



# De Soto #73 SCHOOL DISTRICT

## 2023-24 Budget

[www.desoto.k12.mo.us](http://www.desoto.k12.mo.us)

Proposed Budget for Adoption

June 15, 2023

De Soto, Missouri 63020

County of Jefferson, Ste. Genevieve, & St. Francois

### **STRATEGIC PLAN FOCUS AREAS**

- 1. Student Success and Learning Support***
- 2. Empowered and Effective Teachers, Leaders, and Support Personnel***
- 3. Financial Sustainability and Operational Efficiency***
- 4. Effective Internal and External Communication***

**LEARNING, GROWTH, AND SUCCESS FOR ALL IN A SAFE ENVIRONMENT**



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Mr. Michael Golightly



## District Administration

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*Superintendent*

Mr. Ron Farrow  
*Assistant Superintendent*



Special thanks to the De Soto Dragon faculty and staff who assisted in the FY24 budget preparation.

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***“The mission of the De Soto 73  
School District is to ensure  
learning, growth, and success  
for all students in a safe  
environment.”***

**DE SOTO SCHOOL DISTRICT  
FINAL BUDGET  
2023-24**

**TABLE OF CONTENTS**

**SECTION I:**

Executive Summary

Budget Requirements Per De Soto District Policy 3110, Section 67.010, RSMo, and other  
Statutory Requirements

Budget Message

General Budget Summary

    Statement of Philosophy

    Mission Statement

    MSIP 6 Goal

    Strategic Plan

    Board of Education Goals

Closing from the Superintendent

**SECTION II:**

FY24 Estimated Revenue Sources fund, object, and object detail

FY24 Estimated Expenditures fund, function, function detail

FY24 Estimated Tax Levy and Assessed Valuation

**SECTION III:**

Recapitulations for 2022-2023 and 2023-2024

Five Year Revenue Analysis fund, object, and object detail

Five Year Expenditure Analysis Expenditures fund, function, function detail

Amount required for the payment of interest, amortization, and redemption on the debt

Annual Secretary of the Board Report using Proposed Budget

# **SECTION I**

Executive Summary

Budget Requirements Per De Soto District Policy 3110, Section 67.010, RSMo, and other  
Statutory Requirements

Budget Message

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Strategic Plan

Board of Education Goals

Closing from the Superintendent



# De Soto Public Schools

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## 2023-24 Annual Budget

### Executive Summary

The 2022-23 budget represents the financial plan of the De Soto #73 Public School District (“District”) for the coming fiscal year. Its primary purpose is to provide timely and useful information concerning the past, present, and projected financial status of the District to facilitate financial discussions supporting the mission, goals, and strategies of the Board of Education. Focus Area 3: Financial sustainability and operational efficiency play an instrumental role in the budget development in order to continue to meet the long-term financial plan for the school district. Additionally, the District’s vision, mission, purpose, and values served as guides throughout the budget process.

#### **Vision: Our desired future is . . .**

- for all De Soto students to obtain high levels of performance by exceeding all MAP, EOC, and College Ready Achievement standards.
- for all De Soto students to graduate college and career ready.
- for all De Soto students to feel valued, be productive, and be actively engaged in our schools and our greater community.
- for all De Soto schools and the district to earn all MSIP 6 accreditation points.

#### **Mission: Why we exist**

- To ensure all learning, growth, and success for all students in a safe environment.

## **Budget Requirements Per De Soto District Policy 3110, Section 67.010, RSMo, and other Statutory Requirements**

In accordance with De Soto Board Policy 3110, the Superintendent is required to submit to the Board of Education for their consideration a detailed annual budget showing estimates of income and expenditures for the ensuing fiscal year. The Board may accept, reject, modify or request revisions of the budget, but will adopt a budget by June 30, according to statutory provisions. By law the approved estimated expenditures for each fund cannot exceed the estimated revenues to be received plus the unencumbered beginning cash balance for the fund. After the beginning of the fiscal year, the Superintendent shall review with the Board, the adopted budget in relationship to the beginning cash balances for each fund. The fiscal year begins annually on the first day of July and ends on the thirtieth (30th) day of the following June in accordance with De Soto Board Policy 3111.

Section 67.010, RSMo requires that each political subdivision of this state, as defined in section 70.120, RSMo, except those required to prepare an annual budget by chapter 50, RSMo, and section 165.191, RSMo, shall prepare an annual budget. The annual budget shall present a complete financial plan for the ensuing budget year, and shall include at least the following information:

- (1) A budget message describing the important features of the budget and major changes from the preceding year;
- (2) Estimated revenues to be received from all sources for the budget year, with a comparative statement of actual or estimated revenues for the two years next preceding, itemized by year, fund, and source;
- (3) Proposed expenditures for each department, office, commission, and other classification for the budget year, together with a comparative statement of actual or estimated expenditures for the two years next preceding, itemized by year, fund, activity, and object;
- (4) The amount required for the payment of interest, amortization, and redemption charges on the debt of the political subdivision;
- (5) A general budget summary.

In no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year; provided, that nothing herein shall be construed as requiring any political subdivision to use any cash balance as current revenue or to change from a cash basis of financing its expenditures.

The Department of Elementary and Secondary Education also requires each school district in the state to abide and adhere to the following state requirements on a yearly basis:

All administrators and teachers are appropriately licensed or certified to teach in Missouri public schools (substitute certificates are not appropriately certified) (5 CSR 20-100.255) (Section 168.081, RSMo). K-12 district employs a superintendent or chief executive officer with a valid Missouri superintendent's certificate. K-8 district employs a superintendent or chief executive officer with a valid Missouri superintendent's certificate or elementary principal's certificate.

The district's community, through the board of education, provides sufficient financial resources and the district is not currently identified as a "financially stressed district" as defined in Section 161.520, RSMo.

The district meets the salary compliance requirements and the minimum salary requirements as defined in Section 163.172, RSMo.

The district implements effective and efficient fiscal management systems that ensure accountability of district funds (5 CSR 30-4.030) (Section 160.066, RSMo)

The district ensures that it is providing free textbooks as defined in Section 170.051, RSMo.

If the district contracts for pre-kindergarten services and claims attendance for state purposes, pre-kindergarten provider meets the state prekindergarten programs standards (Section 163.018, RSMo, and 5 CSR 20-100.320).

The district annually reviews its Comprehensive School Improvement Plan and updates it as necessary (5 CSR 20-100.105).

The district employs appropriate procedures to assure the accurate and timely reporting of data to state and federal agencies.

Core Data and Missouri Student Identification System (MOSIS) (Section 161.092, RSMo)

Maintain Self-Monitoring Documents

Child Abuse and Neglect Hotline (Section 210.115, RSMo)

Safe Schools Act and other school safety provisions (Sections 160.261, 160.522, 160.660, 161.210, 161.650.3(2), 162.680.2, 163.031, 167.020, 167.023, 167.026, 167.029, 167.113, 167.115, 167.117, 167.161, 167.164, 167.171, 167.335, 167.624, 167.627, 170.260, 210.865, 211.188, 302.272, 304.076, 475.060, 569.155, 571.010, 571.030, 574.085, 574.115, 575.090, 579.030.1(1), 579.055.2, and 579.060 RSMo)

Drug-Free Schools Act (Sections 161.500 to 161.508, RSMo)

The district complies with state law regarding the effective evaluation of educators (Section 168.128, RSMo, and 5 CSR 20-400.375).

If the district has a gifted program, it has adopted a policy that outlines the procedures and conditions under which parents may request a review of the decision that determined their child did not qualify for gifted (Section 162.720, RSMo).

Board of education members are trained as prescribed by Section 162.203, RSMo.

The board has adopted a written policy relating to information that the district will provide about former employees (certified and non-certified) to other public schools (Section 162.068, RSMo).

The district reports school dropouts to the Missouri Literacy Hot Line (Section 167.275, RSMo).

The district implements specified criteria regarding the enrollment and educational success of foster care children (Sections 160.1990, 167.019, and 210.1050, RSMo).

The district waives proof of residency requirements for a child whose parent or guardian is serving on specified active duty military orders (Sections 160.2000 and 167.020, RSMo).

The district has adopted a policy consistent with the Missouri Student Religious Liberties Act (Section 160.2500, RSMo).

The district ensures that the Pledge of Allegiance is recited in at least one scheduled class of every pupil enrolled in the school, no less often than once per school day (Section 171.021, RSMo).

The district has adopted a youth suicide awareness and prevention policy that includes how the district provides for the training and education of district employees consistent with the requirements in Section 170.048, RSMo.

The district ensures that it allows any recognized organization at least 30 minutes to provide unbiased information on organ, eye, and tissue donation to the school board or governing body of a charter (Section 170.311, RSMo).

In the event of a breach of electronic data (Section 162.1475), which includes the personal information of a student, as defined in Section 407.1500, RSMo, the district shall ensure it provides: Written notification to the parent or legal guardian of the affected students; Written notification to the Department of Elementary and Secondary Education at [databreachreporting@dese.mo.gov](mailto:databreachreporting@dese.mo.gov); Written notification to the Missouri State Auditor; and Notification to the Office of the Attorney General if the breach has affected more than 1,000 students, pursuant to Section 407.1500, RSMo.

The district has adopted or developed curriculum and aligned all curricular areas to the Missouri Learning Standards as required in Section 160.514, RSMo.

The district has developed standards for teaching (Section 160.045, RSMo).

The district shall establish a written policy on student participation in statewide assessments (Section 160.570.2, RSMo).

The district provides adequate instruction in physical education and fine arts (5 CSR 20-100.105).

The district complies with state high school graduation requirements (Section 170.345, RSMo and 5 CSR 20-100.190).

The district provides one-half unit of high school health and personal finance credit for graduates (5 CSR 20-100.190).



If the district is offering computer science classes for math or science credit it ensures the appropriate communication is occurring as outlined in Section 170.018, RSMo.

The district provides regular instruction in the United States and Missouri Constitutions, as well as American history, American institutions, and American civics. Unless an exception applies, students are required to successfully complete a course of such instruction that is at least one semester in length, as required by Section 170.011, RSMo.

The district ensures that all students entering ninth grade after July 1, 2017, pass an examination on the provisions and principles of American civics as required by Section 170.345, RSMo.

The district ensures that each high school distributes to its students the information on critical need occupations as provided by the Missouri Department of Elementary and Secondary Education each year before November 1 (Section 167.902, RSMo).

The district has adopted a policy and implemented a measurable system for identifying students in their ninth grade year or students who transfer into the school subsequent to their ninth grade year, who are at risk of not being ready for college or entry level career positions, consistent with the requirements in Section 167.905, RSMo.

The district ensures that it has policies and procedures in place allowing students to participate in the Missouri Course Access and Virtual School Program (MOCAP) (Section 161.670, RSMo):

District has adopted an enrollment policy that requires enrollment requests for MOCAP to be treated similarly to those for traditional courses.

District provides for an appeal process upon denial of enrollment in MOCAP courses.

District provides public notice of MOCAP enrollment process and course availability.

The district has adopted a policy, consistent with Section 162.722, RSMo, that allows acceleration for students.

The district shall determine a child is gifted only if the child meets the definition of “gifted children” as provided in Section 162.675, RSMo, and has a policy in place that meets the requirements of this statute.

The district course materials relating to sexual education instruction shall comply with statute (Section 170.015, RSMo).

The district ensures that it conducts dyslexia screenings for students and provides reasonable classroom support consistent with the guidelines developed by the Department of Elementary and Secondary Education (Section 167.950, RSMo).

The district ensures that students in elementary schools participate in moderate physical activity, as described in statute, for an average of 150 minutes per week or 30 minutes per day. Students with disabilities must participate to the extent appropriate (Section 167.720, RSMo).

The district ensures that all pupils (during the pupil's four years of high school) receive 30 minutes of cardiopulmonary resuscitation instruction and training in the proper performance of the Heimlich maneuver or other first aid for choking. Instruction is to be included in the district's existing health or physical education curriculum and must meet the requirements of Section 170.310, RSMo.

The district ensures that elementary school students be provided a minimum of one recess period of 20 minutes per day, which may be incorporated into the lunch period (Section 167.720, RSMo).

The district provides instruction in human sexuality and sexually transmitted diseases that complies with Section 170.015, RSMo.

The district provides professional development programs and services as required by Sections 168.400 and 160.530, RSMo.

The district ensures that all educators in its employ, who hold a career continuous certificate, complete a minimum of fifteen contact hours of professional development annually unless exempt (Section 168.021, RSMo).

The district provides two hours of in-service training for all practicing teachers annually regarding dyslexia and related disorders (Section 167.950, RSMo).

All school personnel shall participate in a simulated active shooter and intruder response drill conducted by law enforcement professionals, as described in statute. Program instructors must be certified by the Department of Public Safety's Peace Officers Standards Training Commission (Section 170.315, RSMo).

The district provides a safe physical environment for students (Sections 160.261 and 160.660, RSMo).

The district has a written discipline policy; provides the policy to students, parents, and guardians; and follows the requirements of Section 160.261, RSMo.

The district has adopted a written policy that addresses the use of restrictive behavioral interventions as a form of discipline or behavior management technique (Section 160.263, RSMo).

The district has adopted policies to prohibit confining a student in an unattended, locked space, except for an emergency situation, while awaiting the arrival of law enforcement personnel (Section 160.263, RSMo).

The district has adopted an anti-bullying policy that includes the required components as outlined in Section 160.775, RSMo, has distributed the policy in the student handbook and has provided training of employees as to the requirements of the policy.

The district has adopted a policy related to appropriate employee-student communications, including but not limited to, verbal communication, electronic media, and social networking (Section 162.069, RSMo).

The district has adopted a policy to address allegations of sexual misconduct by a teacher or any school employee (Section 160.261, RSMo).

The district complies with statute related to posting child abuse and neglect hotline information (Section 160.975, RSMo).

The district requires the reporting of child abuse, including allegations of sexual misconduct involving a teacher or other employee of the district, and provides employee training in accordance with law (Sections 160.261, 162.069, and 210.115, RSMo).

The district maintains immunization records as required by statute and reports such data required by the Missouri Department of Health and Senior Services (Sections 167.181 and 167.183, RSMo).

The district has adopted a policy on allergy prevention and response with priority given to addressing potentially deadly food-borne allergies (Section 167.208, RSMo).

The district complies with all statutes related to the transportation of students (Sections 162.064, 162.065, 162.621, 167.231, 167.241, and 163.161 RSMo).

The district shall provide the address of the trauma-informed website, developed by DESE, to all parents before October 1 of each school year (Section 161.1050, RSMo).

The district complies with the requirements on earthquake safety in accordance with statute (Sections 160.451, 160.453, 160.455, and 160.457, RSMo).

The district complies with P.L. 114-95, Section 8532 of the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act (ESSA) and 5 CSR 20-100.210 relating to Persistently Dangerous Schools:

Allow students who attend a persistently dangerous school to attend a safe public school within the district.

Allow students who have been a victim of a violent criminal offense while in or on the grounds of the public school to attend a safe public school within the district.

The district complies with all the regulations of the state and federal programs in which the district participates (5 CSR 20-100.130, 5 CSR 20-100.140, and 5 CSR 20-300.110 to.200).

The district meets state and federal special education requirements for students with disabilities, economically disadvantaged students, migratory children, students whose native or home language is other than English, and homeless youth (5 CSR 20-100.130) (5 CSR 20-100.140) (5 CSR 20-300.110 to.200) (Section 162.680, RSMo).

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The district has designated a staff person to be an educational liaison for foster care children (Section 167.018, RSMo).

## Budget Message

The 2023-2024 Budget for De Soto #73 School District has been prepared and presented for approval with anticipation that it represents our best effort to provide a high quality of educational services for all students with the available resources at our disposal. The proposed budget was developed by reviewing each line item individually. Actual numbers are used when possible. Estimates are based on a minimum three-year history and other known factors that affect projections in expenditures and revenues. Many items in the budget repeat each calendar year, however, this year still includes abnormalities as a result of COVID-19.

Effective budgeting evolves and is an ongoing, year-round process. Effective budgeting requires a focused and deliberate effort to always do what is best for students.

Aspects surrounding the COVID-19 pandemic were the driving force behind differences when reviewing multi year comparisons. COVID-19 continues to be an added challenge in the comparison of previous years as well as predicting what might occur in the future. Over the last few years, revenues and expenses have been skewed by shutdowns, mitigation, virtual tuition, 100% free student meals and other issues. Student enrollment and attendance rates were a major concern prior to the pandemic. Predicting future enrollment through cohort survival analysis is difficult due to the reduction of student enrollment based solely on the pandemic. During the past few years, free/reduced forms have also been very difficult to collect, causing a reduction in our overall weighted average daily attendance (WADA) and revenue from the state.

**Fiscal year 2023-2024 will result in very little new revenue, however, the district should anticipate higher costs as a result of the following factors:**

- Wage inflation and \$15 hour minimum wage for MO State employees. Schools were already behind in pay and private sector wage inflation will put even more pressure in this area.
- General inflation costs on fuel, energy, food, and everything else will result in increased expenditures as it did in FY23.

**ESSER III funds and other federal grants are available, which can assist districts through this difficult time. The main point to remember is it is one time money.** The money goes away when it is gone and we must have a plan on how we will operate once all of the funds are depleted. Currently, the funds are dedicated to paying salary and benefits for additional staff to support lower elementary student class sizes, counseling, and alternative programming, such as the Innovative Learning Center. The convergence of a budget committee may be necessary to begin meeting in FY24 to develop an exit plan in regards to the depletion of ESSER III funding. The district is predicted to expend all ESSER III funding by the end of the 2023-2024 school year. The deadline to submit for ESSER III reimbursement is September 2024. The district made a payment request in May 2023 in the amount of approximately \$322,327.78. As a result, the remaining amount of the \$3,844,281 in ESSER III funding is approximately \$378,577.42 and is budgeted for FY24. We anticipate making a request from DESE for this amount as the final payment of ESSER III funds at the end of FY24.

The following highlights represent some significant items in the development of the budget, important features of the budget, and major changes from the preceding year:

- The Board of Education has approved the districts MSIP6/CSIP and these documents were used as a reference in the development of the 2023-2024 budget. During the 2023-2024 school year, it is recommended that the Board of Education reevaluate goals and ensure alignment with the components of MSIP 6 during the August 12, 2023 work session.
- Due to the curriculum adoption cycle, the major anticipated adoption in the amount of \$410,131.30 for K-12 mathematics (\$310,151.78) and Fine Arts (\$99,979.52) was approved by the Board of Education for FY24 along with the addition of PLTW and the first year funding requirements within the budget of \$149,716.16, which will be offset partially by grant funding in the amount of \$42,700.00. The second year PLTW program cost is approximately \$2,801.50.

**State Revenue includes Basic Formula (state monies), Basic Formula (Classroom Trust Fund), School District Trust Fund (Prop C), and Transportation.**

### **State Funding Formula**

Each month, the De Soto School District receives money from the state foundation formula. Weighted Average Daily Attendance (WADA) multiplied by the state adequacy target (SAT) multiplied by the dollar value modifier (DVM) minus your local effort equals our state funding allocation for a given school year and the amount is divided over a 12 month period.

### **State Adequacy Target**

The State Adequacy Target (SAT) is the amount the state calculates that it should take to educate a child in Missouri. The SAT is based on average per pupil expenditure of all the schools who received a perfect score on their Annual Performance Report with the top ten and bottom ten schools being removed from the calculation. Originally, the SAT was designed to be recalculated every two years, but in 2015-2016 it started to be adjusted monthly based on state formula funding. The current SAT amount is \$6,375 and has been this same amount since the 2019-2020 school year. State Adequacy Target (SAT) will remain at \$6,375 for FY24 and the only change in state aid will come from change in WADA, which will be lower due to enrollment and COVID issues.

### **Dollar Value Modifier**

The Dollar Value Modifier (DVM) is generally calculated on a county basis and acts as a cost of living adjustment in the formula calculation. The higher the average wage in a county, the higher the DVM and the more funding a school will receive. The DVM ranges from 1.0000 to 1.1. And the current DVM for De Soto Public Schools is 1.0930 for the 2022-2023 school year and 1.0920

for the 2023-2024 school year. The SAT is multiplied by a district's WADA and then multiplied by the DVM to determine the amount a district will receive prior to subtracting the district's local effort.

### **Professional Development**

Schools are required to spend 1% of their formula money for Professional Development each year (unless transportation is funded at less than 25% of their actual cost). Of the money allocated to PDC, 75% must be spent in the same fiscal year for the purpose of professional development. The remaining 25% must also be spent for professional development, but may be carried forward for use in the succeeding year. Our district typically spends more than 1% in this area.

### **Transportation**

The district received \$333,858.00 in transportation revenue from the state during the 2021-2022 school year with a reimbursement rate from the state of 40.64%. The district is projected to receive \$986,263.17 at a reimbursement rate of 75%. This is an increase in revenue of \$652,405.17 for FY24. The funding remains at an anticipated reimbursement rate of 75% for FY24. The district must take into account this funding was initially a one time funding amount and could be reduced at any time, especially if funds do not meet the appropriate levels to meet the state budget. Transportation formula funding is predicted to remain the same for FY24 with transportation being funded at a 75 percent reimbursement of the district's cost for qualifying mileage reimbursement. Activity and athletic trips are an example of non reimbursable mileage.

### **Average Daily Attendance (ADA)**

Average number of students in attendance each day (Number of hours of actual student attendance divided by the number of hours possible).

Plus

Average number of students in summer school (Number of summer school hours of actual student attendance divided by 1044).

Equals your average daily attendance for a school district. The declining Average Daily Attendance (ADA) for the past few years for grades K-12 is as follows:

13-14 (2,685.7838), 14-15 (2,651.3566), 15-16 (2,588.7840), 16-17 (2,558.5730), 17-18 (2,433.9842), 18-19 (2,383.9108), 19-20 (2,324.6003), 20-21 (2,131.3655), 21-22 (2,010.0794) and estimated at 2,100 for FY23 and FY24.

Table 1 provides the average daily attendance for the regular school year and summer school for school years 2018-2019 through 2022-2023. The decrease in ADA for both the regular year and summer school mirror the declines in enrollment the district has seen over the past decade. For example, the regular term ADA (K-12) during the 2012-2013 school year was 2,665.1847 and the summer school ADA (K-12) was 156.3412.

**Table 1. ADA for Regular Year and Summer School (K-12) for the De Soto #73 School District**

	2018-19	2019-2020	2020-21	2021-22	2022-23
Regular ADA K-12	2,383.9108	2,324.6003	2,131.3655	2,110.0794	Est. 2,110
SS ADA K-12	141.9116	112.0380	61.4304	90.63.41	79.3824

**State Minimum Calendar Hours**

1,044 is the number of hours the state requires for a regular term school year. Our district currently has 1082 hours in our calendar, which is 38 hours above the required total, which equates approximately 6 school days built into our school calendar above the state minimum requirement.

**Student Attendance Pre-K Funding**

In 2018, legislation was passed to add preschool students (ages 3-5) to the formula if they were Free & Reduced and if the formula was fully funded, which means an SAT of at least \$6,375. The total number of preschool students included in the ADA calculation cannot exceed 4% of the total number of students ages 5-18 who are eligible for Free and Reduced lunch. Table 2 shows our regular year PK ADA for 2018-2019 through 2021-2022.

**Table 2. Regular year PK ADA for the De Soto #73 School District**

	2018-19	2019-2020	2020-21	2021-22	2022-23
PK ADA	4.1773	18.8683	19.0106	14.5615	Est. 15.00

**Weighted Average Daily Attendance (WADA)**

The state recognizes three categories of students, which require additional resources and are weighted, meaning they may count as more than 1 student in the WADA calculation based upon a threshold developed by the state. ADA is weighted when the percent of students designated as Free & Reduced Lunch students, Special Education students, or Limited English Proficient as shown in Table 3. The threshold percentages are recalculated every other year.



**Table 3. WADA Counts for the De Soto #73 School District**

<b>Year</b>	<b>Free/Reduced Jan Count</b>	<b>Sped. Ed. Dec. Count</b>	<b>LEP October Count</b>
<b>18-19</b>	1,197.71	446	11
<b>19-20</b>	1,118.00	428	7
<b>20-21</b>	879.10	401	6
<b>21-22</b>	812.09	376	6
<b>22-23</b>	974.00	368	7

When looking at WADA, the state allows districts to utilize the greater of their current years' estimated WADA or the actual WADA of the prior two years for formula calculation. Because communities can change, resulting in a decrease or an increase of students, this provision allows districts to make changes.

Section 163.021.1(4), RSMo indicates that “Whenever there has existed within the district an infectious disease, contagion, epidemic, plague or similar condition whereby the school attendance is substantially reduced for an extended period in any school year, the apportionment of school funds and all other distribution of school moneys shall be made on the basis of the school year next preceding the year in which such condition existed.”

The Department of Elementary and Secondary Education (DESE) applied this state statute and determined that FY 2022 student attendance was broadly impacted by the COVID-19 pandemic, specifically due to the Delta and Omicron variants that occurred during the school year. As such, payment calculations for districts include the use of FY 2020 ADA and WADA values.

This provision is also being applied to the FY 2023 payment calculations that rely on pandemic-impacted attendance years, the Basic Formula, Classroom Trust Fund, and Prop C, Grant. As a result, our Basic Formula payments include the greater of the FY 2020, FY 2021, FY 2022, or an estimate of FY 2023 WADA. For Classroom Trust Fund and Prop C, DESE is utilizing the greater of the FY 2020, FY 2021, or FY 2022 ADA or WADA for payment purposes.

**What is important to know is our highest WADA occurred during the 2019-2020 school year.**

The formula payment Weighted Average Daily Attendance (WADA) was 2,967.8004 in fiscal year 2017 (SAT \$6,198), 2,884.9536 in fiscal year 2018 (SAT \$6,241), 2,870.3569 in fiscal year 2019 (SAT projection of \$6,308), 2,711.4815 in fiscal year 2020 (SAT \$6,375), 2,660.8739 in fiscal year 2021 (SAT \$6,375) and 2622.5898 in fiscal year 2022 (SAT \$6,375). The estimate for fiscal year 2023 was 2,389.1177 (SAT \$6,375) until the state announced enforcing 163.021.1(4), RSMo.

For the Basic Formula calculation in FY 2024, DESE considers FY 2022 as impacted under this statute and will adjust Basic Formula payment calculations accordingly. The De Soto School District Basic Formula payments will include the greater of the FY 2020, FY 2021, FY 2022, FY 2023, or an estimate of FY 2024 WADA (best out of five years versus the best out of three years). The district should anticipate a return to regular payment methodology for the Basic Formula in FY 2025. Classroom Trust Fund, Prop C, and Small Schools Grant payments will rely on FY 2023 ADA or WADA for payment purposes in FY 2024.

**Proposition C Sales Tax (State Revenue)**

Proposition C is a one-cent sales tax collected statewide and then distributed to districts based upon a per pupil basis. A Supplemental Appropriation for Prop C has been proposed for FY23 in the amount of \$28,532,000, which if passed would result in \$1,286 per WADA if revenue receipts equal the increased appropriation level. The projected Prop C for the 2023-2024 school year is \$1,360 per ADA.

**Classroom Trust Fund (CTF)**

Classroom Trust Fund is taxes received on riverboats casinos and is distributed on a per pupil basis. Local districts have great flexibility in the expenditure of this money. Our district allocates fifty percent of these funds for capital improvements and fifty percent for operations.

Adjustments are accounted for when funding is not realized from this funding source. The district also uses the transfer allowance at the end of the year to meet other capital costs incurred. The CTF is not an additional payment outside of the formula as it is used as part of the formula calculation. The current amount is \$425 per WADA for FY23 and is projected to be \$450 for FY24.

**State Revenue Projection**

De Soto School District should anticipate a decrease in funding from basic formula, classroom trust fund, and Prop C based upon the current estimates shown in Table 4. As noted, the district is projected to be Hold Harmless in the 2024-2025 school year.

**Table 4. State Revenue Projection**

	<b>2022-2023</b>	<b>2023-2024</b>	<b>2024-2025 Hold Harmless</b>
Basic Formula	\$10,741,265	\$10,741,265	\$9,077,496
Classroom Trust Fund	\$1,073,475	\$992,008	\$987,750
Prop C	\$3,542,987	\$3,181,411	\$3,162,984
Total Revenue	\$15,357,727	\$14,914,684	\$13,228,230

**Hold Harmless**

A hold harmless district is a district who is projected to receive less money under the current formula than they received under the previous formula (2005-2006). Districts with more than 350 students are guaranteed the same amount of state aid per pupil as they received in 2005-2006. Prior to Covid-19, we were projected as a district to hit hold harmless, but did not due to a number of factors such as the increase a few years ago of the state adequacy target (SAT), classroom trust fund (CTF), and Prop C.

The most recent factor is due to the override for formula weighted average daily attendance due to the pandemic rule. As a result, we are not projected to hit hold harmless until the 2024-2025 school year.

The State Adequacy Target (SAT) is predicted to remain the same in FY24 at \$6,375. There are no changes anticipated to the thresholds from FY23 to FY24 as shown below:

- Free/Reduced Lunch-FY23/FY24=30.95%
- Special Education (IEP)-FY23/FY24=13.11%
- Limited English Proficiency-FY23/FY24=2.29%

The formula is intended to be a stable and consistent revenue source for districts in terms of multiple year planning. Payment is dependent on enrollment, which is a topic we have covered in-depth over the past eight years as a district. The district has been and continues to show enrollment declines. Enrollment projection patterns provide clear evidence of enrollment declines for the next few years. Due to the continued decrease in WADA, the district is entering a period of decreasing state revenue. Increases in the state adequacy target are no longer offsetting the loss of WADA formula calculations.

The DESE Formula Calculation Projection Tool was used to determine the district's potential funding loss. Based on the projection, the district will see a decrease in funding each year for the next several years. As shown in Table 4, the district is anticipating a decrease in funding in fiscal year 2023-2024 and an even more significant decline in fiscal year 2024-2025 based on current projections. Additionally, it is highly probable the district will reach a Hold Harmless designation in 2024-2025, resulting in an estimated \$4,251.02 level per WADA from the foundation formula compared to an estimated \$4,518.08 in FY24.

### **Local Effort-Property Taxes**

Most of our local revenue does not come in until January and February. Local money is based on a tax levy, approved by the voters and set by the school board. Property taxes make up the largest part of local effort and are based upon the assessed valuation of property in the district, which includes real estate and personal property. Real estate is assessed biannually in odd numbered years. The classification for real estate property is 19% for residential, 12% for agriculture, and 33% for commercial.

During the 2021-2022 school year, the total assessed valuation as of December 31, 2021 was \$230,413,485. The general fund (Fund 1) levy was 3.4052 and the debt service (Fund 3) levy was 0.9801. The amount of current taxes collected in the general fund was \$7,496,850.77 and \$2,157,777.34 in the debt service fund. Fund 1 delinquent taxes were \$313,567.41 and Fund 3 delinquent collection was \$86,503.32.

The assessed valuation for the 2022-2023 school year is \$237,290,142 which is a 3.41% increase above last school year. The general fund levy was set at 3.4226 and is anticipated to generate \$7,959,062.55 at 98% collection rate and the debt service levy was voluntarily rolled back from 1.1407 to 0.9801, generating approximately \$2,279,166.40 at 98% collection rate.

As a reminder, districts typically do not get our preliminary assessed valuation until July, we do not set our tax rate until August after the Board of Equalization, and we do not collect until January. If the district had a voluntary rollback in 2022-2023, the same rollback will be required for the 2023-2024 school year.

FY24 is a reassessment year and based upon multiple years of analysis, the district should see a slight increase in the percentage of overall assessed valuation, pending no changes in legislation to personal property tax rates. The December 2022 Consumer Price Index is what impacts the reassessment in 2023-2024. The December 2022 Consumer Price Index (CPI) was 6.5%, however, due to the Hancock amendment, the maximum increase would be 5% for FY24 if reassessment follows current economic trends. In December 2021 the CPI was 7.0%, however, due to it being a reassessment year, the district was not able to capture these funds. In December of 2020, the district was limited to the CPI of 1.4%. As you may recall, after this date is when

inflation and the district was not able to capture the additional revenue from the growth until this coming year if assessments maintained at the ratio of what is expected in the current climate.

### **Nonresident Tuition**

The De Soto School District annually sets a tuition rate for nonresident students. The rate was increased to \$6,375 from \$4,855 (had not been adjusted for ten years). During the 2021-2022 school year, the district received \$495,386.93 in tuition and the current FY23 budget is \$725,000. This is an anticipated increase in revenue over last year of approximately \$229,613.07. The district has budgeted the same approximate amount for FY24 as FY23 until actual numbers can be calculated after the start of the 2023-2024 school year.

Overall the district budget anticipates \$31,636,929 (FY23 approximate \$32,227,951) in revenue from Funds 1 & 2, which would be a decrease of \$591,022. Overall the district budget anticipates \$32,182,035 (FY23 approximate \$31,433,489) in expenditures from Funds 1 & 2, which would be an increase of \$748,546. It is important to note that we received several million dollars in COVID-19 related grants and funding in FY21 & FY22 and we anticipated additional COVID-19 relief funding in FY23 and FY24. The projected balance at the end of 2023-2024 is 39.87% which aligns with ensuring the present and future financial sustainability by maintaining unrestricted reserve balances above 15-20%. Deficit spending will require a future correction to ensure balances do not drop below board acceptable levels and state law compliance.

### **E-Rate**

The account and application management portal for the Schools and Libraries (E-Rate) program is currently showing a balance of \$129,371.236 in our Category 2 Budget for fiscal year 2023-2024. This amount may vary slightly as it is based on our student population and is currently at a 70% discount rate based upon our Free and Reduced Lunch eligibility count. We will plan to issue a 470 related to these funds after July 1, 2023. In the current E-Rate cycle, we have been approved for \$302,824.77, much of which was applied to the infrastructure upgrade of our circuits and fiber.

### **Title I.A, Title II.A and Title IV.A Revenue**

The Title I.A (Improving the academic achievement of the disadvantaged) funding allocation for 2022-2023 was \$483,532 and for 2023-2024 there was a revenue drop in the allocation of \$4,075 to \$479,457. The Title II.A (Teacher and Principal Training and Recruitment) funding allocation for 2022-2023 was \$87,529 and for 2023-2024 there was a revenue drop in the allocation of \$7,734 to \$79,795. The Title IV.A (Student Support and Academic Enrichment) funding allocation for 2022-2023 was \$36,660 and for 2023-2024 there was a revenue increase in the allocation of \$1,140 to \$37,800.

## **Salaries and Benefits**

The district strives to maintain quality skilled staff for the long term by maintaining a competitive salary and benefits package.

The district is unique as the district has implemented and maintained a self funded dental and medical plan for employees for well over a decade. The cap on the amount the district covers for health benefits was raised from \$500.00 to \$550.00 per month per employee for the 2019 fiscal year. The district paid employee rate increased from \$495.00 to \$544.50 per month for the current fiscal year. For the 2020 fiscal year, the district cap on district paid health benefits per full time employee was raised from \$550.00 to \$575.00 per month per employee. The district paid employee rate was raised by the Board of Education from \$544.50 to \$564.48 per month at that time and has remained the same amount for the past several years.

The budget includes the vertical movement of the salary schedule for members of the transportation department.

- The budget includes the cost for granting vertical and horizontal movement on the certificated salary schedule with \$500.00 added to the base. Also included is the vertical movement of classified staff on respective salary schedules with \$500.00 added to the overall hourly rate of classified schedules.
- A portion of the BOE paid amount will go toward individual HSA accounts who elected such plans. The district will also provide up to a \$25.00 per month match to any employee who elects to take the HSA plan and contributes at least \$25.00 per month. The district self insured health fund has stabilized. Based upon current funding levels and expected cost, funding balances for the Districts health care costs are anticipated to be maintained at current levels, unless there are unforeseen circumstances.
- Beginning in the 2023-2024 school year will have a value of \$90 days and be paid out in June at the end of the school year for any leave days not used during the school year. Both personal and sick days not used and paid out will turn into sick days with no value and be placed in a single accumulated sick leave with a cap of 150 accumulated days. If an employee does not work the full year, their leave will be prorated to one day per month or a fraction of the contracted time.
- The budget reflects benefits being maintained, with the retirement percent match remaining unchanged for both certificated and classified staff members. Due to the number of Cost of Living Increases provided by PSRS/PEERS as a result of inflation, there may be an increase by a half of a percentage (max amount allowed in one calendar year) at some time during the coming school year for fiscal year 2024-2025. The district will need to monitor reports from PSRS/PEERS throughout the coming year. The current rate has not changed since 2013.

- Support service budgets were reviewed for potential increased costs in the area of utilities, fuel, and general operation of the plant.
- The safety budget includes two school resource officers from Jefferson County. Additional money is allocated for improvements in safety and security identified in our strategic planning meetings. Items are currently being prioritized based upon the funding available. Money from proposition safe schools will be tracked on the revenue side through local taxes and determined based upon the current assessed valuation and the tax collection rate. Funds will be tracked on the expenditure side using a project code for all safety and security purchases as was done in the past.
- Capital expenses total \$1,996,004.29 for FY24. These include payments and interest for DNR loans in the amount of \$53,222.00, \$877,512.95 for building improvements, \$155,260.10 for furniture and instructional equipment, \$345,000 for technology equipment, \$20,000 for maintenance equipment, \$235,000 for safety and security grant items such as cameras, and the vestibule at DHS, \$26,009.24 for kitchen equipment at the Early Childhood Center, and \$65,000 for a small wheelchair accessible bus.
- The district has three lease purchases from debt incurred in 2014 as follows:
  - Athena energy lease (DPDELBA2) through 1/01/26 with an approximate balance of \$8,637.96 as of 7/1/2023 with an annual principal and interest payment of \$3,590.00.
  - DHS, DJHS, & Vineland energy lease (DPDELBY2) through 11/01/2026 with an approximate balance of \$55,802.06 as of 7/1/2023 with an annual principal and interest payment of \$19,463.00.
  - Athena Rooftop lease (DPDELCP2) through 1/01/26 with an approximate balance of \$71,745.02 as of 7/1/2023 with an annual principal and interest payment of \$30,169.00.
- The district paid off the following leases in FY20:
  - Lease for five buses from FS Leasing LLC.
  - Chromebook lease from First State Community Bank
  - Phone lease for all phones in the voice over internet conversion
- The district paid off the following leases in FY21:
  - Dishwasher lease from the Department of Natural Resources
  - GPC Series 2012A lease
- The district paid off the following leases in FY22:
  - DeLage copier lease
- The combined 2023-2024 principal and interest payments for the District's General Obligation Bond issues is approximately \$1,833,516.91 and the total interest and principal payment for each Bond is listed below:

- Series 2010B approximate total payments of \$213,829.56
- Series 2010C approximate total payments of \$151,777.50
- Series 2016 approximate total payments of \$600,030.00
  - Final payment will occur in FY24
- Series 2020 approximate total payment \$77,500.00
- Series 2021 approximate total payments of \$786,800.00



## General Budget Summary

For the purpose of this budget projection, we are using the FY23 figures for the levy and the local assessed valuation of \$237,290,142 until such time that more current numbers become available. The projected revenue FY24 year is based on an Operating Levy of 3.4226 and a Debt Service Levy of 0.9801 for a total levy of 4.4027. Additional changes due to the Hancock amendment may result in slight variations to both levies with the intent of maintaining an overall constraint overall levy of 4.4027.

DESE provides funding to schools using Weighted Average Daily Attendance (Weighted A.D.A.) which takes into account factors such as average daily attendance, a percent of the Free and Reduced Count and a percent of Special Needs students. When estimating state revenue, we used the Basic Formula Projection Tool provided by the Division of Financial Administrative Services School and had DESE School Finance personnel double check our formula projections for accuracy. The district has continued to demonstrate a decline in enrollment. Future enrollment projections show a potential of continual decline as large classes exit the school system resulting in a Hold Harmless classification beginning in FY25. The district will need to be cautious in replacement of staff and general expenditures to absorb the cost impact of reduced state and federal funding, especially after fiscal year 2024.

The State Foundation Formula is projected to be fully funded at \$6,375, however, the decrease in overall WADA calculation indicates the possibility of future revenue decreases from the state formula funds for FY24 and beyond. The district will continue to lose a significant amount of state funding if enrollment declines and even once we hit the Hold Harmless level, as funding is still calculated off our WADA. Numbers are anticipated to decrease in state revenue funding for FY24. There is also anticipated to be a significant revenue drop in FY25 from the State Foundation Formula as illustrated in Table 4.

The "Classroom Trust Fund" provides a separate accounting for money generated by riverboat gaming. Local districts have great flexibility in the expenditure of this money. Our district allocates fifty percent of these funds for capital improvements and fifty percent for operations. Adjustments are accounted for when funding is not realized from this funding source. The district also uses the transfer allowance at the end of the year to meet other capital costs incurred.

The beginning balances in Capital reflect does not currently reflect the district completing an anticipated allowable transfer to capital to cover anticipated expenditures for capital improvement costs in FY24. However, based on an evaluation of the long term budget strategy throughout FY24, it is likely the district should anticipate making a transportation allowable transfer from Fund 1 to Fund 4 to cover expenses in Fund 4 along with transferring an additional 25% of classroom trust funds into Fund 4 to cover one time capital expenditures as needed for unexpected costs.

The debt service fund allows for the payment of school debt. The amount in the debt service will be higher than normal due as it included restricted funds for future required payments. The

district will be in a good position to put a no tax increase on the April 2024 ballot if the Board of Education elects to do so with the approximate no tax increase bonding capacity of \$12,000,000.

The budget is based on analysis of the past 3 to 5 years of revenue and expenditures, bond payment schedules, lease payment schedules, and conservative estimates of revenue and conservative estimates of expenses.

This budget is established with the best and most recent information available to the De Soto #73 School District. The De Soto 73 School District will receive very limited increases in state aid in the future and we must begin to plan accordingly. According to performance data, we are maintaining accreditation in the areas of student achievement, and we continue to show improvement as well as targeting areas in need of improvement based upon local data.

The district anticipates transferring approximately \$4,326,216.00 from the General Fund to the Special Revenue Fund (Teacher's Fund) to comply with the accounting procedures and Department of Elementary and Secondary Education transfer compliance. FY24 ending operating balances are projected to be \$12,891,195 representing a 38.24% balance. Anticipated declines in State funding continues to cause the district to be vigilant in the monitoring of revenue projections and to project a budget that maintains fiscal viability of the existing programs and staff and does not create continued deficit spending. Even coming off a year with one of the highest balances on record, we must keep our eyes open to the future and ensure we adjust as needed moving forward.

The philosophy, mission, vision, values, and a link to our MSIP6/CSIP are included below. The purpose for including each of these items is to provide a background to all of the thought process behind each budget line item. Integral components such as our mission and our focus areas define what it means to be a De Soto Dragons and provide the foundation, and guidance to ensure we are staying on the right track. Budgeting for revenues and expenditures for the short and long term requires collaboration, communication, and commitment from all stakeholders. Throughout the 2022-2023 school year, the district was focused on instituting MSIP 6 and developing a new CSIP plan to support this transition. As we move forward into fiscal year 2023-2024, our efforts will be continued in this area as well as moving our strategic plan forward once reviewed and approved by the Board of Education.

## **De Soto 73 School District Statement of Philosophy**

It is the aim of this school system to provide an education climate based on a value-oriented education in a free society, which includes comprehensive consideration of all human needs and aspirations (affection, respect, skill, enlightenment, influence, wealth, well-being, and responsibility).

Achieving wide access to, and the sharing of, these values contribute to the overriding objective of our democratic society: the realization of human dignity and a humanistic way of life.

All individuals undergo a continuous process of physical, mental, and emotional change, generally considered as growth. Growth may be at random or it may be directed; and, if directed, it is called education. Education, which has as its aim the social and personal efficiency and welfare of individuals, is democratic education.

Many agencies contribute to the growth of all individuals, but the school is perhaps the only one that has as its specific purpose the direction of such growth. It is the only agency whose chief concern is the development of each individual to the utmost of his/her social, physical, emotional, and spiritual potentials. Although children and youth are given special consideration, schools exist for all people of the community.

Since we subscribe to the basic philosophy stated above, we believe that we are obligated to provide a continuously evolving type of educational program whereby each person in school may:

Be provided with opportunities to achieve the highest potential of his/her inherent capacity as a human being.

Develop and maintain good health, proper health habits, and physical fitness.

Become proficient in the area of communications and in the understanding and interpretation of basic areas of knowledge.

Make use of his/her creative abilities and his/her abilities to do reflective thinking.

Equip himself/herself for happy and successful living in a vocation for which he/she is well adapted.

Recognize that certain basic moral and spiritual values should be practiced in daily living.

Prepare himself/herself for happy living by the development of an appreciation for art, music, and literature and by the development of skills in certain hobbies and recreational activities.

Prepare himself/herself for the responsibilities and privileges of family life.

Prepare himself/herself for the acceptance of responsibilities as an American citizen and a world citizen.

Moreover, we aim to study each pupil in school as an individual – to consider his/her background, interests, aptitude, abilities, and desires in an attempt to direct his/her growth toward success for him/her as an individual and as a part of a social group. We plan to teach the three R's in a better fashion than we have ever taught them before; but, in addition, we will teach individual people in order that they may develop into well balanced, well-rounded citizens physically, mentally, morally, and emotionally active and stable.

We believe that public schools are for all the people. Therefore, while important, the traditional college preparatory courses should not dominate but rather co-exist in a secondary curriculum that offers alternative programs of education based on a wide spectrum of approaches, some of which may weigh heavily in the areas of vocation-career, the fine arts, or practical arts.

In summary, our aims may be stated briefly as follows:

To offer a breadth of school programs on all levels which will care for the individual needs, interests, desires and abilities of all students.

To offer a quality of instruction this will insure speedy and efficient learning on the part of all students.

To offer a program of guidance and direction that will enable each student to take the greatest advantages of the part of the school program best suited to him/her.

## **Mission of the De Soto 73 School District**

The mission of the De Soto 73 School District is to ensure learning, growth, and success for all students in a safe environment.

### **Vision Statements**

De Soto 73 School District students will graduate college and career ready.

The De Soto 73 School District will obtain high levels of performance by exceeding all MAP and College Ready Achievement standards.

The De Soto 73 School District will earn a minimum of 90% of all MSIP 6 accreditation points.

### **Value Statements**

#### Collective Inquiry and Continuous Improvement

- Support collective commitment to guiding principles that articulate what the staff of the school believes and that govern their actions and behavior.
- Maintain and strengthen the structure and vehicles that make collaborative work and learning effective and productive.
- Relentlessly question the status quo, seek research based methods of teaching and learning, assess the methods, and then reflect on the results.
- Continually seek ways to bring present reality closer to future ideal by continually asking

What is our purpose?

What do we hope to achieve?

What are our strategies for improving?

How will we assess our efforts?

#### Collaborative Teams and Action Oriented

- Teams collectively identify purpose and meanings.
- Work jointly to plan and test actions and initiatives.
- Coordinate the actions of each stakeholder to contribute to the overall effort.
- Turn learning and insights into action.
- Learn from each other and create the momentum that drives improvement.
- Recognize the importance of engagement and experience in learning and in testing new ideas.

#### Implementation of Effective Resources

- Promote a safe, caring and positive learning environment.
- Provide research based instruction by a well-trained staff for maximum learning.
- Continually assess and identify the skills needed for each person to become a responsible and productive citizen able to compete and cooperate in the ever-changing global society.

- Continually create a culture which provides optimum learning opportunities for all students to grow in higher learning.
- Provide access to current educational tools and technology to create a 1:1 environment.
- Maintain continuous and comprehensive two-way communication between school and community using a multitude of vehicle communications.

## MSIP 6/CSIP

### **Closing from the Superintendent**

The budget is intended to serve as an instrument and guide for formulating financial policy and provide direction for the business operations of the De Soto #73 School District. Appropriate budget revisions may be made during the budget year in accordance with board policy.

The FY24 budget was created in a collaborative effort. Thank you to our teachers, support staff, administrators, and Central Office support staff members for their efforts in working to fully evaluate and develop the proposed budget.

There continues to be challenging times ahead, which are likely to require very difficult decisions on the part of everyone, while still providing a quality education to our students and a positive work environment for our staff.

Each year seems to present new challenges and every year our De Soto students, families, staff, and community work to get through it, together, as De Soto Dragons. We must continue to work collaboratively and identify the best avenues as we move forward in an effort to ensure our students are served with high quality educational services.

Respectfully submitted,

Joshua J. Isaacson, Ed.D