

Maize USD 266 School Budget Basics

for the 2023-24 school year

Budget Estimates: The budget is built on ESTIMATES in July for some student counts, assessed values, revenues, and expenses.

Student Full Time Equivalence (FTE): This is the number of students enrolled in the district on a full-time basis on Sept. 20 (half-day kindergarten is 0.5 FTE, as an example). The student FTE is used in calculating the district's General Fund budget amount. A district's funded FTE enrollment is computed using the higher of the previous year, or the second previous year. The budget formula also includes additional estimates for weighted enrollments in the following categories: high enrollment, Bilingual, Career and Technology Education, At-Risk, Transportation, Special Education, and Virtual Education. Our final operating budget amount will not be determined until the Kansas State Department of Education (KSDE) audit and Special Ed State Aid is completed.

Estimated Assessed Valuation: The Sedgwick County Appraiser determines an appraised value for personal and business property in the Maize district. The appraised value is multiplied by a factor of 11.5% on personal property and ranges between 12% and 33% on business and other property to form the district's total assessed valuation. This assessed valuation from the county is not final until October or November. The district's estimated assessed value is \$660.4 million this year and is an increase of about \$66.6 million, or 11.2%, from last year.

Fund Accounting: The budget is made up of many small budgets (funds) that make up the total budget. Each fund may have different budget rules and regulations on how expenses can be made.

General Fund: This is the main operating budget fund that also can transfer money to other funds. Legislative Block Grants froze the General Fund and Supplemental General Fund budgets for fiscal years 2015, 2016, and 2017. Under Senate Bill 19 in fiscal year 2018, schools were again funded using actual student enrollments from previous years and current Weighting FTEs to determine the General Fund and Supplemental General Fund budgets. The district's estimated maximum General Fund budget is \$61.5 million. General Fund expenses include the following areas: Instructional (teachers, aides/paraprofessionals), Student and Instructional Support (counselors, nurses and media specialists), Administration (central office, board of education, and building/district administration), Operations and Maintenance, Student Transportation, Student Activities and Athletics, and transfers to other funds.

Supplemental General Fund - also known as Local Option Budget (LOB): This is a supplemental, or additional, budget to the General Fund. The school board approved up to 33% authority for the LOB. This percent is multiplied by the General Fund budget in a formula to determine the LOB budget. This year, the LOB is estimated to be about \$19.6 million. The district's LOB expenses are used for a portion of the instructional certified salaries, technology expenses, and transfers to the Bilingual and At-Risk funds. The General Fund and LOB budgets are used for the district's total operating budget. As part of the equalization requirement, the LOB also receives state aid through a formula. The district's current equalization rate is 50.98% of the LOB budget, a decrease of 1.22% from the prior year.

Estimated Operating Budget for 2023-24: The total General Fund published budget of \$61.5 million and the published LOB budget of \$19.6 million combine for the total estimated operating budget of \$81.1 million. This is an estimate until the KSDE audit is completed and the final Special Ed state aid is determined by June.

Capital Outlay Fund: This fund allows the school board to levy taxes for equipment, property purchases, and/or facility additions. As of the 2005 legislation, 8 mills are the maximum allowed, and Maize USD 266 has a current resolution allowing up to 8.000 mills. The mill levy is used along with interest on idle funds, miscellaneous revenues, and possible year-end transfers from the General Fund to provide the budget revenues. Beginning in fiscal year 2015, the state provided Capital Outlay state aid. This amount was reduced mid-year, and the legislature continued that same reduced amount for fiscal year 2016. Due to the Equalization Court Case, Capital Outlay state aid was fully funded in fiscal year 2017 and is projected to continue. The district's current state aid is 48% of the taxes levied in the Capital Outlay fund, an increase of 3.0% from prior year.

Bond Fund: This is approved by an election to build school buildings, and the funds are set up to repay the debt. The school finance law for bond elections prior to July 1, 2015 currently provides 48% state aid for the district's bond payments, an increase of 2.0% from the prior year. The bond election in June 2015 approved \$70.7 million for additions and renovations to the existing Maize Middle School, Maize High School, Maize South High School, new Transportation Center, new Maize Early Childhood Center, and athletic field upgrades.

The bond election in August 2019 approved \$108.2 million for the building of Maize Intermediate School, Maize South Intermediate School, a new building with an auditorium and indoor pool, and more. For elections held after July 2, 2017, the bond state aid calculation is calculated at 0%, a decrease of 1% from the prior year.

Other Funds: There are several other funds that do not have mill rates that make up the total budget. They are Bilingual Education, Driver Training, Food Service, Professional Development, Parent Education Program, Summer School, Special Education, Career and Postsecondary Ed, K-12 At-Risk, 4 year old At-Risk, and Virtual School. Most of these funds receive transfers from the General Fund or LOB.

Recreation Fund: The Recreation Fund was approved by public election and board resolution up to 1 mill that began in fiscal year 2000. The school acts as the tax-generating revenue source for the Maize Recreation Commission (MRC) to operate. Money is collected on behalf of the MRC and then sent on to the organization. The district does not keep any of the money generated for the MRC.

Mill Levy: The assessed valuation and required local tax dollars combine to calculate mill rates for the county to process the school taxes. One mill equals one tax dollar for each \$1,000 of assessed valuation. **One mill will generate about \$660,692 for the district from 2023 taxes** (taxpayers usually pay half in December and half in May). For the 2023-24 budget, the district published for the full 33% LOB and showed total mills of 61.131, including the MRC, which is a 0.000 mill change from the 2022-23 adopted mill rate.

If the appraised value remains the same on a \$100,000 Residential property, a 0.000 mill change should keep the taxes flat and \$0.00 change if the final assessed valuation from the county remains the same as the estimated \$660,442,497.

School Budget Timelines:

1. Notify County Clerk of intent to exceed revenue neutral rate by July 20.
2. Place a notice on the website and publish in the newspaper at least 10 days prior to the hearing.
3. Conduct a tax rate and budget hearing between August 20 and September 20.
4. Adopt a resolution to exceed the revenue neutral rate.
5. Adopt the proposed budget.
6. The budget must be certified to the County Clerk by October 1.

LEVY FUND	FUND #	2022-2023 FINAL RATE	2023-2024 BUDGETED RATE
General	06	20.000	20.000
Supplemental General (LOB)	08	13.083	13.503
Capital Outlay	16	6.504	5.914
Cost of Living	33	1.311	1.469
Bond & Interest	62	19.257	19.245
Recreation Commission	84	1.000	1.000
TOTAL USD RATE		61.155	61.131

CALCULATION OF ESTIMATED TAXES FOR 2023-24

Using the tax levy of 20.000 mills for the general fund and 41.131 mills for the other levied funds, a community member could estimate school district and recreation commission taxes by using the following calculations.

School tax calculations for a residence with a \$100,000 appraised value:

(Individual residential values may be used in place of the \$100,000 to determine estimated taxes.)

(Business and other property would have an assessment ratio of 12%, 25%, or 30%.)

Calculation for General Fund taxes:

\$100,000	Residential Appraised Value
<u>-\$ 40,000</u>	Residential Property Exemption (from 2022 legislation)
\$ 60,000	Reduced Market Value
x <u>.115</u>	Assessment Ratio by State
\$ 6.900	Reduced Assessment Value
x <u>.02000</u>	20.0 Statewide General Fund Mills (per thousand)
\$ 138.00	General Fund tax amount

Calculation for other levied funds:

\$100,000	Residential Value
x <u>.115</u>	Assessment Ratio
\$ 11,500	Full Assessed Value
x <u>.041131</u>	<u>41.131</u> Total Other Fund Including 1 mill Rec Com
\$ 473.01	other funds taxes

\$ 138.00
+ \$ 473.01
\$ 611.01

General Fund tax amount
Other funds levied tax amount
**Total estimated school district and recreation
commission tax for a \$100,000 county
appraised residence.**