



2023-2024 BUDGET July 1, 2023

Dr. Joylynn Pruitt-Adams, Superintendent

Dr. Lavon Singleton, Chief Financial Officer

RIVERVIEW GARDENS SCHOOL DISTRICT

FY 2023-2024 BUDGET

SPECIAL ADMINISTRATIVE BOARD MEMBERS

Special Administrative Board

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SCHOOLS

Riverview Gardens High School

Central Middle School

Westview Middle School

Danforth Elementary

Gibson Elementary

Glasgow Elementary

Highland Elementary

Koch Elementary

Lemasters Elementary

Lewis & Clark Elementary

Meadows Elementary

Moline Elementary

Michelle Obama Early Childhood Education Center

BUDGET MESSAGE

The District's financial position is projected to improve in the coming fiscal year. There is a projected increase in state funds via the Foundation Formula and sales tax (Prop C) revenues. Our district was awarded over \$53M (combined total) in CARES-ACT/ESSER funding for the purposes of providing materials and services related to COVID-19 disruptions. The award breaks down as follows: CARES-ACT/ESSER I (\$2.8M), ESSER II (\$15.7M) and ESSER III (\$35.2M). To date, CARES-ACT/ESSER I funds have been spent. We are currently in the process of spending the remaining funds in the ESSER II and ESSER III allocations. Our district has and will continue to utilize these funds to support learning loss, social-emotional needs, 1-to-1 technology, the purchase of hot spots for internet access, pay the cost of a substitute teacher employment services, provide for PPE for students and staff, provide for the cleaning and sanitization of all our buildings and school facilities, and to provide capital improvement projects (roof replacement, asbestos abatement, HVAC upgrades and the overall operations of the school district. Expenditures are also projected to increase due to increases in health insurance costs, cleaning and sanitization of our buildings related to COVID-19, the purchase of PPE & other supplies related to the impact of COVID-19, and to support the purchase of contractual services (including parts and labor) for our capital improvement projects.

In April 2018, the district passed Prop R, which gave the district \$8.9M in funds that have given relief to the district's general operating budget and made possible a number of capital projects district wide. These projects include HVAC Roof Top Units, District Wide Phone Upgrades, Central Office Electric Upgrades, District Wide Wireless Upgrades, Band Room Renovations, Flooring Upgrades, Playground Equipment Upgrades and other Capital Improvement related projects. Without this infusion of capital, the operating needs of the district would certainly have increased by a greater degree. The coming fiscal year reflects \$176K remaining in Prop R funds. This project truly reflects "A Promise Kept."

In April 2021, the district passed Prop E (Educational Equity). This proposition was passed with more than 67% of the community support and led to an increase in the operating tax levy by an additional \$1.65. Prop E gave the district an additional \$4M+ in operating revenues to uphold the priorities related to (1) striving to regain full accreditation, (2) expanding early childhood education, (3) expanding student transportation, (4) expanding health services for students and families, (5) enhancing the district's salary schedule to attract and retain quality teachers, administrators and other employees and (6) striving to establish community and adult education programs. Because of the district's increase in assessed valuation, the district will see more revenues than anticipated as Prop E is tied to the tax rates.

The District's Assessed Valuation (AV) is projected to increase significantly in 2023-2024. Currently, the county assessor is projecting AV in the district to reach \$337,411,450 compared to \$252,257,880 in 2022. That's an increase of more than 34% in one single year. After a 10 year trend of downward declining assessed valuation and an increase in assessed valuation since 2018, the projected increase will have a strong impact on the district's property tax revenues.

Our district's fund balance is projected to remain above the 15% policy minimum. In fact, the 2023-2024 fund balance is projected to be 37%. This is largely due to the infusion of ESSER funds in our fund balance. In addition, the additional revenues from the passage of Prop E also add to the district's strong fund balance. The Special Administrative Board has supported the administration's diligence to conservative budget practices.

With regard to the overall budget outlook, the general operating revenues are budgeted at \$95,838,000 and expenditures are budgeted at \$85,142,609. The adopted budget shows a balanced budget that supports the mission and vision of the school district as it moves toward regaining full accreditation.

In conclusion, the budget for FY 2023-2024 was developed with the goal of maintaining reasonable class sizes and providing instructional integrity, while supporting the neighborhood school model.

Respectfully Submitted,

Dr. Joylynn Pruitt-Adams, Superintendent

Dr. Lavon Singleton, Chief Financial Officer

The Budget Process

The district provides educational services to students in pre-kindergarten through 12th grade. Facilities include nine elementary schools, two middle schools, one high school and an early childhood center.

Developing and maintaining the district's budget is a year round process. The fiscal year begins on July 1 and ends on June 30 of each year, but work actually begins in the prior year. Once school has begun in the fall, planning for the following school year begins. Preliminary enrollment and staffing projections are made. New or changing expenditure needs are identified in curriculum and student services. The capital project plan is reviewed to identify those major repairs and improvements that may be made in the coming year.

Late in the calendar year, preliminary revenue estimates are formulated. Enrollment, staffing, program changes and major project listings are reviewed and discussed. During the winter months, analysis and revision of all the gathered information continues.

In early spring, enrollment projections and staffing needs, along with program changes are finalized. Teacher contracts for the coming year are printed and distributed. A Public Hearing and SAB Budget Workshop was presented to the Special Administrative Board (SAB) in June for discussion and revision. The final budget document is presented at a meeting in June for additional discussion and final approval.

The school district budget is a working document that will be constantly reviewed and updated. In future months, the SAB may be presented with proposed budget amendments, supplements and transfers to respond to changing needs and updated information.

The SAB is provided a monthly "Summary of the Fund Balance" report that tracks the ending fund balance for the previous month.

Accounting and Reporting

The accounts of the district are organized on the basis of legally established funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures on the modified cash basis of accounting. District resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The district revenues and expenditures are maintained in four major funds:

The General Fund is the general operating fund of the district and accounts for expenditures for non-certified employees, pupil transportation, and operation of plant, student body activities, community services, the food service program, and any expenditure not required or permitted to be accounted for in other funds.

The Special Revenue (Teachers') Fund accounts for revenues derived from specific taxes or other earmarked revenue sources. This fund accounts for expenditures for certified employees involved in administration and instruction, and includes revenues restricted by the state and local tax levy allocations for the payment of teacher salaries and benefits.

The General Fund and Special Revenue (Teachers') Funds are collectively referred to as the Operating Fund.

The Debt Service Fund receives revenues from the debt service tax levy and other earmarked revenue sources and uses those funds to make principal and interest payments on the district's long-term debt. Money in this fund cannot be used for any other purpose.

The Capital Projects Fund accounts for major capital expenditures. Bond proceeds are placed in this fund and can be used only for land acquisition, building construction and other major capital expenditures outlined in the bond issue documents.

Revenues

Property Taxes

Property taxes are based on assessed valuation, which is the value placed on real estate and personal property in the district. By May 31, the county assessor must provide assessed valuation amounts for the calendar year, with updated numbers reported in the summer and fall. Final amounts are not released until mid-September, after the Board of Equalization confirms the amounts.

The district's tax levy must be filed with the County Clerk prior to October 1 of each year. Before establishing the tax rate, the district is required to conduct a public hearing to allow citizens to be heard on the proposed new rate.

The actual tax rate will be calculated in late September, using the most up to date numbers available at that time. Using current data, the tax rates are projected as follows:

	Adjusted Tax Rates	Debt Service Rate	Total Amount
	By Property Class (Per \$100)	By Property Class (Per \$100)	To Levy
Real Estate - Residential	5.7955	1.7756	7.5711
Real Estate - Agricultural	5.8582	1.7756	7.6338
Real Estate - Commercial	5.8676	1.7756	7.6432
Personal Property	5.7677	1.7756	7.5433
Total			

Sales Taxes Revenue

Twenty-two percent (22%) of total local revenue budget is based on Proposition C Sales Tax payments. The state's one-cent (.01) sales tax dedicated to education was approved by Missouri voters in 1982. Every school district receives a flat amount of Proposition C revenue for each student. Proposition C payment is based on guidance from the Missouri Department of Elementary and Secondary Education. DESE estimates a rate as high as \$1,360. Prop C revenue is budgeted at \$6,600,000.

State Funding

A multitude of programs and funding sources are utilized to ensure all Missouri children receive a quality education.

Basic Foundation Formula / Classroom Trust Money

In 2005, SB 287 was signed into law resulting in a new foundation formula to distribute state aid to Missouri Schools based on a per-student adequacy target. State funds are currently distributed to school districts based on the adequacy target multiplied by the number of students, minus the funding provided through local property and other taxes. The formula provides additional funding for children struggling with the English language, financial constraints, and special needs. In addition, the formula uses a regional dollar value modifier (DVM) to address cost of living differences throughout the state.

Early estimates for Basic Formula revenue are \$30,000,000 and Classroom Trust revenue is \$2,000,000. It is extremely important to note that daily attendance is a major factor in the Basic Formula. Weighted average daily attendance is the average number of students who show up to school each day. Since enrollments fluctuate, a district can pick the average from the current year or either of the two previous years — whichever year is highest. Attendance in the Riverview Gardens School District has been a challenge for some time. In order to receive the maximum benefit from the basic formula, the school district, families and the community must work collaboratively to ensure all scholars are at school each day. A continuous decline in average daily attendance will result in the decline of revenues from the basic formula.

Transportation Revenue

Last year, HB 3002 for FY 2023 provided a **one-time increase** for Transportation State Aid Payment, pending final approval by the Governor. The payment calculation is based on prior year allowable cost, riders, and mileage. Transportation is paid only for eligible riders and eligible route miles.

The maximum Transportation State Aid Payment per law is 75% of your eligible cost. The ultimate funding status of the FY 2023 Transportation State Aid Payment will not be known until all LEAs submit the Annual Secretary of the Board Report (ASBR) for FY 2022. Increased fuel and driver costs in FY 2022 could impact the final funding percentage level. If 75% of total reimbursable costs exceeds the appropriation, there will be an appropriation adjustment

State aid for transportation of pupils allows any school district which makes provision for transporting pupils as provided in section 162.621, RSMo, and sections 167.231 and 167.241, RSMo, to receive state aid for the ensuing year for such transportation on the basis of the cost of pupil transportation services provided in the current year. A district shall receive, pursuant to section 163.031, an amount not greater than seventy-five percent of the allowable costs of providing pupil transportation services to and from school.

The estimated amount of revenue budgeted for transportation for 2023-2024 is \$600,000.

Federal Revenue

The 2023-2024 budget includes \$2,500,000 of ESSER II funds and \$20,000,000 of ESSER III funds. Eventually, the loss of this revenue will need to be made up to maintain board desired fund balances and to continue the district’s overall operations.

Title I program allocations are pending at this time and will be added to the FY23-24 budget through supplements presented to and approved by the SAB once DESE has approved the final allocations.

Expenditures

Major changes to the 2023-2024 operating budget over the 2022-2023 year include:

- Salary and benefit increases (6% overall average)
- Additional costs of capital improvement projects as we near the end of the ESSER II and III deadlines.

Fund Balances

For the 2023-2024 school year, the district projects an operating surplus of \$9,164,646. The budgeted end of the year operating fund balance will increase over the 2022-2023 budgeted ending balance as demonstrated below.

	Budgeted 2022-2023	Budgeted 2023-2024
Opening Fund		
Balance	\$21,958,689	\$22,340,972
Ending Fund Balance	\$22,340,972	\$31,505,618
Restricted Fund		
Balance	\$0	\$0
Change in Fund		
Balance	\$382,283	\$9,164,646
Percent Fund		
Balance	29.21%	37.00%

Bonded Indebtedness

The district's total bonded indebtedness is approximately **\$13,175,000**. Principal and interest payments are made from the Debt Service Fund. The levy in the Debt Service Fund is expected to remain the same as a result of the "no tax increase" Prop R bond issue passed in 2018.

Final approval from the Special Administrative Board was given at the at the June 27, 2023 meeting. However, a school district budget is a working document that is constantly reviewed and updated. In future months, the SAB may be presented with proposed budget amendments, supplements and transfers to respond to changing needs.

Sincerely,

Dr. Joylynn Pruitt-Adams, Superintendent

Dr. Lavon Singleton, Chief Financial Officer