

Board Presentation

Budget Hearing
2023-24 Revised
2024-25 Proposed

Date: 6/11/2024



Tonight's Presentation Outline

2024-2025 School Year

- **Change** of Plans:
 - **Debt Service:** Fund Carryover
 - **School Facility Fund:** “Waterfall” tax money presented by Michael Keith 6/3/2024
 - **General Fund:** Modified list of \$2.5M cuts
- Budget Presentation with implemented above changes
- Budget Decisions

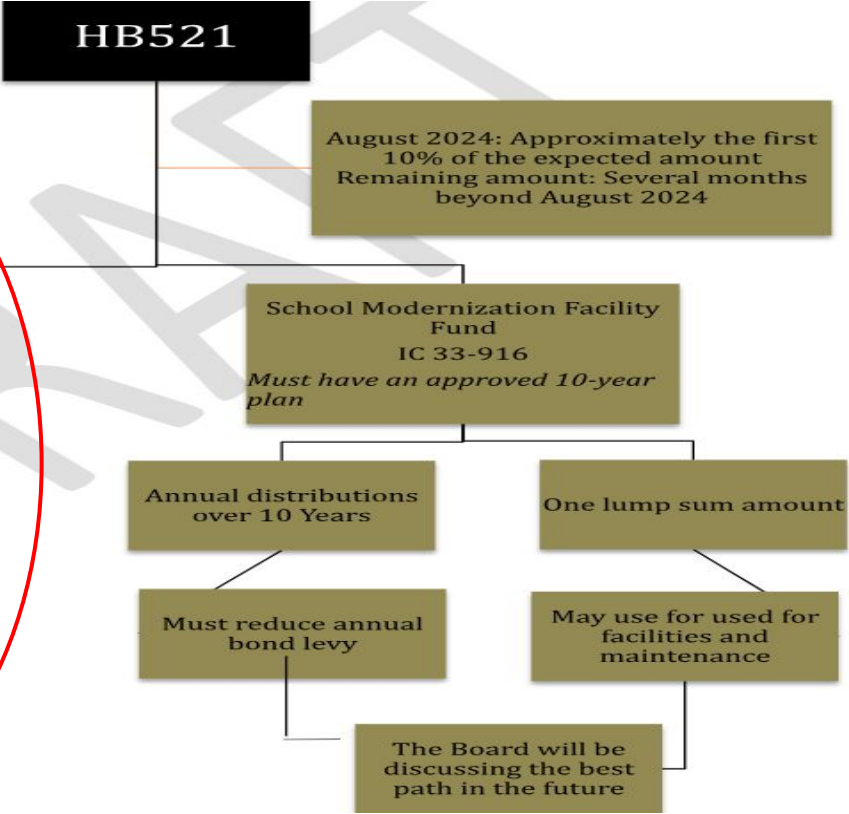
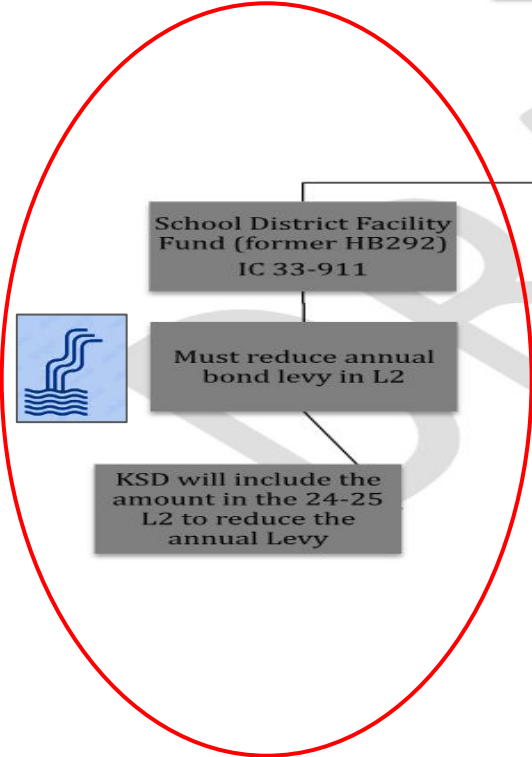
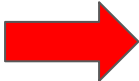
2025-2026 School Year

Follow up on a plan for the approximate \$3.2M remaining

No decisions or actions required today. Starting in July, we will have budget presentations and open discussions to explore different implementation options and research.

2024-25 Changes: Debt Service Fund

Presented by
Michael Keith
6/3/24



2024-25 Original Plan - Bond Property Taxes



DEBT Retirement Money
Fund Balance Restricted



Defeasance
Pay a portion of the future debt to save on interest)
Aug 2024

Existing Bond: Mandatory Annual Payments
\$4.6M
Interest and Principal

\$2.7M
Levy (property tax) A portion of \$4.6 that is *not* covered by HB 292

Tax rate
50c per \$100,000 or 0.5


\$2.1M
State HB 292 Provided by the State

Terms (waterfall)
existing
a) **bond levy**
b) supplemental levy
c) facility levy
d) facility and maintenance or reserve reserve it for the future debt payments 33-911 (2)(d), line 49 (next slide)

2024-25 Revised Plan Bond Property Taxes



DEBT Retirement Money
Carryover
Restricted



Existing Bond: Mandatory Annual Payments
\$4.6M
Interest and Principal

Defeasance
Pay a portion of the future debt to save on interest)
Aug 2024



\$2.7M



Levy (property tax) A portion of \$4.6 that is *not* covered by HB 292

Tax rate

Nearly zero for one year



\$2.1M

State HB 292
Provided by the State

Terms (waterfall)

existing

- ~~a) bond levy~~
- ~~b) supplemental levy~~
- ~~c) facility levy~~

d) facility and maintenance OR

reserve it for the future debt payments 33-911 (2)(d), line 49 (next slide)

Bond Property Taxes Waterfall Provisions

Terms (waterfall)

Required uses in law in priority order, existing
~~a) bond levy~~
~~b) supplemental levy~~
~~e) facility levy~~
d) facility and maintenance OR
reserve it for the future debt payments 33-911 (2)(d), line 49 (next slide)

32 shall transfer the moneys by no later than August 31 each year to each school
33 district. Such moneys shall be used in place of **property tax levy moneys** and
34 shall be expended by a school district for one (1) or more of the purposes set
35 forth in paragraphs (a) through (d) of this subsection. Moneys in the fund
36 must be used by a school district in the following order of priority:

37 (a) Payment of existing school bonds authorized pursuant to chapter 11,
38 title 33, Idaho Code;

39 (b) Payment of supplemental school levies authorized pursuant to section
40 33-802, Idaho Code, excluding indefinite term supplemental levies
41 described in section 33-802(5), Idaho Code;

42 ~~Saved in a reserve account by the school district for future school
43 facility construction or renovation needs Payment of school plant fa-
44 ility levies authorized pursuant to sections 33-804 and 33-804A, Idaho
45 Code; and~~

46 (d) For use in securing and making payments on a new school facilities
47 **bond Any moneys that remain following the payments provided in para-**
48 **graphs (a) through (c) of this subsection may be: used for construction**
49 **of a new school facility, renovation, or maintenance needs; used to**
50 **secure and make payments on a new school facilities bond; or saved in**
51 **a reserve account by the school district for future school facility**
52 **needs. Uses of funds shall include regular and routine facilities**
53 **maintenance, including preventive maintenance, building repairs, and**
54 **building security, and periodic major facilities projects that involve**
55 **planning, design, construction, renovation, retrofitting, and replac**
56 **ing of buildings and building systems, components, and features, as**
57 **well as site acquisition, site improvements, and new construction.**

58 (3) The amount of moneys received by a school district pursuant to this
59 section must be deducted from a school levy that would otherwise have been
60 paid by property taxpayers. Such moneys may not be duplicated by the collec-
61 tion of property tax, and no property taxes may be collected in order to make
62 extra payments on expenses described in subsection (2) of this section in ex-
63 cess of required amounts.

Bond Property Taxes Waterfall Distribution Is Allowable

7. If a district **did not have debt** when it received the first School District Facilities distribution **but subsequently passed a bond or a levy**, does funding need to be pulled from the reserve account to pay for the new debt, or can that funding remain in the reserve account for future facilities needs/routine maintenance?
- Short answer: **It does not need to be pulled out of the reserve account.**
 - The School District Facilities Fund **order of uses applies to the district at the time the funds are received**. If there is no debt to pay when the funds are received, **the funds may be deposited into a reserve account for future facilities-related uses**. If a bond or levy subsequently passes in that district, the funding in the reserve account does not need to be withdrawn to pay for that debt, but subsequent School District Facilities Fund allocations will need to be applied first to existing debt.

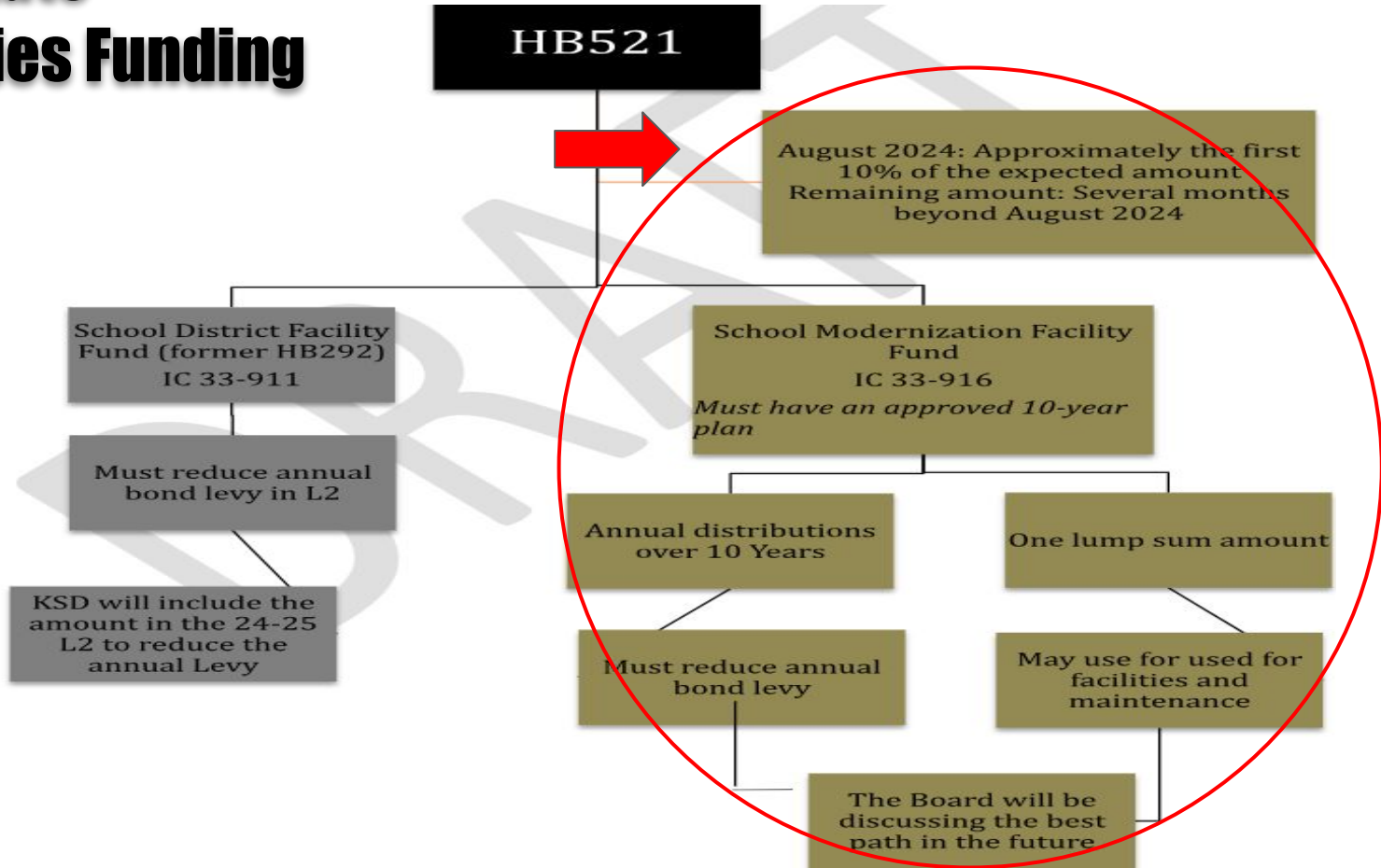
Reference: email from the [SDE FAQ](#) (see question 7)

What Does It Mean?

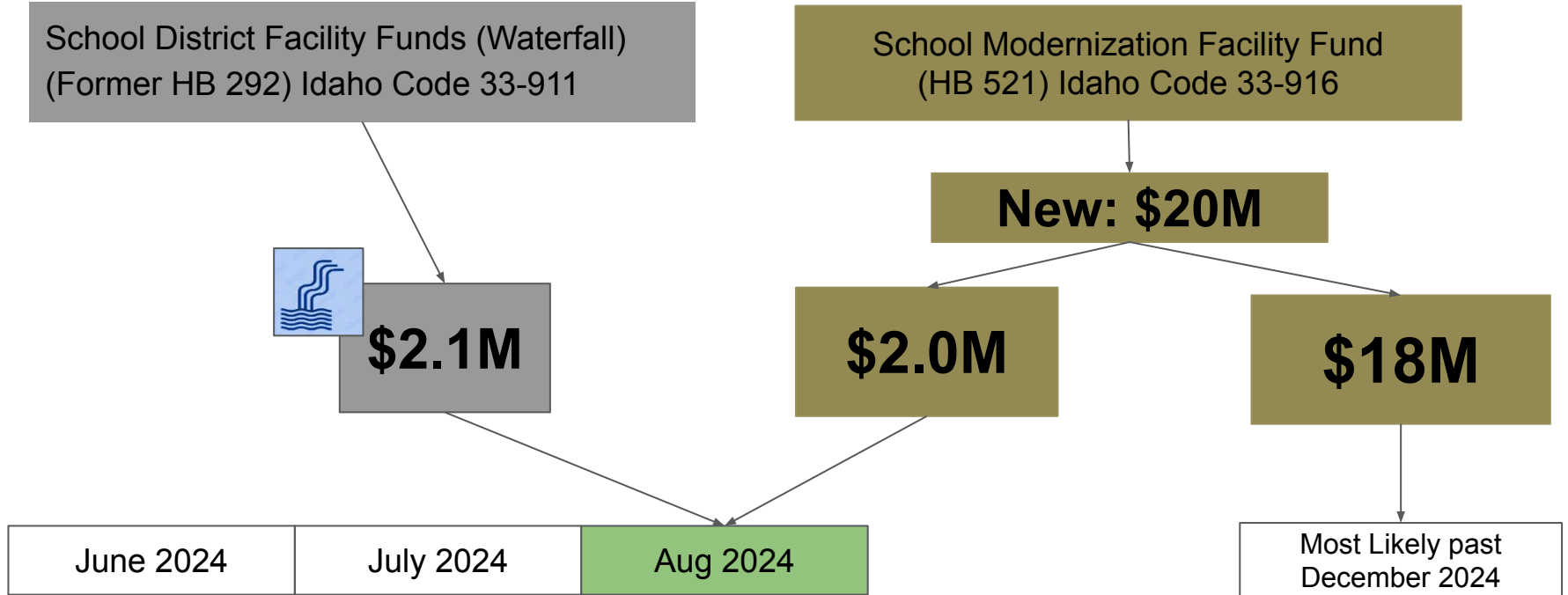
With the School Board's approval for 2024-25 *only*:

- The district will use its previously collected debt service taxes to make the annual bond payment
- As a result, the allocation from the State (HB 292) can be used for critical maintenance needs
- For one year, the bond property tax rate would drop to 0; the overall rate would be \$.03 per \$1,000 of taxable value
- This is a one-time opportunity and does not have to be paid back

New State Facilities Funding



What is the Timing for Both Buckets of Money?



Facilities repair work can start now. The final invoices from all vendors will arrive (most likely) by August after completion. These estimates depend availability of vendors and actual costs.

Change of Plans: Hubbard Elementary

We will temporarily close the *annex building only*.

- Kindergarten classes & district special education preschool classes will move from annex into the main building
- Hubbard's main building will be full
- No budget savings as all staff will remain at the school
- Community Head Start preschool will be displaced

Summary of savings with position cuts & shifts

Cuts

- \$528,259 - 5 FTE district office positions
- \$870,329 - 10.5 FTE non-classroom school-based certified & administrative positions
- \$358,800 - 5 FTE classroom teaching positions

Shifts

- \$234,600 - 3 FTE classroom teaching positions shifted from general fund to other funds
- \$120,000- SRO-moving to the grant funding

2024-25 General Fund Cuts

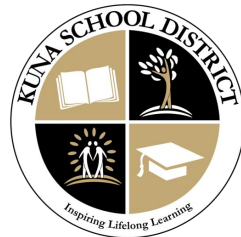
- Total **\$2,586,988**
 - \$75,000 reducing curriculum spending
 - \$80,000 eliminating middle school early release busing
 - \$320,000 eliminating student device replacements
 - \$2,111,988 personnel reductions
 - 20.5 general fund positions cut
 - 5 general fund positions shifted to other fund sources

- Note: The \$70,000 reduction in activities busing and field trips is a saving for the School Based Accounts (SBA) funds, not the general fund.

Actual Budget Presentation

General Fund

- 2023-24 Revised budget
- 2024-25 Proposed budget with \$2.5M budget cuts and spend savings for \$3.2M as planned



2024-25 General Fund Revenue

Changed Since [5/10/24 presentation](#)

Removed \$2,500,000 supplemental levy for instruction

Revenue			General Fund 100	
	2022-2023 Actual Revenue	2023-2024 Estimated Actual Revenue	2024-2025 Requested Budget	Notes
State General Fund	38,720,499	41,895,394	41,873,927	<i>Factors: Drop in Support Units and Elimination of Facility Match Funds</i>
State General Fund (One-time payment)		1,782,900		<i>One-time for 23-24</i>
Supplemental Levy for Instruction (if approved)	2,500,000	-		
Local taxes Tort & Delinquent, Personal Property	354,275	327,678	327,678	
Federal Indirect Cost Transfer	440,156	443,819	41,178	<i>Moving indirect costs for Federal Funds. With ESSER funds ending on 9/30/2024, the transfer amount decreases. Only Title I-A, federal Sped, and other grants contribute.</i>
Local - Investment Revenue	412,866	900,000	600,000	<i>More money in the general fund means more interest earned. The district plans to strategically reduce the balance, anticipating lower interest rates and decreased</i>
Local - Misc.	312,442	128,624	432,198	<i>For 2024-25: Includes one-time refund of \$391,640 from Health Insurance Company.</i>
Local - Renting Facilities	64,449	59,368	-	<i>Starting 7/1/2024, the district will track facility rental revenue and expenses separately to better analyze and optimize resources. See fund 239.</i>
Total Revenue	42,804,687	45,537,783	43,274,981	

2024-25 General Fund Expense

Changes Since
[5/10/24 presentation](#)

Reduced by
 \$2.5M and
 additional misc.
 adjustments

[Link to the detailed budget document](#)

[Link to the 24-25 classified salary schedule](#)

Expense	General Fund 100			Notes
	2022-2023 Actual Expense	2023-2024 Estimated Actual Expense	2024-2025 Requested Expense Budget	
Instructional	25,331,294	26,930,280	28,677,124	
Support Services	14,431,756	17,289,521	16,778,851	
Board Expenses	19,244	26,718	27,119	
Transfers Out	443,571	464,000	470,960	<i>The Idaho Code mandates that general funds be allocated to cover FICA and Medicare expenses for all employees paid from the Child Nutrition fund. Additionally, federal regulations require districts to match a certain percentage for Medicaid program expenses.</i>
Contingency			500,000	<i>Contingency Reserve can not exceed 5% of the General Fund (IC 33-801A)</i>
Total Expense	40,225,865	44,710,519	46,454,054	1,743,535

2024-25 General Fund Balance

Changed Since [5/10/24 presentation](#)

The fund balance percentage is changed accordingly

Changes in Fund Balance				
	2022-23	2023-24	2024-25	Notes
Beginning Fund Balance	6,282,394	8,861,216	9,688,480	
Total Revenue	42,804,687	45,537,783	43,274,981	
Total Expense	40,225,865	44,710,519	46,454,054	
Net (Revenue-Expense)	2,578,822 surplus	827,264 surplus	(3,179,073)	The \$2.5M former ESSER grant will be covered by the fund balance, and \$700K will be covered by a portion of the surplus from the one-time supplemental "gap" payment in the 2023-24 school year.
Ending Fund Balance	8,861,216	9,688,480	6,509,407	
Ending Fund Balance %	22.03%	21.67%	14.01%	

2024-25 Detailed Budget Document

[Budget Document](#)

Last updated 6/7/2024

It will be updated upon the final approval after
6/11/2024

Motion for 2024-25

“I move to approve the 2023-24 revised budget and 2024-25 proposed budget as presented ...”

or

“I move to *provisionally* approve the 2023-24 revised budget and 2024-25 proposed budget, *contingent* upon the following conditions being met: (list conditions)”

Plan to cut \$5.7 million over two years

We are proposing:

- **2024-25** - Done tonight
 - Cut \$2.5 million in expenses
 - Spend savings as planned
- **2025-26**
 - Identifying a plan for the approximate \$3.2 million remaining

2025-26 Conversations & More Reductions

We will investigate and report back to the Board on:

- Four day week
- Sale of 4th Street Gym & relocation of technology services
- High school schedule change move from A/B block
- Contracted bus services
- Contracted ground/maintenance services
- Middle school structure
- Additional position cuts
- Child nutrition unpaid balances for meals served
- Synergy alternative school enrollment cap consideration
- Review cost of sports and find solutions to make it self supporting

Note: Any decisions about a Nov. 5, 2024 supplemental levy or bond must be made by Sept. 6, 2024 ([Idaho Election Calendar](#))

2025-26 Facilities 10-year plan

Next month, we will update trustees on the facilities funding with a list of prioritized maintenance needs