



COLUMBIA PUBLIC SCHOOLS

2024-25 BUDGET

BOARD OF EDUCATION 2024-2025 BUDGET PARAMETERS

Preface

The Board of Education has used a five-year budget planning model in recent years which has resulted in intentionally increased operating fund balances. These balances have allowed sustained operations without reductions.

The state foundation formula as originally written has not been attained and other lines of state funding have consistently been reduced. The reduced levels of state and federal funding have increased the reliance on local revenues to support growth and increased needs of the District.

Properties were reassessed in 2021 and the assessed valuation growth was 6.19% and again in 2023 with the assessed valuation growth at 6.65%. The assessed valuation was higher than anticipated in 2021 and 2023 due to the reassessments. However, on March 2, 2021, the Missouri Court of Appeals, Eastern District, held in *Blankenship v. Franklin County Collector* (619 S.W. 3d491) that an increase in the operating levy by political subdivisions to increase the operating levy to account for inflation in certain situations, cannot result in a levy that exceeds the highest voter approved levy in violation of Article X, Section 22(a) of the Missouri Constitution. The ruling lowered the tax rate ceiling for the District by 32 cents resulting in a decrease in operating revenues totaling approximately \$4.5 million annually.

In order to bolster declining revenues, the Board of Education asked the citizens of Columbia for operating levy increases in April 2012 and in April of 2016 and the voters responded favorably. The increases have allowed for sustained operations, opening of new buildings and recruiting and retaining quality personnel. However, the Blankenship ruling has negated approximately half of the voter approved increase in the tax rate approved in 2016. To offset the reduction in the tax rate due to the Blankenship ruling, the Board may need to consider another tax increased in future years. Fortunately, the assessed valuation growth was also higher than expected for 2022 at 6.63%, largely driven by the increase in the personal property tax line.

The District acknowledges deficit spending is not a long-term sustainable strategy, however, it is planned for future budget years to continue operations, open new schools, maintain class size at reasonable levels and allow for an intentional planned reduction of fund balances. Conservative revenue forecasts and well-planned expenditures will ensure the fund balance levels remain above the minimum required in the District's 2022-2027 Continuous School Improvement Plan adopted December 12, 2022 without reliance on future tax revenues not yet approved by the voters. For the 2024-2025 fiscal year, total property tax revenues are projected at nearly \$177 million for the operating funds with total operating revenues projected at nearly \$270 million.



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With this long-term vision, the 2023-24 budget will be developed using a collaborative process which considers priorities and the District's Mission, Vision and Values using the following parameters:

1. The Board of Education will consider building, program and departmental budget requests in a manner that prioritizes student achievement. Budget additions and reductions will be reviewed based on need and equity, and aligned with the Continuous School Improvement Plan (CSIP) and the District's Statement of Equity.
2. A modified zero-based budgeting approach will continue focusing efforts on analyzing and prioritizing budgets intentionally and specifically.
3. The Board of Education will consider salary improvements for all employees (including hourly employees) through the budget and negotiation processes, using comparative data, locally and statewide. Continued movement toward the model salary schedule for teachers will be prioritized with a beginning teacher salary in the top half of our comparable districts without a reduction of staffing and continued focus on classroom supports. A focus on hourly schedules (with a starting salary of \$16 per hour) will also allow additional support for classrooms and allow the District to remain competitive in a tight labor market. (CSIP Goal 2)
4. The Board of Education will consider employee benefit programs for eligible employees through the budget and negotiation processes. (CSIP Goal 2)
5. A minimum fund balance of three months of expenditures will be reflected in the five-year model based on current and projected future total revenue and expenditures. Controlled spending and reasonable revenue projections will ensure financial integrity. (CSIP Goal 1)
6. Capital project budgets will be allocated and prioritized based on guidance from the Long-Range Facilities Planning Committee with emphasis on growth, safety and security issues, ADA compliance and maintaining existing facilities including addressing deferred maintenance needs. Capital project budgets will include operational budget impact projections. (CSIP Goal 1)