

# 2022-23 Preliminary Budget Update General Fund

May 11, 2022



# District Funds & Presentation Dates

- General Fund/Other Funds: May 25
- Public Hearing & Adoption: June 22

# Presentation Outline

- **School Funding Sources and Uses**
- **April 2022 EP&O and Budget Impacts**
  - Short-term impacts
  - Long-term impacts
  - Future levy plan
- **Pre-Levy Failure Budget**
- **Post-Levy Failure Budget**
- **Next Steps/Budget Timeline**

# School District Funding – State

Types of Funding	Purpose
<b>General Funding</b>	<b>Basic Education Apportionment</b> <ul style="list-style-type: none"><li>• Staff salaries</li><li>• Staffing levels (prototypical model)</li></ul> <b>Maintenance, Supplies, and Operating Costs (MSOC)</b> <ul style="list-style-type: none"><li>○ Curriculum</li><li>○ Training</li></ul> <b>Special Education</b> <b>Career and Technical Education/Skills Center</b> <ul style="list-style-type: none"><li>• Staffing</li><li>• Programs</li></ul> <b>Transportation</b> <ul style="list-style-type: none"><li>• Student Transportation</li></ul>

# School District Funding – Federal

Types of Funding	Purpose
<b>Federal Funding</b>	<ul style="list-style-type: none"><li>• Title I: High Poverty/Closing Gaps</li><li>• Title II: Training/PD</li><li>• Title III: Bilingual Education</li><li>• Title IV: Student Support</li></ul>
<b>One-Time Emergency ESSER Funding</b>	<ul style="list-style-type: none"><li>• One-time emergency relief funding allocated to address impacts of COVID-19/support staffing/address learning loss.</li></ul>

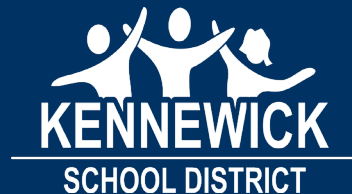
# School District Funding – Local

Types of Funding	Purpose
<b>Bond Funding</b>	<ul style="list-style-type: none"><li>• Build new schools</li><li>• Rebuild existing aging schools</li><li>• Property</li><li>• Other capital projects</li></ul>
<b>Levy Funding</b>	<p><b>Educational Programs &amp; Operations (EP &amp; O)</b></p> <ul style="list-style-type: none"><li>• “Enrichment” beyond Basic Education<ul style="list-style-type: none"><li>• Extra-curricular athletics and activities</li><li>• Staff professional development</li><li>• Programs not funded by Basic Education</li><li>• Staffing/positions/costs not funded by Basic Education</li><li>• Additional activities or enhancements that OSPI deems enrichment of basic education</li></ul></li></ul> <p><b>Capital Technology Levy</b></p> <ul style="list-style-type: none"><li>• Technology hardware, software and training and staff support</li></ul>

# 2022 EP&O Levy Failure: April Results

Date	Total Returns	Accepted Ballots	Rejected Ballots	Blanks	EP&O % Yes	EP&O % No	Total Votes	EP&O % +/- from prior
04/18/2022	7,937	7,785	151	1				
04/20/2022	9,547	9,364	181	2				
04/25/2022	11,882	11,640	240	2				
04/26/2022	14,398	14,155	240	2	47.31% 5,493 votes	52.69% 6,118 votes	11,611	-
04/28/2022	-	-	-	-	48.77% 7,750 votes	51.23% 8,141 votes	15,891	+1.46%
05/05/2022	-	-	-	-	48.98% 7,937 votes	51.02% 8,267 votes	16,204	+0.21%
05/06/2022	-	-	-	-	48.97% 8,029 votes	51.03% 8,366 votes	16,395	-0.01%

# Levy Failure and Budget Impacts





# Short-Term Financial Outlook

- **The EP&O levy failure results in \$34 million in enrichment funding loss** over school years 2022-23 and 2023-2024 the two-year period
  - School Year 2022-23 Levy and Levy Equalization Funds are based partially on 2022 tax collections and partially on 2023 tax collections
  - The \$34 million loss including levy funding and state Local Effort Assistance funding
- **For school year 2022-23, we can avoid significant budget cuts**
  - We have a healthy fund balance due to strong financial management and administration of various one-time funding allocations
  - We have access to one-time federal dollars available to help offset costs
  - We have received state enrollment stabilization funding to help offset loss of levy funding.
- **For school year 2022-23, budget reductions of \$5.0M - \$6.0M will be made** to offset some burden on the district fund balance

# Longer -Term Financial Outlook

- **In planning for school year 2023-24, we will be working through potential reductions of \$5.0M to \$25.0M.** This list will also provide a basis for future levy planning.
- **The degree and extent will be dependent on:**
  - September 2022 enrollment
  - Available fund balance and ESSER funding
  - Future levy plan/outcome

# Future Levy Plan

## **Facts**

- State enrollment stabilization and other funding adjustments were one-time allocations targeted toward 2021-22
- ESSER funding is not ongoing funding
- The district fund balance will decrease over school year 2022-23
- Without future levy funding, enrichment programs and staffing will need to be cut

## **Planning for 2023-24**

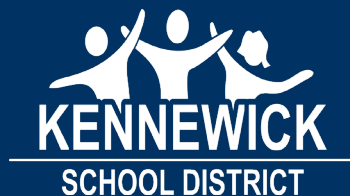
- Levy in 2023 for collection in 2024
- The Board will need to discuss and determine the amount and term of the levy by October 31, 2022 for a February 2023 election
- We have the opportunity to refine our approach and communication
  - Treat levies more categorically (the levy pays for “X;” if the levy fails, “X” will be cut)

# Short-Term Financial Outlook

## 2022-23 Budget Reductions

- **For school year 2022-23, budget reductions of \$5.0M - \$6.0M will be made to offset some burden on the district fund balance**
- **Our approach to reductions:**
  - Identify and create efficiencies for the long term
  - “Right size” staffing through elimination/re-allocation of unfilled/vacant positions
  - Find cost savings throughout the year:
    - Evaluate holding unfilled positions for 2022-23 to reduce impact on fund balance and provide ample reserves to mitigate possible reductions for 2023-24
  - Make reductions to materials, supplies & operating cost budgets (MSOC)
    - Pause on 2022-23 MSOC spending/ensure purposeful spending

# Pre-Levy Failure Budget



# Preliminary Basic Ed Revenue Changes

## School Year 2022-23

Revenue Source (Basic Ed/Local Funded) Increases	Projected Amount March 23	Projected Amount April 13	Projected Amount Per OSPI Pre Levy Fail
Inflationary Formula Allocation Adjustment \$87.4M to \$92.3M	\$4,900,000	\$4,900,000	11,310,000
Employer Benefit Allocation & Health Insurance Allocation (\$11,616 to \$12,312 per year health ins) \$34.75M to \$36.85M	2,100,000	2,100,000	
Materials, Supplies & Operating Cost (MSOC) (Inflation Adjustment) \$22.65M to \$24.25M	1,600,000	1,600,000	
Formula Adjustment For Social Emotional Learning (SEL) Staff (counselors/nurse/safety/psych) – <i>New Funding For 2022-23</i>	1,780,000	1,780,000	
Special Educ Inflationary Adjustment/Employer Benefit Allocation \$21.05M to \$22.37M	<u>1,320,000</u>	<u>1,320,000</u>	<u>1,490,000</u>
<b>Total Basic Ed &amp; Local Funded At 21-22 Budgeted Enrollment</b>	<b>11,700,000</b>	<b>11,700,000</b>	<b>12,800,000</b>
22-23 Budgeted Enrollment To Be 200 less than 21-22 Budget	(1,700,000)	(1,700,000)	(1,800,000)
Levy Equalization \$14.57M 21-22 budget to \$15.54M 22-23 budget	(374,000)	970,000	970,000
Transportation Funding budgeted at \$7.8M for 21-22, projecting \$7.8M for 22-23	No Change	No Change	No Change
Property Tax Increase \$17.20M to \$19.27M	2,077,000	2,077,000	2,077,000
Other Revenue Changes	<u>200,000</u>	<u>200,000</u>	<u>400,000</u>
<b>Total Preliminary Revenue Change</b>	<b>\$11,903,000</b>	<b>\$13,247,000</b>	<b>\$14,447,000</b>

# 2022-23 Preliminary Staff Cost Changes

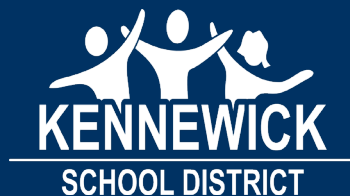
Staffing Costs	Projected Amount March 23	Projected Amount April 12	Projected Amount Pre Levy Fail
Elementary Cert Staff (Reduce/right size up to 7.0 classroom teachers)	(\$700,000)	(\$560,000)	(\$632,236)
Middle School Teaching Staff (Reduce/right size 3.0 classroom teachers)	(600,000)	(500,000)	(266,478)
High School Teaching Staff – (Add 3.0 classroom teachers)	??	200,000	282,581
MCP Online & Endeavor Staffing (Reduce/right size 9.0 Teaching Staff FTE)	??	??	(826,628)
Special Education Certificated & Para Staff	??	??	223,902
Other Staffing (Under Review) +1.0 Driver Trainer \$86,881/Admin-Cabinet Re-Organization Changes Net +36,985	??	??	123,866
Change from budgeted baseline staffing cost vs actual bargained changes.	??	350,000	488,466
Projected Increase In Staff Costs/Inflationary Adjustments/Employer Benefits	12,850,000	13,350,000	12,054,905
Teacher Retirements	(850,000)	(1,000,000)	(1,000,000)
Certificated/Classified Pools \$12.5M (Overload/Subs/Coaches/Extra Pay/Stipends/Etc.)	??	\$250,000	\$438,206
<b>Preliminary Basic Ed/Local Funded Staff Cost Change</b>	<b>\$10,700,000</b>	<b>\$12,090,000</b>	<b>\$10,886,584</b>

# 2022-23 Preliminary MSOC Budget

Materials/Supplies/Operating Costs (MSOC) Select Categories	19/20 Budget	20/21 Budget	21/22 Budget	22/23 Budget In Progress	Budget Change 22/23 - 21/22
Utility Cost	\$ 3,586,500	\$ 3,641,500	\$ 3,642,500	\$ 3,761,000	\$ 118,500
Property/Liability Insurance	2,085,000	2,280,000	2,755,000	3,105,000	350,000
Transportation/Fleet Fuel	885,000	885,000	885,000	900,000	15,000
Transportation	491,300	491,300	475,350		
Curriculum Adoption	1,032,500	1,032,500	1,032,500		
IT/Technology/Software	3,129,000	3,109,000	3,109,000		
Maint/Fleet/Custodial/Grounds/Warehouse/Print Shop	3,622,850	3,600,850	3,602,850		
Maint/Grounds (Equipment & Fleet Replacement)	221,500	221,500	221,500		
Special Education	1,472,168	1,309,976	1,309,976	1,488,976	179,000
Security Resource Officer Contract	350,000	400,000	400,000	430,000	30,000
ESD Prevention Services	170,000	175,000	175,000		
Reading Foundation	379,575	379,575	379,575		
Testing/Assessment Contract	185,000	185,000	185,000		
Building Budgets	3,188,174	2,950,975	2,904,342		
Other MSOC/No Tri Tech/No CTE (01,02,97)	1,845,647	1,648,641	1,660,900		
Delta/Running Start/CBC Academy-Offset With Revenue	3,405,000	3,155,000	3,145,000		
Open Doors- Offset With Revenue	125,000	375,000	365,000		
<b>Subtotal Basic Ed/Local Funded MSOC Budget Change</b>	<b>\$ 26,174,214</b>	<b>\$ 25,840,817</b>	<b>\$ 26,248,493</b>		<b>\$ 692,500</b>



# Post-Levy Failure Budget



# 2022-23 Preliminary Basic Ed/Local Revenue Changes

Revenue Source (Basic Ed/Local Funded) Increases	Projected Amount March 23	Projected Amount April 13	Projected Amount Per OSPI Pre Levy Fail	Projected Amount After Levy Fail
Inflationary Formula Allocation Adjustment \$87.4M to \$92.3M	\$4,900,000	\$4,900,000	11,310,000	11,310,000
Employer Benefit Allocation & Health Insurance Allocation (\$11,616 to \$12,312 per year health ins) \$34.75M to \$36.85M	2,100,000	2,100,000		
Materials, Supplies & Operating Cost (MSOC) (Inflation Adjustment) \$22.65M to \$24.25M	1,600,000	1,600,000		
Formula Adjustment For Social Emotional Learning (SEL) Staff (counselors/nurse/safety/psych) – <i>New Funding For 2022-23</i>	1,780,000	1,780,000		
Special Educ Inflationary Adjustment/Employer Benefit Allocation \$21.05M to \$22.37M	<u>1,320,000</u>	<u>1,320,000</u>	<u>1,490,000</u>	<u>1,490,000</u>
<b>Total Basic Ed &amp; Local Funded At 21-22 Budgeted Enrollment</b>	<b>11,700,000</b>	<b>11,700,000</b>	<b>12,800,000</b>	<b>12,800,000</b>
22-23 Budgeted Enrollment To Be 200 less than 21-22 Budget	(1,700,000)	(1,700,000)	(1,800,000)	(1,800,000)
Levy Equalization \$14.57M 21-22 budget to \$15.54M 22-23 budget	(374,000)	970,000	970,000	(10,524,189)
Transportation Funding budgeted at \$7.8M for 21-22, projecting \$7.8M for 22-23	No Change	No Change	No Change	No Change
Property Tax Increase \$17.20M to \$19.27M	2,077,000	2,077,000	2,077,000	(9,074,835)
Other Revenue Changes	<u>200,000</u>	<u>200,000</u>	<u>400,000</u>	<u>400,000</u>
<b>Total Preliminary Revenue Change</b>	<b>\$11,903,000</b>	<b>\$13,247,000</b>	<b>\$14,447,000</b>	<b>(\$8,199,024)</b>

# 2022-23 Preliminary MSOC Budget

Materials/Supplies/Operating Costs (MSOC) Select Categories	19/20 Budget	20/21 Budget	21/22 Budget	22/23 Budget In Progress	Budget Change 22/23 -21/22 Pre Levy Fail	Levy Fail Budget Changes
Utility Cost	\$ 3,586,500	\$ 3,641,500	\$ 3,642,500	\$ 3,761,000	\$ 118,500	\$ (14,500)
Property/Liability Insurance	2,085,000	2,280,000	2,755,000	3,105,000	350,000	(40,000)
Transportation/Fleet Fuel	885,000	885,000	885,000	900,000	15,000	-
Transportation	491,300	491,300	475,350	465,350	-	(10,000)
Curriculum Adoption	1,032,500	1,032,500	1,032,500	-	-	(1,032,500)
IT/Technology/Software	3,129,000	3,109,000	3,109,000	3,109,000	-	-
Maint/Fleet/Custodial/Grounds/Warehouse/Print Shop	3,622,850	3,600,850	3,602,850	3,249,850	-	(353,000)
Maint/Grounds/Custodial (Equip & Fleet Replacement)	221,500	221,500	221,500	196,500	-	(25,000)
Special Education	1,472,168	1,309,976	1,309,976	1,442,976	179,000	(46,000)
Security Resource Officer Contract	350,000	400,000	400,000	430,000	30,000	-
ESD Prevention Services	170,000	175,000	175,000	175,000	-	-
Reading Foundation	379,575	379,575	379,575	379,575	-	TBD
Testing/Assessment Contract	185,000	185,000	185,000	-	-	(185,000)
Building Budgets	3,188,174	2,950,975	2,904,342	2,699,342	-	(205,000)
Other MSOC/No Tri Tech/No CTE (01,02,97)	1,845,647	1,648,641	1,660,900	1,443,900	-	(217,000)
Delta/Running Start/CBC Academy-Offset With Revenue	3,405,000	3,155,000	3,145,000	3,145,000	-	-
Open Doors- Offset With Revenue	125,000	375,000	365,000	365,000	-	-
<b>Subtotal Basic Ed/Local Funded MSOC Budget Change</b>	<b>\$ 26,174,214</b>	<b>\$ 25,840,817</b>	<b>\$ 26,248,493</b>	<b>\$ 24,867,493</b>	<b>\$ 692,500</b>	<b>\$ (2,128,000)</b>

# 2022-23 Preliminary Staff Cost Changes

Staffing Costs	Projected Amount March 23	Projected Amount April 12	Projected Amount May 11	Local Funded Reductions/ Changes Due To Levy Fail
Elementary Cert Staff (Reduce/right size up to 7.0 classroom teachers)	(\$700,000)	(\$560,000)	(\$632,236)	<p>Target is to reduce/re-allocate (\$3,000,000) of staff costs. In addition to reducing (\$2,000,000) of non-staff costs.</p>
Middle School Teaching Staff (Reduce/right size 3.0 classroom teachers)	(600,000)	(500,000)	(266,478)	
High School Teaching Staff – (Add 3.0 classroom teachers)	??	200,000	282,581	
MCP Online & Endeavor Staffing (Reduce/right size 9.0 Teaching Staff FTE)	??	??	(826,628)	
Special Education Certificated & Para Staff	??	??	223,902	
Other Staffing (Under Review) +1.0 Driver Trainer \$86,881/Admin-Cabinet Re-Organization Changes Net +107,244	??	??	194,125	
Change from budgeted baseline staffing cost vs actual bargained changes.	??	350,000	488,466	
Projected Increase In Staff Costs/Inflationary Adjustments/Employer Benefits	12,850,000	13,350,000	12,005,994	
Teacher Retirements	(850,000)	(1,000,000)	(1,000,000)	
Certificated/Classified Pools \$12.5M (Overload/Subs/Coaches/Extra Pay/Stipends/Etc.)	??	\$250,000	\$438,206	
<b>Preliminary Basic Ed/Local Funded Staff Cost Change</b>	<b>\$10,700,000</b>	<b>\$12,090,000</b>	<b>\$10,886,584</b>	<b>\$7,886,584</b>

# 2022-23 Levy Failure Staffing Cost Reductions/Changes

Staff Related Costs	Amount
Not filling vacant certificated positions and re-allocate (teaching/administrative) to other programs	(\$950,000)
Eliminate 5 unfilled/vacant operational and maintenance positions	(530,000)
Rightsize classified positions (use open/vacant positions to eliminate/re-assign/create efficient staffing)	(990,000)
Efficient management of classified substitutes	(200,000)
Eliminate Additional Pay (Curriculum Adoptions/KG Assessment Testing)	(130,000)
Other Reductions/Re-allocation of Costs Among Programs - In Process	(200,000)
Middle School/High School Athletic Coaching Contracts/Teams/Review Participation #'s/No Cut Policy	In Review
Evaluate/hold the filling of other vacant positions that come up to conserve fund balance for application toward school year 2023-24 support of staff and programs.	<u>Ongoing</u>
<b>Total Savings</b>	<b>(\$3,000,000)</b>

**Kennewick School District  
General Fund  
Budget Outlook**

	Adopted Budget 21/22	Prelim 22/23 Pre Levy Fail	Projected 22/23 2023 Levy Fail	Projected 23/24 2023 Levy Fail & 2024 Levy Pass	Projected 24/25	Projected 25/26
<b>Revenues</b>						
Property Taxes	\$ 17,201,380	\$ 19,278,380	\$ 8,126,545	\$ 10,137,100	\$ 19,290,330	\$ 20,476,530
Levy Equalization	14,570,000	15,540,000	4,045,811	10,653,952	14,628,519	14,331,855
Other Local Revenue	1,843,500	2,243,500	2,243,500	2,243,500	2,243,500	2,243,500
State Revenue	177,862,314	187,372,314	187,372,314	192,839,682	197,349,598	201,172,912
Special Education	26,456,691	27,946,691	27,946,691	28,446,691	28,956,691	29,476,691
Transportation	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000
Federal Revenue	24,824,883	24,824,883	24,824,883	24,824,883	24,824,883	24,824,883
Other Grant/Contingency	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Other Revenue & Grants	1,138,420	1,138,420	1,138,420	1,138,420	1,138,420	1,138,420
<b>Total Revenue</b>	<b>\$ 273,197,188</b>	<b>\$ 287,644,188</b>	<b>\$ 264,998,164</b>	<b>\$ 279,584,228</b>	<b>\$ 297,731,941</b>	<b>\$ 302,964,791</b>
<b>Expenditures</b>						
Salaries & Benefits	\$ 242,992,885	\$ 253,879,469	\$ 253,879,469	\$ 258,759,719	\$ 263,941,179	\$ 269,391,162
Materials/Supplies & Operating Costs (MSOC)	40,651,030	41,343,530	41,343,530	41,843,530	42,343,530	42,843,530
<b>Total Expenditures</b>	<b>\$ 283,643,915</b>	<b>\$ 295,222,999</b>	<b>\$ 295,222,999</b>	<b>\$ 300,603,249</b>	<b>\$ 306,284,709</b>	<b>\$ 312,234,692</b>
<b>Change In Fund Balance</b>	<b>(10,446,727)</b>	<b>(7,578,811)</b>	<b>(30,224,835)</b>	<b>(21,019,021)</b>	<b>(8,552,768)</b>	<b>(9,269,901)</b>
Transfer To Capital Fund (Tri Tech)	(1,000,000)	(1,000,000)	(1,000,000)	-	-	-
<b>Change In Fund Balance After Transfers</b>	<b>(11,446,727)</b>	<b>(8,578,811)</b>	<b>(31,224,835)</b>	<b>(21,019,021)</b>	<b>(8,552,768)</b>	<b>(9,269,901)</b>
<i>Projecting ESSER Reimbursement + OSPI Enrollment Stabilization + One Time Levy Equalization + One Time Transportation \$ to add ~\$17.0M leaving Fund Balance at ~\$50.0M</i>	17,296,727					
<b>Beginning Fund Balance</b>	<b>\$ 44,150,000</b>					
<b>Ending Fund Balance</b>	<b>\$ 50,000,000</b>	<b>\$ 41,421,189</b>	<b>\$ 18,775,165</b>	<b>\$ 7,756,144</b>	<b>\$ 9,203,376</b>	<b>\$ (66,525)</b>
Apply ESSER Funding			\$ 10,000,000	\$ 10,000,000		
<b>Ending Fund Balance</b>			<b>\$ 28,775,165</b>	<b>\$ 17,756,144</b>	<b>\$ 9,203,376</b>	<b>\$ (66,525)</b>

**Reduce 2022-23 budget by at least \$5.0M (not included in above), apply ESSER and use Fund Balance To Offset Extreme Staff/Program Reductions For 2022-23.**

# General Fund Budget Outlook

	Projected 22/23 Pre Levy Fail	Projected 22/23 Levy Fail	Projected 23/24	Projected 24/25	Projected 25/26	Projected 26/27
Budget Surplus/(Deficit) Prior Year	\$ (10,446,727)	\$ (10,446,727)	(30,224,835)	\$ (21,019,021)	\$ (8,552,768)	\$ (9,269,901)
<b>Preliminary Budgeted Revenue Increase</b>						
Enrollment Changes/Enrollment Future Years 100 FTE x \$9,300	(1,800,000)	(1,800,000)	930,000	950,000	970,000	990,000
Special Education Enrollment At 2,400 For 22-23 +50 FTE Future Years	1,490,000	1,490,000	500,000	510,000	520,000	530,000
Transportation Funding Change	-	-	-	-	-	-
Other State Leg Revenue Increase/(Decrease)/ SEL Staffing	2,710,000	2,710,000	1,770,000	750,000	-	-
State Funding Materials, Supplies & Operating Cost (MSOC) Increase	1,600,000	1,600,000	350,000	350,000	350,000	350,000
Other Revenue Increases	400,000	400,000	-	-	-	-
Levy Rate	\$ 1.75		<i>Reflects Feb 2023 Levy amount and future levies pass at lower amount than proposed Feb 2022</i>			
Property Tax Revenue Increase	2,077,000	(9,074,835)	2,010,555	9,153,230	1,186,200	1,289,695
Levy Equalization Funding Change	970,000	(10,524,189)	6,608,141	3,974,567	(296,664)	(295,000)
22/23 +5.50% State Inflation Adjustment/Health Ins/Benefits	7,000,000	7,000,000	2,417,368	2,459,916	2,503,314	2,547,580
<b>Preliminary Increased Revenue Basic Ed/Local Funded</b>	<b>\$ 14,447,000</b>	<b>\$ (8,199,024)</b>	<b>14,586,064</b>	<b>\$ 18,147,713</b>	<b>\$ 5,232,850</b>	<b>\$ 5,412,275</b>
<b>Preliminary Budgeted Expenditure Increase</b>						
Staff Costs Increases During 2021-22 > Budget	488,466	488,466	-	-	-	-
Retired Teachers	(1,000,000)	(1,000,000)	(900,000)	(900,000)	(950,000)	(950,000)
Annual Cost Increase To Wage/Benefits For BEA/SPED/Local Funded	12,330,971	12,330,971	5,780,250	6,081,460	6,399,983	6,531,157
Staffing Reductions & Additions	(932,853)	(932,853)	??	??	??	??
Levy Fail Reductions <b>Need (\$5,000,000) In Shaded For 2022-23</b>	-	-	-	-	-	-
Utilities/Liability Insurance/Fuel	483,500	483,500	250,000	250,000	250,000	250,000
Other MSOC	209,000	209,000	250,000	250,000	250,000	250,000
Indirect Charges To Other Program Funding	-	-	-	-	-	-
<b>Preliminary Increased Cost Basic Ed/Local Funded</b>	<b>\$ 11,579,084</b>	<b>\$ 11,579,084</b>	<b>5,380,250</b>	<b>\$ 5,681,460</b>	<b>\$ 5,949,983</b>	<b>\$ 6,081,157</b>
<b>(Deficit)/Surplus</b>	<b>\$ (7,578,811)</b>	<b>\$ (30,224,835)</b>	<b>(21,019,021)</b>	<b>\$ (8,552,768)</b>	<b>\$ (9,269,901)</b>	<b>\$ (9,938,783)</b>
Apply ESSER Funding/Enrollment Stabilization Funding	\$ 7,578,811	\$ 10,000,000	\$ 10,000,000	-	-	-
Change In Fund Balance <b>(\$5.0M) of reductions will increase the fund balance by \$5.0M, \$28.7M to \$32.7M, \$17.7M to \$22.7M, etc.</b>	\$ -	\$ (20,224,835)	\$ (11,019,021)	\$ (8,552,768)	\$ (9,269,901)	\$ (9,938,783)
Transfer Out - Tri Tech	\$ (1,000,000)	\$ (1,000,000)	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ 50,000,000	\$ 50,000,000	\$ 28,775,165	\$ 17,756,144	\$ 9,203,376	\$ (66,525)
<b>Projected Ending Fund Balance</b>	<b>\$ 49,000,000</b>	<b>\$ 28,775,165</b>	<b>\$ 17,756,144</b>	<b>\$ 9,203,376</b>	<b>\$ (66,525)</b>	<b>\$ (10,005,308)</b>

# Next Steps & Budget Timeline

- **Levy Failure - Next Steps**

- **2022-23 Budget** – Update for first phase of levy failure reductions
  - **Target is at least \$5.0M of reductions**
- **2023-24 Budget** – Develop additional reduction list of \$5.0 - \$25.0M
  - **Extent of some or all reductions for 2023-24 dependent on:**
    - 2022-23 Enrollment vs Budget
    - Ending Fund Balance at August 31, 2023
    - Ability to use ESSER funding
    - 2023 Levy Election Results

- **2022-2023 Budget Timeline**

- **May 25:** Budget Presentations – General Fund/Other Funds
- **June 22:** Public Hearing & Adoption of District Budget