

# 2023-2024 Revised Budget

January 23, 2023  
Board of Education

# Agenda

- Purpose of Revised Budget
- Adopted to Revised Budget Comparison
- Revised Budget General Fund Major Changes
- Implementation of 2023 Mill Levy Override
- Updates to General Fund Reserves
- Major Changes to Other Funds
- Ongoing Upside/Downside Risk
- Appropriation and Use of Fund Balance Resolutions
- Supplemental Material
- Action Requested

# 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 2023)	Revised Budget (January 2024)	Increase/(Decrease)
Per Pupil Revenue (PPR)	\$10,145	\$10,145	\$0
District-run Enrollment	46,590	46,342	(248)
Charter Enrollment (Non-HOPE)	15,105	14,254	(851)
Charter Enrollment (HOPE Online)	2,200	1,368	(832)
Funded Pupil Count	62,736	61,866	(870)
Total Program Funding	\$636.5M	\$627.6M	(\$8.9M)

# Revised Budget General Fund Major Changes: Resources

- Increased beginning fund balance by \$10.5M to reflect 2022-2023 audited ending fund balance
- Decreased combination of Property Tax (In SFA) and State Equalization by \$8.8M to reflect decrease in Total Program for lower Funded Pupil Count
- Increased Budget Override by \$66M to reflect 2023 MLO
- Increased General Fund Interest by \$3.0M to reflect current market interest rates
- Increased Universal Preschool Program by \$1.5M to reflect current participation in ECE

# Revised Budget General Fund Major Changes: Expenditures

- Increased neighborhood schools' Site-Based Budgets (SBB) by \$0.6M to reflect actual Student October Count and full allocation of enrollment reserve
- Carry over of \$19.8M allocated to schools in September
- Decreased full time equivalent (FTE) salaries and benefits with corresponding increases to supplies, capital equipment and purchased services in order to support contractors to perform work related to unfilled positions or provide resources for critical systems and buildings by \$8.3M
- Add compensation increases for all current staff associated with 2023 MLO for \$46M district allocation and \$14M charter allocation
- Add safety and security enhancements associated with 2023 MLO for \$6M

# Updates to General Fund Reserves

Reserve Category	Reserve Amount in Adopted Budget	Reserve Amount in Revised Budget	Explanation for Change in Reserve Amount
TABOR	\$20.48M	\$20.66M	Revision to reflect actual calculation methodology based on eligible revenue and deductions
BOE	\$20.48M	\$20.66M	Set to match TABOR reserve
School Carry Over	\$20.00M	\$19.78M	Allocated to schools in September
Medicaid Carry Over	\$1.01M	\$1.27M	Allocated to department in September
2018 Mill Levy Override Reserve	\$6.92M	\$3.37M	Decreased to reflect use of Career Technical Education component of 2018 Mill Levy Override on Legacy Campus programming
SPED, Mental Health and Security Reserves	\$0.67M	\$0.03M	Remaining balance of Special Education and Mental Health set aside and remaining balance on Mental Health and Security Grant from Douglas County Board of County Commissioners
Enrollment Reserve	\$2.43M	\$0.00M	Allocated to schools during October Count true up to offset largest enrollment declines
Multi-Year Lease Reserve	\$3.22M	\$3.22M	Maintain at amount required after 2023-2024 (Y3) lease expense
Potential Set Aside for 5B One-Time Bridge (Emergency Capital Needs)	\$0.00M	\$20.00M	New reserve anticipated to be spent in 2024-2025 with BOE commitment
2023 Mill Levy Override Reserve	\$0.00M	\$0.99M	Remaining balance of Y1 safety and security enhancements from partial implementation
Unassigned	\$69.12M	\$64.30M	Decreased from 2022-2023 ending fund balance



# Implementation of 2023 Mill Levy Override

- \$60 Million for competitive compensation: \$46M for district allocation and \$14M for charter allocation based on student count
  - Teachers (licensed staff): 9.2% avg increase
  - Classified: 9% increase
  - All Other Staff: 7% increase
- Pay increase retroactive to beginning of school year with lump sum in January 2024 and new rate of pay beginning in February 2024
- \$6 million for added safety and security enhancements
  - Additional school resource officer support
  - Additional campus security specialists at all district-run elementary schools
  - Annual security equipment allowance
- Positions are posted to be filled now throughout the District



# Major Changes to Other Funds

- Adjustments to interfund transfers to Outdoor Education, Nutrition Services and Child Care Funds to reflect General Fund support of 2023 MLO pay increases
- Capital Projects Fund includes reserve from additional \$4.9M sale of land and added construction projects and IT equipment funded via transfer from General Fund
- Transportation Fund reflects increased use of third party transportation vendors due to bus driver shortage and refund of transportation fees due to route cancellations
- Nutrition Services Fund reflects increased participation in student and staff meals
- Bond Redemption Fund reflects reduction of debt service mill (tax) for failed 5B
- Bond Building Fund reflects increased building and building improvements due to timing of summer 2023 projects
- Medical and Dental Fund health plan expenses increased 5% to reflect self-insured claims activity

# Ongoing Upside/Downside Risk

## Upside

- State supplemental budget to increase PPR
- Vacant, budgeted positions filled
- Implementation of 2023 MLO security initiatives slower than anticipated

## Downside

- State supplemental budget to decrease PPR
- Vacant positions remain unfilled requiring increased use of more expensive contractors/consultants

# Appropriation Resolution

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

Fund	Amount
General Fund (10)	\$ 922,479,124
Outdoor Education Fund (13)	\$ 1,601,585
Capital Projects Fund (14)	\$ 21,408,417
Full Day Kindergarten Fund (15)	\$ -
Transportation Fund (25)	\$ 34,920,404
Nutrition Services NSLP Fund (21)	\$ 34,670,359
Nutrition Services Non-NSLP Fund (28)	\$ -
Governmental Designated Purpose Grants Fund (22)	\$ 17,175,654
Pupil Activity Fund (23)	\$ 1,196,462
Athletics and Activities Fund (26)	\$ 23,848,073
Child Care Fund (29)	\$ 13,009,102
Bond Redemption Fund (31)	\$ 52,973,266
Certificate of Participation Lease Payment Fund (39)	\$ 1,123,189
Bond Building Fund (41)	\$ 8,484,971
Certificate of Participation Building Fund (45)	\$ -
Medical and Dental Fund (65)	\$ 60,455,174
Short Term Disability Insurance Fund (66)	\$ 790,098
Private Purpose Trust Fund (75)	\$ 48,000

# Use of Beginning Fund Balance Resolution

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

Fund	Amount	Purpose for Use of Beginning Fund Balance
General Fund (10)	\$ 1,821,121	Potential draw-down of accumulated FB for spend on employee retention related initiatives and carry over assignments
Outdoor Education Fund (13)	\$ 50,848	Potential draw-down of accumulated FB for Stone Canyon operational expenses
Capital Projects Fund (14)	\$ -	No budgeted use of beginning fund balance
Full Day Kindergarten Fund (15)	\$ -	N/A
Transportation Fund (25)	\$ 1,001,789	Potential draw-down of accumulated FB for Transportation operational expenses
Nutrition Services NSLP Fund (21)	\$ 1,750,426	Potential draw-down of accumulated FB for Nutrition Services free meals implementation
Nutrition Services Non-NSLP Fund (28)	\$ -	No budgeted use of beginning fund balance
Governmental Designated Purpose Grants Fund (22)	\$ -	No budgeted use of beginning fund balance
Pupil Activity Fund (23)	\$ 1,196,462	Potential draw-down of accumulated FB for school activities
Athletics and Activities Fund (26)	\$ -	No budgeted use of beginning fund balance
Child Care Fund (29)	\$ 1,218,560	Potential draw-down of accumulated FB for Before and After School Care Enterprise
Bond Redemption Fund (31)	\$ -	No budgeted use of beginning fund balance
Certificate of Participation Lease Payment Fund (39)	\$ 1,610	Potential draw-down of accumulated FB for fiscal charges
Bond Building Fund (41)	\$ 7,909,008	Intentional draw-down of accumulated FB for 2018 Bond capital projects
Certificate of Participation Building Fund (45)	\$ -	N/A
Medical and Dental Fund (65)	\$ -	No budgeted use of beginning fund balance
Short Term Disability Insurance Fund (66)	\$ 118,829	Intentional draw-down of accumulated FB due to employer-paid premium cost savings in General Fund
Private Purpose Trust Fund (75)	\$ -	No budgeted use of beginning fund balance

# Supplemental Material: Revised Financial Plan and Budget

- District-wide and fund level financials with 2022-2023 draft audited actuals, 2023-2024 adopted budget and 2023-2024 revised budget
- Charter school financials with 2022-2023 audited actuals, 2023-2024 adopted budget, 2023-2024 revised budget, 2023-2024 estimated actuals and 2024-2025 projected budget
- Planned use of contingency budget
- Staff Position (FTE) budgets
- School vs School Support vs Central Expenditures Analysis
- Appropriation and Use of Beginning Fund Balance Resolutions

# Action Requested

- Staff request the Board of Education vote to approve the following resolutions:
  - FY2023-24 Revised Appropriation Resolution
  - FY2023-24 Revised Use of Beginning Fund Balance Resolution



