

EXECUTIVE SUMMARY SECTION

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West Ada School District

Board of Trustee:

Ed Klopfenstein, Trustee
 Mike Vuittonet, Vice Chairperson
 Steve Smylie, Trustee

Dr. Phil Neuhoff, Chairperson
 Rene Ozuna, Trustee

Administration:

Dr. Mary Ann Ranells, Superintendent

Cheri Newbold, Clerk of the Board

Assistant Superintendents:

Don Nesbitt, Assistant Superintendent of Teaching and Learning

Joe Yochum, Assistant Superintendent of Operations

Regional Directors:	Directors:
David Moser, Regional Director – Central	Ramona Lee, Director of Special Education
Geoff Stands, Regional Director – North	Staci Low, Director of Career Technical Education
Dr. Mandy White, Regional Director – South	Denise Shumway, Director of Federal Programs
	Cindy Sisson, Director of Curriculum
Chiefs:	Jason Warr, Athletic Director
Jonathan Gillen, Chief Financial Officer	
Devan DeLashmutt, Chief Technology Officer	Administrators:
Eric Exline, Chief Communication Officer	Jeff Dodds, Data Administrator
Dave Roberts, Chief Human Resource Officer	Joe Kelly, Administrator of Assessment and Accountability
	Geri Gillespy, Administrator of Digital Integration
	Jennifer Fletcher, Administrator of Staff Development



(Front row: Eric Exline, Dr. Mary Ann Ranells, Dr. Mandy White, Jonathan Gillen, Dave Roberts and David Moser. Back row: Joe Yochum, Geoff Stands and Don Nesbitt (missing Devan DeLashmutt))



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

This Meritorious Budget Award is presented to

JOINT SCHOOL DISTRICT NO. 2 (WEST ADA SCHOOL DISTRICT)

for excellence in the preparation and issuance of its budget
for the Fiscal Year 2017–2018.

The budget adheres to the principles and standards
of ASBO International's Meritorious Budget Award criteria.



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona'.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, appearing to read 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director



MESSAGE FROM THE SUPERINTENDENT

June 12, 2018

West Ada School District began the 2017-2018 school year with a net increase nearly 900 new students. This rate of enrollment increase is closer to West Ada's historic rate of increase, which averages just under 1,000 new students each year over the last 20 years. The increase appears an indicator that the trend toward smaller enrollment increases during the recession is beginning to reverse itself. The trend to increase by 1,000 students a year is more students than the total enrollment in many school districts in Idaho.

Based upon the best estimates available at the time of budget creation, the projected increase in student enrollment for the West Ada School District for 2018-2019 school year is 650. This projection is purposely conservative, to ensure that this budget would not show more expenditures if additional revenue from a higher projected enrollment did not materialize.

Like 2017-2018, the 2018-2019 budget reflects the legislature's efforts to fund the career ladder and to restore operational funding levels. The legislature's appropriation for the career ladder resulted in West Ada's teachers again receiving a significant pay increase, on average just over 6%. The FY 2019 appropriation also included funding for a 3% salary increase for administrative and classified personnel.

This year's budget continues to reflect cuts that were made during the economic downturn. The district has made progress toward hiring certified staff to the level it qualifies for based on the state's funding formula. This year West Ada will hire 39 teachers fewer than it qualifies for, an improvement from 126 at the depth of the recession. In addition, the district supports approximately half of its coaching costs through participation fees paid by students; bus routes continue to place stops on arterial roads rather than in subdivisions, a change that reduced miles driven by 300,000; the school calendar remains 5 days shorter than prior to 2010; and employees continue to pay a portion of their health insurance coverage.

Several new costs contributed to the challenge to balance this budget. One of significance is the opening of Star Middle School in the fall of 2018. New costs for administration, maintenance, custodial and clerical staff, and school heat and lights account for \$1.8 million in new operational expenses. The patrons support for a bond measure in March 2018 means that these new operational costs will continue to be a challenge in the future as West Ada completes and opens a new high school and elementary school in the next few years.

This year's budget also reflects West Ada's academic goals in reading, language Arts, and math. The state has provided specific funding to support the improvement goals in these areas. For example, Idaho's Reading Initiative supports intervention materials and programs for students in grades K through 3, and the impact of those resources can be seen in the improved scores on the Idaho Reading Indicator this past year. West Ada has also budgeted its own funds for materials that will support the academic goals in reading and math. For example, West Ada has committed to budgeting the revenue from its Emergency Levy to purchase new textbooks across all the curricular areas, and largely with the goal to improve students' academic progress as measured by the Idaho Reading Indicator.

Despite some of the budgetary challenges, there are several encouraging economic signs. Idaho is predicted to generate more jobs, as a percentage of the workforce, than any state in the country this year. The U.S Census Bureau recently identified Idaho as the fastest growing state in the country, and much of that growth is occurring in the West Ada school district. The unemployment rate in Ada County is currently under 4%. State revenues are strong, and the legislature continues to signal that it will increase funding for public education in the future. In addition, the rate of residential construction is at pre-recession levels, indicating that enrollment increases in future years will again reach the district's 20-year enrollment average of 1,000 new students per year. All of these indicators suggest that the budgetary outlook in the future will continue to improve.

All Financial data presented in the 2017-18 Annual Budget was derived from either West Ada's Annual Audit, the State of Idaho's appropriation for public education or the district's financial software.

Continuous Improvement Plan

The mission of West Ada School District is *Preparing Today's Students for Tomorrow's Challenges*.

The District has three major goals:

1. Family, Staff and Community Engagement
2. Safe and Supportive Schools
3. Academic Success

Budget Development

The District uses the budget expenditure and revenue categories adopted by the Idaho State Department of Education. Revenues are classified by fund and source, and expenditures are classified by fund, function, program and object.

The budget development process began in December for many staff. The process timeline conforms with deadlines established by Idaho Law. District administrators and supervisors identified, prioritized and estimated costs for the needs of the District with input from other staff.

Administrators submit their budget requests in both line-item form and summary (profile) form. The profile pages list each program description, goals, major accomplishments and FTE as well as expenditures by object.

Once the preliminary budget is finalized, the notice of the public budget hearing on June 12 is published and posted according to Idaho law.

Idaho Schools Budget Compliance – Budget Timeline

Budget hearing notice – Idaho Code 63-802A – Not later than April 30 of each year – notify the county clerk in writing of the date and location set for your budget hearing.

Set budget hearing to present and adopt budget – Idaho Code 33-801 – No later than 28 days prior to the annual meeting, hold a public budget hearing to present and adopt a budget for ensuing fiscal year.

Publish budget hearing notice – Idaho Code 33-402 – A budget hearing notice, including the four year summary form must be published 10 days prior to the budget hearing.

Submit signed copy of budget to SDE – Idaho Code 33-701(7) – 21 days after the budget is adopted submit a signed copy of the budget packet to SDE or no later than July 15.

Online budget – Idaho Code 33-357(b)(vii) – The approved annual budget should be posted on the District's website within 30 days after its approval.

Annual Meeting-July – Idaho Code 33-510 – Annual meeting shall be on the date of the District's regular July meeting. Per Idaho code, it is the responsibility of the District to ensure that it has an approved budget for the following Fiscal year by no later than June 30 of the current year. On June 12th of 2018 the Board of Trustees approved the District's budget for the 2018-19 fiscal year.

State General Fund Revenue

The Public Education appropriation of State Revenues for the 2018-1019 school year was increased 3% for administration and classified staff. The fourth year of the certified career ladder including pupil services will be implemented for 2018-19.

The State Public School budget for fiscal year 2019 includes an increase of the minimum teacher salary from \$34,600 to \$35,800. Discretionary funds increased 2.7% to \$27,481 per support unit.

The district's state foundation program revenue for next year is based on the following assumptions: Enrollment growth of 650 students; Additional support units generated by the estimated enrollment growth: 33 units; Staff indexes: 6.01% weighted average increase for certified staff , 3% increase for administration and classified. We expect to receive approximately \$14 million more in state revenue based on an increase support units, in the allotment for the career ladder and an increase in the indexes.

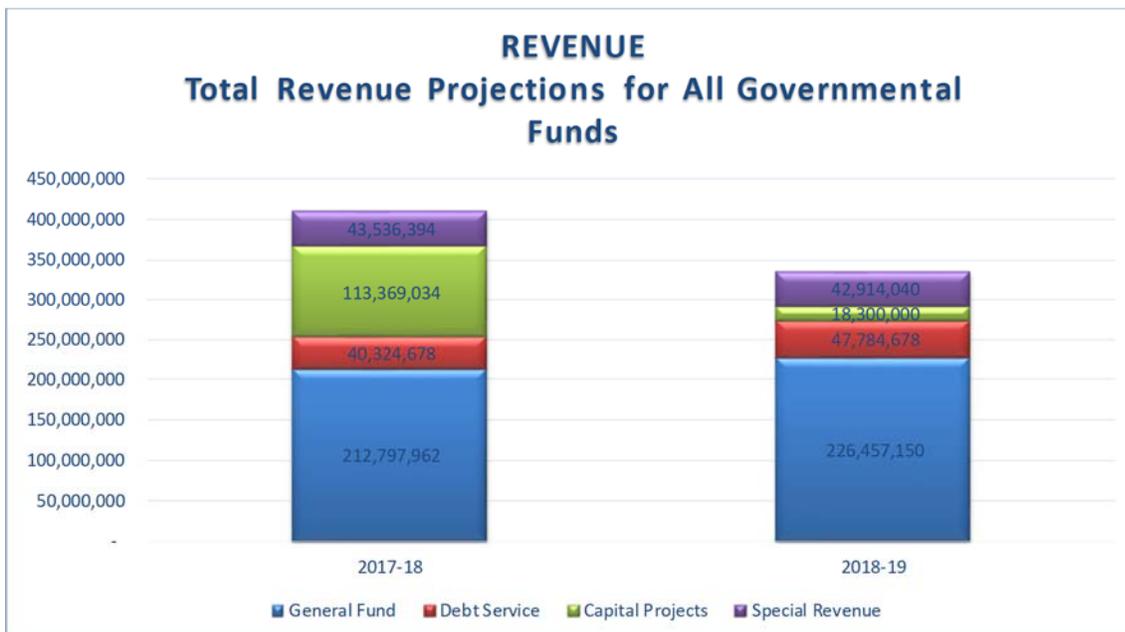
A five-year history of State School Support including the projections for the 2018-2019 budget year is included in the Informational Section of this budget document.

All Funds Budget Summary

A summary comparing the 2018-2019 proposed budget with the 2017-2018 amended budget for All Governmental Funds appears below. Also included for information purposes is the 2017-2018 adopted budget.

**SUMMARY
ALL GOVERNMENTAL FUNDS
JOINT SCHOOL DISTRICT NO. 2**

	ADOPTED BUDGET 2017-2018	AMENDED BUDGET 2017-2018	PROPOSED BUDGET 2018-2019	Change Amount Amended to Proposed	Change Percent Amended to Proposed
Revenue	309,486,770	408,621,077	334,621,396	(73,999,681)	-18.11%
Transfers	1,416,760	1,406,990	1,417,236	10,246	0.73%
Beginning Balance	79,902,137	84,064,988	170,205,452	86,140,464	102.47%
Total	390,805,667	494,093,055	506,244,084	12,151,029	2.46%
Expenditures	331,908,695	428,543,650	422,063,161	(6,480,489)	-1.51%
Transfers Out	1,416,760	1,406,990	1,417,236	10,246	0.73%
Unappropriated Balance	57,480,212	64,142,416	82,763,687	18,621,271	29.03%
Total	390,805,667	494,093,056	506,244,084	12,151,028	2.46%
	Salary & Benefit 2017-2018	Salary & Benefit 2017-2018	Salary & Benefit 2018-2019	Change Amount Amended to Proposed	Change Percent Amended to Proposed
	210,413,479	214,523,974	224,388,153	9,864,179	4.60%



Significant Changes in All Governmental Funds Revenue

General Fund: the primary operating fund of the District accounts for all financial resources, except those required to be accounted for in other funds. Significant changes are due to projected growth of 650 students and increases in state funding.

Special Revenue Funds: account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Changes are due to growth and funding changes.

Debt Service Funds: account for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds. Changes in this fund are due to the addition of the 2018 Bond Issue and Idaho Code 33-802A allows the district to budget up to 21 months of bond principal and interest payments.

Capital Projects: accounts for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds. Significant changes are due to the 2018 Bond Issue proceeds rolling from revenue to beginning balance in 2018-2019.

All Funds Projection Summary

	ADOPTED BUDGET 2017-2018	AMENDED BUDGET 2017-2018	PROPOSED BUDGET 2018-2019	PROJECTED BUDGET 2019-2020	PROJECTED BUDGET 2020-2021	PROJECTED BUDGET 2021-2022
REVENUES:						
Beginning Balance	\$ 77,998,630	\$ 81,784,973	\$ 168,154,177	\$ 93,438,504	\$ 96,976,684	\$ 105,197,710
Previous Year Allocation Remaining	\$ 1,903,507	\$ 2,280,017	\$ 2,051,275	\$ 2,051,275	\$ 2,051,275	\$ 2,051,275
Property Tax	\$ 73,003,000	\$ 74,337,266	\$ 81,702,949	\$ 82,175,000	\$ 82,185,000	\$ 82,195,000
State Revenue	\$ 212,038,493	\$ 212,083,010	\$ 226,644,502	\$ 237,143,942	\$ 248,052,517	\$ 259,506,519
Federal Revenue	\$ 16,063,239	\$ 16,569,084	\$ 16,541,371	\$ 16,541,371	\$ 16,541,371	\$ 16,541,371
Other Revenue	\$ 8,382,038	\$ 105,631,718	\$ 9,732,574	\$ 9,744,074	\$ 9,729,074	\$ 9,729,074
Transfers In	\$ 1,416,760	\$ 1,406,990	\$ 1,417,236	\$ 1,417,136	\$ 1,417,136	\$ 1,417,136
Total Revenue + Tfirs In + Beg Bal	\$ 390,805,667	\$ 494,093,058	\$ 506,244,084	\$ 442,511,303	\$ 456,953,056	\$ 476,638,086
EXPENDITURES						
Instruction	\$ 160,289,356	\$ 163,467,107	\$ 169,234,304	\$ 175,953,503	\$ 184,447,602	\$ 192,920,080
Instructional Support	\$ 111,312,187	\$ 110,414,809	\$ 107,485,998	\$ 109,452,861	\$ 111,904,539	\$ 114,850,640
Non-Instruction	\$ 10,259,079	\$ 10,635,443	\$ 10,632,151	\$ 10,777,901	\$ 10,750,697	\$ 10,796,121
Capital Outlay	\$ 24,631,517	\$ 118,175,624	\$ 106,887,987	\$ 12,560,000	\$ 10,545,000	\$ 10,545,000
Other Services	\$ 25,416,556	\$ 25,850,669	\$ 27,822,721	\$ 45,540,244	\$ 42,887,244	\$ 24,883,119
Subtotal	\$ 331,908,695	\$ 428,543,652	\$ 422,063,161	\$ 354,284,508	\$ 360,535,082	\$ 353,994,960
Transfers Out	\$ 1,416,760	\$ 1,406,990	\$ 1,417,236	\$ 1,417,236	\$ 1,417,236	\$ 1,417,236
Total Expenditures + Transfers	\$ 333,325,455	\$ 429,950,642	\$ 423,480,397	\$ 355,701,744	\$ 361,952,318	\$ 355,412,196
Contingency Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances	\$ 57,480,212	\$ 64,142,415	\$ 82,763,687	\$ 86,809,559	\$ 95,000,739	\$ 121,225,890
Total Exp+Tfirs Out + Contgcy + FB	\$ 390,805,667	\$ 494,093,057	\$ 506,244,084	\$ 442,511,304	\$ 456,953,057	\$ 476,638,087

100 General Fund Projection Assumptions

State Support program distribution factor increase 3% in 2019-2020, 3% in 2020-2021, 3% in 2021-2022.

Anticipated enrollment (2.0% increase in enrollment).

2018-2019 39,703

2019-2020	40,497
2020-2021	41,307
2021-2022	42,133

310 Bond Interest and Redemption Projection Assumptions

The school district just completed a bond issuance in the 2017-18 fiscal year. This projection assumes no additional bond issuances occur during this time.

- o Revenue: Market Value is anticipated to remain flat after the large increase received in 2018-2019 fiscal year. This flat projection will ensure we are conservative when estimating property tax revenues.
- o Expenditures: Expenditures to pay towards past bond issues.

410 Bond Building Projection Assumptions

This projection assumes, based on the current budget, that all expenses for facility construction are incurred in the 2018-2019 fiscal year. Should this not occur, fund balance will be rolled over in the bond fund into the following fiscal year and utilized to complete the projects as outlined in the ballot.

420 School Plant Facilities Projection Assumptions

- Revenue: Property tax revenues, along with lottery proceeds are projected to remain constant which portrays a conservative estimate of revenues and expenses.
- Expenditures: Used for projects and general maintenance needs.

General Fund 2018-2019 Budget Summary

A summary comparing the 2018-2019 proposed budget with the 2017-2018 amended budget for the General Fund appears below. Also included for information purposes is the 2017-2018 adopted budget.

**SUMMARY
GENERAL FUND SUMMARY
JOINT SCHOOL DISTRICT NO. 2**

	ADOPTED BUDGET 2017-2018	AMENDED BUDGET 2017-2018	PROPOSED BUDGET 2018-2019	Change Amount Amended to Proposed	Change Percent Amended to Proposed
Revenue	210,220,832	211,390,972	225,056,051	13,665,079	6.46%
Transfers	1,416,760	1,406,990	1,401,099	(5,891)	-0.42%
Beginning Balance	12,857,078	15,505,803	15,505,804	1	0.00%
Total	224,494,670	228,303,765	241,962,954	13,659,189	5.98%
Expenditures	213,273,642	214,056,095	226,967,265	12,911,170	6.03%
Transfers Out				-	0.00%
Unappropriated Balance	11,221,028	14,247,669	14,995,689	748,020	5.25%
Total	224,494,670	228,303,764	241,962,954	13,659,190	5.98%
	Salary & Benefit 2017-2018	Salary & Benefit 2017-2018	Salary & Benefit 2018-2019	Change Amount Amended to Proposed	Change Percent Amended to Proposed
	183,994,001	184,456,371	194,864,077	10,407,706	5.64%

Significant Changes in the General Fund Budget

Revenue

- The total estimated state funding increase is \$14 million
 - Based on a projected increase of 650 students for fall 2018
 - Discretionary revenue increased \$733 per support unit to \$27,481 from \$26,748
 - 3% increase administration and classified base salary
 - Certified minimum increased to \$35,800 from \$34,600
- Previous year fund balance is \$14.7 million, and we anticipate savings of \$800 thousand for a total of \$15.5 million estimated carry-over from 2017-18 to 2018-19
- Emergency levy is budgeted slightly lower than 2017-18
- Supplemental levy passed March 2018: \$14 million (expires after 2019-20)

General Fund Revenue Changes 2018-2019

Function Account		AMENDED BUDGET 2017-2018	PROPOSED BUDGET 2018-2019	AMOUNT OF CHANGE	PERCENT CHANGE
	REVENUES:				
411-412	Property Tax	\$ 16,737,266	\$ 16,170,185	(567,081)	-3.39%
431-439	State Revenue	\$ 193,761,819	\$ 207,782,366	14,020,547	7.24%
442-445	Federal Revenue				
413-419;453	Other Revenue	\$ 891,887	\$ 1,103,500	211,613	23.73%
	Total Revenue	211,390,972	225,056,051	13,665,079	6.46%
460	Transfers In	\$ 1,406,990	\$ 1,401,099	(5,891)	-0.42%
	Total Revenue+Tfrs In	212,797,962	226,457,150	13,659,188	6.42%
405	Beginning Balance	\$ 15,505,803	\$ 15,505,804	1	0.00%
	Total Rev+Tfrs In+Beg Bal	\$228,303,765	\$241,962,954	13,659,189	5.98%

Other Estimated State Funding Sources for 2018-2019

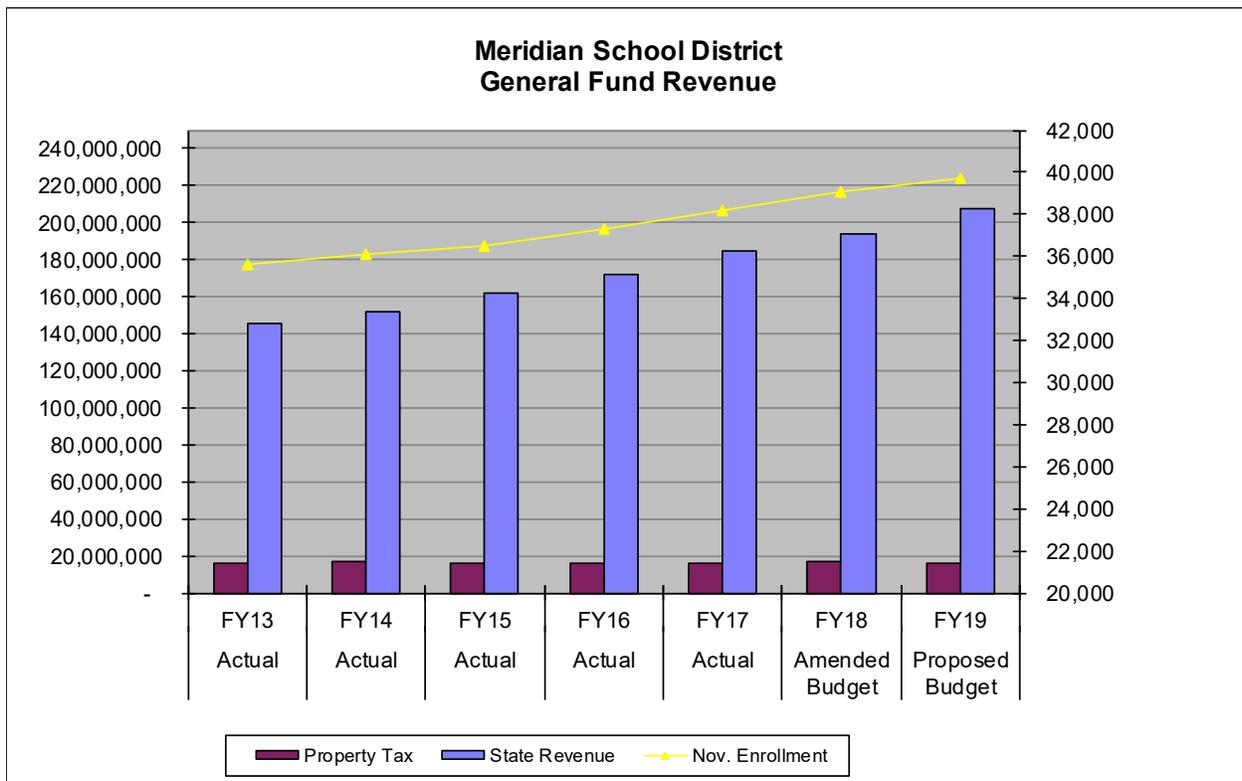
- \$1,827,187 State Professional Development Fund
- \$2,168,727 State Leadership Fund
- \$485,168 Safe & Drug Free
- \$894,264 Technology Staffing
- \$3,752,676 State Technology
- \$1,121,206 College and Career Advisors
- \$938,817 Literacy Proficiency
- \$385,465 Remediation
- \$97,016 Content & Curriculum
- \$421,800 Math & Science
- \$67,400 Gifted and Talented

Average Daily Attendance

State funding for Idaho school districts is determined, in part, by support units calculated for each school district. The support units are calculated largely based on average daily attendance for each school district. In the event a school district's annual ADA drops for a period of one year, Idaho Code 33-1003 provides for only a minimal percentage decrease in funding to allow a school district one year to adjust to the lower ADA.

Enrollment Growth and General Fund Revenue

The following graph shows the District's general fund major revenue sources (state support and property taxes) beginning with 2012-2013 through the budget year of 2018-2019. Also on the graph is the District's enrollment for the same period.

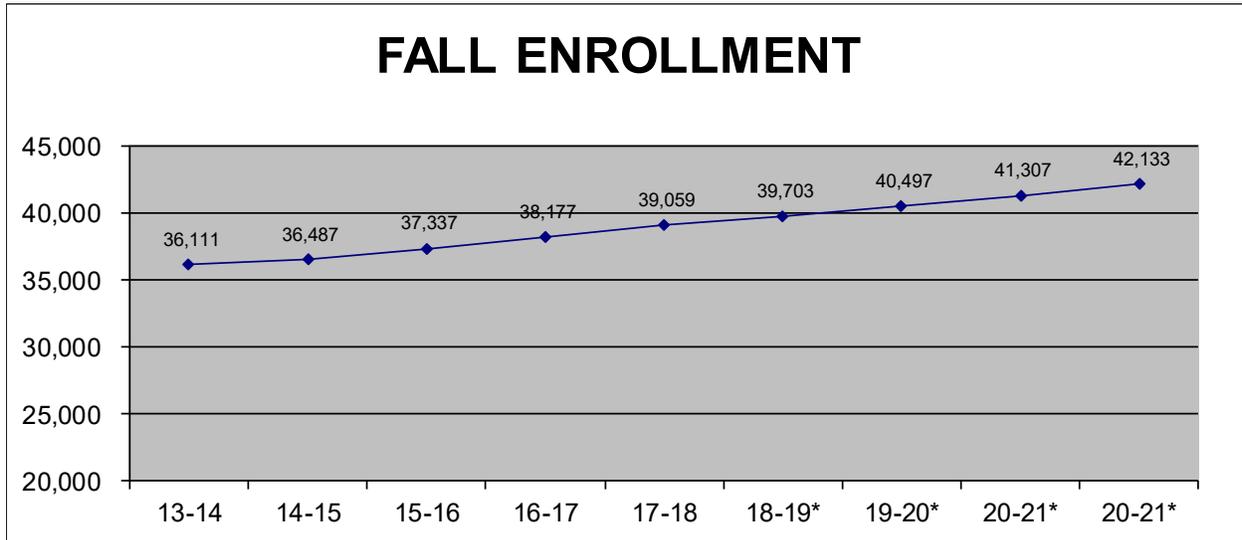


	Actual FY13	Actual FY14	Actual FY15	Actual FY16	Actual FY17	Amended Budget FY18	Proposed Budget FY19
Property Tax	16,238,084	17,307,538	15,645,265	16,043,027	15,742,332	16,737,266	15,688,750
State Revenue	145,744,193	152,356,984	161,969,423	171,775,863	184,555,765	193,761,819	207,800,379
Nov. Enrollment	35,645	36,111	36,487	37,337	38,177	39,059	39,709

Enrollment Estimates

The estimated enrollment for fall 2018 is 39,703; about 1.65% more than the District's fall 2017 enrollment of 39,059.

Historical District enrollment information and projected enrollment information are presented in more detail in the Informational Section of this budget document. The following graph shows five years of fall enrollment, proposed 2018-19 enrollment and three-year projections.

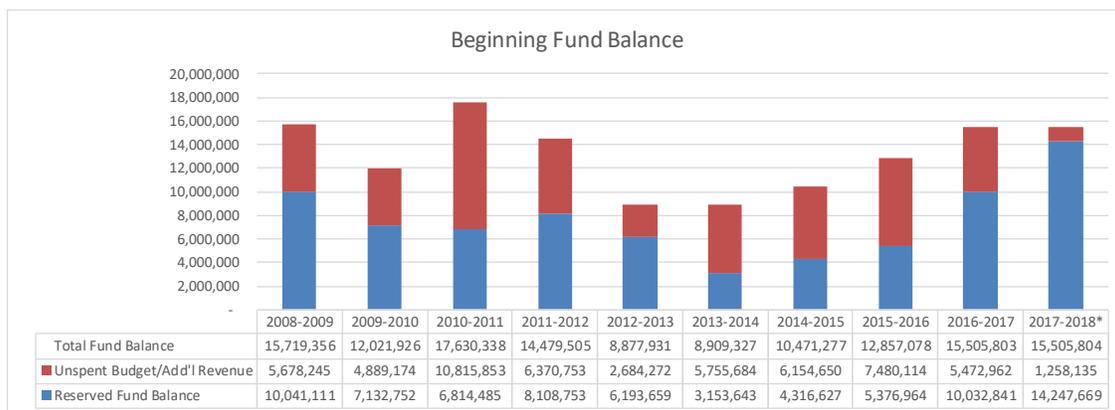


* Projected enrollment

General Fund Unappropriated Fund Balance

Historically, we have budgeted conservatively for both revenue and expenditures. This year is no exception.

The following is a ten-year history of the District's General Fund ending fund balance. (Other financing sources/[uses] are not included.)



* 2017-18 is an estimated fund balance

The unappropriated General Fund ending fund balance was \$15,505,803 on 6/30/17. This is 7.65% of estimated revenues, which is less than the 9% target provided in District Policy 801.7. The proposed General Fund budget for 2018-2019 reflects revenue of \$15.5 million from the fund balance and savings.

We expect that there will be savings throughout the year within the budgeted expenditure categories. The revenue projections are aligned with key estimates for increases.

Ending Fund Balance Summary:

- The district's fund balance at its peak in 2008-2009 was \$18.6 million.
- The district has been using the fund balance to balance the budget since 2009.
- One-time monies from the Federal Jobs Bill and the State Maintenance Money helped replenish the fund balance in 2011 and 2012
- Savings due to spending cut offs also helped the fund balance.
 - Examples of savings are:
 - Lag time in hiring replacements
 - 60 day waiting period for benefits
 - Staff on short term disability/workers comp leave
 - Savings in building budgets

Salaries and Benefits

For 2018-2019, legislation was passed that increases the \$34,600 minimum instructional staff salary to \$35,800. Our budgeted salary based apportionment next year includes an amount for each instructional staff FTE placed on the index based on the minimum of \$35,800.

The base salary used to calculate salary based apportionment (SBA) for classified staff will increase 3% for 2018-2019 to \$21,665. The base salary increased 3% for 2018-2019 on the statewide administrative staff experience and education index to \$36,186.

The Idaho Public Employee Retirement System employer rate will remain the same at 11.32%.

Career Ladder

The State of Idaho passed a career ladder bill in 2015. The career ladder created two basic salary rungs for instructional staff. The first is a residency rung, for teachers in the first three years of their career. The second is a professional endorsement rung for teachers with three or more years of experience who meet performance benchmarks including teacher evaluations and demonstrating student growth.

The State of Idaho funded the fourth year of the career ladder for teachers and pupil services for 2018-2019 school year.

Source: www.idahoednews.org and State Department of Education

District Staffing

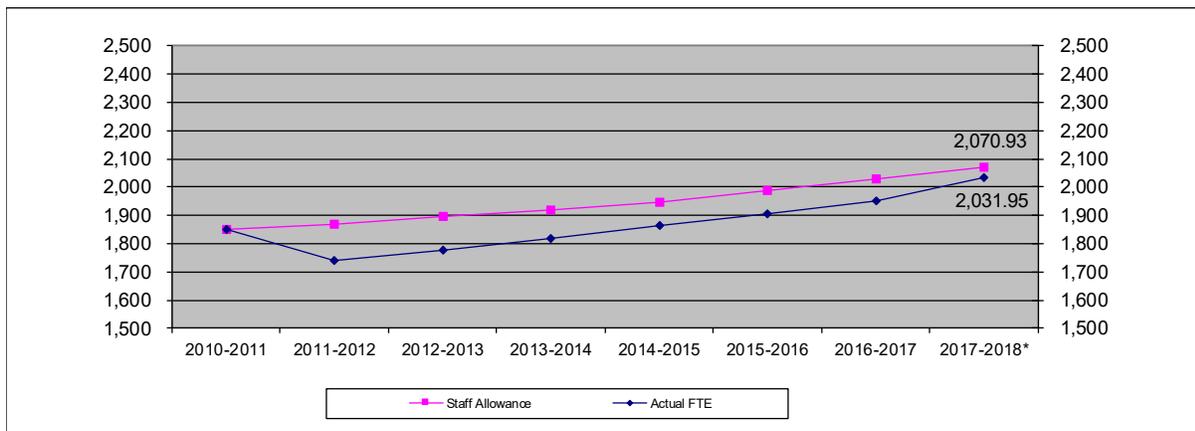
Administrative Staff

In recent years, the district has been at or below the calculated funding for administrative staff allowance. Next year will be no exception, with estimated staffing at 131.00 of the estimated 143.67 allowable administrative positions. This action is necessary to balance the budget.

Historical information about District staff numbers are included in the Informational Section of this budget document.

Certificated Staff

The Idaho State Department of Education reporting date for actual staff information is September 30. The following graph shows the relationship since 2010-2011 between the calculated funding certified staff allowance and the district's actual certified FTE.



The District's certified staff is projected to grow by 36 FTE, which accounts for the number of certified personnel that is calculated from the increased projection of student growth. Like last year, the District will be under the state allocation for certified personnel. Specifically, it is anticipated that the District will staff 2071 of the 2107 certified positions that will be generated by the projected student attendance. This action is necessary to balance the budget, and is still allowable, without penalty, due to legislation enacted in the 2011 Session.

Class Size and Load (Policy 601.30)

The Board of Trustees of West Ada School District recognizes the importance of a low teacher/student ratio and strive to decrease class size where appropriate when funding and facilities permit. It is important to provide a learning environment that is positive and productive for every child in the classroom. This can be best achieved if class enrollments are maintained at manageable levels.

Class size target numbers will remain the same for budget year 2018-19. It is important to note that The State Board of Education class size goals include all certified staff (Counselors, Nurses, etc.). For the purpose of West Ada School policy, Pupil Services are not part of the class load calculation.

The current standard used to determine maximum enrollment in regular classrooms is as follows:

- 25 for kindergarten through second grade
- 26 for third grade
- 32 for fourth and fifth grade
- 180 teacher loads for middle school (grades 6-8)
- 192 teacher loads for high school
- 18 average daily teacher loads for alternative schools

Secondary School Staff Allocation Formulas

For the 2018-19 school year only, the standard used to guide maximum enrollment in regular secondary classrooms is:

Middle School	180 teacher load
High School	192 teacher load
Alternative School	18 average daily class load

Secondary schools will strive to meet these guidelines, but situations may arise which may cause class loads to be larger than the guideline. Secondary class load numbers do not apply to physical education or elective classes that require large student numbers.

Operations

It is a challenge to pay for the increased operating costs associated with adding school buildings. However, we have been able to meet this challenge and successfully complete and operate voter-approved facilities to accommodate student growth.

We continue to look at all phases of our operation to find areas in which we can do things more efficiently and economically.

School Nutrition:

Meal prices comply with federal pricing. Student meal prices will remain the same for 2018-2019. Meal costs will be as follows:

<u>Breakfast</u>	<u>Current Price</u>
Elementary Student	\$1.25
Middle/High Student	\$1.50
Adult/Guest	\$1.50

<u>Lunch</u>	<u>Current Price</u>
Elementary Student	\$2.50
Middle/High Student	\$3.25
Adult/Guest	\$3.75

	<u>Current Price</u>
Kindergarten Milk	\$.10

Driver Education:

Driver Education student fees will remain the same at \$250 for in-district students and \$260 for out-of-district students.

Insurance:

Property and liability insurance premiums will increase slightly. The District has budgeted \$774,000 for 2018-2019.

Fund Structure

The budget is presented in detail in the Financial Section of this budget document. The District uses fund accounting that is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain activities. A fund is a separate accounting entity with a self-balancing set of accounts. The District uses *governmental* funds for most of the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service fund).

The District uses *fiduciary* funds for assets held on behalf of outside parties or on behalf of other funds within the District. Agency funds, which are under the greater umbrella of fiduciary funds are used for assets that the District holds temporarily on behalf of others as their agent such as student body funds.

District Name

The Legal name of the District is Joint School District No. 2; however, over the years the District has more commonly been referred to as the Meridian School District in an effort to overcome the legal name's lack of description of the geography the District serves. In 2015 the Board of Trustees approved a recommendation to change the common name of the Meridian School District to West Ada School District. The recommendation was based on the changing communities served by the District.

District Population

The District covers an area of approximately 384 square miles, 96% in northwest Ada County, serving the cities of Meridian, Eagle, Star, and a portion of Boise, Garden City and Kuna. The current population for Ada County is 688,110, approximately half reside within the boundaries of West Ada School District. The District also covers a portion Canyon County along the eastern boundary.

The District currently operates:

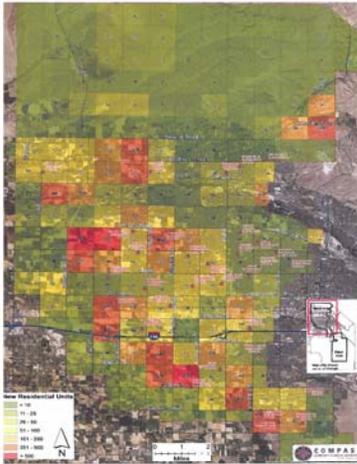
- 9 high schools (6 traditional and 3 alternative)
- 11 middle schools
- 32 elementary schools
- 1 K-8 school
- 1 arts academy
- 1 online school

In the past 10 years, the District has opened schools at a faster pace than any district in the history of the State of Idaho.

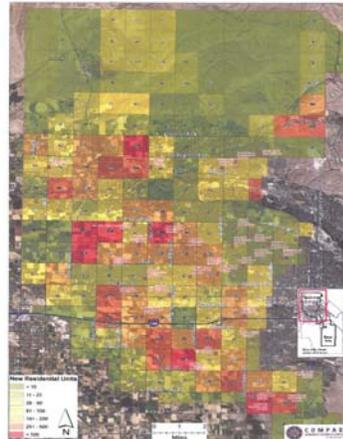
Idaho is now the fastest growing state in the United States. Much of that growth is in the Treasure Valley. If historic enrollment trends continue, West Ada School District's student enrollment will exceed 50,000 students within the next ten years.

Within the West Ada School District boundary 14,582 residential homes are approved for construction. This will generate approximately 11,665 new students. When enrollment exceeds about 47,000 students, West Ada will be among the 100 largest school districts in the United States.

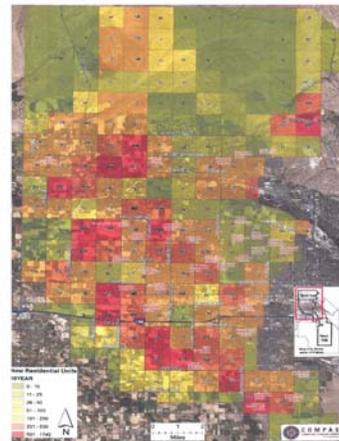
Three-year growth projections:
Projected growth by number of units in West
Ada School District 2016-2019.



Five-year growth projections:
Projected growth by number of units in West
Ada School District 2016-2021.



Ten-year growth projections:
Projected growth by number of units in West
Ada School District 2016-2026.



Source: The District.

Economic Growth

Idaho College of Osteopathic Medicine (ICOM), a 94,000 square-foot facility scheduled to open June 2018, will be the State's most advanced training and simulation center.

- Awards a 4-year Doctor of Osteopathic Medicine degree.
- Courses include – Anatomy, Biochemistry, Cell biology, Microbiology, Immunology, Pharmacology and Physiology.
- Human patient, sophisticated simulators such as CPR mannequins, and computer driven, interactive models that talk and breathe.

South Meridian Family YMCA is a 60,000-square foot facility opening in May 2018.

Campus offers:

- Basketball & Pickle-ball courts
- Gym, fitness areas, and group exercise studios
- Youth development centers
- A four-level, all ages play structure

The Village at Meridian is a community inspired development with an eclectic mix of nearly 100 shopping, dining, and entertainment facilities. Including a cinema, outdoor concert venues and a 60-acre Julius M. Kleiner Memorial Park.

Market Values

Market values are increasing and showing signs of growth in the District. According to the Ada County Assessor, the District expects to see market values is expected to increase over 10% in Tax Year 2018.

<u>Tax Year</u>	<u>Market Values</u>	Percent
		<u>Increase/Decrease</u>
2020-2021*	21,501,634,945	0.0%
2019-2020*	21,501,634,945	0.0%
2018-2019*	21,501,634,945	14.3%
2017-2018	18,809,715,103	10.9%
2016-2017	16,966,038,966	11.0%
2015-2016	15,288,786,104	8.3%
2014-2015	14,120,370,310	16.6%
2013-2014	12,105,961,121	13.3%

* Projected

Supplemental Property Tax Levy

On March 13, 2018, voters approved by 68.8% (a simple majority was needed) a Maintenance & Operations Levy for \$14 million each year for two years. Supplemental levies provide operating revenue for school districts to pay for staff, utilities and materials. Voters have authorized collection of the levy, in the amount of \$14 million, every year since 2012. West Ada has added back teaching and staff positions left unfilled during the recession. West Ada was once 126 teachers below what the district qualifies for in Idaho's funding formula calculation. Supplemental levies must be reauthorized by voters every two years and require a 50% majority.

Emergency Property Tax Levy

Idaho Code 33-805 provides that school districts with increasing student enrollment *may* certify a school emergency fund levy. In short, the dollar amount is based on the increase in average daily attendance – comparing the first few days of school from the current year with data from the same period the previous year – and the “per ADA” State Support Program Allowance from the previous year. The proceeds of an emergency levy flow into the General Fund. The levy rate is limited to .06% (.0006)

Joint School District No. 2 (West Ada) has certified an emergency levy for many years. The District has been growing so consistently that we actually include an estimated emergency levy amount in our budget. However, we are careful to point out to our public that it is basically one-time money. The amount is dependent on increased ADA. If we do not grow in student population or if it is decided to not certify this levy, this source of revenue goes away. The estimated emergency levy revenue for next year is based on the projected attendance for the 650 additional students for which we have planned.

Following is a five year history of the District's emergency levy amounts.

<u>Emergency Property Tax Levy History</u>	
<u>Budget Year</u>	<u>Amount</u>
2018-2019 *est	\$ 3,400,000
2017-2018	4,084,266
2016-2017	3,017,040
2015-2016	3,168,810
2014-2015	1,104,500
2013-2014	2,583,098

Tax Levy Rate

West Ada School District Total Levy Rate Per Thousand	
2010	\$ 3.511
2011	\$ 3.488
2012	\$ 3.395
2013	\$ 4.596
2014	\$ 4.644
2015	\$ 4.088
2016	\$ 4.216
2017	\$ 4.019
2018	\$ 3.774

Based on the value of their home a property taxpayer in West Ada School District can expect to pay:

- A home valued at \$100,000 will pay \$377
- A home valued at \$200,000 will pay \$755
- A home valued at \$300,000 will pay \$1,132

Example: \$100,000 x .003773= \$377.30

Long Term Debt

In 2001, Idaho Legislature amended Idaho Code 33-1111, to include the private sale of bonds, with the appropriate notice, and electronic competitive bidding as another option for school districts. The change adds a marketing option for the sale of bonds. In today’s marketplace, picking a date to hold an auction of bonds (acceptance of bids) can arbitrarily subject the district to market swings of 50 basis points or more.

Idaho Code 33-802A provides that school district boards of trustees shall certify a tax levy, for the purpose of paying maturing bond and interest payments, that is an amount that, together with the balance in the bond interest and redemption fund, will satisfy all maturing bond and bond interest payments for the ensuing 12 months and not to exceed the ensuing 21 months counted from July 1 of the current calendar year. This law, then, allows us to have an amount sufficient to cover four debt service payment dates.

On March 13, 2018 the District received 67.6% approval from district voters to issue up to \$95,000,000 of general obligation bonds. From the proceeds, the District will construct a new high school, a new elementary school, add 20 classrooms and expand Mountain View High School cafeteria, add 10 classrooms and remodel Star Elementary School, Add permanent classrooms to Mary McPherson School. The District will also acquire land for anticipated future facilities.

Idaho is one of only a couple states requiring a supermajority vote to pass school bonds.

The following table provides a summary of outstanding long-term debt of the District.

Outstanding Long-Term Debt (as of June 30, 2018, unaudited)				
General Obligation Bonds	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding
Series 2010 (Refunding)	1/25/2010	7/30/2022	\$ 25,880,000	\$ 17,595,000
Series 2012 (Refunding)	8/1/2012	8/15/2024	78,550,000	63,555,000
Series 2014 Refunding Bonds	11/18/2014	2/15/2020	19,420,000	6,170,000
Series 2015 General Obligation	6/1/2015	8/15/2034	85,830,000	80,405,000
Series 2018 A General Obligation	6/14/2018	9/15/2025	44,850,000	44,850,000
Series 2018 B Genreal Obligation	6/14/2018	9/15/2037	40,000,000	40,000,000
Total Outstanding Long-Term Debt			\$ 294,530,000	\$ 252,575,000

The District's debt policy appears in the Organizational Section of this budget document (Policy Code No. 807.50).

Overlapping Debt

Overlapping Debt for West Ada School District No. 2, Ada and Canyon Counties.

Fiscal Year 2017

Overlapping District	Taxable Assessed Value	Percent Overlap	Net Direct Debt	Assessed Value Overlap	Amount of Overlap
City of Boise	21,751,821,410.00	14.24%	73,780,813	3,096,651,436	10,503,647
City of Eagle	3,540,375,569	96.20%	933,100	3,405,760,124	897,621
City of Garden City	1,218,715,805	17.00%	1,100,000	207,154,012	186,975
Eagle Sewer District	2,974,530,556	95.57%	3,850,000	2,842,889,121	3,679,614
Kuna Library District	1,449,109,910	0.17%	90,000	2,490,210	155
<i>Avimor CID No. 1</i>	<i>19,096,229</i>	<i>100.00%</i>	<i>1,864,656</i>	<i>19,096,229</i>	<i>1,864,656</i>
<i>City of Nampa*</i>	<i>4,624,240,981</i>	<i>0.06%</i>	<i>16,580,000</i>	<i>2,783,250</i>	<i>9,979</i>
Total			98,198,569	9,576,824,382	17,132,667

Retirement Healthcare Plan

The District's Post-Retirement Healthcare Plan (the plan) is a single-employer defined benefit healthcare plan administered by the Blue Cross of Idaho, Delta Dental, Willamette Dental, and United Heritage, and LifeMap. Blue Cross provides medical and prescription drug insurance benefits to eligible retirees and their eligible dependents. Delta Dental and Willamette Dental provide dental insurance benefits to eligible retirees and their eligible dependents. United Heritage provides vision insurance benefits to eligible retirees and their eligible dependents. LifeMap provides life insurance benefits to eligible retirees and their eligible dependents. A retiree who retires with the Public Employee Retirement System of Idaho (PERSI) is eligible to keep the District's medical insurance as a retiree until age 65, or until the retiree is eligible for coverage under Medicare. Dental and vision benefits continue for life. Retirees and their spouses may also enroll in a life benefit until age 70. Retirement eligibility is determined based on a minimum of reaching age 55 with at least 5 years of membership service with a PERSI employer. The retiree is on the same medical, dental, and vision plans as the District's active employees. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of Statement 75.

Employees covered by benefit terms. At June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	708
Active Employees	<u>3,530</u>
Total	<u>4,238</u>

Total OPEB Liability

The District's total OPEB liability of \$29,867,647 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

A.	General wage increase and assumed payroll growth	3.00%
B.	Investment earnings unfunded (net of investment expenses)	3.58%
C.	Growth in membership	0.00%
D.	Medical trend is 1.6% in the first year, 5.8% in the second year and generally grades down to an ultimate rate of 4.3% after 2089.	
E.	Dental trend is 3.9% in the first year and 4.0% thereafter.	
F.	Vision trend is 2.0% in the first year and 4.0% thereafter.	
G.	Implied inflation (CPI)	2.50%

The discount rate was based on the Bond Buyer General Obligation 20-bond municipal bond index for bonds that mature in 20 years.

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the 2016 PERSI experience study. Further details can be found in the Financial Section.

Lease Obligations

The District is committed under various operating leases agreements for districtwide copiers, vehicles for drivers' education, and a facility for one of the District's Opportunity Schools. The annual payments expense for operating leases was \$1,077,831. As of June 30, 2018, future minimum operating lease commitments are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2019	896,113
2020	27,597
2021	-
2022	-
2023	-
	<u>\$ 923,710</u>

Capital Lease Obligations

The District entered into two capital lease agreement for iPads and Laptops on May 30, 2017 and May 28, 2017, respectively. The District pays an annual payment of \$692,293 for the iPads and \$489,962 for the Laptops. Both leases are set to expire in May of 2020. At June 30, 2018, the assets under capital lease equaled \$4,743,159 with accumulated depreciation of \$1,788,628. Amortization of assets under capital lease is included in depreciation expense. As of June 30, 2018, future minimum capital lease commitments are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2019	1,182,255
2020	1,182,255
2021	489,962
Total minimum obligations	2,854,472
Less interest	(200,141)
Total	<u>\$ 2,654,331</u>

Capital Projects

Meeting the educational needs of our students will not happen without the continued support of the patrons we serve. By managing our facilities carefully, and by asking the voters to support bonds only for District facilities that are truly needed, we will continue to work with our community to build the District infrastructure.

A citizen committee recommends to the Board of Trustees the timing and content of each financing question (building construction and site acquisition) put before voters. District staff and community members serve on the committee. Needs of the District are considered as well as the estimated cost of the projects. Committee members studied current enrollment numbers and looked at enrollment trends as well as studied levy rates.

Voters approved a \$95 million bond levy on March 13, 2018.

From the proceeds of the 2018 Bond authorization the District will construct:

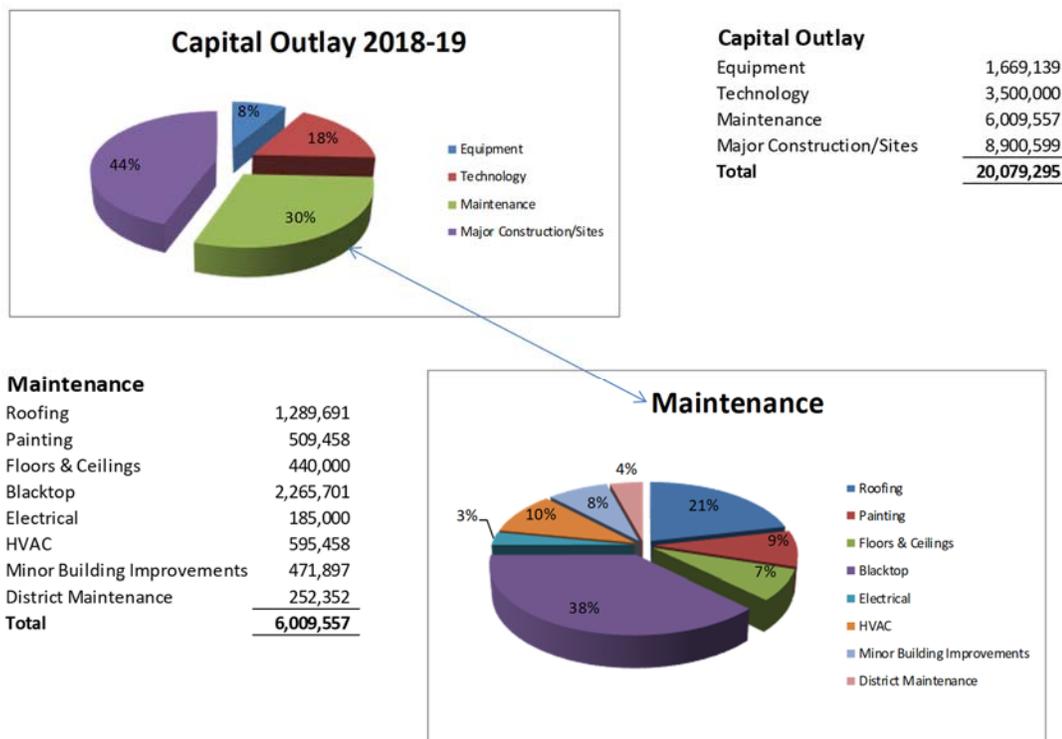
- Owyhee High School
- Pleasant View Elementary School
- Star Elementary School Expansion
- Mountain View High School Expansion
- Mary McPherson Elementary School Expansion
- Land for future sites

School Plant Facilities Fund Levy

The budget process of the School Plant Facilities Fund (Fund 420) begins in late fall each year. The Assistant Superintendent of Operations solicits requests for projects and equipment from District principals, administrators and directors. In addition, maintenance staff members submit proposals for district-wide major repairs and maintenance. Projects and equipment are selected for completion by District administrators based on a process of prioritizing and are limited by the revenue projections for the Fund.

On March 14, 2017, district voters approved by 62.89% (60% was needed) a school plant facilities property tax levy for 10 years and up to \$16 million annually. The tax revenue available for our facilities and equipment provides much needed resources as our current buildings age and need more attention. This levy will expire at the end of fiscal year 2027-2028.

We have budgeted \$16 million in property tax revenue, \$2.3 million in lottery revenue and expect to carry over approximately \$1.7 million in the school plant facilities fund for 2018-2019.



Long Range School Facility Plan

The District's long-range school facilities plan projects the district's needs through 2028. The long-range facilities plan includes:

- Bond History
- Enrollment Trends
- Enrollment Projections/Methodology
- Bond Timeline
- Plant Facility Levy
- Plant Facility Budgeting
- Plant Facility Capital Projects

The District anticipates the following new facility needs (in addition to the current bond authorization) within the next 10 years:

- 1 Additional High School
- 3 Additional Middle Schools
- 4 Additional Elementary Schools

West Ada School District Performance Measures – Using Data for Decision Making

Idaho Standards Achievement Test (ISAT)

The Every Student Succeeds Act (ESSA), a bipartisan measure reauthorizing the 50-year-old Elementary and Secondary Education Act (ESEA), was signed by President Obama on December 10, 2015. ESSA requires each SEA to have an accountability system that is State-determined and based on multiple measures, including at least one measure of school quality or student success and, at a State's discretion, a measure of student growth. To comply with the federal requirement, the Idaho State Board of Education determined the Idaho Standards Achievement Test (ISAT) would be used to measure and report students' proficiency status in relation to the Idaho Core Standards.

This is the fourth year our students have taken the ISAT, which is a more comprehensive test than our students have taken in the past. This new assessment uses different types of questions, including constructed responses, to measure a student's achievement in each subject area (Math, Reading and ELA). Administered online, ISAT will adapt to each student's ability, providing parents and teachers with information about what students are learning compared to Idaho Core Standards. In the spring of 2018, Idaho students were administered the fourth operational version of the ISAT.

Other Performance Measures

The District's expenditures per pupil continue to be among the lowest in the state, and nation. However, our District continues with a reputation for excellence and our students succeed because our community sees education as a top priority.

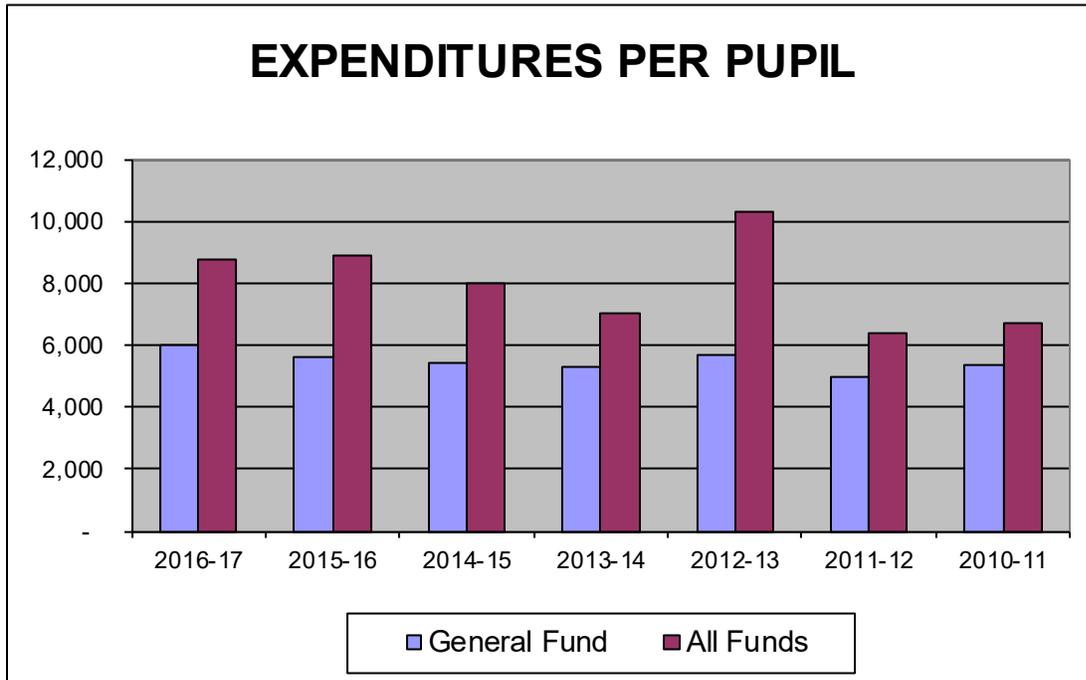
Data for the charts below is provided by the Idaho State Department of Education. The following chart shows an eight-year history of expenditures per pupil.

West Ada School District
Meridian, Idaho

Summary of Expenditures per Pupil in Average Daily Attendance (ADA)

	General Fund Expenditures	General Fund Expenditures Per ADA	Rank in State	All Funds Expenditures	All Funds Expenditures Per ADA	Rank in State
2001-2002	110,110,729	4,582	111	165,566,924	6,890	83
2002-2003	117,490,978	4,758	106	179,348,240	7,262	77
2003-2004	128,029,085	4,962	101	205,084,408	7,949	72
2004-2005	128,973,042	4,768	111	186,365,872	6,889	101
2005-2006	143,312,790	4,958	122	251,213,458	8,690	70
2006-2007	168,768,107	5,644	108	300,449,736	10,048	N/A
2007-2008	183,253,500	5,917	109	285,718,570	9,225	N/A
2008-2009	187,086,901	5,880	110	263,482,034	8,281	N/A
2009-2010	187,747,158	5,684	91	276,293,053	8,501	86
2010-2011	178,456,821	5,340	113	224,206,409	6,709	N/A
2011-2012	165,899,920	4,970	133	212,268,576	6,359	N/A
2012-2013	180,469,857	5,649	104	328,285,594	10,277	N/A
2013-2014	182,205,463	5,307	127	242,307,252	7,057	N/A
2014-2015	187,207,921	5,394	134	277,324,929	7,990	N/A
2015-2016	197,835,925	5,590	N/A	313,643,517	8,863	N/A
2016-2017	215,938,794	5,977	N/A	316,071,718	8,749	N/A

Idaho has 115 public school districts and 48 public charter schools; Rankings are provided by Idaho State Department of Education



All funding sources presented in the Financial Section are tied to at least one of the district goals listed on page 4 under the Continuous Improvement Plan. Two significant example of the district committing funds toward achieving district goals are listed below.

To improve *academic success* the District has committed \$2,000,000 from emergency levy funds for a district wide textbook adoption across all curricular areas.

The District has also committed from the School Plant Facilities Fund \$308,000 for *building security* upgrades.

Budget Publication and Awards

Each year, as we prepare our budget publication, the goal is to include information that will provide readers with the *essence* of West Ada School District. Our budget document tells our story in narrative, pictorial and numeric terms.

The annual budget for the fiscal year beginning July 1, 2017, received, for the 17th consecutive year, the Association of School Business Officials International (ASBO) Meritorious Budget Award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. This award is valid for a period of one year only.

We believe our current budget continues to conform to ASBO program requirements, and we will submit it to ASBO to determine its eligibility for another award.

The Government Finance Officers Association of the United States and Canada (GFOA) presented Joint School District No. 2 with a Distinguished Budget Presentation Award, for 14 consecutive years, from fiscal year 2002 through 2017. This award is no longer available for school districts. Beginning in 2017 a new budget award is offered by GFOA for school districts called Best Practices in School Budgeting. The District is working toward meeting this new criteria.

This budget document is available on the District's website at www.westada.org.

Conclusion

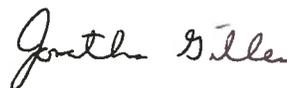
The West Ada School District's budget aligns with the District's mission statement "**Preparing Today's Students for Tomorrow's Challenges.**" We thank the Board of Trustees for its support and belief that children are our community's most valuable asset.

Sincerely,



Dr. Mary Ann Ranells
Superintendent

Sincerely,



Jonathan Gillen
Chief Financial Officer