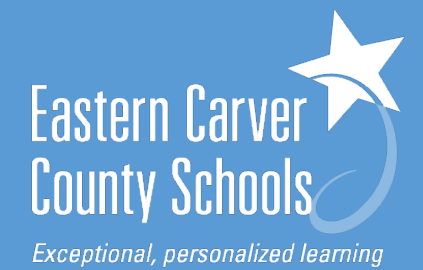


Budget Reduction Plan

1-27-2020



Finance Fundamentals

School District Fund Categories

• **General Fund**

- Instruction & Instructional Support
- Special Education
- Transportation
- Operations and Maintenance
- Building & District Administration
- Capital Facilities and Equipment
- Athletics & Activities

Other Funds

- School Nutrition
- Community Service
- Building Construction
- Debt Service
- Self Insurance
- OPEB Trust
- Trust

All are separate funds to account for specific revenue and expense as required by state law.

Fund Balance

A district's fund balance is an important aspect in considering the district's financial well being. A healthy unassigned fund balance provides for:

- cash flow,
- a cushion against unanticipated expenditures,
- enrollment changes,
- funding deficiencies,
- and proration of aid at the state level

Fund Balance % Calculation = Fund Balance/Expense

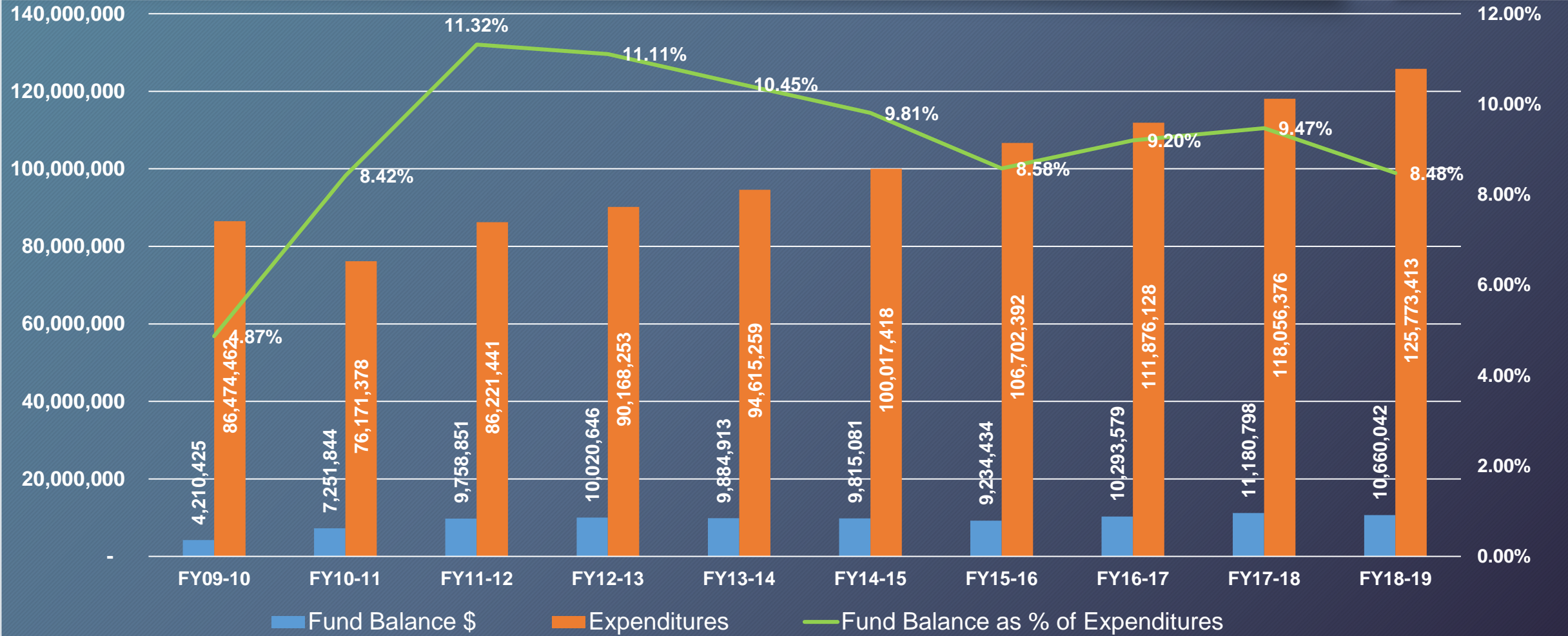
Fund Balance Categories

- **Non-spendable**
- **Restricted**
- **Committed**
- **Assigned**

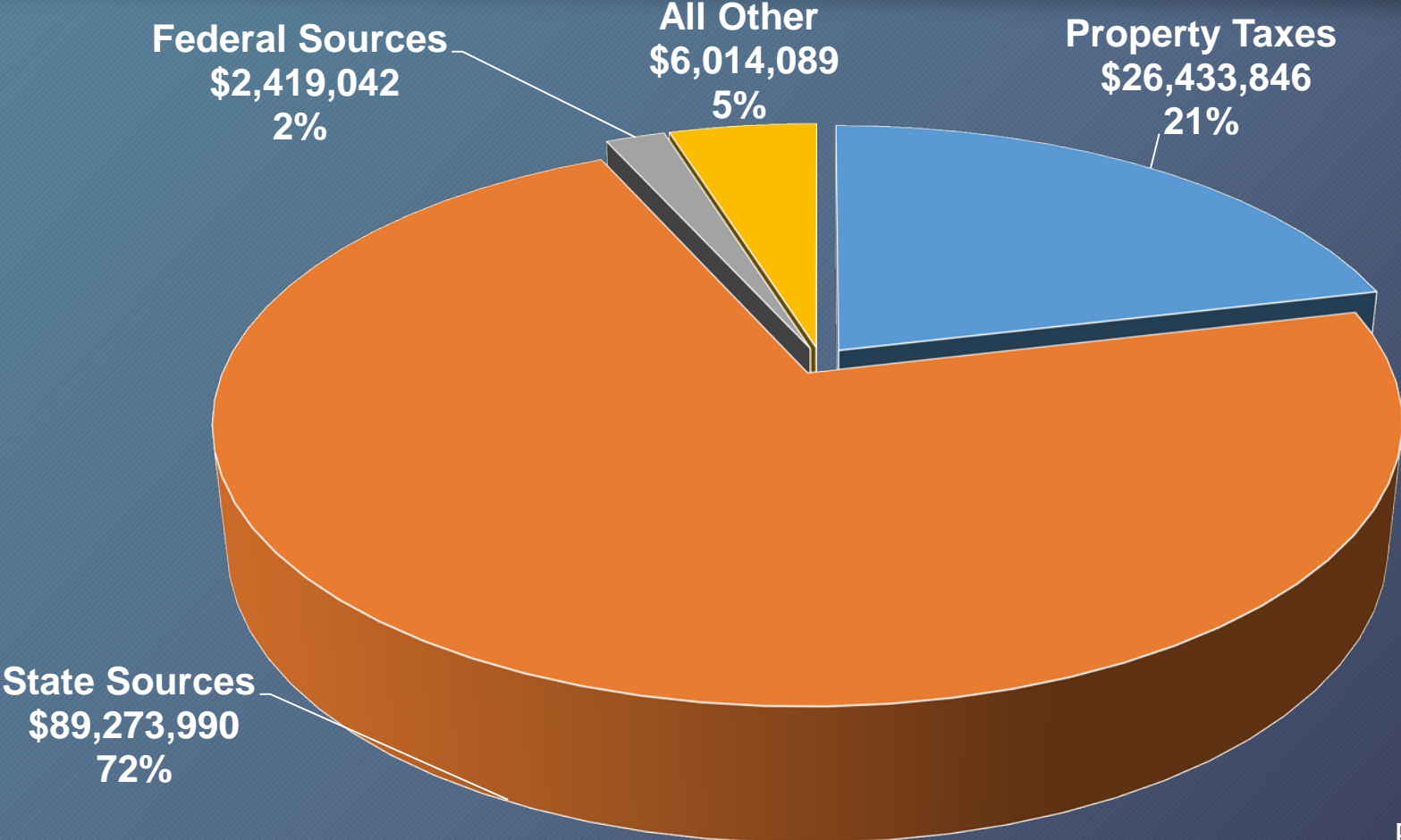
Unassigned – for all other purposes not described by other categories

- Used to calculate Statutory Operating Debt (SOD)
- The fund balance mostly widely referred to by individuals

General Fund Unassigned Fund Balance – History

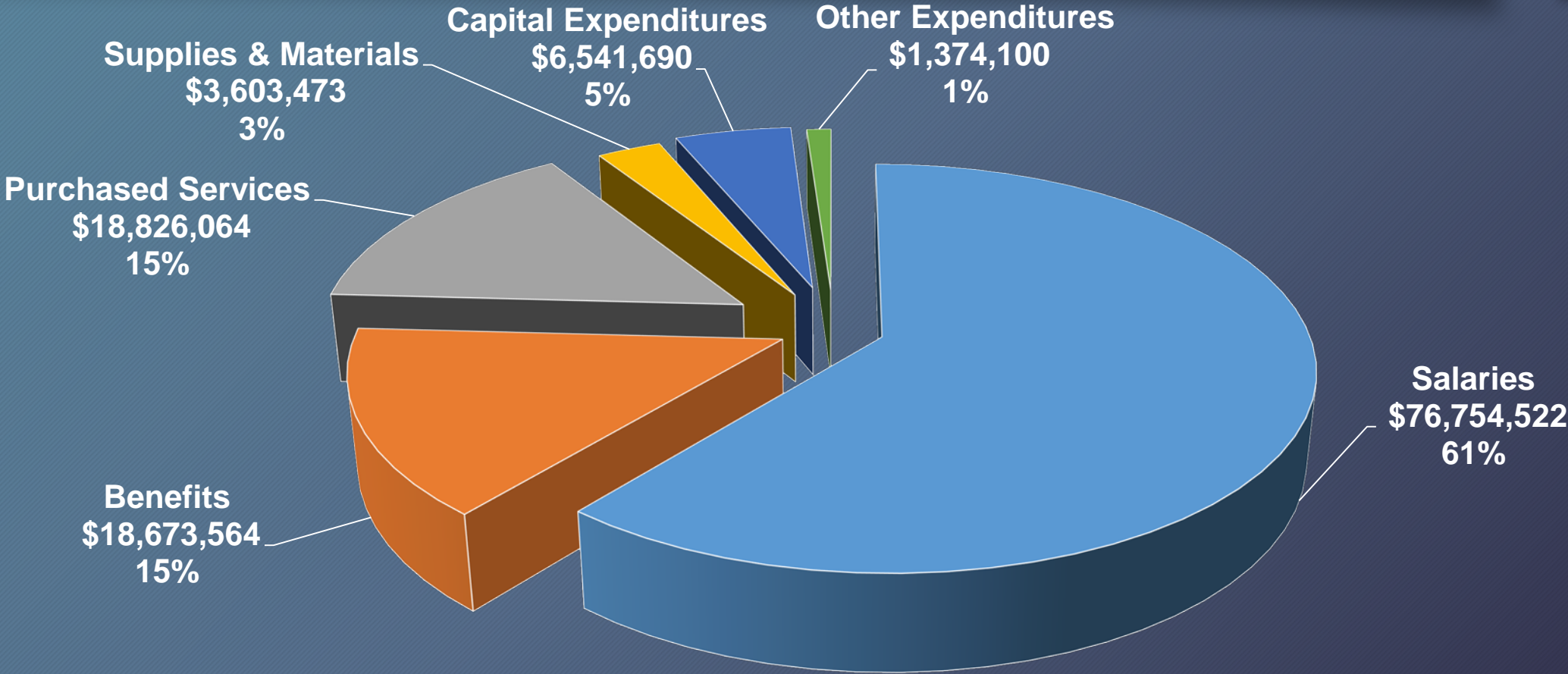


General Fund – Sources of Revenue 2019



Per 2019 School District CAFR

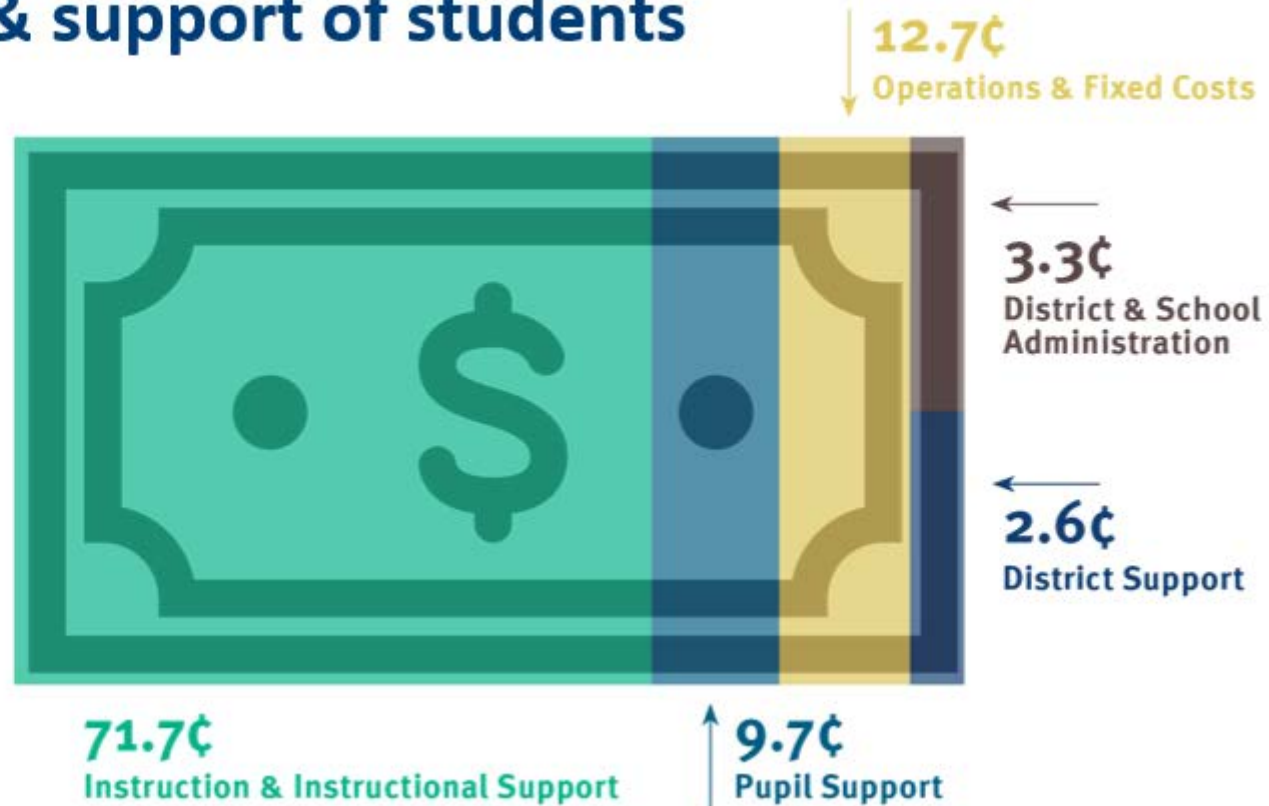
General Fund –Expenses by Category 2019



Per 2019 School District CAFR

General Fund Expenses Per UFARS

**81.4¢ of each dollar goes to classrooms,
instruction & support of students**



Budget

General Fund Budget Assumptions FY 2020 to FY 2025

Revenue Assumptions

- Basic Funding Formula
 - FY 20, FY 21 2.0%
 - FY 22-25 1.0%
- Special Ed – 3.0%
- Capital Projects – 2.5%
- Enrollment – 100 additional ADM's per year

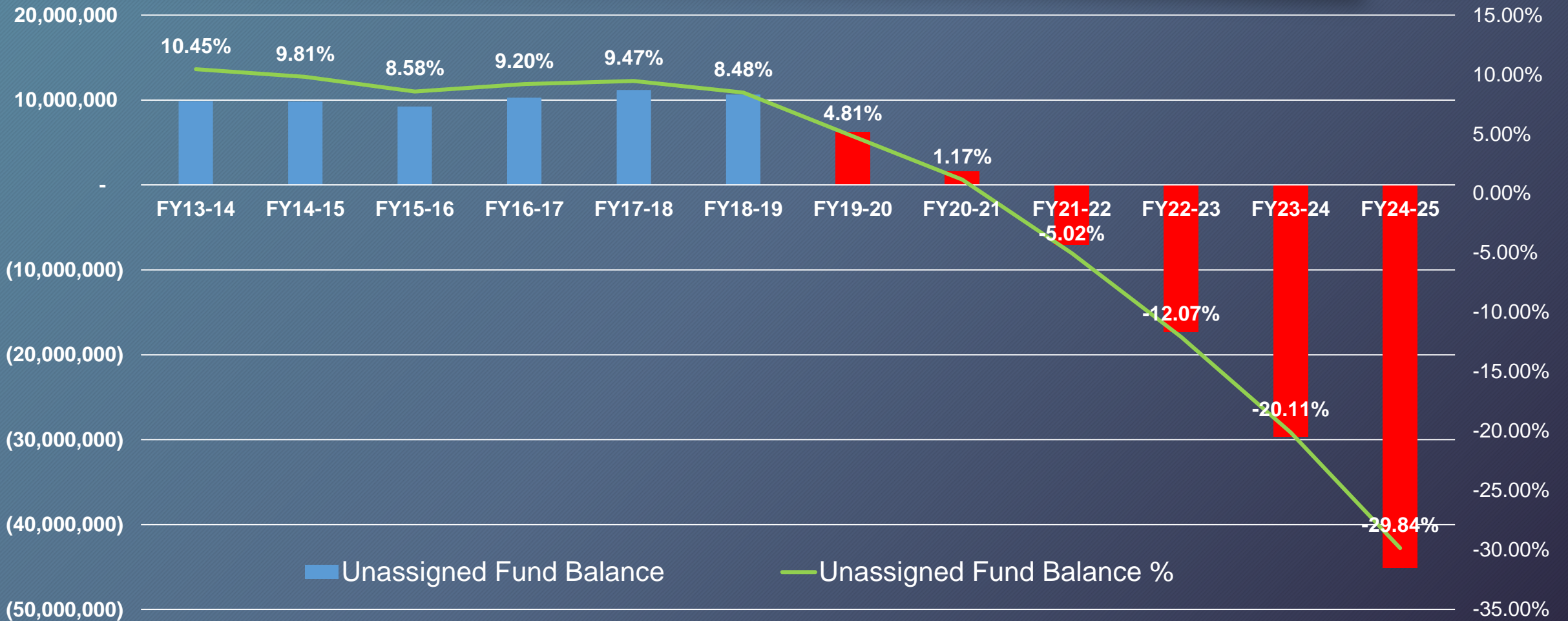
Expense Assumptions

- Salaries per contract/parameters
- Utilities – 5%
- Transportation – 3.0%
- Other – 1.9%

General Fund Financial Projection Based on Assumptions – No Cost Containment

	Actual 2017-18	Actual 2018-19	Revised Budget 2019-20	Projected 2020-21	Projected 2021-22	Projected 2022-23	Projected 2023-24	Projected 2024-25
E-12 Enrollment (ADM's)*	9,615	9,670	9,770	9,870	9,970	10,070	10,170	10,270
Total Revenue	\$119,182,422	\$124,163,400	\$125,654,923	\$128,790,720	\$130,750,005	\$132,722,911	\$134,918,323	\$135,635,775
% Increase over prior year	5.28%	4.18%	1.20%	2.50%	1.52%	1.51%	1.65%	0.53%
Total Expenditures	\$118,056,376	\$125,773,413	\$129,701,363	\$135,994,067	\$139,603,799	\$143,419,342	\$147,219,616	\$151,117,872
% Increase over prior year	5.52%	6.54%	3.12%	4.85%	2.65%	2.73%	2.65%	2.65%
Variance (Revenue - Expenditures)	\$ 1,126,047	\$ (1,610,013)	\$ (4,046,440)	\$ (7,203,347)	\$ (8,853,794)	\$ (10,696,431)	\$ (12,301,293)	\$ (15,482,097)
Unassigned Fund Balance	\$ 11,180,798	10,660,042	\$ 6,233,608	\$ 1,595,186	\$ (7,008,608)	\$ (17,305,038)	\$ (29,606,332)	\$ (45,088,429)
Unassigned Fund Balance as % of Expenditures	9.47%	8.48%	4.81%	1.17%	-5.02%	-12.07%	-20.11%	-29.84%

General Fund Unassigned Fund Balance Without Cost Containment

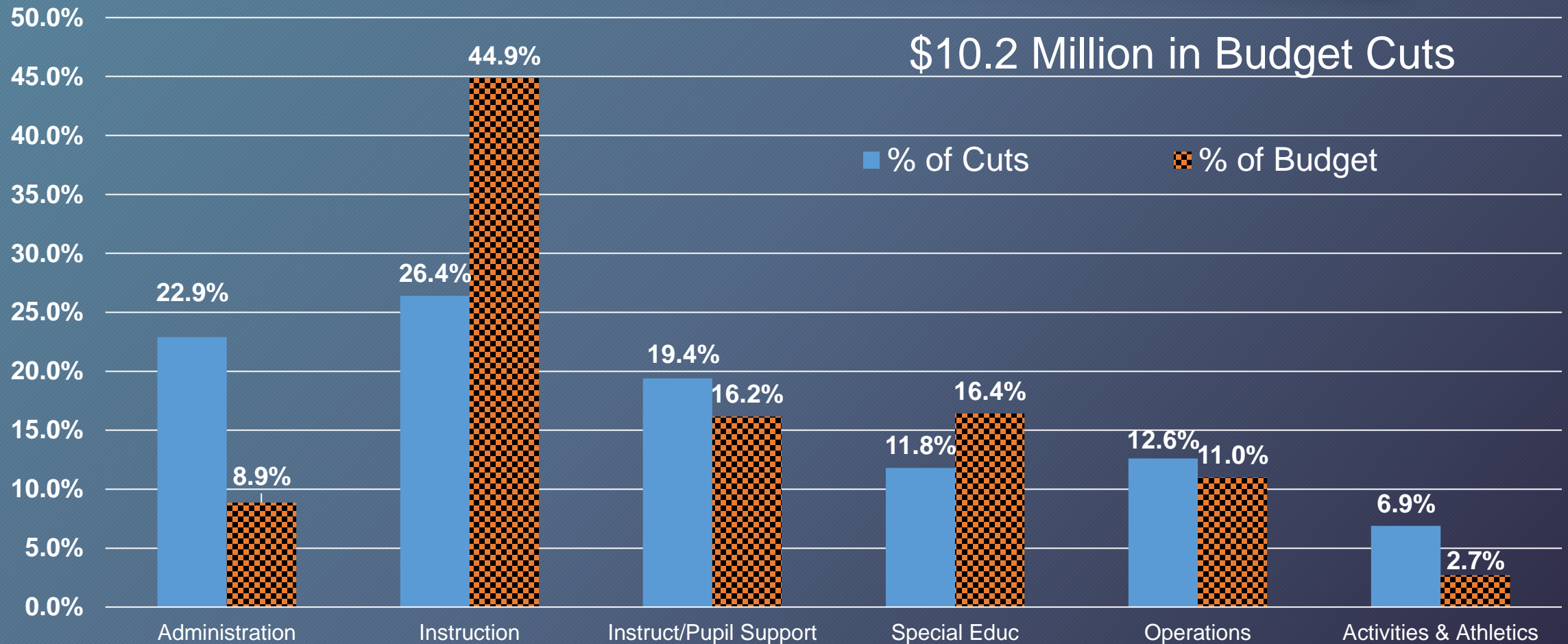


General Fund Financial Projection with **Cost Containment (at a minimum)**

	Actual 2017-18	Actual 2018-19	Revised Budget 2019-20	Projected 2020-21	Projected 2021-22	Projected 2022-23	Projected 2023-24	Projected 2024-25
E-12 Enrollment (ADM's)*	9,615	9,670	9,770	9,870	9,970	10,070	10,170	10,270
Total Revenue	\$119,182,422	\$124,163,400	\$125,654,923	\$128,790,720	\$130,750,005	\$132,722,911	\$134,918,323	\$135,635,775
% Increase over prior year	5.28%	4.18%	1.20%	2.50%	1.52%	1.51%	1.65%	0.53%
Expenses	\$118,056,376	\$125,773,413	\$130,188,634	\$135,994,067	\$134,453,799	\$134,509,842	\$136,291,831	\$138,111,254
Budget Reductions/Cost Containment			\$ (871,986)	\$ (5,000,000)	\$ (3,500,000)	\$ (1,700,000)	\$ (1,700,000)	\$ (2,000,000)
Total Expenditures	\$118,056,376	\$125,773,413	\$129,316,648	\$130,994,067	\$130,953,799	\$132,809,842	\$134,591,831	\$136,111,254
% Increase over prior year	5.52%	6.54%	2.82%	1.30%	-0.03%	1.42%	1.34%	1.13%
Variance (Revenue - Expenditures)	\$ 1,126,047	\$ (1,610,013)	\$ (3,661,725)	\$ (2,203,347)	\$ (203,794)	\$ (86,931)	\$ 326,492	\$ (475,479)
Unassigned Fund Balance	\$ 11,180,798	10,660,042	\$ 6,618,323	\$ 6,989,901	\$ 7,082,369	\$ 7,374,177	\$ 7,700,668	\$ 7,225,189
Unassigned Fund Balance as % of Expenditures	9.47%	8.48%	5.12%	5.34%	5.41%	5.55%	5.72%	5.31%

Proposed Budget Reductions

General Fund FY 2009-2019 Cost Containment & Budget Cuts



FY 2020-21 Budget Reduction Plan

Item	FTE	Amount
Negotiate Pay Freeze	0.00	\$689,957
Supply Budget	0.00	286,808
6-Period Day – High School	11.95	1,615,157
Restructure M.S. Teacher Schedule	9.54	986,236
Increase Class Size 1.5 Elem	10.65	1,101,183
Operating Capital	0.00	479,846

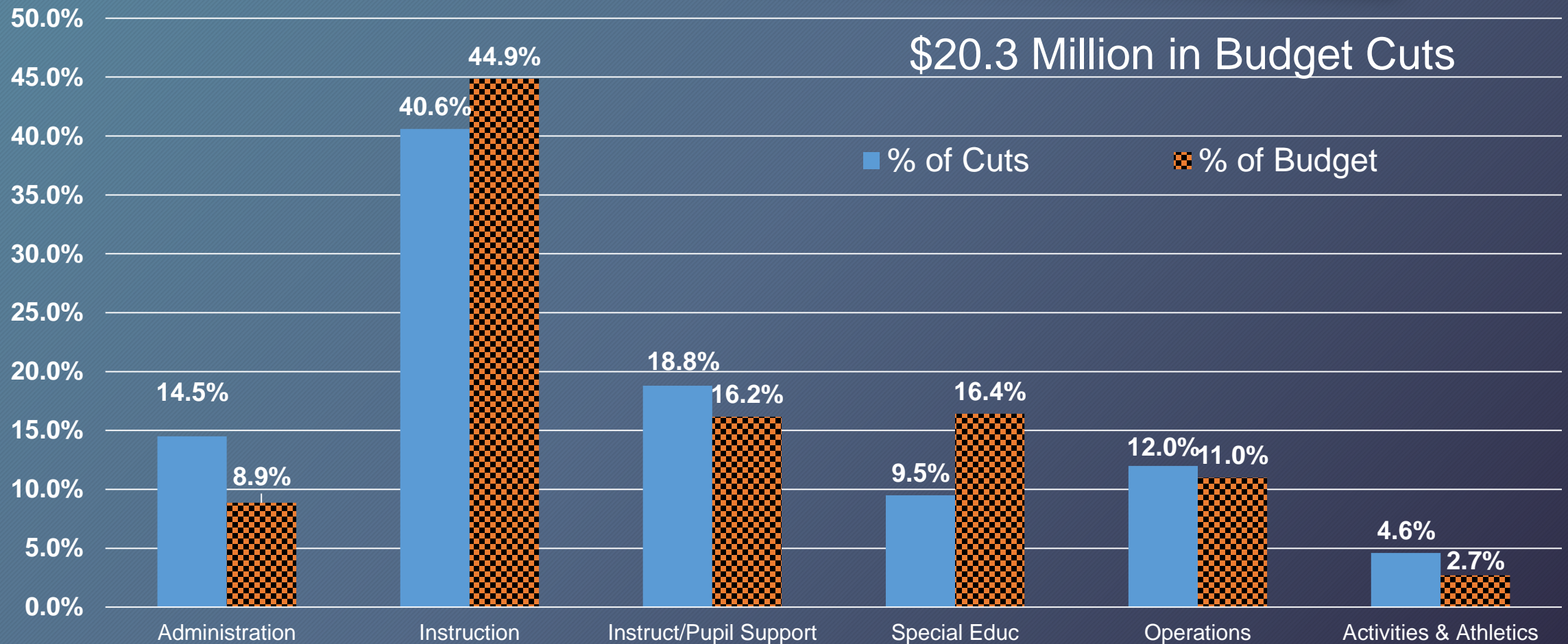
Item	FTE	Amount
Restructure Tech Support	3.00	335,037
Increase Other H.S. Fees	0.00	49,695
Other	0.75	111,544
Clerical	0.29	23,019
Paraprofessionals	0.00	133,125
Building & Grounds Restructure	3.00	221,428
Total	39.18	\$6,033,035

FY 2021-22 Budget Reduction Plan

Item	FTE	Amount
Negotiate Pay Freeze	0.00	\$1,927,120
Supply Budget	0.00	10,000
Close East Union Elem	5.57	548,742
G&T, Foreign Language	1.20	121,142
Paraprofessionals	2.14	80,479
Teacher on Special Assignment	0.00	60,046

Item	FTE	Amount
Insource Transportation	0.00	200,000
Increase Facility Rental Fees	0.00	65,100
Increase Athletic/Activity Fees	0.00	110,000
Other	0.00	79,065
Total	8.91	\$3,201,694

General Fund FY 2009-2022 Cost Containment & Budget Cuts



Proposed Future Budget Reductions

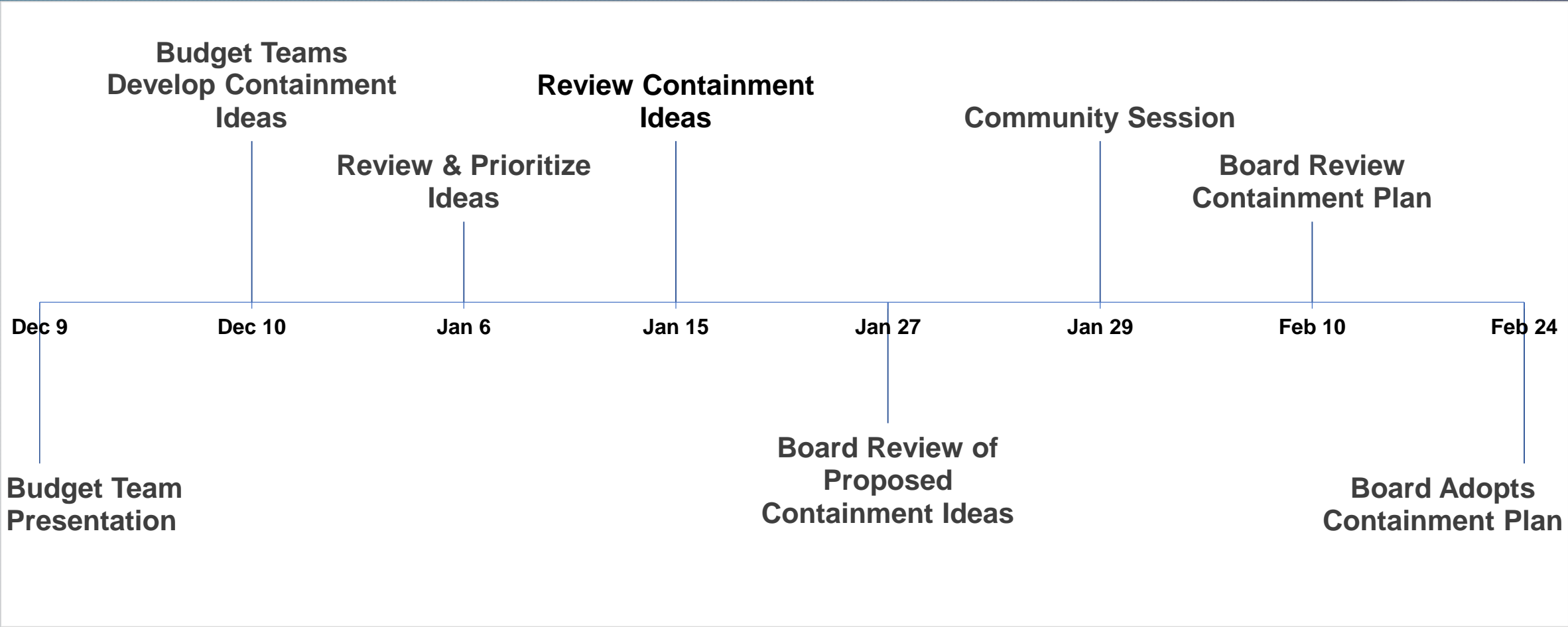
Phase I

Category	Amount
Transfer – Nutrition Service	\$550,000
Insource Transportation	400,000
Add'l Class Size Increase	953,899
6 Period Day – Middle School	391,464
Teacher on Special Assignment	156,486
Other – Bell Time Changes – Reduce Days	370,496
TOTAL	\$2,822,345

Phase II

Category	Amount
Administration	\$686,591
G&T, Foreign Lang, Music	300,000
Clerical	162,961
Paraprofessionals	449,827
Increase Walk Zone	130,000
Other	50,000
Supply Budget	35,000
TOTAL	\$1,814,379

Budget Process Timeline



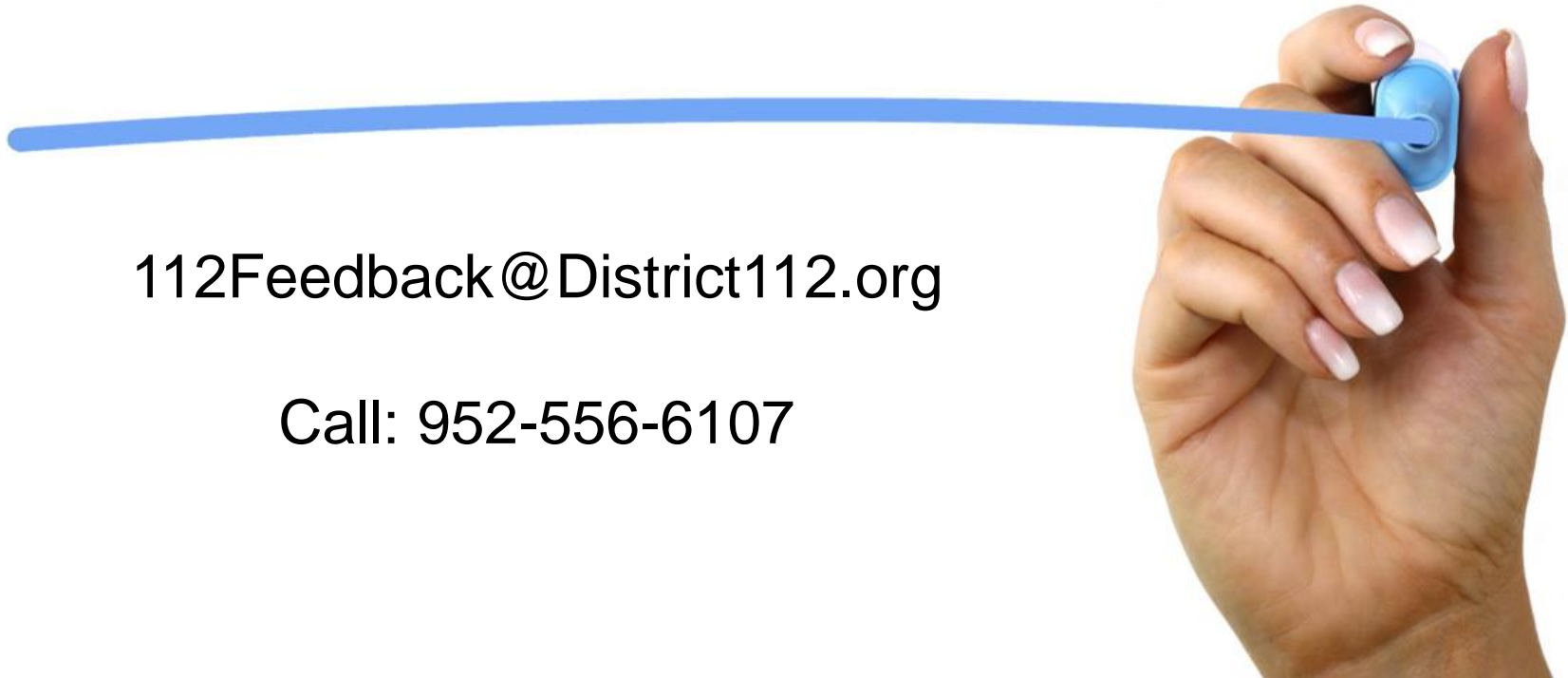
Community Input

Community Session
Chanhassen High School Theater
Wednesday January 29, 2020
6:30 p.m.

Email: 112Feedback@District112.org

Call: 952-556-6107

QUESTIONS



112Feedback@District112.org

Call: 952-556-6107