

Madeira City Schools



Financial Guidelines & Parameters – 2019 & Beyond

The Madeira City School District commits to maintaining its strong financial position in order to provide for student success. The Board is committed to pro-actively managing district resources in the most cost effective manner. To support this commitment, the Board is continuously reviewing both short-term and long-term expenditure practices, guidelines, and parameters.

Madeira City Schools District Financial Parameters

Overview

Madeira School District values the trust by the community in maintaining a strong financial position as recognized by the Auditor of State and financial rating agencies. For many years, the district has followed best practices that assure present and future fiscal stewardship. Those best practices are highlighted below and a framework for expenditure goals is further defined at a more functional level in this working document.

Key Points of Best Practices to assure successful fiscal stewardship

- Goals for student achievement should drive the budget process
- Decisions for budgeting should be data driven
- Critical re-examination of spending patterns each year should be based on history of spending, student program planning for current year and discontinuance of programs not achieving their objectives
- Ensure equality of opportunities for students that requires differentiated educational instruction at all grade levels
- Resource allocation and budgeting for the long term given the known availability of current and future resources
- Adopt a General Fund reserve policy
- District should plan for a structurally balanced budget over a 5 year budget cycle and determine timeline of action steps upon forecast of deficit spending
- Maintain a long term plan for asset maintenance and replacement
- Establish and maintain partnerships with individuals, businesses, City of Madeira, school support organizations, PTO's, boosters and Madeira Schools Foundation
- Develop and maintain a professional career track in the Treasurer Dept.

The following is a framework for expenditures goals and to meet key elements of best practices as defined above.

Program Budgets - Each year student and staff program budgets will be evaluated for continuance; including student curriculum, materials and technology and staff professional development, materials and technology.

Technology - Each year the district will evaluate the technology needs of students and staff and budget accordingly based on the continuance/discontinuance of hardware and software. Hardware purchases will be based on a planned replacement cycle of not to exceed 4 years.

Contracted Services - Each year or upon renewal of each contract for services the district will evaluate needs assessment of the service, any % or flat contract increases over the life of the contract as compared to historical cost increases and other factors particular to the service; student services, district services, maintenance, technology, curriculum, transportation may have unique factors particular to each that will be

considered when evaluating and negotiating. External comparisons to other districts or statewide data will be made when available.

Asset Management and Replacement - A 25 year long term asset management plan will be maintained and each year the district will perform a needs assessment and update the plan. Improvements and maintenance projects will proceed according to the plan. The board will transfer no less than \$350,000 each year into a Permanent Improvement fund to meet current and long term asset management and replacement needs.

Fees and Tuition - Madeira establishes fees each year for participation in some extra-curricular activities, preschool, optional ½ day kindergarten and student consumable materials. Fees for extra-curricular activities that require student transportation and supplemental stipends will be established at approximately 25% of the per student total cost. Preschool and optional kindergarten tuition will cover the cost of salary and benefits, utilities, materials, supplies, equipment, asset replacement and required staff training for licensing and maintain a fund balance parameter and available operating months comparable to what is established for the general fund. Student consumable fees are established each year based on the cost of consumable materials (online or hard copy) required for classroom instruction.

Salaries - Madeira professionally licensed educators comprise about 82% of salary cost and include classroom teachers, counselors, speech therapists, special education teachers and psychologists. Administrative professionally licensed staff is 9% of salary cost including Superintendent, Asst. Superintendent, Treasurer, Principals, Director of Student Services, Asst. Principal and High School Dean of Students/Athletic Director. The remaining 8% of salary cost includes support personnel that are administrative assistants and educational aides providing direct services to students.

- **Staffing** - The Administration will recruit highly qualified professional staff for any vacant positions or newly identified staff additions. The district will look at all levels of academics and experience in candidates and determine the best fit for the open position based on overall district needs, student enrollment and building needs. Budgeting for open positions will be MA+5 years as a guideline, but may exceed that guideline when needs assessments indicates such. The district will determine class size ranges for grades Kindergarten to Grade 8. High school course offerings will be determined by necessary academic levels for successful core subject completion for graduation and for course offerings relevant to student achievement both within and after high school.
- **Certified Salary Planning** - Each year the board requests the Planning Commission to survey 29 local school districts that include benchmark salary data for the current school year and previous 2 or 3 years.
- The salary data results illustrate where Madeira certified salaries rank vs. the other 29 school districts
- The board directs the district to **recommend base salary % increases** to the salary schedules **targeted to keep the professional certified staff within the top third** of the 29 surveyed districts at Bachelors - entry year; Masters entry

year, 5 and 10 years; Masters + 30 entry year, 5 and 10 years; and Maximum Salary Masters + 45 at 27 years.

- **Administrative Salary** - the board requests the Treasurer to complete an annual survey of Administrative Compensation of comparable districts.
- The board directs the Superintendent to recommend competitive compensation (within at least a middle range) to maintain comparable **Administrative** salaries.
- The board directs the Treasurer to maintain support salary schedules using the same board approved base increases annually.

Benefits - Benefit costs include the required obligation by the board for STRS and SERS pensions (14%) and Medicare (1.45%). Other benefits paid by the Board are for Medical and Dental plans. Madeira is a member of the fully funded Greater Cincinnati Insurance Consortium (GCIC), 14 local public school districts, that contracts for medical, dental, vision, and wellness services. Madeira funds a % of the cost for medical and dental plans. The consortium establishes the annual medical and dental premium each year. The district establishes the % share between the employer and employee.

- The district will continue as a member of the GCIC
- The annual Planning Commission Salary Study will include a benefit survey on the % shared cost of medical and dental plans.
- The Board will maintain a competitive % shared cost.

Budgeting/Forecast and Levy Planning

- **Five Year Forecast** - The Treasurer will develop and submit to the board in May and October (dates required by law) a **Five Year Forecast** based upon framework of expenditure goals, known staffing requirements, known benefit costs and known resource allocation.
- **Salary Forecast** - Current and future 4 years will be within 1-2% over or under the average of the previous 3 years and 5 years. Considerations will include added staffing due to framework of expenditures listed above.
- **Benefit Forecast** - Current and future 4 years will be determined based on GCIC premium forecast and board % share split and any changes to the state pension systems or Medicare.
- **All other Expenses** - Current and future 4 years will be based on the framework of expenditure goals and can be up to +10% in any one given year dependent upon needs assessments.
- **Total Expenditures** - Current and future 4 years will be within 1-2% over or under the average of the previous 3 years and 5 years.
- **Levy Decision Points** - The administration and board will review each **Five Year Forecast** to establish a timeline for levy planning and/or development of cost reduction plan. Levy Planning will be based on data available from the Five Year Forecast.
 - The district will maintain a **positive general fund ending cash balance** at all times.
 - **Ending cash balance** shall be in the range of **no less than 4 months to 10 months** of operating expense obligations.

- When the **Five Year Forecast** indicates in any one year forecasted **deficit spending** (operating expenses exceed current revenues) the district will begin a planning timeline for increasing revenues, **Operating Levy**, and/or cost reductions.
- **Operating Levy Millage** planning will incorporate the following:
- **Surplus revenue over expenditures** each year for no less than 2 years after receipt of full tax revenue on new levy dollars.
- Evaluation of future known resources incorporated into levy planning even though they might not be forecasted in the **Five Year Forecast**.
- **Levy Millage** shall cover current year expenditures for at least 3 to 5 years.

Partnerships - The district board and administration will partner with individuals, businesses, City of Madeira, Madeira Schools Foundation and building Parent Teacher Organizations whenever a workable relationship and objective makes sense while evaluating short term and long term needs assessments for students and facility needs. Some of those partnerships may be in the form of outright donations and others contractual agreements.

Examples of current partnerships -

- City of Madeira financially contributing to the replacement of the high school field turf for the benefit of the school and the community
- Alumni member and business donor funding a strength coach at the high school fitness facility
- MES PTO shared funding of the replacement of the playground
- Madeira Swim and Tennis Club partnership funding or renovating the tennis courts
- Community member provided individual donor funding first geothermal project / energy improvements at the high school
- Madeira School Foundation annual funding towards the technology replacement cycle for the district
- Alumni member and community member provided Individual donors funding business classroom furniture and technology at the high school and student entrepreneur scholarships
- Community member endowing the “Made in Madeira” scholarship to every high school graduate
- Business partnerships with high school students to extend their experiences in running businesses in the real world.