

PK-12 School Finance 101

KASBO

November 9, 2023

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PK-12 School Finance 101



*What Do
You Know?*



By the Numbers: Systems

- 286** Unified School Districts (USD)
- 90** Accredited private school systems
- ??** Nonaccredited private schools



By the Numbers: Students

469,575 **Public** school students (Headcount)

26,446 **Accredited private** school students

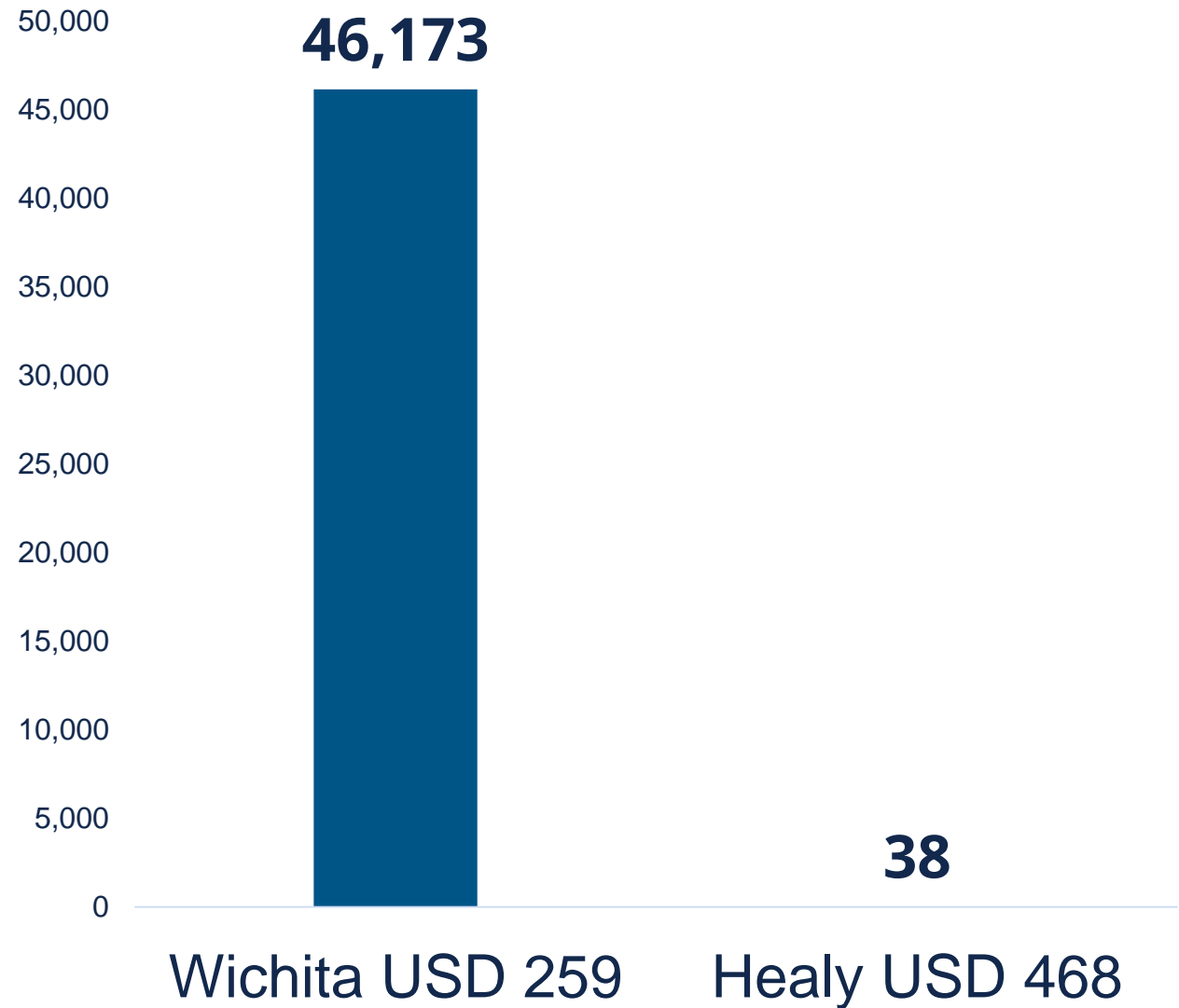
Unknown number of **nonaccredited private** school students



By the numbers: District Enrollment

Median: **524**

16 Districts = Half
the **Total** Enrollment Statewide



By the Numbers: USD Territory

Largest:

Syracuse USD 494

992.0

Square Miles

Hamilton County
Western Kansas - Colorado border

Smallest:

Galena USD 499

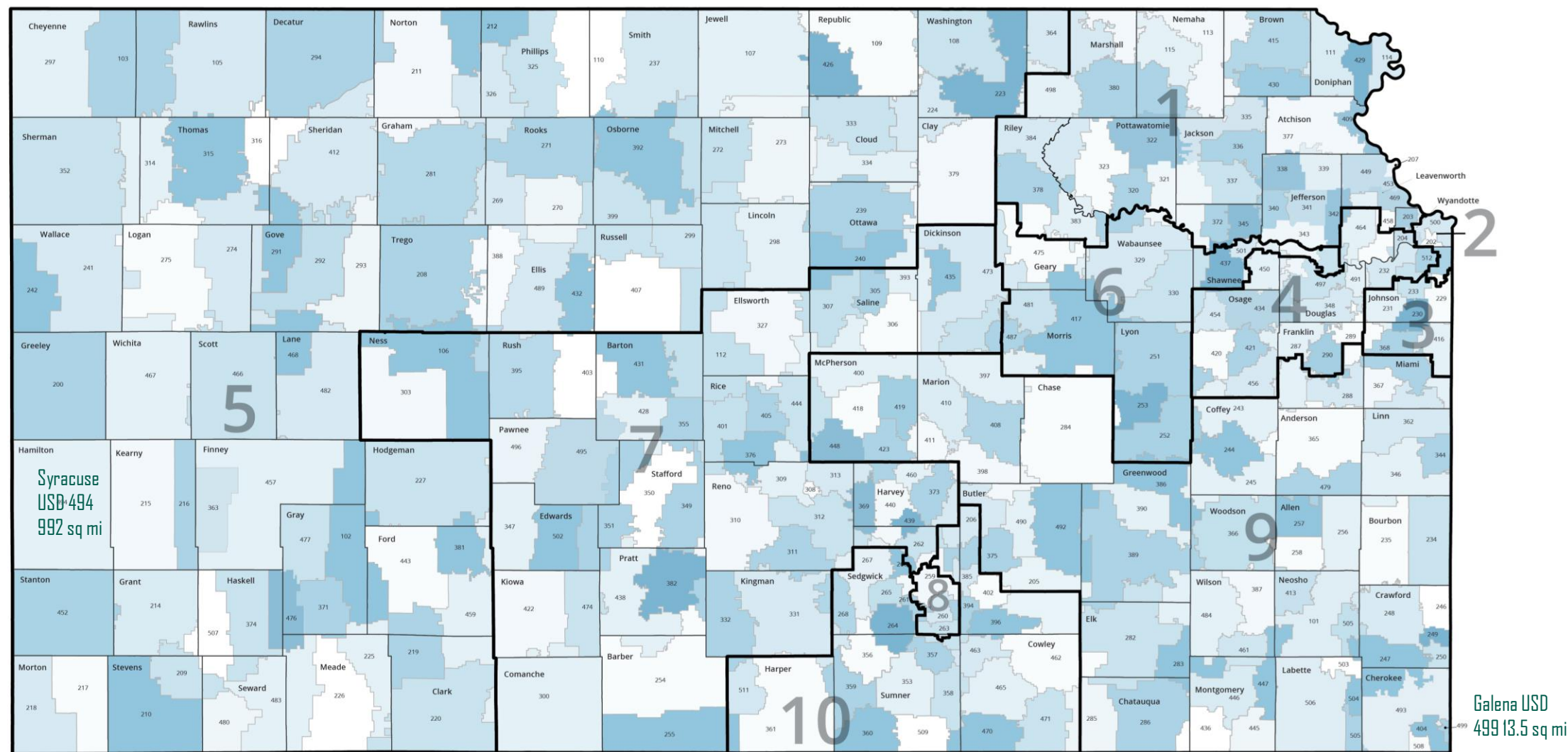
13.5

Square Miles

Cherokee County
Southeast Corner of Kansas



Unified School Districts: County & USD Boundary Lines



By the Numbers: Student Characteristics

Special Education

88,271

Students

English Language Learners

44,669

Students

Spanish - German - French - Japanese - Italian
Portuguese - Chinese - Korean - Dutch



By the numbers: Learning Programs

Career & Technical Education (CTE)

9,817.4

(Full Time Equivalent)

97% of all students will take a **CTE course**
at some point during High School

Virtual School Students

10,097.5

(Full Time Equivalent)



By the Numbers: Free Meals

Highest: **72.3%**

Kansas City Kansas

USD 500

15,475 Students

Lowest: **8.4%**

Blue Valley

USD 299

1,866 Students

State Average: **41.9%**



196,000 Students



Average Residential Appraised Valuation

State Average:
\$189,773



\$553,330

Blue Valley USD 229

\$23,039

Copeland USD 476



USD: Total Assessed Valuation

Highest: \$4.2 Billion

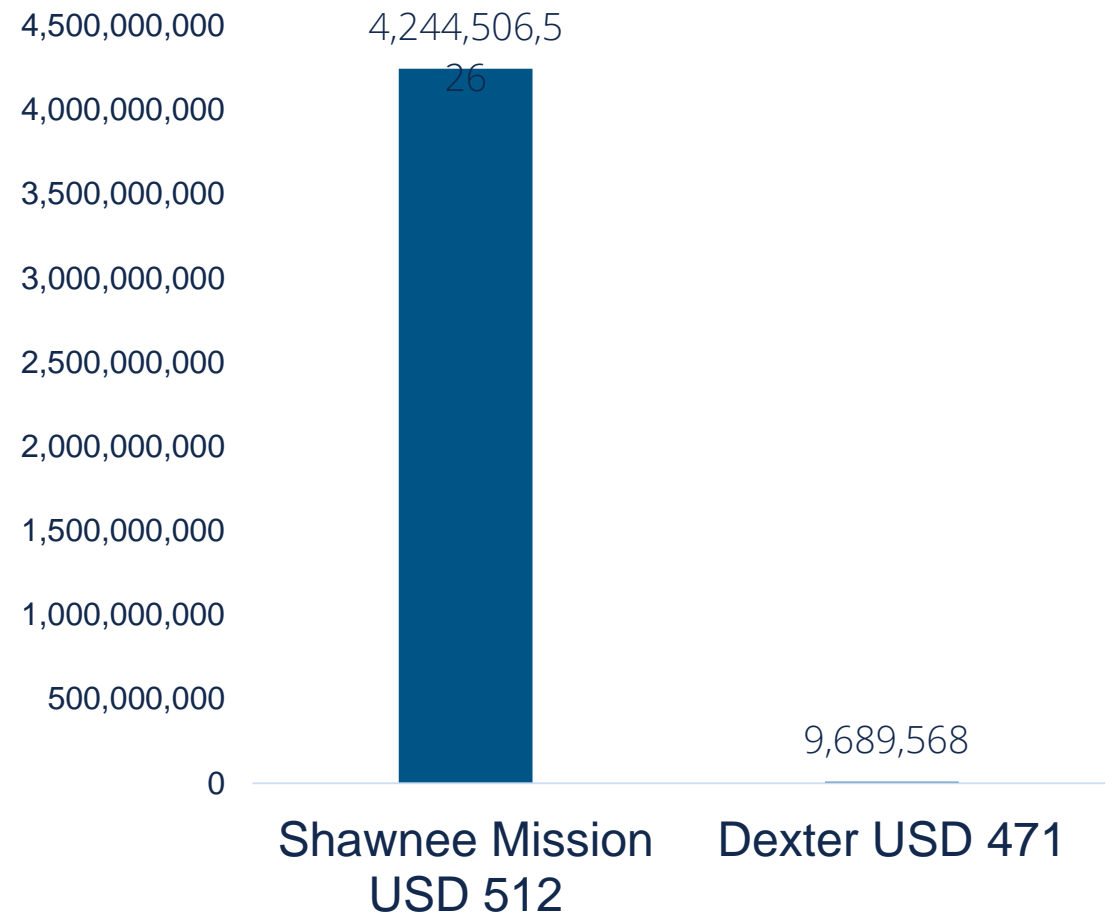
\$4,244,506,526

Shawnee Mission USD 512

Lowest: \$9.7 Million

\$ 9,689,568

Dexter USD 471





“The legislature shall make suitable provision for finance of the educational interests of the state.”

Kansas Constitution, Article 6(b) – Finance

Calculating the General Fund

First:



Next:

Start with
FTE Enrollment

Fund each student at a
BASE amount:

\$5,088

2024-25 = \$5,388

FTE: Full Time Equivalent

BASE: Base Aid for Student Excellence



Gannon v. State: ADEQUACY

Reasonably calculated to have **all** Kansas **public education** students **meet or exceed** the standards set out in Rose.



Rose Capacities

- Sufficient **preparation** in academic or vocational fields to enable each child **to pursue life work intelligently**.
- Sufficient academic or vocational **skills** to enable public school students **to compete favorably in academics or in the job market**.
- Sufficient **communication skills** to function in a **complex** and rapidly **changing civilization**.



Rose Capacities

- Sufficient **knowledge of economic, social, and political systems** to enable the student to make informed choices.
- Sufficient understanding of **governmental processes**.
- Sufficient self-knowledge of **mental and physical wellness**.
- Sufficient grounding in the arts to **appreciate cultural and historical heritage**.

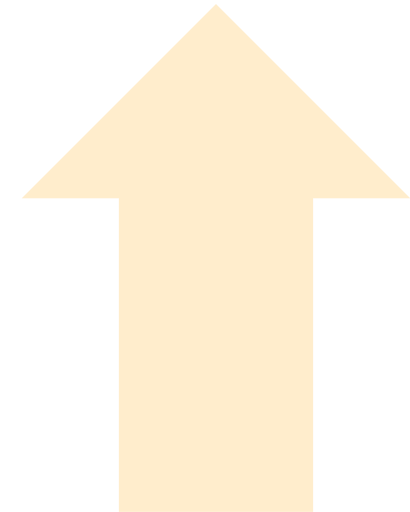


General Fund BASE

Base Aid for Student Excellence

<u>School Year</u>	<u>BASE</u>
2018-2019	\$ 4,165
2019-2020	4,136
2020-2021	4,569
2021-2022	4,706
2022-2023	4,846

2023-2024
3-Yr Avg
CPI: **\$5,088**



Increase \$242 per student



Weighting Factors

- Low & High Enrollment
- At-Risk
- Pre-K At-Risk
- Bilingual
- Career & Tech Ed
- Transportation



Weighting Factors: Low & High Enrollment

Low Enrollment

100 FTE = 1.014331

High Enrollment

1,622 FTE = 0.035040



Weighting Factors: At-Risk; PK At-Risk

At-Risk

- Free lunch student headcount multiplied by 0.484
- HDAR = >35% Free Meals
Up to 0.105
- Funds spent on any at-risk student.

Pre-K At-Risk

9 criteria define Pre-K at-risk

- **One or more criteria must be met** to identify a student as at-risk to be eligible for “additional educational opportunities”.



Weighting Factors: Bilingual

Bilingual Headcount multiplied by **0.1815**

Contact Hours multiplied by **0.395**



Weighting Factors: CTE

Career and Technical Education (CTE)

- Approved CTE Courses
- Contact Hours multiplied by 0.5



Weighting Factors: Transportation

- Live 2.5 miles or more from school
- Density Factor
- Limited to 110% of prior year expenditures



Additional Weighting Factors

- Special Education
- Virtual Students
- Cost of Living Adjustment (COLA)
- Ancillary Facilities



Weighting Factors: Special Education

Special Education: KSA 72-3422

- Transportation = 80%
- “Catastrophic” Expenditures = 75% above 2 x Categorical
- Medicaid Replacement = \$9 million
- Teacher/Para Categorical Aid = Remainder



Special Education State Aid Payments

Legislative Appropriation: **\$520 Million**

First, pay for:

- 80% Spec Ed Transportation \$ 74 M
- Spec Ed Catastrophic Aid 1 M
- Medicaid Replacement - 9 M

Remaining Balance **\$436 M**

Divided by **State Total** FTE Teachers/Paras ÷ 14,125

Spec Ed Categorical Aid **\$30,867** Amount per FTE for
Sped Teachers/Paras



Weighting Factors: Virtual

Funding: Virtual Students

- **Full-Time** = \$5,600
- **Part-Time** = \$2,800/FTE
- **Adult or Dropout** = \$709/Credit



Weighting Factors: Local Funds

No State Aid

Cost of Living

- Exceed 115% of state average residential appraised value
- Add up to 7% to General Fund

Ancillary Facilities

- Open new facility and rapidly growing
- Amount approved by BOTA



Total General Fund: Calculation



FTE Enrollment	525.2
Plus Weightings	<u>+ 503.4</u>

Total Weighted FTE	1,028.6
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Multiplied by BASE	<u>x 5,088</u>
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Sub Total GF	\$5,233,517
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Plus Virtual Aid	<u>+ 7,100</u>
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Total GF	\$5,240,617
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Supplemental General Fund

- a.k.a. Local Option Budget (LOB)
- Additional Programs Beyond the Basics
- Max 33% of General Fund
- Intended to Phase-Out Over Time



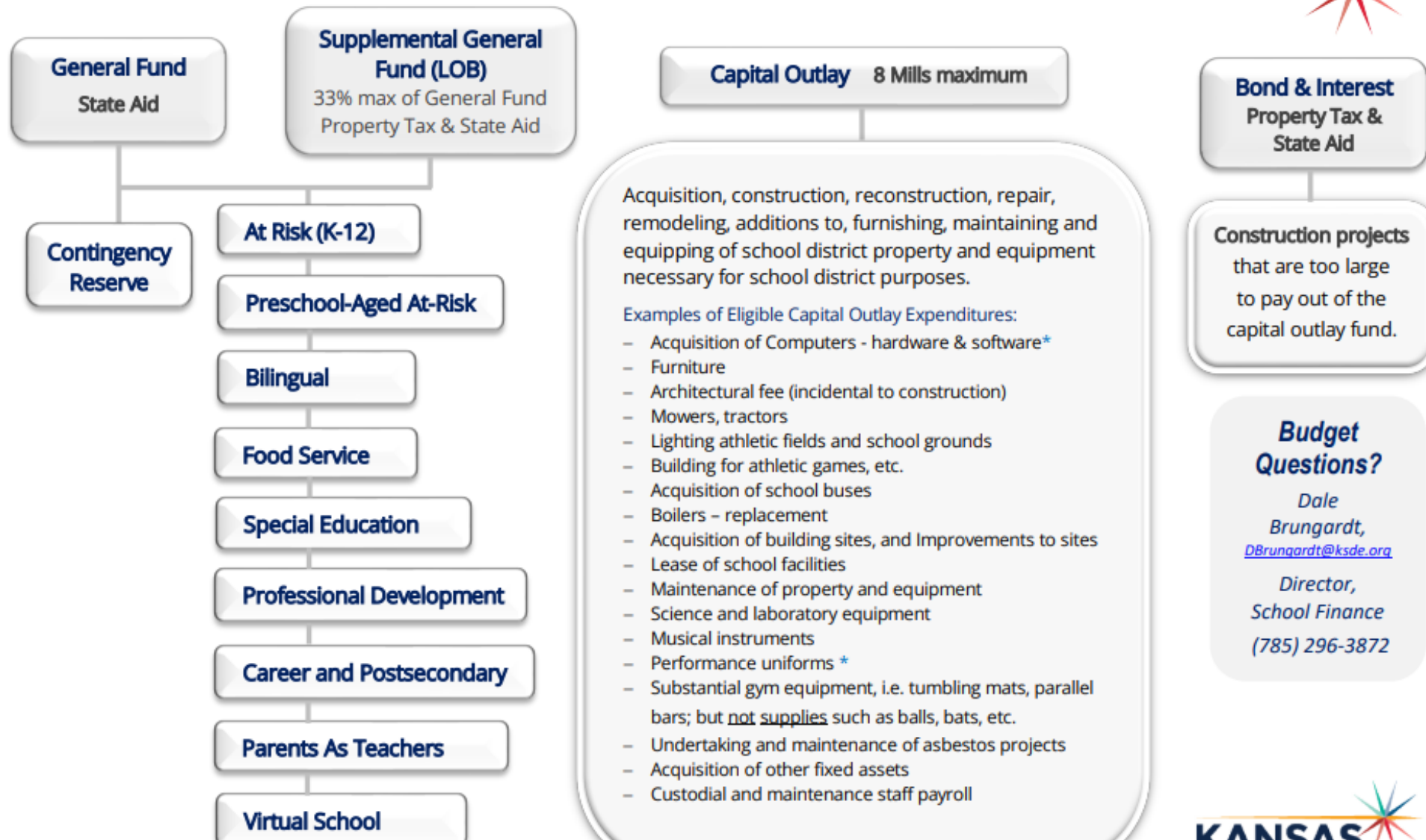
Supplemental General Fund: Calculation

Total Weighted FTE <u>Less</u> Special Ed FTE	888.7
Times LOB BASE	<u>x 5,158</u>
Sub Total	\$4,583,915
<u>Plus</u> Special Education State Aid	<u>+ 615,260</u>
Total	\$5,199,175
Times 31.6%	
Supp General Fund Budget (LOB) =	\$1,642,939



FUND FLOW CHART

USD Budget



Gannon v. State: EQUITY

All students must have:

“reasonably **equal access to
substantially similar **educational
opportunity** through similar **tax effort.**”**



USD: Total Assessed Valuation

Highest: \$4.2 Billion

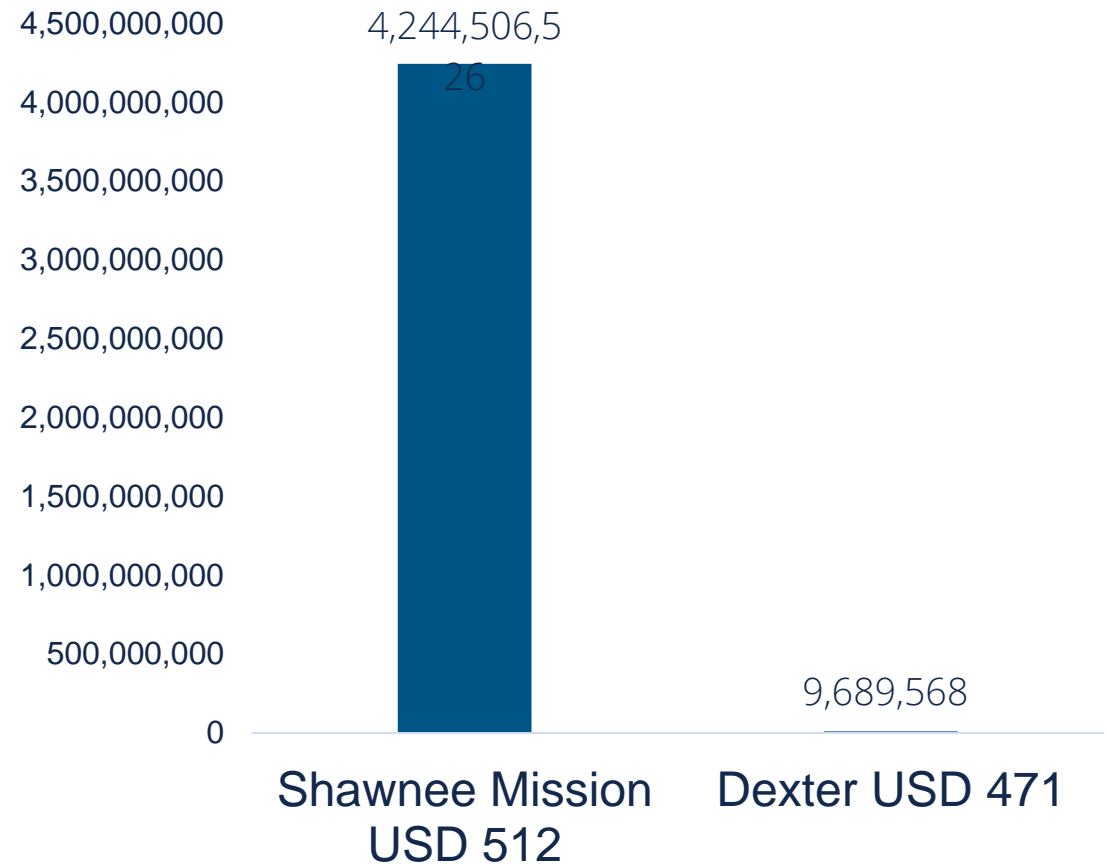
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Shawnee Mission USD 512

Lowest: \$9.6 Million

\$ 9,689,568

Dexter USD 471



Wealth and State Aid:

Assessed Valuation Per Pupil (AVPP)

Highest AVPP:

\$701,963

Burlington USD 321

Lowest AVPP:

\$25,141

Galena USD 499



\$ 1,193

Fort Leavenworth
USD 207 (Military)



State Aid Equalization

General Fund

- 20 Mills Required

Assessed Valuation Per Pupil (AVPP)

- Supplemental General Fund
- Capital Outlay
- Capital Improvement (Bond & Interest)

4 Formulas



State Aid Rates

State Aid:

Local Option Budget (LOB)

Equalized at **81.2% of the AVPP = 0%**

- Each \$1,000 below receives 1% more

State Aid:

Capital Outlay

Equalized at the **median AVPP = 25%**

- Each \$1,000 below receives 1% more
- Each \$1,000 above receives 1% less



State Aid Rates

State Aid:

Capital Improvement

a.k.a. Bond and Interest State Aid

Prior to 7/1/15

Equalized at the **median AVPP = 25%**

- Each \$1,000 below receives 1% more
- Each \$1,000 above receives 1% less



After 7/1/15

Equalized based on the **lowest AVPP = 75%**

- Each \$1,000 above receives 1% less



State Aid Rates

State Aid:

Capital Improvement

a.k.a. Bond and Interest State Aid

After 7/1/16

- No State Aid for Extracurricular Facilities



After 7/1/22

Equalized based on

2nd lowest AVPP = 51%

- Each \$1,000 above receives 1% less
- Virtual Students not Included
- **49% Lower than 6/30/15**



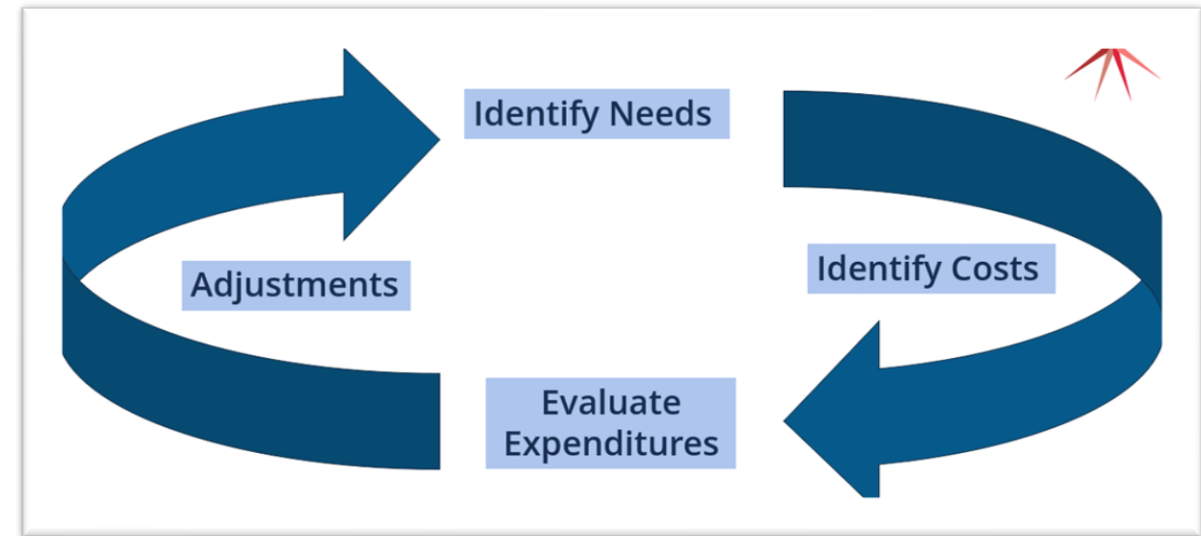
Local Funding: Property Taxes

- General Fund **20 Mills**
- LOB (Local Option Budget) **3.7 – 32.9 Mills**
(Range)
- Capital Outlay **8 Mills** (Max)
- Bond & Interest **2.0 – 28.7 Mills**
a.k.a. Capital Improvement (Range)



Budget Planning Process

- Identify Needs
- Identify Costs
- Evaluate Current Expenditures
- How Can You Adjust



Budget Blender



Identify Needs

- Building Needs Assessment
 - What are your goals?
 - Rose Capacities
 - What does your data show?
 - Where are the gaps?
 - What do you know about reaching those goals?
 - What does research say about reaching those goals?

BUILDING NEEDS ASSESSMENT

USD 000 USD Name

Grades Served: Grades Served

2022-2023 BUILDING NEEDS ASSESSMENT FOR 2023-2024 BUDGET CONSIDERATIONS

2022-2023 BUILDING NEEDS ASSESSMENT FOR 2023-2024 BUDGET CONSIDERATIONS

USD 000 USD Name

Building Name

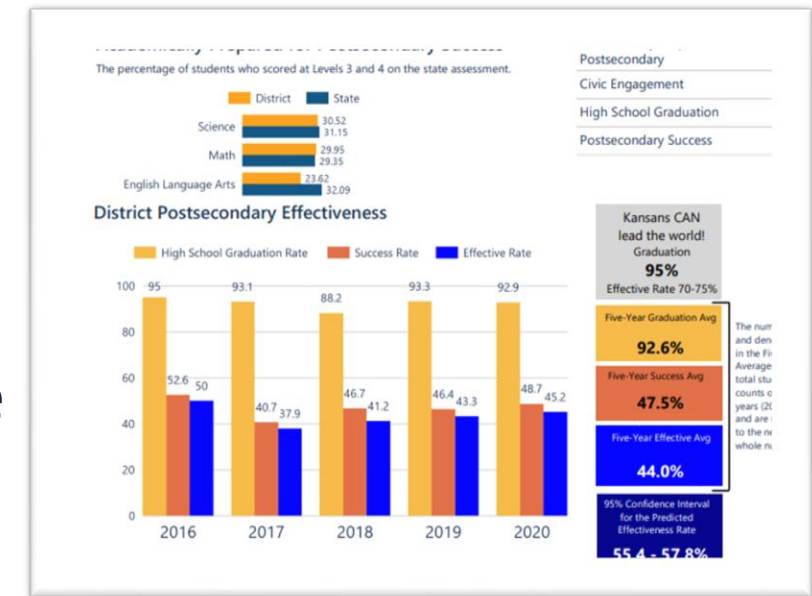
Grades Served: Grades Served

SECTION 1: Student Needs

Notes

a. Student Headcount

0



Identify Needs



Who do you involve in discussion?

- Staff
- Site Council/PTO
- Parents/Patrons
- Board Members
- Special Ed Coop/Interlocal
- Business Leaders

How do you engage them?

Identify Needs



Who do you involve in discussion?

- Staff
- Site Council/PTO
- Parents/Patrons
- Board Members
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- Business Leaders

How do you engage them?

Identify Costs

- What are you currently spending on?
- What is needed for goals?
- What will it cost to reach your goals?
 - Training for programs and/or data interpretation and usage
 - Curriculum materials
 - Technology
 - Staffing – additional or re-assigned
 - Maintaining the goal
 - Facilities



Identify Costs

- What will it take to achieve these goals?
 - Cost Projections
 - Revenue Projections
- If you were to implement this with fidelity, what would it cost?
 - Dream BIG
 - Emphasis on Student Results
 - Sharpen Your Focus
 - Establish a timeline or implementation process



Evaluate Current Expenditures

- What current spending aligns with our goals?
- Any spending that does not align? Eliminate?
- What adjustments need to be made?
 - Immediate?
 - Over time?
- Where are you spending Now? KSDE Resources
 - Current Operating Expenditures
 - Comparative Performance and Fiscal System
 - Budget at a Glance



Evaluate Current Expenditures

- Monitor your budget as the year goes on
 - In-line with needs?
- Compare budget to last year's
 - Reports
 - Percentages
 - Expenditures
 - Revenues
 - Have needs changed
- Loss of ESSER funds
 - Do you have a plan?



How Can You Adjust?

- How do I pay for these costs?
 - Do you need to realign resources? Reallocate?
 - Are the programs you are spending money on producing the desired results?
 - Does your data support this conclusion?
 - Fine-tune?
 - Grow? Downsize?
 - Eliminate?
 - Could you spend that money better elsewhere?



How Can You Adjust?

- How do I pay for these costs?
 - Are you overstaffed in some areas? Understaffed?
 - Are your cash balances better invested in some of the identified one-time costs?
 - Contingency Fund
 - Can you pay off lease purchases?
 - Are you using what you are paying for?
 - Can you share resources with a neighbor or within your own district?

Unencumbered Cash Balance by Fund				
	Fund	July 1, 2021	July 1, 2022	July 1, 2023
General	06	0	0	0
Federal Funds	07	-945,931	-45,377	-569,899
Supplemental General	08	14,641	100,525	0
Adult Education	10	0	0	0
Preschool-Aged At-Risk	11	285,000	285,224	285,000
Adult Supplemental Education	12	0	0	0
At Risk (K-12)	13	339,250	350,000	350,000
Bilingual Education	14	3,831	5,000	5,000
Virtual Education	15	11,162	12,000	12,000
Capital Outlay	16	1,319,222	1,689,025	941,539
Driver Training	18	20,030	22,645	24,623
Declining Enrollment	19	0	0	0
Extraordinary School Program	22	0	0	0
Food Service	24	254,143	364,795	302,628
Professional Development	26	15,513	20,000	20,000
Parent Education Program	28	3,000	5,000	5,000
Summer School	29	0	0	0
Special Education	30	755,000	950,000	950,000
Cost of Living	33	0	0	0
Career and Postsecondary Education	34	300,000	300,000	297,902
Gifts/Grants	35	139,914	124,341	75,656
Special Liability	42	0	0	0
School Retirement	44	0	0	0
Extraordinary Growth Facilities	45	0	0	0
Special Reserve	47	0	0	0
KPERS Spec. Ret. Contribution	51	0	0	0
Contingency Reserve	53	999,500	1,088,431	335,391
Text Book & Student Material	55	615,000	655,118	780,713
Activity Fund	56	43,420	32,740	27,161
Bond and Interest #1	62	3,445,518	3,461,334	3,554,266
Bond and Interest #2	63	0	0	0
No Fund Warrant	66	0	0	0

	July 1, 2021	July 1, 2022	July 1, 2023
July 1 Beginning Balances of Highlighted Funds			
TOTAL	3,347,286	3,723,418	3,065,629

Total Expenditures (including Transfers) for General Fund and Supplemental General (LOB) Fund			
General	14,033,917	14,565,748	15,499,324
LOB	4,328,672	4,511,483	4,932,319
Total	18,362,589	19,077,231	20,431,643

CASH BALANCE			
Percentage	18.23%	19.52%	15.00%



