

Organizational Section — II

ANNUAL BUDGET SECTIONS

EXECUTIVE
SUMMARY

ORGANIZATIONAL SECTION

FINANCIAL
SECTION

INFORMATIONAL
SECTION

The Organizational Section of this budget describes the school district's organizational and management structure as well as the policies and procedures governing its administrative and financial operations.



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Elementary School

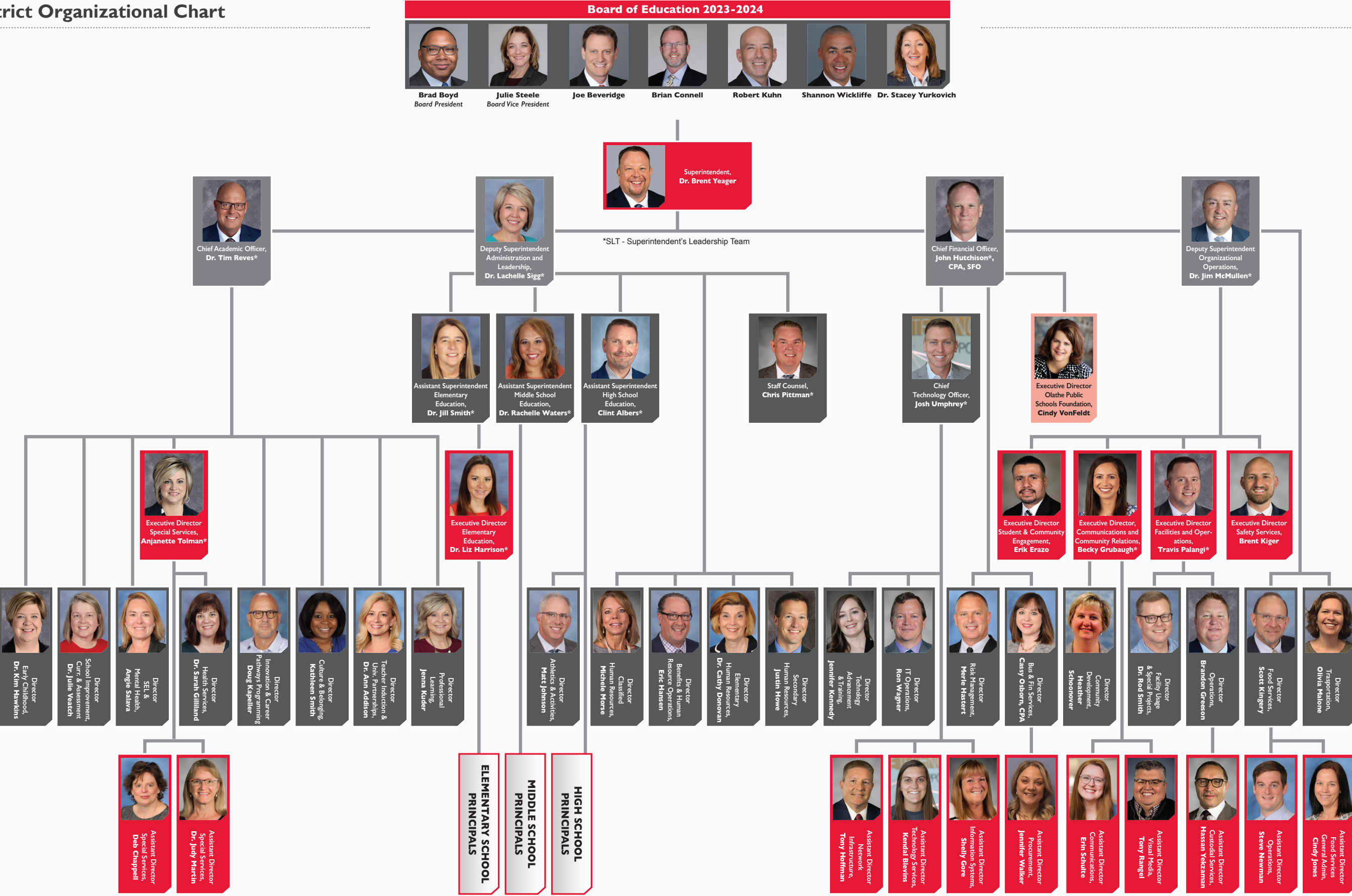
Middle School

High School

Specialty School/
Support Building

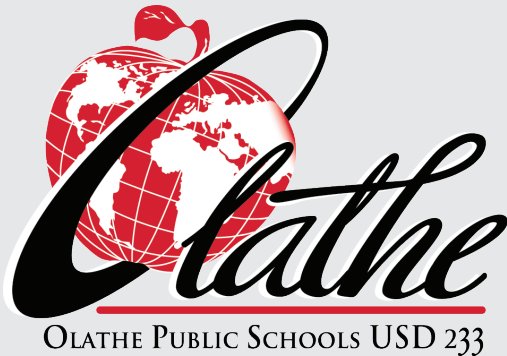


District Organizational Chart



*SLT - Superintendent's Leadership Team

Please flip page to see the Olathe Schools Organizational Chart



60 School Buildings

36 Elementary Schools (K-5)

10 Middle Schools (6-8)

5 High Schools (9-12)

ACCESS (at South Lake Building)*

Claire Learning Center

Harmony Early Childhood Center

Heartland Early Childhood Center

Juvenile Detention Center*

Mill Creek Campus

Olathe Advanced Technical Center

Prairie Learning Center

West Dennis Learning Center

II Special Services Buildings

College Boulevard Activity Center (CBAC)

Education Center

Food Production Center

Instructional Resource Center

Lindenwood Business Center

Lone Elm Service Center

Olathe District Activity Center (ODAC)

Operations Service Center

Technology Support Center

USD #233 Transportation Center

West Dennis Printing Center

*Non-district or rented locations

I. The District

Unified School District No. 233, Johnson County, state of Kansas, came into existence in 1965 when five school districts in the surrounding area unified to become what is more commonly known as Olathe Public Schools. The District provides educational services from pre-kindergarten through high school. Upon unification, the District gained legal authority to execute contracts and hold real property as it may require. As a unified school district, Olathe Public Schools possess the usual powers of a corporation for public purposes (K.S.A. 72-8201).

opportunities, the District supports a number of additional and alternative educational programs. These programs include: Head Start, e-Academy, Summer School, Extended School Year Programs, the Step Up diploma completion program, Hope, Soar, Choices, educational services at the Johnson County Juvenile Detention Center and educational services at Claire Learning Center for students residing on the KidsTLC campus, a third-party, psychiatric residential treatment facility.

Governance

The District is governed by a Board of seven elected officials who are residents of the District. Board members are elected to serve a four-year term with three or four seats coming up for election every two years. State statute grants Boards of Education the “authority to prescribe courses of study for each year of the school program and provide rules and regulations for teaching in the school district and general government thereof, and to approve and adopt suitable textbooks and study materials for the use therein subject to the plans, methods, rules and regulation formulated and recommended by the State Board of Education (K.S.A. 72-8205).”

District Size and Scope		
City	Population	Percentage of Students From
Lenexa	58,617	8.2%
Olathe	145,616	82.2%
Overland Park	197,726	7.8%
Shawnee	69,198	0.0%
Unincorporated Johnson County	11,052	0.5%
Outside of District		1.3%
	482,209	100.0%

I. The District

A Board of Education may not receive compensation from the school district for any work or duties performed; however members may be “paid their necessary expenses incurred in the performance of their official duties”. While the Board of Education governs the District through establishment of policy, the administration of the District is responsible for implementing systems and processes to carry out that policy on a daily basis.

Budget and Taxing Authority

Per state statute, every unified school district in the state of Kansas is considered a municipality and therefore must certify their annual budget amounts of ad valorem tax to be levied (including those levied to pay bond issues) to the County Clerk(s) within the county(ies) the school district boundaries fall. Unlike in many other states, in Kansas it is not the tax rate that is certified but rather the budgeted amount to be raised from the tax. Therefore, adjustments to the actual rate are made by the County Clerk(s) up until the time the tax bills are mailed in order to tax the budgeted amount. The budget amounts of ad valorem tax must be certified to the County Clerk(s) by October 1st of each year (K.S.A. 79-1801). Thereupon, the County Clerk(s) shall place the tax upon the tax roll(s) of the county(ies), in a manner prescribed by law and the tax shall be collected by the County Treasurer(s). In addition, a budget hearing is required to be held on or before the August 25th certification deadline for districts not required to hold a hearing for exceeding the district’s revenue-neutral rate. If the district will consider exceeding its revenue-neutral rate, the certification deadline moves to October 1st. In addition, a hearing is required to consider exceeding the district’s

revenue-neutral rate. The earliest possible date for this hearing is August 20th and the latest is September 20th. After these hearings the budget shall be adopted and submitted to the Kansas State Department of Education to ensure compliance with all statutes related to the financial operations of the unified school district. (K.S.A. 79-2933). The Director of the State Department of Education is charged with “preparing and prescribing forms for the annual budget and a summary of the proposed budget of school districts (K.S.A. 79-2926).” This format currently takes the form of a standardized set of electronic spreadsheets that are completed by all districts within the state. However, districts are free to provide their budgets in additional formats to other audiences such as their patrons. The fiscal year for each school district shall close on the last day of June.

In 2019, the Kansas Legislature enacted statute(K.S.A.72-5132) known as the “Kansas School Equity and Enhancement Act (KSEEA)” which provides an increase in per pupil funding and establishes a new school funding formula. The complete statute can be found in Section 4 – VIII located on pages 172-183 of this document. This budget has been created in compliance with these legal requirements.



II. Portrait of a Graduate

Every school system is unique, and is connected by a shared aspiration: that all students have an educational experience preparing them to be successful post-graduation. Now more than ever, that learning experience must not only provide for the acquisition of rigorous academic content, it must also be more intentional about fostering critical thinking, encompass specific 21st century skills, and habits of mind needed to navigate and thrive in a complex, rapidly changing world.

Our **Portrait of a Graduate** process involved a sustained conversation leading to shared agreement focused on a unique community-owned picture of what graduates need for success.

Through utilization of an inclusive process, the **Portrait of a Graduate** encompasses the community’s collective vision for our students.

The following pages contain Olathe Public School’s **Portrait of a Graduate** with the competencies that are valued by our Olathe community in order to ensure our students are prepared for learning, work, and life after high school graduation. In addition, the competencies identified in our **Portrait of a Graduate** drove the creation of an updated Strategic Framework which encapsulates the competencies and drive our future work as a district and as a community.



II. Portrait of a Graduate

COGNITIVE

These competencies cover the cognitive domain which includes thinking, reasoning, and related skills.

Critical Thinking and Problem Solving

- Collect, assess and analyze relevant information
- Reason effectively
- Use systems thinking
- Make sound judgments and decisions
- Identify, define and solve authentic problems and essential questions
- Reflect critically on learning experiences, processes and solutions

Creativity and Innovation

- Use a wide range of idea creation techniques (such as brainstorming, divergent and convergent thinking)
- Elaborate, refine, analyze and evaluate their own ideas in order to improve and maximize creative efforts
- Demonstrate originality and inventiveness in work and understand the real world limits to adopting ideas
- View failure as an opportunity to learn; understand that creativity and innovation is a long-term, cyclical process of small success and frequent mistakes
- Act on creative ideas to make a tangible and useful contribution to the field in which the innovation will occur



II. Portrait of a Graduate

PERSONAL

These competencies cover the intrapersonal domain, which involves self-management, including the ability to regulate one's behavior and emotions to reach goals.

Initiative and Self-Direction

- Set goals with tangible and intangible success criteria
- Balance tactical (short-term) and strategic (long-term) goals
- Utilize time and manage workload efficiently
- Monitor, define, prioritize and complete tasks without direct oversight
- Go beyond basic mastery of skills and/or curriculum to explore and expand one's own learning and opportunities to gain expertise
- Demonstrate initiative to advance skill levels toward a professional level
- Demonstrate commitment to learning as a lifelong process

Resilience and Social & Emotional Well-Being

- Persist to accomplish difficult tasks and to overcome academic and personal barriers to meet goals
- Acquire and apply the knowledge, attitudes, and skills necessary to understand and manage emotions, feel and show empathy for others, establish and maintain positive relationships, and make responsible decisions
- Regulate behaviors and emotions in different situations to effectively manage stress and control impulses based on ethical standards, safety concerns, and social norms



II. Portrait of a Graduate

INTERPERSONAL

These competencies cover the interpersonal domain, which involves expressing information to others, as well as interpreting others' messages and responding appropriately.

Communication

- Articulate thoughts and ideas effectively using oral, written and nonverbal communication skills in a variety of forms and contexts
- Listen effectively to decipher meaning, including knowledge, values, attitudes and intentions
- Use communication for a range of purposes (e.g., to inform, instruct, motivate and persuade)
- Utilize multiple media and technologies, and know how to judge their effectiveness as a priority as well as assess their impact
- Communicate effectively in diverse environments (including multi-lingual)

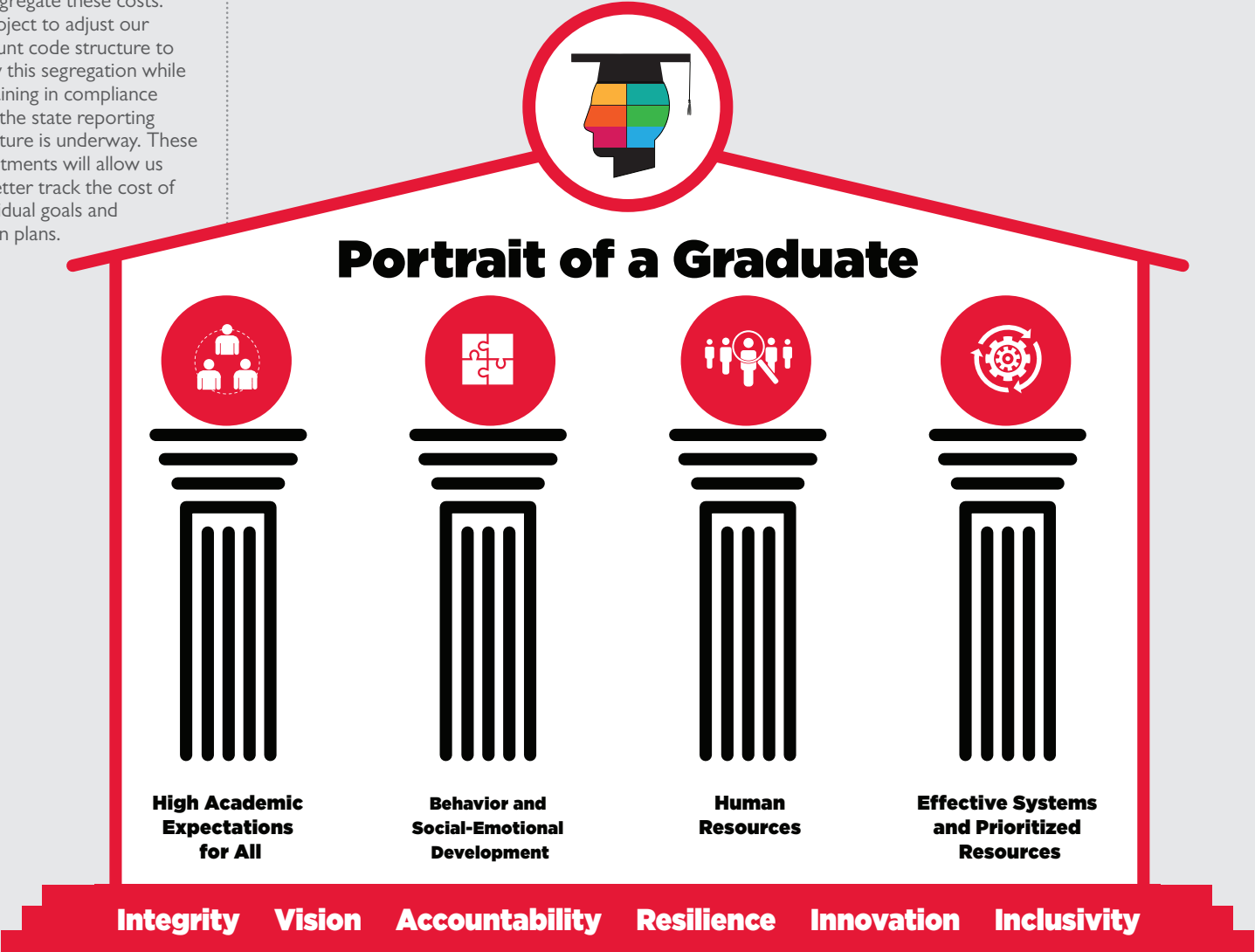
Social and Cross-Cultural Skills

- Learn from and work collaboratively with individuals representing diverse cultures, religions and lifestyles in a spirit of mutual respect and open dialogue in personal, work and community contexts
- Know when it is appropriate to listen and when to speak
- Conduct themselves in a respectable, professional manner
- Respect cultural differences and work effectively with people from a range of social and cultural backgrounds
- Leverage social and cultural differences to create new ideas and increase both innovation and quality of work



II. Portrait of a Graduate

While the goals and action plans noted here may or may not have associated costs, current budgets are aligned with the state reporting structure, making it difficult to segregate these costs. A project to adjust our account code structure to allow this segregation while remaining in compliance with the state reporting structure is underway. These adjustments will allow us to better track the cost of individual goals and action plans.



The strategic goals will serve as a road map to guide the Board of Education, superintendent, superintendent’s leadership team, administrators, teachers, employees, and community stakeholders in the development of policies, practices, objectives, strategies, and initiatives in order to achieve the district mission, vision, values, goals, and Portrait of a Graduate. In creating these goals, we will move the strategic framework into action plans that we will pursue in order to close the gap between our current realities and desired performance.

III. Strategic Framework

Strategic Framework

Relentless Pursuit of Excellence



GOAL I: High Academic Expectations for All



Every student will be challenged and supported through tiers of instruction by all staff to achieve a high standard of academic performance and growth.

Priority Outcome

- Standards-Based Instruction: Provide a guaranteed and viable curriculum to ensure that all students are on or above grade-level.

Initiatives

- Implementation and utilization of curriculum and assessment software.
- Focused instruction on priority standards in all content areas.
- Delivery of professional development related to standards-based instruction.

Priority Outcome

- Student Engagement: Ensure learning where students are active participants through relevant, rigorous, research-based instructional practices.

Initiatives

- Utilize research-based student engagement strategies for learning environments.
- Develop and incorporate a systems-wide common vocabulary for student engagement.
- Delivery of professional development related to student engagement.

Priority Outcome

- Professional Learning Communities: Establish a systemic, collective, data-driven culture with a focus on learning for all.

Initiatives

- Ensure learning for all students by focusing on the four Professional Learning Communities questions.
- Systematize Multi-tiered Systems of Support (MTSS) interventions in response to student data.
- Delivery of professional development related to professional learning communities.



III. Strategic Framework

Strategic Framework

Relentless Pursuit of Excellence



GOAL 2: Behavior and Social-Emotional Development for All



Every student will benefit from an educational experience that fosters their behavioral, social, and emotional development.

Priority Outcome

- Behavior and Social-Emotional Learning: Regulate behaviors and emotions in different situations to effectively manage stress and control impulses.

Initiatives

- Adoption, implementation and utilization of systemic behavior management framework.
- Integration of social emotional character development standards into all core curriculums.
- Implementation and utilization of pre-K through 12th grade social emotional learning.

Priority Outcome

- Mental Health: Identify, manage, and express a range of positive and negative emotions.

Initiatives

- Delivery of trauma-informed care professional development.
- Delivery of suicide awareness, prevention, and mental health training for all staff.
- Systematize Multi-tiered Systems of Support (MTSS) interventions in response to student need.

Priority Outcome

- Bullying Prevention: Respectful interactions with people from a range of social, cultural, and ideological backgrounds through development of positive relationships and acceptable actions.

Initiatives

- Partner with students, staff and families to build trust and relationships through curriculum and resources.
- Develop and maintain procedure for reporting, investigating, documenting, and consequenceing an act of bullying, harassment or cyber bullying.
- Systematize professional learning that supports reporting, investigating, documenting, and consequenceing an act of bullying, harassment or cyber bullying.



III. Strategic Framework

Strategic Framework

Relentless Pursuit of Excellence



GOAL 3: Human Resources



The district will attract, develop, engage and retain high quality talent.

Priority Outcome

- Leadership: Develop leaders with skills to identify, select, lead and hold their teams accountable.

Initiatives

- Define expectations of a leader and provide professional development.
- Assess and redefine the performance appraisal instruments and processes for leadership.
- Implement and maintain accountability structures.

Priority Outcome

- Recruitment, Selection and Development: Recruit, hire, develop and retain a diverse and premier work force, becoming the destination district for the best educational professionals.

Initiatives

- Enhance and refine recruitment plan to increase applicant pool reflective of a diverse work force.
- Continually improve selection processes through implementation of efficient recruitment instruments and methods.
- Develop and maintain work force retention and succession practices.

Priority Outcome

- Compensation and Benefit Alignment: Evaluate and enhance offerings to ensure competitiveness and support strategic initiatives.

Initiatives

- Ongoing market assessments of compensation and benefit practices and offerings.
- Continue to enhance communication of district benefits for recruitment, onboarding and retention of talent.
- Develop and sustain a culture of health and well-being.



III. Strategic Framework

Strategic Framework

Relentless Pursuit of Excellence



GOAL 4: Effective Systems and Prioritized Resources



All systems and resources will be aligned based on organizational data to achieve strategic initiatives. Improve efficiency (productivity, cost, etc.) while also making decisions (including resource allocations) that are grounded in strategic data and academic direction.

Priority Outcome

- Facilities and Infrastructure: Ensure the existence of safe, well-maintained school facilities and technology infrastructures which support student learning.

Initiatives

- Continually review and enhance site-based safety and security assessments.
- Align the strategic facilities plan to support the Portrait of a Graduate.
- Development and maintain sustainable technology systems to support the International Society for Technology and Education Standards (ISTE) and other applicable industry standards.

Priority Outcome

- Budget: Implement budgets and enhance fiscal efficiencies to support strategic and academic priorities.

Initiatives

- Maintain a program and initiative inventory.
- Implement and utilize program-based budgeting processes to support student learning.
- Align and adjust budget priorities in order to support strategic initiatives.

Priority Outcome

- Communications: Utilize communication systems for a range of purposes to inform, instruct, and motivate all stakeholders.

Initiatives

- Streamline and maintain the communications processes utilized throughout the district.
- Inform stakeholders regarding progress toward achieving strategic initiatives.
- Enhance stakeholder engagement through a variety of mediums.



III. Strategic Framework

Strategic Framework

Relentless Pursuit of Excellence



Diversity and Engagement Goal



Actively include and value all students and staff to meet their unique needs by providing equitable opportunities in order to develop their understanding and respect of differences, thus preparing them to live in an inclusive, global community and world.

Priority Outcome 1

Provide Training and Professional Development to increase the cultural awareness of all teachers, administrators and staff.

Initiatives

- Complete a district wide equity audit.
- Analyze and respond to areas on the districtwide equity audit.
- Maintain professional development plan for district staff that is aligned with the Strategic Plan.

Priority Outcome 2

Ensure a welcoming, safe, inclusive and equitable school community.

Initiatives

- Evidence of inclusive language and images in all buildings, signage, wall hangings, classroom, curriculum and library materials.
- Provide an opportunity to proactively respond to concerns by having an Equity Hotline for students and staff.
- Create supportive environments that empower, advocate, and celebrate affinity groups across the district for students and staff.

Priority Outcome 3

Increase student engagement and learning opportunities.

Initiatives

- Develop and implement programs for underrepresented students.
- Provide student leadership training.
- Respond to academic and social emotional learning to meet the various needs of all students.

(The following is taken from the Kansas State Department of Education's website www.ksde.org, Board of Education)
Kansans are demanding higher standards in academic skills, as well as employability and citizenship skills, and the need to move away from a "one-size-fits-all" system that relies exclusively on state assessments. This new vision for education in Kansas, gives direction for a more student-focused system and resources for individual success.

The Mission of the State Board of Education is to prepare Kansas students for lifelong success through rigorous, quality academic instruction, career training, and character development according to each student's gifts and talents.

The Kansans CAN Vision is to Lead the World in the Success of Each Student.

Definition of a successful Kansas high school graduate: A successful Kansas high school graduate has the **academic** preparation, **cognitive** preparation, **technical** skills, **employability** skills and **civic engagement** to be successful in postsecondary education, in the attainment of an industry recognized certification or in the workforce, without the need for remediation.



IV. Classification of Revenue and Expenditures

The Kansas State Department of Education adopted a system for the classification of revenue and expenditures based on the State's statutory basis of accounting.

The District classifies revenues by fund and revenue source dimensions. Revenues are desegregated into three sources: Local Sources, State Sources and Federal Sources. Local sources include such receipts as property taxes and interest on investments. State sources consist of monies received by the District from the State according to the Kansas School Equity and Enhancement Act (KSEEA). Federal sources are those funds provided by the federal government, the largest of which includes the Title VI-B program for disadvantaged students.

The State also requires the District to classify expenditures by a combination of categories. The required expenditure dimensions include: fund, function and object. While not required, the District also classifies expenditures by physical location, budget responsibility, program and sub-program.

The District is required legally to prepare budgets at the fund, function and object level of classification. Accordingly, revenue and expenditures are presented herein at the level required by the Kansas Department of Education.

Revenue Descriptions By Function

1000 Revenue from Local Sources

1100 Taxes Levied/Assessed by the LEA: Compulsory charges levied by the Local Education Agency to finance services performed for the common benefit.

1110 Ad Valorem Taxes: Taxes levied by an LEA on the assessed value of real and personal property located within LEA which, within legal limits, is the final authority in determining the amount to be raised for school purposes.

1140 Back Taxes: (Delinquent taxes, Penalties, and Interest on Taxes) Revenue from penalties for the payment of taxes after the due date, and the interest charged on delinquent taxes from the due date of actual payment.

1300 Tuition: Revenue from individuals, welfare agencies, private sources and other LEA's for education provided by the LEA.

1400 Transportation Fees: Revenue from public and private sources as authorized by KSA 72-6498.

1500 Earnings on Investments: Revenue from holdings invested for earning purposes.

1600 Food Service: Revenue for dispensing food to students and adults.

IV. Classification of Revenue and Expenditures

Revenue Descriptions By Function (continued)

1000 Revenue from Local Sources

- 1700 District Activities: Revenue from school-sponsored activities that are controlled and administered by the school district (should not be commingled with proceeds from student activities).
- 1800 Revenue from Community Services Activities: Revenue from community service activities operated by an LEA (such as: skating facility).
- 1900 Other Revenue From Local Sources: Other revenue from local sources not classified above.
User Charges and Fines: Revenue from rental of real or personal property owned by a school or fines paid to the school.
Contributions and Donations From Private Sources: Revenue from a philanthropic foundation, private individuals, or private organizations for which no repayment or special service to the contributor is expected.
Textbook Sales and Rentals: Revenue from the rental or sale of textbooks, workbooks and materials which are supplemental to textbooks.
State Aid Reimbursements: Includes: Juvenile Detention/Flint Hills Job Corp. and State Aid received as a result of adjustments to prior year PL382 deduction and Teacher Mentoring Program.
Miscellaneous: Revenue from local sources not provided for elsewhere. (Such as: Driver Education fees, shop fees, art fees, chemistry fees, etc.)

2000 Revenue from County Sources

- 2400 Motor Vehicle Tax/Recreational Vehicle Tax:

3000 Revenue from State Sources

- 3100 Unrestricted Grants-In-Aid: Revenue recorded as grants by the LEA from State funds that can be used for any legal purpose desired by the LEA without restriction.
- 3200 Restricted Grants-In-Aid: Revenue recorded as grants by the LEA from State funds that must be used for a categorical or specific purpose.

4000 Revenue from Federal Sources

- 4100 Unrestricted Grants-In-Aid Direct From the Federal Government: Revenues direct from the Federal Government as grants to the LEA that can be used for any legal purpose desired by the LEA without restriction.
- 4300 Restricted Grants-In-Aid Direct from the Federal Government: Revenue direct from the Federal Government as grants to the LEA which must be used for a categorical or specific purpose.



IV. Classification of Revenue and Expenditures

Revenue Descriptions By Function (continued)

- 4500 Restricted Grants-In-Aid From the Federal Government Through the State: Revenues from the Federal Government through the State as grants to the LEA which must be used for a categorical or specific purpose. Bilingual Aid, Vocational Aid (Carl Perkins), Regular Aid (Carl Perkins, etc.), Special Project Aid, Adult Education Aid, Child Nutrition Aid (Food Service), Handicapped Aid (Special Education), Medicaid (through SRS's contractor), Pre-K Pilot Grant (TANF), Pre-K Pilot Grant (GEER), Other Restricted Grants-In-Aid from the Federal Government (through the State), Title I, Title VI, Title II, Title IV (Drug Free), Title III, ESSER I (CARES Act), ESSER II (CRRSA), ESSER III (ARP)

5000 Other Financing Sources

- 5100 Issuance of Bonds: The face amount of the bonds that are issued.
- 5200 Transfers: (Inter-fund) Amounts available from another fund which will not be repaid. Transfer from General Fund, Transfer from Special Liability Expense Fund (to Special Reserve Fund), Transfer from Contingency Reserve Fund

Transfers from: General Fund, Supplemental General Fund, K-12 At-Risk, Bilingual, Contingency Reserve, Driver Training, PK At-Risk, Professional Development, Parent Education, Summer School, Virtual School, Vocational Education, Textbook, or Special Education.

Expenditure Descriptions By Function

The function describes the activity for which a service or material object is acquired. The functions of a Local Education Agency (LEA) are classified into five broad areas: Instruction, Support Services, Operations of Non-Instructional Services, Facilities Acquisition and Construction and Other Outlays. Functions are further broken down into sub-functions, service areas and areas of responsibility. Each of these levels consists of activities which have somewhat the same general operational objectives. Furthermore, categories of activities comprising each of these divisions and subdivisions are grouped according to the principle that the activities can be combined, compared and are related.

An effort has been made to group together functions in relation to the magnitude of expenditures typically found in the LEA. This grouping corresponds to the categories most frequently requested in reporting to external authorities, especially the federal government. The numbering code for functions are always in even thousands, such as 1000; 2000; 3000; etc.

Listed below are the five major functional categories and their description:

1000 Instruction:

Instruction includes the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital and in other learning situations such as those involving

IV. Classification of Revenue and Expenditures

Expenditure Descriptions By Function (continued)

co-curricular activities. Teaching may also be provided through some other approved medium such as two-way interactive video, television, radio, telephone and correspondence. Included here are the activities of aides or classroom assistants of any type (clerks, graders, teaching machines, etc.) which assist in the instructional process.

2000 Support Services:

Support services provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction. These services exist to fulfill the objectives of instruction, community services and enterprise programs, rather than as entities within themselves.

2100 Support Services - Students:

Activities designed to assess and improve the well-being of students and to supplement the teaching process. Include only staff in attendance and social work services, substance abuse, guidance, health, psychology, speech pathology and audiology.

2200 Support Services - Instruction:

Activities associated with assisting the instructional staff with the content and process of providing learning experiences for students.

2300 Support Services - General Administration:

Activities concerned with establishing and administering policy for operating the LEA. These include only board of education staff, board secretary/clerk staff, staff relations and negotiations staff, the superintendent's staff, assistant superintendents, area directors and the superintendent.

2400 Support Services - School Administration:

Activities concerned with overall administrative responsibility for a school. Include only the staff of the office of the principal (including vice-principals and other assistants), full-time department chairpersons and the principal.



IV. Classification of Revenue and Expenditures

Expenditure Descriptions By Function (continued)

2500 Support Services - Central Services:

Activities that support other administrative and instructional functions including fiscal services, human resources, planning, and administrative information technology.

2600 Support Services - Operation and Maintenance:

Activities concerned with keeping the physical plant open, comfortable and safe for use and keeping the grounds, buildings and equipment in effective working condition and state of repair. These include the activities of maintaining safety in the buildings, on the grounds and in the vicinity of schools.

2700 Support Services - Student Transportation:

Activities concerned with conveying students to and from school, as provided by State and Federal law. This includes trips between home and school and trips to and from school activities.

2900 Other Support Services :

All other support services not classified elsewhere in the 2000 series. (Includes room and board for Special Education students.)

3000 Operation of Non-Instructional Services:

Activities concerned with providing non-instructional services to students, staff or the community. This would include such activities as food service operations, enterprise operations (such as LEA bookstores) and community services (such as recreation, public library and historical museum).

4000 Facilities Acquisition and Construction:

Activities concerned with acquiring land and buildings; remodeling buildings; constructing buildings and additions to buildings; initially installing or extending service systems and other built-in equipment; and improving sites.

5000 Debt Service:

A number of outlays of governmental funds are not properly classified as expenditures, but still require budgetary or accounting control. These are classified under Debt Service. Activities related to servicing the long-term debt of the school district, including payments of principal and interest. This function should be used to account for bond interest payments, retirement of bonded debt, capital lease payments and other long-term notes. Interest on short-term notes or loans is charged to function 2513.

IV. Classification of Revenue and Expenditures

Expenditure Descriptions By Object

The final breakdown of expenditures is called object codes. The object codes include such expenditures as salaries, employee benefits, purchased services, supplies and equipment.

Listed below are the nine major object codes and their definitions:

100 Personal Services - Salaries:

Amounts paid to all employees of the district. Includes: gross salary for personal services rendered while in the payroll of the district and insurance payments reduced under section 125 plan.

200 Employee Benefits:

Amounts paid by the district on behalf of employees; these amounts are not included in the gross salary, but are in addition to that amount. Such payments are fringe payments, and while not paid directly to employees, nevertheless, are part of the cost of personal services.

300 Purchased Professional and Technical Services:

Services which by their nature can be performed only by persons or firms with specialized skills and knowledge. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, teachers, accountants, etc.

400 Purchased Property Services:

Services purchased to operate, repair, maintain and rent property owned or used by the district. These services are performed by persons other than district employees.

500 Other Purchased Services:

Amounts paid for services rendered by organizations on personnel not on the payroll of the district (separate from Professional and Technical Services or Property Services). While a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

600 Supplies and Materials:

Amounts paid for items that are consumed, worn out, or deteriorated through use.

700 Property:

Expenditures for acquiring fixed assets, including land or existing buildings; improvements of grounds; initial equipment; additional equipment; and replacement of equipment.

IV. Classification of Revenue and Expenditures

Expenditure Descriptions By Object (continued)

800 Debt Service and Miscellaneous:

Amounts paid for goods and services not otherwise classified above.

900 Other Items
(Appropriate Funds Only):

This series of codes is used to classify transactions which are not properly recorded as expenditures to the LEA, but require budgetary or accounting control. These include redemption of principal and interest on long-term debt and fund transfers. Used with governmental funds only.



IV. Classification of Revenue and Expenditures

INSTRUCTION

- Instructional Salaries
- Substitutes
- Health, Dental and Fixed Benefits
- Communications
- Textbooks
- Building Supplies
- General Supplies
- Summer School
- Testing and Assessment
- Instructional Equipment
- Student Activities
 - Extra-Curricular Salaries for Sponsors
 - Student Insurance
 - Commencement
 - Building Activities

STUDENT SUPPORT SERVICES

- Guidance
- Health Salaries
- Health, Dental and Fixed Benefits
- Health Supplies

INSTRUCTIONAL STAFF SUPPORT

- Consultant Supervisors and Other Salaries
- Media Center Salaries
- Aides Salaries
- Health, Dental and Fixed Benefits
- Library Books and Audio Visual
- Curriculum Programs

GENERAL ADMINISTRATION

- General Administration Salaries
- Health, Dental and Fixed Benefits
- Audit
- Legal
- Supplies and Forms
- Board Expenses
- Community Services and Relations

SCHOOL ADMINISTRATION

- Building Administration Salaries
- Health, Dental and Fixed Benefits

BUSINESS, HUMAN RESOURCE, TECHNOLOGY, STUDENT AND PLANNING SERVICES

- Administration Salaries
- Health, Dental and Fixed Benefits
- Business Supplies and Materials

OPERATIONS and MAINTENANCE

- Operations and Maintenance Salaries
- Contracted Custodial Services
- Health, Dental and Fixed Benefits
- Audio Visual, Instrument, Equipment Repairs
- General Insurances
- Contracted Services
- Security
- Freight
- Leases (Copier, Computer, Vehicle)
- Maintenance Supplies
- Custodial Supplies
- Energy Education and Supplies
- Fuel
- Custodial Uniforms
- Utilities:
 - Water
 - Sanitation
 - Gas
 - Electricity

MOST COMMONLY USED MAJOR OBJECT AREAS

While according to the accounting structure outlined previously, any object code could possibly exist within each of the functional areas; typically, we find specific expenditures only within certain functions. The adjacent chart shows the most commonly used major object areas within functional areas applied by the District.



STATE STATUTE SEQUENCE AND TIMETABLE

When Not Exceeding Revenue- Neutral Rate

1. Preparation of the budget for the succeeding calendar year on or before August 25th.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 12th.
3. Public hearing on or before August 24th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

When Exceeding Revenue- Neutral Rate

1. Preparation of the budget for the succeeding calendar year on or before September 20th.
2. Publication of notice of hearing to consider exceeding the district's revenue-neutral rate on or before September 10th and at least 10 days prior to hearing date.
3. Publication in local newspaper of the proposed budget and notice of public hearing on or before September 10th and at least 10 days prior to hearing date.
4. Public hearing to consider exceeding the district's revenue-neutral rate no earlier than August 20th and no later than September 20th.
5. Public hearing on proposed budget on or before September 20th, but at least 10 days after publication of notice of hearing.
6. Adoption of the final budget on or before September 20th.

Olathe Public Schools Annual Budget

V. Summary of Significant Accounting Practices

Financial Statements

The financial statements are presented on the modified accrual basis of accounting for all Governmental and Agency Funds. Revenues are recognized when they become both measurable and available for use during the year. Under the modified accrual basis of accounting, available means due within the current period and collected within the current period or soon enough thereafter to be used to pay liabilities for the current period. Grants and assistance awards made on the basis of entitlement periods are recorded as receivables and revenues when the related expenditures are incurred. Monies received before the revenue recognition criteria have been met are reported as deferred revenue.

Generally, expenditures are recognized when the related fund liability is incurred. Debt service resources are provided during the current year for payment of general long-term debt principal and interest due early in the following year and; therefore, the expenditures and related liabilities have been recognized in the Debt Service Fund.

Governmental Fund types are accounted for on a current financial resources measurement focus. Governmental Fund operating statements represent increases and decreases in net current assets. Their reported fund balance is considered a measure of available spendable resources.

Kansas statutes require an annual operating budget be legally adopted at the individual fund level for the general funds, special revenue funds (unless specifically exempted by statute) and Bond and Interest fund.

Beginning with the 2021-22 budget year, the applicable statutes provide for two different timetables in the adoption of the legal annual operating budget, dependent on whether or not the district intends to levy taxes at a rate in excess of the Revenue Neutral Rate (RNR). The RNR quantifies the property tax rate in mills that would generate the same property tax revenue in dollars as levied during the previous tax year using the current tax year's total assessed valuation.

Districts planning to exceed the revenue neutral rate must hold a separate RNR public hearing in addition to the hearing on the proposed budget, thus extending the budget adoption deadline from August 25th to September 20th. Details of the two timelines are outlined in the sidebar to the left. The Olathe Public Schools Board of Education passed a resolution to exceed its revenue neutral tax rate for the 2022-23 budget.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after the publication, the hearing may be held and the governing body may amend the budget at that time.

VI. District Annual Operating Budget Policies

The statutes permit transferring budgeted amounts between line items within an individual fund. Management may transfer appropriations within an individual fund without the approval of the Governing Body. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

A legal operating budget is not required for capital projects funds, trust funds and certain special revenue funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the Governing Body.

Reporting Policies

The accounting system accumulates financial information on a budgetary basis by fund. Regular monthly financial reports are presented to the Board summarizing activity by fund, or groups of funds and in aggregate. An independent certified public accounting firm is selected by the Board to perform annual audits. Their opinion on the District's financial statement is issued publicly with the annual financial statements and schedules of expenditures of federal awards.



The District uses the following fund categories to record its financial activities:

Operating/Dependent Funds

- General Fund
- Supplemental General
- 4-Year-Old and K-12 at Risk
- Bilingual
- Virtual Education
- Professional Development
- Parents as Teachers (Olathe)
- Special Education
- Career & Technical Education
- Contingency Reserve

Restricted/Independent Funds

- Federal
- Summer School
- Driver Training
- Food Service
- Health Care Reserve
- Risk Management
- Workers Comp
- Textbook & Student Materials
- Gifts and Grants
- Special Liability

Capital Improvement and Debt Retirement Funds

- Capital Outlay
- Bond and Interest
- Special Assessment
- Construction

Flow Through Funds

- KPERS
- Extraordinary Growth
- Cost of Living

Agency Fund

- Building Student Activities

Fiscal Agent Fund

- Parents as Teachers (Consortium)

VII. District Fund Structure

The District uses the following fund categories to record its financial activities:

<p>Operating/Dependent Funds</p> <p>The funds represented in this group are: <i>General</i>, <i>Supplemental General</i> and all State identified <i>Special Revenue</i> funds that receive the majority of their revenue through <i>General</i> and <i>Supplemental General</i> fund transfers. While the <i>Special Revenue</i> funds in this group do have some fund specific revenue, it accounts for a small percentage of the total fund revenue.</p>	<p>Restricted/Independent Funds</p> <p>These funds represent all the other funds accounted for on the Treasurer Report and associated with the State Budgeting process. While some of these funds may receive transfers from the <i>General</i> and <i>Supplemental General</i> funds, they historically have received a small percentage of revenue in this manner and receive almost 100% of the necessary funding through user fees, separate levy authority and/or from other state/federal agencies.</p>	<p>Capital Improvement and Debt Retirement Funds</p> <p>These funds represent revenues and expenditures related to the capital improvements of District facilities. The <i>Capital Outlay</i> fund supports ongoing maintenance and renovations, while the <i>Construction</i> funds are related to bond elections approved for the construction of new schools and major additions to existing facilities. The <i>Construction</i> funds receive their revenue from the sale of bonds approved through bond elections from the community. The payback of those bond sales occurs through the <i>Bond and Interest</i> fund. For this reason, while we show the expenditures for construction, we do not include the expenditure in the summary sheets because that expense is already captured in the Bond and Interest payments.</p>
<p>Flow Thru Funds</p> <p>The funds in this category do not truly reflect any Board decisions on planned or budgeted expenditures. These funds are required by state statute to capture the accounting process of the collection of revenue through property taxes or state revenue for the sole purpose of returning to the state as a reimbursement.</p>	<p>Fiduciary Funds</p> <p>Trust and agency funds account for assets held by the District in a trustee or agent capacity.</p>	

District staff in the Business and Financial Services Division manage more than 75 funds throughout the year. These funds are divided into categories of *Operating/Dependent*, *Restricted/Independent*, *Capital*

Improvement and Debt Retirement, *Flow Thru*, *Agency* and *Fiscal Agent* funds. See the financial section of this document for a more in-depth discussion of these funds.

VIII. Basis of Budgeting Funds

Kansas statutes require that a 12-month operating budget for the General fund and an 18-month operating budget for the Supplemental General fund, special revenue funds (unless specifically exempted by statute) and debt service fund legally be adopted. All budgeted amounts in the financial statements are shown on a 12-month basis for comparative purposes.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of these individual funds.

A legal operating budget is not required for capital project funds, most trust funds and the following special revenue funds: textbook rental, contingency reserve fund and career and technical education. Spending in funds which are not subject to the legal annual operating budget requirements are controlled by Federal

regulations, other statutes or by the use of internal spending limits established by the governing body.

All legal annual operating budgets are prepared using the cash basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract.

All unencumbered budget appropriations lapse at year-end, except for capital project funds which are carried forward until such time as the project is completed or terminated. Accordingly, the actual data presented in the budgetary comparison statements differ from the data presented in financial statements prepared in accordance with generally accepted accounting principles (GAAP).



One of the many strengths of Olathe Public Schools is its diverse student population. To assist students in reaching their specific goals, a variety of programs are offered throughout the District at every grade level. They include:

21st Century High School Academies:

Students have the option to apply to a 21st Century Academy for their high school education. These four-year programs have specialized coursework, hand-on experiences inside and outside of the classroom, and real-world learning opportunities through a variety of business, community and higher education partners. The district has a total of 15 Academies across the 5 high schools.

Adult Education (Step Up):

This program is designed to enable persons, whose cohort has graduated, to earn a high school diploma in non-traditional ways. Using computer-based course instruction and applications, students work to complete standard academic curriculum. "Step Up" offers flexible time schedules and students work at their own pace, with teachers to assist as needed.

Advancement Placement: AP courses are rigorous, college-level courses taught by high school staff. Students scoring a 3, 4 or 5 on the AP Exam may have the opportunity to earn college credit from their attending university/college.

Advancement Via Individual

Determination (AVID): A nationally-recognized, research-based program aligned with The College Board and implemented to prepare students in the academic middle for four-year college access and success. These students are from groups that are generally under-represented in university programs and are students who are capable of and committed to completing a high school college-prep curriculum. The students are typically the first in their families to attend college. AVID is offered at Olathe's five high schools.

Alternative Education: The District provides several alternative programs for students. Hope provides educational opportunity for students long-term suspended or expelled from school. SOAR, Guided Study, EAS, and Next Step provide a setting designed to accommodate educational, behavioral, and/or medical needs of students that cannot be adequately addressed in a traditional school environment. Students are referred to all alternative programs by a recommendation of the home school.

College Now: The College Now program provides high school students the opportunity to earn college credits through concurrent enrollment while completing their high school requirements.

Elementary Dual-Language Spanish Immersion Program:

Olathe offers a Dual-Language Spanish Immersion Program at Black Bob and Manchester Park elementary schools. With 2023-2024 being the fourth year of this program, each school has sections of dual language immersion in Kindergarten, 1st, 2nd, and 3rd grade. The program will continue to grow by two sections each year as the first cohort moves through elementary.

IX. Budget Administration and Management

Budget administration and management is the process of regulating expenditures during the fiscal year to ensure they do not exceed authorized amounts and they are used for intended, proper and legal purposes. The management of the budget is accomplished in a variety of ways: monitoring program implementation, controlling expenditures, tracking revenue receipts, making corrections in expenditure allocations to reflect changes in costs and reporting to the Board and public on fiscal operations.

During the preparation of the budget, the document serves as the vehicle for planning and resource allocation decisions in the District. After the budget is adopted by the Board in September and the appropriations made to the various accounts, it then becomes the major fiscal management tool for administering and controlling expenditures. There are, however, other budget administration and management issues important to the budget process which are discussed below.

Organization for Budget Management

The overall spending and revenue plans are coordinated by District staff to keep total expenditures within available revenues. District level coordination also is exercised in such areas as personnel policies which are established and monitored centrally to maintain general uniformity and compliance with negotiated agreements as well as State and Federal statutes. However, budgetary allocations to responsibility cost centers, particularly the building budget appropriations, are provided a lump-sum amount in specified categories. Decisions on how to allocate the appropriations within these categories are made at the site or department level.

Expenditure Control and Approvals

Every dollar of expenditure included in this budget is assigned to a District employee as a cost center manager for that particular piece of the budget. This person may be a central office administrator, special use facility administrator, building

principal, coordinator or other staff member. These cost center managers are responsible to control and manage their piece of the budget. Each of the cost center managers is authorized to approve the expenditure of funds within the respective responsibility cost center appropriations, provided that funds are expended in accordance with District purchasing procedures and legal requirements.

The financial management system (PowerSchool's BusinessPlus) used to track budgets will not allow expenditures to be incurred unless they are properly classified and authorized by the cost center manager. This interactive on-line system provides cost center managers immediate budget information as well as reporting capabilities whenever required.

Cost center managers are authorized to work within their total budget allocations to meet the needs of the programs they serve. This means they may overspend some account numbers while underspending others as long as they work within their bottom line. Thus, every expenditure appropriation in the District's budgets is assigned to a responsibility cost center manager who is accountable for the proper expenditure of funds.

IX. Budget Administration and Management

Encumbrance Control

Another important component in the District's financial control and reporting system is the encumbrance of funds. Encumbrances are obligations in the form of purchase orders, contracts, or salary commitments chargeable to an account number and for which the appropriation is reserved. The purpose for the encumbrance of funds is to insure obligations are recognized as soon as financial commitments are made. Otherwise, the accounting system would only record actual amounts entered into the expenditure accounts, not those that are planned or anticipated. In short, the encumbrance of funds is an important control measure to prevent the inadvertent over-expenditure of budget appropriations due to the lack of information about future commitments.

Management of Information and Reporting for Control

The District maintains an interactive, on-line budgetary accounting and control system (PowerSchool's BusinessPlus software) that provides reports to assist the Board, business personnel and responsible cost center managers in administering, monitoring and controlling the implementation of the budget. The information from the automated accounting information system is important and relevant in evaluating the financial condition of the District and the fiscal performance of responsible cost center managers.

The reports produced from the information system are designed for specific District needs and to meet State and Federal reporting requirements. Among the most important documents for management control purposes are expenditure reports prepared by function and responsibility cost center. Revenue reports also are prepared that track receipts against budget.



English Language Learners (ELL): Students whose first language is something other than English who receive language assistance at their school.

Families Learning In Partnership (FLIP): A family night that is hosted two times per year at any elementary school with a priority on Title I and ELL schools. These nights provide families with a variety of activities that help strengthen students in the areas of reading and math. This program has been funded by R.R. Osborne, a local philanthropist and lifelong resident of Olathe, for more than 30 years.

H.E.L.P. Clinic: Programs at the H.E.L.P. Clinic serve elementary and secondary students and their families. The H.E.L.P. Clinic includes individual and family counseling, parenting classes, anger management and social and study skills.

Johnson County Juvenile Detention Center: A partnership with Johnson County Corrections in providing education to juveniles incarcerated in the facility.

Parents as Teachers: Home visiting program that promotes early learning, child development and health of children prenatal to 36 months of age in the Olathe School District. Our services for your family include home visits, parent/child social opportunities and playgroups, community resources and screenings. This is a free school district program. Visit www.olatheschools.org/pat for more information and enrollment.

Quick Step+ College Algebra: Quick Step + College Algebra is modeled after Johnson County Community College's self-paced math courses. The course is taught by Olathe staff and student mastery is assessed by JCCC math staff. Successful students will earn 3 hours of College Algebra credit.

Special Education Services: A full continuum of Special Education services and educational placements are provided in Olathe (early childhood through high school graduation or age 21, whichever occurs first) for eligible students. Special Education services are individually determined based on student need and are designed to be fully integrated into the District's overall instructional plan. The following services are available to students and staff: evaluation, eligibility determination, IEP development, consultative support for teachers and staff development. Additional services available to students in need of special education include: attendant care, adaptive PE, assistive technology, audiology, career transition and vocational services, gifted education, music therapy, occupational and physical therapy, school health services, school psychology services, sign language interpreter services, social worker services and speech language pathology services.



Title I Program: Schools qualify for the federally funded Title I program based on the percentage of students within the school who have free or reduced lunch status. In Olathe, the range for qualifying schools is from a high of 85.14% to 55.63% with 10 schools served. The qualifying schools are Central, Countryside, Fairview, Havencroft, Indian Creek, Northview, Ridgeview, Rolling Ridge, Washington and Westview.

Once a school is identified as a Title I site, any student in that building meeting the academic need criteria can be instructed. The free/reduced lunch status is not necessary for students within a Title I building to receive individual service. Staff supported by Title I funds assess student needs and provide strategic and focused reading and/or math instruction.

These staff members also work with the classroom teachers to coordinate reading and math instruction. The Title I program must supplement, not supplant service to students. Approximately 1,643 students receive Title I benefits, as of May 2023.

Benefits of the Program:

- A strong focus on meeting individual student needs.
- Extra opportunity for students to connect with another adult to receive instruction.
- An emphasis on parent involvement, which is a heavy focus of the program.
- Addition of highly-trained reading and/or math professionals in each building. These staff members are very involved in the school improvement process and help facilitate reading and/or math instruction in the buildings.
- Strong accountability program based on student results.

Expenditures:

- We will receive a total of \$2,649,981 for 2023-24, from Title I formula funds to support our programs in the 10 elementary schools.

X. District Annual Operating Budget Policies

A planned, systematically prepared budget for operating, debt payment and capital is essential in the management of the District. The Board delegates to the Superintendent the authority to develop a budget for the Board's consideration.

The District budget shall be prepared by the Superintendent in cooperation with

selected District employees and shall reflect the District's educational goals. The Board encourages detailed cost analysis studies of all programs funded by the District's budget. The District shall fund the operating budget according to approved fiscal and budgetary procedures required by the State of Kansas.

- The Board will establish priorities for the District on a short-term, immediate and long-range basis.
- The Board shall conduct budget hearings according to state law. (K.S.A. 79-2927; 79-2929; 79-2933)
- The Superintendent will be responsible for developing the budget cover letter. It is recommended that the letter include a restatement of the goals and objectives of the District and a list of budget priorities. A detailed breakdown of line item expenditures explained in terms of how the budget meets the goals and objectives of the District and enhances completion of priority programs.
- All recommendations of the Superintendent and staff will be presented to the Board no later than the regular Board meeting in September.
- All budget reports, cover letters and copies of the draft budget will be made available to interested patrons after being made available to the Board.
- Deadlines and time schedules are established by the administrative staff and approved by the Board.
- An encumbrance shall be made when a purchase is made or when an approved purchase order is processed. All encumbrances shall be charged to a specific fund.
- Recommendations of the Superintendent and professional staff concerning the District's educational program and related budget figures will be presented to the Board prior to submission of the tentative draft budget.
- A preliminary draft of the District's budget will be submitted by the Superintendent to the Board in July of each year. A cover letter together with supporting schedules explaining the rationale and contents of the budget's line items and projected special fund expenditures will accompany the draft budget.

XI. Budget Development Process

The budget process can be disaggregated conceptually into a five-step process that includes: planning, preparation, adoption, implementation and evaluation. The process is driven by two objectives. The first is to provide every child in the District with the best possible educational opportunities. The second is to maximize the use of available resources. Within this framework, the Board attempts to balance the educational needs of students and the resources available to the District from local, state and federal sources. The product, the District's annual budget detailing the revenues and expenditures to support educational programs and services, is a delicate balance of policy choices.

Budget Planning

The planning process for next year budgets begins following the adoption of the current year budgets. The first step is the review of the budget calendar and goals. The calendar includes all of the important activities in the budgeting process including the projected dates on which important decisions are scheduled to be made. Once adopted, the calendar represents the guideline for the preparation and adoption of the financial plan of the District.

Budget Preparations

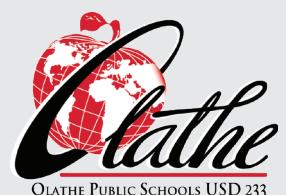
The preparation of the budgets is a two-fold process of analyzing projected revenues and anticipated expenditures. Both processes occur simultaneously during the planning stages. Analyzing projected revenues includes combining projected enrollment trends, current education finance formulas and new statute variations under discussion in the Legislature. This process usually entails setting up numerous scenarios as the

Legislature moves towards approval of their final education finance package.

Anticipating expenditures begins with the process of collecting information on current and proposed programs throughout the District from cost center managers. In reviewing current programs, attention is given to the merits of continuing the program in the manner it has traditionally existed. Since salaries and benefits constitute approximately 88% of all operating expenditures, special emphasis is given to employee assignments and re-assignments to provide necessary services. When program requests have been received and entered, the process of working with cost center managers to balance needs with the District mission and revenue considerations begins. Once a balance has been reached, preliminary budgets may be created.

Budget Adoption, Implementation and Evaluation

The preliminary budgets of the district for the next year are presented at a Board meeting in July. At the August and/or September meeting, the Board considers the budgets and provides opportunity for public input and comment on the financial plan to fund the District's educational programs and services. Final adoption of the budgets occurs in August or September. The implementation of the approved financial plan is discussed in the Organizational Section of the budget, in Section IX, Budget Administration and Management. The final step in the budget process is the evaluation of the financial plan. The results of the operations for the fiscal year are set forth annually in the District's annual budget.



XII. Budget Adoption, Implementation and Evaluation

The Strategic Directives of the Olathe Public Schools include the following financial directive:

Be Responsible and Accountable for Available Resources

The Olathe Public Schools will implement effective and efficient financial and operational procedures to enhance the education program.

To assist in achieving our strategic initiatives, staff has developed the following budget goals to guide their decision making in the development of the 2023-24 budget:

1. Identify strategies to **reduce our dependence on Ancillary Facility Weighting (BOTA)** levy dollars, scheduled to decline by approximately \$4.2 million in 2023-24.
2. Continue a **commitment to prudent financial planning**, balancing the learning and safety needs of all students, maintaining programs and facilities, while remaining sensitive to levy.
3. Ensure the budget process includes **both short and long term solutions.**

4. Protect **basic educational service levels** by containing the costs of programs mandated but underfunded by the State and Federal government.
5. Recommend a **balanced operating budget** while **protecting direct funding that supports learning.**
6. Identify and research all potential, **new revenue sources**, while remaining sensitive to levy.
7. Identify and prioritize opportunities **to improve operational efficiency**, while remaining a legally compliant organization.



XII. Budget Adoption, Implementation and Evaluation

8. Remain committed to our strategic plan; however, identify **expenditure reductions** through a thorough and reasoned review of the budget, reducing funding to strategies, programs and functions which have not produced desired results **while investing in new opportunities for students.**

9. Strive to provide **competitive compensation.**

While the above goals will be staff's focus for the 2023-24 budget, some goals are ongoing and will require multiple years to achieve.



Other Sustaining Local Revenue Sources

In addition to traditional revenue sources from local, state and federal government sources, Olathe Public Schools obtains local revenue from other sources that either offset the cost of the programs being supported, or generate additional funds to support general education programs. These local sources include:

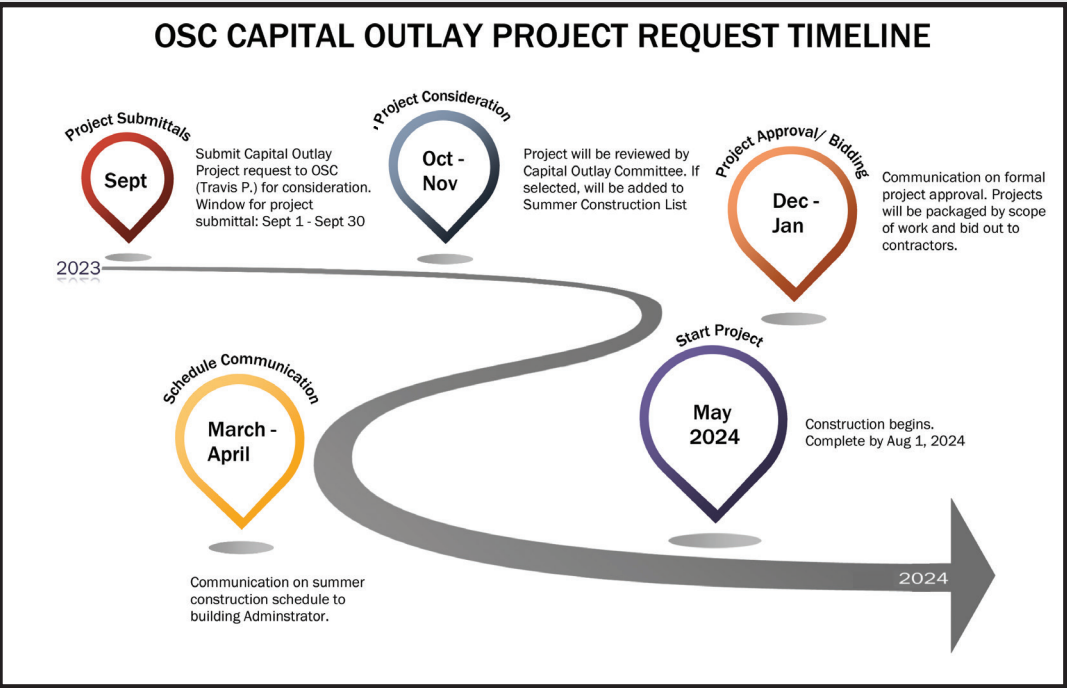
Source	Revenues in 2022-23
Facility Rental	\$1,014,787
Cell Tower Lease	\$11,880
Pre-School Peer Model	\$198,334
Purchasing Card Rebates	\$59,759
AP Institute and Summer Conference Registration Fees	\$108,250
ePayables Reimbursements	\$137,046

XIII. Capital Expenditure Process and Goals

Process

During the fall of each year Capital Improvement Plan (CIP) walk-thrus of each facility are conducted. The requests are gathered, cost projected, categorized and prioritized. During the summer Budget Development process the Board is provided with summarized lists of categorized Capital Outlay requests. After the approval process, completion of approved projects

is dependent on actual implementation costs, time and availability of funds. It is important to realize additional projects and emergency issues may arise throughout the school year and necessitate re-prioritization. By the nature of the expenditures from this fund, very few projects have on-going operational costs associated with them.



XIII. Capital Expenditure Process and Goals

Goals

Capital Improvements

1. Provide for adequate space in an instructionally appropriate environment for all students in all schools across the District
 - Re-purpose space related to unique curricular programming for Special Education, Bilingual Education, after school programs, etc.
 - Remodel wet areas when necessary
2. Provide a safe and aesthetically pleasing environment for all students and staff with appropriate attention to federal mandates
 - Maintain bathrooms, auditoriums, gymnasiums and other general use commons areas
 - Maintain carpet, tile, wall painting and other interior coverings
3. Provide safe, multipurpose and aesthetically pleasing outdoor facilities for extra-curricular activities
 - Add and maintain green space, athletic fields, tracks, etc.

Maintenance

1. Provide for normal upkeep and promote preventative maintenance on all District facilities
 - Maintain roofs, parking lots and sidewalks of all District facilities
 - Maintain tennis courts, tracks and grounds at all District facilities. Provide appropriate vehicles to meet service requirements
2. Maintain/upgrade/rotate vehicles for maintenance crews, food service deliveries, grounds and general travel use

Regulatory Mandates

1. Provide a safe and aesthetically pleasing environment for all students and staff with appropriate attention to federal mandates
 - Remodel/repair to meet ADA, in-door air and asbestos requirements

Equipment and Furnishings

1. Provide appropriate classroom equipment to assist in meeting curricular objectives
 - Provide for adequate monitors, projectors, science lab equipment, appliances, musical instruments, etc.

Technology

1. Provide updated electronics and computer technology to maintain District databases, District WAN and remote LAN's to accommodate growth and demand
 - Provide appropriate technology — computers, scanners, printers, CAD systems
2. Provide updated appropriate communications mediums
 - Maintain telephone key systems, voice mail systems, facsimile operations, etc.

Safety Services

- Maintain emergency preparedness and building level radios

Acquisition of Land and Facilities

1. Provide a safe, aesthetically pleasing and program-appropriate environment for all students and staff
 - Purchase land and facilities for future District schools and operations



XIV. Budget Development Process and Goals

Cash Balance/Reserve Goals

Cash Balance/Reserves in District funds exist and are required/necessary to meet the following Objectives:

Objective 1:

To provide adequate cash flow for the operations of the District with respect to the highs and lows of the revenue received and timing of expenditures.

Objective 2:

For contingencies related to:

- a. Unforeseen expenditures (e.g. extraordinary energy cost increases, enrollment growth, inflation, etc.)
- b. Unanticipated shortfalls in funding from statutory sources (e.g. past reductions in BASE Aid, loss of Economic Development Grant, LOB renewal, etc.)

To analyze the impact of cash balance/reserves, all funds are separated into four groups: *Operating/Dependent, Restricted/Independent, Capital Outlay and Contingency Reserve*.

Operating/Dependent Funds

These funds represent the *Operating* funds: *General, Supplemental General* and all State identified *Special Revenue* funds that receive the majority of their revenue through *Operating* fund transfers. While the *Special Revenue* funds in this group do have some fund specific revenue, it accounts for a small percentage of the total fund revenue. *Goal: to meet Objective 1, the year-end aggregate cash balance/reserves in these funds should be 60 days or 2 months of operating Dependent fund expenditures for the year.*

Restricted/Independent Funds

These funds represent all the other funds accounted for on the Treasurer's Report and associated with the State Budgeting process. While some of these funds may receive transfers from the *Operating* funds, they historically have received a small percentage of revenue in this manner and receive almost 100% of the necessary funding through user fees, separate levy authority and/or from other state/federal agencies. Most significant, the cash balance/reserves in these funds are not available for cash flow support of the *Operating/Dependent* funds or other uses in support of the overall operations of the District - unless the purpose is directly related to the specific fund; thus, *Restricted* funds.

Capital Outlay Fund

While this fund has similarities with each of the other two categories, it should be treated with its own analysis. While it can receive transfers from the *Operating* funds, its main source of revenue is from the local Capital Outlay Levy. The Board has full authority over setting this levy. Based on the total level of control the Board has for this fund's revenue and expenditures, the amount of cash balance/reserves necessary for unanticipated capital expenditures is solely a function of the level of risk the Board chooses to take on. *Goal: to meet Objective 2, maintain year-end cash balance/reserves in the Capital Outlay fund at a level equivalent to 6% of the general fixed assets of the District.*

XIV. Budget Development Process and Goals

Contingency Reserve Fund

By State statute, this fund may be used for any operating expenditures not initially budgeted for by the Board when the budgets were approved.

Goal: to meet Objective 2, maintain year-end cash balance/reserves in the Contingency Reserve fund up to the maximum level allowed by the state. That level is currently set at 10%.

Budget Calendar

January - February, 2023

1. Review Budget Development Goals and Process

January - March, 2023

2. Preliminary Budget Development Tasks
 - ☐ Analyze Current and Prior Year Expenditures
 - ☐ Identify Considerations from Board
 - ☐ Identify Department and Program Objectives
 - ☐ Identify Potential Expenditure Reductions
 - ☐ Identify Potential New Revenue Sources

April, 2023

3. Legislative Considerations and Overview Budget Development

June 23, 2023

4. Approve Year-End Transfers

July - August, 2023

5. Budget Reviews by Board of Education
 - ☐ New State Financial Legislation Implications
 - ☐ Bond and Interest Fund Status
 - ☐ Capital Outlay Fund Status
 - ☐ Discussion of all Mill Levy Funds
 - ☐ Review Status of All Fund Reserves

June, 2023, 2023

6. Attend State Budget Workshop
7. Meet with Board Finance Committee

July 17, 2023

8. Adopt Resolution to Exceed the Revenue Neutral Tax Rate

August 3, 2023

9. Preliminary Budget to Board of Education
10. Approve Budgets for Publication, Set Dates for Public Hearing on Budgets and Exceeding the Revenue Neutral Rate

August 20, 2023

11. Publication of Notice of Hearing for Public Hearing on Budget and Notice of Hearing to Consider Exceeding the Revenue Neutral Rate

September 7, 2023

12. Public Hearings and Budget Adoption
13. Adopt Budgets

By September 20, 2023

14. Certification and Filing of Budgets with County Clerk and Kansas State Department of Education



XIV. Budget Development Process and Goals

Budget Considerations for 2023-24

In developing a new budget, there are significant issues and considerations that impact the final product. These issues are relevant towards helping the District attain stated goals and objectives. The following outlines those issues impacting this budget:

Area for Consideration

Trends/Assumptions

1. **Student Enrollment:** Our information predicts an enrollment decrease of 399 students for 2023-24. However, state funding is based on 2021-22 actual enrollment of 29,404.
2. **State Funding Levels:**
 - a. BASE Aid: will increase from \$4,846 to \$5,088 per pupil.
 - b. Correlation Factor: stays the same at 3.504%.
 - c. Bilingual Education: this weighting will be the higher of contact hours at 39.5% or head count at 18.5%. Olathe is currently using the latter option.
 - d. At-Risk: this weighting will remain at 48.4%.
 - e. High At-Risk: this weighting is determined based on the maximum calculation at district level compared to building level.
 - f. Special Education: the reimbursement is projected to decrease from \$31,915 per teacher FTE, to \$30,800.
 - g. Career and Technical Education: this weighting is based on contact hours at 50%.
 - h. Transportation: this weighting is based on a per capita allowance and the total State Foundation Aid attributable to the transportation weighting is limited to no more than 110% of a school district's total transportation expenditures for the immediately preceding school year.

- i. Bond & Interest State Aid: aid will decline to 16% for bond authority granted prior to July 1, 2015 and will remain at 0.0% for bond authority granted after July 1, 2015.
- j. Supplemental General State Aid: aid will decrease from the 2021-22 level of 35.90% to 34.23% for 2022-23.

3. Fixed Costs Adjustments

- a. Utilities: Electricity is the largest utility expense for Olathe Public Schools, accounting for approximately 75% of the utility budget. The District's 67 accounts are all served by Evergy. Through energy efficient upgrades and staff efforts to conserve electricity, the district's annual electrical usage has been trending downward. A measure of energy efficiency is kilowatt hours per square foot (kWh/sq. ft.). Last year's measure of 7.29 kWh/sq. ft. was a 2.3% decrease over 2021-22 school year. Even with this reduced usage, the trend for the electrical budget is increasing budgets due to rising electrical rates and surcharges. For Fiscal Year 2024 the budget will increase as Evergy has applied to the Kansas Corporate Commission for a rate increase.

The district belongs to an energy consortium that purchases natural gas on the open market, from Wood River Energy, then pays the local gas company, Atmos Energy, to transport the gas. Natural gas bills accounted for 12.3% of the utility budget in Fiscal Year 2023. For Fiscal Year 2024 natural gas prices are forecast to return to more normal levels. The natural gas budget is a reduction of 12 percent from actual 2023 spending. Even with this decrease the consortium has already purchased natural gas hedges for the coming winter.

XIV. Budget Development Process and Goals

Water and sanitary sewer make up the remaining 12% of utility costs. Olathe Public Schools receives water from two water companies, City of Olathe and WaterOne. For next year, it is anticipated that Olathe will raise rates by 5.0%. No changes are anticipated for Water One. Even with the price increase, the amount budgeted is down 8.4% from the previous year as the stormwater charges are removed from the bill.

- b. **Insurance:** For 2023-24, the District renewed the Property and the Crime Insurance policies with Travelers Insurance and renewed the Casualty (Liability) Insurance with Genesis Insurance. The District maintains a \$100,000 Property Insurance deductible with a separate wind/hail deductible of 2% of the building value. Casualty Insurance retention remains the same at \$500,000 with a policy limit of \$5,000,000. Claim expenses (primarily legal) are still included within the retention and coverage limits. This will enhance the District's ability to better facilitate financial control and management of claims and accurately reflect a positive method of financial risk to the District.
- c. **Health Insurance Premium Rates:** As of January 2023, premiums increased 1.0%, all of which were absorbed by the District. Rates paid by employees did not change. Rates are anticipated to increase 2.0% as of January 2024.
- d. **Transportation:** For the 2023-24 school year there will be a 2.25% increase in route costs per the terms of the new transportation contract between Olathe Public Schools and DS Bus Lines.

The district also contracts with Assisted Transportation for the transportation of special education and general education students, medically fragile students and students receiving McKinney-Vento and Foster care services. For the 2023-24 school year there will be a 3.0% increase in route costs per the terms of the transportation contract.

4. Personnel Resources

In the Olathe District, 88.0% of our operating expenditures are designated for personnel costs. The comparative chart shows the staffing patterns across the District from 2022-23 to the current 2023-24 school year. As a result of District-wide budget realignment initiatives, staffing levels have remained relatively flat, with an increase of approximately 5.04 staff FTE from 2022-23 to 2023-24.

District Personnel Staffing Levels

	2022-23	2023-24*
Superintendent	1.00	1.00
Deputy/Assistant Superintendents	7.00	7.00
Principals	53.00	53.00
Asst Principals	43.00	44.00
Directors/Supervisors Special Ed	10.00	9.00
Directors/Supervisors of Health	1.00	1.00
Directors/Supervisors Career/Tech Ed	1.00	2.00
Instructional Coordinators/Supervisors	25.00	24.80
All Other Directors/Supervisors	6.00	9.00
Curriculum Specialists	51.50	45.55
Practical Arts/Career/Tech Ed Teachers	7.00	12.00
Special Ed Teachers	349.20	351.50
Pre-Kindergarten Teachers	5.00	9.00
Kindergarten Teachers	107.00	108.00
All Other Teachers	1,663.60	1,598.90
Library Media Specialists	50.00	51.00
School Counselors	86.00	86.00
School Psychologists	35.80	34.80
Nurses	64.20	62.00
Speech Pathologists	69.60	75.80
Audiologists	2.00	2.00
School Social Workers	31.40	25.40
Reading Specialists/Teachers**	19.00	93.50
Other (Alt. Ed, Homebound, e-Academy Teachers)	0.00	0.00
Total Certified	2,688.30	2,706.25
Non-Licensed Support Staff	1,355.66	1,355.00
Maintenance/Custodial	262.00	249.75
Total Classified	1,617.66	1,604.75
Total Staff	4,305.96	4,311.00

*Projected.

**Reading Specialists were previously misclassified and counted with "All Other Teachers".



