

Public Hearing and Special Meeting of the Kearney Public Schools Board of Education
Kearney Public Schools Board of Education
Monday, September 21, 2026 at 5:30 PM
2nd Floor Staff Development Room, Administration Building
320 W 24th Street
Kearney, NE 68845

1. Annual Budget Hearing

1.A. Convene Hearing

- The hearing convened at 5:31 PM.

1.B. Discussion and Public Input

- Meagan Kerschner, Director of Finance, reviewed the proposed 2026-2027 budget. State aid decreased by only \$215, while property valuations increased approximately 5% across the three counties. Budget authority increased by more than \$4.4 million, bringing total available budget authority to approximately \$70.5 million, including unused authority from prior years.
- Total compensation increased by approximately \$3.5 million, while the district's allowable growth was 3.91%, or slightly more than \$2 million. Exceeding the allowable growth amount required the district to participate in the joint public hearing. The previously approved infrastructure project at Kearney High School, estimated at more than \$5 million, is included in the budget and increases the tax levy by approximately 3.3 cents.
- The board had previously reviewed three budget options that would have increased the tax levy by 6.8, 5.2, or 3.6 cents. The proposed budget settles at a 3.3-cent increase. The total property tax request is \$64,748,510, including \$50 million for the General Fund, \$7,454,852 for the Bond Fund, \$6,025,602 for the Special Building Fund, and \$1,268,056 for the QCPUF. The total levy is slightly above \$1.10. The district also used \$1,783,119 of the additional property tax request authority previously approved by the board.
- General Fund expenditures are primarily dedicated to personnel, with approximately 87% of the budget supporting certified staff, classified staff, and administrators. The remaining 13% covers expenses such as fuel, electricity, classroom materials, and technology. Mrs. Kerschner noted that the district has intentionally drawn down General Fund cash reserves over the past two years by underfunding the fund while directing more resources to the Special Building Fund for capital projects.
- Although the proposed tax levy increases approximately 3.3 cents, the 5% increase in property valuations means many taxpayers will see a larger increase in their individual property tax bills.

1.C. Close Hearing

- The hearing closed at 5:38 PM.

2. Call to Order

President Hazard called the meeting to order at 5:38 PM.

3. Open Meetings Act Announcement

This is an open, public meeting of the Kearney Public Schools Board of Education, and a copy of the Open Meetings Act is posted in this room.

4. Board Meeting Decorum Expectations

5. Roll Call

Attendance Taken at 5:40 PM.

Amy Barth:	Present
Drew Blessing:	Present
Niki Deeds:	Present
Paul Hazard:	Present
John Icenogle:	Present
Amanda Smallcomb:	Present

6. Approval of Agenda

Move to approve the agenda of the meeting, as presented. This motion, made by Amanda Smallcomb and seconded by Drew Blessing, Passed.

Amy Barth: Yea, Drew Blessing: Yea, Niki Deeds: Yea, Paul Hazard: Yea, John Icenogle: Yea, Amanda Smallcomb: Yea

Yea: 6, Nay: 0

7. Public Participation/Comment

8. Agenda

8.A. Approve the Resolution to Set the Property Tax Request for the 2026-2027 School Year

- Mrs. Kershner explained that the district typically has approximately \$6 million in monthly payroll and receives state aid from September through June, creating a need for sufficient cash reserves to cover July and August when revenues are lower. She indicated that approximately \$18 million in cash reserves would provide an appropriate cushion. The district ended the 2025-2026 fiscal year with slightly more than \$12 million in reserves, and the proposed 2026-2027 budget would increase reserves to approximately \$16.7 million.
- Board member Drew Blessing added that the district is accomplishing significant priorities within the tax increase. The budget includes approximately \$3.5 million in compensation increases, adds \$4-5 million back into cash reserves to replenish funds used in previous years, and supports the approximately \$5 million infrastructure project.
- Superintendent Mundorf explained that the levy did not show an expected reduction when tax allocations swung back to the General Fund. Regarding the infrastructure project, KPS is responsible for a \$3.5 million share of a \$5 million total project based on its 70% land ownership, but city regulations required an upfront payment of \$2.5 million (50% of the project costs) from the Special Building Fund to initiate the project, with the remaining \$1 million financed over 5-10-year bonds. This \$2.5

million upfront infrastructure cost represents nearly five cents on the levy, effectively offsetting the anticipated tax levy drop. However, these infrastructure and lease-purchase obligations will decrease next year, leading to expected taxpayer savings. To further limit the tax burden, the district is currently levying 2.1 cents in the QCPUF fund, just enough to cover required payments, rather than the maximum statutory cap of 3.0 cents.

- Addressing overall tax requests, Mr. Blessing acknowledged that taxpayers are facing an estimated 7% increase driven by a combination of 5% valuation growth and additional levy asks. The actual impact on individual property owners will vary widely, with some seeing minimal or negative changes while others face increases of up to 15%.
- Board member, Paul Hazard, addressed public frustration regarding staff compensation and explained that employee pay increases are heavily dictated by Nebraska state law. By statute, KPS must stay within 2% of the average compensation of an array of eight comparable school districts. Because higher-paying districts in the array granted raises, KPS was legally obligated to approve a 3.53% salary increase to remain compliant, a figure that still falls below the recent 5.26% inflation rate. Board members emphasized that these statutory array requirements limit local financial discretion.

8.B. Adoption of Budgets for the Kearney Public Schools for the 2026-2027 School Year
Move to adopt the Kearney Public Schools budgets for the 2026-2027 school year, as presented. This motion, made by Drew Blessing and seconded by Amanda Smallcomb, Passed.

Amy Barth: Yea, Drew Blessing: Yea, Niki Deeds: Yea, Paul Hazard: Yea, John Icenogle: Yea, Amanda Smallcomb: Yea
Yea: 6, Nay: 0

9. Adjournment

- The meeting adjourned at 5:57 PM.

Move to adjourn the meeting. This motion, made by John Icenogle and seconded by Niki Deeds, Passed.

Amy Barth: Yea, Drew Blessing: Yea, Niki Deeds: Yea, Paul Hazard: Yea, John Icenogle: Yea, Amanda Smallcomb: Yea
Yea: 6, Nay: 0

Notice of Meeting

This meeting was publicized in the Kearney Hub on September 12, 2026; radio stations KGFW and KKPR; and KSNB and KHGI T.V.

Niki Deeds, Secretary