



# 2021-2022 Revised Budget

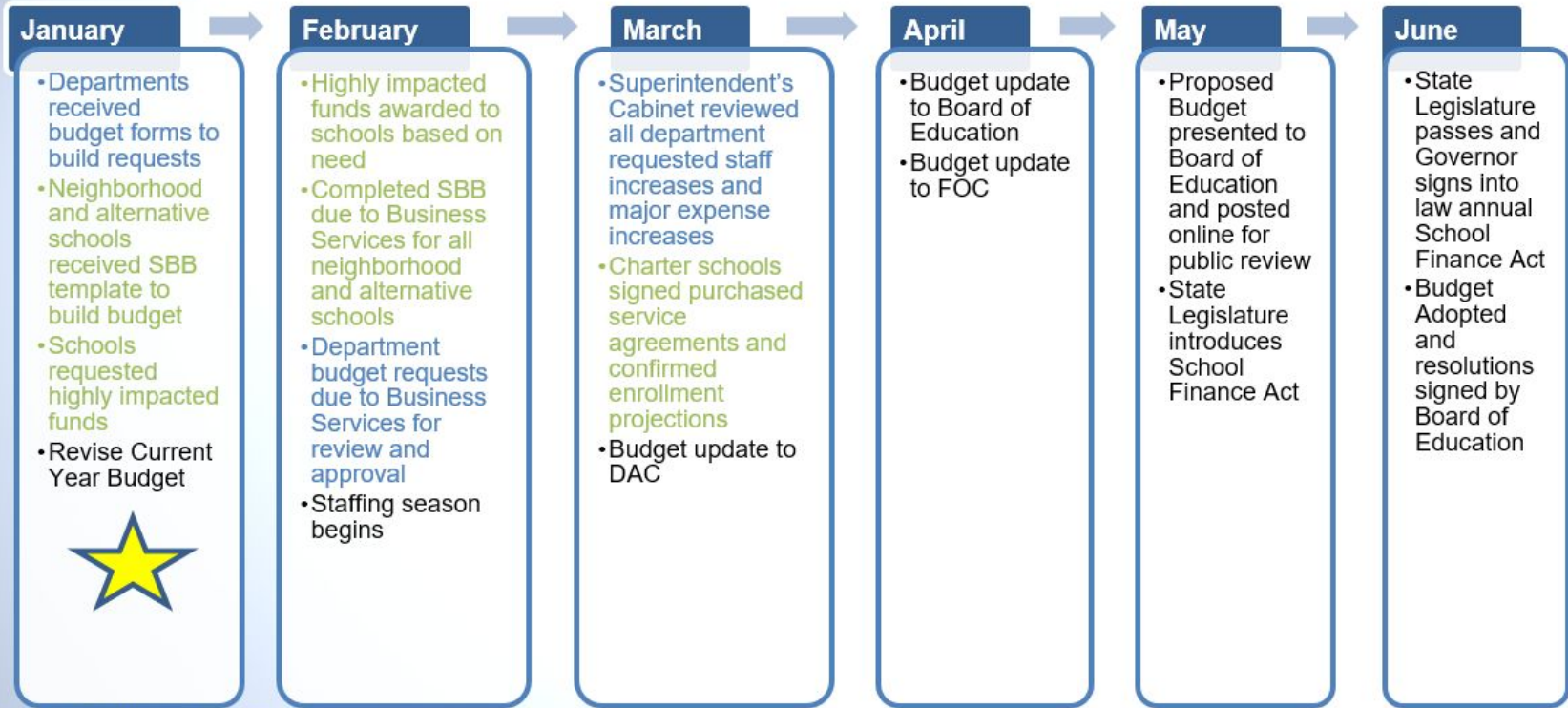
January 25, 2022

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# Agenda

- Budget Development Timeline and Purpose of Revised Budget
- Adopted to Revised Budget Comparison
- Revised Budget General Fund Major Changes
- Updates to General Fund Reserves
- Use of General Fund Contingency
- Major Changes to Other Funds
- Ongoing Upside/Downside Risk
- Appropriation and Use of Fund Balance Resolutions
- Action Requested

# BUDGET DEVELOPMENT TIMELINE



**Key:**

School Budget Development

Department Budget Development

District-wide Budget Development

# Purpose of Revised Budget

*School districts in Colorado revise their budgets for October Student Count and property taxes set by December mill levy certification by January 31<sup>st</sup> annually. This is the opportunity to make revisions to other areas of the budget with known changes since adoption in June of the prior year.*

# Adopted to Revised Budget Comparison

	Adopted Budget (June 2021)	Revised Budget (January 2022)	Increase/(Decrease)
Per Pupil Revenue (PPR)	\$8,607	\$8,591	(\$16)
Neighborhood K-12 Enrollment	46,423	45,869	(554)
Alternative and District-Run ECE Enrollment	2,170	1,896	(274)
Charter Enrollment (Non-HOPE)	14,446	14,032	(414)
Charter Enrollment (HOPE Online)	1,250	2,014	764
Funded Pupil Count	63,466	64,035	569
Total Program Funding	\$546.2M	\$550.2M	\$4.0M

# Revised Budget General Fund Major Changes: Resources

- Expected property tax receipts increased \$11.4M with December mill levy certification
- Increased specific ownership tax by \$3.3M to reflect current trend and CDE calculation
- Decrease state equalization by \$10.6M due to local share of Total Program funding increase (property tax)
- Increased beginning fund balance by \$21.4M to reflect 2020-2021 audited ending fund balances

# Revised Budget General Fund Major Changes: Expenditures

- Neighborhood schools' SBB reduced \$1.3M to reflect actual enrollment
- Charter transfer increased \$3.0M to reflect actual Funded Pupil Count
- Carry Over of \$19.5M allocated to schools in September
- Addition of \$1.4M operations budget for Peoria Campus (CU South)
- Set aside vacancy savings of \$5.8M to reflect unfilled positions to expand capacity by adding programming/FTE without use of contingency
- Spend \$7.5M on one-time stipend to all employees in November paycheck

# Updates to General Fund Reserves

Reserve Category	Reserve Amount in Adopted Budget	Reserve Amount in Revised Budget	Explanation for Change in Reserve Amount
TABOR	\$18.4M	\$17.3M	Revision to reflect actual calculation methodology based on eligible revenue and deductions
BOE	\$18.4M	\$17.3M	Set to match TABOR reserve
School Carry Over	\$21.3M	\$0.0M	Allocated to schools in September
Medicaid Carry Over	\$3.0M	\$0.0M	Allocated to department in September
Staff Compensation Reserve	\$10.0M	\$10.0M	Held flat until compensation schedules final
Literacy Curricular Materials Reserve	\$4.5M	\$4.5M	Proposal for spend on Benchmark and Wonders reading core programming for future reallocation to Curriculum department
Mill Levy Override Reserve	\$6.7M	\$9.3M	Increased to reflect audited remaining balance from 2020-2021
Special Education/Mental Health Reserve	\$2.0M	\$0.8M	\$1M for Special Education fully allocated; \$225,000 for Mental Health allocated with remaining balance planned for spring 2022
Enrollment Reserve	\$1.4M	\$0.0M	Allocated to schools during October Count true up
Multi-Year Lease Reserve	\$4.7M	\$4.2M	Reduced for 2021-2022 (Y1) lease expense
Unassigned	\$23.1M	\$43.3M	Increased from 2020-2021 ending fund balance



# Use of General Fund Contingency

## 2021-2022 General Fund Contingency

As of July 1, 2021

**Adopted Budget Contingency Beginning Balance** **\$ 6,128,840**

### Use of Contingency

Bridge Program tenant finish construction cost \$ 325,000

fingerprinting machines and software for Human Resources \$ 18,353

school-based certified and classified Special Education staff \$ 989,369

appraisal for potential future building sale \$ 19,000

school-based certified and classified Special Education staff \$ 584,143

school-based certified and classified Special Education staff \$ 356,472

**Total Use of Contingency** **\$ 2,292,337**

**Contingency Balance** **\$ 3,836,503**

# Major Changes to Other Funds

- Nutrition Services revised NSLP Fund to reflect continuation of free meals from federal government and Non-NSLP Fund will have \$0 activity in 2021-2022
- Government Grants revised to reflect accurate grant carry over from 2020-2021 and projected spend for current year only on ESSER federal stimulus funds
- Recommend increase transfer to Child Care Fund by \$1,775,000 to offset decrease in projected tuition revenue for BASE programs
- Refunding of Aspen View's COP proceeds received in spring 2021 placed in irrevocable trust in summer 2021
- Bond Building and Capital Projects funds increased expenditures reflect adjustments to timing of construction in summer 2021 and 2022
- Medical Fund will no longer directly pay the district-paid HSA contributions for employees on high deductible health plans and it will now follow the payroll costing of employees within their respective funds to be a cost of each respective fund and not the Medical Fund

# Ongoing Upside/Downside Risk

## Upside

- State supplemental budget to restore PPR to adopted level
- Enterprise funds fairing better than expected
- COVID cases reduce to levels from earlier this fall with decreased absences and need for substitutes
- Vacant positions filled

## Downside

- State does not restore PPR to adopted level through State supplemental
- Increased program closures for staffing shortages and COVID outbreaks impacting Enterprise funds revenue collection
- COVID cases remain high with increased absences and need for substitutes
- Vacant positions remain unfilled will need to compensate staff for taking on additional responsibilities

# Appropriation Resolution

Authorizes the ability to spend up to dollar amount approved in District managed funds

<b>Fund</b>	<b>Amount</b>
General Fund (10)	\$ 747,720,031
Outdoor Education Fund (13)	\$ 1,508,748
Capital Projects Fund (14)	\$ 15,012,033
Full Day Kindergarten Fund (15)	\$ -
Transportation Fund (25)	\$ 25,405,772
Nutrition Services NSLP Fund (21)	\$ 29,161,903
Nutrition Services Non-NSLP Fund (28)	\$ -
Governmental Designated Purpose Grants Fund (22)	\$ 30,847,851
Pupil Activity Fund (23)	\$ 1,793,133
Athletics and Activities Fund (26)	\$ 16,952,981
Child Care Fund (29)	\$ 11,073,289
Bond Redemption Fund (31)	\$ 55,331,707
Certificate of Participation Lease Payment Fund (39)	\$ 14,860,688
Bond Building Fund (41)	\$ 81,317,205
Certificate of Participation Building Fund (45)	\$ -
Medical and Dental Fund (65)	\$ 58,268,557
Short Term Disability Insurance Fund (66)	\$ 630,670
Private Purpose Trust Fund (75)	\$ 60,000

# Use of Beginning Fund Balance Resolution

Authorizes the ability to draw down reserves and spend more than collect in revenue for individual funds for one year only

<b>Fund</b>	<b>Amount</b>	<b>Purpose for Use of Beginning Fund Balance</b>
General Fund (10)	\$ 2,077,970	Potential draw-down of accumulated FB for spend on Literacy Curricular Materials Reserve and carry over assignments
Transportation Fund (25)	\$ 3,401,707	Potential draw-down of accumulated FB for Transportation operational expenses
Nutrition Services NSLP Fund (21)	\$ 1,403,772	Potential draw-down of accumulated FB for Nutrition Services freezer construction
Pupil Activity Fund (23)	\$ 3,966	Potential draw-down of accumulated FB for school activities
Athletics and Activities Fund (26)	\$ 14,404	Potential draw-down of school carry over for school athletics and activities
Child Care Fund (29)	\$ 182,824	Potential draw-down of accumulated FB for BASE operational expenses
Certificate of Participation Lease Payment Fund (39)	\$ 12,114,460	Intentional draw-down of accumulated FB for Aspen View Academy lease payoff
Bond Building Fund (41)	\$ 79,657,657	Intentional draw-down of accumulated FB for 2018 Bond capital projects
Medical and Dental Fund (65)	\$ 67,129	Intentional draw-down of accumulated FB due to employer-paid premium cost savings in General Fund
Short Term Disability Insurance Fund (66)	\$ 118,395	Intentional draw-down of accumulated FB due to employer-paid premium cost savings in General Fund
Private Purpose Trust Fund (75)	\$ 12,000	Intentional draw-down of accumulated FB for student scholarships

# Revised Financial Plan and Budget

Included within the ESB Agenda Item is the Revised Financial Plan and Budget:

- District-wide and fund level financials with 2020-2021 audited actuals, 2021-2022 adopted budget and 2021-2022 revised budget
- Charter school financials with 2020-2021 audited actuals, 2021-2022 adopted budget, 2021-2022 revised budget, 2021-2022 estimated actuals and 2022-2023 projected budget
- Summary of uses of District Contingency and planned use of reserves
- Staff Position (FTE) budgets
- Appropriation and Use of Beginning Fund Balance Resolutions for signature

# Action Requested

As part of the consent agenda, the Board of Education vote to approve the following resolutions:

FY2021-22 Revised Appropriation Resolution

FY2021-22 Revised Use of Beginning Fund Balance Resolution

A large group of graduates in blue gowns and caps are seen from behind, throwing their caps into the air. The caps are scattered across a clear blue sky. The scene is bright and celebratory.

# Questions?

*Learn Today, Lead Tomorrow*