



# BUDGET UPDATE

BOARD STUDY SESSION – OCTOBER 5, 2020



# STUDY SESSION AGENDA

- Budget Outlook and Assumptions
- Budget Impacts
- Next Steps



# BUDGET POLICY CONNECTION



# OPERATIONAL EXPECTATIONS

## OE-5 FINANCIAL PLANNING

The Superintendent shall develop and present to the Board a multi-year financial plan that is related directly to the Board's **Results** priorities and **Operational Expectations** goals, and that avoids long-term fiscal jeopardy to the district.

### **The Superintendent will develop a budget that:**

- 5.1 Is in a summary format understandable to the Board and community, presented in a manner that allows the Board to understand the relationship between the budget and the **Results** priorities and any **Operational Expectations** goals for the year.
- 5.2 Clearly describes revenues and expenditures with adequate supporting detail.
- 5.3 Shows the amount spent in each budget category for the most recently completed fiscal year, the amount budgeted for the current fiscal year, and the amount budgeted for the next fiscal year.
- 5.4 Discloses budget-planning assumptions.
- 5.5 Assures fiscal soundness in future years that includes provisions for reasonable contingencies.

# OPERATIONAL EXPECTATIONS

## OE-5 FINANCIAL PLANNING (CONTINUED)

- 5.6 Provides necessary information to the Board on matters with a significant budgetary impact, allowing the Board adequate time to consider the information presented.
- 5.7 Reflects anticipated changes in employee compensation, including inflationary adjustments, step increases, performance increases and benefits.
- 5.8 Includes such amounts as the Board determines to be necessary for its own governing function.
- 5.9 Is based on reasonable consultation with appropriate constituent groups.

### **The Superintendent may not develop a budget that:**

- 5.10 Plans for the expenditure in any fiscal year of more funds than are conservatively projected to be available during the year.
- 5.11 Provides for an anticipated year-end fund balance of less than five percent of the projected revenue.



# BUDGET OUTLOOK AND ASSUMPTIONS

GENERAL FUND



# ASSUMPTIONS FOR BUDGET OUTLOOK

- No mid-year state legislative funding cuts
- No relief on transportation revenue loss
- No additional enrollment losses during the year
- Nutrition Services Program remains self-supporting – assume loss of 75% revenues/expenditures
- Extended Day Program is not self-supporting – assume 100% loss of revenue
- Revenue losses and expenditure savings assume full school year
- PPE costs for whole school year still to be determined
- No athletics for the year

## BUDGET OUTLOOK

- District will not receive \$46.9 Million in revenues due to COVID/remote learning
- District is not spending \$33.5 Million in expenditures due to COVID/remote learning
- District will need to use an additional \$13.4 M in Fund Balance due to COVID/remote learning in addition to planned use for 2020-21
- Estimating will end the year at total fund balance of \$75 Million



# GENERAL FUND BUDGET FOUR-YEAR OUTLOOK

	2018-19 Actual	2019-20 Budget	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated
Beginning Fund Balance	\$47.4	\$68.0	\$50.2	\$40.3	\$30.1	\$27.4
Reserve Economic Impact			\$40.0	\$40.0	\$40.0	\$30.0
Revenues	\$439.6	\$463.7	\$481.2	\$492.1	\$502.8	\$513.3
Expenditures	\$407.0	\$466.2	\$491.1	\$502.3	\$515.5	\$528.5
Ending Fund Balance	\$80.0	\$65.5	\$40.3	\$30.1	\$27.4	\$27.2
Reserve Economic Impact			\$40.0	\$40.0	\$30.0	\$15.0
						\$42.2

## KEY CHANGES – ENROLLMENT

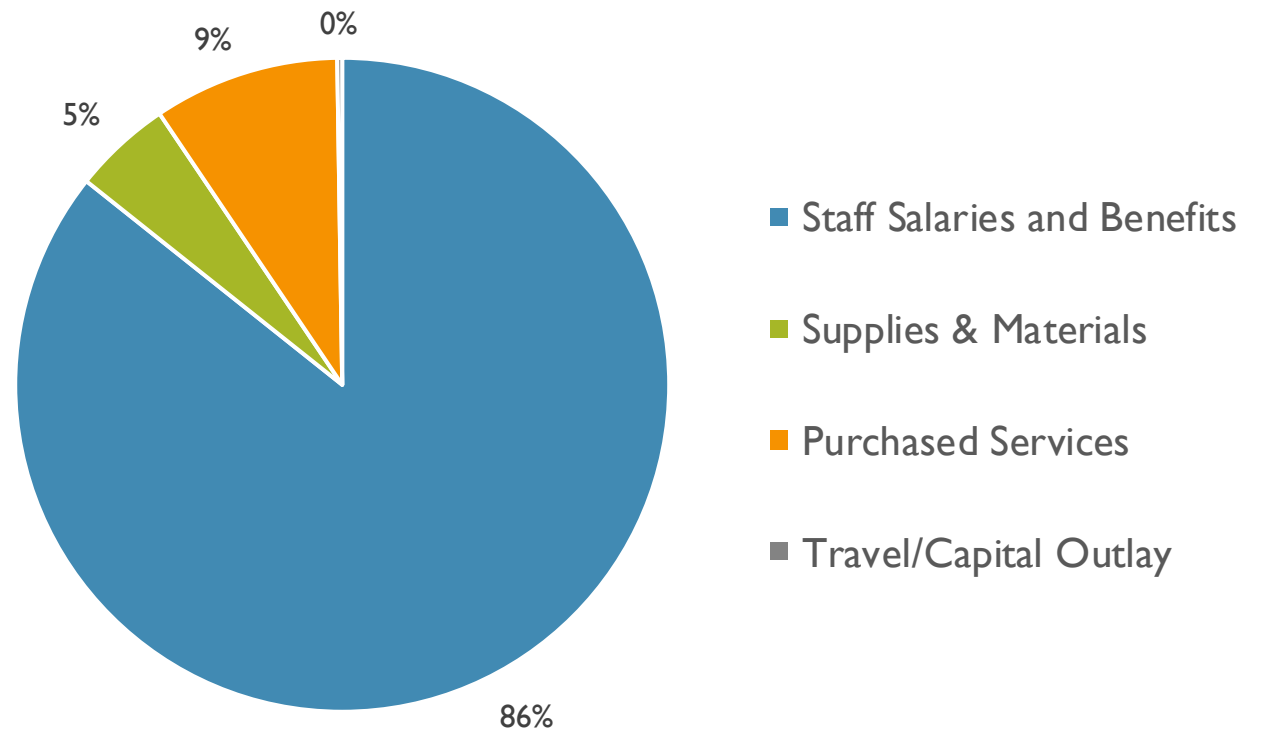
	2019-20 Actual Enrollment	2020-21 Budgeted Enrollment	2020-21 Estimated Enrollment	Change Budget to Estimate
Elementary	15,392	<b>15,357</b>	<b>14,712</b>	(645)
Middle	7,315	<b>7,430</b>	<b>7,230</b>	(200)
Sr. High	7,560	<b>7,655</b>	<b>7,700</b>	45
Subtotal	30,267	<b>30,442</b>	<b>29,642</b>	(800)
Skill Center	310	<b>352</b>	<b>352</b>	0
ALE (EMK12)	60	<b>60</b>	<b>46</b>	(14)
Total Enrollment	30,637	<b>30,854</b>	<b>30,040</b>	(814)

Figures represent Average Annual Full-time Equivalent (FTE) and excludes Running Start

# 2020-21 BUDGET

**86% of the Budget is committed to staff salaries and benefits**

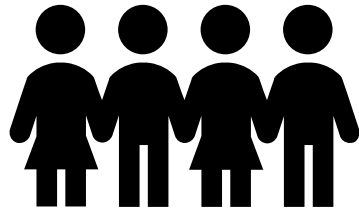
Expenditures



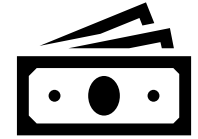
## ENROLLMENT IMPACT



800 Students Basic Education  
120 Students Special Education



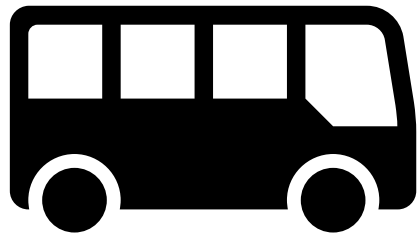
Impact



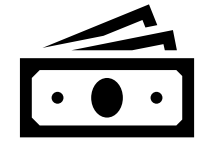
\$9.5 Million Loss

# TRANSPORTATION IMPACT

Limited Ridership for 2020-21  
School Year



Impact



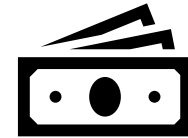
\$5.6 Million Loss

# STAFF IMPACTS

Unfilled positions  
Substitutes  
Leave Impacts  
Contractual Services



Impact

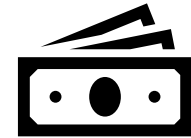


**\$5.2 Million Savings**

# LOCAL FEE PROGRAMS

Athletic Participation Fees  
Facility Use Fees  
Preschool Fees  
School Material Fees/Fines

Impact



**\$0.7 Million Savings**

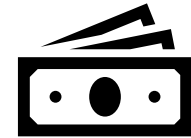


## FEDERAL PROGRAMS

CARES Funding/Remote Learning  
Expenditures



Impact



\$2.1 Million Loss

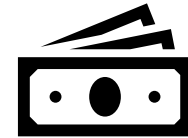


# SELF-SUPPORTING PROGRAMS

Nutrition Services  
Extended Day Child Care



Impact



\$2.1 Million Loss

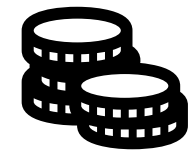
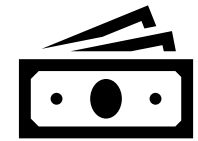
## NEXT STEPS

### Short-term

- Ongoing review of unfilled positions
- Ongoing monitoring of revenues and expenditures

### Planning for next-year

- Bring staffing back in alignment with enrollment
- Continue to align expenditures with resources



# BOARD FEEDBACK