

Board of Trustees

**FY 2018
Budget Narrative**

June 20, 2017

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BOARD APPROVED BUDGET

MOUNTAIN HOME SCHOOL DISTRICT #193
SUMMARY STATEMENT 2017 - 2018 SCHOOL BUDGET
ALL FUNDS

	GENERAL M & O				ALL OTHER FUNDS				TOTAL ALL FUNDS		
	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2018 Budget	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2018 Budget	FY 2017 Budget	FY 2018 Budget	Percent Change
REVENUES											
BEGINNING BALANCES	\$ (645,027)	\$ (459,379)	\$ -	\$ 71,000	\$ 1,868,988	\$ 1,526,447	\$ 814,550	\$ 200,000	\$ 814,550	\$ 271,000	-66.7%
LOCAL TAX REVENUE	2,793,105	2,585,181	2,765,000	2,740,000	647,521	0	1,000,000	1,000,000	3,765,000	3,740,000	-0.7%
OTHER LOCAL REVENUE	197,673	52,193	78,000	56,000	421,771	1,311,016	500,000	407,750	578,000	463,750	-19.8%
STATE REVENUE	17,929,475	18,945,588	18,879,000	20,431,000	102,927	146,940	86,000	334,750	18,965,000	20,765,750	9.5%
FEDERAL REVENUE	1,516,571	892,464	1,000,000	1,000,000	3,052,497	3,540,444	3,138,000	3,815,000	4,138,000	4,815,000	16.4%
EARNINGS	31,278	17,584	12,000	20,000	11,913	0	0	0	12,000	20,000	66.7%
TRANSFERS IN	35,530	526,847	35,000	0	61,500	26,500	45,000	30,000	80,000	30,000	-62.5%
TOTAL REVENUE	\$21,858,605	\$22,560,478	\$22,769,000	\$24,318,000	\$6,167,117	\$6,551,347	\$5,583,550	\$5,787,500	\$28,352,550	\$30,105,500	6.2%
EXPENDITURES											
SALARIES	13,149,789	13,179,297	13,375,000	13,714,000	1,490,720	1,363,113	1,704,000	1,892,600	15,079,000	15,606,600	3.5%
BENEFITS	4,518,818	4,711,262	4,945,000	5,125,000	652,990	662,368	468,000	549,400	5,413,000	5,674,400	4.8%
PURCHASED SERVICES	3,872,100	3,786,837	3,540,000	3,876,400	637,602	1,024,848	1,543,250	2,116,300	5,083,250	5,992,700	17.9%
MATERIALS & SUPPLIES	529,100	633,176	646,000	833,600	631,680	456,869	370,000	423,000	1,016,000	1,256,600	23.7%
CAPITAL OUTLAY	3,975	7,972	8,000	8,000	229,534	852,343	660,000	667,000	668,000	675,000	1.0%
DEBT RETIREMENT	0	0	0	0	957,812	683,400	650,000	0	650,000	0	-100.0%
INSURANCE & JUDGEMENTS	182,703	144,341	199,000	240,000	4,798	3,630	3,500	3,800	202,500	243,800	20.4%
TRANSFERS OUT	61,500	26,500	45,000	30,000	35,530	526,847	35,000	0	80,000	30,000	-62.5%
CONTINGENCY FUND	0	0	0	0	0	0	0	0	0	0	0
UNAPPROPRIATED BALANCES	\$ (459,379)	\$ 71,093	\$ 11,000	\$ 491,000	\$ 1,526,451	\$ 977,909	\$ 149,800	\$ 135,400	\$ 160,800	\$ 626,400	289.6%
TOTAL EXPENDITURES	\$21,858,605	\$22,560,478	\$22,769,000	\$24,318,000	\$6,167,117	\$6,551,347	\$5,583,550	\$5,787,500	\$28,352,550	\$30,105,500	6.2%

Overview

This discussion describes the history and assumptions regarding the published 2017-2018 budget. This budget was presented to the Mountain Home School District Board of Trustees for input and recommendations. The final budget has been formulated based on Board direction and Administrative goals with input from the April 25, 2017 public work session.

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 included in a variety of different revenue sources. 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, we are 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 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 capita 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.

							4 year
Enrollment		Budget		Federal Survey Card day			Historical
		FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	Ave
Enrollment	Grades						
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
Total		3,930	3,902	3,844	3,872	3,905	3,881

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 FY 17-18	Actual FY 16-17
State Distribution Factor (Entitlement)		26,784	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 but is provided in an annually approved legislative block grant.

The final revenue stream from the State is Other State 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. 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.

Other State Revenue

	Budget FY 2018	Budget FY 2017
Lottery	200,000	175,000
Differential pay / Leadership	200,000	180,000
Medicaid reimbursement	425,000	358,000
LEP	55,000	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	98,000	350,000
Literacy and IRI	170,000	150,000
All Others	112,000	23,000
Total	1,570,000	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 College and Career Advisors. 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 FTE's 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 due to anticipated student growth. 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. Increasing steps and lanes for certified staff will cost \$213,673 with benefits. I have included step and lane changes in the FY 2018 budget but no overall salary scale adjustment. The number of certificated staff will increase if enrollment increases during fall registration. At the beginning of the year, vacant positions are always held open in anticipation of fluctuating enrollment and filled as enrollment dictates.

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. There is no overall salary scale adjustment of classified in the FY 2018 budget.

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 budgeted to increase 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.

	Budget FY 2018	Budget FY 2017	Actual 2016
Utilities	673,200	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
Repairs	385,500		
All Other	106,500	336,500	386,023
Total	3,876,400	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	304,050	156,900	221,601
Total	833,600	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 \$30,000.

Net Income

The above assumptions yield revenues in excess of expenses for FY 2018 of \$420,000. This net income includes steps and lane increases for certificated staff, Administration, and classified staff, increase in insurance, and additional classroom supplies formally fees paid by students.

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. We 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. This budget is designed to obtain a desirable fund balance over the next five years.

If this Fund Balance is to be obtained, there needs to be a drastic hold on expenses 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 based on last years expenses. The desired fund balance of 8.5% can be obtained in approximately five years at a rate of \$420,000 per year. This balance needs to be built as rapidly as possible through the controlling of expenses. Salaries and benefits constitute 80% of the budget and therefore must be the categories that have the highest impact on achieving the desired goal. It is this reason that there is no budgeted increase to the base for any category of employee for FY 2018.

Below is the General Fund budget for the FY 2017-2018 fiscal year.

General Fund

Published

Mtn Home School District #193

Income Statement

Fund 100

Revenues

	Proposed Budget FY 2017-2018 6/30/2018	Prior years Budget FY 2016-2017 6/30/2017
Local Revenue	56,000	65,000
County Revenue	2,740,000	2,765,000
State Revenue (inc. rev in lieu of Taxes)	18,861,000	17,685,356
Other State Revenue	1,570,000	1,193,644
Federal Revenue	1,000,000	1,000,000
Earnings on Investments / other rev	20,000	12,000
Transfers	0	48,000
Total Revenue	24,247,000	22,769,000

Expenses

Salaries	13,714,000	13,375,000
Benefits	5,125,000	4,945,000
Purchased Services	3,876,400	3,540,000
Supplies	833,600	646,000
Capital	8,000	8,000
Other	240,000	199,000
Transfers	30,000	45,000
Total Expenses	23,827,000	22,758,000

Revenues over (under) expenses	420,000	11,000
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FY 16 audited Fund Balance	71,000
FY 17 budgeted net income	11,000
FY 17 est ending Fund Bal	82,000
FY 18 rev in excess of exp	420,000
Budget FY 18 Fund Bal	502,000

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 it's 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.

MOUNTAIN HOME SCHOOL DISTRICT #193											
SUMMARY STATEMENT: 2017-2018 SCHOOL BUDGET											
06/30/18											
FUND DESCRIPTION	220 Federal Forest	230 DoDea Grant	241 Drivers Education	243 State Vocational Ed	245 Technology Grant	246 Safe & Drug Free	251 Title I	253 Migrant	255 Title 1 Delinquent	257 Title VI-B	258 Pre-school
REVENUES											
Beginning Balances	0		0	0	0		0	0	0	0	0
Local Tax Revenue											
Other Local			57,750								
State Assistance			35,750		250,000	49,000		0			
Federal Assistance	225,000	628,000		60,000			720,000	46,000	40,000	770,000	41,000
Earnings											
Transfers					0			0		0	
TOTAL REVENUE	225,000	628,000	93,500	60,000	250,000	49,000	720,000	46,000	40,000	770,000	41,000
EXPENDITURES											
Salaries	0	126,700	60,900	5,000	80,000		575,000	25,000	15,000	520,000	31,000
Benefits	0	33,300	12,400	1,000	24,000		125,000	11,500	4,200	150,000	10,000
Purchased Services	50,000	468,000	5,300	5,000	100,000		66,000	3,500	12,500	90,000	0
Materials & Supplies	10,000	0	9,700	9,000	46,000	49,000	8,000	6,000	8,300	10,000	0
Capital Outlay	165,000		0	40,000			12,000	0	0	0	0
Debt Retirement	0										
Insurance			3,800								
Transfers	0						0	0	0	0	0
Unappropriated Balance	0		1,400	0	0		(66,000)	0	0	0	0
TOTAL EXPENDITURES	225,000	628,000	93,500	60,000	250,000	49,000	720,000	46,000	40,000	770,000	41,000

MOUNTAIN HOME SCHOOL DISTRICT #193
SUMMARY STATEMENT: 2017-2018 SCHOOL BUDGET
06/30/18

FUND DESCRIPTION	262 Rural Schools	263 Carl Perkins Vocational Ed	270 Title III Eng Lang Acq	271 Supp Effective Instruction	279 PL 874 Special Ed	290 School Lunch	421 Plant Facilities	TOTAL: ALL OTHER FUNDS
REVENUES								
Beginning Balances	0	0	0	0	0	0	200,000	200,000
Local Tax Revenue							1,000,000	1,000,000
Other Local						350,000	0	407,750
State Assistance			0			0	0	334,750
Federal Assistance	67,000	45,000	23,000	150,000	50,000	950,000		3,815,000
Earnings								0
Transfers					0	30,000	0	30,000
								0
TOTAL REVENUE	67,000	45,000	23,000	150,000	50,000	1,330,000	1,200,000	5,787,500
EXPENDITURES								
Salaries	0	5,000	17,000	30,000	42,000	360,000		1,892,500
Benefits	0	1,000	6,000	6,000	8,000	157,000		549,400
Purchased Services	37,000	4,000	0	70,000		680,000	525,000	2,116,300
Materials & Supplies	10,000	5,000	0	44,000		83,000	125,000	423,000
Capital Outlay	20,000	30,000				50,000	350,000	667,000
Debt Retirement								0
Insurance								3,800
Transfers				0				0
Unappropriated Balance	0	0	0	0	0	0	200,000	135,400
TOTAL EXPENDITURES	67,000	45,000	23,000	150,000	50,000	1,330,000	1,200,000	5,787,500