

# Goddard USD 265 Budget Hearing for 2024-2025 (FY2025)

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BOARD OF EDUCATION MEETING – 6:00PM SEPTEMBER 9, 2024



# Key Differences in the 2024-2025 budget

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- For FY2025 the funding formula includes a BASE increase. The new BASE is **\$5,378** which equals a **5.7%** increase over the prior year.
- Goddard's in-person enrollment fell by **37.1 FTE** as of the 9/20/2023 count day. We believe this was a temporary situation; with the ongoing new home construction in the area this year's budget is based on an 86 FTE increase in K-12 plus a small increase in Pre-K FTE.
- Sedgwick County has estimated assessed property valuation growth within our district of **9.74%** this year. The prior year increase was 13.28%, and the past 5 years have averaged 9.3%. Even though our proposed mill rate will be lower than last year; patrons may see higher taxes owed due to the rapid increase of assessed valuations.

# Changes to BASE funding vs inflation

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- Initially as provided in the Gannon lawsuit the BASE funding per pupil was increased by 3% annually.
- FY2024 was the first fiscal year after the scheduled 3% annual increases, going forward the BASE is to increase by an amount equal a three year average of the consumer price index (CPI). This is subject to annual approval by the legislature and Governor.
- Due to the nature of an average, until this year the annual inflation rate was higher than the BASE increases. Now that inflation is moderating the BASE increase may be slightly higher as the average catches up.

# Underfunding of Special Education

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Meanwhile the legislature continues to underfund special education. Per statute the state is to fund special education at 92% of district's excess costs. The following was shared regarding state-wide funding of special education at the KSDE Budget Workshop held in Valley Center this past June:

Fiscal Year	State Aid	Federal Aid	Total Aid	Excess Cost
FY2011	\$388,982,076	\$54,453,996	\$443,436,072	<b>92.0%</b>
FY2016	\$434,754,409	\$0	\$434,754,409	<b>80.0%</b>
FY2021	\$505,413,348	\$8,030,261	\$513,446,609	<b>74.3%</b>
FY2022	\$513,030,935	\$27,614,188	\$540,645,123	<b>76.4%</b>
<b>FY2023 (aprvd)</b>	<b>\$520,380,818</b>	<b>\$25,923,592</b>	<b>\$546,304,410</b>	<b>70.8%</b>
FY2024 (est)	\$528,000,000	\$0	\$528,000,000	<b>69.0%</b>

## Special Education Underfunding – cont.

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The good news is the legislature approved **\$73 million** in additional special education funding for FY2025. This makes up about 20% of the shortfall.

Typically funding for special education is allocated to districts on a per staff member basis. Last year the district received \$30,800 per licensed special education staff, and \$12,320 per classified special education staff.

The new funding will be allocated based on each district's amount of underfunding from the previous school year. We are estimating Goddard will receive just over **\$1 million** in FY2025. The funding will be made as a one-time payment in February.

While the new funding does not solve the problem, it is a great first step.

# Estimated Mill Levy

<i>Year</i>	<i>General</i>	<i>Supp General</i>	<i>Capital Outlay</i>	<i>Bond &amp; Interest</i>	<i>Special Asmts &amp; COL</i>	<i>Total</i>	<i>vs P/Y</i>
FY2014	20.000	20.031	8.000	21.595	0.190	69.816	-0.593
FY2015	20.000	13.159	8.000	24.804	0.556	66.519	-3.297
FY2016	20.000	15.423	8.000	21.131	0.451	65.005	-1.514
FY2017	20.000	13.308	8.000	18.512	0.090	59.910	-5.095
FY2018	20.000	15.995	8.000	16.399	0.001	60.395	0.485
FY2019	20.000	11.821	7.997	18.957	0.159	58.934	-1.461
FY2020	20.000	14.025	8.000	14.860	0.114	56.999	-1.935
FY2021	20.000	12.741	7.999	15.333	0.127	56.200	-0.799
FY2022	20.000	11.844	8.000	14.524	0.180	54.548	-1.652
FY2023	20.000	13.067	8.000	13.275	0.607	54.949	0.401
FY2024	20.000	13.055	7.999	12.870	0.969	54.893	-0.056
<b>FY2025 Est</b>	<b>20.000</b>	<b>13.617</b>	<b>8.000</b>	<b>12.058</b>	<b>0.975</b>	<b>54.650</b>	<b>-0.243</b>
<b>Change vs Prior Year</b>		<b>0.562</b>	<b>0.001</b>	<b>-0.812</b>	<b>0.006</b>	<b>-0.243</b>	
			<u>FY2017</u>	<u>FY2025</u>	<u>Incr.</u>		
Bond & Interest Mill Comparison			18.512	12.058	-6.454	<<< cannot exceed +1.9	

# FY2024 Budget

## Notice of Hearing 2024-2025 Budget

The governing body of Unified School District 265 will meet on the 9th day of September 2024 at 6:00 PM at 201 S Main St, Goddard, KS 67052 for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of tax to be levied. Detailed budget information, including budget profile, building needs assessment and Board state assessments review is available at the USD 265 District Office, on the district website and will be available at this hearing.

The Amount of 2024 Tax to be Levied and Expenditures (published below) establish the maximum limits of the 2024-2025 Budget. The 'Est. Tax Rate' (column 7), shown for comparative purposes, is subject to slight change depending on final assessed valuation.

	Code 99 Line	2022-2023 Actual		2023-2024 Actual		2024-2025 Proposed Budget		
		Actual Expenditures (1)	Actual Tax Rate* (2)	Actual Expenditures (3)	Actual Tax Rate* (4)	Budgeted Expenditures (5)	Amount of 2024 Tax to be Levied (6)	Est. Tax Rate* (7)
<b>OPERATING</b>								
General	06	43,579,190	20.000	46,635,290	20.000	52,044,229	7,257,012	20.000
Supplemental General (LOB)	08	14,387,116	13.067	15,501,383	13.055	17,267,915	6,255,297	13.617
<b>SPECIAL REVENUE</b>								
Federal Funds	07	1,798,717		1,706,988		410,000		
Adult Education	10	0	0.000	0	0.000	0	0	0.000
Preschool-Aged At-Risk	11	300,000		348,805		525,000		
Adult Supplemental Education	12	0		0		0		
At-Risk Education Fund	13	4,413,940		4,766,393		5,860,000		
Bilingual Education	14	260,000		314,380		415,000		
Virtual Education	15	215,668		161,481		240,000		
Capital Outlay	16	5,338,454	8.000	5,527,729	7.999	8,000,000	3,742,096	8.000

Driver Training	18	107,189		150,558		200,000		
Declining Enrollment	19	0	0.000	0	0.000	0	0	0.000
Extraordinary School Program	22	0		0		0		
Food Service	24	3,648,806		3,582,246		4,000,000		
Professional Development	26	200,000		114,202		300,000		
Parent Education Program	28	120,838		123,045		175,000		
Summer School	29	0		0		150,000		
Special Education	30	13,427,127		14,422,625		15,500,000		
Cost of Living	33	151,995	0.430	402,047	0.969	424,292	388,280	0.845
Career and Postsecondary Education	34	1,394,258		1,482,867		1,650,000		
Gifts and Grants	35	55,772		121,902		1,000,000		
Special Liability Expense Fund	42	0	0.000	0	0.000	0	0	0.000
School Retirement	44	0	0.000	0	0.000	0	0	0.000
Extraordinary Growth Facilities	45	0	0.000	0	0.000	0	0	0.000
Special Reserve Fund	47	0		0				
KPERS Special Retirement Contribution	51	7,169,833		7,268,263		7,995,089		
Contingency Reserve	53	0		0				
Textbook & Student Material Revolving	55	507,742		703,220				
Activity Fund	56	683,030		807,689				
<b>DEBT SERVICE</b>								
Bond and Interest #1	62	11,356,475	13.275	11,507,100	12.870	11,575,125	5,539,075	12.058
Bond and Interest #2	63	0	0.000	0	0.000	0	0	0.000
No-Fund Warrant	66	0	0.000	0	0.000	0	0	0.000
Special Assessment	67	57,418	0.177	53,500	0.000	60,000	59,599	0.130
Temporary Note	68	0	0.000	0	0.000	0	0	0.000
<b>COOPERATIVES<sup>1</sup></b>								
Special Education	78	18,770,344		19,882,239		21,100,000		
<b>TOTAL USD EXPENDITURES</b>	<b>100</b>	<b>127,943,912</b>	<b>54.949</b>	<b>135,583,952</b>	<b>54.893</b>	<b>148,891,650</b>	<b>23,241,359</b>	<b>54.650</b>
Less: Transfers	105	19,887,938		22,179,646		23,636,292		
<b>NET USD EXPENDITURES</b>	<b>110</b>	<b>108,055,974</b>		<b>113,404,306</b>		<b>125,255,358</b>		
<b>TOTAL USD TAXES LEVIED</b>	<b>115</b>	<b>19,349,452</b>		<b>21,960,846</b>		<b>23,241,359</b>		

1. Sponsoring District Only

\*Tax Rates are expressed in Mills

	Code 99 Line	2022-2023 Actual		2023-2024 Actual		2024-2025 Proposed Budget		
		Actual Expenditures (1)	Actual Tax Rate* (2)	Actual Expenditures (3)	Actual Tax Rate* (4)	Budgeted Expenditures (5)	Amount of 2024 Tax to be Levied (6)	Est. Tax Rate* (7)
<b>OTHER</b>								
Historical Museum	80	0	0.000	0	0.000	0	0	0.000
Public Library Board	82	0	0.000	0	0.000	0	0	0.000
Public Library Board Employee Benefits	83	0	0.000	0	0.000	0	0	0.000
Recreation Commission	84	0	0.000	0	0.000	0	0	0.000
Rec Comm Emp Benefits & Spec Liab	86	0	0.000	0	0.000	0	0	0.000
<b>TOTAL OTHER</b>	120	0	0.000	0	0.000	0	0	0.000
<b>TOTAL TAXES LEVIED</b>	125	\$19,349,452		\$21,960,846		\$23,241,359		
Assessed Valuation - General Fund	128	\$320,580,824		\$365,585,047		\$362,850,609		
Assessed Valuation - All Other Funds	130	\$369,558,853		\$418,699,922		\$459,383,714		
Assessed Valuation - Capital Outlay	129	\$370,449,194		\$423,631,630		\$467,761,995		
<b>Outstanding Indebtedness, July 1</b>		<b>2022</b>		<b>2023</b>		<b>2024</b>		
General Obligation Bonds	135	110,815,000		103,585,000		95,925,000		
Capital Outlay Bonds	140	3,180,000		2,145,000		1,085,000		
Temporary Note	145	0		0		0		
No-Fund Warrant	150	0		0		0		
Lease Purchase Principal	153	2,941,386		1,879,599		2,348,531		
<b>TOTAL USD DEBT</b>	155	116,936,386		107,609,599		99,358,531		

\*Tax Rates are expressed in Mills

Board President

Clerk of the Board

# Building Needs Assessment, State Assessment Review & the Budget Process

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Included in the bill (Senate sub for HB 2567) which provided funding for public schools for the 2022-2023 school year were several provisions relates to building needs assessments (**BNA**), state assessment review (**SAR**), and how the board should document their use during the budget process. These continue to be applicable this year.

The BNA provides a framework for the ongoing review of student performance on an individual building level. Principals and their staff will work on these throughout the year, and present summary information as well as identify any barriers to improved student achievement.

The Goddard USD 265 board members reviewed the BNA and SAR information for each of our schools at a special board work session held at 5:30pm on August 12, 2024.

# Using BNA & SAR to approve the Budget

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While the board along with district administration and staff have reviewed the building needs assessment and state assessment information it is difficult to draw a straight line between any recommendations included in the BNA process and this budget.

The budget we are asking the board to approve tonight does not include any breakdown of costs or resources needed by building or grade level.

As noted during the RNR hearing – based on the district accountability report as a district Goddard spends **\$2,493 less** per pupil than the state average (-21%). This is due to both the size of the district and demographics of our students.

This lower level of funding per pupil effects average class sizes, teacher pay, and the district's ability to fund new programs or student support staff.

# Approval of the proposed budget

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Having a budget that is 21% below the state per pupil expenditure average is not by choice.

Ultimately, I believe this provides support for the district to pursue a budget that maximizes every available dollar available within the funding formula.

Further; it is important for all district leaders, staff and parents to continue to ask our legislature to fund the required 92% level of excess costs related to special education services.

While the state has made a \$73 million down payment towards addressing the underfunding of special education; this is just a start.

# Comments?

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Pause for a moment for comments from the board.

Pause for patron comments.

- Please state your name and relationship to the district (i.e. parent, business owner, etc.).
- Please limit comments to subjects related to the district's budget or estimated mill rates.

No action will be taken during this hearing. Agenda item 4.1 of the regular meeting this evening will include a vote whether to approve the district budget as presented, with a reference to the BNA and SAR review process and that those reviews were considered during the budget approval process.

