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*INTEREST RATE ON INVESTMENT
 Effective 6/07/21 through 6/13/21*

Date: June 7, 2021
To: Chief School Administrators
From: Craig Neuenswander,
 Deputy Commissioner
 Veryl D. Peter, Interim
 Director of School Finance

| TERM | CURRENT | PREVIOUS |
|--------------|---------|----------|
| 1 to 89 Days | 0.06% | 0.06% |
| 3 Months | 0.01% | 0.01% |
| 6 Months | 0.01% | 0.01% |
| 1 Year | 0.06% | 0.04% |
| 18 Months | 0.10% | 0.09% |
| 2 Years | 0.14% | 0.13% |

Remaining FY2021 Payments

- June 10..... Selected Federal Payments*
- June 15..... State Foundation Aid (prorated), Mentor Teacher, Juvenile Detention, After School Enhancement, After School Activity (Middle School)
- June 18..... Professional Development, Food Service state match re-apportionment
- June 22 Kansas Parents as Teachers
- June 24 State Foundation Aid, Supp. General (LOB) – prorated
- July 7..... **FY21 Remaining entitlement:** State Found. Aid, Supp. General (LOB)

State Aid payments Rose Ireland (785) 296-4973 rireland@ksde.org
 Federal Aid (Form 240) Nicole Norwood (785) 296-2020 nnorwood@ksde.org
 Meal reimbursement Jennifer Barger (785) 296-4965 jbarger@ksde.org

State and federal payment amounts for each LEA are available on the School Finance homepage: [Payment Information](#).

Also, on the payment screen, open and review the **FY21 State Aid Printouts** (summary reports) for your district each month:

- State Foundation, Supplemental & Capital Improvement State Aid Printout
- Special Education State Aid Printout (payments, coop split)

Final Legal Max letters available by June 16

We anticipate final legal max letters will be available online *by Wednesday, June 16*, at the following link: <http://www.ksde.org/Agency/Fiscal-and-Administrative-Services/School-Finance/Legal-Max-General-Fund-School-Finance-Studies>.

The final legal max letter reflects the district’s final legal maximum general fund budget, audited enrollment, actual special education state aid, and actual virtual credits as submitted on Local Effort. *Carefully review your legal max amount.* Final special education state aid affects general fund budget, and may affect the supplemental general fund budget if higher than 2008-09 special education state aid.

To view the legal max **spreadsheet** online, open the link above. Select **FY 2021 Legal Max (Final)**. When you open the spreadsheet, scroll to the far right to see the columns with general fund and LOB information starting in Column 36. If the adopted budget (Column 37) is less than the computed budget (Column 36), your district will need to republish the general fund. The supplemental general fund budget cannot be republished.

Did you republish your general fund, but not submit the backup material to KSDE?

Several districts have sent the "Amend" page (Notice of Hearing) notifying us you are in the process of republishing the **general fund or other funds**. After your board hearing, convert all republication documents into a single pdf file and attach to an email to kalbright@ksde.org.

[Instructions to Republish](#) Download complete instructions for submitting amended budget documents to the state and county.

If you have questions on the legal max letters, feel free to contact School Finance:

- o Rose Ireland (785) 296-4973 - rireland@ksde.org
- o Sara Barnes (785) 296-4972 - sbarnes@ksde.org
- o Christie Wyckoff (785) 296-6321 - cwyckoff@ksde.org

Register now for USD Budget Workshops

UPDATE: The Topeka area workshop at Shawnee Heights on June 22 is now full and will no longer accept registrations.

Registration with the site is required to attend

Seating capacity is limited. To register at one of the other locations, open the workshop announcement for dates, locations, and contact information. Link

<http://www.ksde.org/Agency/Fiscal-and-Administrative-Services/School-Finance/Whats-New>

June 16 – Garden City
June 17 – Oakley
June 21 – Greenbush
June 22 – **Topeka** (registration **closed** - FULL)
June 24 – Valley Center
June 28 – Salina

USD budget workshops are presented by Veryl Peter and Craig Neuenswander for superintendents, board clerks, and business directors/managers. Please invite your CPA and county clerk. The 2021-22 budget document will be reviewed. We will also discuss education/finance bills passed by the 2021 legislature and spotlight how to track and spend ESSER funds.

Revenue Neutral Rate Information – SB13 & Senate Sub HB2104

New Publication Requirements for USDs.

The timelines for budget preparation will be different beginning in the 2021-22 school year due to SB 13 and Senate Sub for HB 2104. This bill has been signed by the Governor. It tightens the timeline for completing the funds with tax levies to July 20.

With normal increases in local assessed valuation, this new process and procedure will likely apply to all USDs.

| Revenue Neutral Rate – Summary of Timelines | | SB 13 and Senate Sub HB 2104 |
|--|---|------------------------------|
| Timeline | Action | |
| June 15 | County Clerk notifies district of Revenue Neutral Rate | |
| July 20 | District notifies County Clerk of tax rate for new year, if exceeding the Revenue Neutral Rate. This tax rate becomes the maximum for the district. | |
| Begins in 2022 | County Clerk notifies individual tax payers of new tax levy. | |
| Minimum of 10 days between publication and hearing | District publishes notice to exceed Revenue Neutral Rate Concurrent with Budget publication | |
| Aug 20 – Sept 20 | District holds hearing to exceed Revenue Neutral Rate Concurrent with Budget hearing | |
| September 20 on or before | District submits budget to Kansas State Department of Education | |
| On or before October 1 | District certifies levy to county clerk | |

Notes:

- USDs not exceeding the Revenue Neutral Rate would follow the old law dates for publication and hearing and submit their budget to the county clerk and KSDE by August 25.
- The board of education should approve exceeding the Revenue Neutral Tax Rate prior to submitting the taxes to be levied form to the county clerk on or before July 20, 2021.
- If a district does not notify the county clerk they are exceeding the Revenue Neutral Rate and the assessed valuation decreases from the previous year, the taxes levied would be less than the previous year.
- Based on the State Department of Administration, Office of Accounts and Reports, recreation commissions will be computed separately and will not be included in the school district's Revenue Neutral Rate.

Revenue Neutral Rates (excerpts from SB 13 and Senate Sub for HB 2104)

1. County Clerk will provide to taxing subdivisions on or before June 15 of each year their revenue neutral rate and include said rate on the notice of the estimated assessed valuation provided to each taxing subdivision for budget purposes.
2. No tax rate in excess of the revenue neutral rate shall be levied by the governing body of any taxing subdivision unless a resolution or ordinance has been approved by the governing body according to the following procedures:

3. At least 10 days in advance of the public hearing, the governing body shall publish notice of its proposed intent to exceed the revenue neutral rate by publishing notice:
 - (A) On the website of the governing body, if the governing body maintains a website; and
 - (B) in a weekly or daily newspaper of the county having a general circulation therein. The notice shall include, but not be limited to, its proposed tax rate, its revenue neutral rate and the date, time and location of the public hearing.
4. On or before July 20, the governing body shall notify the county clerk of its proposed intent to exceed the revenue neutral rate and provide the date, time and location of the public hearing and its proposed tax rate.
5. The public hearing to consider exceeding the revenue neutral rate shall be held not sooner than August 20 and not later than September 20. The governing body shall provide interested taxpayers desiring to be heard an opportunity to present oral testimony within reasonable time limits and without unreasonable restriction on the number of individuals allowed to make public comment. The public hearing may be conducted in conjunction with the proposed budget hearing pursuant to K.S.A. 79-2929, and amendments thereto, if the governing body otherwise complies with all requirements of this section. Nothing in this section shall be construed to prohibit additional public hearings that provide additional opportunities to present testimony or public comment prior to the public hearing required by this section.
6. A majority vote of the governing body, by the adoption of a resolution or ordinance to approve exceeding the revenue neutral rate, shall be required prior to adoption of a proposed budget that will result in a tax rate in excess of the revenue neutral rate. Such vote of the governing body shall be conducted at the public hearing after the governing body has heard from interested taxpayers. If the governing body approves exceeding the revenue neutral rate, the governing body shall not adopt a budget that results in a tax rate in excess of its proposed tax rate as stated in the notice provided pursuant to this section.
7. Any governing body subject to the provisions of this section that does not comply with subsection (b) shall refund to taxpayers any property taxes over-collected based on the amount of the levy that was in excess of the revenue neutral rate. The provisions of this subsection shall not be construed as prohibiting any other remedies available under the law.
8. If the governing body of a taxing subdivision must conduct a public hearing to approve exceeding the revenue neutral rate under this section, the governing body of the taxing subdivision shall certify, on or before October 1, to the proper county clerk the amount of ad valorem tax to be levied.
9. After the first two years, in the event that a county clerk incurred costs of printing and postage that were not reimbursed pursuant to section 7, and amendments thereto, such county clerk may seek reimbursement from all taxing subdivisions required to send the notice. Such costs shall be shared proportionately by all taxing subdivisions that were included on the same notice based on the total property tax levied by each taxing subdivision. Payment of such costs shall be due to the county clerk by December 31.

Report Due Dates

- May 14-June 11. Emergency Safety Intervention (ESI) (in KIAS) Incidents occurring on or between 12/1/20 and 5/31/21 [Shanna Bigler](#) (785) 296-4941
- June 1 – 21Request July Federal Funds (Form 240) if funds available (open June 1 - 21) [Nicole Norwood](#) (785) 296 -2020
- June 4 – 8Local Effort Form (window open June 4-8) [Rose Ireland](#) (785) 296-4973
- June 11.....Unencumbered Cash Balances on June 1 (all USDs - open May 28-June 11) [Rose Ireland](#) (785) 296-4973
- June 11.....Emergency Safety Intervention (ESI) Incidents on or between 12/1 and 5/31 (Open May 15-June 11) [Melissa Valenza](#) (785) 296-6035
- June 14 – 18...Bond & Interest Form (to determine State Aid) (all USDs - open June 14 -18) [Rose Ireland](#) (785) 296-4973
- June 14 – 18...Request for State Foundation Aid for July (all USDs - open June 14-18) [Rose Ireland](#) (785) 296-4973
- June 25.....KIDS Collection **TEST** - Assessment Testing all USDs - (open Sep 8, 2020-June 25, 2021) KSDE Helpdesk (785) 296-7935
- June 25.....KIDS Collection **EOYA** - End of Year Accountability (open May 10-June 25) KSDE Helpdesk (785) 296-7935
- June 30.....Discipline Data Collection (in KIAS) (submit final data by June 30) [Rachel Beech](#) (785) 296-8965
- June 30.....State Deaf-Blind Funds (KSA 72-3481) Application for 2021-2022 funds (submit by June 30) [Joan Houghton](#) (785) 296-2515

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