

FY21 Budget Update

Cincinnati Public Schools
Jennifer M. Wagner, Treasurer/CFO
10.19.2020

A Point of Clarity

Despite the unusual times and method we are using for developing the operational line by line budget, we **DO** have a budget.

When the board adopted the Appropriations Resolution, I was granted the authority to spend up to \$625M out of the general operating fund.

We have processed thousands of orders to supply schools with instructional and safety supplies.

The process to be completed is the line by line allocation of the budget target.

[illegible]

It's all about CASH!



Corporate World/Private Industry

Operates on an Accrual Basis

Revenues/Expenses are recognized when incurred:

Revenue - When order is made

Expense: An example: Purchase of Computer

Expense is recognized when the invoice is received.

Cincinnati Public Schools

Operates on a CASH basis

Revenues/Expenditures are recognized when payment is exchanged

Revenue - Cash is deposited in bank

Expenditure: An example:
Purchase of Computer

Expense is recognized when payment is made.

It's ALL about CASH

CPS Multi-Year Financial Plan

- ★ Cannot have negative cash balance - 3 yr window
- ★ Board guideline - no new levies

May 2020 Five Year Forecast (a portion)

	FY21	FY22	FY23	FY24
Prior Year Ending Cash balance 6.30.2020	\$106.6M	\$ 73.5M	\$ 35.2M	\$.2
Forecasted Revenues <i>Revised</i>	+ 591.7	+ 582.6	+ 567.0	+550.7
Levy Renewal		+ 23.3	+46.6	+71.6
Available resources	= 698.3	= 679.4	= 648.8	= 622.5
Required Cash Balance 6.30	- 73.5	- 35.2	- .2	-(30.4)
Allowable Spending (<i>Budget</i>)	\$624.8	\$644.2	\$648.6	\$ 652.9

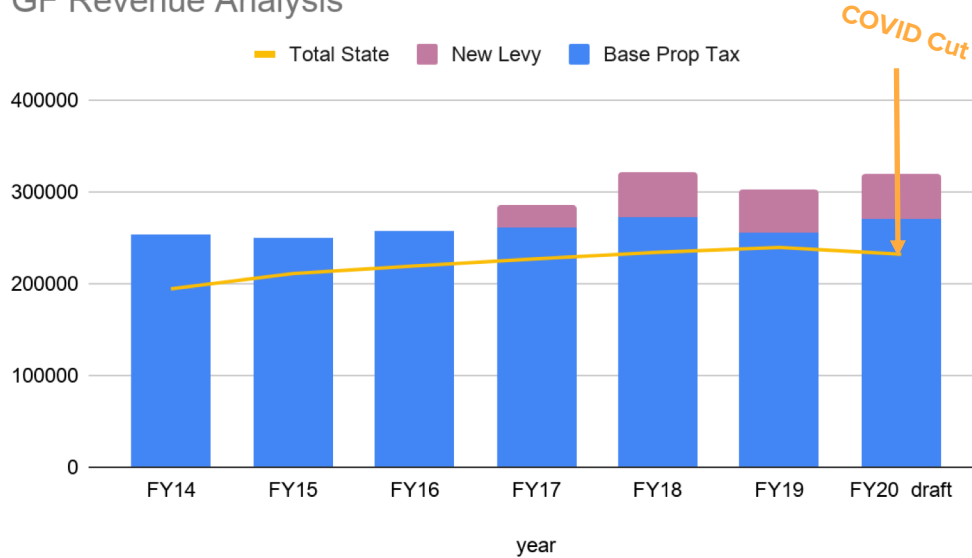
It's ALL about CASH

May 2020 Five Year Forecast - revised September based on New economic indicators

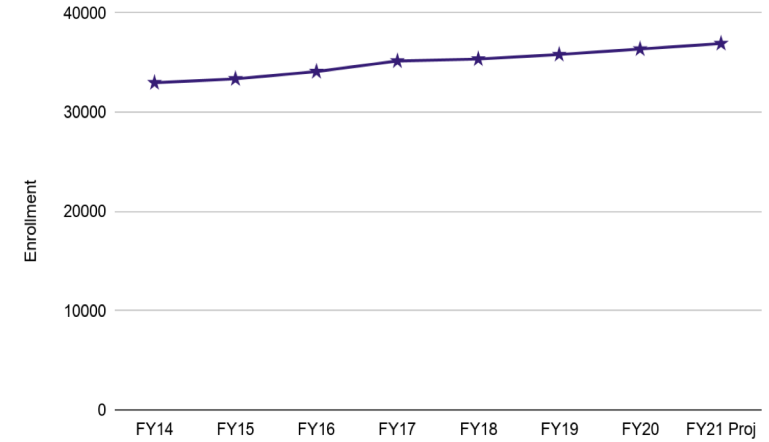
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Assumption Changes: Removed FY21 State Rev reduction; Increased City TIF revenues; Updated Advances

GF Revenue Analysis



Enrollment Trend



- Property Tax Revenues do not fluctuate with enrollment
- Pink stack represents New levy passed Nov 2016
- Yellow arrow indicates State funding cut \$8M

CPS Spending Categories

01	Fixed Spending	• Debt Payments • Technology Lease Payments • County Auditor Fees • Liability Insurance • Building Maintenance Transfer
02	Fixed: Controlled by State	• Charter School Tuition • Ed Choice Voucher Tuition • Peterson Scholarship Tuition • Autism Scholarship Tuition
03	Mixed Fixed/Variable (steps)	• Classroom Staff - Teacher • Bus Services • Formula based staff (CBA's)
04	Variable Spending	• Instructional Supplies • Non-formula based staff • Contracted Professional services

FY21 Budget: BRIDGE to “New CPS”

Imperative: Long term fiscally responsible financial decisions while trying to balance a budget during an unprecedented pandemic



FY21 General Fund Budget Adjustments

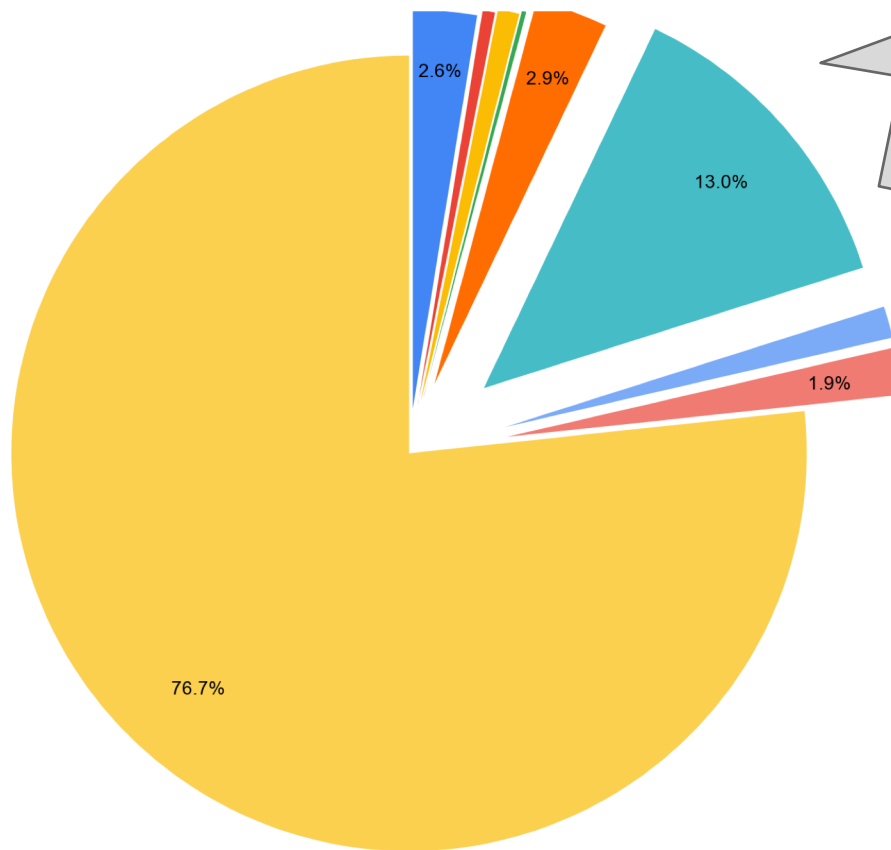
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+		-		Status
Covid Supplies, Staff, Technology	\$27.5M	Vendor Contracts/Services	-\$8.0M	
Voucher Tuition	\$5.0M	Personnel Reductions	-\$16.5M	
Enrollment Growth	\$7.8M	Transportation Savings (1/2/2)	-\$3.9M	Recorded
Strategic Plan Investments	\$8.9M	Potential Staffing reductions	-\$24.0M	TBD
		Funding Shifts	-\$5.5M	In progress
		Deferred Projects/Cancelations	-\$5.8M	
Estimated Total \$ 42.7M		Estimated Total -\$63.7M		

FY21 Budget Current Status - \$644M

(revised based on new economic data)

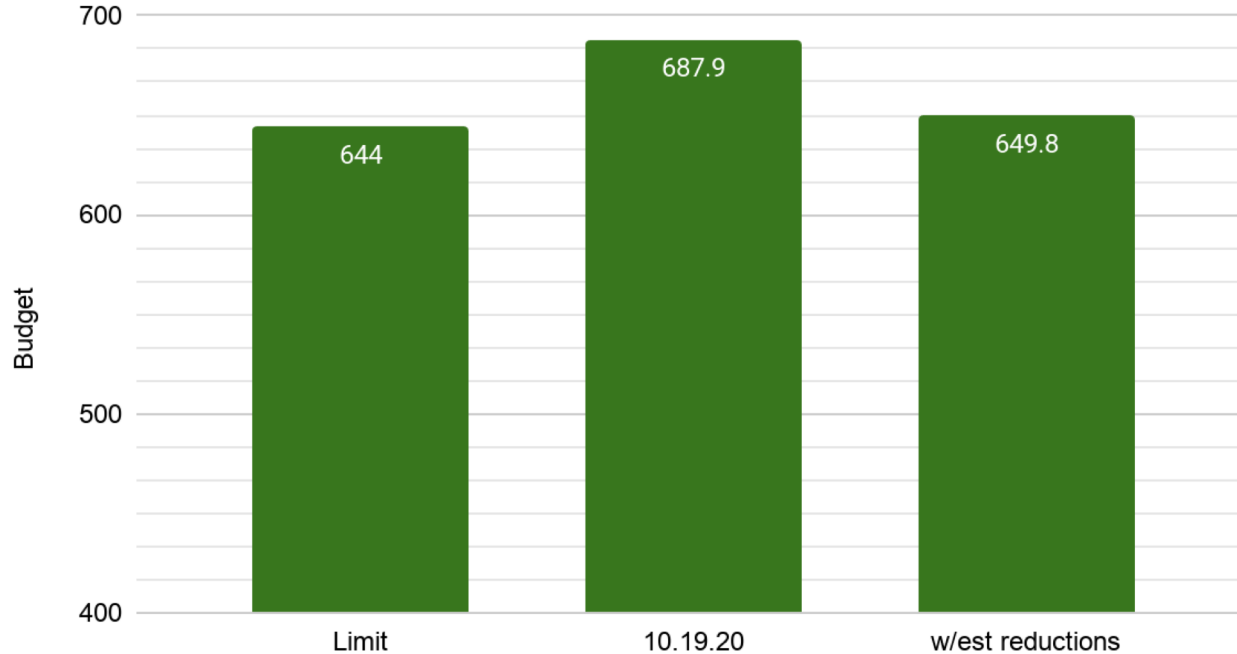
- GF –Debt Payments
- Bldg Maintenance Fund transfer
- District Fees
- Liability Insurance
- Technology Lease payments
- Tuition: State deduction
- Transportation: Non CPS
- Collective Bargaining Obligations
- Operations



Of the Budget Limit - 23.3%
comes off the top for
Fixed/State Controlled
Expenses - \$150.1M

FY21 GF Budget - Closing the GAP

Budget Limit vs Current Status



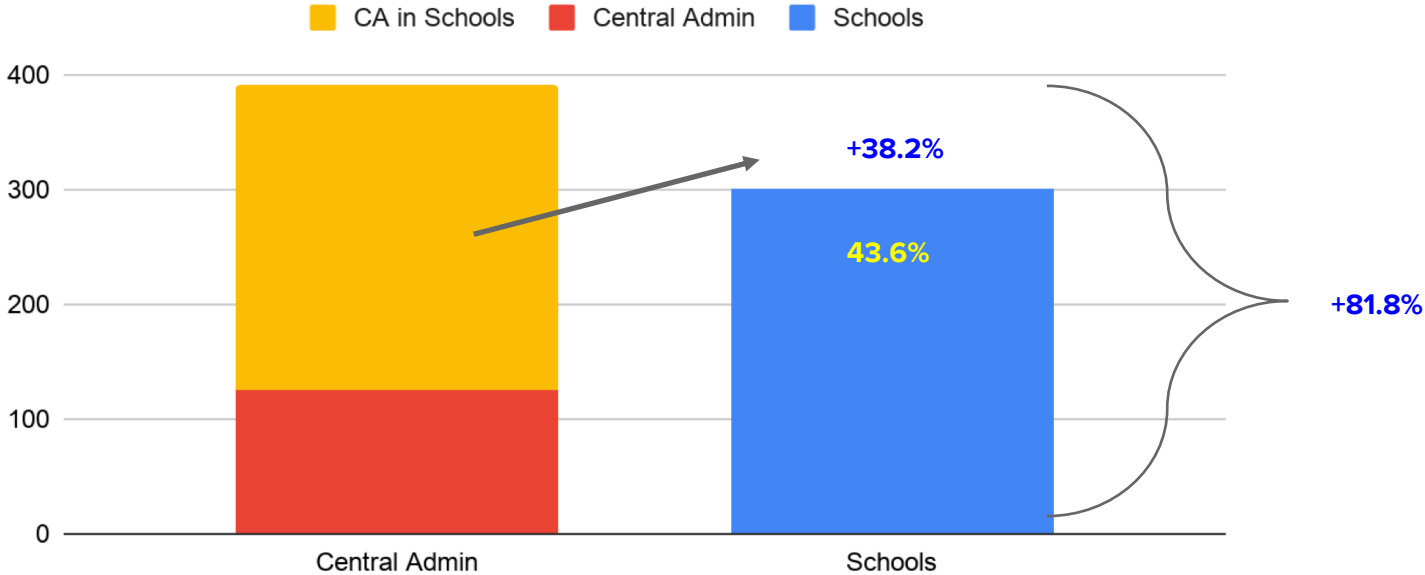
Reduction suggestions \$38M

Transportation (Walnut)	700K
Cares Act Adj	3.6M
Freeze Vacancies	11.8M
½ Supersubs	4.4M
Overload pay	1.6M
Funding shifts	6.5M
1/2/2 Savings (4 day)	1.2M
Est Budget Staffing reductions	6.2M
Canceled PY encumbrances	2M

Still unknown: Leave requests, Bus Ridership, Enrollment, Future of staying open, Ability to adhere to above recommendations

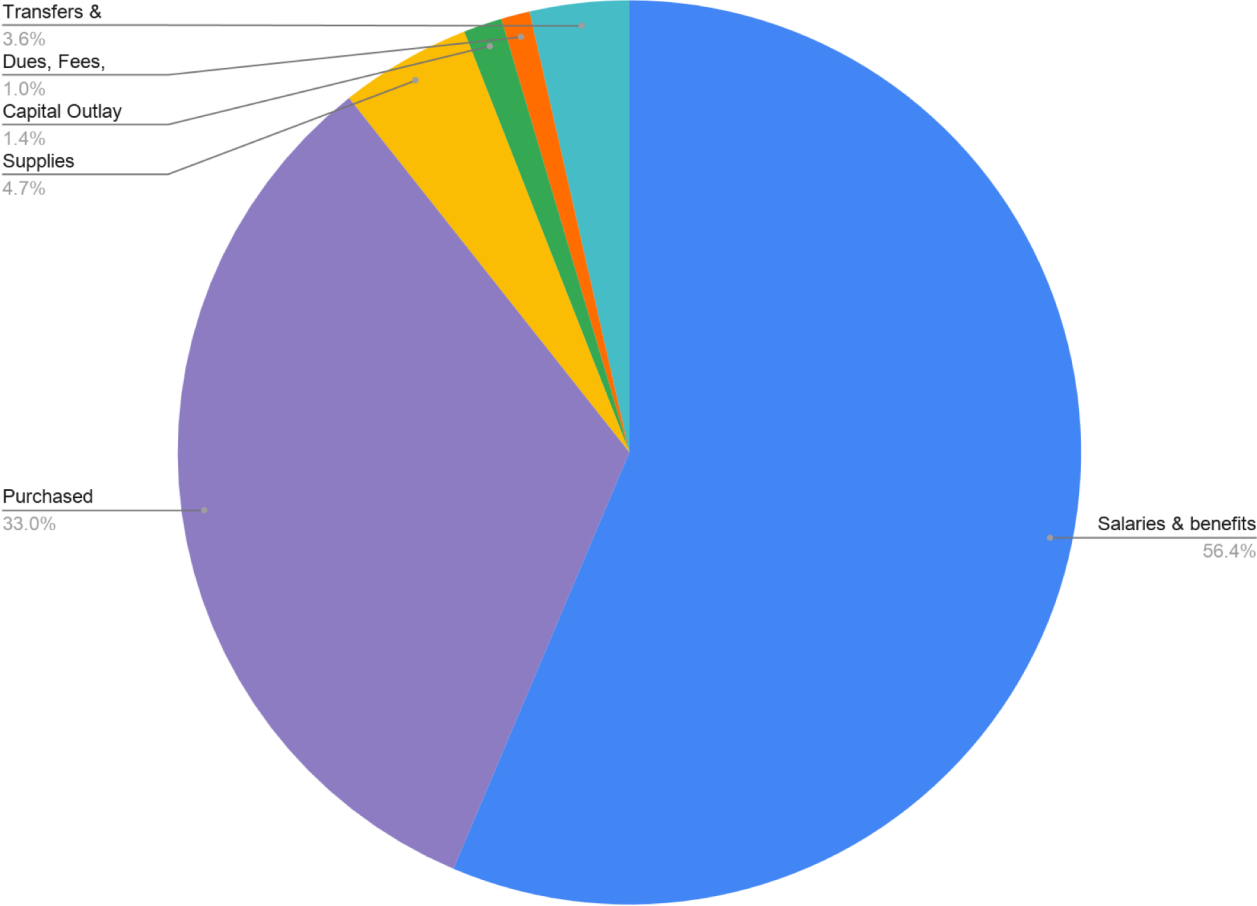
October 19th View

Central Admin vs Schools



Percent	Budgeted	Cost Allocated
Schools	43.59%	81.81%
Central	56.41%	18.19%

**Cincinnati
Public
Schools
Budget
Breakdown
By Object**



Next Steps

- Budget Staffing Committee Process:
 - ◆ Align Staff to actual enrollment (Oct 28, 29, 30)
- Election Day- Nov 3rd
 - ◆ No immediate impact on current year budget
 - ◆ Could influence current reduction decisions
- PLT Develop Recommendations to Close the “final gap”
- Budget Update- Nov 4th
- Budget Approval & Five Year Forecast- Nov 16th

FY21 CPS Staffing Changes (after TAC)

Anticipated Normal August Staffing

FY21

- Projected Students 36,919
- Five Days (Face to Face)
- MyTomorrow
- Vision2020
- Equity

Current Base Staffing

FY21

- Current Enrollment **XXXXX**
- 1/2/2 Model
- 6 ft social distancing
- Staffing Formulas Only

Current COVID Staffing

FY21

- Current Enrollment **XXXXX**
- 1/2/2 Model
- 6 ft. Social Distancing
- Safety Requirements
- **Return to Face to Face - 5 days**

Important to maintain staffing to reopen face to face instruction safely

