

MID-BUCHANAN R-V SCHOOL DISTRICT

Faucett, Missouri

Budget for Fiscal Year 2019

Presented by Dr. Cody G. Hirschi Superintendent

Adopted by the Mid-Buchanan R-V Board of Education June 30, 2018

Mid-Buchanan R-V School District
2019 Fiscal Year Budget

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June 30, 2018

Board of Education
Mid-Buchanan R-V School District
Faucett, MO 64448

Dear Board of Education,

Submitted herein is the financial budget for the educational program of the Mid-Buchanan R-V School District for the 2018-2019 school year, (Fiscal Year 2019).

The proposed expenditures, in my opinion, are necessary to maintain District facilities, provide for a quality program, and to continue improving the educational offerings of our District. The strategic plan, which was adopted during the 2017-2018 school year, outlines the district priorities for the coming year. The plan outlines goals and actions to ensure that we are moving towards continuous improvement and growth. The governance plan is a tool that assists the district in determining the allocation of funds.

Recognition should be given to Ginger Skaggs and Stacey Rasco for their assistance and extra time and effort given to aid in the preparation and accounting of this budget.

It must be recognized that this budget is based on the best available information at the time of preparation. Subsequent revisions by the administrative team and Board of Education will be necessary. It is anticipated that an amended budget will need to be revised and adopted by the Board, after the conclusion of our FY18 audit. The budget is simply a working document that will be reviewed and revised continually.

It is also important to note that we have been working through all the various issues encountered by both our external and internal audits during FY18. We know for certainty that our ASBR from last year was not an accurate reflection of our reality. During this past fiscal year, we made a number of corrections to repair bookkeeping errors. Some of these errors required the district to transfer thousands of dollars from our operational bank account into debt service. Additionally, we have paid thousands of dollars in bills that were carried over from FY17. We are hopeful that by the time our audit is complete in August, that we will have a good idea of what our reserves actually are going into FY19.

As your Superintendent of Schools and Budget Officer, I recommend the adoption of this budget.

Respectfully,

Cody Hirschi, Ed.D.
Superintendent of Schools

BUDGET MESSAGE

The following budget message is intended to provide an overview of the anticipated revenue and expenditures for the 2018-2019 fiscal year, with clarification given for areas of large deviation from recent years. The budget is a map to guide the fiscal resources of the District to help ensure that expenditures are made in such a manner as to improve the educational programs of the Mid-Buchanan R-V School District. This message will be divided into three areas: 1. Instructional Plan; 2. Revenue Plan; 3. Expenditure Plan. Due to the extensive number of objects in the budget, I will not take the time to explain each in detail. Rather, I will attempt to highlight certain line items for you and clarify major changes from the past year.

INSTRUCTIONAL PLAN

Current enrollment figures of the Mid-Buchanan R-V School District are:

High School Enrollment:	322
Elementary School Enrollment:	421
Pre-School Enrollment:	23
Total:	766

The educational staff for the 2018-2019 school year consists of the following positions:

5	Administrators
3	Directors (Tech, Maintenance, Food)
30	Elementary School Teachers
28	High School Teachers (1 part-time)
2	Counselors
1	Nurse
2	Health Aides (2 part-time)
7	Para Professionals (1 part-time)
6	Secretaries
6	Custodians/Maintenance
5	Cooks (1 part-time)
95	TOTAL

Staff utilization for the 2018-2019 school year includes:

* The District will continue to utilize contracted services for existing teaching positions including: Physical Therapist, and Occupational Therapist. These services are provided through UCP of Northwest Missouri and arranged through the Special Education Cooperative. We will continue to use the Special Education Cooperative as our special education compliance officer. We will pay the Co-op close to \$62,000 for their services.

* The District will utilize Missouri Western for the provision of academic coursework, including dual credit classes.

Instructional programs requiring attention in the new fiscal year include many initiatives which have been focused on in the past. The elementary will be focusing some of their professional development in trainings regarding SW-PBS. This new school-wide behavioral approach requires consistency across the building to ensure success. They will also continue working in data teams. Curriculum work has to be an immediate focus to ensure that our students are not only prepared for state assessments, but also prepared for college and career experiences. The Missouri School Board of Education adopted the new Missouri Learning Standards in the spring of 2017. We are significantly behind with curriculum development. ELA and Math curriculum in the elementary school is progressing and the framework should be completed by August 2019. The high school is at the beginning stages of curriculum development. The goals for the high school are being evaluated by the new principal and will be revised during the 2018-2019 school year. Funds will need to be allocated to support this work. It is anticipated that curriculum development will be completed by the Spring of 2020 and will be a district-wide priority, superseding all other instructional initiatives.

With a continued emphasis on student performance, specifically related to the Missouri School Improvement Plan (MSIP) and state accreditation, the District must closely monitor student achievement on the MAP and EOC testing. DESE is currently in the process of revising MSIP 6, and it is anticipated that an update will occur during this fiscal year. Based on previous AYP reports, communication arts and math must be an area of focus for improvement at both the elementary and secondary levels. High school students must be challenged to engage in a rigorous schedule of courses, which will either prepare them for the work force or for extended learning beyond their high school years. Student participation in advanced coursework must be carefully monitored as well as student preparation for taking the ASVAB, ACT, SAT and/or the COMPASS. While drop-out rates have not been a pressing issue for the past few years, the District must continue to identify and meet the needs of at-risk students, assuring that all students are connected to learning. Efforts to maintain the state's attendance goal of 90% at 90% must continue and will be a focus of the faculty and staff.

The District provides students the opportunity to receive vocational training through the Area Career and Technical College (Hillyards) and additional coursework on the Mid-Buchanan campus. With the support of the guidance office, the District must encourage students to pursue such training opportunities related to their post-graduate plans. A couple of the goals in the strategic plan directly address this topic. First, all students will develop a four-year academic plan with the support of the HS counselor, district staff, and administration. Secondly, graduation requirements and course offerings will be reviewed and revised as outlined in the plan.

The District will continue to support students in the A+ program and will continue to recruit student participation. Students participating in this program must be closely monitored and guided to meet all requirements of this program prior to their graduation from high school. HS administration will ensure that this program is supervised adequately with the transition to a new

staff member overseeing the program details.

Technology will play a major role in the future within the instructional environment of the classroom as teachers use this tool to best prepare students for life in the 21st century. The adopted strategic plan outlines various goals within this area including, infrastructure, device acquisition and maintenance, and technology deployment. The district has acquired ERATE funds this past year, which has assisted the district in updating the infrastructure. All basic components for a solid infrastructure should be completed by August 2018. These updates include wireless access points, cabling and fiber runs, and updated closets/servers. Also, devices will be purchased for all the technology trainer classrooms as part of our rollout plan. Professional development funds will be targeted to ensure that the trainers are effectively trained.

LOCAL - Current taxes for FY19 are currently projected to be \$2,846,355 generated in Operating and \$547,587 in Debt Service. The total levy being assessed to the property owners of the District is currently \$5.5782 which is separated with \$4.6782 in fund 1 and \$.9000 in fund 3. The district will need to analyze our debt repayments to ensure that there are adequate funds levied in the future to meet debt obligations. This analysis will be concluded prior to the tax rate hearing to be scheduled in August. Local projected revenues are conservatively estimated based off of FY18 assessed valuation in the county. This proposed budget shows an increase of \$28,235 from what was proposed last year. It is anticipated that the increase will actually be a greater dollar amount but it is preferred to make conservative projections.

Prop C funding is budgeted at \$708,539.00. The Governor's Budget has projected an increase in Prop C revenues, which will be paid based on our 2017-2018 weighted ADA, which has increased in FY18. Prop C funding is based on approximately \$995 per weighted average daily attendance. DESE projections actually indicated that this number will be closer to \$1,006. This anticipated increase is based off of actual DESE projections and current calculations.

The local food service proposed revenue is budgeted at \$175,000. This proposed budget is based off of actual FY18 receipts. This proposal breaks apart the revenues and expenditures in food services to better analyze trends.

Student Activity accounts needed significant work during 2017-2018 to ensure accurate accounting. Student activity fund balances carry-over from year to year so what is not spent in one year may be spent in the next. This is an account that needs to be evaluated closely over the next few years. This proposed budget makes a clear distinction between district money and student activity/fund raising money. It is the goal of the district to not mix the two funds together. Several corrections have been made to fix these accounts.

Bottom Line on Local Revenue: The proposed budget shows local revenue of \$4,630,384.00. This equated to about 56% of all our revenues.

COUNTY - Revenue from Fines, Forfeitures, Etc. and Railroad & Utilities have been budgeted for the 2018 fiscal year at \$239,000 based on FY18 revenues.

STATE – For the FY19 budget, the District has currently estimated revenues from the funding formula of \$2,565,722. These numbers are based on projections provided by the state and our ADA calculations. An estimated amount of \$288,400 is anticipated in Classroom Trust (Gaming) funds.

Transportation revenue budgeted for FY19 is comparable to FY18. This is an area that has been cut significantly over the years. The FY19 budget is \$65,000 compared to \$63,400 budgeted last year.

Bottom Line on State Revenue: The proposed budget shows State revenue at \$3,013,722 compared to \$2,996,980.77 recorded in FY18. Proposed budget figures are based on the previous year receipts and state funding projections. Total State revenues account for about 36% of the budgeted revenues. The good news is that the governor approved fully funding the formula. Figures are based on actual state revenues for FY19. Information received from DESE indicates that we will have another strong fiscal year with the State Adequacy Target (SAT) at its highest level (\$6308). The SAT used to create this budget was \$6290. Classroom Trust funds are projected for this budget at \$405. This is a conservative number to be used in this budget compared to the projected \$414.57 received from the state. It is anticipated that our final state revenues will exceed this proposal.

FEDERAL - The Federal revenue area is comprised of several entitlement areas such as IDEA, Title I, and Title II A - Teacher and Principal Training and Recruiting Fund. Each of these grant programs have been budgeted based on allocation information from DESE. It is important to note that these Title funds have been lumped together in the budget. DESE allows this as an option. The increase in Title funds allows for the district to cover the salaries of both Title teachers and allows around \$3500 to be allocated towards materials. It is also important to note that this past year we received approval from DESE to use title funds school-wide rather than just to targeted students. This provides us more flexibility on the use of funds and who is served.

Federal lunch and breakfast revenues are projected based on revenue during past years. The District will continue to encourage families to participate in the Free and Reduced Lunch Program if eligible.

Bottom Line on Federal Revenue: Fiscal year 2019 federal revenues are budgeted at \$334,676. At the time of completion of this document, the district has not received all of its federal IDEA and Title fund reimbursement. Those funds have been approved, just not yet dispersed. An update will be made upon the completion of the FY18 audit. Total Federal revenues represent about 4.4% of the district's budgeted revenues.

OTHER - Additional revenues to the District include tuition paid to our District from a couple of tuition students. At this time, we anticipate having two students paying tuition.

EXPENDITURE PLAN

STAFF - Salaries: Certificated salaries have been budgeted with the previously approved \$200 increase to the base salary and \$550 to the MS step. Teachers were allowed to move on the schedule as they are eligible. Retirement benefits remain the same as last year at 14.5%. Health insurance rates are budgeted based on actual rates provided by MEUHP. The district currently pays \$528.47 towards employee health, dental, and life insurance.

Non-certificated staff salaries have been budgeted with the previously approved step down on the salary schedule and increase to the base salary per position. Retirement benefits are 6.68%, social security 6.2% and Medicare 1.45%. Health insurance rates are budgeted based on actual rates provided by MEUHP.

Salary and benefit expenditures account for nearly 65% of the district's expenditures. This is down from 69% last year as a result of staffing and position changes/reductions. These changes in personnel and right sizing our positions has added an estimate of \$230,000 (conservative estimate) of annual savings. The state average spent in this category was 62.65% in the prior year. Our staff is compensated above the state average.

The District will pay \$2,250 to Hillyard Technical Center for each of our students to receive vocational education. We currently have 27 students scheduled to attend, which costs the district \$60,750.00

CONTRACTED SERVICES: A physical therapist and occupational therapist will be contracted through UCP of Northwest Missouri, with the Special Education Co-Op serving as the fiscal agent. In addition, the District has contracted with the Co-Op to assist in the implementation of Early Childhood Special Education, Special Education and Parents as Teachers programs. In certain cases, the District contracts additional services related to students with special needs which can not be adequately addressed by personnel within the District. In total, the fiscal year 2018 budget includes contracted service expenses which would include those specified areas as identified above as well as other expenditures such as: transportation; travel; copy machine usage; testing expenditures; liability insurance; audit, election, and legal services; advertising costs; postage; telephone; water; property insurance; and repair expenses for plant and transportation related items. Of total budget expenditures, approximately 10.9% are related to contracted or purchased services.

MATERIALS AND SUPPLIES: Material and supply expenditures include instructional supplies, all student activity expenses, library materials, building and district office supply expenses, transportation supplies (including fuel), food supplies, and plant materials (inclusive of general supplies, electricity and gas). Supplies and materials make up about 12% of the budgeted expenditures. This budget is more than sufficient to complete some projects in the strategic plan, including our technology initiatives, gym flooring projects, and upgrades to facilities.

EQUIPMENT/CAPITAL PROJECTS: The draft budget for fiscal year 2019 designates fund 4 expenditures of \$206,750 which includes money for anticipated district improvements. This comprises 2.64% of the budget. This is an area that the Board and administration will need to

consider to ensure adequate funds are available to address improvements in the adopted plan. If this budget is approved, the district will need to make around a 4% transfer to fund 4.

DEBT SERVICE: Debt service payments (fund 3) this year will be \$565,000, or 7.2% of the budget towards principal and interest of debt.

Total expenditures budgeted for the FY19 total \$7,819,258.00. Total budgeted revenue for FY 19 is \$8,217,782.00. A positive difference of \$398,524.

Anticipated reserves for FY19 will be finalized after the FY18 audit. Major purchasing decisions outlined in this budget will be on hold until the audit is complete, with the exception of our technology initiatives, which will be completed by August. It is also important to note that an analysis of the need for future TAN loans have been conducted with the data to be presented to the board during the June 2018 board meeting.

It must be kept in mind that all revenues and expenditures are estimates, which are subject to change. New information is received regularly in reference to local, state and federal revenues. Accordingly, the budget must be reviewed monthly to assure that the District is operating in a wise fiscal manner. One of the challenges has been to really understand what our current reality is with our finances. This is largely due to budgeting and accounting issues that are being discovered. It is anticipated that it will take a couple of years to really align the budget to our new philosophies and strategic planning.

In summation, it appears that the Mid-Buchanan R-V School District will be able to continue to provide the students of our district with a quality educational program. The Board of Education and school community should be optimistic about our future. However, at the same time, the Board must face the reality that the maintenance of our aging facilities and cost of educating children will only get more expensive as time moves on. It is our desire to provide our students with the quality education which they deserve, while maintaining a balanced budget.