

UNIFIED SCHOOL DISTRICT NO. 113
Board of Education office
1619 South Old HWY 75
Sabetha Kansas 66534

Preparing Kids, Shaping the Future

Minutes of the Regular Meeting, Monday December 12, 2022 6:00 PM
Held at Sabetha High School Varsity Gym, 1011 Bluejay Blvd, Sabetha, KS

Board President Leslie Scoby called the meeting to order at 6:00 p.m. President Scoby led the meeting with the Pledge of Allegiance. Jim Scoby said the prayer. Board members present were Kathy Lippert, Kent Saylor, Anissa Bloom, Jim Scoby, Phillip Buessing, and Stan Keim. Also present were Superintendent Todd Evans, Board Clerk Deb Damman, and others listed on the attached sign-in sheet. The meeting was broadcast on YouTube for the public.

Mr. Evans announced the amendments to the agenda:

Add agenda Item 10A. A.I. Enter into executive session for the purpose of discussing matters relating to actions that adversely or favorably affect a student.

Add agenda Item 10B. A.I. Marshall County Neighborhood Revitalization

1. A.I. Adopt the agenda as prepared or amended

Motion was made by Kathy Lippert, seconded by Phillip Buessing, to adopt the amended agenda. Motion passed 7-0.

2. I.I. Hear from the following:

Public

Jessica Winkler, Wetmore - expressed support for the Wetmore school

Steve Sheldon, Holton – asked Board stop the closure of Wetmore school, provided handout of calculations (attached to these minutes)

Sara Cormier, Wetmore - gave up her time for Mr. Sheldon

Doug Wertenberger, Sabetha – spoke in support of the Wetmore community

Ryan Shueller, Goff – provided student’s perspective on closing Wetmore.

Analyssa Noe – presented handout to the Board (handout attached to these minutes)

Riggsby Scott, Wetmore – gave her time to Analyssa Noe

Dakota Oestmann, Wetmore - relinquished his time to Analyssa Noe

Matt Kramer, Wetmore – spoke regarding viability formula presented at the Nov 21 meeting

Malari Henry, Wetmore – give her time to Mr. Kramer

Andrea Lagos, Wetmore – spoke in support of Wetmore schools

Kaylee Foote, Wetmore – gave her time to Andrea Lagos

Linda Boyd, Wetmore – requested that the board focus on education rather than closing a school

Corey Bloom, Wetmore – spoke against closing Wetmore

Rodney Burdieck, Wetmore – asked the Board to let future board members make the decision whether or not to close Wetmore schools.

Andy Henry, Wetmore – spoke in support of Wetmore, provided handout of questions from the community to the Board (handout is attached to these minutes).

Legislative Update – Kathy – legislature will resume in January

Administrative Reports:

Mr. Evans updated the Board on mil rates, and the results of the radon analysis at Axtell

3. A.I. Consent Agenda:

- A. Approve minutes from the [November 14, 2022](#) regular Board meeting
- B. Approve minutes from the [November 14, 2022 Special Board meeting](#)
- C. Approve minutes from the [November 21, 2022 Special Board meeting](#)
- D. Approve corrected [Oct. 10, 2022 minutes](#)
- E. Approve payment of December bills for the amount of \$902,962.89
- F. Approve November Payroll for the amount of \$776,533.74
- G. Accept a donation of \$500 to Axtell Band from the Marshall County Arts Cooperative
- H. [Approve payment to AHRS for the construction project](#): Capital Outlay for \$348,426.62 and to GN Bank for the remaining Lease Purchase amount of \$11,859.19
- I. [Approve a payment to Civium Architects for \\$5,095.32 from the Contingency Fund](#)
- J. Resignations: Aaron Koch, SES Custodian effective December 9, 2022; Emilea Koch, SES ISS effective November 30, 2022; Elaine Mowder, Adm Secretary at BOE office effective February 28, 2022
- K. Contracts: Joe Gruber, SHS Business Teacher, to start 1.4.23
- L. Personal Day requests:

Motion was made by Kathy Lippert, seconded by Anissa Bloom, to approve the consent agenda. Motion carried 7-0.

4. I.I. Remodel/New Construction Update

Mr. Evans provided an update on the Remodel/New Construction projects.

5. A.I. Discussion of Campus Viability

Mr. Evans shared information regarding state funding for next school year

Base state aid per pupil – projected 5.2% increase based on CPI.

High Density At Risk sunsets in 2024. Legislature has the option to continue.

Salary change information from FY2022 to FY2023.

Anissa Bloom spoke regarding Wetmore school closure and asked Mr. Evans questions regarding the campus viability and Wetmore school closure.

Motion by Anissa Bloom, seconded by Phillip Buessing, to cease all conversation regarding school closure across the district. After board discussion, motion failed, 3-4, with Kathy Lippert, Stan Keim, Leslie Scoby, and Jim Scoby voting no.

Kent Saylor expressed the need for more due diligence on the issue.

Kathy Lippert addressed some media skewed or misinformation and board transparency regarding the closure of Wetmore, and expressed that decisions need to be based on facts and numbers.

6. A.I. [Resolution to Conduct a Hearing to Consider a Proposal to close the school building](#) of grades PreK-12 at the Wetmore Academic Center

Kathy Lippert recalled that special meetings were held on Oct 25, Nov. 14, and Nov 21st. She also stated that district has regularly studied revenues since 2015. The district needs to look toward the future, and on how to retain valued and experienced staff.

Motion was made by Kathy, seconded by Jim Scoby, to set a hearing with public hearing pursuant to the Public Notice on February 4, and comply with state statutes. Motion passed 4-3, with Anissa Bloom, Phillip Buessing, and Kent Saylor voting no.

Anissa Bloom had several questions for Mr. Evans regarding the extra money that the district would receive and staffing, if Wetmore schools should close. She noted that no one had spoken at the Board meeting in favor of closing the school, and asked if one hearing on Feb. 4 was enough time.

Jim Scoby said that the hearing should be held so Wetmore staff and Mr. Evans can plan ahead. The viability is only one tool to be used, and each Board member will review the numbers, and consider whether or not numbers are audited.

Leslie Scoby remarked that researching and sharing information should continue between now and the hearing.

7. A.I. [Approve Release of Liability with the Sabetha Gun Club](#)

Motion by Kathy Lippert, seconded by Stan Keim, to approve the release of liability with the Sabetha Gun Club. Motion carried 7-0.

8. A.I. Enter into executive session for personnel matters as allowed by KOMA at _____ and will return to regular session at _____.

Motion by Kathy Lippert, seconded by Jim Scoby, to enter into executive session for personnel matters as allowed by KOMA at 8:10 for 10 minutes, and to return at 8:20, with Mr. Evans. Motion carried 7-0.

At 8:20 motion was made by Kathy Lippert, seconded by Kent Sayler, to return to regula session. Motion carried 7-0.

9. A.I. Approve Gay Frazee as Principal for the Axtell schools for the 23-24 school year

Motion was made by Jim Scoby, seconded by Kent Saylor to approve the hiring of Gay Frazee as principal for the Axtell schools for the 23-24 school year. Motion passed 7-0.

10. A.I. Enter into executive session for the purpose of consulting with the USD 113 Attorney as allowed by KOMA.

Motion by Kathy Lippert, seconded by Phillip Buessing, to enter into executive session to dicuss matters that adversely or favorably affect a student, with Martin Mischler and Mr. Evans, from 8:21 to 8:31. Motion carried 7-0.

At 8:31 p.m., motion by Kathy Lippert, seconded by Phillip Buessing, to return to regular session. Motion carried 7-0.

10A. A.I. Enter into executive session for the purpose of discussing matters relating to actions that adversely or favorably affect a student.

Motion by Kathy Lippert, seconded by Phillip Buessing, to enter into executive session for the purpose of discussing matters relating to actions that adversely or favorably affect a student for 5 minutes from 8:32 to 8:37 with Mr. Schnacker and Mr. Evans. Motion carried 7-0.

At 8:37, motion by Kathy Lippert, seconded by Kent Saylor, to return to regular session. Motion carried 7-0.

10B. A.I. Marshall County Neighborhood Revitalization

Motion by Jim Scoby, seconded by Kathy Lippert, to approve the Marshall County Neighborhood Revitalization. Motion carried 7-0.

11. A.I. Adjourn

Motion by Kathy Lippert, seconded by Phillip Buessing, to adjourn. Motion carried 7-0. Meeting adjourned at 8:38 p.m.

Board President

Board Clerk

Calculations

Data obtained from #USD113 financials
FY20-21

Wetmore K-12

Total Revenue \$1,726,915

Total Expense \$1,682,947

Total Students 135

*Revenue Per Student \$12,792

Expense Per Student \$12,466

*For the purpose of these calculations, the revenue per student is assumed to remain fixed although that number can vary slightly, but not enough to significantly skew the results of the calculation.

Sabetha K-12

Total Revenue \$8,137,681

Total Expense \$7,871,065

Total Students 780

*Revenue Per Student \$10,433

Expense Per Student \$10,091

Question: How many more students would it take at Wetmore to match the cost per student at Sabetha (\$10,091)?

Assumptions:

For this calculation, it is assumed that the cost to educate students at Wetmore remains fixed at \$1,682,947 and that increasing the student population by a small amount will not change that number in any significant way if at all. In other words, if 12 students or one student per grade were added, it would not require additional teachers, classrooms, books, electricity, insurance, etc.

The second assumption is that with the addition of students comes additional revenues. The existing revenue per student number at Wetmore (\$12,792) was used for the purposes of this calculation recognizing fully that this is not an absolute number. A more accurate calculation would be to compare the actual per student income from local, state, and federal sources and compare that to the fixed expenses of each individual school, but that number was unknown at the time of this calculation.

When the Total Expense of a school is divided by the number of students, the result is the cost per student. Each time a student is added, there is an additional amount of money that follows that student which for this calculation is \$12,792, the current revenue per student at Wetmore. That number in effect reduces the Expense Per Student by \$12,792 for each student who is added.

If 14 students are added to Wetmore, the additional revenue to the school would be \$179,088 effectively reducing the overall expense from \$1,682,947 to \$1,503,859 which when divided by the new number of 149 students, the result is a new cost per student of \$10,093 compared to Sabetha's \$10,091

14 Students!

Note: Five-year average revenue and expense numbers were also used and the result was the same



Op. Margin – Campus							Op Ma		
Formula	<i>(Revenue – Expenses)</i> Campus Revenue								
FY	SES	SHS	SMS	WAC	AXT	USD 113	SES	SHS	
FY18	30.57%	-10.05%	-35.30%	-13.40%	-7.09%	-0.61%	9.96%	-2.25%	
FY19	25.23%	-9.66%	-36.35%	2.81%	-6.47%	-0.48%	7.84%	-2.14%	
FY20	29.04%	-7.44%	-40.28%	3.54%	-4.62%	1.75%	9.51%	-1.61%	
FY21	28.18%	-14.76%	-28.04%	2.55%	-4.75%	1.91%	9.50%	-3.15%	
FY22	25.91%	-10.57%	-31.31%	5.52%	-7.09%	1.76%	8.75%	-2.29%	
5 Yr. AVG	27.79%	-10.50%	-34.26%	0.20%	-6.00%	0.87%	9.11%	-2.29%	
Threshold									

Metric Notes: USD 113 established “Standards of Solvency and Viability” as part of the Feasibility Assessment in 2016 metrics have been established since 2016, but they have not been presented to the Board or to the public in a consistent manner.

The Red, Yellow, and Green thresholds in the chart were established by the Board as part of the Feasibility Assessment.

Two assumptions were required to compile the metrics: 1) Administrative expenses assigned to Sabetha K12 were evenly distributed across Sabetha buildings based on weighted FTE (this is the same approach used for the other buildings). The expenses for each building were based on the total administrative expenses for Sabetha K12 divided by the total FTE for Sabetha K12.

Metric Standards

The USD113 (“District”) Standards of Solvency and Viability document describes the metric targets as follows (these are direct quotes)::

“The goal of the district is to maintain annual operating budgets with receipts equaling expenditures”



“The goal is to maintain annual operating budgets with receipts equaling expenditures”
Campus deficit / Capital Outlay / KPERs retirement fund

Unified District Status: Green > Trending > Yellow



Margin – District

Cost/FTE

$\frac{\text{Revenue} - \text{Expenses}}{\text{District Revenue}}$				$\frac{\text{Expenses}}{\text{FTE Count}}$					
SMS	WAC	AXT	USD 113	SES	SHS	SMS	WAC	AXT	USD 113
-30%	-1.90%	-1.12%	-0.61%	\$6,982.70	\$11,082.61	\$13,360.58	\$12,613.79	\$10,934.86	\$10,257.49
-60%	0.44%	-1.02%	-0.48%	\$7,098.92	\$10,892.23	\$12,942.69	\$11,374.22	\$11,612.67	\$10,144.45
-95%	0.53%	-0.73%	1.75%	\$7,198.96	\$11,019.77	\$13,978.80	\$11,140.48	\$11,617.08	\$10,293.36
-07%	0.38%	-0.75%	1.91%	\$7,628.48	\$12,369.91	\$13,269.58	\$12,559.31	\$12,422.53	\$10,873.83
-45%	0.83%	-1.08%	1.76%	\$8,186.54	\$12,714.20	\$14,202.98	\$13,512.40	\$13,346.03	\$11,512.09
-07%	0.06%	-0.94%	0.87%	\$7,419.12	\$11,615.74	\$13,550.93	\$12,240.04	\$11,986.64	\$10,616.25

0%	0%
\$13k	\$15k

The metrics above were identified as part of this assessment and are currently available in the annual audit reports. These metrics are used in the manner to enable year over year comparisons.

These thresholds are also defined and included in the annual audit reports.

Revenue spread across the three Sabetha buildings; and 2) Revenue allocated to Sabetha K12 was distributed across the three buildings as reported in the annual audit reports.

Each campus to achieve a level of financial performance. Deficits in excess of 7.5% (Campus Expenditures) will be considered "On Fiscal Support"



"As long as the district as a whole is financially viable (receipts = expenditures), small campus deficits are acceptable, (e.g. 0% to less than 1.25% of total balanced operating budget)"

*any other expenses that are tracked and managed separately from building operating costs.

Is it fair to look at each of the Sabetha

Industry Standards vs. USD 113 Structure

Education industry norms indicate that it is common for elementary and high school students require more teachers, and the student ex

Given the unique complexities of USD 113, both in terms of physical independently to get an accurate picture of the unified district's **stre** is needed to manage the headwinds and tailwinds the district will fac

Key Reasons for Breakout

1. Sabetha school buildings have **three separate buildings** with:
 - 3 distinct addresses
 - 3 distinct parking lots
 - 3 sets of building operating costs
 - 3 sets of administrative staff (e.g. 3 Principals)
 - Axtell and Wetmore share most resources, so it makes sense to look campuses in a consolidated manner
2. The **number of students** and the **line-item expenses** in each of the Sab buildings are higher than the comparable Wetmore and Axtell buildings
3. The **School Funding Formula** does not allocate more funding for middle school students (**revenue per student does not change based on stud**)
 - Additionally, stand alone middle and high school systems that are no with elementary schools are evaluated on individual performance (ar do not receive additional funds from the state because they stand al

Buildings separately?

schools to subsidize the middle and high school students because middle school experience requires more special programs and student activities.

In a complex and cross-school dynamics, it is important to look at each building **strengths, weaknesses, opportunities, and threats**. This type of "SWOT" analysis is useful in uncertain economic, political, and demographic environments.

Sample of Sabetha Building Line Items to Justify breakout

FY22 Expenses	SES	SHS	SMS	WAC	AXT
Principal/Secretary	\$143,928.69	\$145,344.97	\$132,780.90	\$121,052.73	\$107,775.82
Custodial Salaries/Supervisor	\$84,220.16	\$143,767.95	\$94,919.24	\$83,912.95	\$80,270.20
Heating	\$11,432.14	\$27,932.93	\$11,860.79	\$17,830.00	\$14,908.53
Electricity	\$36,227.06	\$105,134.68	\$58,292.66	\$29,522.04	\$34,816.53
Total Food Service	\$179,124.24	\$260,696.23	\$167,254.59	\$121,490.58	\$159,480.09
Maintenance Operating Supplies	\$10,459.66	\$18,065.16	\$7,599.71	\$16,935.19	\$5,851.71
Enrollment (FY22)	388	231	161	135	158

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Yellow > Trending > Yellow

Yellow > T

SABETHA	A
<p>The SMS building has been operating at extremely “Red” levels since FY2018, with minimal evidence of improvement.</p> <p>If 100% of existing elementary students graduate to SMS over the next 5 years, the SMS Campus Operating Margin is still unlikely to improve beyond a -20% margin unless significant adjustments are made.</p> <p>District should form a committee to investigate issues and propose a Long-Term Viability Strategy:</p> <ol style="list-style-type: none"> 1. Form committee to investigate issues 2. Align on long-term impact* of extreme operating deficit and develop a Cost Management Plan that is consistent with long term strategic priorities and unified district needs <p><i>*Unified district support required to assess long-term impact of extreme operating deficit.</i></p>	<p>Axtell has robust development, su (and revenue) gr horizon).</p> <p>District should d Management Pla Axtell’s expecte</p> <ol style="list-style-type: none"> 1. Identify the e students requ achieve “brea 2. Estimate how reach this lev develop a str reality: <ul style="list-style-type: none"> • 3 years – • 5 years – • 8+ years · (growth a <p><i>*Unified district, manage district i</i></p>

Unified District Status: Green > Trending > Yellow



Trending > Green



Green > Trending > Yellow

TELL

Evidence of community
 indicating that enrollment
 growth are likely on the

Develop a unified Cost
 model that accounts for
 averages:

Estimated number of
 needed for Axtell to
 achieve "break-even" performance
 indicating it will take Axtell to
 offset enrollment and
 strategy that addresses this

Temporary freezes
 (non-permanent changes
 in operational strategies required
 for cost management)

Support required. AXT cannot
 operate without district support.

WETMORE

Wetmore is managing its declining
 enrollment levels responsibly, but there
 are limits to the types of cost saving
 measures that can be implemented
 without negatively impacting students.

District should develop an Enrollment
 Recovery Plan to manage WAC
 enrollment risks:

1. Identify the lowest possible
 enrollment number that will **prevent**
 break-even performance
2. Identify potential cost saving levers
 that can be pulled if forecasts indicate
 a negative operating balance is likely
 (deployed in FY23, break-even
 expected)
3. Leverage the "Unearned Revenue"
 loophole to run 2-year growth sprints;
 assess long-term plan in 5-years*

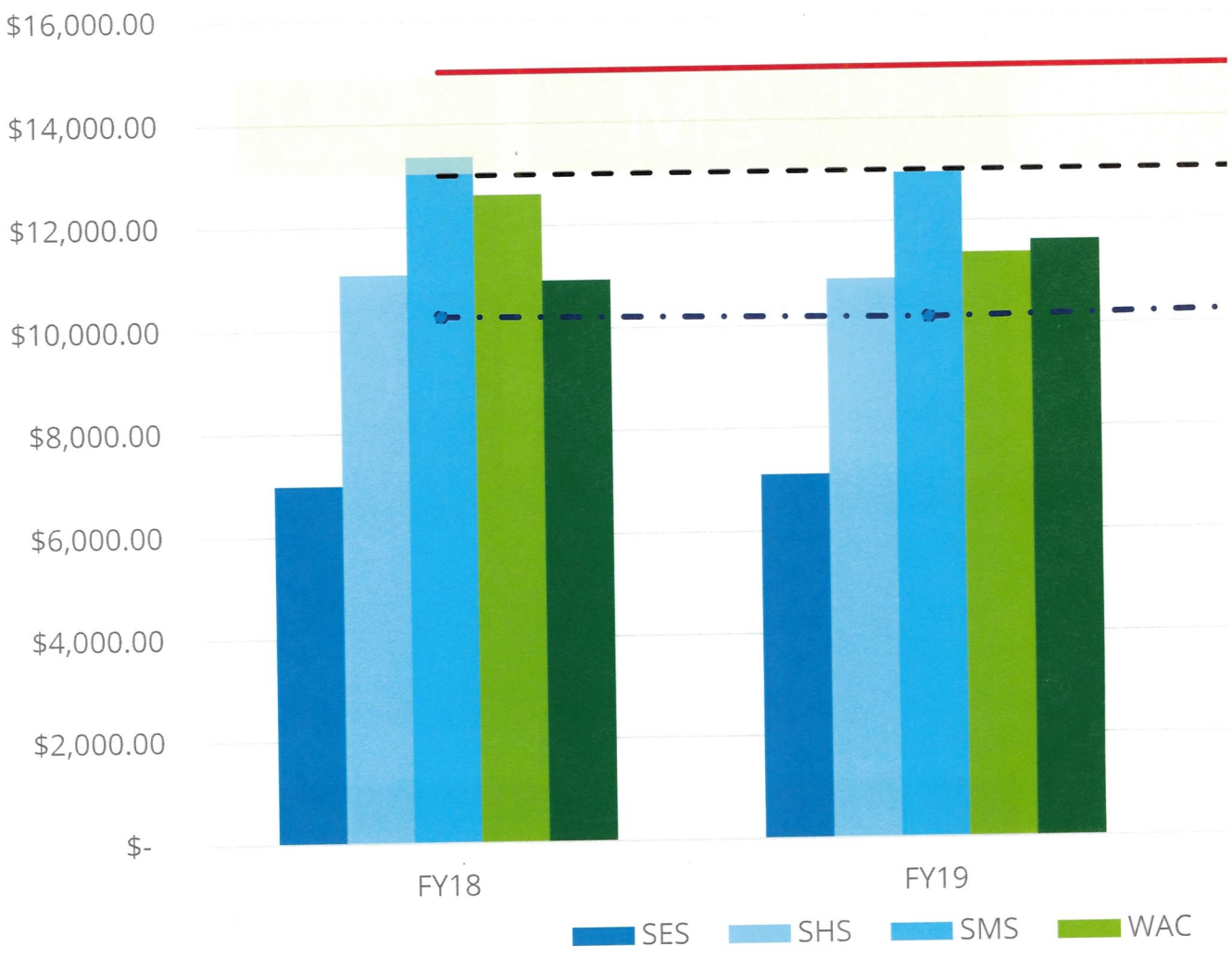
**Unified district support required. WAC cannot
 recruit new families if threat of closure remains.*

Which building has the highest Cost/FTE?

Hypothesis: Wetmore has the highest Cost/FTE (C/FTE)

According to the FY22 expense reports (from Annual Audit Reports) and the highest Cost/FTE. In fact, SMS has had the highest Cost/FTE every year for building and/or calculate the Cost/FTE metric (see footnotes for additional information).

FY22 SMS Cost/FTE = \$14,202.98 vs. FY22 WAC Cost/FTE = \$13,510.00



Source: USD 113 Prairie Hills, Audited Allocation of Expenditures Per Building Reports Fiscal Years 2018 - 2022
 Note: Cost/FTE metric calculation: Total Building Operating Expenses (from audit report) / Total FTE (from Principal Building Report). Total Building Operating Expenses for Sabetha buildings are reported separately from building operating costs. Audited Building Expense reports include expenses for each of the three Sabetha buildings.

USD 113 Fact Sheet – Myth Buster Edition

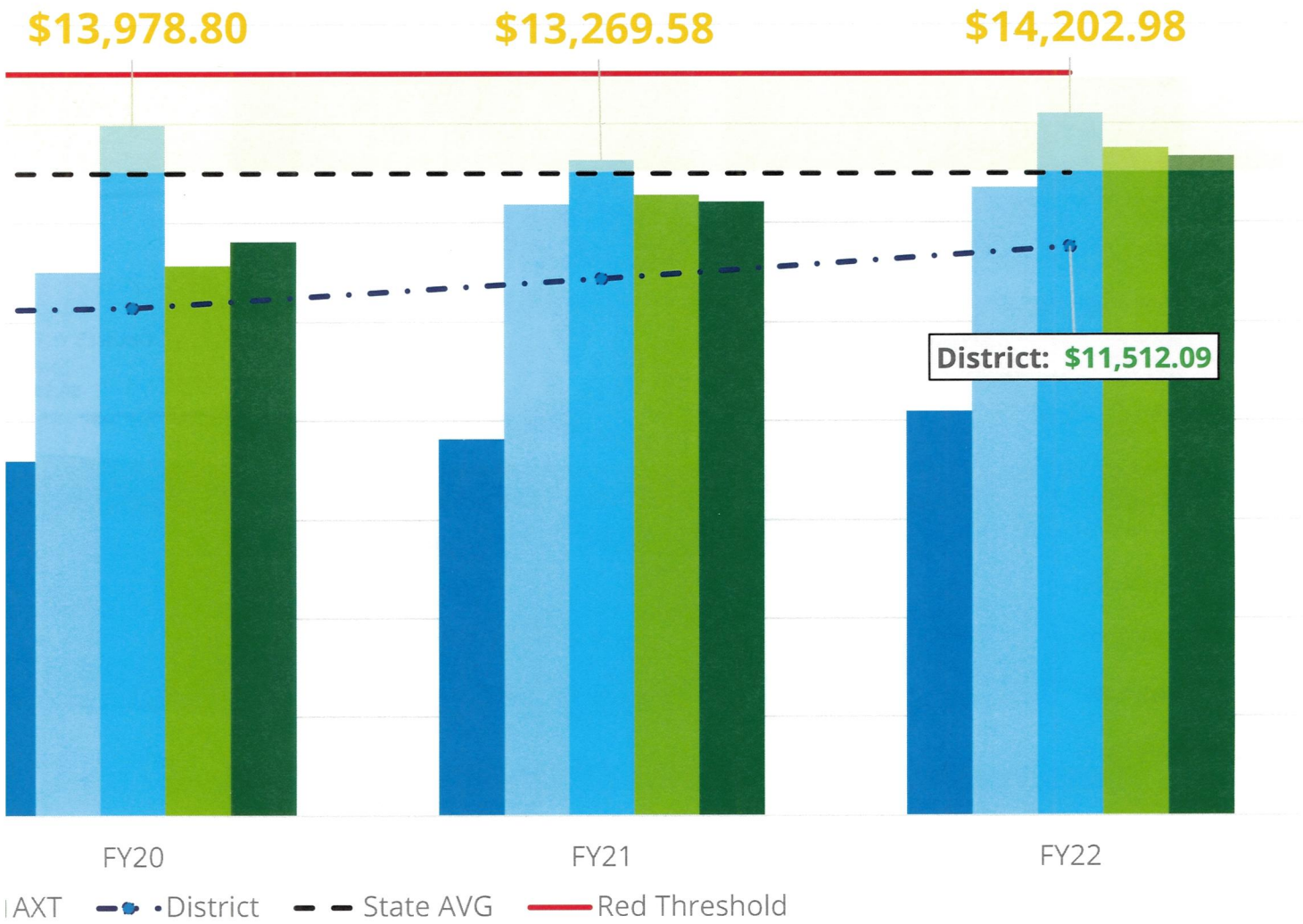
BUSTED

Cost/FTE?

(also known as cost/student)

Based on enrollment counts (from Principal Building Reports), Sabetha Middle School has the highest cost/FTE in the district over the past five years. No assumptions were required to identify expenses for each building (see calculation details).

10



Operating Expenses in the annual audit report do not include expenses related to Capital Outlay, KPERS retirement fund, or any other expenses that are tracked in default (no assumptions required to identify expenses for each building).

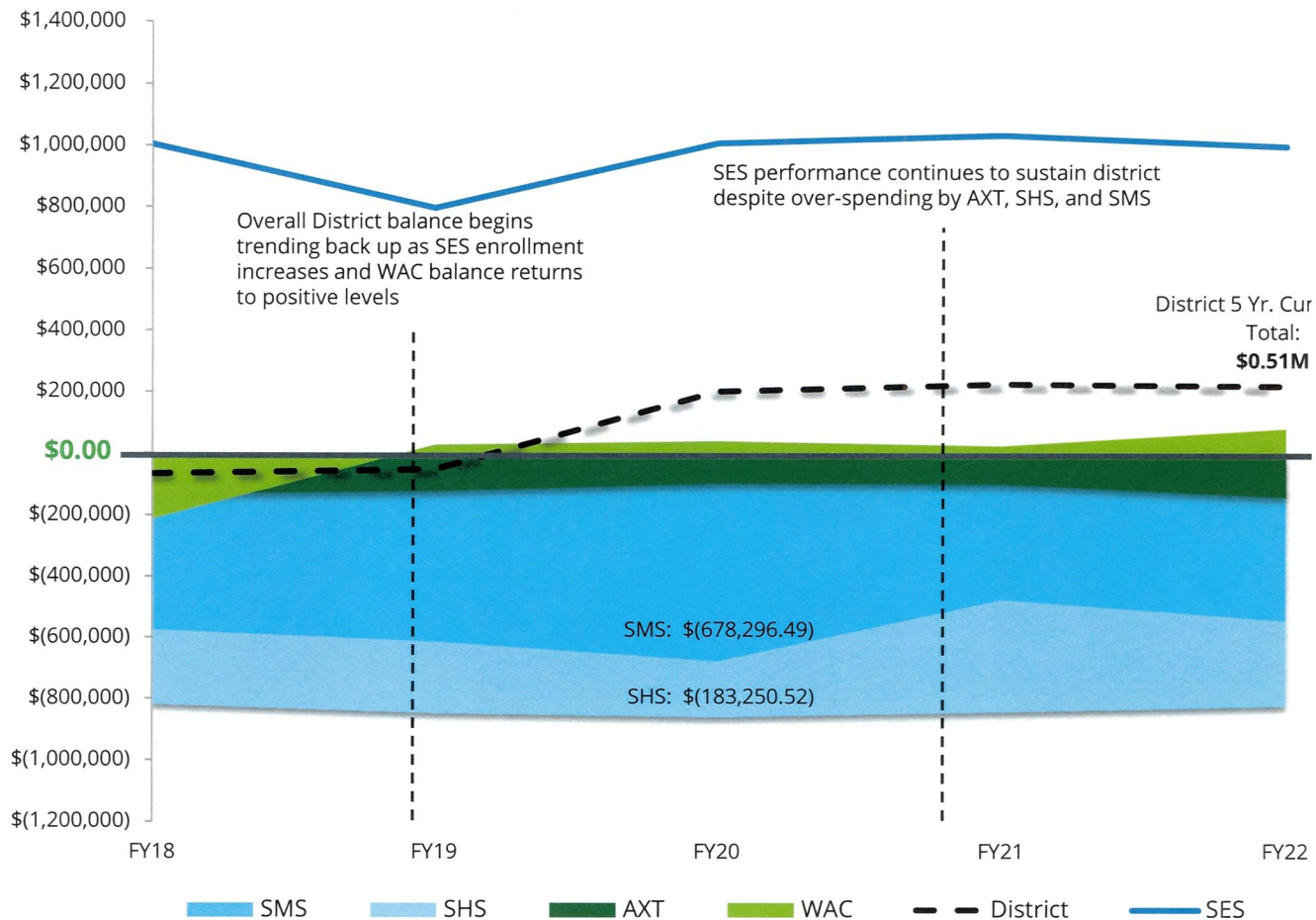
Who's Subsidizing Who?

Hypothesis: Sabetha is subsidizing the Wetmore

In reviewing the 5-year results of annual operating budgets, Wetmore has had a year period of FY18-22. This is a **positive impact**. The last time the district

The **biggest drag** on the district's overall budget over the past five years was a negative deficit. See chart below for more details about who's subsidizing

Annual Operating Balance (Revenue - Expenses)



The graph demonstrates how the spending at each school is impacting the District's overall performance.

Source: USD 113 Prairie Hills, Audited Allocation of Expenditures Per Building Reports Fiscal Years 2018 - 2022
 Note: Refer to KPI Review spreadsheet for specific revenue, expense, and operating balance details for each year.

USD 113 Fact Sheet – Myth Buster Edition

BUSTED

ampus

*a net return of \$48,556.79 (~\$.05M) back to the district account over the five-
had to “subsidize” Wetmore’s annual operating budget was 2018.*

*mes from SMS (\$-2.9M) cumulative negative deficit and SHS (\$1.3M) cumulative
ho.*

5 Year Cumulative Cash Balance (Revenue – Expenses) FY18-22

\$5.2M

SES returned \$5.2M in
Cash Surplus FY18-FY22

\$.05M

WAC returned \$.05M in
Cash Surplus FY18-22

\$(1.3M)

SHS had a negative Cash
Deficit of \$1.3M FY18-FY22

\$(.54M)

AXT had a negative Cash
Deficit of \$.54M FY18-FY22

\$(2.9M)

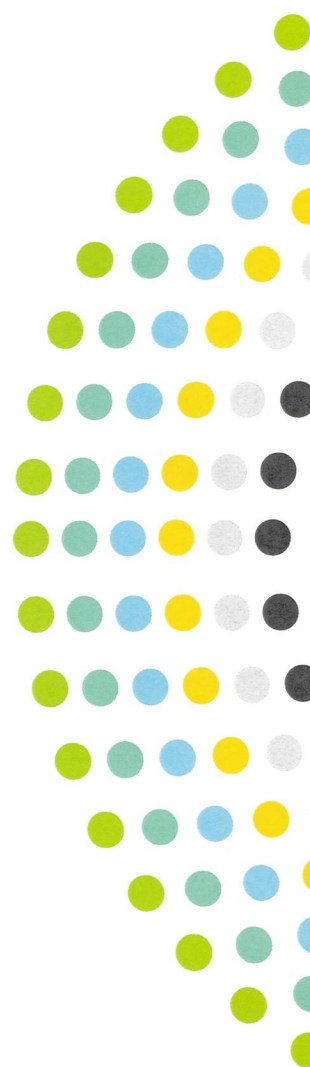
SMS had a negative Cash
Deficit of \$2.9M FY18-FY22

\$.51M

District accumulated \$.51M cash surplus between FY18-22

nce (shading below the \$0.00 line indicates negative impact caused by operating at a deficit).

It's not just about money. It's about changing the way you see things.



Who we are



1000+ > **\$.5M** > **\$6M+**
 STUDENT HEADCOUNT 5 YR. CASH SURPLUS Carry Over Balance

How we see things

After detailed review of the district's financials and multiple conversations with administrators and leaders, this is how we see things:

The district is financially healthy as a unified school system

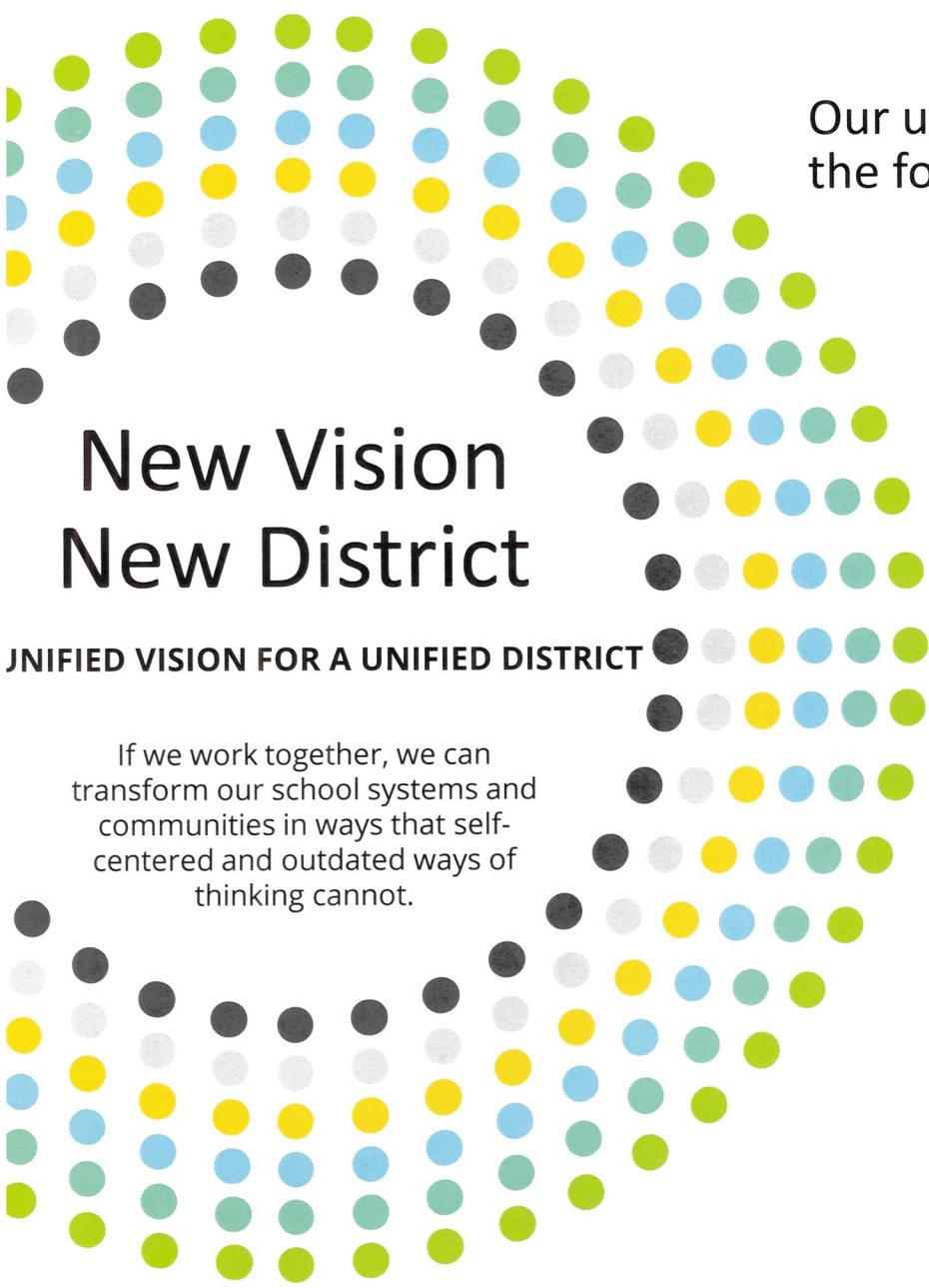
It has the means and ability to minimize and address Axtell's expenditure challenges

WE BELIEVE

in loving
our neighbors.

WE CAN

excel if we
work together.




Our unified district includes
the following schools:

 USD 113 Prairie Hills

 Sabetha Elementary
School

 Sabetha High

 Sabetha Middle
School

 Wetmore Academic
Center

 Axtell Public School

New Vision New District

UNIFIED VISION FOR A UNIFIED DISTRICT

If we work together, we can
transform our school systems and
communities in ways that self-
centered and outdated ways of
thinking cannot.

**It has the time and
flexibility to support
Wetmore's enrollment
growth strategy**

**It has a legal and moral
obligation to educate
ALL the students in
this district**

**The Board's unwillingness
to create a unified vision
is exacerbating problems
and preventing solutions**

Community Questions:

1. Why is the Board rushing to close down Wetmore even though it has achieved above “break even” performance the last four years?
2. Why is the Board treating the Wetmore Closure Proposal as “urgent” if the District is in a healthy financial condition?
3. What criteria does the Board intend to use to justify the Wetmore Closure Proposal if it does not intend to use the Viability Formula and Metrics?
4. How does the Board plan to spend or use the 2.5 million in “unearned revenue” expected to be gained from the closure of Wetmore school?
5. Does the Board have unannounced strategic priorities or investment plans that warrant the need to save a larger portion of the annual operation budget each year?
6. Does the Board intend to suggest that all cost saving measures in the District have been exhausted and nothing else can be done to keep the school open?
7. Why hasn't the Board discussed education quality and academic outcomes in any of this year's Board meetings?
8. Why haven't any of the Board members visited the Wetmore School or engaged with teachers and parents if there is a concern that education opportunities are too limited at Wetmore?
9. How does the Board plan to review, evaluate, and re-assign teachers if there was a school closure? Will teachers with better test scores be given priority? Will existing Sabetha teachers be willing to give up their position?
10. Has the Board evaluated the risk of potential lawsuits that could be triggered if transfer requests are denied or teacher contracts are not fulfilled?
11. Is the Board willing to let an independent arbiter monitor the Closure Proposal evaluation and decision given the long history of conflict between the two school? Why or why not?
12. Is the Board willing to consider postponing the Closure Proposal until after the next BOE election? Why or why not?