

Board of Education
FY 2020-21 Proposed Budget June 8, 2020

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2020-21 Budget Development Process

Budget Timeline

Remaining Timeline

June
School Finance Act includes extension of budget deadline. Still must adopt by June 30, but public may comment before June 23 rd adoption.
Budget Presentation on June 9 th .
Draft School Finance Act has not been adopted yet, but we have financial runs. Legislature has until June 30, but we expect a final this week. Guidance on Coronavirus Relief Funds is still unclear.
Budget Adoption on June 23 rd .
Budget Document will be updated and posted by August 30 th per financial transparency requirement.

CDE Initial Financial Runs

- **Changes from 5/26 assumptions**
 - **Budget Stabilization Factor increased from 7.1% to 14.1%**
 - **This is a total of \$1,184,512,158 for P-12 education in Colorado**
 - **Total program funding loss for Adams 14 is \$5,106,065**
 - **PPR reduction is \$3,438,989 from base**
 - **Declining enrollment projection \$1,667,076**
- **Total loss of state and local funding- \$5,106,065 or 8.4%**

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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)



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Budget Assumptions with Draft School Finance Act

2020-21 Revenue Change From 19-20



Item	5/26 Study Session	As Proposed 6/1 Draft	Proposed Budget 6/8	Description
PPR Change	(\$4,786,836)	(\$4,786,836)	(\$3,438,989)	1.9% Inflation w/ Neg Factor Increase * Proposed budget is reduction from last year
Declining Enrollment	(\$1,645,910)	(\$1,780,800)	(\$1,667,076)	Projected decline with averaging. (205 FTE) * Proposed is (202.1)
Estimated Federal Stimulus	1,657,000			Moved to Grant Fund \$1,656,681 ESSER and \$6,713,991 CRF
Property Tax S/O Collection/Misc.	(\$351,905)	(\$351,905)	(\$1,543,791)	Anticipated collection issues post COVID-19 *PS revenue, PERA
Net Revenue Adjustments	(\$5,127,651)	(\$6,919,541)	(\$6,649,856)	

2020-21 Transfers Change From 19-20



Item	5/26 Amount	As Proposed 6/1 draft	Proposed Budget 6/8	Description
Risk Management	\$550,000	\$550,000	\$415,000	9% increase on property and liability, 25% decrease w/c
Capital Reserve	(\$1,370,000)	(\$1,370,000)	(\$1,370,000)	No additional Tech or Safety
Fee Supported Fund	(\$140,000)	(\$130,000)	(\$130,000)	Fund balance without Adult Ed transfer
Athletics Fund	(\$40,000)	(\$674,000)	(\$674,000)	Now in General Fund
COP Service Fund	(\$5,000)	(\$2,500)	(\$2,500)	Payment is adjusted annually
Nutrition Fund	\$50,000	50,000	0	To keep Nutrition Fund solvent *No longer needed due to grant
Net Change in Transfers	(\$955,000)	(\$1,576,500)	(\$1,761,500)	Transfer Adjustments

2020-21 Expenditures – Compensation Change From 19-20



Item	Amount of Change	Description
Steps/Lanes/COLA	\$ 0.0	Negotiations pending
PERA rate increase	\$245,000	0.5% Employer Rate
Health/Dental	\$100,000	1.8% increase in Kaiser rates
Subtotal	\$345,000	Compensation Adjustments

2020-21 Expenditures – Budget Adjustments Change From 19-20



Item	5/26 Study Session	6/1 Draft Budget	Proposed Budget 6/8	Description
MGT Contract	(\$220,000)	(\$220,000)	(\$134,341)	EASI grant
Turnaround Funds	(\$408,000)	(\$408,000)	(\$408,000)	One-time funds disbursed FY 19-20
Net School Staff Adds/Deletes due to Declining Enrollment	(\$1,091,967)	(\$1,091,967)	(\$1,091,967)	Adds include staffing from grants, reorganization. Reductions include staffing for declining enrollment
Reduction to School Cash Allocations	(\$163,230)	(\$163,230)	(\$163,230)	Declining enrollment adjustment (formula based on pupil count)
Subtotal	(\$1,883,197)	(\$1,883,197)	(\$1,797,538)	

2020-21 Expenditures – Budget Adjustments Change From 19-20



Item	5/26 Study Session	6/1 Draft Budget	Proposed Budget 6/8	Description
Anticipated use of ESSER in Grants fund	(\$1,656,681)	(\$1,656,681)	(\$1,656,681)	Allowable expenses still being determined, but will be reflected in grant fund.
Reclassification of Athletics	\$640,743	\$640,743	\$640,743	Now shown as an expenditure rather than a transfer out
No PERA Contribution from State	\$0	\$0	(\$1,193,650)	In SFA
Subtotal	(\$1,015,938)	(\$1,015,938)	(\$2,209,588)	

2020-21 Expenditures – Budget Adjustments Change From 19-20



Item	5/26 Study Session	6/1 Draft Budget	Proposed Budget 6/8	Description
Central Budget Reductions Cash	(\$1,675,775)	(\$1,675,775)	(\$1,675,775)	Large allocation added in 19-20, reduce amount to what is needed for next years planned implementation
CTE Expansion	\$150,000	\$150,000	\$150,000	CTE Director as well as 2 additional teaching FTE are add in staffing
Central Support Staffing Reduction	(\$432,091)	(\$432,091)	(\$432,091)	Combining roles and reduction though attrition
AVID support	\$25,000	\$25,000	\$25,000	1 FTE is captured in net staff adds/deletes
Subtotal	(\$1,932,866)	(\$1,932,866)	(\$1,932,866)	
Total Budget and Compensation Adjustments	(\$4,487,001)	(\$4,487,001)	(\$5,594,992)	

2020-21 General Fund Balance



Item	5/26 Amount	Proposed 20-21 Draft 6/1	Proposed 6/8/20	Budgeted 2019-20	Difference
Projected EFB 19-20	\$18,087,610	\$18,729,345	\$18,729,345	\$16,719,068	\$2,010,277
Projected Revenue/Transfers 20-21	\$65,337,746	\$64,181,356	\$64,631,041	\$69,519,397	(\$4,888,356)
Projected Expenditures 20-21	\$69,272,836	\$68,342,557	\$67,148,907	\$72,743,899	(\$5,594,992)
Projected EFB	\$14,152,520	14,568,144	\$16,211,479	\$13,494,566	\$2,716,913
Nonspendable	\$143,000	\$120,000	\$120,000		
TABOR	\$2,300,000	\$2,300,000	\$2,300,000		
5% per Board Policy	\$3,400,000	\$3,465,905	\$3,465,905		
MGT Subsequent year contract	\$1,025,000	\$1,025,000	\$1,025,000		
MGT Bonus	\$1,361,000	\$1,361,000	\$1,361,000		
Undesignated	\$5,923,520	\$6,296,239	\$7,939,574		
Budgeted Use of Reserves	\$3,935,090	\$4,161,201	\$2,517,866		

2020-21 Budget Development Process



- As you can see from the previous slide, we will have a spendable fund balance at the end of 2020-21 of \$7,939,574. This is without any of the options added in. Before we talk about Corona Relief Funds or ESSER Funds, let's review our 2nd year out.

2021-22 General Fund Balance



Item	Projected 21-22 Amount (8%)	Proposed Budget 2020-21	Difference
Beginning Fund Balance	\$16,211,479	\$18,729,345	(\$2,517,866)
Revenue/Transfers	\$59,460,557	\$64,631,041	(\$5,370,489)
Expenditures	\$70,148,907	\$67,148,907	(\$3,000,000)
Ending Fund Balance	\$5,529,129	\$16,211,479	(\$10,682,350)
Nonspendable	\$120,000	\$120,000	
TABOR	\$2,300,000	\$2,300,000	
5% per Board Policy	\$3,465,905	\$3,465,905	
MGT Subsequent year contract	\$500,000	\$1,025,000	
MGT Bonus	\$1,000,000	\$1,361,000	
Undesignated	(\$1,856,776)	\$7,939,574	
Budgeted Use of Reserves	\$10,682,350	\$2,517,866	

Considerations

- Attract and retain quality staff
 - Cost of 1 step for all staff is \$2.2m
 - Each one percent of COLA is \$550k
 - \$1,000 stipend is \$890k, one-time money
- Pre-school Expansion
 - \$140k per classroom
- Add back Adult Ed at reduced scope- \$390k
- Further Expand CLDE Programming- \$272k
- Safety and Technology if the CRF funds will not cover
- Furlough days- each day would save the district \$275k. If each employee took 5 furlough days, it would save the district \$1.375M



Options

Let's review some of the options we have discussed and explore how we may apply the COVID-19 Relief and ESSER funds.

- CARES- \$5,700,000
- CARES from Adams County- \$1,000,000
- ESSER- \$1,660,000



2020-21 Budget Development Process



- Technology refresh- best option. Fund balance will cover 1st year, \$723k addition in 21-22 which is \$296k increase from standard allotment.
- Technology refresh-better option. First year covered by fund balance, 21-22, carry \$175 fund balance for a cost of \$600k. This is \$173k higher than standard allotment.
- Technology refresh- good option. 1st year will roll fund balance and 2nd year will roll with fund balance. Risky option considering the potential reliance on technology throughout the pandemic.

2020-21 Budget Development Process



CRF use for Technology

- We feel strongly that the CRF funds can be used for technology purchases to enable us to provide 1:1 devices for student and staff
 - We are waiting for more guidance to be released
- These purchases are necessary for us to ensure we are ready for a hybrid or online model
- Cost including PA system, internet connections for families, devices, web-cams, document camera's etc.

\$2,756,490

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- Safety and Security- Several buildings are not equipped with PA systems:
 - \$415,000
 - We are waiting for guidance to see if this is an allowable use of the funds. We are unable to use our current phone system to provide online learning and support
- Radio's
 - \$20k match if we are awarded SAFER grant. Radio's would interface with PA's.
- Parking Lots
 - Kemp needs and expansion to accommodate city order- \$38,000
 - Central needs a replacement- \$65,000
- Central sewer line is severely damaged. Needs drain repair and upgrade- \$26,500

2020-21 Budget Development Process



- Battery powered Vacuum Cleaners- more efficient and the old ones are outdated and inefficient- \$19,000
- Large capacity mower- 2 on hand, both over 20 years old, one not working- \$70,000
- Restroom floor repairs at 3 schools- Tile is lifting and causing sanitary issues- \$63,000
- Boundary fence falling down by old high schools- \$15,500

COVID-19 Related Expenditures



We are preparing 3 scenario's to deal with COVID-19. The next slide captures the expenses that we feel are includable in the grant and necessary in any of our scenario's.

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- \$155,000 Professional Development for teachers related to online learning
- PPE Equipment for staff and students
 - We are exploring several options for pricing
- Extend Student and Family Engagement hours to support families through COVID
- Sanitation supplies and additional custodial staff
- COVID response teams for possible outbreaks
- Compensatory services for our special needs population- at least \$250k
- \$200-500k to online partnerships
- Identifying staff time repurposed for COVID planning and charge a portion of their salaries to the COVID fund.
- Providing an online option for families even if we are fully open

COVID-19 Related Expenditures

We are hopeful we can provide more detailed information related to CRF funds in the next budget draft to be considered at the June 23rd meeting.



Recommendations



- During the next few weeks, more guidance will be coming forth as to how we can utilize the additional \$6.7m in COVID Relief funds. All of the Metro area district's are working together to align with similar plans and are vetting them through auditors and CDE
- We will update the draft to include board identified priorities
- As we learn more about the CRF funds, we can better assess our total financial picture

Considerations for FY 21-22



- Consolidate 1 or more schools
 - Hanson and Monaco are very small schools.
 - Would save \$1-1.5 million
- Sell Alsup land
 - Last appraisal was \$7 million
- Ask community for bond and/or mill-levy override
- Consider 4 day week



Questions?

