

## Memorandum

To: Board of Education

From: Charles Adams, Superintendent

RE: KSBIT Assessment Payment and Funding Options

Total Amount: \$486,172.00 (W/C \$309,747 – P&L \$176,425)

You will notice on the attached document that there are three payment options to choose from:

- 1 - Pay full amount by August 31, 2014
- 2 - Pay 25% by August 31, 2014 and the balance in equal installments over 2-6 years.
- 3 - Finance through KISTA or other source. Payment due September 30, 2014.

We also have three sources of funding to consider:

- Pay full amount from the general fund.
- Request the use of capital outlay funds or building fund revenue from KDE.
- Finance through KISTA to be paid over ten years.

### Cons:

- Option 1 – we would be using instructional resource funds to pay the assessment.
- Option 2 - we would be using building revenue funds which would take away from our new school funding.
- Option 3 – payments would come from the general fund over a period of ten years

### Pros:

- Option 1 – none
- Option 2 - would preserve the instructional resource funds and the liability would be released in one payment
- Option 3 – preserve the funds for a new building/site, reasonable payments

### Other information

Vicki spoke with Jeff Coulter with KDE about a possible capital funds request being granted. He was encouraging that a request would most likely be granted. He did not provide an absolute yes so if the board chooses this manner of payment, a second option may want to be considered.

The KISTA ten year payment plan is being fronted by KEMI on behalf of districts opting for the interest-free installment plan. Intercept provisions apply. Meaning if the District misses a payment, state funds will be withheld from the district to make the payment to KEMI.