

Vision for Growth Committee Meeting #3



Spring Hill USD 230

April 6th, 2016

Agenda

- Welcome
- Review of previous meeting
- Discuss homework assignment
- Piper Jaffray – Finance Update (Greg Vahrenberg)
- Discuss ideas for change (Small Groups)
 - Review Guiding Principles in each group
- Report out to Large Group
- Dot polling
- Turning Point Q&A
- Housekeeping
 - Homework
 - Schedule
 - What's Next?



5 Simple Rules

- Have fun!
- Keep meetings to 1-½ hours (ideally 1 hour).
- Be objective and open-minded.
- Listen, share and contribute.
- Remember, ... it is all about the kids!



Previous Meeting Highlights

- Listened to RSP presentation on demographics
- Established Guiding Principles
- Reviewed original Master Plan
- Homework assignment

Homework Report

- Ask your neighbor/co-worker how they feel about the districts enrollment growth. Are they aware of the challenges it presents?

Piper Jaffray
Report
with Greg Vahrenberg

- Preliminary Financial Information
- Presented to the:
 - UNIFIED SCHOOL DISTRICT No. 230
 - JOHNSON/MIAMI COUNTY, KANSAS
 - (SPRING HILL)



- **Greg Vahrenberg**
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- **General Provisions for the Issuance of Bonds by School Districts**

General Obligation Bonds May be Issued to:

1. Purchase or improve any site or sites necessary for school district purposes including housing and boarding pupils enrolled in an area vocational school
2. Acquire, construct, equip, furnish, repair, remodel or make additions to buildings including housing and boarding pupils enrolled in an area vocational school operated under the board of education of a school district
3. Purchase school buses.

General Limitation on Bond Indebtedness:

Generally, the aggregate amount of bonds outstanding at any time (exclusive of bonds specifically exempted from statutory limitations) cannot exceed 14% of the assessed valuation of taxable tangible property within the school district. However, the State Board of Education may issue an order authorizing a school district to vote and issue bonds in an amount exceeding the general limitation fixed under K.S.A. 75-2315 et seq.

• Kansas School Bond Elections

General Election Dates:

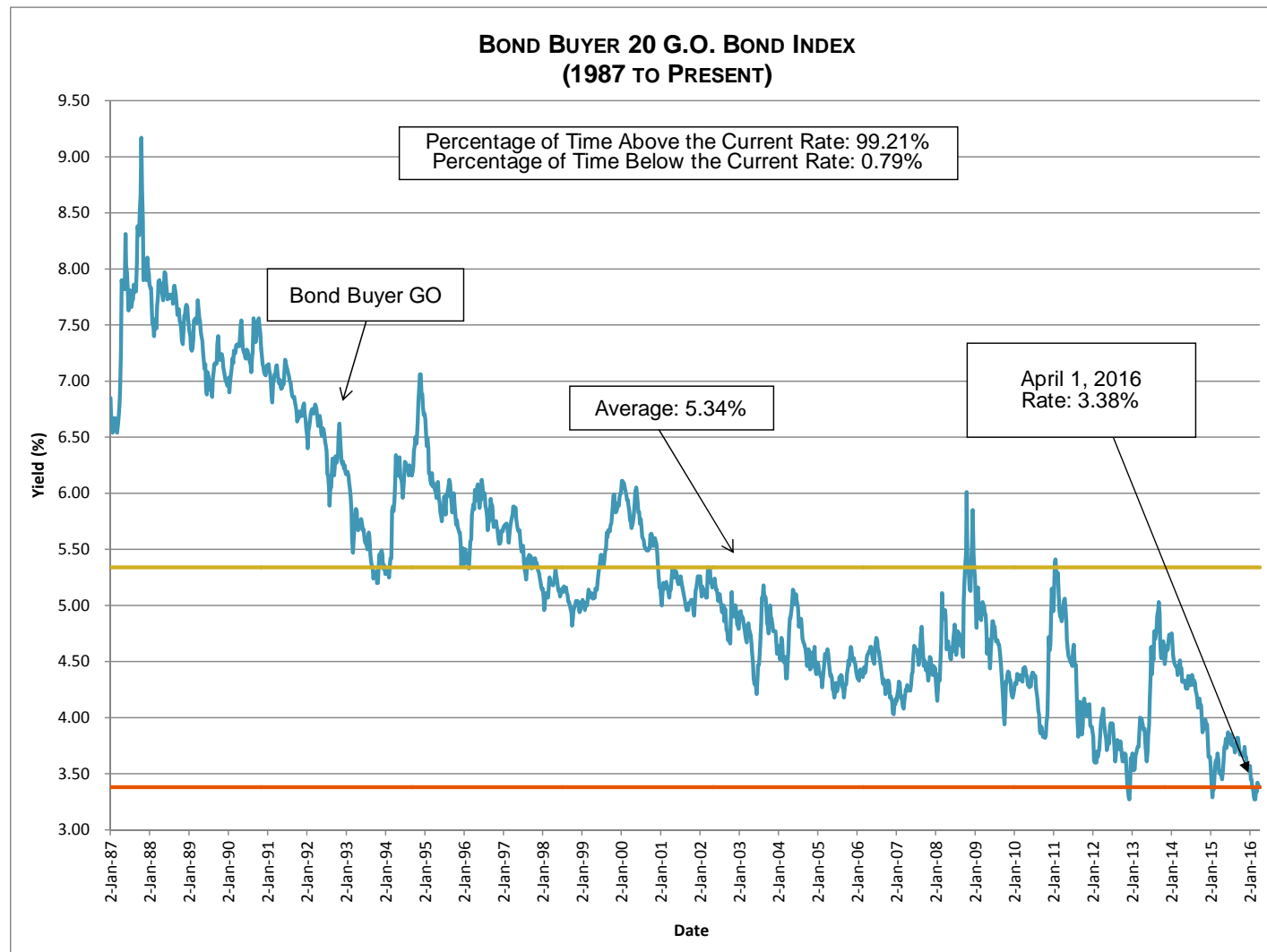
School Districts in Kansas may conduct a bond issue election on any General Election Date. A General Election consists of the following:

1. The first Tuesday in April during odd numbered years which is for school board member elections.
2. Any Special Election used to fill a school board member vacancy.
3. The November Election in even numbered years.

Special Election Dates:

No school district may call more than one special election during any year. A Special Election may be called for any date except that it cannot occur within 60 days before or after a General Election or board member election date.

• Interest Rate



• State Aid for Bond Issues

- Capital Improvement Fund established in State Treasury to assist school districts on making principal and interest payments on bonds.
- School Districts receive State Aid for Bonds based upon their Assessed Valuation Per Pupil (AVPP).
- Bond Election Approved Prior to July 1, 2015.
 - State annually calculates AVPP for each School District and median AVPP.
 - Median AVPP results in 25% State Aid.
 - School Districts are assigned a State Aid Percentage Factor.
- Bond Election Approved After July 1, 2015 (Block Grant)
 - State annually calculates AVPP for each School District.
 - Highest AVPP District is assigned a State Aid Percentage Factor of 75%.
 - For Every 1,000 AVPP lower than the highest AVPP the State Aid Percentage Factor decreases 1%.

• Assessed Valuation & State Aid

Year	Assessed Valuation (\$)	Percentage Change	Bonds Authorized Prior 7-1-2015	Bonds Authorized After 7-1-2015 (Block Grant)
			State Aid Percentage	State Aid Percentage
2015	161,666,340	11.20%	48%	30%
2014	145,382,388	9.51%	45%	
2013	132,756,418	5.74%	44%	
2012	125,553,222	1.97%	41%	
2011	123,125,551	0.86%	45%	
2010	122,070,834	-4.43%	38%	
2009	127,733,446	-0.84%	26%	
2008	128,811,934	10.48%	16%	
2007	116,589,963	5.44%	14%	
2006	110,573,069	15.10%	17%	
2005	96,067,206	14.02%	21%	
2004	84,255,247	11.45%	21%	

Assessed Valuation Annual Average Growth Rate

Last 10 Years =	5.50%
Last 5 Years =	5.86%
Last 3 Years =	8.82%

- ## Mill Levy History

Year	General	Local Option Budget	Capital Outlay	Bond & Interest	Other	District Levy
2003/04	20.000	13.672	4.000	12.511	3.856	54.039
2004/05	20.000	13.680	4.000	26.980	3.851	68.511
2005/06	20.000	15.240	4.000	26.700	2.020	67.960
2006/07	20.000	18.160	0.000	26.400	3.370	67.930
2007/08	20.000	19.820	0.000	27.630	2.450	69.900
2008/09	20.000	23.450	0.000	23.040	0.260	66.750
2009/10	20.000	20.520	0.000	23.000	3.020	66.540
2010/11	20.000	18.390	0.000	21.020	0.880	65.440
2011/12	20.000	18.898	0.000	21.027	5.467	65.392
2012/13	20.000	17.214	0.000	21.049	7.120	65.383
2013/14	20.000	17.910	0.000	21.027	6.305	65.242
2014/15	20.000	8.591	0.000	20.522	15.104	64.217
2015/16	20.000	13.605	0.000	16.541	13.990	64.136

• Tax Payer Analysis

Unified School District No. 230

Johnson & Miami Counties (Spring Hill)

Home Owner Property Tax Increase

	\$25 Million New Money	\$50 Million New Money	\$75 Million New Money	\$100 Million New Money
Existing Bond & Interest Mill Levy	16.531	16.531	16.531	16.531
Mill Levy Increase	-	1.500	3.000	4.500
Total Mill Levy	16.531	18.031	19.531	21.031

Cost to Homeowner of Projected Mill Levy Increase

Annual Property Tax

\$50,000 Home	-	8.63	17.25	25.88
\$75,000 Home	-	12.94	25.88	38.81
\$100,000 Home	-	17.25	34.50	51.75
\$150,000 Home	-	25.88	51.75	77.63
\$200,000 Home	-	34.50	69.00	103.50

Monthly Property Tax

\$50,000 Home	-	0.72	1.44	2.16
\$75,000 Home	-	1.08	2.16	3.23
\$100,000 Home	-	1.44	2.88	4.31
\$150,000 Home	-	2.16	4.31	6.47
\$200,000 Home	-	2.88	5.75	8.63

Daily Property Tax

\$50,000 Home	-	0.02	0.05	0.07
\$75,000 Home	-	0.04	0.07	0.11
\$100,000 Home	-	0.05	0.09	0.14
\$150,000 Home	-	0.07	0.14	0.21
\$200,000 Home	-	0.09	0.19	0.28

Median Home Value (Johnson County)

\$210,900

Median Home Value (Miami County)

\$162,500

• Tax Payer Analysis

Unified School District No. 230

Johnson & Miami Counties (Spring Hill)

Commercial Property Tax Increase

	\$25 Million New Money	\$50 Million New Money	\$75 Million New Money	\$100 Million New Money
Existing Bond & Interest Mill Levy	16.531	16.531	16.531	16.531
Mill Levy Increase	-	1.500	3.000	4.500
Total Mill Levy	16.531	18.031	19.531	21.031

Cost to Commercial Businesses of Projected Mill Levy Increase

Annual Property Tax

\$50,000 Property	-	18.75	37.50	56.25
\$75,000 Property	-	28.13	56.25	84.38
\$100,000 Property	-	37.50	75.00	112.50
\$150,000 Property	-	56.25	112.50	168.75
\$200,000 Property	-	75.00	150.00	225.00

Monthly Property Tax

\$50,000 Property	-	1.56	3.13	4.69
\$75,000 Property	-	2.34	4.69	7.03
\$100,000 Property	-	3.13	6.25	9.38
\$150,000 Property	-	4.69	9.38	14.06
\$200,000 Property	-	6.25	12.50	18.75

Daily Property Tax

\$50,000 Property	-	0.05	0.10	0.15
\$75,000 Property	-	0.08	0.15	0.23
\$100,000 Property	-	0.10	0.21	0.31
\$150,000 Property	-	0.15	0.31	0.46
\$200,000 Property	-	0.21	0.41	0.62

• Tax Payer Analysis

Unified School District No. 230

Johnson & Miami Counties (Spring Hill)

Agricultural Property Tax Increase

	\$25 Million New Money	\$50 Million New Money	\$75 Million New Money	\$100 Million New Money
Existing Bond & Interest Mill Levy	16.531	16.531	16.531	16.531
Mill Levy Increase	-	1.500	3.000	4.500
Total Mill Levy	16.531	18.031	19.531	21.031

Cost to Agricultural Property Owners of Projected Mill Levy Increase

Annual Property Tax

Dry Crop Land (Median Use Value = \$266.50/acre) 160 Acres	-	19.19	38.38	57.56
Grass Land (Median Use Value = \$62/acre) 160 Acres	-	4.46	8.93	13.39

Annual Cost per Acre

Dry Crop Land	-	0.12	0.24	0.36
Grass Land	-	0.03	0.06	0.08

Monthly Property Tax

Dry Crop Land 160 Acres	-	1.60	3.20	4.80
Grass Land 160 Acres	-	0.37	0.74	1.12

Estimated Median Use Value of 160 Acres Dry Crop Land is \$42,640

Estimated Median Use Value of 160 Acres Grass Land is \$9,920

- **Mill Levy Increase for Bond Election**

2003 Bond Election	Possible Bond Election	
\$48,600,000 General Obligation Bonds	\$50,000,000 General Obligation Bonds	\$75,000,000 General Obligation Bonds
14.5 Mill Increase	1.50 Mill Increase	3.00 Mill Increase
\$27.79 Per Month for \$200,000 Home	\$2.88 Per Month for \$200,000 Home	\$5.75 Per Month for \$200,000 Home

Small Group Discussion



Based on information you have gained so far:

- What are the needs of the district?
- What would your plan include?
- What is the scope of work you would like to see completed if a Bond Election was to move forward?
- What options have not been discussed?

- **ELEMENTARY SCHOOL LEVEL.** Per the Demographic Report, the District will exceed design capacity at the elementary school level by 156 students in 2018 (by 597 students in 2020).
- Discuss as a group your approach to needs (ideas below)
 - A. Add mobile classrooms and/or increase teacher : student ratio at all existing elementary schools
 - B. Add 27 grade level classrooms (9 each at 3 existing elementary schools) to address 2020 projected enrollment
 - C. Construct new 528-student ES
 - D. Construct two new 528-student ES
 - E. ?
 - F. ?
 - G. ?

- **MIDDLE SCHOOL LEVEL.** Per the Demographic Report, the District will exceed design capacity at the middle school level (SHMS North & South) by 25 students in 2020.
- Discuss as a group your approach to needs (ideas below)
 - A. Add mobile classrooms and/or increase teacher/student ratio at existing middle school
 - B. Construct Ph. 1 of new 528-student MS
 - C. Construct new 528-student MS
 - D. ?
 - E. ?
 - F. ?

- **HIGH SCHOOL LEVEL.** Per the Demographic Report, the District will exceed design capacity at the high school level by 32 students in 2018 (by 214 students in 2020).
- Discuss as a group your approach to needs (ideas below)
 - A. Add mobile classrooms and/or increase teacher : student ratio at existing high school
 - B. Expand Spring Hill HS to 1,408-student design capacity (per Master Plan)
 - C. Do nothing
 - D. Build a smaller 2nd HS
 - E. ?
 - F. ?

- **DISTRICT LEVEL**

- Discuss as a group your approach to needs (ideas below)
 - A. Construct a 6 classroom Early Childhood Center addition at the District Office.
 - B. Address District facility infrastructure needs at existing buildings:
 - A. Parking Lots & Drives
 - B. Roofs
 - C. Building Systems (HVAC, Plumbing, Electrical)
 - D. Floor Coverings
 - C. Address District educational technology needs at existing buildings:
 - A. Personal computing devices
 - B. Technology infrastructure (wireless, cabling, switches, routers)
 - C. Furniture & Equipment
 - D. ?
 - E. ?

Time to vote on a few things

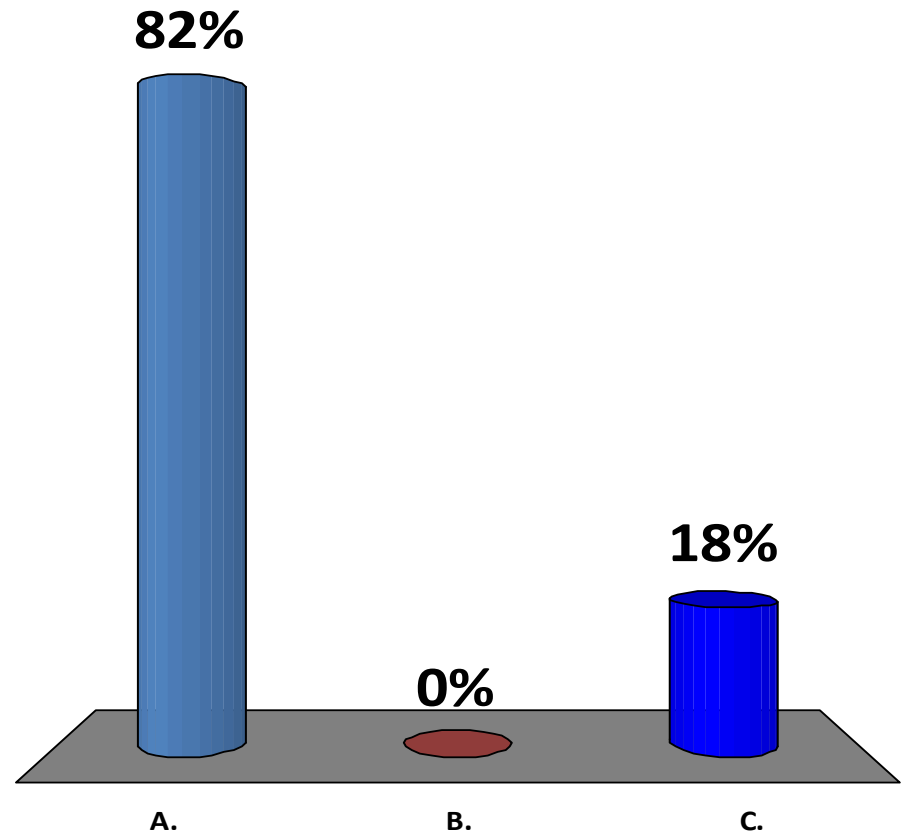
- 4 Dots (Dots = Votes) available to each person
- You can use your votes any way you choose
- This will not be the last time we do this exercise. It will be helpful in prioritizing options, and identifying those that can be eliminated

Turning Point Q & A



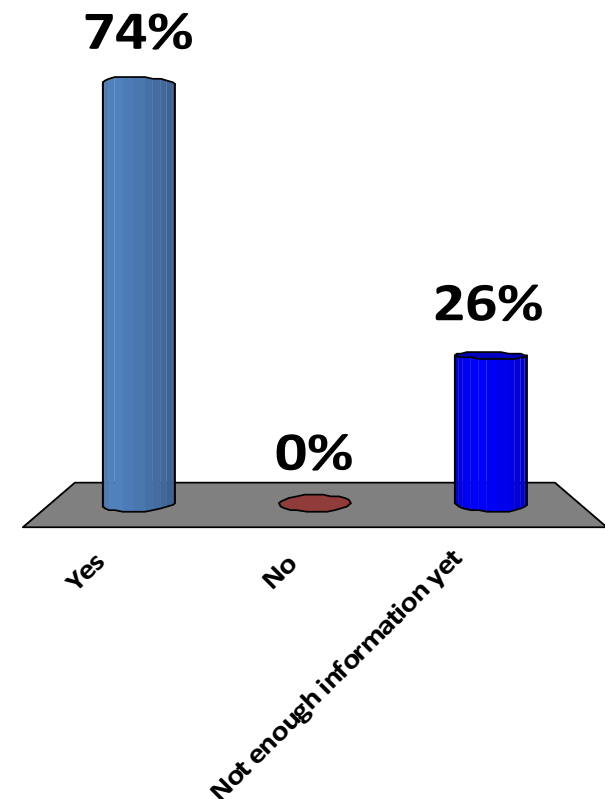
Based on the information provided by Piper Jaffray: Do you feel the district is in a financial position to move forward with another Bond Election?

- A. Yes
- B. No
- C. Need more information



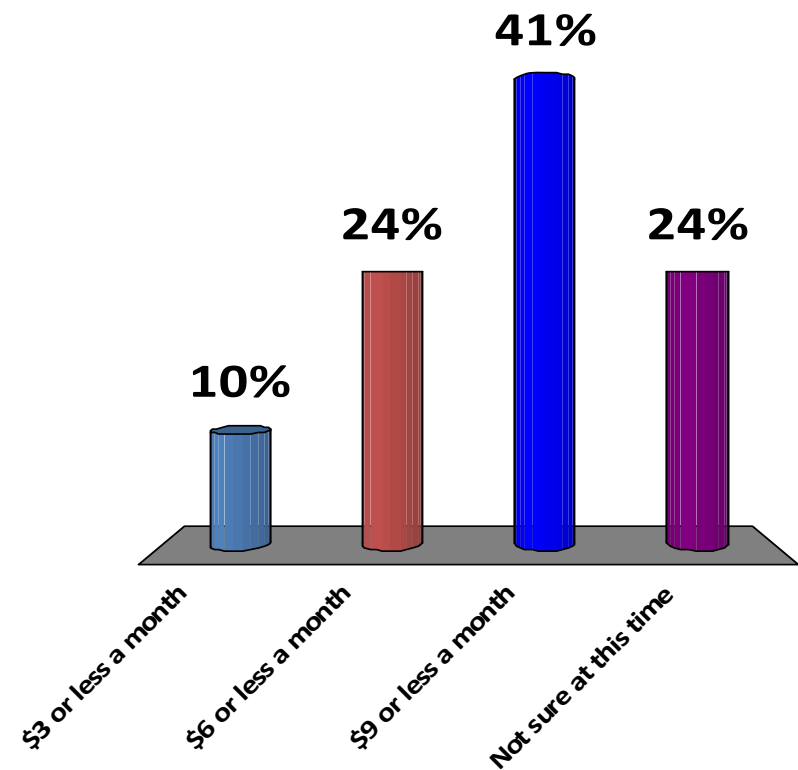
Based on the information provided by Piper Jaffray: Do you believe your neighbors would vote “Yes” to a Bond Election that involved no tax rate increase?

- A. Yes
- B. No
- C. Not enough information yet



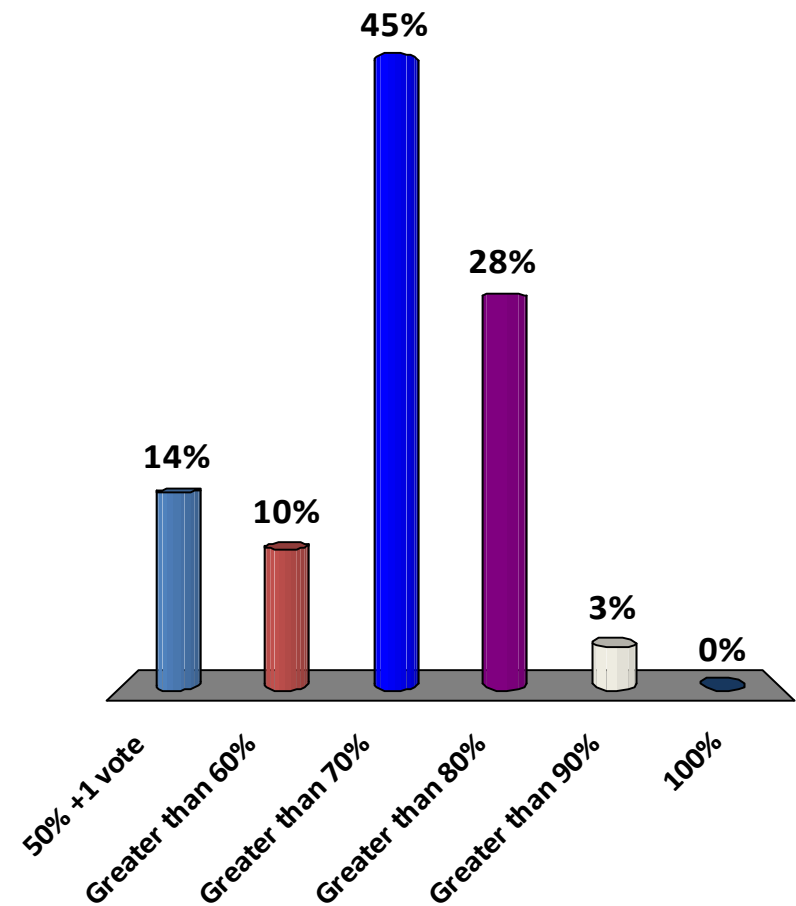
Assuming the correct scope of work is developed by this committee: Do you believe your neighbors would vote “Yes” to a Bond Election that included a tax rate increase of

- A. \$3 or less a month
- B. \$6 or less a month
- C. \$9 or less a month
- D. Not sure at this time



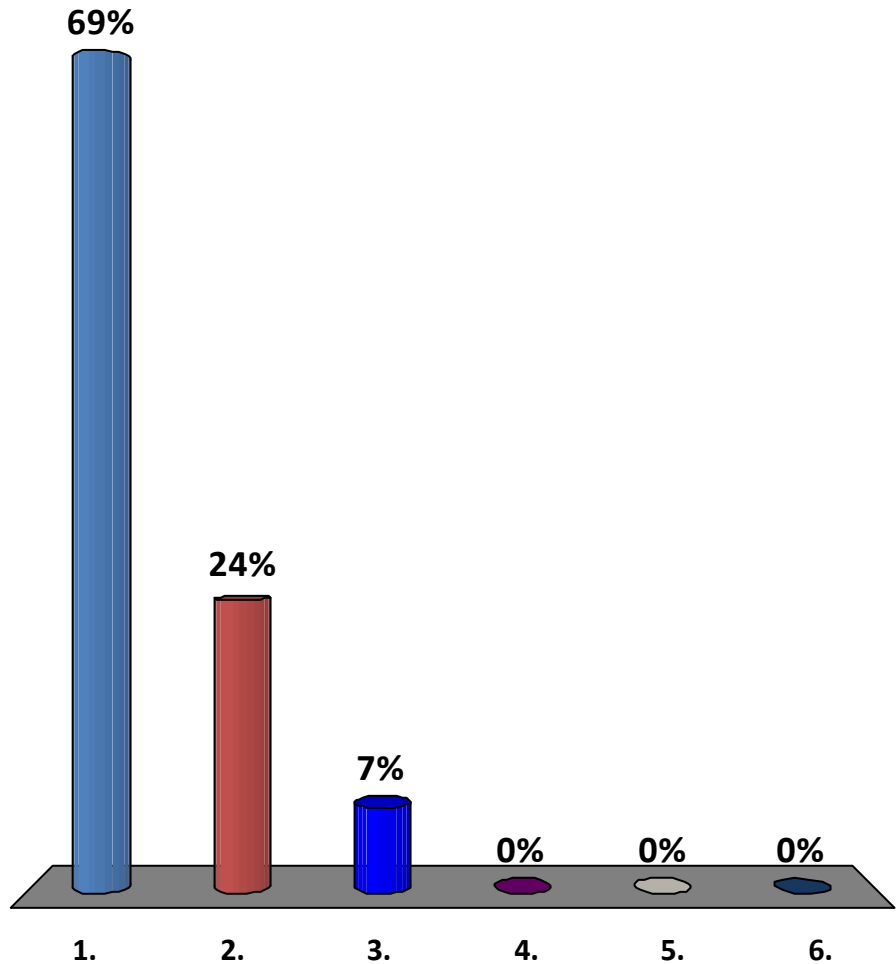
What % of votes would define Consensus in a group this size?

- A. 50% +1 vote
- B. Greater than 60%
- C. Greater than 70%
- D. Greater than 80%
- E. Greater than 90%
- F. 100%



If the District proposed a bond issue today to meet the needs of the students and staff would you:

1. Strongly favor
2. Favor
3. Slightly favor
4. Slightly oppose
5. Oppose
6. Strongly oppose



Housekeeping

- Next Meeting: Wednesday, April 20th, 2016
Spring Hill High School



Homework

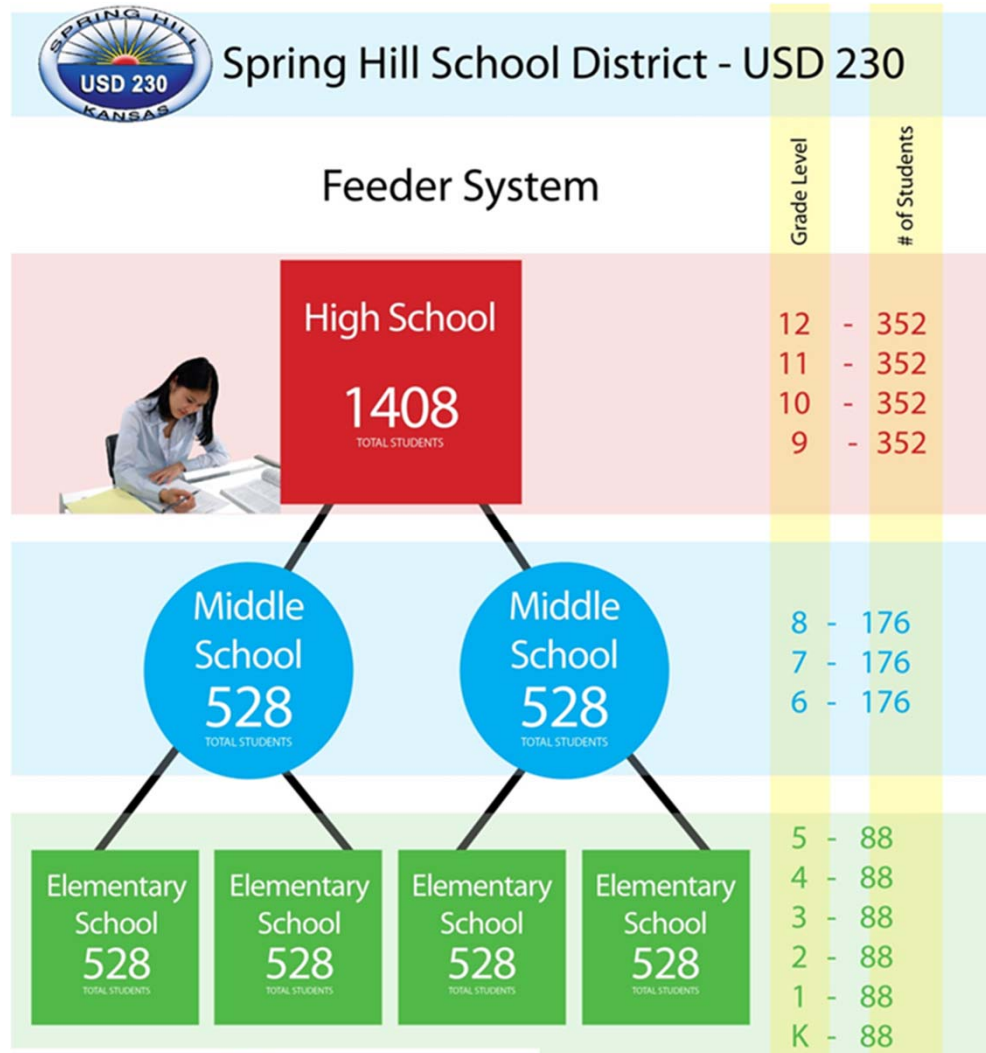
- Discuss with your neighbors and friends some of the options that were discussed tonight
- Engage students at different grade levels and get their feel for needs
- Talk with a teacher or staff about the upcoming capacity issues and get their feelings on the future

Thank You!



Planning for Success

2003 Spring Hill USD Master Plan



SPRING HILL SCHOOL DISTRICT ENROLLMENT PROJECTIONS FROM 2016/17 TO 2020/21

School	Student Location	Past Enrollment		Future Enrollment By Student Residence					Future Enrollment By Student Attendance				
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2016/17	2017/18	2018/19	2019/20	2020/21
Prairie Creek Elementary <i>Capacity 528</i> <i>Grades K-5</i>	Res/Att Reside Attend	327 352 362	427 455 457	523	640	768	890	1,056	544	645	773	895	1,061
Spring Hill Elementary <i>Capacity 616</i> <i>Grades PreK-5</i>	Res/Att Reside Attend	392 445 464	389 436 464	509	500	521	529	551	498	525	546	554	576
Wolf Creek Elementary <i>Capacity 528</i> <i>Grades K-5</i>	Res/Att Reside Attend	410 483 454	403 470 440	455	490	538	589	661	445	461	508	560	632
Spring Hill MS North <i>Capacity 301</i> <i>Grade 6</i>	Reside Attend	206 206	217 217	213	242	254	279	284	213	242	254	279	284
Spring Hill MS South <i>Capacity 527</i> <i>Grades 7-8</i>	Reside Attend	320 320	377 377	439	452	483	526	569	439	452	483	526	569
Spring Hill HS <i>Capacity 804</i> <i>Grades 9-12</i>	Reside Attend	678 678	692 692	699	764	836	910	1,018	699	764	836	910	1,018
ELEMENTARY TOTAL <i>Capacity 1,672</i> <i>Grades PreK-5</i>	Reside Attend	1,280 1,280	1,361 1,361	1,487	1,631	1,828	2,009	2,269	1,487	1,631	1,828	2,009	2,269
MIDDLE TOTAL <i>Capacity 828</i> <i>Grades 6-8</i>	Reside Attend	526 526	594 594	652	694	736	805	853	652	694	736	805	853
HIGH TOTAL <i>Capacity 804</i> <i>Grades 9-12</i>	Reside Attend	678 678	692 692	699	764	836	910	1,018	699	764	836	910	1,018
DISTRICT K-12 TOTALS <i>Capacity 3,304</i> <i>Grades PreK-12</i>	Reside Attend	2,484 2,484	2,647 2,647	2,837	3,089	3,400	3,724	4,139	2,837	3,089	3,400	3,724	4,139

Source: RSP & Associates, LLC - February 2016

Note 1: Student Projections are based on the residence of the student

Note 2: School Choice Options between ES Schools are depicted in the Projections (ESL, SPED, Other)

Note 3: PreKindergarten students (Early Childhood) are in the enrollment projections - approximately 100 students at Spring Hill ES

Note 4: Capacity of each facility provided by SHSD Administration - Intermediate is now Spring Hill North MS for 6th grade

Note 5: Reside is based on the student household address in relation to the attendance area the student should attend

Note 6: Attend is based on which facility a student did attend and may attend in future years

Note 7: Res/Att are students who reside in the attendance area and attend that corresponding facility



Exceed Building Capacity

Spring Hill ES K-5 Capacity is between 525 and 550

