



**Douglas
County**
School District

Learn Today, Lead Tomorrow

BUDGET UPDATE FOR BOARD OF EDUCATION

March 30, 2021

Agenda

- 2020-2021 State Supplemental: SB21-053 and related budget updates
- 2021-2022 Budget Preview
 - March Economic Forecast and Legislative Updates
 - Preliminary Revenue Estimates
 - Initial Priorities and Considerations from DAC and Leadership
- Budget Development Timeline: April through June
- ESSER Update

State Supplemental: SB21-053

- Finalize Funded Pupil Count (FPC) for districts
 - DCSD = 63,539 (increase of 25.5 FPC from Revised Budget)
- Buy-Down Budget Stabilization Factor from \$1.2B (14%) to \$1.1B (13%) statewide
- Decrease in Budget Stabilization Factor and increase in FPC results in an increase in Per Pupil Revenue of \$132 from Revised Budget for DCSD
 - Increase from \$7,719 in January to \$7,850 in March
 - DCSD Total Program increase \$8.6 million
 - Total Program retained for district-managed schools and departments = \$6.4 million

Proposed Saving of Increased PPR for Future Use in 2021-2022

Staff recommends saving district-share of increase in Per Pupil Revenue for future use in 2021-2022

Planned Use	Amount	Notes
Restore full calendars in 2021-2022 (no furlough days)	\$3.9M	all employees will add 2 paid days back into calendar with district directors adding additional 3 paid days back into calendar
Savings for eLearning model in 2021-2022	\$2.5M	will be used to hire staff for eLearning and/or backfill staff in schools without reducing dollars in SBB
Pass through to Charters	\$2.2M	will be passed through on monthly charter transfer beginning in March 2021 (will not delay to 2021-2022)
Total	\$8.6M	will allow DCSD to make commitment on no furlough days and support of eLearning now before School Finance Act known for 2021-2022

March Economic Forecast*

- The worst of the recession appears to be behind us
- State General Fund expectations for 20-21 are \$571M higher than expected in the December forecast and now projecting a 8.5% increase to revenue in 21-22
- State General Fund has \$2.95B excess reserve in 20-21 over required 2.86% reserve level that can be spent or saved in 21-22 before revenue increases in 21-22
- Governor's 21-22 Budget Request for K-12 Education now appears to be a greater possibility as a potentially realistic funding increase for the School Finance Act

**Presented to the Joint Budget Committee on 3/19/21 by Legislative Council Staff*

Legislative Update

- [HB21-1164 Total Program Mill Levy Tax Credit](#)
- 21-22 School Finance Act not yet introduced as of 3/26/21

Enrollment Projection Update

- budget projections are different than facility projections for enrollment
- budget projections show a year-over-year increase of 1,128 students
 - 429 at charter schools*
 - 699 at neighborhood, alternative and other district-managed schools
- 21-22 Total Projected Enrollment = 64,107
- 21-22 Total Projected Funded Pupil Count (FPC) = 63,398
 - due to multi-year averaging component of the School Finance Act calculation of funded pupil count, this is a decrease of 140 funded pupils from 20-21
 - without averaging, 21-22 FPC would be 62,696 or 703 funded pupils less

**does not reflect revisions to enrollment projections made by charter schools in March 2021*

Revenue Scenarios for 2021-2022

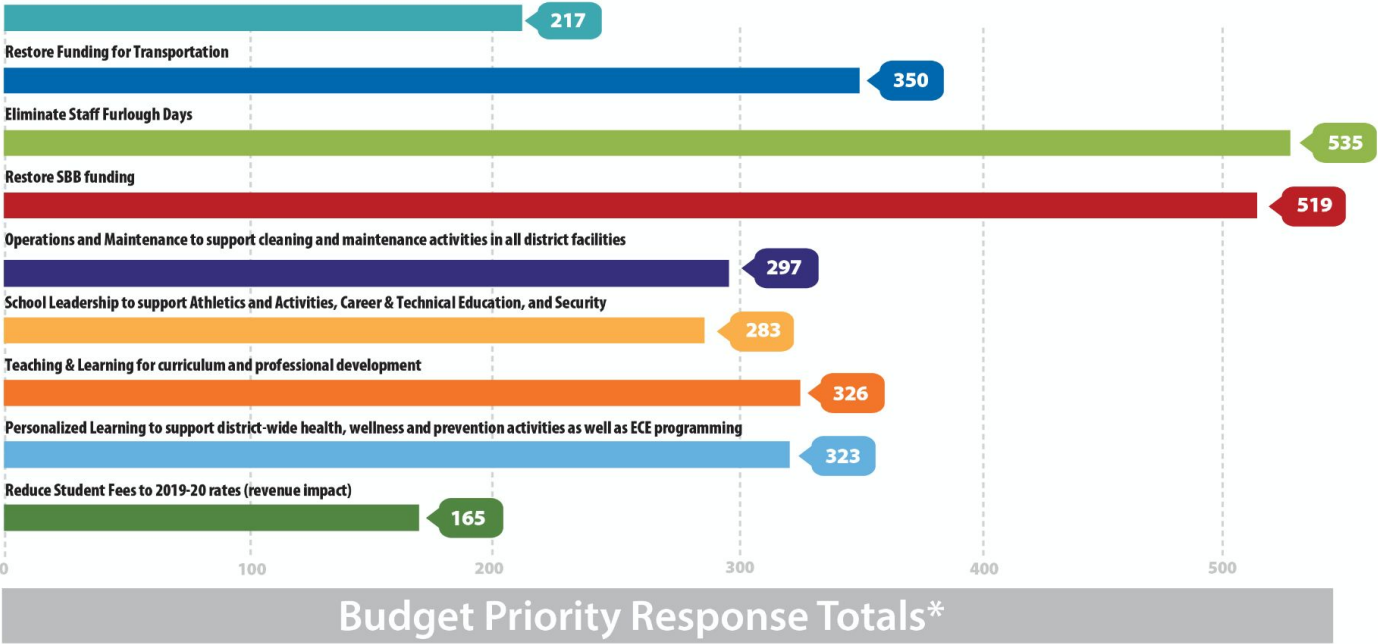
2020-2021 Supplemental sets a favorable starting point for 2021-2022 funding

Option	Per Pupil Revenue	Increase in District-Share Total Program	Explanation
2021-2022 equal to 2020-2021 Supplemental	\$7,850	\$6.5M	difference between 20-21 Revised and 20-21 Final Revised repeats in 21-22 and all else held flat
50% of Governor's request	\$8,139	\$14.9M	assumes legislature approves 50% of Governor's request and reallocates 50% outside of School Finance Act
100% of Governor's request	\$8,559	\$35.1M	assumes legislature approves Governor's request as made in January 2021 based on March economic forecasts presented to JBC on 3/19/21

2021-2022 DAC Budget Priorities

The District Wide Total Scaled Results: TOTAL NUMBER OF SACs - 70

District-wide Support Services to ensure service levels in HR, Payroll, Accounts Payable, IT, Legal and Communications can be maintained



* Each response total is a weighted score.

2021-2022 Leadership Budget Considerations

- No furlough days for staff and calendars will be fully restored
 - All staff had 2 unpaid furlough days in 2020-2021
 - Department Directors and Superintendent's Cabinet had an additional 3 days
- No employee medical premium increases and no premium increases paid by schools or departments as all premium increases will be absorbed within the Medical Fund
- Pay increases to all FTE staff
- Restore mileage reimbursement policy
- Support eLearning in 21-22 without reducing Site-Based Budgets
- Strategically reinvest within schools and departments

2021-2022 Transportation Budget Proposal

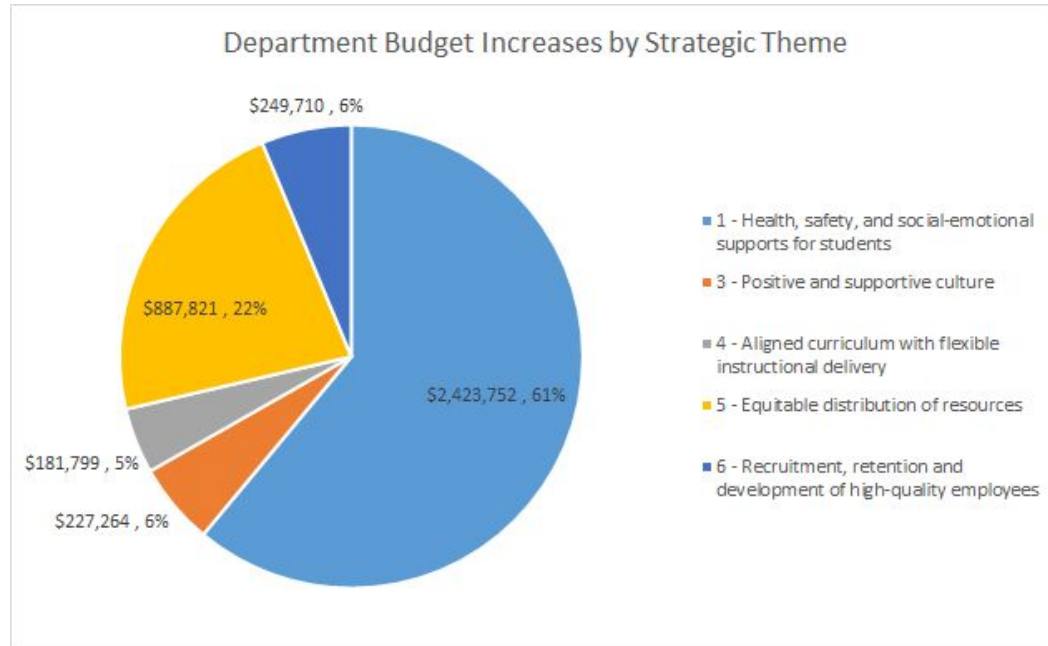
In order to return bus routes to 1 mile (elementary) and 2 miles (secondary) from students' assigned neighborhood schools and address some of the unique neighborhoods separated by major roadways (not including routes for field trips), the following is recommended:

- Increase starting hourly rate for bus drivers to \$20/hr and increasing all existing bus driver pay accordingly in an effort to recruit and retain bus drivers and fill current vacancies
- Repurpose some of the existing vacancies in transportation educational assistant (TEA) positions to bus drivers
- Add a scheduler and supervisor to support increased staffing and route restoration

Request for 21-22 can be accomplished at no increase to the General Fund due to available reserves (fund balance) within the Transportation Fund

Summary of Department Budget Requests

- Total Department Budget Request Increase from DBBs = \$6.9M
- Total District-wide Budget Request Increase = \$1.9M
- **Grand Total Department Budget Request Increase = \$8.8M**
- Of the \$8.8M requested, approximately \$4.0M has been identified as non-discretionary



Potential 2021-2022 Scenarios

Scenario		Revenue Budget Increase	Scenario		Revenue Budget Increase	Scenario		Revenue Budget Increase
21-22 funding equal to 20-21 supplemental		\$ 6,422,298	21-22 funding set to 50% of Governor's January 21 request		\$ 14,904,785	21-22 funding equal to Governor's January 21 request		\$ 35,080,136
Budget Item	Description	Expense Budget Increase	Description	Expense Budget Increase	Description	Expense Budget Increase	Description	Expense Budget Increase
Pay Increase	1% pay increase to all FTE plus estimated \$500,000 in position-specific compensation adjustments in addition to universal pay increases	\$ 4,235,767	2% pay increase to all FTE plus estimated \$500,000 in position-specific compensation adjustments in addition to universal pay increases	\$ 7,971,535	2.5% pay increase to all FTE plus estimated \$500,000 in position-specific compensation adjustments in addition to universal pay increases	\$ 9,839,418		
Reinstate Mileage Reimbursement	employees eligible to receive mileage reimbursement for position-related travel with 50% reduced mileage compared to pre-COVID mileage	\$ 216,500	employees eligible to receive mileage reimbursement for position-related travel based on pre-COVID mileage	\$ 433,000	employees eligible to receive mileage reimbursement for position-related travel based on pre-COVID mileage	\$ 433,000		
Reinvest in Site-Based Budget through weighted student funding increase	SBB funding would remain as built during school budget development in February	\$ -	using 50% of the amount cut from SBB in 20-21, increase SBB using current SBB weighted formula and 21-22 enrollment projections	\$ 1,734,616	using 100% of the amount cut from SBB in 20-21, increase SBB using current SBB weighted formula and 21-22 enrollment projections	\$ 3,469,232		
Department-Based Budget Non-Discretionary Increases	fund 100% of increases to items paid by department budgets that are either required by law or contracts renewals already negotiated	\$ 4,020,000	fund 100% of increases to items paid by department budgets that are either required by law or contracts renewals already negotiated	\$ 4,020,000	fund 100% of increases to items paid by department budgets that are either required by law or contracts renewals already negotiated	\$ 4,020,000		
Department-Based Budget FTE and Other Discretionary Increases	will not be able to support adding any FTE or discretionary increases without equal reduction in other areas or one time use of reserves	\$ -	fund 50% of requested increases to FTE or discretionary department items using ongoing revenue, remainder could only be supported with reductions in other areas or one time use of reserves	\$ 2,431,199	fund 100% of requested increases to FTE or discretionary department items using ongoing revenue*	\$ 4,862,398		
Restore contingency to 1% of operating budget	no contingency restoration and will require 2nd year of resolution lowering contingency level	\$ -	no contingency restoration and will require 2nd year of resolution lowering contingency level	\$ -	restore contingency to pre-COVID levels	\$ 510,000		
Enrollment Reserve for October Count	will not be able to set aside a reserve in case actual enrollment at October Count is lower than projected (loss of enrollment would need to be paid out of school budgets and/or reserves)	\$ -	will not be able to set aside a reserve in case actual enrollment at October Count is lower than projected (loss of enrollment would need to be paid out of school budgets and/or reserves)	\$ -	set aside a reserve in case actual enrollment at October Count is lower than projected	\$ 1,438,252		
		\$ 8,472,267		\$ 16,590,350		\$ 24,572,301		
Gain/(Use) of Reserves		\$ (2,049,969)		\$ (1,685,565)		\$ 10,507,836		

*does not include potential need for increased literacy curricular materials due to the READ Act, preliminary estimate of curricular materials will be available on 3/30/21

Discussion on Board of Education Priorities

Budget Development Timeline: April to June

April 2021

- Cabinet presents 20-21 department budgets to District Leadership Team
- Superintendent reviews and internally approves 21-22 department budget requests
- 21-22 department budget requests presented to Board of Education

May 2021

- 21-22 Proposed Budget presented to Board of Education inclusive of all schools, departments and funds
- 21-22 School Finance Act introduced with official Per Pupil Revenue projections

June 2021

- 21-22 School Finance Act passed and signed by Governor
- 21-22 Adopted Budget approved by Board of Education

2020-2021 Department Budget Reviews

- On March 31 and April 2, the Superintendent's Cabinet will present the 2020-2021 (current year) department budgets to District Leadership Team
- Goal of the presentations is to:
 - educate leaders on the size of department budgets over time
 - explain the role and impact on DCSD of the different positions within departments
 - review the budget cuts made to department budgets in 2020-2021 due to COVID

ESSER Update: 1 and 2

- ESSER 1 = \$1.3M
 - charter and private school allocation = \$0.3M
 - remaining for district uses = \$1.0M
 - uses included online learning licensing fees for 2020-2021, tutoring and sanitation supplies

- ESSER 2 = \$5.2M
 - charter allocation = \$1.1M
 - remaining for district uses = \$4.1M
 - anticipated uses still in development, but include unfinished learning supports such as summer school programming, tutoring, interventions, credit recovery programming, embedded SEL supports and any other determined COVID-19 needs

ESSER Update: 3

- ESSER 3 = \$10-12M (allocations not released to districts as of 3/25/21)
 - will be approximately twice amount of ESSER 2
 - anticipated uses still in development, but include unfinished learning supports such as summer school programming, tutoring, interventions, credit recovery programming, embedded SEL supports, and other COVID-10 related supports