

Board of Education
FY 2020-21 Preliminary Budget Study Session
April 28, 2020

Presented by Shae Martinez and Eddie Storz



2020-21 Preliminary Budget

- Budget Development Timeline
- Budget Development Input
- Enrollment
- Budget Options
- Next Steps



2020-21 Budget Development Process

Budget Timeline

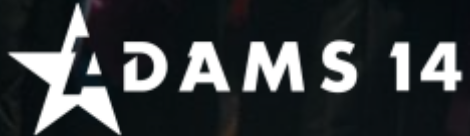
October	November	December	January	February	March	April	May	June
DAC 19-20 budget review	DAC declining enrollment and facility needs	DAC Budget alignment to UIP	DAC retreat. Amended budget report and feedback	DAC work-session on budget priorities	DAC finalizes budget priorities	DAC presents recommendations to the board	OSPB and Leg. Council to release forecast on May 12 .	Presentation of proposed budget to board on June 9 th .
	Governor's budget released	Verify and adjust staffing actuals	Begin staffing adjustment for declining enrollment	Negotiations begin	Board retreat and funding information	April 3 update- \$1.9B less revenue from state. Estimates range from 1-20%	Provide draft budget to the board by the 31 st .	Board adopts budget at June 23 rd meeting
		State updates current year revenue forecast	Reorganization of central admin staff	PERA confirms additional contribution for employees and employers	Staffing meetings with principal's and department leaders	Preliminary budget recommendation presented at board study session April 28th	Resume Negotiations on May 27th	
			Amended budget presented and adopted	Executive leadership budget retreat	Benefit and risk insurance rates released		Post notice for public comment	
					COVID-19 creates initial \$800m shortfall for state			

2020-21 Budget Development Process

Budget Development Input Groups

Budget Development Input Groups

- District Accountability Committee Recommendations
- School Accountability Committees
- Parent Academy
- Department Leaders and Principals
- Superintendent School Visits
- MGT Turnaround Specialists
- Superintendent's Cabinet



2020-21 Budget Development Process

Enrollment

	FY 2020-21 Projected	FY 2021-22 Projected	FY 2022-23 Projected
Average FTE (5 year)	6,388	6,138	5,840
CPP	286	262	256
Funded FTE	6,674	6,400	6,096
Difference	(205)	(274)	(304)



Preliminary Recommendations, Assumptions, and Options

- General Operating Fund
 - Revenue- Enrollment & School Finance Act
 - Transfers
 - Expenditures
 - Pending Legislative Impacts
 - Summary of Changes

- Assumptions and Options
 - Summary

- Next Steps

2020-21 Revenue



Item	Amount of Change	Description
-3% Net PPR Change	(\$1.7M)	1.9% Inflation w/ Neg Factor Increase
Declining Enrollment	(\$1.8M)	Projected decline with averaging. (205 FTE)
Estimated Federal Stimulus	\$1.5M	Estimated through Title 1 formula
Property Tax S/O Collection	(\$500K)	Anticipated collection issues post COVID-19
Misc. Revenue Adjustments	(\$300K)	Remaining net of increase/decreases
Net Revenue Adjustments	(\$2.8M)	

2020-21 Transfers



Item	Amount of Change	Description
Risk Management	\$ 550K	9% increase in premiums
Capital Reserve	(\$670K)	Fund balance carryover and reduced scope
Fee Supported Fund	(\$130K)	Fund balance and Adult Ed transfer
Athletics Fund	(\$40K)	Budget reduction
COP Service Fund	(\$5K)	Payment is adjusted annually
Nutrition Fund	\$50K	Estimated to keep Nutrition Fund solvent with reimbursement reductions
Net Change in Transfers	(\$255K)	Transfer Adjustments

2020-21 Expenditures - Compensation



Item	Amount of Change	Description
Steps/Lanes/COLA	\$ 0.0	Negotiations pending
PERA rate increase	\$250K	0.5% Employer Rate
Health/Dental	\$100k	1.8% increase in Kaiser rates
Subtotal	\$350K	Compensation Adjustments

2020-21 Expenditures – Budget Adjustments



Item	Amount of Change	Description
MGT Contract	(\$220K)	EASI grant
Turnaround Funds	(\$620k)	One-time funds disbursed to schools in FY 19-20
Net Staff Adds/Deletes	(\$1.1M)	Adds include staffing from grants, reorganization. Reductions include staffing for declining enrollment
Reduction to School Cash Allocations	(\$163k)	Declining enrollment adjustment (formula based on pupil count)
Reductions to Department Budget	(\$595k)	Detailed review of contracts and efficiencies for reductions
Subtotal	(\$2.7M)	Budget Adjustments

2020-21 Expenditures – Budget Adjustments



Item	Amount Of Change	Description
Curriculum	(\$1.1M)	Large allocation added in 19-20, reduce amount to what is needed for next years planned implementation
CTE Expansion	\$150k	CTE Director as well as 2 additional teaching FTE are add in staffing
Superintendent Salary and Benefits	\$100K	Possible ½ year or MGT supported. Will adjust accordingly
AVID support	\$25K	1 FTE is captured in net staff adds/deletes
Subtotal	(\$825K)	Budget Adjustments
Total Budget Adjustments	(\$3.5M)	

2020-21 General Fund Ongoing Summary



Item	Amount of Change	Description
Revenue/Transfers	(\$2.5M)	PPR, declining enrollment, property tax collections
Total Revenue/Transfers	(\$2.5M)	
Compensation	\$350K	Negotiated salary and benefits not included at this time
Budget Adjustments	(\$3.5M)	Staffing and declining enrollment reductions
Legislative Impacts	\$0.0M	TBD
Total Uses	(\$3.15M)	
Ending Balance	\$600K	Net Change Compared to Supplemental Budget 19-20

2020-21 General Fund Balance



Item	Amount	Budgeted 2019-20	Difference
Projected EFB 19-20	\$18,087,610	\$16,719,068	+ \$1,368,542
Projected Revenue/Transfers 20-21	\$66,971,351	\$69,519,397	(\$2,548,046)
Projected Expenditures 20-21	\$69,593,177	\$72,743,899	(\$3,150,722)
Projected EFB	\$15,465,784	\$13,494,566	+\$1,971,218
Nonspendable	\$143,000		
TABOR	\$2,500,000		
5% per Board Policy	\$3,400,000		
MGT Subsequent year contract	\$1,025,000		
MGT Bonus	\$1,361,000		
Undesignated	\$7,036,784		
Budgeted Use of Reserves	\$2,621,826		

2020-21 Budget Development Process

Budget Balancing Scenarios

- 3% Funding Cut - \$1.7M
 - Presented Proposal
- 5% Funding Cut - \$2.9M (\$1.1M in addition to 3%)
 - Reduce Undesignated Fund Balance
- 10% Funding Cut - \$5.8M (\$4M in addition to 3%)
 - Further reductions to fund balance

2020-21 Budget Development Process

Assumptions and Options

General Fund Preliminary Assumptions with Best Case Scenario



- Negotiations are delayed until the funding picture is outlined
- Capital Reserve transfer is based on previous DAC and Board priorities outlined in later slide which includes upgrade to technology and security
- MGT payment is budgeted and next years payment and bonus remains reserved in fund balance
- General Fund supplement to Preschool
- Adult Ed is not included in this scenario, but will be listed as an option
- CTE expansion is included in this budget
- Science curriculum will be purchased per adoption schedule

Capital Reserve Fund

Technology

- The preliminary budget has \$930k that will be carried over from 2019-20 for a 5 year technology refresh plan. This plan increases the previous allocation to Technology by approximately \$500k per year, but is highly recommended in the current environment and with Chromebooks and I-Pad's having a maximum 4 year life span.

The following slides outline the proposal

Current Status

- **Purchased through school / grant funds**
 - iPads
 - Classroom Chromebooks
 - Speaker systems (FrontRow / Lightspeed)
 - Projectors and connectivity
- **Purchased by Technology Services / District funds**
 - Computer Labs
 - BT Chromebook carts (BOE special funds)
 - Full time staff computers (certified / admin)
 - Network infrastructure and services

Current Classroom

- Projectors are wall mounted, ceiling mounted, old SMART interactive boards, or sitting on a desk/cart
- Some have desktop speakers, others have classroom amplification
- Examples of non-standardization and inequity
 - Elementary
 - Some kinder classrooms have 2-3 old Windows desktop PCs
 - Some 3rd-5th classrooms have Chromebook or Laptop carts
 - Middle / High
 - BT Chromebook carts at every building
 - No standard for classroom deployment
 - ACMS uses a “borrow” calendar
 - ACHS has carts per department
 - Nobody doing 1-to-1 despite having the devices available

The Vision

- Every Classroom
 - Ceiling or wall mounted projector with wireless projection support
 - HD+ quality document camera
 - 4' x 12' magnetic whiteboard (80"+ projection surface)
 - Sound System (Voice + Audio)
 - WiFi in every educational space
- Every Staff Member (full & part-time)
 - Mid-range device equivalent of student device (iPad / Chromebook / PC)
- Every Student
 - Grades Pk-1 - iPad (classroom cart)
 - Grade 2 - iPad + Keyboard (classroom cart) - 2nd half of year transition to Chromebook
 - Grades 3-8 - Chromebook (carry throughout day)
 - Grades 9+ - Chromebook (take home / year round)
 - Graduates retain device

Good, Better, Best (overview)

Note: This section addresses classroom only.
Infrastructure is a separate section

Good, Better, Best Concepts

The **Good** option is an attempt to prioritize budget costs. The effect of this option comes at the expense of the educational experience in Adams 14 in relation to competing districts. This plan limits the devices issued to staff and students, and does not address classroom supports (projection, sound). There would be constraints especially during the testing cycles as devices are removed from classrooms to testing environments. Our Adams 14 BOE invested \$1 Million in Chromebooks and there will be some levels that have devices now which will not receive an equivalent number of refreshed devices.

The **Better** option increases device totals to a 1-to-1 environment as the BOE envisioned, provides a device for all staff, however it does not address the classroom environment.

The **Best** option includes 1-to-1, full staff device coverage, and addresses our vision for a classroom standard with wireless projection and sound.

Good

- Full time teaching staff are equipped with a Mid-range device equivalent of student device (iPad / Chromebook / PC)
- Grades 9+ - 1-to-1 Chromebook (take home / year round)
- Grades Pk-2 - iPad carts (2-1 ratio)
- Grades 3-8 - Chromebooks (2-1 ratio)

Impacts:

- This does not address classroom voice or projection needs resulting additional building level purchasing
- Some buildings will desire more devices per class and will “tear down” carts to adjust counts in specific rooms, or will adjust their budgets to purchase additional devices.
- No devices for supporting staff e.g. non-FTE or PARAs

Good – Anticipated Costs – 5 Year Cycle

- **Staff Devices:**
 - Teachers/FTE @ 698
 - Laptop Computer
 - \$453,700 (\$90,740/yr)
- **Student Devices** (with est. carts): \$1,588,437 (\$317,687.48 / yr)
 - Pk-2 @ 1,541 students
 - iPad (case not included Pk-1)
 - \$251,268 (\$50,253 / yr)
 - 3-8 @ 3,019 students
 - Chromebook (11" & 14")
 - \$562,669 (\$112,533 / yr)
 - 9-12 @ 1,991 students
 - Chromebook 14"
 - \$774,499 (\$154,899 / yr)

Est. total per year: \$408,427

Better

- Adjust device totals to equip all students at 1-1 ratio
- All staff (Para, etc.) are equipped with a mid-range student device equivalent
- Graduating students do not take devices upon graduation (devices rotate back into pool)
- **Potential Impacts:**
 - This does not address classroom voice or projection needs resulting additional building level purchasing
 - Significantly increases budget requirements for device refresh

Better – Anticipated Costs – 5 Year Cycle

- **Staff Devices:**

- Teachers/FTE/Non-FTE @ 1024 / 340 Classroom equivalent
 - Laptop Computer
 - \$665,600 (\$133,120/yr)

- **Student Devices (with est. carts): \$2,402,375 (\$480,457/yr)**

- Pk-1 @ 1,104 students
 - iPad (case not included)
 - \$360,026 (\$72,005 / yr)
- 2 @ 437 students
 - iPad + keyboard case
 - \$142,510 (\$28,502 / yr)
- 3-8 @ 3,019 students
 - Chromebook (11" & 14")
 - \$1,125,339 (\$225,067 / yr)
- 9-12 @ 1,991 students
 - Chromebook 14"
 - \$774,499 (\$154,899 / yr)

Est. total per year - \$613,595

Best

- Based on the Vision, each classroom would need to be reviewed for current status and updated to meet the standard. This would be a 2-3 year project to bring all Adams 14 classrooms up to standard with significant costs and impact to the operations department.
- **Potential Impacts:**
 - Significantly increases budget requirements for device refresh (projectors, sound, devices)
 - Projector costs increase significantly to establish wireless projection standards
 - Does not account for interactive projectors/displays requested by some buildings

Best – Anticipated Costs- 5 Year Cycle

- **Staff / Student devices equivalent of Best model - \$613,595 /yr**
- **Projectors** (install not included) - 340 classrooms
 - Epson 109w + Mount + Airtame Wireless (list cost)
 - \$383,860 (\$76,772 /yr)
- **Document Camera**
 - iPevo VZ-R HDMI/USB Dual Mode 8MP
 - \$67,600 (\$13,520/yr)
- **Classroom Audio** (install not included) - 340 classrooms
 - Lightspeed Topcat ceiling mounted system (list cost)
 - \$437,240 (\$87,488 /yr)
- **Whiteboards** (install not included) - 340 classrooms
 - Porcelain Steel Magnetic Dry Erase
 - \$145,860 (\$29,127 /yr)

Est. total per year: \$820,519

Current Budget Funds/Planning

Chromebooks (actual EOL / \$342 Unit) - 530 - \$206,170*

Pk-2 iPads (\$294/unit / 1,541 Students) -- \$502,537

PCs Running Windows 7 (218 units / \$650 unit) -- \$141,700

*Not including carts/storage

Estimated Total: \$850,407

\$910,228 - Available

Technology Services Upcoming Infrastructure Expenditures (estimated)

- Annual
 - Switching, Wiring - \$7,000/yr
 - Alsup, Dupont, Hanson, LAHS, Monaco - Erate Cores
- 2020-21
 - Firewall Refresh - \$70,000
 - Webfilter Refresh - \$80,000
- 2021-22
 - Wireless Access Refresh - \$223,200
 - Undetermined/unplanned costs associated with new Alsup building
- 2022-23
 - Hyper-V Server / Storage Infrastructure - \$300,000

Totals

- Good: \$2,042,137
(\$408,427/yr)
- Better: \$3,067,975
(\$613,595/yr)
- Best: \$4,102,595
(\$820,519/yr)
- Infrastructure Refresh
(over 5 yrs): \$551,357
- Infrastructure Refresh
(per year): \$110,271
- Total Cap Reserve / year
(current):
 - \$427,500
 - Total Need / year
 - \$930,790
 - Difference:
 - \$503,290

**Best scenario is currently included in
the preliminary budget**

Capital Reserve Fund

Safety and Security

- The preliminary budget has \$430k that will be carried over from 2019-20 board approved safety upgrade plan. DAC recommendations from the previous budget year as well as the District Safety and Security team have outlined the following recommendations for the board's review.

The following slides highlight the recommendations:

Safety and Security Priorities

PA Systems in each school, updating PA system at ACHS- \$415K

- Only 2 schools currently have fully functional systems. This is considered to be the highest safety priority in the district

Radios, applied for through the SAFER grant. If awarded the grant is \$642,000 and we would need to contribute \$20k

- This would improve interoperability with first responders and our Incident Command Team. This would also compliment and work well with new PA system and allow building leadership to broadcast over the PA system with radios.

Building Number Project- \$7,500

- Industry standard numbering system for first responders. Preliminary work has begun with Operations.

Safety and Security Priorities



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- Industry standard numbering system for first responders. Preliminary work has begun with Operations.

Future consideration for possible bond campaign- Access control and surveillance camera system district-wide- Approximately \$4.4M. The current system at ACHS is past its useful life and no longer serviced by the company that created it. If the system were to crash, ACHS would have no electronic access control system and would need to be replaced.

Capital Reserve Fund

Facilities and Maintenance

- Kemp parking lot expansion- \$38,000
 - City has asked us to relieve traffic congestion and parking issues
- Central parking lot replacement- \$65,000
 - Currently is disintegrating and beyond repair
- Central sewer drain repair and upgrade- \$26,500
 - Old clay pipe that carries sewer to the city is collapsing
- Vacuum cleaners- \$19,000
 - Battery powered units are more efficient and save time. Old units are outdated and inefficient

Capital Reserve Fund

Facilities and Maintenance

- Replace large capacity mower-\$70,000
 - Current 2 mowers are over 20 years old very worn
- Restroom floor repairs - \$63,000
 - KMS, Rosehill, and Dupont
 - Laminate lifting in bathrooms creating sanitary issues
- Boundary fence and screen between new Alsup and Service Center - \$15,500
 - Old HS fence is in disrepair and falling down

Total included in Preliminary Budget recommendation - \$297,000

Prioritizing Options



- Attract and retain quality staff
- Address 8 hour workday for teachers
- Pre-School expansion
- Additional FTE for class size and/or caseload reduction
- Fund Adult Education in absence of grant
- Increase mental health support
- Expand bilingual programming

Attract and Retain Quality Staff

- 1 step for all employee groups and lanes for teachers- \$2.2M
 - Each 1% of COLA costs \$550k
 - Compensation for 8 hour day - \$350k-\$2.0M depending on agreement

Pre-School Expansion

- \$140K
 - 1.5 FTE
 - Additional classroom materials

Additional FTE for class size and caseload reduction

- Average 1.0 FTE is \$77,000 to include salary and benefits

Adult Education

Option	Details	Considerations/Implications for option
Option A	Fund Adult Education Program through Adams 14 general fund with current program size Estimated cost: \$800,000 (see program summary document attached)	This option would be competing for other activities that the general fund may cover/support
Option B	Fund Adult Education Program through Adams 14 general fund at a reduced size Estimated cost: \$250,000-400,000*	This option would be competing for other activities that the general fund may cover/support
Option C	Fund Adult Education Program through 21 st Century grant at a reduced size	21 st Century grant is currently on hold from Colorado Department of Education (CDE) This grant is competitive and runs a risk of being or not being awarded
Option D	Fund Adult Education Program through a new grant (TBD) at a reduced size	This grant is competitive and runs a risk of being or not being awarded
Option E	Partner with a neighboring Adams district that may have been award to the grant and have ACHS be a hosting site	The service of our program will be reduced from its current size Neighboring Adams district may not have or have been award an Adult Education grant

Increase Mental Health Support

- Average 1.0 FTE is \$77,000 to include salary and benefits
 - Seek grant opportunities
 - Enhance training for educators and parents

Expand Bilingual Programming

- CLDE Proposal included \$272K in addition to what is funded in preliminary budget
 - Conferences
 - Coaching
 - Coordinators
 - Certifications
 - Endorsements
 - Family Engagement
 - Materials

2020-21 Decision Points



Item	-3%	-5%	-10%
Available Resources	\$7,036,784	\$5,958,909	\$3,129,753
Steps and Lanes	(\$2,200,000)	(\$2,200,000)	(\$2,200,000)
Subtotal	\$4,836,784	\$3,758,909	\$929,753
For Reference			
Pre-School Expansion	\$140,000		
Additional FTE Class size	\$77,000 each		
Adult Ed	\$0-\$800k		
Mental Health Support	\$143,000		
Expand CLDE	\$272,000		

Looking Forward 2021-22



Item	Flat	-5%
Available Resources (assuming none of the additions from 20-21)	\$3,487,882	\$980,572
If Steps and Lanes were given in 20-21	\$1,287,882	(\$1,219,428)

The speed of the economic contraction combined with concerns around behavioral changes and the length of the last 2 recessions is causing a great deal of uncertainty in the state economy. The state has warned that the budget shortfall could be profound for at least the next 2 years. Combined with the district's declining enrollment, the budget should be addressed in a multi-year plan.

2020-21 Budget Development Process

Next Steps

2020-21 Budget Development Process

Next Steps

- Legislative Issues – State Revenue Update May 12
 - Revenue- School Finance Act by June
- Recommend Further Study Sessions Before Draft Budget Issue
 - Draft to Board by May 31st
 - Presentation and public comment on June 9th
- Budget Adoption by June 30, 2020
 - Board Meeting on June 23rd



Questions?

