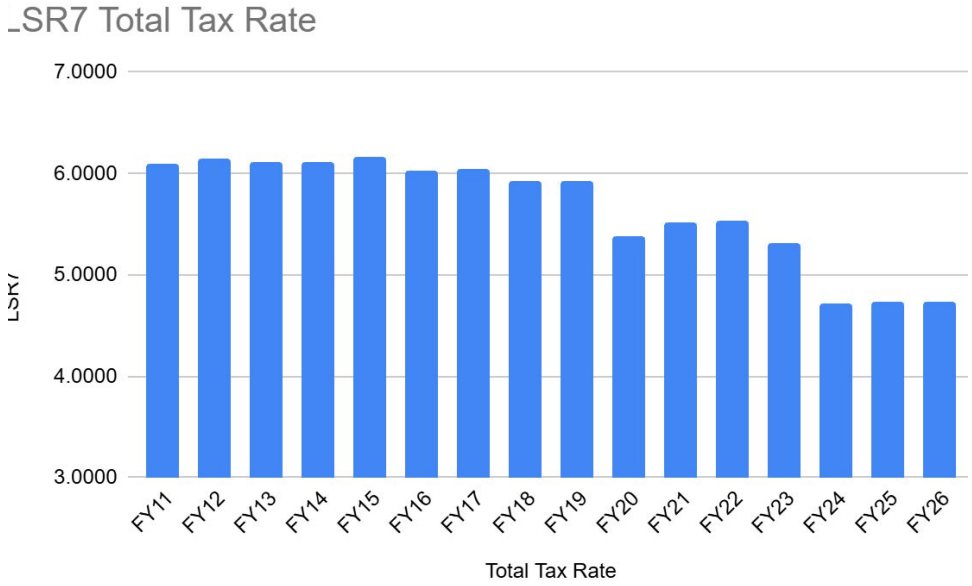
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LSR7 Tax Rates (FY11 to FY26)

Lee's Summit R-7 Schools

Tax Rate Trend

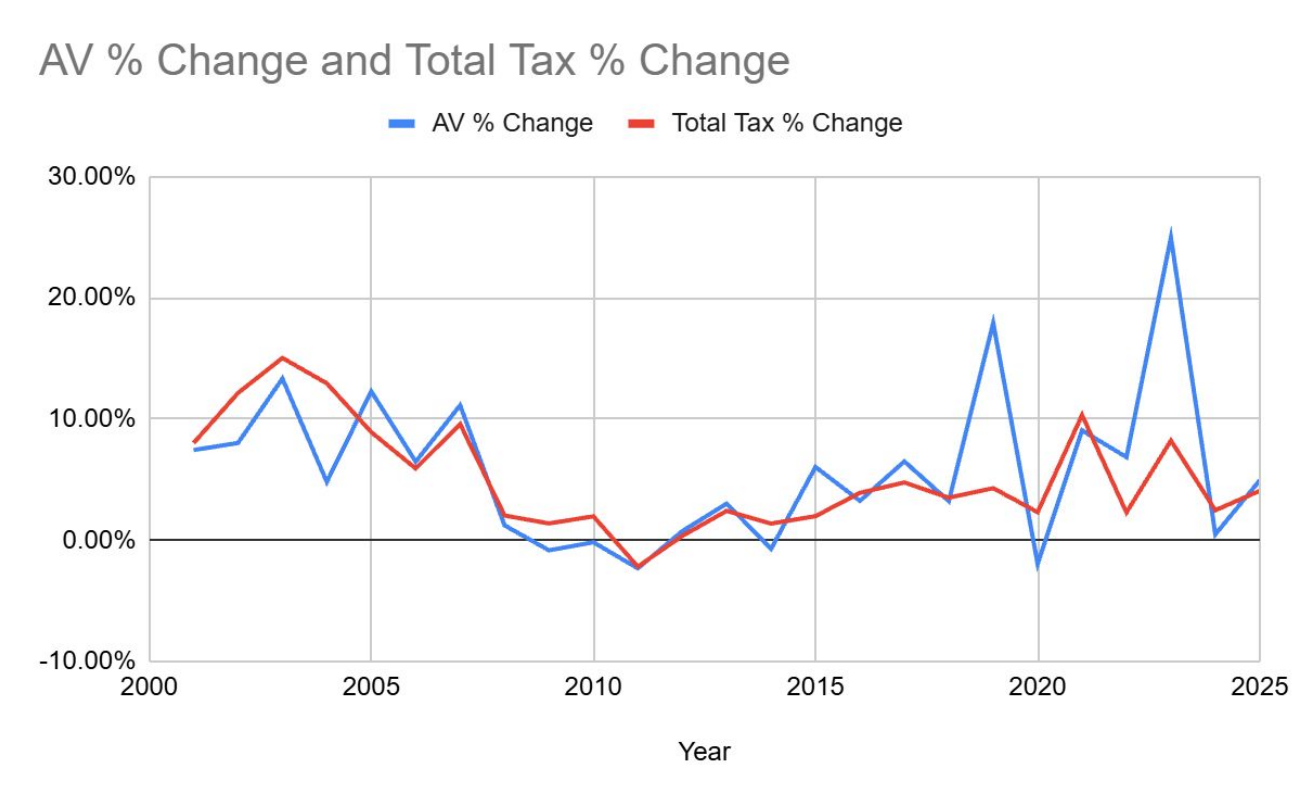
In FY20 and beyond, the assessed valuation of LSR7 increased at rates well above inflation. LSR7 reduced the tax rate as required by the Hancock Amendment and also by voluntary tax rate reductions.



LEE'S SUMMIT R-7 SCHOOLS

Assessed Value Change vs. Total Tax Change

Lee's Summit R-7 Schools



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LSR7 Tax Rate Comparison

Lee's Summit R-7 Schools

Tax Rate Comparison

Lowest Tax Rate in Jackson County

At 4.7391, Lee's Summit R-7 Schools currently has the lowest total tax rate among Jackson County school districts and ranks 20th of 23 comparison districts.

	Total Levy	FY26
1	Raytown	6.3200
2	Hickman Mills	6.1517
3	Park Hill School District	5.7955
4	Grandview C-4 School District	5.6500
5	Liberty Public School District 53	5.5375
6	North Kansas City	5.4943
7	Harrisonville	5.4772
8	Belton	5.4119
9	Lathrop R-II	5.2676
10	Independence School District	5.2371
11	Excelsior Springs	5.2262
12	Blue Springs	5.1685
13	Ray Pec	5.0302
14	Platte County R-3 School District	4.9793
15	St. Joseph School District	4.9163
16	Lone Jack C6	4.8785
17	Oak Grove	4.7731
18	Smithville R-II School District	4.7504
19	Grain Valley	4.7396
20	Lee's Summit	4.7391
21	Pleasant Hill R-III	4.5971
22	Archie R-V School District	4.5095
23	Kearney R 1	4.4179

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Staffing Changes over Time

Lee's Summit R-7 Schools

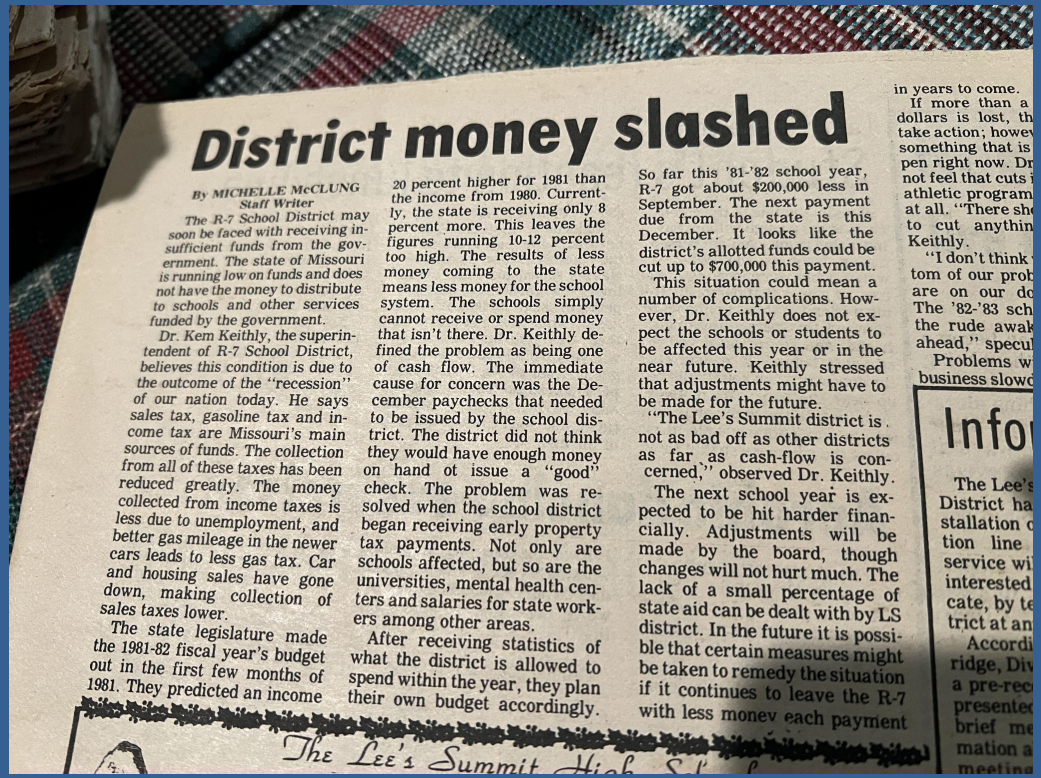
FISCAL YEAR	PROF (EXEM & NNEX)	SUPP	TCHR	ADMIN	GRAND TOTAL
2019-20	146.26	1,137.26	1,314.50	117.43	2,715.45
2020-21	132.78	1,062.35	1,300.47	123.55	2,619.15
2021-22	134.36	1,058.40	1,321.94	125.21	2,639.91
2022-23	145.61	1,044.47	1,335.85	131.55	2,657.48
2023-24	143.57	1,056.85	1,372.37	129.97	2,702.76
2024-25	144.82	1,070.54	1,387.44	130.91	2,733.71
2025-26	146.47	1,091.47	1,401.17	131.36	2,770.47
Change	0.21	-45.79	86.67	13.93	55.02

Salary Increases over Time

Lee's Summit R-7 Schools

	% increase in Average Salary since 2012-13 School Year
Inflation	39.18%
Admininstrator	21.11%
Professional	39.21%
Support	44.77%
Teacher	37.49%
All Employees	41.13%

Is This New?



District money slashed

By MICHELLE McCLUNG
Staff Writer

The R-7 School District may soon be faced with receiving insufficient funds from the government. The state of Missouri is running low on funds and does not have the money to distribute to schools and other services funded by the government.

Dr. Kem Keithly, the superintendent of R-7 School District, believes this condition is due to the outcome of the "recession" of our nation today. He says sales tax, gasoline tax and income tax are Missouri's main sources of funds. The collection from all of these taxes has been reduced greatly. The money collected from income taxes is less due to unemployment, and better gas mileage in the newer cars leads to less gas tax. Car and housing sales have gone down, making collection of sales taxes lower.

The state legislature made the 1981-82 fiscal year's budget out in the first few months of 1981. They predicted an income 20 percent higher for 1981 than the income from 1980. Currently, the state is receiving only 8 percent more. This leaves the figures running 10-12 percent too high. The results of less money coming to the state means less money for the school system. The schools simply cannot receive or spend money that isn't there. Dr. Keithly defined the problem as being one of cash flow. The immediate cause for concern was the December paychecks that needed to be issued by the school district. The district did not think they would have enough money on hand ot issue a "good" check. The problem was resolved when the school district began receiving early property tax payments. Not only are schools affected, but so are the universities, mental health centers and salaries for state workers among other areas.

After receiving statistics of what the district is allowed to spend within the year, they plan their own budget accordingly. So far this '81-'82 school year, R-7 got about $200,000 less in September. The next payment due from the state is this December. It looks like the district's allotted funds could be cut up to $700,000 this payment.

This situation could mean a number of complications. However, Dr. Keithly does not expect the schools or students to be affected this year or in the near future. Keithly stressed that adjustments might have to be made for the future.

"The Lee's Summit district is not as bad off as other districts as far as cash-flow is concerned," observed Dr. Keithly.

The next school year is expected to be hit harder financially. Adjustments will be made by the board, though changes will not hurt much. The lack of a small percentage of state aid can be dealt with by LS district. In the future it is possible that certain measures might be taken to remedy the situation if it continues to leave the R-7 with less money each payment in years to come.

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FY26 and FY27 Expenditure Reductions

Lee's Summit R-7 Schools

Capital Transfer

No Transfer from the General Fund to the Capital Projects Fund

M&M Tax

Less Merchants and Manufacturing Tax Revenue into Capital Projects Fund

Personnel

Cut $1.3 million in salaries and benefits

Operations

This year: Cut $6,455,092 in building and department budgets

LEE'S SUMMIT R-7 SCHOOLS

2023 Voluntary Rollback

Prior History
Prior to 2023, we had not done a voluntary rollback.

Recommendation
In 2023, Administration recommended a voluntary rollback in response to the unprecedented County Assessed Valuation.

Windfall Prevention
This was specifically done to avoid a windfall from the assessments and to protect our taxpayers.

Fiscal Year	Voluntary Rollback	Voluntary Revenue Not Collected
2002-03	0.0000	$0
2003-04	0.0000	$0
2004-05	0.0000	$0
2005-06	0.0000	$0
2006-07	0.0000	$0
2007-08	0.0000	$0
2008-09	0.0000	$0
2009-10	0.0000	$0
2010-11	0.0000	$0
2011-12	0.0000	$0
2012-13	0.0000	$0
2013-14	0.0000	$0
2014-15	0.0000	$0
2015-16	0.0000	$0
2016-17	0.0000	$0
2017-18	0.0000	$0
2018-19	0.0000	$0
2019-20	0.0000	$0
2020-21	0.0000	$0
2021-22	0.0000	$0
2022-23	0.0000	$0
2023-24	0.6524	$22,085,331
2024-25	0.6524	$22,193,009
2025-26	0.6524	$23,290,012

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2023 Voluntary Rollback

Lee's Summit R-7 Schools

Why LSR7 Implemented the 2023 Rollback

In 2023, Jackson County property assessments increased by 23.68% (residential real property increased 32.63%) due to reassessment. Though not legally required to do so because of the voter-approved levy transfer, the Board of Education proactively decided to reduce the district's operating tax rate below the legal voter approved rate. This deliberate action prioritized direct taxpayer relief, successfully preventing an unexpected windfall of tax revenue from residents due to reassessment.

Scenario A: Without Rollback (Ceiling)

If LSR7 maintained the voter-approved operating tax ceiling and debt service levy:

$4.5962

Operating Tax Rate Ceiling before Prop C Reduction

The full voter-approved levy ceiling would have been collected from district property owners, resulting in maximum authorized local funding.

Estimated Revenue: $155,592,579

Scenario B: With Voluntary Rollback

The actual board decision to reduce the operating tax rate and local taxpayer burden:

$3.9438

Operating Tax Rate before Prop C Reduction

The largest voluntary rollback by any district of its size in Missouri, which allowed taxpayers to retain substantial funds.

Estimated Revenue: $133,507,248

Non-Collection Impact: $22,085,331

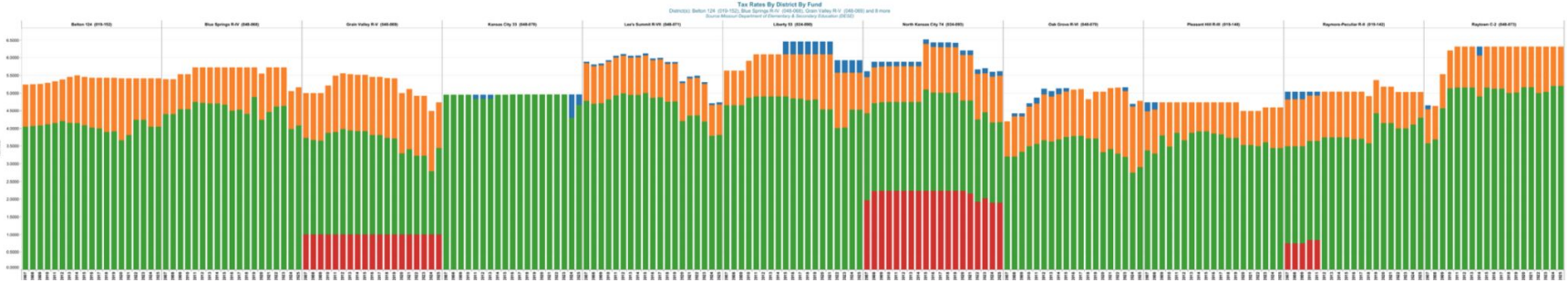
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Voluntarily Rolled Back Our Levy

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Tax Rate Comparison by District

While we voluntarily rolled back our levy, some districts in the county did not. **Lee's Summit R-7 is the 5th set of data** from the left.



LEE'S SUMMIT R-7 SCHOOLS

State Rank

Largest Rollback

Our rollback is the largest in MO.

518 Districts in the State

Only 82 Districts in the state have a voluntary rollback.

Uncommon Across The State

Only 22 districts have a voluntary rollback of $.10 or more.

	District Code	District (all)	Debt Levy	Levy Ceiling	Voluntary Rollback
1	048-071	LEE'S SUMMIT R-VII	0.8700	4.6456	0.6524
2	007-124	RICH HILL R-IV	0.5586	4.4269	0.5586
3	066-103	MILLER CO. R-III	0.3942	4.8824	0.5511
4	040-104	LAREDO R-VII	0.0000	5.9302	0.5302
5	041-001	CAINSVILLE R-I	0.0000	6.5000	0.5200
6	080-118	LA MONTE R-IV	0.9246	3.6385	0.4963
7	044-078	CRAIG R-III	0.0000	4.7652	0.4652
8	006-103	GOLDEN CITY R-III	0.0000	3.5694	0.2694
9	035-093	CAMPBELL R-II	0.7635	3.5385	0.2663
10	080-122	PETTIS CO. R-XII	0.0000	2.9794	0.1894
11	029-004	GREENFIELD R-IV	0.5858	3.7500	0.1786
12	096-092	KIRKWOOD R-VII	0.2700	3.7991	0.1593
13	035-098	SENATH-HORNERSVILLE C-8	0.0000	3.7500	0.1379
14	042-118	LEESVILLE R-IX	0.0000	3.0832	0.1326
15	115-115	ST. LOUIS CITY	0.6211	4.5000	0.1250
16	021-148	NORTHWESTERN R-I	0.3700	4.7528	0.1241
17	021-151	SALISBURY R-IV	0.0000	4.5868	0.1171
18	076-081	OSAGE CO. R-I	0.0000	5.4325	0.1125
19	097-127	GILLIAM C-4	0.0000	4.4908	0.1108
20	096-095	PARKWAY C-2	0.4900	3.4785	0.1012
21	032-056	UNION STAR R-II	0.0000	5.2002	0.1000
22	051-153	CHILHOWEE R-IV	0.0000	5.6500	0.1000
23	048-077	INDEPENDENCE 30	0.9181	4.4124	0.0934
24	054-045	LEXINGTON R-V	1.1912	4.0993	0.0825
25	044-084	SOUTH HOLT CO. R-I	0.0000	3.5651	0.0759
26	061-157	CALLAO C-8	0.0000	4.3627	0.0627
27	110-014	KINGSTON K-14	0.9895	2.9601	0.0593

LEE'S SUMMIT R-7 SCHOOLS

Voluntary Rollbacks – Districts with 10,000+ Students

	District Code	District (10K or more students)	Debt Levy	Levy Ceiling	Voluntary Rollback
1	048-071	LEE'S SUMMIT R-VII	0.8700	4.6456	0.6524
2	115-115	ST. LOUIS CITY	0.6211	4.5000	0.1250
3	096-095	PARKWAY C-2	0.4900	3.4785	0.1012
4	048-077	INDEPENDENCE 30	0.9181	4.4124	0.0934
5	011-082	ST. JOSEPH	0.5300	4.3935	0.0072
6	092-089	WENTZVILLE R-IV	0.9304	3.7233	0.0005
7	024-093	NORTH KANSAS CITY 74	1.3085	4.3072	0.0000
8	010-093	COLUMBIA 93	0.9719	5.0903	0.0000
9	048-068	BLUE SPRINGS R-IV	1.0875	4.4905	0.0000
10	050-012	FOX C-6	0.3901	3.8780	0.0000
11	092-087	FORT ZUMWALT SCHOOL DISTRICT	0.6534	3.5812	0.0000
12	048-078	KANSAS CITY 33	0.0000	5.2311	0.0000
13	024-090	LIBERTY 53	1.0477	4.8800	0.0000
14	083-005	PARK HILL	0.5601	4.8354	0.0000
15	096-088	HAZELWOOD	1.2400	4.4653	0.0000
16	092-088	FRANCIS HOWELL R-III	0.6713	3.4191	0.0000
17	096-091	ROCKWOOD R-VI	0.3200	3.5626	0.0000
18	039-141	SPRINGFIELD R-XII	0.7300	3.2588	0.0000
		AVERAGE			**0.0544**

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Voluntary Rollbacks – Jackson County School Districts

	District Code	District (Jackson County)	Debt Levy	Levy Ceiling	Voluntary Rollback
1	048-071	LEE'S SUMMIT R-VII	0.8700	4.6456	0.6524
2	048-077	INDEPENDENCE 30	0.9181	4.4124	0.0934
3	048-066	FORT OSAGE R-I	1.1018	5.1482	0.0000
4	048-068	BLUE SPRINGS R-IV	1.0875	4.4905	0.0000
5	048-069	GRAIN VALLEY R-V	1.3000	3.4382	0.0000
6	048-070	OAK GROVE R-VI	1.8670	2.9061	0.0000
7	048-072	HICKMAN MILLS C-1	1.1000	4.8254	0.0000
8	048-073	RAYTOWN C-2	1.1206	5.1994	0.0000
9	048-074	GRANDVIEW C-4	1.3666	4.3897	0.0000
10	048-075	LONE JACK C-6	1.9828	2.8952	0.0000
11	048-078	KANSAS CITY 33	0.0000	5.2311	0.0000
12	048-080	CENTER 58	0.9000	4.0892	0.0000
		AVERAGE			**0.0622**

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What if our Voluntary Rollback was Reduced?

Rollback Remaining	Rank of largest rollback out of 518 public school districts (2025 data)	Rank out of the 18 districts with 10K students or more	Rank out of 12 in Jackson County
55	3	1	1
45	8	1	1
35	8	1	1
25	10	1	1
15	13	1	1

Lee's Summit R-7 Schools

Current Revenue Impact

Analyzing the immediate impact of Jackson County Tax Credits and State Formula shortfalls on our operating budget.

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Voluntary Rollback Information

Lee's Summit R-7 Schools

1. What is a voluntary rollback?

A discretionary board decision to lower the district's tax levy below what Missouri state law allows. The district then collects less revenue than legally permitted.

2. Why does LSR7 have one?

In 2023, Jackson County residential property valuations increased by over 30%. The Board voluntarily rolled back the operating levy by $.6524 to prevent a tax windfall of revenue and provide relief.

3. Why consider reinstatement?

LSR7 faces a $7M to $10M revenue shortfall due to external pressures:

- Jackson County residential tax credits
- State funding foundation formula shortfalls

4. What does it mean for taxes?

Restoring **any** amount of the voluntary rollback would increase tax bills. For residential property, every $0.01 increase in the tax levy would increase the tax bill by approximately $1.90 for every $100,000 of home value.

Seniors enrolled in the SB190 tax freeze will see no increase on primary residences.

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Mechanics of a Voluntary Rollback

Lee's Summit R-7 Schools

How It is Triggered

- Discretionary Board decision to set the operating tax levy below the voter-approved maximum.
- Represents local control in action, prioritizing taxpayer relief during assessment valuation increases.

Impact on District Revenue

- Voluntarily collects less property tax revenue than legally entitled to receive.
- Creates a tighter operating budget but provides immediate financial breathing room.

Reinstating a Rollback

- Board retains authority to restore the operating levy up to the voter-approved maximum.
- Does not require a new public ballot measure.
- Reinstatement can only occur in even-numbered tax years.

Key Considerations

- Balancing community relief with structural funding needs.
- Mitigating external deficits from state and local shortfalls.
- Evaluating long-term financial health and capital stability.

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Why Consider Rollback Reinstatement?

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Jackson County Residential Tax Credits

- In 2026, Jackson County revised 2023 and 2024 residential assessments.
- The 2023 residential reassessment is **$303,623,488 lower** than the original assessed value used to calculate the tax rate.
- The 2024 residential reassessment is **$248,043,531 lower** than the original assessed value used to calculate the tax rate.
- The tax credits are being calculated using the difference in assessed valuation and the tax rate calculated using the original assessments.

The credits are being applied using tax rates established from the original valuations. Had the revised valuations been known at the time, the tax rate would have been different.

RESULTING REVENUE DEFICIT

–$26,512,091

Debt Service and Operating

Total projected local tax revenue loss over three years (2026–2028) due to Jackson County issuing tax credits against our normal collections.

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Revenue Impacts

Lee's Summit R-7 Schools

Revenue Shortfall

Tax Credits

Jackson County Residential Property Tax Credits are the primary driver of FY27 revenue shortfalls.

Residential Tax Credit Impact

25.38%

If the county were not implementing tax credits, the projected FY27 ASBR fund balance would be 25.38%, which meets our CSIP goal.

State Funding Impact

26.75%

With full state SAT funding of $7,145 per student, this increases to 26.75%.

Connecting 2023 Rate to Tax Credits

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If we knew in 2023 what we know now in 2026 regarding assessed valuation changes and property tax credits...

...how would that have changed the approach when setting the 2023 tax rate?

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2023 Revenue-Neutral Tax Rate Comparison

Lee's Summit R-7 Schools

Metric	2023 Actual	2023 Revised
Tax-Rate Ceiling	**4.5962**	4.5962
Voluntary Rollback	**0.6524**	0.2164
Operating Levy Ceiling	**3.9438**	4.3798
Levy after Prop C Rollback	**3.8412**	4.2453
Combined AV	$3,385,243,877	$3,063,013,459
Total Revenue	**$130,033,987**	$130,034,110

REVENUE-NEUTRAL CALCULATION

$4.3798

Estimated Levy with Revised Assessed Valuations

To generate the same revenue under Jackson County's revised assessments, the district's operating levy (pre-prop C reduction) would have needed to increase from $3.9438 to $4.3798.

Reducing the voluntary rollback from $.6524 down to $.2164 would have compensated for the $322,230,418 loss in total assessed valuation.

The resulting pre-prop C tax rate in 2023 would have been $.4353 higher if the revised assessed valuation was in place at that time.

LEE'S SUMMIT R-7 SCHOOLS

2024 Revenue-Neutral Tax Rate Comparison

Lee's Summit R-7 Schools

Metric	2024 Actual	2024 Revised
Tax-Rate Ceiling	**4.6456**	4.5964
Voluntary Rollback	**0.6524**	0.2236
Operating Levy Ceiling	**3.9932**	4.3728
Levy after Prop C	**3.8609**	4.2104
Combined AV	**$3,401,748,787**	$3,119,378,210
Total Revenue	**$131,338,119**	$131,338,300

REVENUE-NEUTRAL CALCULATION

$4.3728

Estimated Operating Levy with Revised Assessed Valuations

To generate the same revenue under Jackson County's revised assessments, the district's operating levy (pre-prop C reduction) would have needed to increase from $3.9932 to $4.3728.

Reducing the voluntary rollback from $.6524 down to $.2236 would have compensated for the $282,370,577 loss in total assessed valuation.

The resulting pre-prop C tax rate in 2024 would have been $.3796 higher if the revised assessed valuation was in place at that time.

LEE'S SUMMIT R-7 SCHOOLS

2026 Tax Rate Question

Lee's Summit R-7 Schools

PAST DECISION

The 2023 tax year decision to implement a voluntary rollback was the correct decision for the district and the taxpayers with the information that was available at the time.

FUTURE OUTLOOK

The new information being used to calculate the residential tax credits should also be used to make decisions for the 2026 tax year.

Lee's Summit R-7 Schools

Potential Paths Forward

Evaluating strategic projections and key scenarios for 26-27 school year and beyond.

LEE'S SUMMIT R-7 SCHOOLS

2026-2027 Tax Rate Scenarios (Projections) Assuming $6,900 SAT in FY27

Lee's Summit R-7 Schools

Scenario	Voluntary Rollback	Operating Fund Levy	Additional Revenue	Fund Balance Change	EOY 26-27 Operating Fund Balance	EOY 26-27 ASBR %
Keep all of the voluntary rollback in place.	$0.6524	$4.0508	$0.00	-$8,007,947	$66,624,397	23.16%
End the fiscal year with a 25% Operating Fund Balance	$0.4792	$4.2240	$5,535,437	-$2,472,510	$72,159,834	25.00%
Recoup half of the voluntary rollback	$0.3262	$4.3770	$10,425,285	$2,417,338	$77,049,682	26.62%
Recoup $.40 of the voluntary rollback	$0.2524	$4.4508	$12,783,918	$4,775,971	$79,408,315	27.40%
Recoup the average of 2023 and 2024 revenue neutral amounts	$0.2449	$4.4583	$13,023,617	$5,015,669	$79,648,013	27.48%
Recoup $.50 of the voluntary rollback	$0.1524	$4.5508	$15,979,898	$7,971,950	$82,604,294	28.46%
Recoup all of the voluntary rollback	$0.0000	$4.7032	$20,850,570	$12,842,623	$87,474,967	30.08%

LEE'S SUMMIT R-7 SCHOOLS

2026-2027 Tax Rate Scenarios (Projections) Assuming $6,750 SAT in FY27

Lee's Summit R-7 Schools

Scenario	Voluntary Rollback	Operating Fund Levy	Additional Revenue	Fund Balance Change	EOY 26-27 Operating Fund Balance	EOY 26-27 ASBR %
Keep all of the voluntary rollback in place.	$0.6524	$4.0508	$0.00	-$10,769,814	$63,862,530	22.24%
End the fiscal year with a 25% Operating Fund Balance	$0.3928	$4.3104	$8,297,304	-$2,472,510	$72,159,834	25.00%
Recoup half of the voluntary rollback	$0.3262	$4.3770	$10,425,285	-$344,529	$74,287,815	25.70%
Recoup $.40 of the voluntary rollback	$0.2524	$4.4508	$12,783,918	$2,014,104	$76,646,448	26.48%
Recoup the average of 2023 and 2024 revenue neutral amounts	$0.2449	$4.4583	$13,023,617	$2,253,802	$76,886,146	26.56%
Recoup $.50 of the voluntary rollback	$0.1524	$4.5508	$15,979,898	$5,210,083	$79,842,427	27.54%
Recoup all of the voluntary rollback	$0.0000	$4.7032	$20,850,570	$10,080,756	$84,713,100	29.16%

LEE'S SUMMIT R-7 SCHOOLS

The Importance of Planning Ahead

Lee's Summit R-7 Schools

01 / HORIZON

Three-Year Impact

This decision impacts fiscal years 2027, 2028 and 2029.

02 / CONSTRAINT

Even-Year Recoupment

The voluntary rollback may only be recouped in even numbered tax years (2026, 2028, 2030, etc.).

03 / LEVY STRATEGY

Two-Year Planning

To properly plan for fiscal year 2027 and 2028 expenditures, we must set the 2026 levy to account for both fiscal years.

04 / RISK FORECAST

State Aid Reduction

In addition to general planning, we must plan for a forecasted reduction in state aid in fiscal year 2028.

LSR7 Projected Fund Balances Assuming $6,900 SAT in FY27

Lee's Summit R-7 Schools

Scenario	Voluntary Rollback Amount in FY27	Projected EOY FY27 Operating Balance	Projected EOY FY28 Operating Balance	Projected EOY FY29 Operating Balance
Keep all of the voluntary rollback in place.	$0.6524	23.16%	19.29%	16.00%
End FY27 with a 25% Operating Fund Balance	$0.4792	25.00%	23.10%	21.46%
Recoup half of the voluntary rollback	$0.3262	26.62%	26.19%	25.98%
Recoup $.40 of the voluntary rollback	$0.2524	27.40%	27.72%	28.23%
Recoup 2023 and 2024 revenue neutral amounts	$0.2449	27.48%	27.87%	28.46%
Recoup $.50 of the voluntary rollback	$0.1524	28.46%	29.79%	31.29%
Recoup all of the voluntary rollback	$0.0000	30.07%	32.95%	35.95%

Note:

- The end of year fund balance projections for FY28 and FY29 were created using historical data.
- Odd Tax Year (FY28) - 4.39% revenue increase and 4.54% expenditure increase.
- Even Tax Year (FY29) - 3.88% revenue increase and 3.73% expenditure increase.

LSR7 Projected Fund Balances Assuming $6,750 SAT in FY27

Lee's Summit R-7 Schools

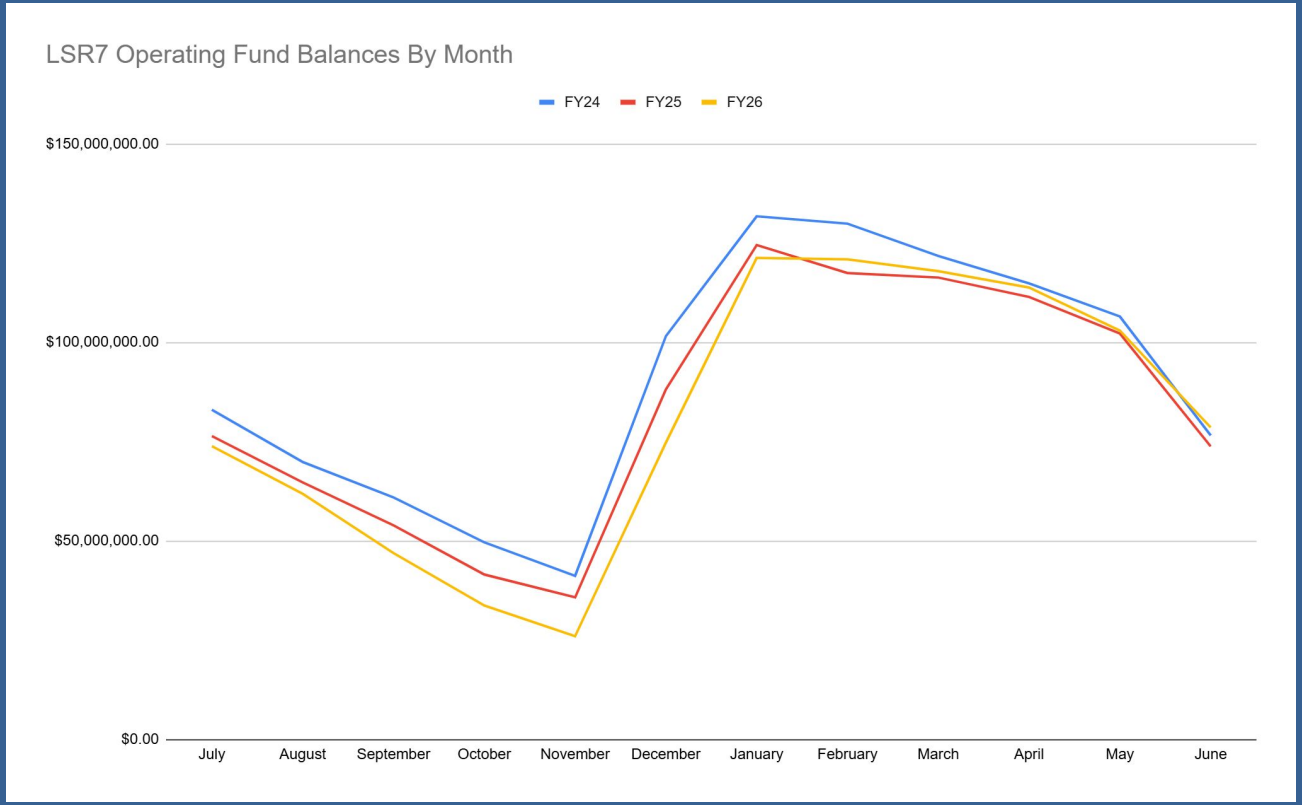
Scenario	Voluntary Rollback Amount in FY27	Projected EOY FY27 Operating Balance	Projected EOY FY28 Operating Balance	Projected EOY FY29 Operating Balance
Keep all of the voluntary rollback in place.	$0.6524	23.16%	18.55%	15.15%
End FY27 with a 25% Operating Fund Balance	$0.3928	25.00%	23.10%	21.46%
Recoup half of the voluntary rollback	$0.3262	25.70%	25.31%	25.13%
Recoup $.40 of the voluntary rollback	$0.2524	26.48%	26.84%	27.39%
Recoup 2023 and 2024 revenue neutral amounts	$0.2449	26.56%	27.00%	27.62%
Recoup $.50 of the voluntary rollback	$0.1524	27.54%	28.91%	30.45%
Recoup all of the voluntary rollback	$0.0000	29.16%	32.07%	35.11%

Note:

- The end of year fund balance projections for FY28 and FY29 were created using historical data.
- Odd Tax Year (FY28) - 4.39% revenue increase and 4.54% expenditure increase.
- Even Tax Year (FY29) - 3.88% revenue increase and 3.73% expenditure increase.

LSR7 Operating Fund Balances By Month

Lee's Summit R-7 Schools



Potential LSR7 Annual Tax Bill Impacts – Voluntary Rollback Only

Lee's Summit R-7 Schools

Home Value	$0.6524 Voluntary Rollback	$0.4792 Voluntary Rollback	$0.3262 Voluntary Rollback	$0.2524 Voluntary Rollback	$0.2449 Voluntary Rollback	$0.1524 Voluntary Rollback	$0.0000 Voluntary Rollback
$100,000	$0.00	$32.91	$61.98	$76.00	$77.43	$95.00	$123.96
$200,000	$0.00	$65.82	$123.96	$152.00	$154.85	$190.00	$247.91
$300,000	$0.00	$98.72	$185.93	$228.00	$232.28	$285.00	$371.87
$400,000	$0.00	$131.63	$247.91	$304.00	$309.70	$380.00	$495.82
$500,000	$0.00	$164.54	$309.89	$380.00	$387.13	$475.00	$619.78

Potential LSR7 Residential Portion of Tax Bill

Lee's Summit R-7 Schools

Home Value	$0.6524 Voluntary Rollback	$0.4792 Voluntary Rollback	$0.3262 Voluntary Rollback	$0.2524 Voluntary Rollback	$0.2449 Voluntary Rollback	$0.1524 Voluntary Rollback	$0.0000 Voluntary Rollback
$100,000	$944.45	$977.36	$1,006.43	$1,020.45	$1,021.88	$1,039.45	$1,068.41
$200,000	$1,888.90	$1,954.72	$2,012.86	$2,040.90	$2,043.75	$2,078.90	$2,136.82
$300,000	$2,833.36	$2,932.08	$3,019.29	$3,061.36	$3,065.63	$3,118.36	$3,205.22
$400,000	$3,777.81	$3,909.44	$4,025.72	$4,081.81	$4,087.51	$4,157.81	$4,273.63
$500,000	$4,722.26	$4,886.80	$5,032.15	$5,102.26	$5,109.39	$5,197.26	$5,342.04
**Total Levy	$4.9708	$5.1440	$5.2970	$5.3708	$5.3783	$5.4708	$5.6232

*All amounts are pre credits (Residential Tax Credits in Jackson, SB190 in Jackson and Cass, and SB3 in Cass)
**Includes debt service levy of $.8700.

Jackson County Residential Tax Credit Example

2022 Home Value: $200,000 | 2023 Increase: 40%

Lee's Summit R-7 Schools

2023 Tax Credit

15% Capped Increase

Uncapped Taxes

$2,506.36 taxes ($280,000)

Capped Taxes (15% Max)

$2,058.79 taxes ($230,000)

**Based on 2022 value of $200,000 at 4.7112 tax rate*

2023 Residential Tax Difference

$447.56

2024 Tax Credit

Non-Reassessment (No Increase)

Uncapped Taxes

$2,516.84 taxes ($280,000)

Capped Taxes

$2,067.40 taxes ($230,000)

**Based on original 4.7309 tax rate and no reassessment.*

2024 Residential Tax Difference

$449.44

Total Tax Credit

2023 & 2024 Combined

Calculated credit over a consecutive 3-year eligible term.

Cumulative Tax Credit

$897.00

Per Year Credit for 3 Years

$299.00

Estimated Residential Tax Impact

2022 Home Value: **$200,000** | 2023 Increase: **40%** | 2026 Home Value: **$264,500**

Lee's Summit R-7 Schools

Strategy / Scenario	Keep All Rollback	25% Fund Balance	Recoup Half	Recoup $0.40	Recoup $0.4075	Recoup $0.50	Recoup All
Levy Recouped	$0.0000	$0.1732	$0.3262	$0.4000	$0.4075	$0.5000	$0.6524
Voluntary Rollback Remaining	$0.6524	$0.4792	$0.3262	$0.2524	$0.2449	$0.1524	$0.0000
Added LSR7 Tax (Annual Impact)	$0.00	$87.04	$163.93	$201.02	$204.79	$251.28	$327.86
Jackson County Credit (Per Year)	**-$299.00**	**-$299.00**	**-$299.00**	**-$299.00**	**-$299.00**	**-$299.00**	**-$299.00**
Net Annual Impact	**-$299.00** Decrease	**-$211.96** Decrease	**-$135.07** Decrease	**-$97.98** Decrease	**-$94.21** Decrease	**-$47.72** Decrease	**+$28.86** Increase

Note: These examples show only the interaction between the estimated Jackson County residential tax credit and LSR7's voluntary rollback. They do not represent the homeowner's total property tax bill.

Jackson County Residential Tax Credit Example

2022 Home Value: $300,000 | 2023 Increase: 30%

Lee's Summit R-7 Schools

2023 Tax Credit

15% Capped Increase

Uncapped Taxes

$3,491 taxes ($390,000)

Capped Taxes (15% Max)

$3,088.19 taxes ($345,000)

**Based on 2022 value of $300,000 at 4.7112 tax rate*

2023 Residential Tax Difference

$402.81

2024 Tax Credit

Non-Reassessment (No Increase)

Uncapped Taxes

$3,505.60 taxes ($390,000)

Capped Taxes

$3,101.10 taxes ($345,000)

**Based on original 4.7309 tax rate and no reassessment.*

2024 Residential Tax Difference

$404.49

Total Tax Credit

2023 & 2024 Combined

Calculated credit over a consecutive 3-year eligible term.

Cumulative Tax Credit

$807.30

Per Year Credit for 3 Years

$269.10

Estimated Residential Tax Impact

2022 Home Value: **$300,000** | 2023 Increase: **30 %** | 2026 Home Value: **$396,750**

Lee's Summit R-7 Schools

Strategy / Scenario	Keep All Rollback	25% Fund Balance	Recoup Half	Recoup $0.40	Recoup $0.4075	Recoup $0.50	Recoup All
Levy Recouped	$0.0000	$0.1732	$0.3262	$0.4000	$0.4075	$0.5000	$0.6524
Voluntary Rollback Remaining	$0.6524	$0.4792	$0.3262	$0.2524	$0.2449	$0.1524	$0.0000
Added LSR7 Tax (Annual Impact)	$0.00	$130.56	$245.90	$301.53	$307.18	$376.91	$491.80
Jackson County Credit (Per Year)	-$269.10	-$269.10	-$269.10	-$269.10	-$269.10	-$269.10	-$269.10
Net Annual Impact	-$269.10 Decrease	-$138.54 Decrease	-$23.20 Decrease	+$32.43 Increase	+$38.08 Increase	+$107.81 Increase	+$222.70 Increase

Note: These examples show only the interaction between the estimated Jackson County residential tax credit and LSR7's voluntary rollback. They do not represent the homeowner's total property tax bill.

Jackson County Residential Tax Credit Example

2022 Home Value: $400,000 | 2023 Increase: 25%

Lee's Summit R-7 Schools

2023 Tax Credit

15% Capped Increase

Uncapped Taxes

$4,475.64 taxes ($500,000)

Capped Taxes (15% Max)

$4,117.59 taxes ($460,000)

**Based on 2022 value of $400,000 at 4.7112 tax rate*

2023 Residential Tax Difference

$358.05

2024 Tax Credit

Non-Reassessment (No Increase)

Uncapped Taxes

$4,494.36 taxes ($500,000)

Capped Taxes

$4,134.81 taxes ($460,000)

**Based on original 4.7309 tax rate and no reassessment.*

2024 Residential Tax Difference

$359.55

Total Tax Credit

2023 & 2024 Combined

Calculated credit over a consecutive 3-year eligible term.

Cumulative Tax Credit

$717.60

Per Year Credit for 3 Years

$239.20

Estimated Residential Tax Impact

2022 Home Value: **$400,000** | 2023 Increase: **25 %** | 2026 Home Value: **$529,000**

Lee's Summit R-7 Schools

Strategy / Scenario	Keep All Rollback	25% Fund Balance	Recoup Half	Recoup $0.40	Recoup $0.4075	Recoup $0.50	Recoup All
Levy Recouped	$0.0000	$0.1732	$0.3262	$0.4000	$0.4075	$0.5000	$0.6524
Voluntary Rollback Remaining	$0.6524	$0.4792	$0.3262	$0.2524	$0.2449	$0.1524	$0.0000
Added LSR7 Tax (Annual Impact)	$0.00	$174.08	$327.86	$402.04	$409.58	$502.55	$655.73
Jackson County Credit (Per Year)	**-$239.20**	**-$239.20**	**-$239.20**	**-$239.20**	**-$239.20**	**-$239.20**	**-$239.20**
Net Annual Impact	**-$239.20** Decrease	**-$65.12** Decrease	**+$88.66** Increase	**+$162.84** Increase	**+$170.38** Increase	**+$263.35** Increase	**+$416.53** Increase

Note: These examples show only the interaction between the estimated Jackson County residential tax credit and LSR7's voluntary rollback. They do not represent the homeowner's total property tax bill.

Jackson County Residential Tax Credit Example

2022 Home Value: $250,000 | 2023 Increase: 14%

Lee's Summit R-7 Schools

2023 Tax Credit

15% Capped Increase

Uncapped Taxes

$2,551.11 taxes ($285,000)

Capped Taxes (15% Max)

$2,551.11 taxes ($285,000)

**Based on 2022 value of $250,000 at 4.7112 tax rate*

2023 Residential Tax Difference

$0

2024 Tax Credit

Non-Reassessment (No Increase)

Uncapped Taxes

$2,561.78 taxes ($285,000)

Capped Taxes

$2,561.78 taxes ($285,000)

**Based on original 4.7309 tax rate and no reassessment.*

2024 Residential Tax Difference

$0

Total Tax Credit

2023 & 2024 Combined

Calculated credit over a consecutive 3-year eligible term.

Cumulative Tax Credit

$0

Per Year Credit for 3 Years

$0

Estimated Residential Tax Impact

2022 Home Value: **$250,000** | 2023 Increase: **14 %** | 2026 Home Value: **$330,625**

Lee's Summit R-7 Schools

Strategy / Scenario	Keep All Rollback	25% Fund Balance	Recoup Half	Recoup $0.40	Recoup $0.4075	Recoup $0.50	Recoup All
Levy Recouped	$0.0000	$0.1732	$0.3262	$0.4000	$0.4075	$0.5000	$0.6524
Voluntary Rollback Remaining	$0.6524	$0.4792	$0.3262	$0.2524	$0.2449	$0.1524	$0.0000
Added LSR7 Tax (Annual Impact)	$0.00	$108.80	$204.91	$251.28	$255.99	$314.09	$409.83
Jackson County Credit (Per Year)	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Net Annual Impact	**$0.00**	**+$108.80** Increase	**+$204.91** Increase	**+$251.28** Increase	**+$255.99** Increase	**+$314.09** Increase	**+$409.83** Increase

Note: These examples show only the interaction between the estimated Jackson County residential tax credit and LSR7's voluntary rollback. They do not represent the homeowner's total property tax bill.

Key Takeaways

Summary of Taxpayer Impacts & LSR7 District Revenue Outlook

Lee's Summit R-7 Schools

2023 Rollback

The 2023 voluntary rollback provided substantial taxpayer relief.

Credits and Revenue

Jackson County's revised assessments and tax credits have materially changed LSR7's revenue outlook.

Impact and Credits

Any reinstatement increases the LSR7 portion of the tax bill, but the net taxpayer impact varies significantly based on the residential tax credit received.

Long-Term Impact

The 2026 decision affects both current taxpayers and the district's financial position through FY29.

What if we are short in revenue for FY27, FY28, FY29?

The district has already cut **$6.4 million** out of building and department budgets as well as cut over **$1 million** in positions. Shortfalls moving forward would likely lead to a budget cut process.

If it were just positions, how many positions per salary schedule would equate to a shortfall amount?

***These numbers would exceed the number of FTE available in the school district.**

Shortfall Scenarios	# of Professional Staff	# of Support Staff	# of Teacher Staff	# of Admin Staff
$15 million	269.89*	475.06	203.96	133.97*
$10 million	179.93*	316.70	135.97	89.31
$5 million	89.96	158.35	67.99	44.66

Board's Impending Decision

Lee's Summit R-7 Schools

Option 1

Continue with the current voluntary rollback and then enter a budget cut process?

Option 2

Lower the voluntary rollback and keep services as is?

LEE'S SUMMIT R-7 SCHOOLS

September Board Decision

Lee's Summit R-7 Schools

Tax Rate Hearing

September 29, 2026

6:00 pm

Stansberry Leadership Center

Comments from the public related to the tax rate and voluntary rollback. There will be a board work session at 5:30pm to cover the tax rate calculation and voluntary rollback details.

Board of Education Meeting

September 29, 2026

7:00 pm

Set the tax rate for the 2026-2027 fiscal year

Recouping the voluntary rollback may only be done in even numbered years.

Lee's Summit
R-7 Schools

Questions?

LEE'S SUMMIT R-7 SCHOOLS

Feedback Protocol

Lee's Summit R-7 Schools

01

On the beige sheet, please answer each question as an individual.

02

We will collect those sheets and post that information to our website. (We will post onto our website in accordance to our LSR7 Guidelines (LSR7.org/comments)

03

Select a scribe for your table.

04

On the blue sheet, as a table discuss and come to a consensus on each of the questions. Scribe writes down your response. (We will post onto our website in accordance to our LSR7 Guidelines (LSR7.org/comments)

Once you finish step 4, you are free to go.

Thank you. We appreciate your time and attention as the board of education considers their options.

LEE'S SUMMIT R-7 SCHOOLS

Voluntary Rollback Webpage

Lee's Summit R-7 Schools

LSR7.org/Rollback

Access resources, business services, and public financial documents related to the voluntary rollback.

Scan QR Code to Visit