

2024-2025 Preliminary Proposed Budget

Presentation to the
Board of Education
May 28, 2024

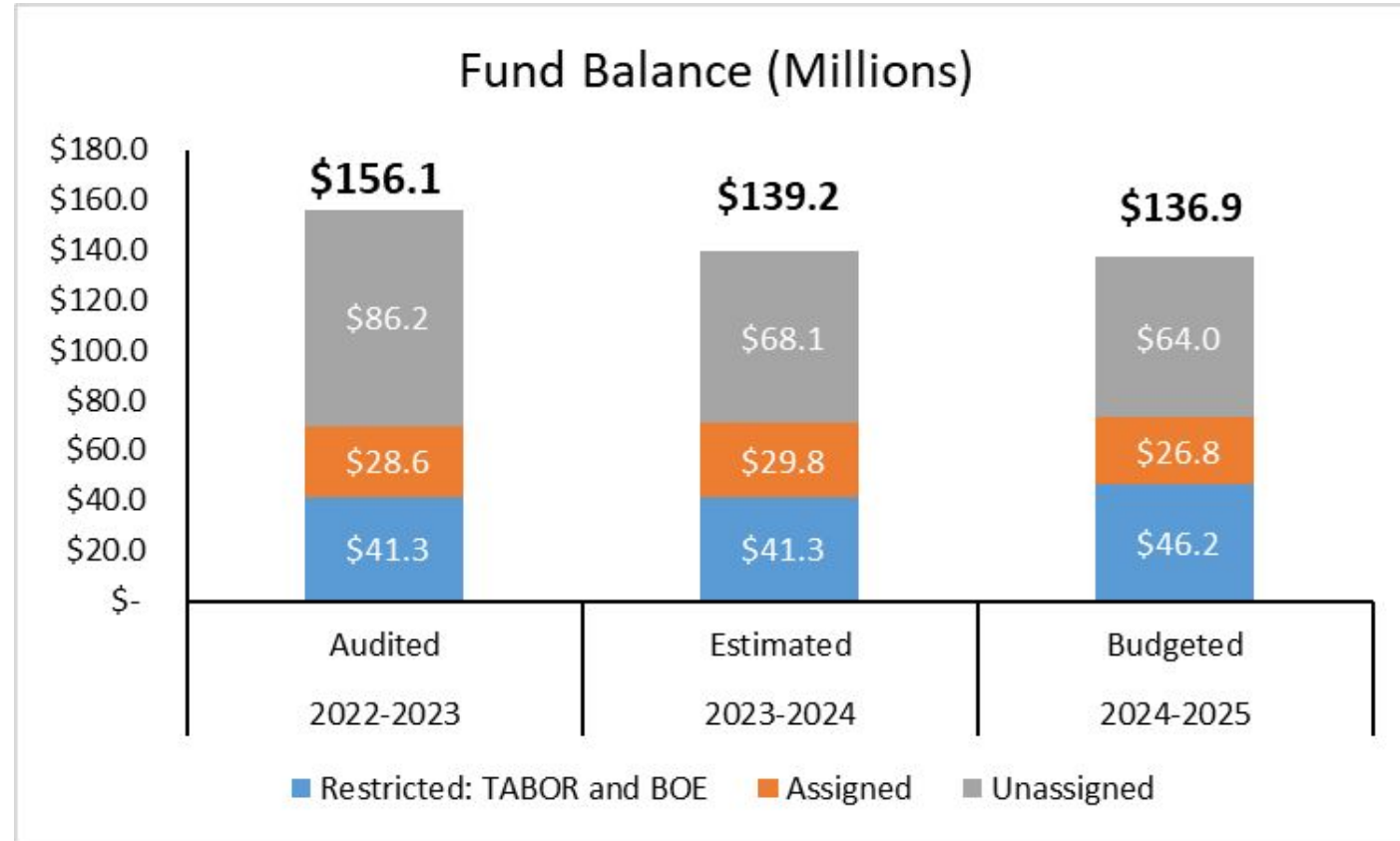


Agenda

- 2024-2025 Budget Overview
- Overview of Available Resources and Budget Assumptions
- Budget Expense Priorities
- One Time vs. Ongoing Sources and Uses
- Combined General Fund Three Year Forecast
- Summary of Other Funds
- Board of Education Budget
- Unknowns in the Proposed Budget
- Supplementary Materials and Next Steps

2024-2025 Budget Overview

- Per Pupil Revenue is increasing by 7%; as all districts receive the increase, ***DCSD's comparative position with other districts remains unchanged.***
- Overall expenses increase of 4%.
- We will be strategically drawing down unassigned fund balance.



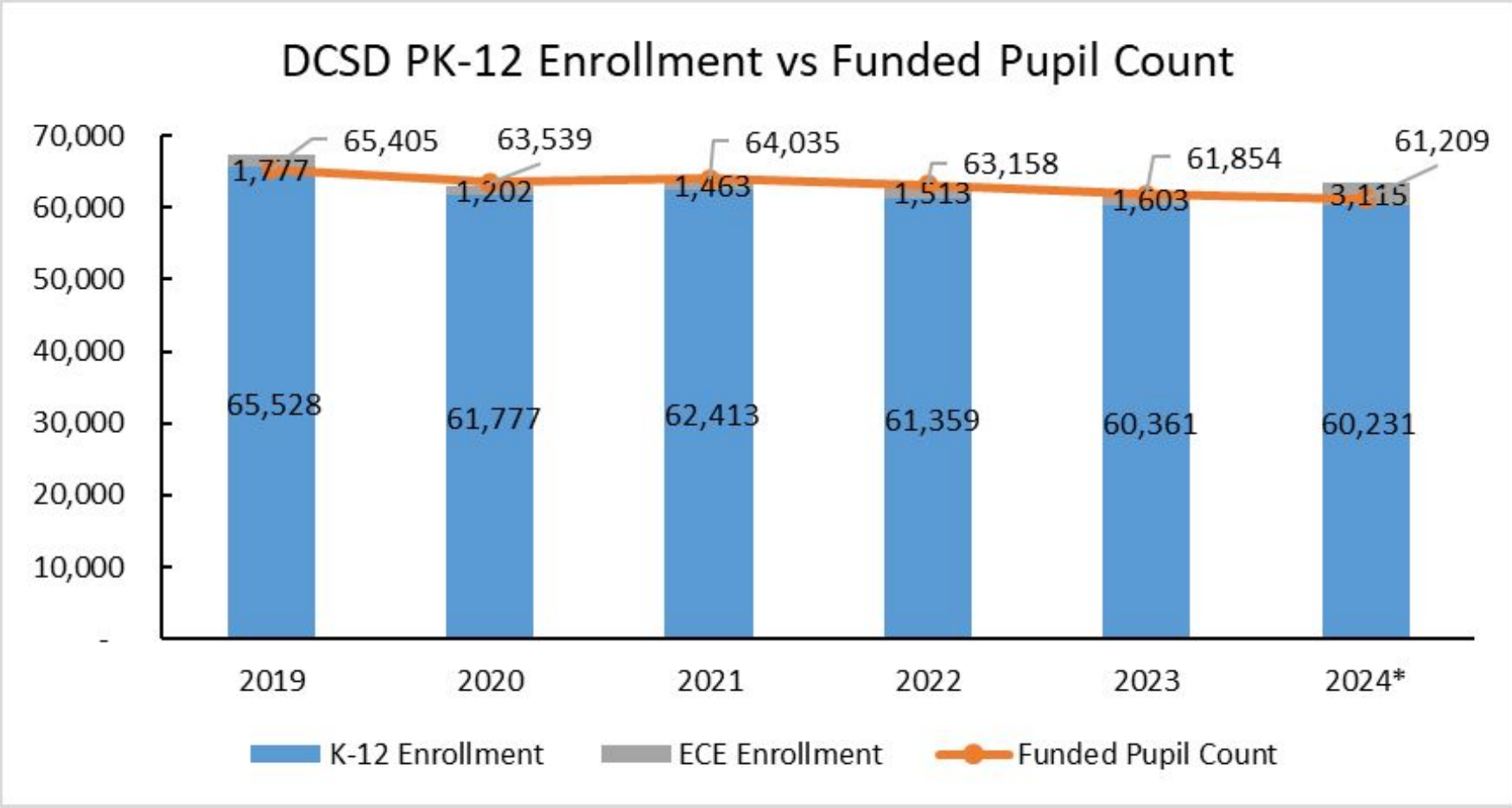
Enrollment and Funded Pupil Count

	Actual 2023-2024	Projected 2024-2025	Actual to Projected Increase/(Decrease)
Neighborhood K-12 Enrollment	44,229	43,281	(948)
Alternative Enrollment	616	637	21
Charter Enrollment (Non-HOPE)	14,152	14,713	561
Charter Enrollment (HOPE Online)	1,357	1,600	243
Funded Pupil Count*	61,854	61,209	(645)



**Funded Pupil Count is not the sum of the various enrollment components, do not add the first four rows to calculate the bottom line*

DCSD Enrollment Over Time



**projected enrollment for 2024-202*

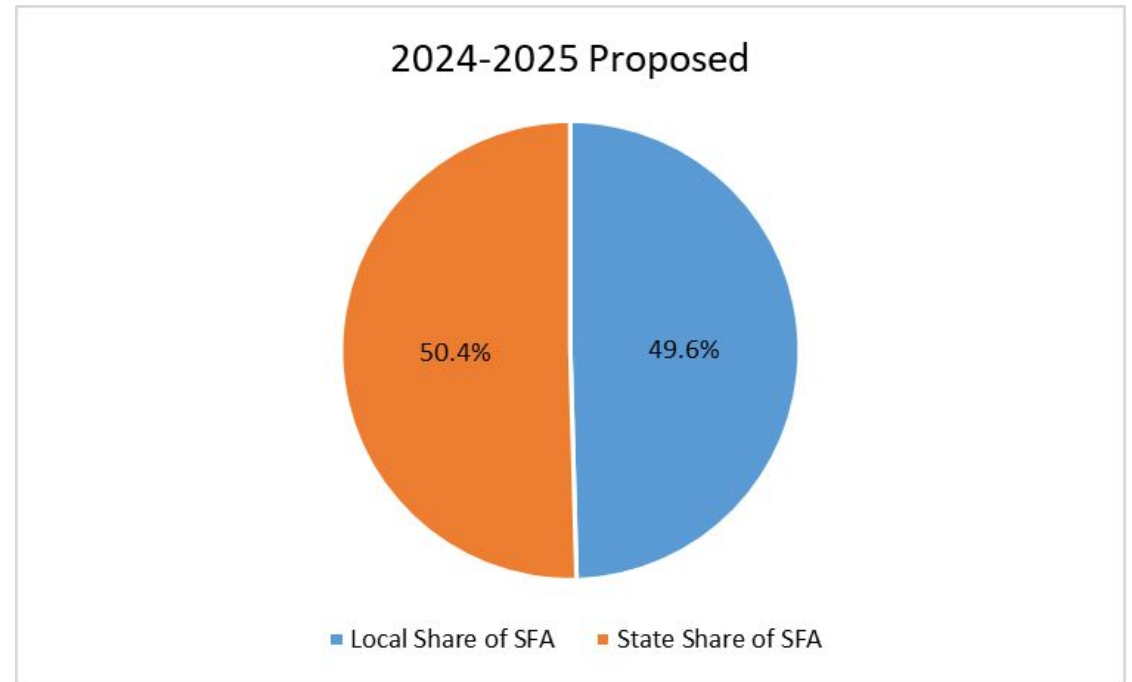
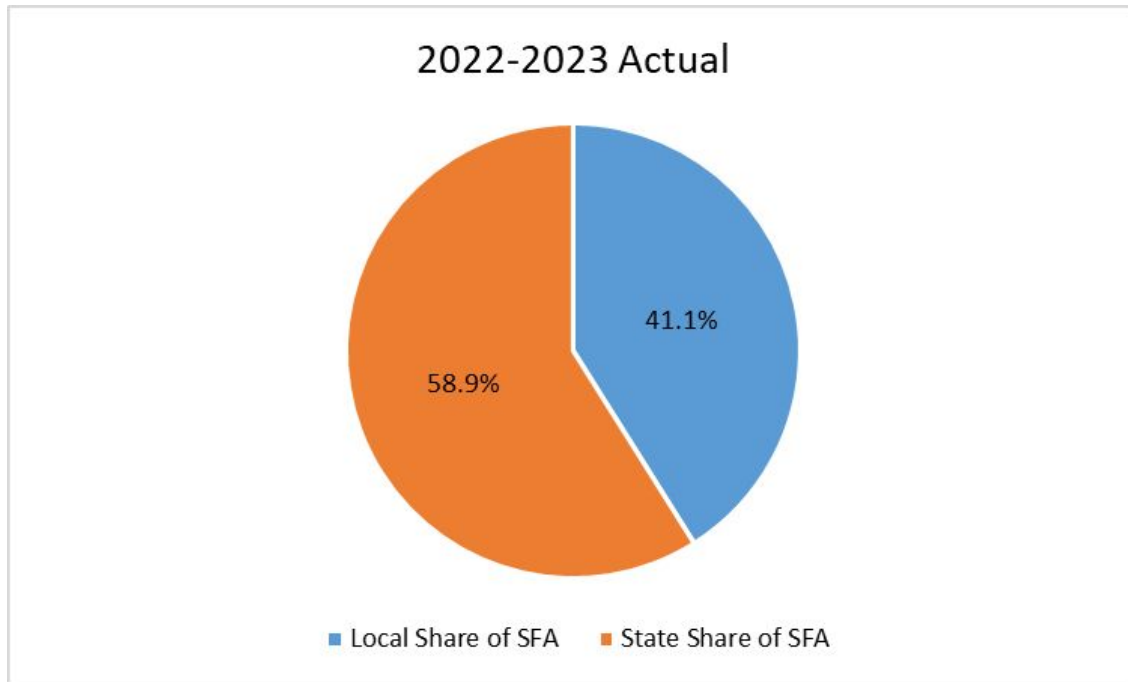
School Finance Act Revenue Assumptions for DCSD

	2023-2024 Final Revised Budget*	2024-2025 Projection	Increase/(Decrease)
Per Pupil Revenue	\$10,223	\$10,927	\$704
Funded Pupil Count	61,854	61,209	(645)
Total Program Formula	\$632.3M	\$668.8M	\$36.5M
District-share Total Program	\$475.8M	\$493.1M	\$17.3M
Charter-share Total Program	\$156.5M	\$175.7M	\$19.2M

*Final Revised Budget will be presented in June 2024 to reflect state supplemental budget and official pupil count

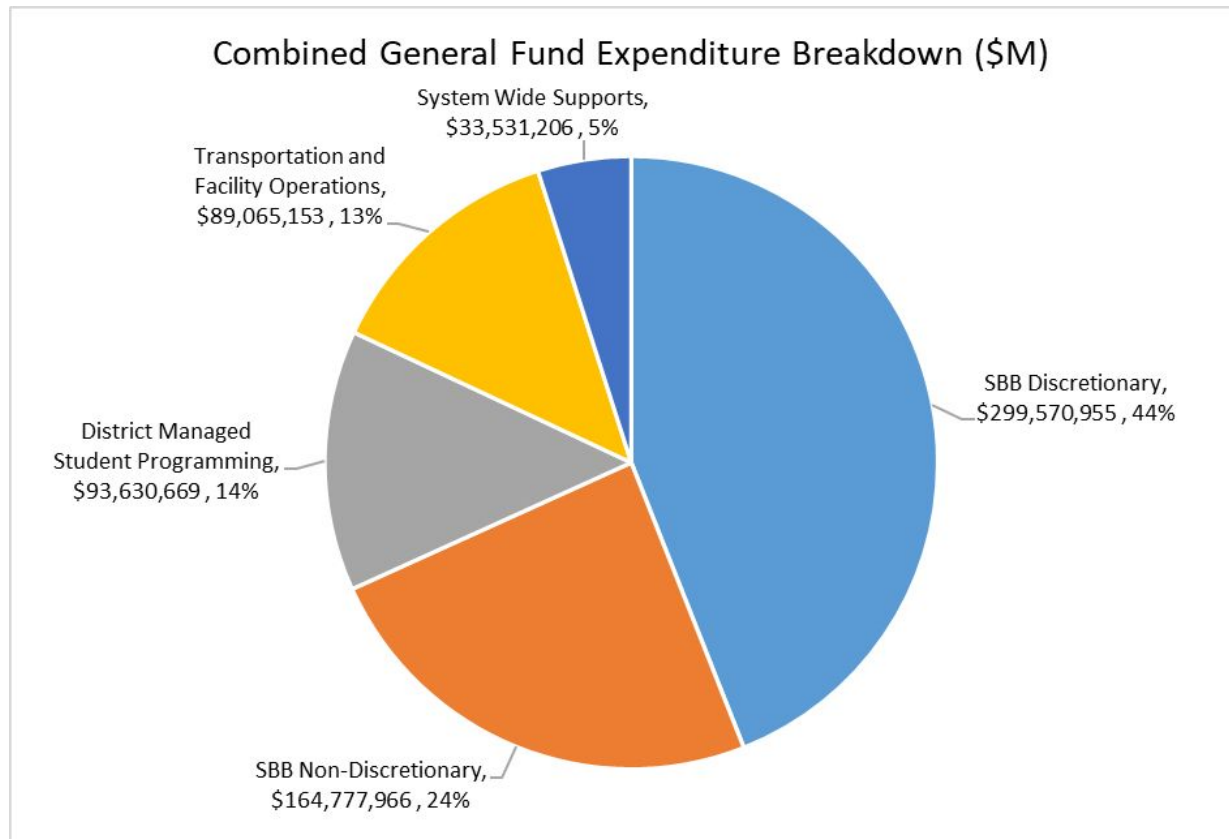
Distribution between State and Local Share for School Finance Act

Distribution between state funding and local funding shifted with 8.5% increase from local share within last year for School Finance Act only



Summary of Combined General Fund Expenditures

68% of the Combined General Fund will be budgeted within and managed by schools with another 14% is district managed student programming



Summary of Priority Investments

We are investing over \$37M or 4% increase in expenditures and transfers in the 2024-2025 Budget

- Compensation investments plus enhancements to benefits = \$22M
- Investing in schools through Site-Based Budget = \$4M
- Investing in schools through District-Managed Student Programming = \$6M
- Investing in transportation and facility operations = \$2M
- Investing in support systems (i.e. insurance, system wide supports, etc.) = \$3M

One-Time vs Ongoing Total Sources and Uses

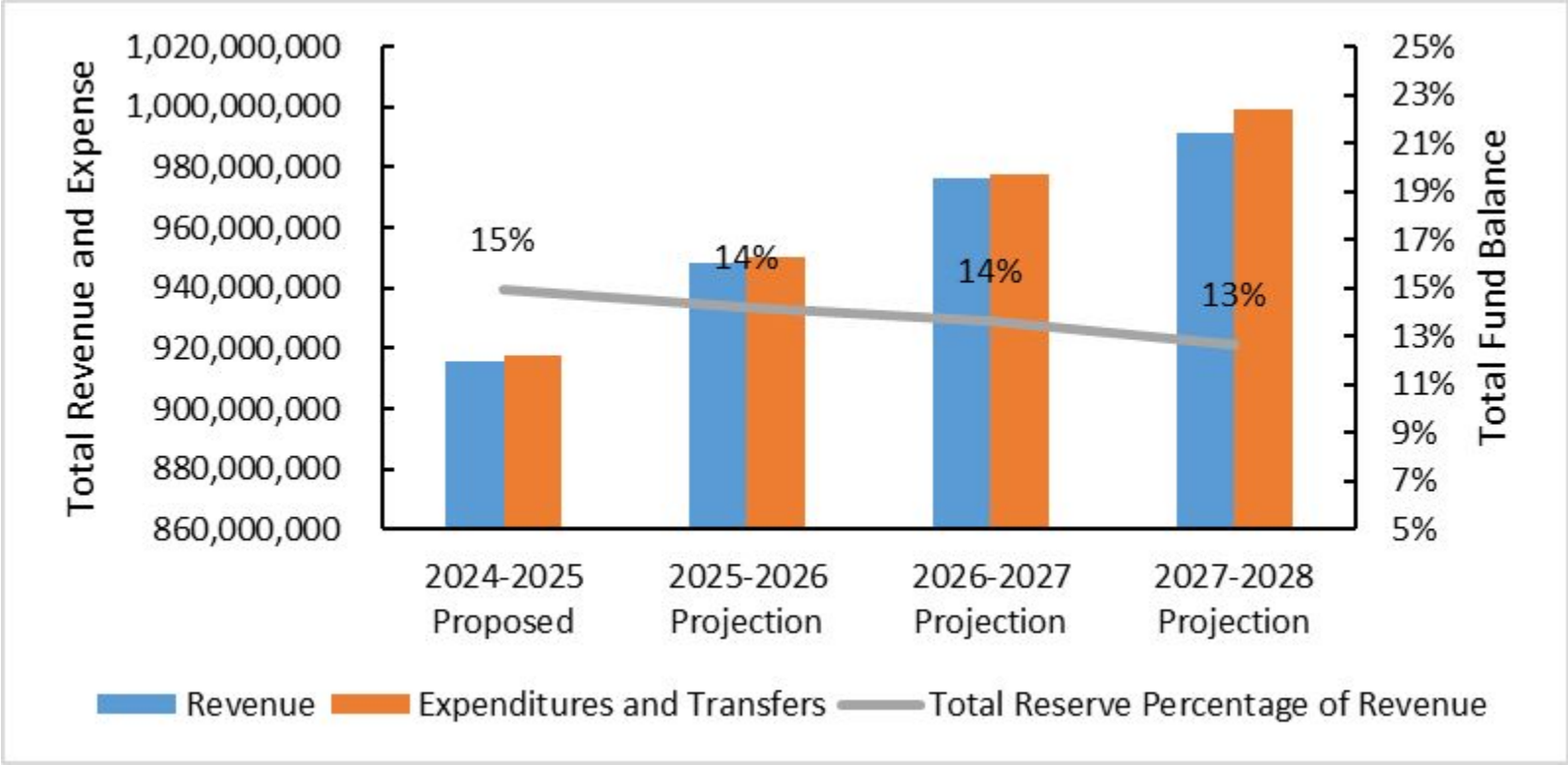
Revenue Increase/(Decrease)	One Time (\$M)	Ongoing (\$M)
Total	\$8.5	\$19.7
Expense Increase/(Decrease)	One Time (\$M)	Ongoing (\$M)
Total	\$4.3	\$26.1
Available Balance	\$4.2	(\$6.4)

USE OF \$2.2M FUND BALANCE IN GENERAL FUND FINANCIALS



Combined General Fund Three Year Forecast

expense forecast includes modest compensation increases offset by slight reductions to Site-Based Budgets (SBB) while revenue is increased to reflect School Finance Act projections



Summary of Other Funds

- Capital Projects Fund
 - Increase \$10M planned spend due to timing of projects funded using \$20M commitment from BOE to cover most urgent capital needs
- Nutrition Services NSLP Fund
 - Increase \$4M planned revenue from CDE for Healthy School Meals for All based on student participation; potentially unsustainable at state-level beginning in 2025-2026
- Bond Building Fund will not be used in 2024-2025
- Medical and Dental Fund
 - Medical benefit claim expenses increasing 8-11% and will be absorbed by the District
- All other funds proposed to have no material changes year-over-year

Board of Education

Budget Details for Discussion

Board Budget Summary

	2023-24 Final Budget	2023-24 Actual as of May 20	2024-25 Proposed Budget
Election Fees	\$ 328,886	\$ 250,778	\$ 337,800
Consulting Services	174,529	74,350	21,060
Audit Services	140,000	140,000	122,750
Dues & Fees	45,771	45,771	46,600
General Supplies	27,191	22,319	32,000
Travel & Registration	17,060	16,641	20,350
Technical Services	14,460	13,263	14,250
Technology Equipment	32,000	-	2,000
Mileage Reimbursement	5,165	3,604	5,165
Extra Pay & PERA	2,949	674	2,952
Rental of Buildings	2,240	1,239	4,000
Printing & Binding	510	508	450
Advertising	100	-	250
Mail Charge	50	4	50
	<u>\$ 790,911</u>	<u>\$ 569,151</u>	<u>\$ 609,677</u>

Unknowns in the Proposed Budget

- Enrollment variability compared to budget based on large differences between initial projected enrollment and principal requested revisions to projected enrollment
- Position fill rates, potential staffing shortages and associated need for more expensive contracted positions to provide services

Supplementary Materials with Proposed Budget Agenda Item

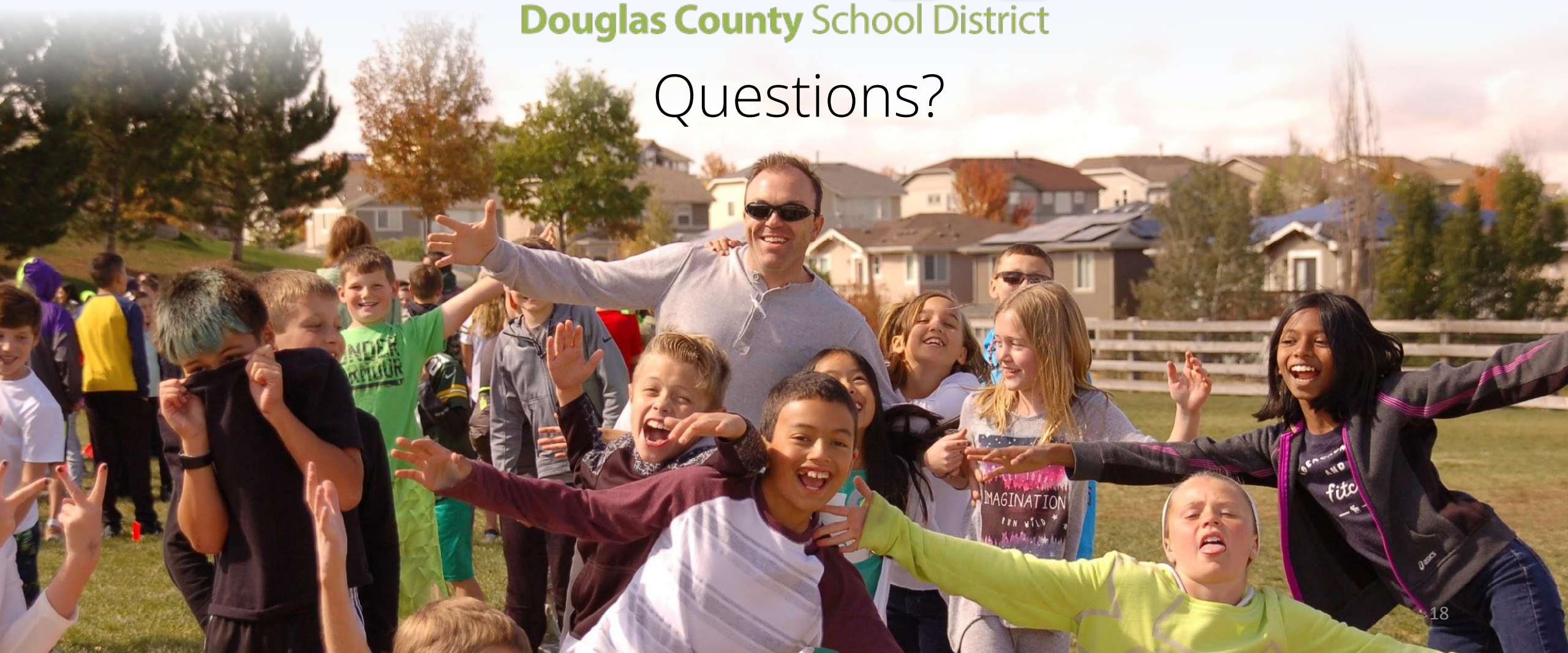
- Proposed Executive Summary of the DCSD Financial Plan and Budget includes:
 - All fund financial schedules
 - Summary of District-run schools
 - Summary of District departments
 - Charter school financial schedules
 - Combined General Fund 3-Year forecast
 - Staffing Summary
 - School vs. School Support vs. Central

Next Steps

- May 31st - legal deadline for public notice on 2024-2025 Proposed Budget
- June 18th - present 2024-2025 Adopted Budget to Board of Education as consent agenda item with vote on Use of Beginning Fund Balance and Appropriations resolutions through consent
- June 30th - legal deadline for budget adoption
- July 1st - 2024-2025 fiscal year begins



Questions?



One-Time vs Ongoing Sources: Combined General Fund

Revenue Increase/(Decrease) Category	One Time (\$M)	Ongoing (\$M)
<i>Use of 2023-2024 Unassigned Fund Balance</i>	(\$1.0)	
2023-2024 State Supplemental Increase	\$3.4	
Per Pupil Revenue Increase from 2023-2024 Adopted		\$35.3
District-Run Funded Pupil Count Decrease from 2023-2024 Adopted		(\$14.3)
Pass through to Charters of MLO Per Pupil		(\$2.6)
Special Education and Other Intergovernmental Revenue Increase		\$1.3
2023 MLO Allocation for Safety and Security Reserve Use	\$2.2	
Concurrent Enrollment and ASCENT Program Participation Increase	\$2.8	
Universal Preschool (UPK) Program Change and Rate Increase	\$1.1	
Total	\$8.5	\$19.7

One-Time vs Ongoing Uses: Combined General Fund

Expense Increase/(Decrease) Category	One Time (\$M)	Ongoing (\$M)
Licensed employee salary increase		\$11.6
Non-Licensed employee salary increase		\$4.6
Medical benefit premium increases absorbed by District	\$6.0	
Neighborhood School Discretionary Site-Based Budget increase		\$3.5
Neighborhood School Non-Discretionary Site-Based Budget increase		\$0.9
<i>Department increases in staffing and operations</i>	\$5.3	\$5.5
<i>Assumed vacancy savings in budgeted positions</i>	(\$7.0)	
Total	\$4.3	\$26.1

Compensation Budgeting

- Licensed Employees: \$ 11.6M with average of 3.5% increase
- Non-Licensed Employees: \$4.6M with classified employees increase of 3.5% and admin/protech employees increase of 3.0%
- DCSD invested \$6M to cover health premium increases to keep employee contributions for medical flat

Site-Based Budgeting (SBB) Investments

- Increase base per pupil discretionary allocation to cover increase in average salaries and benefits for school-based staff in order for schools to maintain current purchasing power
 - 14% increase for elementary
 - 15% increase for middle
 - 13% increase for high
- Modified Special Programming allocation to provide schools with increased site-level discretion over spending to benefit all participating schools
- Invest additional resources in small school factor to ensure smallest schools are able to maintain current programming and instructional staff
- Increases/decreases to Special Education, English Language Development and Gifted and Talented teacher allocations reflect changes to individual student populations and not formula/allocation changes

Planned Use of Fund Balance in General Fund

Healthy historical and current fund balance and strong overall financial position allow for strategic draw down of fund balance in 2024-2025 to invest in students, schools and employees while still maintaining healthy reserve levels

	2020-2021 Actual	2021-2022 Actual	2022-2023 Actual	2023-2024 Projected as of Q3	2024-2025 Proposed Budget
Restricted, Committed and Assigned Reserves	\$64.3M	\$79.2M	\$72.0M	\$71.1M	\$72.9M
Unassigned Reserves	\$66.7M	\$73.6M	\$84.1M	\$68.1M	\$64.0M
General Fund Total Fund Balance	\$131.0M	\$152.8M	\$156.1M	\$139.2M	\$136.9M
Unassigned Fund Balance % of Total Fund Balance	51%	48%	54%	49%	47%
Unassigned Fund Balance % of Total Appropriation	10%	10%	11%	7%	7%