

Budget Presentation Layout and Content

Columbia Falls School District consists of two legally separate districts. The Elementary District provides education from kindergarten through the eighth grade and the High School District provides education from grades nine through twelve. Separate accounting records must be maintained for each District because of differences in funding and legal requirements. However, both Districts are managed by a single board and by a central administration. This budget presents all activities over which the Board of Trustees exercise responsibility.

The Columbia Falls Elementary District encompasses the following elementary and junior high schools:

Ruder Elementary	Grade K-5	Spring 2023 Enrollment	558
Glacier Gateway Elementary	Grade K-5	Spring 2023 Enrollment	478
Columbia Falls Junior High	Grade 6-8	Spring 2023 Enrollment	<u>531</u>
			1,567

The Columbia Falls High School District encompasses one High School with a Spring 2023 enrollment of **680**. The reason why the two Districts are not one K-12 District is that the boundaries of a separate Elementary District (West Glacier Elementary) lie within the boundaries of the High School District. The property within the West Glacier Elementary District is part of the High School District but maintains a legally separate Elementary District. As such, the content of this budget presentation maintains a separate reporting entity for the Elementary District and the High School District.

Budget Content:

- Section 1 Budget Statistical Data-Provides a historical view of the pertinent data encompassed in the FY 2024 Budget.
- Section 2 OPI Budget Summary-Provides the Expenditure Budget and the funding sources.
- Section 3 Elementary General Fund Budget Detail-Provides a line-item detail of the FY 2024 General Fund budget.
- Section 4 Elementary District Budgeted Fund Detail-Provides a line-item detail of the remaining FY 2024 Elementary District budgeted funds.
- Section 5 High School General Fund Budget Detail-Provides a line-item detail of the FY 2024 General Fund budget.
- Section 6 High School District Budgeted Fund Detail-Provides a line-item detail of the remaining FY 2024 High School District budgeted funds.

Section 1-Fund Summary and Description

General Fund Information

General Fund

This is the main operating fund of the District.

State law establishes a minimum (BASE) and maximum general fund budget range for each school district based on the district's basic and per-ANB entitlements, the four funding components and the special education allowable cost payment.

The BASE budget of a district is the sum of 80% of the district's basic entitlement, 80% of the district's per-ANB entitlement, 100% of the total quality educator payment, 100% of the total at risk student payment, 100% of the total Indian Education for All payment, 100% of the total American Indian Achievement gap payment, 100% of the Data for Achievement payment, 140% of the district's special education allowable cost payments, and 40% of the related services block grant received directly by the cooperative.

The Over Base Budget is an accumulation of successful mill levies. The over-base levy funds the difference between the Base and Maximum budget levels. This portion of the budget is funded exclusively by local taxpayers. The over-base levy for the Elementary is \$2,051,430. This fills the budget to 96.95% of the maximum. Unused remaining over-base budget authority is \$373,132.

The over-base levy for the High School is \$1,108,629. This fills the budget to 97.75% of the maximum. Unused remaining over-base budget authority is \$142,391.

Elementary District	FY 2022	FY 2023	FY 2024	Change \$	Change %
Base Budget	8,888,537	9,586,542	9,830,253	243,711	
Over-Base Levy	2,051,428	2,051,428	2,051,428	0	
Adopted Budget	10,939,965	11,637,970	11,881,681	243,711	2.09%

High School District	FY 2022	FY 2023	FY 2024	Change \$	Change%
Base Budget	4,621,794	4,854,154	5,088,981	234,827	
Over-Base Levy	1,108,628	1,108,628	1,108,628	0	
Adopted Budget	5,730,533	5,962,782	6,197,609	234,827	3.94%

The Elementary District ANB for budget **increased 6** as compared to prior year. (1,622 from the prior year 1,616). The High School District ANB for budget **increased 18** from 690 to 708. The District expects enrollment to continue to increase based on population growth within the highest growing County within the State of Montana.

Section 1-Fund Summary and Description

Apportionment of Ending Fund Balance

I attached the apportionment of ending fund balance resolutions that are on the agenda. Also attached is the presentation deck for the meeting on Monday. The first two slides indicate the ending fund balances as compared to prior years. The General Fund Ending Fund Balance increased \$21K to \$807K. This represents 6.80% of the ensuing years budget authority, which is below the 10% maximum per state statute. The High School General Fund balance increased \$9K to \$446K or 7.21% of the ensuing years budget.

Other notables: Elem Transportation Fund balance increased \$96,689 to \$251,076 as a result of not having enough bus drivers to operate all of the budgeted routes. The High School Transportation Fund increased \$39K to \$120,646. The Food Service balance remained consistent to the prior year. The amount was \$578,791 which is more than the maximum 30% of the annual expenses. The High School Building Reserve fund increased \$75K to \$450K as the annual school major maintenance account levy was not used. The District was waiting for the results of the final project costs of the HVAC Upgrade to determine if this project would need to be partially funded by the Building Reserve Funds.

General Fund Budget Authority

The State Legislature provided 2.7% in FY24 and 3.0% in FY 2025 to the school funding formula. ANB for enrollment increased 24. The two factors led to **2.65%** increase to the General Fund Budget Authority.

Specifically, \$478,538 more than the prior year. The District struggled to provide equitable increases to salary/benefit for staff as compared to the heightened inflationary factors for housing/food, etc. Cost increases for staff compensation and benefits is \$606,786. The resulting budget deficit necessitated an increase to the permissive levy in the tuition fund for the cost of providing special education services to students.

Transportation Fund

State funding for the costs to transport students to school continues to be disappointing. The State funds 11% of the actual expenses. The County also funds 11%, requiring the District tax levy to cover 78% of the overall cost. Total budgeted expenses increased \$82,225 or 6.56%. The increase is the result of two items: (1) propane fueling station \$30K (2) Auto Insurance. Total Budget Expense is \$1,335,601. This amount is much more than last year \$1,095,073 as the District is still planning to add a few routes to appropriately serve students, bus drivers dependent.

Bus Depreciation Fund

Local Tax Levy remains unchanged-as you recall, since the District transfers out of this fund to the Multi-District Agreement, the tax levy cannot be increased (to backfill the transfer). The District will be replacing three (3) route buses while leveraging \$129,822 from a federal DEQ Grant.

Tuition Fund

FY24 budget will be used to fund 27 para-educator positions as well as the Flathead Crossroads Program. Local tax levy increased \$469,376 yet the mill levy only inched up .02 mills.

Debt Service Fund

The local tax levy decreased \$80,158 as a result of more fund balance re-appropriated from the state Guaranteed Tax Base Aid.

Building Reserve Fund

The School Major Maintenance Account continues to improve. The District has reserved approximately \$1 million. The HVAC controls in the Junior High will be replaced during FY24 as well as overlayment of some asphalt at the High School. As the K-8 Facility Bond Project wraps up, the District will devise a five-year capital improvement project prioritized list and related cost/funding.

Federal Programs

The District continues to juggle these funds since the influx of federal ESSER funds in 2020. The FY24 budget funds nine **(9) FTE or approximately \$525,000** using federal funds that will likely dry-up in a few years. Unwinding the federal funding and maintaining staff raises akin to the cost of living increases will pose our biggest budgetary challenges within the next few years.