



GARFIELD SCHOOL DISTRICT NO. Re-2

Encourage, nurture and challenge every student, every day.

**Budget Reduction Recommendations
For Preparation of 2020-21 Adopted Budget
Garfield Re-2 Board of Education**

Tuesday, June 9, 2020

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Budget Philosophy

- Align-size 2020-21 **expenditures to meet the instructional, health and learning needs of our students regardless of educational model**
- Budget Conservation over a multi-year period
- Match one-time Revenues with one-time Expenses
- Maintain sufficient reserves to manage Covid-19 complexity



Garfield Re-2 Fall 2020 Learning Options

Encourage, nurture, and challenge every student, every day.

In-Person

- Greatest hope.
- Least likely.
- Begin August 17th as planned and run the normal calendar.
- Re-evaluate as conditions change.
- Takes the least summer planning.

Distance Learning

- May be needed if a second wave of infection strikes.
- Begin August 17th as planned and run the calendar as normal. Re-evaluate as conditions change.
- Summer Task Forces refine and improve distance learning strategies and expectations.
- Can use CARES \$.
- Takes some planning over the summer.

Hybrid Model: In-Person and Distance Learning Combined

- Most likely.
- Time & calendar as a tool for recovery?
 - Start on 8/31
 - Use Fridays
 - Only distance learning Thanksgiving - Christmas
- Re-evaluate as conditions change.
- Reopen as normal in January.
- Summer Task Forces vet ideas that may be viable locally.
- Can use CARES \$.
- Requires the most summer planning.



Budget Timeline

We Are On Schedule!!!

- ✓ Tuesday, June 2nd, review Budget Priorities with District Accountability Committee (DAC)
- Monday, June 8, 2020 publish notice of BOE's action on Adopted Budget on either June 23rd (last regular BOE meeting) or June 30th (special BOE meeting)
- June 23rd (or June 30th) BOE adopts 2020-21 Budget
- June 30th 2020-21 Adopted Budget on district's website under Financial Transparency



Federal CARES Act Funds

one-time money = one-time expenditures

Federal CARES Act includes multiple funding sources for Colorado that potentially could be used for K12:

- Education Stabilization Fund
 - Governor's Emergency Education Relief (GEER) - \$44m Colorado Share (Subject to Governor's Discretion)
- Elementary and Secondary School Emergency Relief (ESSER) - \$121MM/Re-2's Share **\$493K**
 - Have until Sept 2022 to utilize funds; Application is similar to Title 1 Application
 - Can backfill funds; can use for staffing
- Corona Relief Fund (CRF) \$510MM/Re-2's Share **\$2.82 MM**
 - Have until December 31, 2020 to utilize funds; stricter expense guidelines than ESSER funds
 - More guidance expected from Federal and Governor
 - Must cover costs not accounted for in March 27, 2020 Re-2 Budget



2020-21 Revenue Drivers Enrollment and PPR

General Fund \$ (MM)	Total \$63.1 MM	vs Prior Year \$67.3 MM
October Count	4,417	-5% (4650)
Preschool	310.6	-5%
Total Funded Pupil Count	4,768.2	-1.4% (4837)
Per-Pupil Revenue (PPR)	\$7,610	-10% (\$8,236)



2020-21 Re-2's Revenue Projection What We Need To Solve For To Maintain Prior Year's (Instructional) Effectiveness

Revenues	Total (Millions)	Description
SY 2019-2020 Budget	\$67.3	Inclusive of beginning fund balances
What we need to solve for in Today's Workshop	-\$4.2	Revenue decrease offset by ESER and CRF
Proposed SY 2020-2021 Budget	\$63.1	



2020-21 Projected Revenues and Expenses (1 step/1 lane)

Available Resources	Budget 19-20	Adjusted Budget 19-20	Proposed Budget 20-21
Fund Balances, <i>beginning of year</i>	14.9	14.9	15.6
Additional Resources	52.4	52.4	47.5
Available Resources	\$67.3	\$67.3	\$63.1
Total Expenditures	50.0	51.7	\$50.0
Total Reserves	\$17.3	\$15.6	\$13.1
TABOR	1.6	1.6	1.6
Board Reserve	8.0	\$8.0	8.0
Unassigned Fund Balance	\$7.7	\$6.0* (Variance of +/- \$2MM)	\$3.5



Projected 2020-2021 Expenditures – Compensation

Two Elephants In The Room

Item	Amount Increase (Recurring vs. One Time)	Percent Increase vs Prior Year
Step/Lane/Attritions (1 Step and Lane)	\$462,567 (teachers) \$1 MM (all employees)	1.52% (blended rate 1.65%)
PERA/Medicare rate increase	\$177,018	2.70%
Health Insurance	\$206,640	4.46% Static Mainly district-covered
Total	\$846,225	2.04%



2020-21 Re-2's Expense Levers High Impact/Immediate

Expense Item	Cost	Options
Steps & Lanes	\$1.0 Million Recurring	Include in 2020-21 Budget Defer Decision Until January 2021 <i>Only if no change in October 2020 Student Count And No Mid-Year Rescission</i> Prorated vs Retro Traditional vs. Stipend
Opt-Out Health Benefit Payment (HRP)	\$250k-\$500k One-time Approx. 100 employees	Eliminate Negative Incentive Payment Apply to other tiers (notably family plans) in Year 2



2020-21 Re-2's Expense Levers High Impact/Immediate

Expense Item	Cost Savings	Options
Reduce Contract Time for Admin and Classified Employees	\$180,000 annually	District currently operates on 260 contract days Reduce contract days to 255 or 252 days Effective July 1, 2020 Close District 7/6-7/10
Flex-Calendar and/or Furlough Days	TBD \$141k per day (avg. daily rate \$210.02)	



2020-21 Re-2's Expense Levers High Impact/Year 2021-22

Expense Item	Cost	Options
Staff Reductions	TBD Requires planning time Dependent on Instructional Model Equity Issues	RIF Furlough Early Retirement 2021 Implementation
Increase Employee Healthcare Contribution Rates	TBD	2021 Implementation
Re-bid District's Health and Insurance Benefits	TBD	2021 Implementation



Collaborative Solutions Finance Workshop Overview

- Collaborative Solutions' Mission is to develop collaborative solutions that promote a positive climate and culture within Garfield Re-2 focusing on wages, benefits, working conditions, personnel policies and staff relations.
- Collaborative Solutions' Guiding Value is to keep as many employees as possible, by using staff in creative ways to retain as many district employees as possible.



Collaborative Solutions Finance Workshop Recommendation

- Recommend Steps and Lanes increases of 1.8% Certified and 1.5% Classified and Admin. for the 2020-21 School Year
 - Reasons for Recommendation:
 - Mill Levy Override of \$4.9 million was believed to fund steps and lanes for up to 3 years
 - \$3-\$6 Million of additional Unassigned Fund Balance (an “overage” to the Board’s \$8MM Reserve) can support the \$1 MM increase associated with Steps & Lanes Increase
 - Optics to staff and community
 - Offsets employees’ PERA contribution increase of 1.25% from 8.75% to 10%
 - District’s increase is .5% from 20.4% to 20.90%



2020-21 Final Budget Workshop Finance's Recommendations

Expense Item	\$750,000 in Savings	\$1,500,000 Savings
BOE Commits up to \$4MM from Unassigned Fund Balance	<p>Starting July 1, 2020</p> <p>Medical Opt-Out payments cease</p> <p>District reduces contract days (from 260 to a minimum of 255)</p>	
BOE Commits up to \$3MM from Unassigned Fund Balance		<p>July 1, 2020</p> <p>No Steps and Lanes (unless October 2020 Student count is unchanged and No Mid-year Rescission and in the form of a stipend)</p> <p>Opt-out payments cease</p>



Questions

