

# **Board of Trustees**

## **FY 2018 Budget Work Session**

**April 25, 2017**

## **Agenda**

- 1. Overview**
- 2. Enrollment and Support Units**
- 3. State revenue**
- 4. Federal revenue**
- 5. Other revenue**
- 6. Staffing**
- 7. Salary increases**
- 8. Benefit increases**
- 9. Professional services**
- 10. Supplies**
- 11. Liability insurance**
- 12. Net income**
- 13. Special Purpose Funds**

## **Overview**

This discussion describes the history and assumptions regarding the preliminary 2017-2018 budget. This budget will be presented to the Mountain Home School District Board of Trustees for input and recommendations. The final budget will change based on the workshop discussions and direction received by the Board.

The revenue and expense discussions below are for activity in the General Fund. The General Fund is where the primary activity of the District occurs such as staff salaries, healthcare expenses, contracted services, general supplies, and liability insurance. Some expenses are paid for by special State or Federal Grants and are considered to be in "Special Revenue" Funds, not the General Fund. A brief description of Special Revenue Funds is at the end of this budget discussion. Within the General Fund, money that is not spent in any one year is kept in a Fund Balance (savings account) to be used in future years. The Fund Balance may be either restricted (dedicated to a particular use or purpose), or unrestricted (available for any need). The terms restricted and unrestricted are often referred to as Appropriated or Unappropriated. The budget is for the period beginning July 1, 2017, through June 30, 2018. This time frame is called a fiscal year and is commonly indicated by the term FY. The timeframe through June 30, 2018, is FY 2018.

The General Fund gets its money from three primary sources, the first being the State Department of Education payments as appropriated by legislation, the second being the Federal payments for children who are connected with the military called "Impact Aid" revenue, and the third being the Levy approved by the citizens of Mountain Home in the Supplemental Levy.

We currently have a Fund Balance of \$71,000 as of June of 2016. This is .3% of 2016 expenses. 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 \$1,900,000. A Fund Balance at the 1.9 mil level is only one month of operations.

The funding from the State of Idaho is being increased by 6.3% from last fiscal year. This amount is spread throughout the appropriations and is attached to the Board packet in an accompanying attachment. The second source of revenue is from the Federal Government in the form of Impact Aid. We did not qualify for the students of civilian contractors, so the budget from Federal sources remains equal to the budget from last year. The final source of revenue is from the supplemental levy. There is no change in the amount of revenue expected from the County source. I am not budgeting for an emergency levy because there is no major increase in students anticipated for FY 2018.

Expenses are categorized into seven major categories. Each category has subsets of accounts within them. The seven categories are salaries, benefits, contracted services, supplies, capital, insurance, and transfers. How the net amount of revenues over expenses will be split up between stakeholders will be a delicate balance and driven by the Board of Trustees.

## **Enrollment and Support Units**

In FY 2018, we are budgeting student enrollment at 3,930, which is an increase of 28 students from the FY 2017 school year as taken on Impact Aid card day of 3,902. Richard McKenna Charter School continues to expand and is our most visible threat to our projected enrollment number.

Utilizing the current year's enrollment by grade and location, I am projecting a slight increase in enrollment for the budget year over the current year. The projected enrollment with a projected attendance rate of 92.6% will produce 186.7 Support Units. This Support Unit projection is based on the number of enrolled students, age of the students, and rate of attendance. All of these factors will affect the actual support unit number.

The number of Support Units is generated from the Average Daily Attendance (ADA) and unit divisors from Idaho Code. The unit divisors are basically an assumption of what an average class size is for the different grade levels, the higher the grade, the lower the divisor, and the more the number of Support Units

per student. Since Support Units are driven by ADA and not enrollment, a higher attendance rate yields more Support Units although the total enrollment may remain the same.

Bennett Mountain High School is shown to have plateaued out at the FY 2017 level do in part by design. The nature of the school prohibits continued growth and the smaller class sizes and personal attention is prominent at this school. Their divisor is the lowest in the District and their increased funding per capital is above any other school in the District.

Impact Aid students living on base are budgeted at 415 students, which is less than the FY 2016 actual of 433 students. There is no indication that the on-base “A” students will increase substantially in the near future. We lost the ability to count civilians in the current fiscal year. This means our FY 2017 budgeted revenue of \$1,000,000 is going to be at the same level as the FY 2018 budget.

		Budget	Federal Survey Card day				4 year
Enrollment		FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	Historical
Enrollment	Grades						Ave
Stephensen	1-3	165	167	169	176	175	172
East	1-3	285	263	279	299	304	286
North	1-3	260	244	259	232	259	249
West	1-3	300	304	266	268	257	274
	Subtotal 1-3	1,010	978	973	975	995	980
Stephensen	4-6	50	43	42	49	66	50
East	4-6	100	97	84	94	116	98
North	4-6	80	74	89	78	87	82
West	4-6	90	91	85	89	71	84
HMS	5-6	600	607	624	593	567	598
	Subtotal 4-6	920	912	924	903	907	912
Jr High	7-8	575	600	554	590	570	579
Bennett Mtn	9-12	85	86	78	65	48	69
High School	9-12	975	977	925	973	1,010	971
	Sub Sec	1,635	1,663	1,557	1,628	1,628	1,619
Kindergarten		325	316	345	311	320	323
Pre-K		35	27	42	52	48	42
Pine		5	6	3	3	7	5
<b>Total</b>		<b>3,930</b>	<b>3,902</b>	<b>3,844</b>	<b>3,872</b>	<b>3,905</b>	<b>3,881</b>

### State Revenue

Revenue from the State is comprised from four sources. The first three sources are paid on five periodic State payments called “Foundation Payments.” The last State Revenue source is a periodic payment generally paid late in the year.

The first source of State Revenue is what is referred to as Entitlement (Discretionary Revenue), which is based on the total number of Support Units we generate. In 2017, the District received \$25,696 for 184.16 Support Units. This is equals the 2009 entitlement amount of 25,696 per Support Unit. In FY 2018, this amount has been increased to \$26,784 per Support Unit. This is a 4.1% increase of \$1,052 per support unit or \$195,672. These funds are now made up of two distributions. \$15,506 is at our discretion. The second distribution of \$11,242 is to be used to offset the cost of healthcare. If the second distribution is in excess of

the individual’s school district actual costs, then the excess funds may be used at our discretion. The second source of State Revenue is Salary-based Apportionment. This calculation is based on the quantity of staff we employ. Administrative and classified staff are still reimbursed under the previous method, and the certified staff are now reimbursed through the career ladder method. This source of revenue uses the number of Support Units, applies an arbitrary factor for the number of “staff” the Support Unit needs multiplied by an arbitrary salary for each category of staff. The factor for the number and salary of the “staff” assigned to the Support Units are driven by Idaho Code. This is not what we pay our staff or how many staff we hire; it is just a way of equitably dividing the entire State Education Allotment to the districts based on common criteria.

Administration and classified have their own calculations. In FY 2018, all certificated staff are reimbursed through the Career Ladder calculation discussed earlier. The base reimbursement rate for administration increased 3% from \$34,109 to \$35,132, or \$24,577 total revenue increase. Classified base reimbursement increased 3% from \$20,421 to \$21,034, or \$42,333 total revenue increase. The Career Ladder calculation increased revenue by approximately 3% depending on the placement of staff on the career ladder.

State Allocation Indexes		Budget	Actual
		FY 17-18	FY 16-17
State Distribution Factor (Entitlement)		24,784	25,696
SDE Base Reimbursement to District			
	Administrative	35,132	34,109
	Classified	21,034	20,421

Per Support Unit		State Allowance	State Allowance
	Certified	1.1	1.1
	Administrative	0.075	0.075
	Classified	0.375	0.375

The third area of revenue from the State is for Transportation costs. Idaho Code mandates a cap for transportation reimbursement of 3% of the statewide average expense for either per rider or per mile. They disallow all expenses related to athletics and fieldtrips to leave only home-to-school expenses. They then reimburse 75% of those allowable costs. If the District exceeds the 3% state average in both per rider and per mile, we will not be reimbursed for anything due to us above the cap. We are reimbursed for the FY 2016 expenditures in FY 2017, so we are always running a year behind in reimbursement of our expenses. We are currently over the state average for cost per rider, but are under the State cost per mile. This is due to the large area of our District, but sparse population. We compete against all districts in being under the state average regardless of whether they are self-operated or like us, contracted. The State used to reimburse us 85% of allowable costs before the cutbacks in the last few years. This 10% holdback has still not been restored to Districts.

The final revenue stream from the State is Other Revenue. This is money earmarked for special things such as Leadership Payments, remediation, classroom technology, advanced opportunities, Limited English Proficiency (LEP), lottery, and Professional Development. Leadership Payments are in addition to the salary dollars paid to certificated employees in which the certificated staff members are eligible for by performing duties in a leadership capacity. These payments are made for specific purposes or reimbursements for restricted expenditures and are unavailable for General Discretionary use. The budget for other State support payments is listed below.

## Other State Revenue

	Budget FY 2018	Budget FY 2017
Lottery	175,000	175,000
Differential pay / Leadership	202,000	180,000
Medicaid reimbursement	475,000	358,000
LEP	50,000	35,000
High School redesign math/science	70,000	63,900
Remediation	60,000	60,000
Professional Development	180,000	103,800
Technology and IT staff	390,000	350,000
Literacy and IRI	174,000	150,000
All Others	14,000	23,000
Total	1,790,000	1,498,700

## Federal Revenue

The number of students with military connections drives the federal revenue. 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. The District received approximately \$2,420 for each “A” student and \$484 for each “B” student for the 2014 fiscal year.

We are also reimbursed for civilians working on federal property on Impact Aid card day. These are parents who are civilian employees working on base, postal workers, National Forest, etc., who are working on federally owned (not leased) “dirt” on Impact Aid day. Although each civilian student has 5% of the financial value of a student whose parents live and work on the base, this group must be greater than 10% of enrollment or we are not allowed to count any of them. We did not have sufficient number of “C” students for FY 17. I am budgeting a consistent revenue for FY 18 over the FY 17 budget at \$1,000,000.

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.

Payments from Impact Aid are spread out over a number of years. As of this session, our last year of Impact Aid that has been finalized and closed is from FY 2015. The payments are delayed due to application appeals, audits, and corrections that have to be addressed before the last of the payments are sent out. The payment amounts are not known until we receive a voucher announcing the year, and amount of the payment.

## Supplemental Levy

The citizens of Mtn. Home voted to allow us to levy a General Maintenance and Operations Levy for \$2,700,000. This levy has to be renewed every 2 years and passed by the patrons with a 50% approval rate. FY 2018 is the second year of the current levy authorization. This levy generates approximately 12% of our annual revenue. The District is deeply appreciative of the support from the community for this funding.

## Emergency Levy

We are not anticipating asking for an Emergency Levy for FY 2018. An emergency levy can be invoked by the Board of Trustees without a vote of the patrons if there is a student increase in the first few days of the current year over the previous year.

## **Other Revenue**

Other revenue is money we receive from all the smaller grants, interest, etc., that the District is involved in. The largest of the other category is Medicaid. We are billing Medicaid for the special needs services. Of an allowable charge, the State of Idaho reimburses us only 70% and we pay for the remaining 30% with other taxpayer funds. These funds are restricted to providing services and supplies for the special needs students in our District. Another area of Other Revenue is interest income that we receive from our short-term investments in the State Investment Pool.

## **Staffing**

Our salary scale for our administrative and classified staff is different in the rate we pay our employees and the number we employ than what the State uses to allocate funds to our District. We try to maintain staff in similar number to those generating the revenue, but our needs have historically outweighed the reimbursement. In FY 2017, our actual administrative staff was 15.20 FTEs (Full Time Equivalency) and the State allowance was 13.81 FTEs. This is based on the State allowance factor of .075 administrators per Support Unit. The actual certified staff (without Pupil Personnel Services) was 186.31 FTEs and the State allowance was 186.31 FTEs based on the State allowance factor of 1.021 certified staff per Support Unit, and the classified staff was at 72.36 FTEs and the State allowance was 69.06 FTEs based on the State Allowance factor of .375 per Support Unit.

In FY 2018, the State has increased its reimbursement to Districts through the career ladder formula by a variety of percentages from a high of 5.83% per cell to a low of 1.24% per cell. We are utilizing the staff in the most efficient manner based on the new enrollment by grade level in FY 2018. We are moving two positions from secondary to elementary, and adding an additional two elementary positions. This will lower class sizes and enrich education at the beginning of the process. Our salaries in aggregate by category are higher than the reimbursements from the State. The excess salaries and benefits we pay to staff are paid from Discretionary Funds or Impact Aid Funds previously discussed.

## **Salaries**

Salaries for the Administrative team are not being increased except for the annual steps being a factor for increase. The Administrators increase 2% each year until they reach their frozen plateau.

Certified staffing will be budgeted close to the State allowance and be adjusted as enrollment dictates during fall enrollment. For each 1% on the base, salaries will increase \$118,900 including benefits. Increasing steps and lanes for certified staff will cost \$213,673 with benefits. I have included step and lane changes in the preliminary budget. Certificated staff will increase if enrollment increases during fall registration. Vacant positions are always held open in anticipation of reduced enrollment and filled as enrollment dictates. This creates a scramble at times for qualified staff at the last minute.

Classified staff has an allowance factor of .375 FTEs per Support Unit. This is based on the number of hours they work divided by the State Department of Education full time hours of 1,380. We have several staff who work less than 1,380 hours per year. If a person works in excess of 1,380 hours, they cannot be counted as more than 1.0 FTE. For each 1% increase on the base of the classified salary scale costs the District \$36,953 including benefits.

## **Benefits**

The State reimburses the District for PERSI and FICA on the allowable salary based on Support Units. Any PERSI or FICA on wages paid above the allowance is not reimbursed. As we exceed the allowance, we receive no retirement reimbursement. Although there is no increase in the above rates, if the salaries continue to escalate above the State allowance, there is no reimbursement for the retirement benefits related to those excess salary dollars.

Health Insurance is increasing at approximately 1.0% for medical premiums this year. This is substantially less than what we have had in the past. Any increase has to be paid for from the discretionary money from the State. The State does not specifically reimburse the District for any portion of our healthcare premiums.

The General Fund projection of our premiums with the increase for FY 2018 is budgeted at \$2,144,800. This is approximately an increase of \$81,000 over FY 2017.

The District also pays for Workers Compensation, budgeted at \$128,000; Sick Leave Retirement, budgeted at \$155,000; Recertification for certified staff is budgeted at \$9,000.

**Other Services**

Contracted services are comprised of services performed by outside agencies to do the services we cannot do within the District. There have been several changes in contracted services over the past several years. We have fulfilled our obligation with Cynergistic for the energy study contract for \$78,000 per year. We have budgeted utilities in mind with the recommendations from this program. The contract services for special needs students have been reduced substantially over the past year and a half. We are incurring contract services for special education needs through CPI and Contracted Therapists. We are spending over \$1,000,000 for special needs contracted services. We continue to focus on how to provide the same required services for less. This focus will continue through next year but is subject to the federal Maintenance of Effort requirement of spending the same amount each year as was spent in the year before, either in aggregate or per pupil. Transportation is budgeted at \$1,100,000 for the pupil to school contracted expenses. Utilities continue to increase and total utility expense is driven not only by cost but also by weather conditions. Total utilities are budgeted at \$673,000 for FY 2018, a decrease of \$18,000 from the FY 2017 budget.

Contracted Services

	Budget FY 2018	Budget FY 2017	Actual 2016
Utilities	673,000	691,700	625,969
Transportation	1,514,000	1,327,000	1,397,599
Contracted Services	1,197,200	1,184,800	1,377,246
All Other	501,000	336,500	386,023
Total	3,885,200	3,540,000	3,786,837

**Supplies**

There are five main areas of supply expense. First, the maintenance has increased over the years as supplies have increased. With the rebound in construction costs, inflation has hit the construction supply market hard. I am budgeting an increase over the FY 2016 actual costs in FY 2018. Fuel is for student transportation and district vehicles, which is dependent on the price of diesel and gas during the year. We are required to maintain bussing routes for safety issues and for students living outside a 1½-mile radius from their school. A portion of this is reimbursed and reflected in the revenue piece of the financials. Copier supplies are for paper used in the education process. All other category, is for other general usage supplies. We are budgeting for some of the incremental expenses that will be incurred by the special distributions from the State. These are offset by an increase in revenue. An example of additional expense is with professional development or literacy supplies.



Supply detail

	Budget FY 2018	Budget FY 2017	Actual FY 2016
Maintenance	133,000	118,000	122,432
Building supplies	174,550	176,600	100,372
Copier Supplies	80,000	56,500	75,613
Fuel	142,000	138,000	113,159
All other	399,050	156,900	221,601
Total	928,600	646,000	633,177

**Liability Insurance**

We ask our insurance broker to assess the market each year to get the carrier with the lowest premiums. Even with that effort, insurance keeps rising not because of our claims history, but the increase in risk caused by other companies' claims. We have raised our deductibles to \$5,000 to reduce premium costs. When we have a claim, some of the unreimbursed damages offsets the reduction in premiums obtained by raising the deductible. Liability insurance is budgeted at \$160,000 for FY 2018, a decrease over the FY 17 budget of \$180,000.

**Transfers**

Transfers were budgeted in FY 2018 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 \$60,000.

**Net Income**

The above assumptions yield expenses in excess of revenues for FY 2018 of (\$623,447). I am still trying to get clarification on SDE funding increases for certified and if we have to increase our minimum certified salary. This net income includes a 0% increase for certificated staff, 0% increase for classified staff, decrease in insurance, \$160,000 for textbooks, and additional classroom supplies formally fees paid by students. Obviously we will need to adjust expenses to meet the net revenue increase for this fiscal year. We will ask for direction from the Board of how to prioritize this revenue.

When the independent auditor would present the final audit report, they recommended that we should have a reserve, or rainy day fund, of a minimum 6% of revenues. The State of Idaho uses a 8.5% reserve in their rainy day fund. This equates to one months operating expense. I believe the District should also shoot for the 8.5% reserve. This reserve would be Board restricted for emergencies and released only through Board action. Unfortunately, since the funding fell out of the education system in 2009, this has been only a discussion. The goal of this District should be to commit to build a reserve and control expenses until that 8.5% figure has been achieved.

If this Fund Balance is to be obtained, there needs to be a drastic hold on expenses. This means, unfortunately that salary increases are not something we will be able to afford over the next few years. In order to achieve an 8.5% fund balance, we will have to acquire \$1,909,000, in the appropriated fund balance account. This amount cannot be reached by reserving \$100,000 per year for the next 20 years. It needs to be built as rapidly as possible through the controlled expenses. Salaries and benefits constitute 80% of the budget and therefore must be the category that contributes the most to the fund balance. It is this reason that there is no budgeted increase to the base for any category of employee for FY 2018.

The income statement is prepared with the assumptions discussed above. Obviously, we have not fine-tuned these numbers to arrive at an acceptable fund balance increase. Over the next few weeks, Administration will be meeting and determining expenses that can be reduced, any additional revenue

sources that can be finalized, and program costs that may not need a budget increase. We will keep the Board informed of the final budget to be presented at the hearing as we progress.

If the Board wishes to make changes or recommendation to these assumptions, the changes will certainly be incorporated into the final budget presentation. This is early in the budget process with much analysis and scrutinizing yet to occur.

This is an income statement as of April 24, 2017. I still have some revenue I am clarifying with the State, expenses to trim back, and certified staff turnover to consider. Although it is not in good financial position at this time, I believe there will be adjustments to bring it closer to a positive financial picture. The worst-case scenario is there may need to be some transfer from Federal Forest to make up some of the deficit.

General Fund

**PRELIMINARY**

<b>Mtn Home School District #193</b>	<b>Proposed Budget FY 2017-2018 6/30/2018</b>	<b>Prior years Budget FY 2016-2017 6/30/2017</b>
<b>Income Statement</b>		
<b>Fund 100</b>		
<b>Revenues</b>		
Local Revenue	57,000	65,000
County Revenue	2,765,000	2,765,000
State Revenue (inc. rev in lieu of Taxes)	18,024,322	17,685,356
Other State Revenue	1,418,800	1,193,644
Federal Revenue	1,000,000	1,000,000
Earnings on Investments / other rev	20,000	12,000
Transfers	55,000	48,000
Total Revenue	<u>23,340,122</u>	<u>22,769,000</u>
<b>Expenses</b>		
Salaries	13,813,469	13,375,000
Benefits	5,064,300	4,945,000
Purchased Services	3,885,200	3,540,000
Supplies	928,600	646,000
Capital	8,000	8,000
Other	204,000	199,000
Transfers	60,000	45,000
Total Expenses	<u>23,963,569</u>	<u>22,758,000</u>
Revenues over (under) expenses	<u>(623,447)</u>	<u>11,000</u>
FY 16 audited Fund Balance	71,000	
FY 17 budgeted net income	11,000	
FY 15 est ending Fund Bal	82,000	
FY 16 rev in excess of exp	(623,447)	
Budget FY 16 Fund Bal	<u>(541,447)</u>	

Below is a description of the State and Federal programs other than the General Fund. Each fund is budgeted to break even and any revenues in excess of expenses must remain in the specific fund and cannot be used by the general Fund.

### **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 whose 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 April 2016, we received \$254,589. This funding is in danger of being cut. Our legislators in Washington DC are fighting to keep this program appropriated but its future is far from certain. The money from the Department of Defense was not appropriated one year, but in FY 2016, we received \$168,450. It is a year-by-year option. The Board for technology purchases that include software, internet, and hardware replacement restricts this fund. We replaced half the computers in the school district one year at a cost of about \$480,000. The White House is seriously talking cuts to education.

#### **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 pays 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 only 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 pays 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 - Fund 246**

This fund is used for security purposes within the District. Vandalism has cost the District thousands of dollars of reimbursable damage over the years. We bought cameras and wiring throughout the District. This fund is restricted for security purchases only.

#### **Title I-Basic - Fund 251**

This is a Federal Fund to assist children in the schools with reading improvement. The money can be used for salaries and 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. We budget this to spend all the money received each year and be at zero at the end of the year. In FY 2017, we received a grant of \$802,207.

### **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 that assists Hispanic children and their families. This fund is restricted for migrant education purposes only. We budget this to spend all the money received each year and be at zero at the end of the year. In FY 2017, we received a grant of \$48,296.

### **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. The District has to have administrative oversight as the public LEA in which the school resides. We work with Sequel and reimburse them for the expenses they incur within the Title I regulations for their students. This money has historically been used by Sequel for the use according to the Federal 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. In FY 2017, we received a grant of \$773,257.

### **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. In FY 2015, we received a grant of \$41,798.

### **Rural and Low Income Schools Program - Fund 262**

This is a federally restricted grant to provide services to schools in rural setting with more than 20% poverty. The Mountain Home School District is sitting at 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 at zero at the end of the year. In FY 2017, we received a grant of \$80,548.

**Title III Federal LEP Language Acquisition - 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. In FY 2017, we received a grant of \$23,022.

**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 2017, we received a grant of \$163,943.

**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.

**Food Service Fund - Fund 290**

This fund gets its revenue from two sources, the Federal Child Nutrition Program (CNP) and student fees. The CNP program pays for students who qualify for free meals, a portion of student's meal who qualify for reduced, and a little of the children who did not qualify under either of these income guidelines. The students who do not qualify for free or reduced status pay an amount for their meals comparable to the rate the Federal program uses. All revenue is restricted for food, equipment, or facilities related to the food service program.

**Bond Fund - Fund 310**

This fund is where the Bond Levy taxes from the County are placed to pay the Debt Service Payments on the Junior High School bonds. We currently do not have any bonds and this fund is unused.

**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 renewed by the patrons of Mountain Home in May of 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 the taxpayer approved levy election. Revenues from this levy have been used for repairs and a new roof at Hacker Middle School.

	APPROPRIATION 2016-2017		APPROPRIATION 2017-2018		\$ CHANGE		% CHANGE		
	Public Schools	IESDB	Public Schools	IESDB	Public Schools	IESDB	Public Schools	IESDB	
<b>1 REVENUES</b>									
a. General Fund	\$1,574,874,600	\$9,784,800	\$1,674,895,400	\$10,366,800	\$1,685,282,200	\$100,020,800	\$572,000	6.4%	5.8%
b. STATE DEDICATED REVENUE									
c. Endowment / Lands	\$36,724,800	\$184,800	\$47,049,600	\$184,800	\$47,234,400	\$10,324,800	\$0	28.1%	0.0%
d. Miscellaneous	6,000,000	109,200	9,000,000	109,200	9,109,200	3,000,000	0	50.0%	0.0%
e. Lottery Dividend	18,000,000	0	18,075,000	0	18,075,000	75,000	0	0.4%	0.0%
f. Bond Levy Equalization Fund	12,452,500	0	13,194,200	0	13,194,200	741,700	0	6.0%	0.0%
g. Cigarette and Lottery Taxes	\$77,202,200	\$294,000	\$81,343,700	\$294,000	\$81,637,700	\$14,141,500	\$0	18.3%	0.0%
<b>TOTAL STATE DEDICATED REVENUE</b>	\$1,652,076,800	\$10,088,800	\$1,766,239,100	\$10,660,800	\$1,776,899,900	\$114,162,300	\$572,000	6.9%	5.7%
<b>TOTAL STATE REVENUES</b>	\$264,115,000	\$223,500	\$264,338,500	\$223,500	\$264,338,500	\$0	\$0	0.0%	0.0%
<b>2 FEDERAL REVENUES</b>									
a. TOTAL REVENUES	\$1,918,191,800	\$10,312,300	\$2,041,238,400	\$10,884,300	\$2,041,238,400	\$114,162,300	\$572,000	6.0%	5.5%
<b>3 STATUTORY EXPENDITURES</b>									
a. Transportation	\$71,152,000	\$0	\$71,643,800	\$0	\$71,643,800	\$491,800	\$0	0.7%	NA
b. Bonder Contracts	1,200,000	0	1,200,000	0	1,200,000	0	0	0.0%	NA
c. Exceptional Contracts and Tuition Equivalents	5,085,600	0	5,390,900	0	5,390,900	325,300	0	6.4%	NA
d. Salary-based Apportionment (Administrators, Classified)	186,979,800	0	185,929,000	0	185,929,000	8,949,200	0	4.8%	NA
e. Employer's Benefit Obligations (Administrators, Classified)	35,470,000	0	36,834,700	0	36,834,700	1,364,700	0	3.8%	NA
f. Career Ladder Salaries	673,145,000	0	726,236,400	0	726,236,400	53,091,400	0	7.9%	NA
g. Career Ladder Employer's Benefit Obligations	127,695,600	0	136,532,400	0	136,532,400	8,836,800	0	6.9%	NA
h. Leadership Awards / Premiums	16,645,200	0	17,401,600	0	17,401,600	756,400	0	4.5%	NA
i. Teacher Incentive Award (Nat'l Bd Cert)	4,024,900	0	4,024,900	0	4,024,900	0	0	0.0%	NA
j. Idaho Safe and Drug-Free Schools	22,400,000	0	20,500,000	0	20,500,000	(1,900,000)	0	-8.5%	NA
k. Bond Levy Equalization Support Program	5,531,000	0	6,084,100	0	6,084,100	553,100	0	10.0%	NA
l. Charter School Facilities	8,365,300	0	9,122,000	0	9,122,000	756,700	0	9.0%	NA
m. Idaho Digital Learning Academy	18,000,000	0	18,075,000	0	18,075,000	75,000	0	0.4%	NA
n. School Facilities Funding (lottery)	3,479,500	0	3,827,500	0	3,827,500	348,000	0	10.0%	NA
o. School Facilities Maintenance Match	6,000,000	0	7,000,000	0	7,000,000	1,000,000	0	16.7%	NA
p. Advanced Opportunities	5,157,200	0	5,476,100	0	5,476,100	320,900	0	6.2%	NA
q. Math and Science Requirement	652,000	0	652,000	0	652,000	0	0	0.0%	NA
r. Continuous Improvement Plans and Training	1,400,000	0	1,400,000	0	1,400,000	0	0	0.0%	NA
s. Mastery Based System Development	150,000	0	150,000	0	150,000	0	0	0.0%	NA
t. Online Class Portal	5,000,000	0	7,000,000	0	7,000,000	2,000,000	0	40.0%	NA
u. College and Career Advisors and Student Mentors	9,100,000	0	11,416,200	0	11,416,200	2,316,200	0	25.5%	NA
v. Literacy Intervention	100,000	0	100,000	0	100,000	0	0	0.0%	NA
w. Innovation Schools	18,000,000	0	28,142,000	0	28,142,000	10,142,000	0	56.3%	NA
<b>NON-STATUTORY EXPENDITURES</b>									
a. Technology (Classroom, Wireless Infrastructure, IMS Maintenance)	2,100,000	0	2,100,000	0	2,100,000	(2,100,000)	0	-100.0%	NA
b. Wireless Infrastructure (WI-FI)	3,000,000	0	3,000,000	0	3,000,000	0	0	0.0%	NA
c. IT Staffing	3,000,000	0	7,500,000	0	7,500,000	4,500,000	0	150.0%	NA
d. Instructional Management System (IMS) Maintenance	1,758,500	0	1,758,500	0	1,758,500	0	0	0.0%	NA
e. Student Achievement Assessments	1,817,800	0	1,817,800	0	1,817,800	0	0	0.0%	NA
f. Math Coaches	2,316,200	0	2,316,200	0	2,316,200	0	0	0.0%	NA
g. Reading Initiative (IRI)	5,456,300	0	5,456,300	0	5,456,300	0	0	0.0%	NA
h. Remediation / Waiver (non Title I)	3,870,000	0	3,870,000	0	3,870,000	0	0	0.0%	NA
i. Limited English Proficient (LEP)	300,000	0	300,000	0	300,000	0	0	0.0%	NA
j. Evaluation Training and Development of Administrators and Teachers	16,388,700	0	20,950,000	0	20,950,000	4,561,300	0	27.8%	NA
k. Professional Development (Idaho Core, District Funding, GTT)	4,250,000	0	5,050,000	0	5,050,000	800,000	0	18.8%	NA
l. Content and Curriculum	1,000,000	0	1,000,000	0	1,000,000	0	0	0.0%	NA
m. Gifted / Talented Grants	264,115,000	0	264,115,000	0	264,115,000	0	0	0.0%	NA
<b>FEDERAL EXPENDITURES</b>									
a. IDAHO EDUCATIONAL SERVICES FOR THE DEAF & THE BLIND	0	6,857,500	0	6,821,100	6,821,100	63,600	63,600	0.9%	0.9%
b. Campus	0	3,454,800	0	3,963,200	3,963,200	508,400	508,400	14.7%	14.7%
c. Outreach	\$0	\$0	\$0	\$0	\$0	\$0	\$0	NA	NA
<b>TOTAL EXPENDITURES</b>	\$1,533,675,600	\$10,312,300	\$1,624,748,200	\$10,884,300	\$1,635,632,500	\$91,072,600	\$572,000	5.9%	5.5%
<b>4 PUBLIC EDUCATION STABILIZATION FUNDS</b>									
a. NET STATE FUNDING	\$382,516,200	\$0	\$405,605,900	\$0	\$405,605,900	\$23,089,700	\$0	6.0%	NA
b. SUPPORT UNITS	14,886	0	15,164	0	15,164	278	0	1.9%	NA
c. DISTRIBUTION FACTOR	\$25,696	\$0	\$26,748	\$0	\$26,748	\$1,052	\$0	4.1%	NA
<b>(Includes \$300 for Safe Environment Provisions)</b>									