HALLSVILLE R-IV SCHOOL DISTRICT
PROGRAM EVALUATION REPORT

Program:	**District Finances**
Date of board presentation:	**12/19/2025**
Person(s) responsible for evaluation:	**Tyler Walker and Jason Hoffman**

The overall goals of this program are:

1) The district has sufficient financial resources to support effective educational programs and services.
2) Student enrollment will meet the "Desirable Standard" as set by DESE.
3) Up-to-date resources and equipment are readily available.
4) All programs and services are housed in appropriate facilities.

The objectives of this program are:

1) Student teacher ratios should be better than the "Minimum Standard" set by DESE.
2) Improve compensation packages to all employees to retain and recruit quality staff.
3) Maintain fund balances at a level that provides a cushion for down times but maximizes resources for student achievement.
4) Comply with state and federal regulations.
5) Add needed technology, replace aging technology and keep up with current trends.

The sources used to determine the extent to which these goals/objectives are being met include:

_____	Attendance/dropout/suspension rates	_____	Library media standards assessment
__X__	Parent/teacher/student surveys	__X__	State/federal program requirements
__X__	Assessment statistics	_____	Longitudinal performance data
_____	College attrition/completion rates	__X__	Finances—revenues/expenditures
__X__	Long-term facility/maintenance needs	__X__	Internal evaluations by district staff
_____	Participation in extracurricular activities	__X__	External evaluations by others
_____	Participation in special programs	_____	Other _________________________

<u>EVALUATION RESULTS</u>

Goals and objectives that were met:

All goals and objectives have been met, excepting those listed below. See the sections on program changes, strengths, and concerns for additional information regarding ongoing issues.

Goals and objectives that were not met:

2) Class sizes will meet the "Desirable Standard" as set by DESE.

4) All programs and services are housed in adequate and appropriate facilities.

Evidence of change in the program during the past two years that have resulted from the evaluation:	Year of change
Hallsville district voters approved the issuance of $6 million in general obligation bonds for the construction of a new middle school wing, relocation of the athletic track, and other capital improvements.	2022
Salary schedules were significantly revised to increase compensation across all staff classifications. The district took advantage of the state's baseline salary grant, increasing base teacher pay by $3,500. The adjustments and operation of the schedule resulted in an average teacher increase of 4.55%; this increase was also provided to non-schedule employees. Starting hourly wages for classified staff were increased in amounts from $1.27 to $1.55. The district also covered a 4.9% increase in medical insurance premiums, and filled two additional instructional positions: assistant superintendent and postsecondary advisor.	2022
The district engaged Stifel to solicit bids and upon Stifel's recommendation, entered into a $1.5 million lease-purchase arrangement with Simmons Bank to support the construction of a new classroom wing at Hallsville Middle School.	2023
The district began an $11.3 million construction project at the middle school and stadium complex in the spring of 2023. Construction was completed in July 2024.	2023
Wages and benefits were supported with allocation increases totaling more than half a million dollars. In addition to full schedule operations, the base teacher salary was increased by $1,000 yielding an average teacher increase of 3.35%. Starting hourly wages for classified staff were increased by $1.00, and bus routes were increased by $1.50. The district also covered a 10.4% increase in health insurance premiums, along with the addition of the following certified positions: a primary school teacher, a middle school teacher, two special education teachers, and two half-time faculty support positions.	2023

Increasing enrollment, property values, interest yields, and state budget categoricals (e.g., transportation) have resulted in stronger than expected revenues. The amended budget projects an operating reserve fund balance of 50.3% at the conclusion of the fiscal year.	2023
The District has elected to use $1.4 million from the Capital Projects fund to complete a home locker room, paved concourse and ADA parking, visitors' bleachers, and track & field throwing areas	2024
Base teacher salary was increased by $1,250 or 3.65%. Non-schedule employees also received an increase of 3.65%. Bus route rates increased by $1.50 and the support staff schedule increased by $0.35/hour. This is the District's second year implementing Career Ladder and teachers can earn up to an additional $3,000 by providing district approved academic services to students.	2024
The BOE approved a Facility Master Plan document in September to ensure the district has an organized plan to address future enrollment increases and facility needs.	2024
Hallsville district voters approved the issuance of $6.5 million in general obligation bonds for the construction of a new parking lot, baseball field, two Primary classrooms, and upgraded secure entrances as well as paying off remaining lease-purchase debt.	2025
Base teacher salary was increased by $1,000 or 3.14%. Non-schedule employees and support staff also received an increase of 3.14%. This is the District's third year implementing Career Ladder with the addition of Stage III. This allows eligible teachers to earn up to an additional $5,000 by providing 100 hours of district approved academic services to students. The District also covered a 4.7% increase in health insurance premiums.	2025
The District has realized a decline in enrollment of over 4% since this evaluation was completed one year ago. There is anticipated to be $400,000 less revenue than what was projected in the FY26 budget due to the drop in enrollment.	2025

Strengths:

1. Long-term planning sessions and effective district communications have increased community awareness about the district's financial position and ongoing needs.

2. The FY25 unrestricted fund balance exceeded the 25% goal established by the Board of Education. The district is in a stable financial position. The operating, debt service, and capital project funds are all exceptionally healthy.

Concerns:

1. Some class sizes exceed the "Desirable Standard" established by DESE. However, all classes continue to meet the DESE "Minimum Standard", and the district's student-teacher ratio of 18:1 is close to the state average of 16:1.
2. With an unexpected enrollment drop of over 4% after years of enrollment growth, it is becoming more difficult to predict revenues, class sizes, staffing, and the need for additional resources.
3. While facilities are currently able to meet instructional and programmatic needs, some aging facilities (e.g., Hallsville Middle School) are in need of repair or replacement.
4. While wages for most positions are generally comparable for similar work within the region, the district has struggled to recruit applicants for some certified and classified positions. Without continued, significant increases to revenues, it has become increasingly difficult to compete with private sector wages.
5. The district remains overly dependent on state funding. This is due to the district's modest Assessed Valuation (limited Industrial and commercial property for a district of this enrollment), which generates proportionately less local revenue. Revenue growth likely will not keep pace with enrollment increases and resultant expenditures.
6. The Missouri School Funding Modernization Task Force is currently working to rewrite the foundation formula. The uncertainty as to how this rewrite will impact the Hallsville School District is yet to be seen. This significantly impacts long range financial planning and projecting revenues in the coming years. Although the state did see an SAT increase in FY25 and FY26, the unknown of the formula rewrite overshadows the recent increases to the SAT. These increases have not yielded revenues adequate to position the district as more competitive with comparable private sector work.
7. A modest Assessed Valuation limits the district's bonding capacity. As such, the district is unable to issue general obligation bonds sufficient to the needs of recent enrollment growth and aging facilities. The district's assessed valuation per student is in the bottom 13.7% in the state of Missouri.

Future Recommendations:

1. Continue an annual review of faculty staffing to determine if adjustments to job assignments are needed, as the student-teacher ratio is favorable while some class sizes exceed the "Desirable Standard" established by DESE.
2. Continue to prioritize increases to wages and maintenance of benefits across all classifications to recruit and retain staff.
3. Continue to maintain, improve, and expand our facilities as needed.
4. Continue to monitor revenue projections to determine when additional levy increases may be necessary.