



McCall-Donnelly Joint School District #421
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Date: September 8, 2026

To: McCall Donnelly School District Board of Trustees

From: Tim Thomas, Superintendent

The Idaho School Benefits Trust (ISBT) has identified an approximately \$13 million funding shortfall and has required participating school districts to contribute additional funds to address the deficit. McCall-Donnelly School District's required share of the shortfall is \$256,705.92, an unanticipated expense that was not included in the district's adopted budget. The district must make this payment to meet its obligation to the Trust and maintain employee health insurance coverage.

After careful review, administration recommends using fund balance reserves to cover the district's share of the shortfall. This unexpected cost places additional pressure on the district's available resources and fund balance. Approving the request will result in annual expenditures exceeding annual revenues.

The recommendation does not align with the MDSD Strategic Plan.

IV. Continuous Improvement

- 3. Manage the budget
- 3a. Annual expenditures shall not exceed annual revenues.

Barbara R Morgan Elementary School Donnelly Elementary School Payette Lakes Middle School

Heartland High School McCall-Donnelly High School