

SPECIAL BOARD MEETING
 APRIL 24, 2018
 SCHOOL ADMINISTRATION OFFICE

A special meeting of the Board of Trustees of Mountain Home School District No. 193 was convened at 6:01 p.m., April 24, 2018, at the District Administration Office, 470 North 3rd East, Mountain Home, Idaho, in said district, pursuant to authority provided by Title 74, Chapter 2, Section 74-202(4)(c)(6)(b) – Special Meeting of the Board of Trustees, Idaho Code, and pursuant to affirmation by the Clerk that notice of the special meeting had been given to each trustee and had been announced via electronic mail and posted public notice as required by law. A copy of the Notice of a Special Meeting of School Trustees so posted follows:

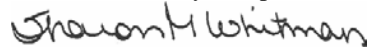
April 24, 2018
NOTICE OF SPECIAL MEETING
BUDGET & CONTINUOUS IMPROVEMENT PLAN WORKSHOP OF THE BOARD OF TRUSTEES
MOUNTAIN HOME SCHOOL DISTRICT NO. 193
Mountain Home, Elmore County, Idaho

NOTICE IS HEREBY GIVEN that a special meeting – Budget Workshop, of the Board of Trustees of Mountain Home School District No. 193, will be held on Tuesday, April 25, 2017, at 6:00 p.m., at the District Administration Office located at 470 North 3rd East, Mountain Home, Idaho, in said District, during which the following business will be conducted:

- I. Budget Workshop
- II. Adjourn

This Special Meeting of the Board of Trustees of Mountain Home School District No. 193 is called pursuant to Title 74, Chapter 2, Section 74-202(4)(c)(6)(b) – Special Meeting of the Board of Trustees, Idaho Code.

Dated the 18th day of April 2017.



Sharon M. Whitman
 Clerk, School District No. 193
 Mountain Home, Elmore, Idaho

At 6:01 p.m., Chairman Abrego convened the special meeting of the Board of Trustees – Budget Workshop to review, discuss, and conceivably determine a proposed budget for FY19.

- I. **BUDGET WORK SESSION** – Chairman Abrego asked Mr. Vick to present his proposed 2018-2019 budget. Mr. Vick reminded everyone that this proposed budget was drafted using many assumptions and projections, as the state has not released the budget numbers yet. He added that this budget description is a work in progress and is just a preliminary estimation and not the final budget. Mr. Vick reviewed the preliminary budget as follows:

ASSUMPTIONS

- Enrollment is budgeted at 3,915. This is below last year's budget enrollment, but higher than current enrollment
- Support Units are budgeted at 186.0
- Impact Aid will be budgeted without adequate civilians to be counted ("*C*" students)
- 100% of Mr. Longhurst's salary is paid from the Federal and DoDEA Programs. 95% of Mr. Johnson's salary is paid from the Federal and DoDEA programs
- There is no budgeted Emergency Levy money added in to budgeted revenue for FY 2019. Emergency Levy money is not certain and cannot be used to budget expenses
- Anticipated \$0 Health benefit increase
- Utilities are up 10.02%
- Fuel Prices Have Increased 30% in Idaho

- Building Supplies will be based on enrollment and previous year numbers
- Classified Salary scale is unchanged
- Certified salary, benefits, and coach's salary table are not yet negotiated and are not final for FY 19
- Certified staff will not be cut if possible, but will not exceed 1.1 Certified staff per support unit

Financial Statement

Mtn Home School District # 193 Financial Report for Fund 100						
		Audited	Mar-18			
Balance Sheet		Jun-17	Y-T-D	Mar-18		
		Balance	Activity	Balance		
Assets						
Cash		1,287,963	(1,051,212)	236,751		
Investments		500,000	5,900,067	6,400,067		
Receivables		1,715,053	(28,792)	1,686,261		
Inventories		24,818	0	24,818		
Prepaid Expenses		0	67,289	67,289		
Total Assets		3,527,834	4,887,352	8,415,186		
Liabilities						
Trade Accounts Payable		138,981	13,501	152,482		
Salaries Payable		2,671,411	0	2,671,411		
Taxes Payable		97,983	(97,941)	42		
Benefits Payable		0	0	0		
Note Payable		0	0	0		
Reserves		0	0	0		
Deferred Tax Revenue		117,313	(19,330)	97,983		
Total Liabilities		3,025,688	(103,770)	2,921,918		
Fund Balance		502,146	4,991,122	5,493,268		
Total Liabilities & Fund Balance		3,527,834	4,887,352	8,415,186		
Mtn Home School District # 193 Financial Report for Fund 100						
		June-18	Mar-18	Remaining	FY 18	
Income Statement		Budget	Y-T-D	Budget	Budget	Year-end
		Budget	Activity	Budget	Percentage	estimate
Revenues						
Local Revenue		46,600	5,877	40,723	87.39%	46,600
County Revenue		2,740,000	2,742,608	(2,608)	-0.10%	2,740,000
State Revenue - Base support		18,833,000	17,322,403	1,510,597	8.02%	18,833,000
State Revenue - Other		1,598,000	1,036,944	561,056	35.11%	1,598,000
Federal revenue		1,000,000	979,277	20,723	2.07%	1,000,000
Interest on earnings		20,000	50,327	(30,327)	-151.64%	20,000
Other Revenue		9,400	75,659	(66,259)	-704.89%	9,400
Total Revenue		24,247,000	22,213,095	2,033,905	8.39%	24,247,000
Expenses						
Salaries		13,714,000	10,166,651	3,547,349	25.87%	13,714,000
Benefits		5,125,000	3,521,087	1,603,913	31.30%	5,125,000
Purchased Services		3,876,400	2,506,360	1,370,040	35.34%	3,876,400
Supplies		833,600	787,649	45,951	5.51%	833,600
Capital		8,000	1,343	6,657	83.22%	8,000
Other		270,000	238,883	31,117	11.52%	270,000
Total Expenses		23,827,000	17,221,972	6,605,028	27.72%	23,827,000
Revenues over (under) expenses		420,000	4,991,123			420,000
Budgeted						
FY 2018						
FY 17 Fund Balance			502,146			502,146
FY 18 Activity			4,991,123			420,000
Estimated June 30, 2018 Fund Balance			5,493,269			922,146

FINANCIAL STATEMENT OVERVIEW

The financial statement above is included in the board packet every month. It consists of two reports that are for the general fund only. The first report is the Balance Sheet. This lists the major categories of assets and liabilities that the District has. Assets are; cash (cash in bank), investments (money that is in the State Investment Pool), receivables (money that the District is to get between the end of the year and 60 days after), inventories (paper and supplies), and prepaid expenses (Insurance premiums that are paid at the beginning of the year). The liabilities are trade account payable (vendor invoices unpaid), salaries payable (the amount of contracted salaries the District owes at the end of June for the remaining two months of contract), benefits payable (benefits associated with salaries for remaining two months of contract), note payable and reserves (both are other liabilities), and deferred tax revenue (tax revenue that we will receive by August 31). Fund balance is the amount of assets in excess of liabilities.

The first column shows the audited June 30th balance, the middle column shows the year-to-date activity, and the last column shows the current months balance.

The second report is the income statement. This shows all the Income (*Revenue*) and Expenses that the District has had since the beginning of the fiscal year. This report shows the revenue at the top and expenses below. Revenues over (under) expenses are listed at the bottom. Revenue is broken out into income by major revenue sources. Local Revenue (miscellaneous revenue from local activities), County Revenue (levy money collected by the county), State Revenue base support (foundation payments), State Revenue Other (special distributions), Federal Revenue (Impact Aid), interest on earnings (interest at the state pool and checking accounts), Other Revenue (miscellaneous revenue).

The first column shows the current year's budget approved by the Board of Trustees. The second column shows the revenue and expenses so far this fiscal year. The remaining budget is shows the variance between budget and the year-to-date activity.

Fund Balance in the year-to-date column on the balance sheet will tie into the Income Statement year-to-date activity column of Revenue over (under) expenses (there is a \$1 discrepancy due to rounding).

We currently have a Fund Balance of \$502,146, as of June of 2017. This is 25% of a month's expenditures. This Fund balance is targeted at an 8.5% figure. Until this Fund Balance is reached and financial stability is obtained, there will be restrictions on salary increases. The dollar amount of an 8.5% Fund Balance would be in the neighborhood of \$2,000,000. A Fund Balance at the \$2 million level is only one month of operations.

OPERATIONS

Enrollment is what drives staffing (thus salaries and benefits) as well as funding. The true determinate of revenue and expenses is not the actual enrollment, but rather the Average Daily Attendance (ADA) that we have based on the enrollment. Absences decrease revenue, but have no corresponding effect on expenses. The state foundation payments are driven by the first reporting period ADA and the Impact Aid voucher uses the prior fiscal years ADA in its calculating mixture. Salaries are committed for the most part in May of the proceeding school year by the Master Agreement. We hire based on enrollment, which is the maximum number of children in the classroom. If children are absent, the staffing remains the same. ADA is most important during the first reporting period to the state that ends in early November.

SUPPORT UNIT CALCULATIONS

The State Department of Education gives support units based on ADA and there are different Attendance Divisor's based on grade level.

Grade Level	Attendance Divisor
Kindergarten	40
Elementary 1-3	20
Elementary 4-6	23
Secondary	18.5
Special Education	14.5
Alternative	12

PUBLIC SCHOOL SUPPORT UNIT (33-1002)
CALCULATION TABLES

COMPUTATION OF KINDERGARTEN SUPPORT UNITS

Average Daily Attendance	Attendance Divisor	Units Allowed
41 or more ...	40	1 or more as computed
31 - 40.99 ADA	-	1
26 - 30.99 ADA	-	0.85
21 - 25.99 ADA	-	0.75
16 - 20.99 ADA	-	0.6
8 - 15.99 ADA.	-	0.5
1 - 7.99 ADA..	-	count as elementary

COMPUTATION OF ELEMENTARY SUPPORT UNITS

Average Daily Attendance	Attendance Divisor	Minimum Units Allowed
300 or more ADA	23... grades 4,5 & 6....	15
	20... grades 1,2 & 3....	
160 to 299.99 ADA.	20	8.4
110 to 159.99 ADA.	19	6.8
71.1 to 109.99 ADA	16	4.7
51.7 to 71.0 ADA..	15..	4
33.6 to 51.6 ADA..	13..	2.8
16.6 to 33.5 ADA..	12..	1.4
1.0 to 16.5 ADA...	n/a...	1

COMPUTATION OF SECONDARY SUPPORT UNITS

Average Daily Attendance	Attendance Divisor	Minimum Units Allowed
750 or more.....	18.5.....	47
400 - 749.99 ADA	16.....	28
300 - 399.99 ADA	14.5.....	22
200 - 299.99 ADA	13.5.....	17
100 - 199.99 ADA	12.....	9
99.99 or fewer	Units allowed as follows:	
Grades 7-12	8
Grades 9-12	6
Grades 7-9	1 per 14 ADA
Grades 7-8	1 per 16 ADA

COMPUTATION OF EXCEPTIONAL EDUCATION SUPPORT UNITS

Average Daily Attendance	Attendance Divisor	Minimum Units Allowed
14 or more	14.5	1 or more ascomputed
12 -13.99	1
8 - 11.99.	0.75
4 - 7.99	0.5
1 - 3.99	0.25

COMPUTATION OF ALTERNATIVE SCHOOL
SUPPORT UNITS

Pupils in Attendance	Attendance Divisor	Minimum Units Allowed
12 or more	12	1 or more as computed

SUPPORT UNIT APPORTIONMENTS

Per Support Unit	State Allowance	State Allowance
	FY 19	FY 18
Certified	1.021	1.021
Administrative	0.075	0.075
Classified	0.375	0.375

Salary Based Apportionments				
Year	Entitlement Funding	Admin Base	Certified Base	Classified Base
FY 2019	27,481	36,186	See Certified Career Ladder	21,665
FY 2018	26,748	35,132		21,034
FY 2017	25,696	34,109		20,421
FY 2016	23,868	33,116	24,055	19,826
FY 2015	22,401	32,151	23,354	19,249
FY 2014	20,000	31,883	23,123	19,058
FY 2013	19,706	31,883	23,123	19,058
FY 2012	19,626	31,883	23,123	18,684
FY 2011	21,795	32,441	23,565	19,041
FY 2010	25,459	34,705	24,567	19,840
FY 2009	25,696	36,532	25,231	20,376
FY 2008	25,442	35,816	24,623	19,783
FY 2007	25,436	34,776	23,906	19,207
FY 2006	24,695	33,760	23,210	18,648
FY 2005	24,242	33,760	23,210	18,648

- Mr. Vick also stated that of the \$27,481 Entitlement Funding (*what is reimbursed to us*), \$11,712 is designated to cover healthcare benefits; this doesn't cover the District's total cost of healthcare benefits.
- Mr. Vick referred everyone to the Certified Career Ladder for the Certified Base Support.

CERTIFIED CAREER LADDER

	FY 2018	FY 2019	\$ Chg	% Chg
R 1	\$34,600	\$35,800	\$1,200	3.47%
R 2	\$35,500	\$36,750	\$1,250	3.52%
R 3	\$36,411	\$37,706	\$1,295	3.56%
P 1	\$38,999	\$40,750	\$1,751	4.49%
P 2	\$40,630	\$42,503	\$1,873	4.61%
P 3	\$41,155	\$42,765	\$1,610	3.91%
P 4	\$42,825	\$44,538	\$1,713	4.00%
P 5	\$43,391	\$44,820	\$1,429	3.29%
P 6	\$45,102	\$46,614	\$1,512	3.35%
P 7	\$45,711	\$46,918	\$1,207	2.64%
P 8	\$47,467	\$48,734	\$1,267	2.67%
P 9	\$48,122	\$49,061	\$939	1.95%
P 10	\$48,802	\$49,401	\$599	1.23%

- Mr. Vick explained that the above Certified Career Ladder is what the state reimburses the District, but the District pays a substantial amount more to Certified to stay competitive with the valley schools.

REVENUE

The largest revenue source is the foundation payments by the State Department of Education. We get five payments per year and they vary widely in amounts. ADA drives Support Units and Support Units bring in revenue. Support Units are used to determine the entitlement amount and allowable staff in the foundation payment calculation. Each Support Unit in FY 18 is worth \$98,449. The Entitlement amount (*what the state reimburses the District*) for FY 18 is \$26,748 per Support Unit. The allowable salaries are \$71,701 per Support Unit including Benefits.

Administration and Classified have their own calculations. In FY 2019, all Certificated staff are reimbursed through the Career Ladder calculation discussed earlier. The base reimbursement rate for Administration increased 3% from \$35,132 to \$36,186 or \$14,709 total revenue increase. Classified base reimbursement increased 3% from \$21,034 to \$21,665, or \$44,029 total revenue increase. The Career Ladder calculation increased revenue on average by approximately 3.28% depending on the placement of staff on the Career Ladder.

In addition to the entitlement and apportionments, we received \$49,203 for Tuition Equivalencies, District to Agency Contracts, and Serious Emotional Disturbance. Transportation from the previous fiscal year was \$912,988. These reimbursements are not tied to ADA or support units.

Foundation payments are on the following page:

FOUNDATION PROGRAM CALCULATION	
FEB 15, 2018	
Mountain Home School District # 193	
1. SUPPORT UNITS	186.07
2. ENTITLEMENT @ \$26,748.00 per unit	\$4,977,000.36
3. SALARY APPORTIONMENT	11,214,110.01
4. BENEFIT APPORTIONMENT	2,127,316.66
5. BORDER CONTRACTS	0.00
6. EXCEPTIONAL CONTRACTS, TUITION EQUIVALENCY, SED	49,203.00
7. TRANSPORTATION	912,988.00
8. ADJUSTMENTS	0.00
9. TOTAL SUPPORT (lines 2 through 8)	\$19,280,618.03
10. TOTAL PAID TO DATE INCLUDING THIS PAYMENT	\$16,829,665.24
11. CHARTER SCHOOL JULY ADVANCE PAYMENT	\$0.00
12. AUGUST 15 PAYMENT (General Funds)	9,251,237.00
13. NOVEMBER 15 PAYMENT (General Funds)	3,699,052.00
14. FEBRUARY 15 PAYMENT (General Funds / Dedicated)	0.00
15. MAY 15 PAYMENT (General Funds / Dedicated)	0.00
16. PAID-TO-DATE	\$12,950,289.00
17. AMOUNT DUE THIS PAYMENT	\$3,879,376.24
18. OTHER STATE SUPPORT PAID TO DATE (not included in above payments)	
Bond Levy Equalization Support Program	\$0.00
Charter School Facilities	0.00
College and Career Advisors and Student Mentors	61,675.00
Content and Curriculum	8,450.00
Continuous Improvement Plans and Training	0.00
Early Graduation Scholarship	0.00
Fast Forward	18,580.00
Gifted / Talented	3,000.00
High School Redesign - Math / Science	0.00
Innovation Schools	0.00
IT Staffing	69,808.00
Leadership Premiums	0.00
Limited English Proficient (LEP)	43,968.00
Limited English Proficient (LEP) Grant	0.00
Literacy	169,704.00
Mastery Based System Development	0.00
National Board Certification	0.00
Professional Development	147,251.00
Remediation	0.00
Safe & Drug-Free	29,810.00
School Buildings Maintenance (lottery)	234,521.00
School Buildings Maintenance Match	0.00
Technology (Classroom, Wireless, Instructional Management System)	245,737.00
Unemployment Insurance (paid directly to DOL)	1,779.39
TOTAL OTHER STATE SUPPORT	\$1,034,281.39
19. RATIO	0.0122539972
FEB1518 Support	2/13/2018 4:10 PM

- Mr. Vick explained that the above-reflected Transportation reimbursement was from last school year and

not this school year.

OTHER SUPPORT PAID TO DATE

(See above foundation program calculations)

Number 18 (refer to the Foundation Program Calculation above) on the Foundation Payment lists Other State Revenue that has been paid to date. These are Special Distributions (restrictive) that have Idaho Codes attached to them preventing the District from spending them on anything besides the intended purpose. The end of this handout will explain the individual funds.

- Mr. Vick emphasized that Special Distributions have specific uses in accordance with Idaho Code and the District may not use this money for any other purpose or expense. (scroll down to Special Revenue Funds for explanations)

APPORTIONMENT COMPUTATION

(Allowable fulltime employees & actual fulltime employees as of February 2018)

Staff Allowance Ratio	Staff Allowance FTE	< 40 Units then + 0.5	< 20 Units then + 0.5	Separate Secondary School Allowance	Adjusted Staff Allowance	Actual FTE	Staff Allowance	Staff Index	Base Salary	Average Salary	Certified Preliminary Salary Based Apportionment
a	(Units x a) b	c	d	e	(b + c + d + e) f	g	h	i	j	(i x j) k	(h x k) l
Administrative	0.075	13.95525	0.00000		13.95525	15.15000	13.95525	1.73696	35,132.00	61,022.98	851,591.00
Instructional	1.021	189.97747	0.00000	0.00000	189.97747	185.01000	189.97747			43,673.11	8,296,907.00
Pupil Services	0.079	14.69953			14.69953	9.00000	14.69953			45,429.23	667,788.37
Subtotal Instructional and Pupil Services					204.67700	194.01000	204.67700				
Non-Certified	0.375	69.77625			69.77625	72.58780	69.77625		21,034.00		
TOTAL:					288.40850	281.74780	288.40850				

Noncertified Preliminary Salary Based Apportionment	Preliminary Salary Based Apportionment	Actual Total Salary	Salary Based Apportionment Eligible for Benefits	Benefit Apportionment	Virtual Allowance	Ancillary Allowance	Salary Based Apportionment Plus Waivers	Maximum Salary Apportionment	Salary Based Apportionment & Allowances
(h x j) m	(l + m + n) o	q	Smaller: o or q r	r x 18.97% s	(Max 15%) t	u	v	w	x
	851,591.00	1,148,011.92					851,591.00	851,591.00	851,591.00
	8,296,907.00	9,090,038.00			0.00	0.00	8,296,907.00	8,296,907.00	8,296,907.00
	667,788.37	482,900.00				0.00	667,788.37	667,788.37	667,788.37
Subtotal Instructional and Pupil	8,964,695.37	9,572,938.00			0.00	0.00	8,964,695.37	8,964,695.37	8,964,695.37
Non-Certified	1,467,673.64	1,467,673.64	2,297,946.92				1,467,673.64	1,467,673.64	1,467,673.64
TOTAL:	11,283,960.01	13,018,896.84	11,283,960.01	2,140,567.21	0.00	0.00	11,283,960.01	11,283,960.01	11,283,960.01

(Refer to the above chart) The allowable staff is not what we are limited to hire, but what the State Department of Education uses to uniformly allocate the legislative apportionment between districts. The District is currently 10.67 FTE's under the allowance in Certified staff, 2.82 FTE's over the allowance in Classified staff, and 1.19 over the allowance for Administration. Salaries are substantially higher than the allowance (District pays a substantial amount more in salaries than what is reimbursed by the state, so that we can be competitive with the valley school districts). Salaries are \$608,242 over the allowance for Certified staff, \$296,421 over the allowance for Administration, and \$830,273 over the allowance for Classified staff. If we hire above the allowable level, or pay above the allowance then the funding has to come out of Entitlement or other funding sources. The SDE only pays FICA, Medicare, and PERSI (18.97%) on the allowable salary (our District is required to pay the difference of what is reimbursed to the District from the state). Benefits on the salary above the allowable amount including; Workers Compensation,

Healthcare, and Sick Leave Retirement must be paid from Entitlement or other sources (*District is required to pay the difference of what is reimbursed to the District from the state*).

IMPACT AID

U.S. DEPARTMENT OF EDUCATION OFFICE OF ELEMENTARY AND SECONDARY EDUCATION IMPACT AID PROGRAM WASHINGTON, D.C. 20202-6244 VOUCHER FOR IMPACT AID SECTION 8003 PAYMENTS (TITLE VIII of the Elementary and Secondary Education Act)				Voucher Numbers		Fiscal Year	Date
				362419 2018-2		Budget FY 19	3/12/2018
				Total ADA	Total Memb	Total Current yr memb	Application Number
				3,641.67		3,897	22-ID-2018-0201
LCR				TCE			
\$5,840.50				\$24,259,000.00			
Duns Number: PR/Award#: Pay Type: Initial County							
Negotiated Rate	Attendance Ratio=	Prior-Year A	Prior-Year Membership	LOT%	=	TCE%	Membership %
	0.93448	3597	/ 3849			11.47%	24.45%
SECTION 8003(b) BASIC SUPPORT PAYMENT						LOT Percent Paid	95.00%
Category	Membership	ADA	Weight	WSU	Max BSP	Full LOT	Prorated LOT
(A) (i) -Live on Work On Civ		0.00	1.00				
(A) (ii)- Live on For. Mil Official		0.00	1.00				
(B) - Live on Un	399	372.86	1.00	372.86	\$2,177,688.83	\$782,225.83	\$743,114.54
(C)- Indian Lands		0.00	1.25				
(D) (i) -Live Off	554	517.70	0.20	103.54	\$604,725.37	\$217,217.35	\$206,356.49
(D) (ii)- Live off f	0	0.00	0.20				
(E) - Low Rent Housing		0.00	0.10				
(F) - Live On Fed. Property		0.00	0.05				
(G) (i) - Work on	0	0.00	0.05				
(G) (ii) - Work or	0	0.00	0.05				
8003(b) Total	953	890.56		476.40	2,782,414.20	999,443.18	949,471.02
(A) (ii)- Live on For. Mil Official		0.00	1.00				
(B) - Live on Un	26	24.30	1.00	24.3			\$12,150.00
(C)- Indian Lands		0.00	1.00				
(D) (i) -Live Off	22	20.56	0.50	10.28			\$5,140.00
(D) (ii)- Live off For. Mil Official		0.00	0.50				
8003(d) Total	48	44.86		34.58	CWD Rate Paid:/ WSU \$	500.00	\$17,290.00

The number of students with military connections drives the federal revenue (*Impact Aid*). This can include students whose parents work at a Non-Military Federal property such as Gowen Field, post office, or at the bombing range. Students are categorized into three groups, “A” students are students whose parents live and work on a Military Installation; “B” students are students whose parents work on Federal Property, but live in a civilian location; Civilian Students are children of Non-Military Parents who work on Federally Owned “dirt” regardless of location.

Impact Aid has been a fluctuating source of funding over the past few years. The Impact Aid revenue has been as high as \$4,350,000 in FY 2005, to a low of \$892,464 in FY 2016. Some of the change is due to a decline in students, reduced Federal Program Appropriations, privatized housing forcing staff to move off base, altered mission objectives, and reduced base staffing mix, have all contributed to the revenue decline. FY 18 we have received \$979,277, but some of this amount was for previous years. For FY 19, I have budgeted \$967,000.

- Trustee Binion mentioned that the base currently has several hundred civilians working on the base. Mr. Vick responded that we need to have 10% of our students be “C” students, and we generally don’t qualify.

CERTIFIED SALARIES

Salaries and Benefits make up approximately 80% of the District's budget. Below is the Certified Career Ladder for the District. It is based on the Career Ladder that the SDE has implemented in prior years. The District gives incentives for continuing education past a bachelor's degree.

2017-2018 MHSD Salary Schedule				
	BA	BA+24	Masters	
Row 1	\$ 34,600	\$ 34,900	\$	36,000
Row 2	\$ 35,250	\$ 35,800	\$	38,000
Row 3	\$ 35,900	\$ 37,000	\$	40,000
Row 4	\$ 37,150	\$ 38,500	\$	42,000
Row 5	\$ 38,400	\$ 40,000	\$	44,000
Row 6	\$ 39,650	\$ 41,500	\$	46,000
Row 7	\$ 40,900	\$ 43,000	\$	48,000
Row 8	\$ 42,150	\$ 44,500	\$	49,300
Row 9	\$ 43,000	\$ 45,950	\$	50,600
Row 10	\$ 43,850	\$ 47,400	\$	51,900
Row 11	\$ 44,700	\$ 48,850	\$	53,200
Row 12	\$ 45,550	\$ 50,300	\$	54,500
Row 13	\$ 46,400	\$ 51,450	\$	55,800
Row 14	\$ 47,250	\$ 52,600	\$	57,100
Row 15	\$ 48,100	\$ 53,750	\$	58,400
Row 16	\$ 49,250	\$ 55,200	\$	60,000
*BA>12				

Below is the Certified placement.

2017-2018 Schedule Placement				
	BA	BA +24	Masters	
Row 1	13	0		2
Row 2	13	0		0
Row 3	27	3		0
Row 4	1	1		5
Row 5	4	1		3
Row 6	0	0		6
Row 7	0	0		4
Row 8	0	0		1
Row 9	0	5		1
Row 10	0	0		5
Row 11	0	1		2
Row 12	0	0		1
Row 13	0	0		0
Row 14	0	1		1
Row 15	1	2		14
Row 16	1	21		62
*BA>12		Total		202

BENEFITS

While I don't anticipate an increase in healthcare premiums it's still a large expenditure for benefits. The state reimburses the District 18.97% for PERSI and FICA based on the allowable amount. Anything over the allowable amount is up to the District to cover. The District also pays 1.16% for Sick Leave Retirement that is not reimbursed by the SDE. This equates to \$151,019 Workers Compensation Insurance is budgeted at \$130,000.

Purchased Services

Purchased Services are made up from several categories. Repairs consist of maintenance to buildings and equipment. Contracted Services are comprised of services performed by outside agencies to do the services we cannot do within the District. Other is for miscellaneous costs such as Professional & Technical Services, Shredding services, etc. Therapy Services are for special needs students. Utilities are for power, water, gas, etc. Travel is for athletics competitions, extracurricular activities, and In Lieu of Transportation.

	FY 17	FY 18	FY 18	FY 19
	Actual	Y-T-D	Budget	Budget
Repairs	273,700	213,646	302,250	357,000
Contract services	1,305,880	785,700	1,327,000	1,332,500
Other	171,074	169,624	138,800	225,060
Therapy services	905,638	583,567	1,046,000	900,000
Utilities	624,203	439,415	691,950	773,300
Travel	81,622	42,131	34,250	82,750
	3,362,118	2,234,083	3,540,250	3,670,610

- Trustee Binion asked if the Therapy Services was beyond what the District is reimbursed. Mr. Vick replied yes, it is in addition to what the District is reimbursed.
- Mr. Gilbert explained that the Travel expenses would be significantly higher due to the change in the athletic conference to Eastern Idaho.

SUPPLIES

Supplies are consumable materials used by the District during the year. There are five main areas of supply expenses. Maintenance is the cost for supplies in the maintenance of buildings and equipment. Fuel is for student transportation and district vehicles. We are required to maintain bussing routes for safety issues and for students living outside a 1½-mile radius from their school. Building Supplies are all supplies associated with day-to-day operations. Copier Supplies are for all supplies associated with the copiers throughout the District. Textbook supplies textbooks and curriculum. Other is other supplies used to operate the District.

- Mr. Vick explained the reason for increased estimate to \$1,114,950 is that the actual expense for FY18 is currently over \$1.1 million dollars.
- Mr. Vick also explained that the Building Supplies included student supplies that our District is required to purchase to alleviate the cost to parents.

	FY17	FY18	FY 18	FY 19
	Actual	Y-T-D	Budget	Budget
Maintenance	164,024	94,809	157,800	149,200
Fuel	117,561	86,456	142,000	168,000
Building Supplies	380,440	307,753	254,000	488,000
Copier Supplies	57,607	31,453	90,800	62,500
Textbooks	200,532	203,074	133,000	198,000
Other	30,052	26,329	56,000	49,250
	950,216	749,874	833,600	1,114,950

- Chairman Abrego asked for clarification of the jump from \$833,600 to \$1.1 million. Mr. Vick replied that he took the actual expense from FY 17 and compared it to the current expense (as calculated at the beginning of March), divided by the eight periods, and then multiplied the number by 12 months to come up with the predicted amount.

TRANSFERS

Transfers were budgeted in FY 19 for Food Service Benefits, which are required by law. We have to transfer revenue into the Food Service Fund for the FICA and PERSI benefits of our Food Service Personnel. This is a federal requirement. There is also a little budgeted to cover for some of the Federal Programs that may exceed their appropriation. The transfer shows as an expense in the General Fund of \$35,000.

PROPOSED FY 19 BUDGET

Mtn Home School District #193 Financial Report Fund 100			
		Proposed Budget FY 18/19 6/30/2019	Previous year Proposed Budget FY 17/18 6/30/2018
Mtn Home School District #193			
Income Statement			
Fund 100			
Revenues			
Local Revenue		50,000	56,000
County Revenue		2,735,000	2,740,000
State Revenue (inc. rev in lieu of Taxes)		19,557,235	18,833,000
Other State Revenue		1,424,000	1,598,000
Federal Revenue		967,000	1,000,000
Earnings on Investments / other rev		20,000	20,000
Transfers		0	0
	Total Revenue	24,753,235	24,247,000
Expenses			
Salaries		13,889,596	13,714,000
Benefits		5,150,862	5,125,000
Purchased Services		3,670,610	3,876,400
Supplies		1,114,950	833,600
Capital		16,000	8,000
Other		211,200	240,000
Transfers		35,000	30,000
	Total Expenses	24,088,218	23,827,000
Revenues over (under) expenses		665,017	420,000

SPECIAL REVENUE FUNDS

Below is a brief discussion of all of the Special Revenue Funds that are outside the scope of the General Fund as discussed above. These funds are either Board restricted or the use is restricted by either State or Federal regulations.

Federal Forest Funds – Fund 220

These are funds that we received through the Craig-Wyden Act in lieu of the funds we would have received had the logging restriction not been imposed. We also receive Department of Defense money that is placed in this fund. The Federal Forest Funding has been cut drastically. In FY 2014, we received \$213,000; in FY 2018, we received \$20,000. The money from the Department of Defense was not appropriated one year, so it is a year-by-year option. This fund is restricted by the Board for Technology Purchases that include software, internet, and hardware replacement.

Department of Defense Education Activity – Federal Grant – Fund 230

This fund is used for the DoDEA grants. We currently have three DoDEA grants, a Math Grant that is in year three and managed by Mr. Johnson, the Emotional Grant for Special Education that is in year two and managed by Mr. Longhurst, and the Technology Grant that is in year one and managed by Mr. Goodman.

Drivers Education – Fund 241

This fund received its funding from two sources. One source is student fees, and the other source is the State of Idaho.

The State caps its reimbursement on the lesser of costs in excess of student fees, or \$125.00 per student. All funds are restricted to this fund for Drivers Education expenses only.

Vocational Education – State of Idaho – Fund 243

This fund receives money from the State of Idaho for the Vocational Classes at the high school and junior high. It is used to pay for Salaries and Benefits of the additional duties of the staff, as well as equipment used in class. These funds help with the welding and automotive classes. These funds are restricted for the Vocational Classes for purchases above the normal classroom costs. We budget this to spend all the money received each year and be at zero at the end of the year.

Technology Fund – Fund 245

This fund is used to pay for some salaries and equipment. The State of Idaho makes payments to assist with Technology in the Classroom. The money can be used for several purposes, but it has to be technology driven. We are paid based on the number of Support Units in the District. We budget this to spend all the money received each year and be at zero at the end of the year.

Safe and Drug Free School – Fund 246

This fund is used for Security purposes within the District. Vandalism has cost the District thousands of dollars of reimbursable damage. We are looking at purchasing an updated security system for the high school, but the payment each year will only pay for a fraction of the cost of the desired system. This fund is restricted for Security Purchases only.

Title I-Basic – Fund 251

Improving Basic Programs is a federal program that helps students who are most at risk meet state academic standards and be proficient on state assessments. This program provides funding to districts and schools that can be used for Professional Development, Extended-Time Programs, and other Strategies to help raise achievement levels. Title I-A laws hold states, districts, and schools accountable for improving the academic achievement of all students. The money can be used for salaries, benefits, and other costs related to reading improvement in the schools. Restrictions apply as to how the funds can be used, how much any school is allotted, and whether a school is eligible to use the money. 10% of the money in one year can be carried over to the next year if needed, but any deficits must be reimbursed from the General Fund.

Migrant Education – Fund 253

This is a Federal program with the money being restricted for the betterment of Migrant Children. We currently use this fund for staffing costs and training of staff who assist Hispanic children and their families. This fund is restricted for Migrant Education purposes only. The Migrant Summer School program is funded by this grant. We budget this to spend all the money received each year and be at zero at the end of the year.

Title I-D – Fund 255

This fund is a federally restricted fund and a part of the Title I Program described above. The money for this is administered by the District, but is restricted for use by the Sequel TSI Therapeutic Residential Treatment Center for adjudicated and non-adjudicated adolescent males, ages 10-18 years of age, with sexually maladaptive behavior that is located up on the hill for the betterment of their students. Bennett receives half of this grant for the Drop-Out Prevention Program.

IDEA School-age – Fund 257

This is a federally restricted program to reimburse the expenses above and beyond normal classroom expenditures for children with Special Needs. This fund is flexible in the category of expenses, but they must be above and beyond what is normally spent for a child. This fund is restricted for Special Needs staff and expenses only. This fund allows 15% of the money in one year to be carried over to the next year if needed, but any deficits must be reimbursed from the General Fund. We budget this to spend all the money received each year and be at zero at the end of the year.

IDEA Pre-school – Fund 258

This fund is a federally restricted fund for the purpose of identifying Special Needs students and providing services to them before they enter kindergarten. This fund is flexible in the category of expenses, but they must be used for Special Needs Services for children younger than school age. This fund is restricted for Special Needs staff and expenses only. This fund allows 15% of the money in one year to be carried over to the next year if needed, but any deficits must be reimbursed from the General Fund. We budget this to spend all the money received each year and be at zero at the end of the year.

Rural and Low Income Schools Program – Fund 262

This is a federally restricted grant to provide services to schools in Rural Settings with more than 20% poverty; the Mountain Home School District is about 20.4% (*poverty*) in the community. It is a year-by-year assessment of whether we qualify or not for this grant appropriation. We budget this to spend all the money received each year and be zero at the end of the year.

Title III Federal LEP Language Instruction – Fund 270

This is a federally restricted grant to provide services and reading improvement to English Language Learners (ELL). We budget this to spend all the money received each year and be at zero at the end of the year.

Teacher and Principal Quality – Fund 271

This is a federally restricted grant to provided Professional Development to staff. This grant allows 25% of the money in one year to be carried over to the next year if needed, but any deficits must be reimbursed from the General Fund. We budget this to spend all the money received each year and be at zero at the end of the year. In FY 2015, we received a grant of \$167,333.

P-L 874 Fund – Fund 279

This fund gets its revenue from payments on the Impact Aid vouchers. The revenue for Special Needs students is placed in this fund and the Salaries and Benefits of the staff who educate these students are charged against this fund. All expenses are restricted for the services provided to Special Needs students.

Plant Facility Fund – Fund 421

This fund is where the Plant Facility Levy taxes from the County were placed to pay the construction, renovation, and equipment needs of the District. This levy was generously renewed by the patrons of Mountain Home, in May 2015 for \$1,000,000 per year for each of the next five years. This fund is restricted for the purposes outlined in the levy ballot at each taxpayer approved levy election.

Chairman Abrego asked for clarification of how we are funded for our Support Units as compared to Charter Schools. Mr. Gilbert replied that they are supposed to follow the same rules that we have to follow. However, charter schools have advantages that we don't such as they get paid for transportation, but they don't have to provide the transportation, so they can bank that money. Charter schools are paid for their online students even though those students aren't in a classroom. Chairman Abrego added that charter schools count their online students as warm bodies even though they aren't actually attending school. Mr. Gilbert included that charter schools get transportation money for their online students even though the students are not being transported. Mr. Gilbert mentioned that charter schools can bank all of that extra money. He also mentioned that is how the local charter school was able to build a new school.

Trustee Knox asked how it would work if the charter school students wanted to play sports. Mr. Gilbert replied that we would have to allow to them to play.

Trustee Monasterio asked what maintenance projects do we have planned with the exception of the normal maintenance of the buildings. Mr. Gilbert answered that we have some wiring projects; we need to replace the roof at SES; all of the schools need painting, carpeting, and flooring. He added the Techsupport is working with a company to install natural gas generators in all of the buildings to keep servers and electronic devices such as the Access Controls operational; as we become more technical, we need means of insuring everything is operational.

Trustee Binion asked for clarification of reporting our attendance to be paid for Support Units. Mr. Goodman explained that the first state report is for salaries, but ADA is formulated out by the state according to our attendance based on the best of 28-weeks, and we have no way of knowing what our best 28-weeks would be.

Chairman Abrego referred back to page 10 on the Apportionment Computation Sheet and asked for clarification on the salaries reimbursed by the state (\$11,283,960) and what the District actually pays in salaries (\$13,018,896) equals \$1,734,936 of additional money the District has to take out of General Funds to pay salaries. Mr. Vick replied yes, the District pays \$1.7 million more in salaries than what we are reimbursed. Chairman Abrego again clarified that the \$1.7 million comes out of General Funds.

Discussion continued on such items as:

- An anticipated zero percent increase in Healthcare benefits, and how it is an anomaly not to have an increase.
- This is a proposed budget; it will be another two months before we can finalize the budget.

- The Board has worked hard to get the District out of the financial hole we were in and the Revenues over Expenses is the current anticipated Fund Balance and is only at about 30% of where the District needs to be to be as a district.
- The budget is on the conservative side until we have the 8% Fund Balance. A \$2 million Fund Balance is only would only last for one month's operational costs.
- There are elements that are out of the District's control such as transportation costs, fuel costs, utility costs, etc.
- The District has to pay anything above what the state reimburses us and that includes paying the FICA, Medicare, and PERSI, as well as paying 1.16% of total salaries for the Sick Leave Retirement expense.
- Around 95% of school districts pay above what the state reimburses them and we need to keep our salaries competitive; smaller school districts like MHSD live or die by the Supplemental Levy. If the Supplemental Levy doesn't pass, it is \$1.7 million dollars less that we have to pay expenses. With 80% of our budget going to salaries and benefits, one can tell where the cuts would come. Rural districts rely on their Supplemental Levies to survive.
- There has been an overall decline in Impact Aid, part of what we received this year is from FY16 and FY17, and we never know what we will be paid. We need to prepare for the day that Impact Aid is eliminated.
- Outside of salaries, there are very few places where we could save money, and the District is diligent in spending costs.
- Pay to Play has been considered, but it's not fair to students who can't afford to play sports.
- Chairman Abrego asked if the District could save money on substitutes by having existing staff sub in the classroom for the one or two periods as needed instead of paying a sub for ½ day. The District could offer a small incentive. The District does keep track of substitutes and the amount of subs used.
- Grants are now a days very specific for what it is used and the funds cannot be used for anything outside of the specifics and the requirements of receiving the grant may cause hardships to districts. We continue to look at grants that could help us, but the grants are never General Fund grants. We have received about \$5 million in grants over the last three years.
- Chairman Abrego asked if our District could run an online school so that we would be reimbursed for students who aren't actually in a classroom. Mr. Gilbert stated that the Bonneville School District does and we could probably, but there would have to be some research into the pros and cons.
- Chairman Abrego gave the MHEA (Association) the opportunity to ask questions. Mrs. Dickinson, Association President, asked for clarification on why the Building Supplies are budgeted so much higher than this year's budget. Mr. Vick explained that in FY17, the actual cost for supplies was \$380,440, but as of now, the District has already spent \$307,753 on building supplies, so formulating the cost out comes to \$488,000, due to the Joki Law in which the burden for school supplies has been taken from parents and given to school districts. Mr. Walleart thanked Mr. Vick for his budget documents and stated it was an easily understandable document that brought forth a good discussion and it was eye opening with a lot of good information and thanked him for all of his effort.
- Trustee Donahue asked about textbooks and would the District save money since everything seems to be going digital. Mr. Goodman said that now publishing companies are charging monthly fees for digital textbooks instead of charging for each book separately. The cost would be around the same.

II. Adjourn – All business of the Board having been completed, Chairman Abrego called for a motion to adjourn. A motion from Trustee Binion to adjourn was seconded by Trustee Donahue. Motion passed. Budget Workshop adjourned at 7:10 p.m.

Chairman Abrego

Clerk Whitman