Board of Education Budget Work Session

School District of Seward

410 South Street

Seward, NE 68434

Wednesday, August 25, 2021 5:30 PM

Attendance Taken at 5:31 PM.

Paul Duer:	Present
Jill Hochstein:	Present
Jana Hughes:	Present
Ryne Seaman:	Absent
Danielle Shipley:	Present
Shawn Svoboda:	Present

1. Preliminary Procedures

1.1. Call meeting to order & announce Open Meetings Act is Posted

1.2. Public Notice as publicized per board policy

The public notice was publicized in the Seward County Independent and posted at city hall, library and courthouse. The public notice was dated August 18, 2021

1.3. Roll Call

1.3.1. Action to excuse board members if necessary

Motion to excuse Ryne Seaman from tonight's meeting Passed with a motion by Jill Hochstein and a second by Shawn Svoboda.

Paul Duer: Yea, Jill Hochstein: Yea, Jana Hughes: Yea, Danielle Shipley: Yea, Shawn Svoboda: Yea

2. Possible Discussion Items

2.1. 2021-2022 Budget Discussion

Dr. Fields presented his proposed budget for the 2021-2022 school year.

2.2. Special Building Fund/ Facility Projects

Dr. Fields discussed the special building fund projects,

3. Year-End Claims

Motion to approve the general fund year-end claims. Passed with a motion by Paul Duer and a second by Jill Hochstein.

Paul Duer: Yea, Jill Hochstein: Yea, Jana Hughes: Yea, Danielle Shipley: Yea, Shawn Svoboda: Yea

4. General Fund Claims

5. Adjournment

Motion to adjourn the meeting at 6:27 pm. Passed with a motion by Danielle Shipley and a second by Shawn Svoboda.

Paul Duer: Yea, Jill Hochstein: Yea, Jana Hughes: Yea, Danielle Shipley: Yea, Shawn Svoboda: Yea

Please publish the following legal notice in the August 18, 2021 edition of the *Seward County Independent.* Thank you.

NOTICE OF SPECIAL SCHOOL BOARD MEETING

The board of education of the School District of Seward will hold a special meeting on Wednesday, August 25, 2021 at 5:30 p.m. The purpose of the meeting is for budget review, year end claims, and other pertinent business. The meeting will be held at the Administrative Offices located at 410 South Street, Seward, NE. An agenda for the meeting which shall be kept continually current is readily available for public inspection at the Superintendent's Office during normal business hours.

To view the agenda go to http://SewardPublicSchools.org/ and find the eMeeting link.

SCHOOL DISTRICT OF SEWARD BUDGET 2021-2022

Mission of Seward Public Schools

The school district of Seward --where every student, every day is a success -- affirms that all students will have the skills to become productive and contributing members of a global community. In cooperation with family and community members, the district is committed to the development of each student academically, emotionally, socially, and physically.

GOALS FOR THE EVENING

1. Describe our past and present financial situation along with some comparable data.
2. Describe the effect this proposed budget would have on local property taxes
3. What role is ESSERS III may play in the budget?
4. Receive feedback from Board Members on any proposed changes

BUDGET PROCESS

- Fiscal Year for Schools – Sept. 1 to Aug. 31
- Budget must be adopted and submitted to the state by September 20.
- The discussion we have tonight does not constitute a hearing, and no action will be taken on the budget.
- September ? we will have our budget hearing.

Other Information

- NDE Budget
- Budget Authority- The total amount of funds that can be budget and or expended- We would not spend that amount.
- Access to prior year's unused budget authority- 2% of the prior years adjusted general fund expenditures or prior year's unused budget authority

Cash Reserve General Fund

- 35%- General Fund
- 2-3 months in our low month which is normally April
- 1.5 million a month on average in spending
- Roughly 4 million at the end of this fiscal year
- Could have 8 million in Cash Reserves account

Cash Reserves

- $4,500,000 would give us the 3 months during our low month of the year
- We do not utilize a cash reserves account it is in the budget.

HISTORICAL INFORMATION AND PROPOSED BUDGET FIGURES FOR THE 2021-2022 BUDGET

THERE IS A LOT OF DISCUSSION ABOUT PROPERTY TAXES—THERE HAS BEEN FOR YEARS

- We have been non-equalized for several years now. In other words, we receive very little state formula aid. We do still receive state/federal dollars however.
- Quick explanation of how the TEEOSA Works and why we no longer get formula aid.
- TEEOSA was set up to level the playing field in terms of tax levies--there are still obvious discrepancies.

DATA COMPARISONS TO THE 10 LARGER AND 10 SMALLER SCHOOLS (OUR STATE AID ARRAY)

2021-2022 Statistical Information on 10 Larger-10 Smaller Schools

School	General Fund Levy	Total Levy	2020-21 Valuation	Property Tax per $100,000	201-22 State TEEOSA Aid	% Sped	19/20 Per Pupil Cost	13/14 Per Pupil Cost
Norris	$ 1.03	$ 1.16	$ 1,645,150,537	$ 1,160	$ 4,222,084	8.00%	$ 10,741	$ 9,790
Beatrice	$ 0.99	$ 1.08	$ 1,247,185,274	$ 1,080	$ 6,023,980	24.00%	$ 12,952	$ 10,491
Gering	$ 1.05	$ 1.30	$ 789,995,729	$ 1,300	$ 9,353,708	13.00%	$ 12,978	$ 9,663
Waverly	$ 1.01	$ 1.17	$ 1,872,523,671	$ 1,170	$ 315,238	15.00%	$ 11,897	$ 10,243
Crete	$ 0.95	$ 1.21	$ 1,152,039,405	$ 1,210	$ 9,503,504	15.00%	$ 13,951	$ 11,088
Plattsmouth	$ 1.05	$ 1.23	$ 826,012,830	$ 1,230	$ 5,577,327	17.00%	$ 13,632	$ 10,921
Schuyler	$ 1.04	$ 1.15	$ 1,396,013,215	$ 1,150	$ 4,862,159	10.00%	$ 16,362	$ 11,310
Bennington	$ 1.05	$ 1.43	$ 1,671,808,941	$ 1,430	$ 17,429,266	13.00%	$ 10,026	$ 9,227
McCook	$ 0.99	$ 1.12	$ 786,850,590	$ 1,120	$ 6,067,532	15.00%	$ 12,102	$ 10,640
Alliance	$ 0.93	$ 1.10	$ 1,069,221,084	$ 1,110	$ 2,288,378	20.00%	$ 12,266	$ 10,703
Nebr. City	$ 1.06	$ 1.24	$ 960,705,374	$ 1,240	$ 4,578,299	21.00%	$ 13,952	$ 11,798
York	$ 1.02	$ 1.16	$ 1,171,562,877	$ 1,170	$ 1,500,366	16.00%	$ 12,519	$ 11,649
Sidney	$ 1.05	$ 1.24	$ 674,255,913	$ 1,224	$ 5,431,004	11.00%	$ 14,101	$ 10,992
Aurora	$ 0.79	$ 0.86	$ 1,668,429,248	$ 860	$ 194,038	16.00%	$ 14,767	$ 12,193
Platteview	$ 0.82	$ 1.00	$ 1,843,917,134	$ 1,000	$ 1,126,914	14.00%	$ 15,632	$ 13,497
Holdrege	$ 0.91	$ 1.07	$ 1,130,757,747	$ 1,070	$ 181,914	20.00%	$ 13,667	$ 10,729
Gothenburg	$ 0.92	$ 1.07	$ 854,244,486	$ 1,070	$ 823,400	13.00%	$ 13,420	$ 10,502
Lakeview	$ 0.52	$ 0.67	$ 1,663,069,076	$ 670	$ 245,570	14.00%	$ 12,831	$ 13,911
Adams Cent.	$ 0.66	$ 0.79	$ 1,752,465,267	$ 790	$ 876,787	12.00%	$ 15,126	$ 13,163
Wahoo	$ 0.89	$ 1.06	$ 1,062,943,058	$ 1,006	$ 194,801	21.00%	$ 12,808	$ 10,790
AVERAGE	**$ 0.94**	**$ 1.11**	**$ 1,261,957,573**	**$ 1,103**	**$ 4,039,813**	**15.40%**	**$ 13,287**	**$ 11,165**
SEWARD	$ 0.84	$ 0.96	$ 1,628,308,485	$ 960	$ 270,316	17.00%	$ 13,099	$ 11,047

Special Education

- BEST
- DHHS
- 49% reimbursement from federal government
- Serve paracholical schools but don’t count in our per pupil expenditures

ASSESSED VALUATION

Fiscal Year	Property Valuation	Change	Percentage Increase
2010-2011	$ 928,808,410	$ -	
2011-2012	$ 968,735,783	$ 39,927,373	4.30%
2012-2013	$ 1,067,156,248	$ 98,420,465	10.16%
2013-2014	$ 1,185,364,177	$ 118,207,929	11.08%
2014-2015	$ 1,389,634,455	$ 204,270,278	17.23%
2015-2016	$ 1,472,775,392	$ 83,140,937	5.98%
2016-2017	$ 1,538,357,114	$ 65,581,722	4.45%
2017-2018	$ 1,573,912,154	$ 35,555,040	2.31%
2018-2019	$ 1,613,503,350	$ 39,591,196	2.52%
2019-2020	$ 1,611,210,672	$ (2,292,678)	-0.14%
2020-2021	$ 1,628,308,485	$ 17,097,813	1.06%
2021-2022	$ 1,680,093,238	$ 51,784,753	3.18%

Breakdown of Taxes

- 42.9% Residential and Real Property
- 39.8% Agricultural Land
- The rest is Personal Property, Commercial , Ag buildings, Centrally Assessed Personal and Real.

STATE AID HISTORY

Year	State Aid	Change	Percent Change
2013-14	$ 362,058		
2014-15	$ 350,863	$ (11,195)	-3.09%
2015-16	$ 40,564	$ (310,299)	-88.44%
2016-17	$ -	$ (40,564)	-100.00%
2017-18	$ 232,263	$ 232,263	100.00%
2018-19	$ 233,555	$ 1,292	0.56%
2019-20	$ 252,082	$ 18,527	7.86%
2020-21	$ 293,213	$ 41,131	14.03%
2021-22	$ 270,316	$ (22,897)	-8.47%

25 YEAR PROPERTY TAX HISTORY

Year	Property Valuation	Valuation Percent Increase	General Fund Levy	Bldg. Fund Levy	Bond Levy	QCPU Levy	Total Levy
1994-1995	$ 363,243,485	#REF!	1.604	0.096	0.094	0.006	1.800
1995-1996	$ 395,113,086	8.77%	1.444	0.085	0.085	0.005	1.619
1996-1997	$ 417,622,232	5.70%	1.396	0.079	0.079	0.005	1.559
1997-1998	$ 420,356,094	0.65%	1.231	0.068	0.073	0.005	1.376
1998-1999	$ 463,820,648	10.34%	1.018	0.061	0.065	0.005	1.149
1999-2000	$ 506,776,378	9.26%	0.958	0.056	0.059	0.004	1.078
2000-2001	$ 552,821,721	9.09%	1.034	0.025	0.139	0.004	1.201
2001-2002	$ 563,635,235	1.96%	1.023	0.023	0.137	0.004	1.186
2002-2003	$ 601,273,458	6.68%	1.025	0.021	0.125	0.003	1.175
2003-2004	$ 620,246,072	3.16%	1.086	0.021	0.114	0.003	1.224
2004-2005	$ 652,722,919	5.24%	1.102	0.020	0.093	0.003	1.218
2005-2006	$ 714,441,681	9.46%	0.975	0.035	0.099	0.003	1.112
2006-2007	$ 746,851,943	4.54%	1.041	0.034	0.092	0.003	1.170
2007-2008	$ 788,409,301	5.56%	0.950	0.107	0.081	0.003	1.141
2008-2009	$ 827,498,105	4.96%	0.950	0.097	0.071	0.002	1.120
2009-2010	$ 879,514,840	6.29%	0.953	0.072	0.041	0.002	1.068
2010-2011	$ 928,808,410	5.60%	0.951	0.068	0.176	0.002	1.197
2011-2012	$ 968,735,783	4.30%	1.006	0.020	0.169	0.002	1.197
2012-2013	$ 1,067,156,248	10.16%	1.070	0.000	0.127	0.000	1.197
2013-2014	$ 1,185,364,177	11.08%	1.008	0.000	0.137	0.014	1.159
2014-2015	$ 1,389,634,455	17.23%	0.863	0.020	0.124	0.011	1.018
2015-2016	$ 1,472,775,392	5.98%	0.826	0.050	0.102	0.009	0.987
2016-2017	$ 1,538,357,114	4.45%	0.797	0.050	0.102	0.008	0.957
2017-2018	$ 1,573,912,154	2.31%	0.797	0.040	0.102	0.008	0.947
2018-2019	$ 1,613,503,350	2.52%	0.789	0.030	0.103	0.009	0.931
2019-2020	$ 1,611,210,672	-0.14%	0.822	0.020	0.105	0.008	0.955
2020-2021	$ 1,628,308,485	1.06%	0.840	0.012	0.090	0.008	0.950
2021-2022	$ 1,680,093,238						
Averages		**#REF!**	**$ 0.904**	**$ 0.041**	**$ 0.088**	**$ 0.004**	**$ 1.037**

CASH HISTORY AS OF JULY 31, 2021

July 31 Balances					
Fund	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
General	$ 6,582,027.00	$6,965,318.00	$6,527,362.00	$6,349,391.00	$6,084,292.00
Special Building	$1,029,205.00	$1,615,128.00	$2,013,094.00	$695,815.00	$712,549.00
Depreciation	$1,610,097.00	$1,491,594.00	$1,481,893.00	$1,392,019.00	$1,424,082.00
Quality Capital Purp.	$174,541.00	$164,084.00	$154,298.00	$148,938.00	$147,882.00
TOTAL CASH	$9,395,870.00	$10,236,124.00	$10,176,647.00	$8,586,163.00	$8,368,805.00

GENERAL FUND EXPENDITURES

GENERAL FUND EXPENDITURE HISTORY

Year	Spent	Dollar Increase	Percent Increase		
2012-2013	$ 14,398,429	#REF!	#REF!		
2013-2014	$ 14,996,561	$ 598,132	4.2%		
2014-2015	$ 15,386,399	$ 389,838	2.6%		
2015-2016	$ 15,666,649	$ 280,250	1.8%		
2016-2017	$ 16,105,773	$ 439,124	2.8%		
2017-2018 * (SPED 582,320)	$ 17,099,651	$ 993,878	6.2%		
2018-2019	$ 16,791,407	$ (308,244)	-1.8%		
2019-2020	$ 17,378,922	$ 587,515	3.5%		
2020-2021 Estimated Exp.	$ 18,412,974	$ 1,034,052	6.0%	$351,000 ESSERS II	3.90%
Average Gen. Fund Expenditure Increase per year		$ 501,818	2.0%		

Expenses for 2021-2022

- $396,004 for salary increase and insurance increase.
- Continued cost increase of supplies, equipment etc.

PROPOSED BUDGET OF EXPENDITURES

- The vast majority of the increases are increased staffing costs
- Propose increase of $343,756 in the General Fund from last year

GENERAL FUND CASH

GENERAL FUND CASH

- We have always maintained the goal of keeping 3 months of cash in reserve to help smooth out the peaks and valleys. In years when we lost a lot of state aid, this cash on hand helped us maintain a constant levy. In the future it could help us if property values decline.
- Our general fund cash was lower last year to the point that during our lowest cash balance of the year, we were right at $4,034,740 million. We spend right at $1.5 million a month, so we are at 2+ months in reserve at our low point during the year and the year before we were at 3 months.

GENERAL FUND MONTHLY CASH – 5 YEAR HISTORY (This is for our low month)

2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	INCREASE/DECREASE FROM PRIOR YEAR
20,937,000.00	21,021,187.00	22,046,817.00	23,305,000.00	23,773,625.00	468,625.00
7,656,245.97	7,594,971.20	7,411,486.99	7,198,546.16	6,965,573.80	-232,972.36
7,160,746.15	6,818,421.95	6,711,620.71	6,487,644.93	6,573,319.45	85,674.52
6,097,968.72	5,756,453.41	5,615,540.33	5,339,775.38	5,492,415.00	152,639.62
5,182,396.22	4,856,863.61	4,509,207.56	4,423,521.44	4,278,914.04	-144,607.40
5,874,457.33	5,854,431.53	5,483,080.29	5,002,980.70	4,928,295.94	-74,684.76
5,893,977.06	5,933,257.57	5,498,045.07	5,181,946.98	5,044,198.47	-137,748.51
5,320,917.55	5,383,054.13	4,568,747.68	4,280,760.37	4,103,001.04	-177,759.33
4,811,994.11	4,869,221.99	3,889,724.94	4,296,022.80	4,034,740.90	-261,281.90
7,160,275.34	7,535,288.79	6,874,561.92	5,794,622.54	6,991,552.73	1,196,930.19
7,713,398.40	8,164,285.56	6,916,428.99	7,372,180.33	7,176,878.64	-195,301.69
6,582,027.59	6,965,318.62	6,527,362.79	6,349,391.79	6,084,292.70	-265,099.09
5,401,731.24	5,705,966.69	5,384,294.62	5,056,637.75		-5,056,637.75

OTHER FUNDS

BOND and QCPUF FUND

- For 2021-22 I'm asking for $ we will get ($1,428,790) in property taxes and our payments will be $1,563,540. The bond levy would be a half cent less than last year at .086- I feel comfortable with our reserves in the bond fund to make this change.
- QCUPUF-$135,000 ($136,364) similar to last year.

QUALIFIED CAPITAL PURPOSES UNDERTAKING FUND

- We issued the bonds through this fund for a portion of the elementary project.
- I'm proposing to lower the tax request just a little less than last year ($.0081 levy). This is part of the total bond payments.
- The last payment is December, 2023.

COOPERATIVE FUND

- The Cooperative Fund is a pass through account for Sixpence and the Agronomy Academy. We are the fiscal agent so the money will run through our budget. If we use this fund, it has no impact on our state aid, or levy/expenditure limits for any of the three school districts. We did receive a grant again this year so we will need to budget again. We increase the amount because when we get paid may not fall in line with our budget year.

SPECIAL BUILDING FUND

- Last year we levied 1.26 cents in the special building fund for a tax asking of $205,593 We were 2 cents in 2019-20 and 18-19 4 cents.
- On July 31, 2021 we had a cash balance of $ 712,549, but we will have bills that will leave us around $500,000
- So what do we levy? I propose 2 cents and then use $400,000 of ESSERS III
- 2 cents would be $339,579

SPECIAL BUILDING FUND CONTINUED

- Each penny on the levy = $168,093

PROPERTY TAX AND LEVY IMPACT

PROPOSED PROPERTY TAX IMPACT FOR ALL TAXABLE FUNDS- $439,499

Levies Expected to be Set by County

NOTE: *The Schedule portion below is to assist with the Levy setting process*.

Fund	Property Taxes	Valuation	Expected Levy
General Fund	$ 13,750,299.00	$ 1,628,308,485	0.844453
Special Building Fund	$ 205,593.00	$ 1,628,308,485	0.012626
Bond Fund	$ 1,480,455.00	$ 1,628,308,485	0.09092
Bond Fund	$ -	$ 1,628,308,485	0
Bond Fund	$ -	$ 1,628,308,485	0
QCPUF Fund	$ 137,374.00	$ 1,628,308,485	0.008437
QCPUF Fund	$ -	$ 1,628,308,485	0
	$ -	$ 1,628,308,485	0
	$ -	$ 1,628,308,485	0
	$ -	$ 1,628,308,485	0
	$ -	$ 1,628,308,485	0
	$ -	$ 1,628,308,485	0
	$ -	$ 1,628,308,485	0
Total	$ 15,573,721.00 Must agree to Cover		$ 0.956436

20-21

Levies Expected to be Set by County

NOTE: *The Schedule portion below is to assist with the Levy setting process*.

Fund	Property Taxes	Valuation	Expected Levy
General Fund	$ 14,094,055.00	$ 1,680,093,238	0.838885
Special Building Fund	$ 339,579.00	$ 1,680,093,238	0.020212
Bond Fund	$ 1,443,222.00	$ 1,680,093,238	0.085901
Bond Fund	$ -	$ 1,680,093,238	0.000000
Bond Fund	$ -	$ 1,680,093,238	0.000000
QCPUF Fund	$ 136,364.00	$ 1,680,093,238	0.008116
QCPUF Fund	$ -	$ 1,680,093,238	0.000000
	$ -	$ 1,680,093,238	0.000000
	$ -	$ 1,680,093,238	0.000000
	$ -	$ 1,680,093,238	0.000000
	$ -	$ 1,680,093,238	0.000000
	$ -	$ 1,680,093,238	0.000000
	$ -	$ 1,680,093,238	0.000000
Total	$ 16,013,220.00 Must agree to Cover		$ 0.953114

21-22 Proposed

PROPERTY TAX ASKING HISTORY

Fiscal Year	General Fund Property Tax Asking	Change	Percentage Change
2011-2012	$9,744,754.00		
2012-2013	$11,418,570.00	$1,673,816.00	17.18%
2013-2014	$11,953,293.00	$534,723.00	4.68%
2014-2015	$11,988,067.00	$34,774.00	0.29%
2015-2016	$12,165,810.00	$177,743.00	1.48%
2016-2017	$12,264,498.87	$98,688.87	0.81%
2017-2018	$12,545,826.14	$281,327.27	2.29%
2018-2019	$12,730,870.00	$185,043.86	1.47%
2019-2020	$13,245,248.00	$514,378.00	4.04%
2020-2021	$13,750,299.00	$505,051.00	3.81%
Proposed 2021-2022	$14,094,055.00	$343,756.00	2.50%
Fiscal Year	Total Property Tax Asking (all funds)	Change	Percent Change
2011-2012	$11,594,779.00		
2012-2013	$12,772,774.00	$1,177,995.00	10.16%
2013-2014	$13,745,770.00	$972,996.00	7.62%
2014-2015	$14,136,847.00	$391,077.00	2.85%
2015-2016	$14,548,662.00	$411,815.00	2.91%
2016-2017	$14,747,300.87	$198,638.87	1.37%
2017-2018	$14,921,251.00	$173,950.13	1.18%
2018-2019	$15,025,859.00	$278,558.13	0.70%
2019-2020	$15,409,985.00	$488,734.00	2.56%
2020-2021	$15,573,721.00	$163,736.00	1.06%
Proposed 2021-2022	$16,013,220.00	$439,499.00	2.82%

SUMMARY

- General Fund – Knowing our conservative nature I do feel like we need to increase our general fund this year. As a reminder salary/insurance increase will be $ 400,000
- Bond Fund and QCPU Fund – I feel very comfortable with my proposal of dropping a penny.
- Special Building Fund: I have it at .02 to keep the overall levy at $.095
- Total tax asking below 3% increase

QUESTIONS AND/OR COMMENTS

- Again, this is a proposal. If you want clarification or if you want to recommend changes, now is the time to do so. I want to know what your support is tonight, rather than wait until our September 13 board meeting to find out you disagree.
- Again: $.01 levy = $168,093 in terms of property taxes requested.

SCHOOL DISTRICT OF SEWARD
PROPOSED WARRANTS
AUGUST 25, 2021

Salaries for August	Salaries	583,395.49
Nebraska.gov	Trans	15.00
Jones Bank	FIT/FICA	8,415.30
Nebraska Child Support	Garnishment	179.54
Tennessee Child Support	Garnishment	59.98
Jones Bank	FIT/FICA	164,724.76
Nebraska Child Support	Garnishment	2,535.00
ASPIRE	403b	9,575.00
Jones Bank	FIT/FICA	19,383.44
Tennessee Child Support	Garnishment	59.98
Nebraska Child Support	Garnishment	179.54
NPERS	Retirement	164,309.26
Nebraska Department of Revenue	State Tax	29,764.45
Pay Flex	Section 125	11,939.53
BEST	Pupil Services	85,792.54
Follett	Subscription	2,324.76
Meehl, Jan	Pupil Services	435.50
Nebraska Council of School Admin	Dues & Fees	100.00
Nebraska National Guard Museum Gift Shop	Books	80.00
School Dist of Seward Depreciation Fund	Transportation/Textbooks	150,000.00
Tanitapps Inc	Software	590.00
TOTAL GENERAL FUND CLAIMS		1,233,859.07