



FY25 Budget Update

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Summary

- Due to the extent of the cuts required to balance the budget, the process is taking longer than normal.
- Although revenue has increased slightly, significant reductions are still necessary.
- The timeline for budget completion has been revised and updated.
- The budget team is working diligently to make sure the board is able to approve a budget within the time-frame required by law.



Timeline

	Original Timeline	Revised Timeline
Executive Review & Sign-Off		2/23/2024
Enrollment projections sent to schools		2/28/2024
Budgets Shared with Schools and Departments; BTO Portal Opens	2/12/2024	3/1/2024
Department budget recommendations shared	2/22/2024	3/5/2024
BTO Portal Closes	3/1/2024	3/15/2024

The magnitude of changes required to achieve a balanced budget in a way that is intentional and equitable has taken longer than we anticipated. This has delayed the timeline as reflected above.

Revenue Projections

	FY24	FY25	YOY
	Budget	Budget	Change
General Education Aid	\$293.9M	\$306.0M	\$12.1M
Special Education Aid	\$93.2M	\$92.1M	(\$1.1M)
Property Tax Levy	\$145.8M	\$143.2M	(\$2.7M)
Federal Funds	\$50.5M	\$52.0M	\$1.5M
Covid Relief Funds	\$92.4M	\$0.0M	(\$92.4M)
Non-Federal Grants	\$2.8M	\$3.0M	\$0.2M
Funded Programs	\$10.0M	\$10.0M	\$0.0M
Other Revenue	\$6.1M	\$6.1M	\$0.0M
Subtotal General Fund	\$694.7M	\$612.4M	(\$82.3M)
Food Service	\$22.5M	\$21.9M	(\$0.6M)
Community Education	\$36.0M	\$32.5M	(\$3.5M)
Total Operating Revenue	\$753.1M	\$666.9M	(\$86.3M)

- FY25 General Fund revenue of \$612.4M is \$82.3M lower than the current year's revenue budget.
- The change is driven by the loss of ESSER funding:
 - \$29.0M for Intervention Teams
 - \$63.4M for other operating costs
- Excluding the loss of ESSER funding, General Fund revenue is otherwise increasing by \$10M.
- Revenue is better than initially expected due to new-to-country families.

Current Year Expense Review

	Current Year FY24			Prior Year FY23	
	Budget	YTD Actual	% of Budget	YTD Actual	% of Budget
General Fund					
Salaries	\$391.5M	\$213.9M	54.6%	\$201.5M	54.2%
Benefits	\$142.1M	\$66.1M	46.5%	\$60.7M	46.0%
Purchased Services	\$117.1M	\$54.2M	46.3%	\$49.9M	37.7%
Supplies & Materials	\$31.4M	\$17.1M	54.5%	\$14.7M	56.9%
Capital Expenditures	\$0.8M	\$0.3M	34.9%	\$0.3M	18.1%
Other Expenses	\$8.5M	\$1.9M	21.7%	\$0.7M	10.4%
Subtotal General Fund	\$691.5M	\$353.5M	51.1%	\$327.7M	49.0%
Food Service Fund	\$26.8M	\$13.3M	49.6%	\$12.9M	62.7%
Community Service Fund	\$32.9M	\$18.0M	54.8%	\$17.2M	45.0%
Total Operating Funds	\$751.2M	\$384.8M	51.2%	\$357.8M	49.2%
Building Construction Fund	\$132.0M	\$69.6M	52.7%	\$50.1M	35.3%
Debt Service Fund*	\$92.5M	\$96.8M	104.6%	\$96.1M	105.4%
Total Non-Operating Funds	\$224.5M	\$166.4M	56.5%	\$146.2M	52.5%
All Funds	\$975.7M	\$551.2M	56.5%	\$504.0M	50.1%

- Operating expenditures have generally been running ahead of last year in both \$ expended and expenditures as a % of budget.
- General fund YTD expenditures have increased by \$25.8M year-over-year, or 7.9%.
- While much of the increase year-over-year is related to Intervention Teams, non-intervention expenses have also increased at least 3%.

Current Year Balance Sheet

	CY FY24	PY FY23	Y-o-Y Change
Cash	\$77.7M	\$97.9M	(\$20.2M)
Receivables	\$127.5M	\$119.2M	\$8.3M
Prepays	\$5.2M	\$10.0M	(\$4.8M)
Other	\$4.1M	\$7.2M	(\$3.1M)
Assets	\$214.5M	\$234.3M	(\$19.8M)
Salaries Payable	\$28.7M	\$30.8M	(\$2.2M)
Accounts Payable	\$2.8M	\$5.8M	(\$3.0M)
Other	(\$0.0M)	\$0.0M	(\$0.0M)
Liabilities	\$31.4M	\$36.6M	(\$5.2M)
Deferred Inflows			
of Resources	\$122.4M	\$114.7M	\$7.8M
Fund Balance	\$60.6M	\$83.0M	(\$22.3M)
Liab, Def & Fund Bal	\$214.5M	\$234.3M	(\$19.8M)

- The amount of cash held by the district in the General Fund is \$20.2M less than it was at this time last year.
- The amount of cash held in the General Fund is insufficient to cover even two months of expenses.
- This is not necessarily a cause for concern. We anticipate sufficient cash flow to maintain operations.
- However, it is something we want to keep an eye on.
- Most of this decline is reflected in the Fund Balance.

Process Milestones

Task	Description	Status
Department Reviews	All departments must present a proposed budget to a Department Budget Committee. The Department Budget Committee then created a set of recommendations for consideration.	Complete
Predictable Staffing	The Schools Committee reviewed the current predictable staffing model, made adjustments to improve the model.	Complete
Other School-Specific Decisions	The Schools Committee reviewed how certain funding streams are allocated to schools, made adjustments as necessary.	Complete
Contract Review	The Contracts Committee met with each department, prepared a comprehensive list of contracts under which the district is obligated.	Complete
Executive Review	The proposed budget is reviewed by the Superintendent and senior leadership, prior to sharing with the Board Finance Committee and School Board.	In Process
Budget Tie-Out	Individual budget owners access the BTO Admin Portal and enter budget information for the next fiscal year.	Delayed

Next Steps

Once Executive Review is complete, a number of steps must be completed:

- Proposed budget changes that impact individuals must be communicated privately to those individuals (late February).
- Recommended budgets will be presented to the Finance Committee on March 5 and March 19 meetings.
- The final budget recommendations will be presented to the full Board of Education on March 26.
- Interview & Select (April thru early June)
- First reading of the budget on May 14.
- Final approval of the budget at the June board meeting.

Achievement and Integration Budget Update

Questions?