

Colorado Springs School District 11
Superintendent Dr. Michael J. Thomas
Division of Business Services
Deputy Superintendent/CFO Glenn E. Gustafson, CPA
Director of Financial Services Laura Hronik, MBA

DAC Budget Subcommittee

Web page: [District Accountability Committee \(DAC\)](#)
Chairman Michael Reyes

Meeting Notes

May 12, 2020

6:00 p.m.

Administration Building Board Room

Members present: Chair Michael Reyes, Vice-Chair Jan Rennie, Clara Hoellerbauer, Amanda Huber, Carl Schueler, Bruce Cole, Donna Ecks, Sandra Park, Kathy Box, Trish Nixon, Karin Lindt, Colleen Pearl, Jenny Courtier, Robert Grossman, Ken Pfeil, Jason Rockwood, Bob Null

Ex-officio members present: Glenn Gustafson, Laura Hronik, and Anna Monroe

The meeting began at 6:00 PM via Webex. There were no absent DACBC members.

Glenn Gustafson led this meeting to discuss the proposed budget options, which were shown on the Budget Values Exercise, that were being assessed due to the COVID-19 budget cuts. He explained to the committee the five options currently available, each of which would take into account various budget cuts to balance the budget. This document is shown on the next page.

The first option titled Scenario 1, the flat funding, was the option offering the lowest amount of cuts, and the Scenario 5 option offered the highest amount of cuts. The scenario that would be chosen was still pending State data and Board of Education review.

Mr. Gustafson reviewed each of the budget lines of this document and explained each possible cut that could be made from the scenario options. Once he concluded his review, committee members were able to ask questions about the different budget cut options, and a discussion was held to discuss preferences and additional ideas.

Additionally, the committee discussed COVID-19 related changes and how those may affect the district moving forward. Mr. Gustafson also asked the committee to contact Anna Monroe to confirm membership for FY2020-21.

The next DACBC meeting will be held in September 2020, likely via Webex.

Colorado Springs School District 11
Proposed Budget
FY 20/21

Mismatch Carryover from FY 19/20 + Mid-Yr Budget Mods
Total Program Funding (Estimate) - FY 20/21

	Scenario 1 Flat Funding	Scenario 2 -1%	Scenario 3 -5%	Scenario 4 -10%	Scenario 5 Base Funding
	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
	(3,756,733)	(5,954,831)	(14,747,221)	(25,737,708)	(37,684,368)
Other Revenue Adjustments					
1 Charter School Enrollment Adjustment	0	130,368	651,840	1,303,680	2,007,667
2 PreSchool Allocation	0	0	0	0	(250,000)
3 Retirement Differential	572,000	572,000	572,000	572,000	572,000
4 Teacher Reduction to Formula	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
5 Mill Levy Inflation Clause Reclassification	1,423,838	1,423,838	1,423,838	1,423,838	1,423,838
6 2021 MLO Inflation Clause	0	1,450,000	1,450,000	1,450,000	1,450,000
7 2000 MLO Plan Amendment	2,400,550	2,400,550	2,400,550	2,400,550	2,400,550
7b 2000 MLO Plan Amendment	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)
8 Interest Income Reduction	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
9 Specific Ownership Tax Reduction	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Net Resource Change FY 20/21	\$1,239,655	\$621,925	(\$7,648,993)	(\$17,987,640)	(\$29,480,313)

FY 20/21 Compensation:		Scenario 1 Flat Funding	Scenario 2 -1%	Scenario 3 -5%	Scenario 4 -10%	Scenario 5 Base Funding
10 Teacher Steps	1,980,070	0	0	0	0	0
11 Teacher Lanes	600,000	600,000	600,000	600,000	0	0
12 Teacher 14/25 Increments	192,315	192,315	192,315	192,315	0	0
13 Teacher Recurring % Increase	1.0%	1,325,062	0	0	0	0
14 ESP Steps/Increments	363,074	0	0	0	0	0
15 ESP Recurring % Increase	1.0%	373,820	0	0	0	0
16 ESP Minimum Wage Only	267,354	267,354	267,354	0	0	0
17 Exec/Pro Increments	464,998	0	0	0	0	0
18 Exec/Pro Recurring % Increase	1.0%	237,774	0	0	0	0
19 District Share of PERA Increase	0.5%	747,840	747,840	747,840	747,840	747,840
20 District Share of Benefit Increases	15.1%	2,475,313	2,475,313	2,475,313	2,475,313	2,475,313
21 Reallocation of Employee Benefit 75/25 %'s	1.0%	320,000	0	0	0	0
Total Compensation Increases		9,027,620	\$4,282,822	\$4,282,822	\$4,015,468	\$5,223,153

Other Budgetary Requirements/Increases:		Budget Mods	Scenario 1 Flat Funding	Scenario 2 -1%	Scenario 3 -5%	Scenario 4 -10%	Scenario 5 Base Funding
22 Restoration of school Non-Inst allocations (non-recurring)	250,000		250,000	0	0	0	0
23 Re-Opening Longfellow Costs of staff/Operation	284,168		284,168	284,168	284,168	284,168	284,168
24 Business Services Contract Cost Increases	39,900		39,900	39,900	39,900	39,900	39,900
25 Choice Busing Initiative for GMP Programs (operating)	300,000		0	0	0	0	0
26 Pay for ESP on Board Appointed Committees	4,000		4,000	4,000	4,000	4,000	4,000
27 Non-Recurring Transfer to Benefits Fund for Large Claims	0		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total Other Increases			\$3,578,068	\$3,328,068	\$3,328,068	\$3,328,068	\$3,328,068

Budgetary Reductions/Decreases:		Amount	BDE	Scenario 1 Flat Funding	Scenario 2 -1%	Scenario 3 -5%	Scenario 4 -10%	Scenario 5 Base Funding
28 One-Time June 30 Budget Sweep (adm)	NR	250,000	1	250,000	250,000	250,000	250,000	250,000
29 Reduce every administrative department by 10%		1,000,000	2	500,000	500,000	500,000	1,000,000	1,000,000
30 Implementing furlough days	Per Day	900,000	3	900,000	900,000	2,700,000	3,600,000	4,500,000
31 MLO - Transfer MLO Capital Reserve on non-recurring basis		8,800,000	4	2,000,000	2,500,000	4,400,000	4,400,000	8,800,000
32 Reduce HS Bldg Technicians by 1 FTE per HS	5 FTE	180,000	5	180,000	180,000	180,000	180,000	180,000
33 Close Tesla Middle School Program	5 FTE	180,000	6	180,000	180,000	180,000	180,000	180,000
34 Eliminate AVID resources & support		140,000	7	140,000	140,000	140,000	288,190	140,000
35 MLO - Freezing MLO Technology Replacement for FY 20/21. This would require a MLO Plan amendment.		1,000,000	8	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
36 Reducing school office positions (ESP)	3 FTE	125,000	9	125,000	125,000	125,000	125,000	125,000
37 Freezing/postponing all/most prof dev opportunities		800,000	10	800,000	800,000	800,000	800,000	800,000
38 Reduce MS Bldg Technicians by 1 FTE per MS	9 FTE	320,000	11	320,000	320,000	320,000	320,000	320,000
39 Rate increasing the walk-in distance by 0.5miles		250,000	12	250,000	250,000	250,000	250,000	250,000
40 Outsource custodial services (this reduces ESP)		1,000,000	13	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
41 Shift the District's contribution towards benefits from 75%/25% to 65%/35%	Per 1%	320,000	14	320,000	1,600,000	1,600,000	1,600,000	1,600,000
42 One-Time June 30 Budget Sweep-Schools (schools)	NR	2,500,000	15	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
43 Eliminating Capital Reserve Fund Projects for FY 20/21.		4,500,000	16	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
44 MLO - Freezing all instructional supplies & materials purchases from the MLO for FY 20/21. This includes over \$400,000 for technology.		1,650,000	17	1,650,000	1,650,000	370,000	1,650,000	1,650,000
45 Reduce School Instructional Allocations by \$10/pupil.		250,000	18	250,000	250,000	250,000	250,000	250,000
46 MLO - Freezing all MLO Staff development for FY 20/21. This would require a MLO Plan amendment.		370,000	19	370,000	370,000	370,000	370,000	370,000
47 Increasing class size (requires MLO Plan Amendment)	Per PPL	1,200,000	20	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Total Budget Reductions				\$3,650,000	\$4,150,000	\$11,965,000	\$19,863,190	\$30,613,000

Non-Recurring Reserve (Increases)/Decreases:		Scenario 1 Flat Funding	Scenario 2 -1%	Scenario 3 -5%	Scenario 4 -10%	Scenario 5 Base Funding
48 Of Contingency Reserve	NR	16,000,000				
49 FY 19/20 TABOR Reserve Designation	NR	4,000,000				
50 TABOR Reserve	NR	5,300,000				
51 School Instructional Supplies & Materials Carryover	NR	2,302,836				
52 Stimulus Funds from State/Federal	NR	6,122,674				
53 Employee Benefit/Health Care Subsidy - Covid-19	NR	3,000,000				
Total Reserve Changes		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Initial Budget Deficit		\$2,971,235	\$2,838,965	\$3,027,529	\$4,675,671	\$5,416,534
		\$0	\$0	\$0	(\$50)	\$0

