

2023-2024 Budget Projections

Presentation to the
Board of Education
April 25, 2023



Policy End Statement: Financial Well-Being

Policy End - V. Financial Well-Being

A. The Board of Education and all district employees are good stewards of the financial resources belonging to the district on behalf of students and taxpayers.

B. All district funds and expenditures are handled equitably, efficiently, transparently, responsibly, and purposefully to maximize the benefit for all students.

C. All district fiscal transactions are legal, ethical, and appropriate in keeping with district regulations and goals.

D. Long-term financial stability and accountability has been established, maintained, and actively monitored in order to accomplish Board of Education End Goals

Agenda

- Enrollment and Funded Pupil Count
- School Finance Act and Per Pupil Revenue
- Other Revenue Changes
- One-Time vs Ongoing Sources
- Compensation Budgeting
- Site-Based Budget Changes
- Department Budget Overview
- One-Time vs Ongoing Uses
- Unknowns to the Forecast (Upside/Downside)
- Next Steps

Enrollment and Funded Pupil Count

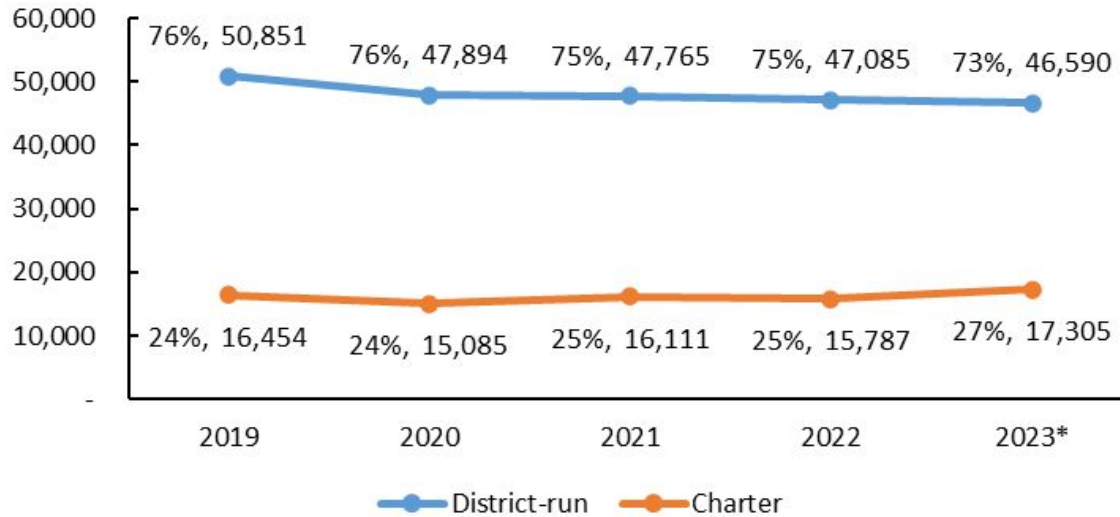
	Actual 2022-2023	Projected 2023-2024	Actual to Projected Increase/(Decrease)
Neighborhood K-12 Enrollment	45,020	44,413	(607)
Alternative and District-Run ECE Enrollment	2,065	2,177	112
Charter Enrollment (Non-HOPE)	14,035	15,105	1,070
Charter Enrollment (HOPE Online)	1,752	2,200	448
Funded Pupil Count*	63,158	62,736	(422)



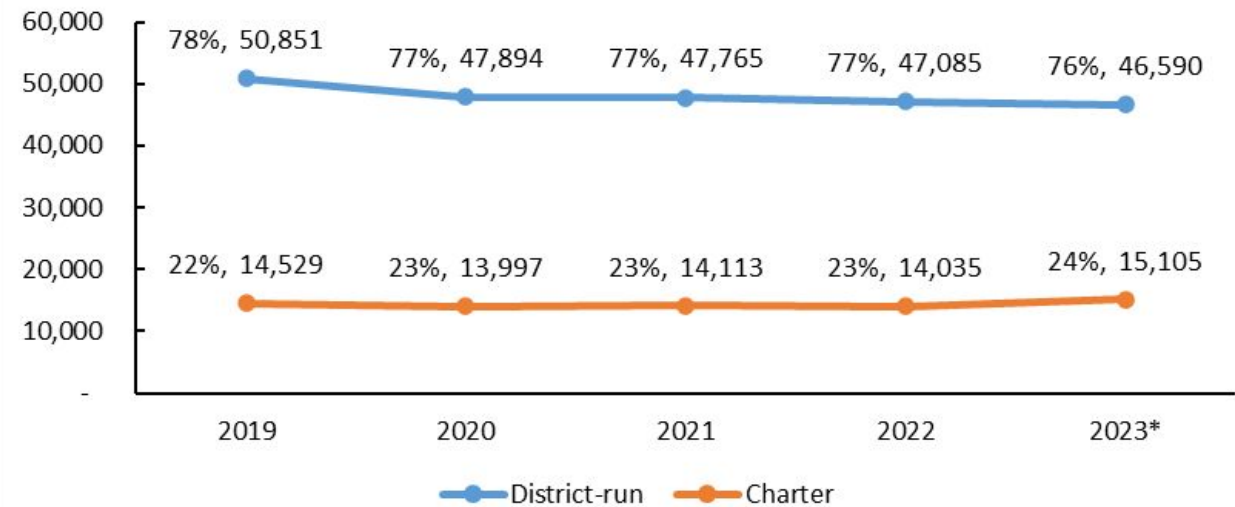
**Funded Pupil Count is not the sum of the various enrollment components, do not add the first four rows to calculate the bottom line*

District-run vs Charter Enrollment Over Time

District-run vs. Charter Enrollment
(with HOPE Online)



District-run vs. Charter Enrollment
(without HOPE Online)



School Finance Act and Per Pupil Revenue

- Based on SB23-287 School Finance Act as introduced on 4/18/23
- Base per pupil constitutionally required to increase by inflation (8.0%)
- No change to Cost of Living (COL) or At-Risk (FRL) factor formulas
- No change to multi-year averaging for declining enrollment school districts
- Budget Stabilization (Negative) Factor buy down of \$150M from \$321M statewide or 3.7% per district to \$171M statewide or 1.9%
- **DCSD Per Pupil Revenue (PPR) increase of \$924 per student to \$10,115 per pupil**

School Finance Act Revenue Assumptions for DCSD

	2022-2023 Revised Budget	2023-2024 Projection	Increase/(Decrease)
District-run Enrollment	47,085	46,590	(495)
Charter Enrollment (non-HOPE)	14,035	15,105	1,070
Charter Enrollment (HOPE)	1,752	2,200	448
Total Enrollment	62,872	63,906	1,034
Per Pupil Revenue	\$9,191	\$10,115	\$924
Funded Pupil Count	63,158	62,736	(422)
Total Program Formula	\$580.5M	\$634.6M	\$54.1M
District-share Total Program	\$437.2M	\$468.2M	\$31.0M
Charter-share Total Program	\$143.3M	\$166.4M	\$23.1M

Other Revenue Changes

- Special Education SB23-099
 - increase Special Education Tier B (more severe disabilities) funding \$40M statewide in addition to current law
 - **estimated to increase DCSD SPED funding ~\$2.9M**
- Increase categorical programs (Special Education, Gifted and Talented, English Language) by inflation
 - current law set to increase \$35M statewide based on inflation
 - **estimated to increase DCSD other categorical funding ~\$2.2M**

One-Time vs Ongoing Sources: Combined General Fund

Revenue Increase/(Decrease) Category	One Time (\$M)	Ongoing (\$M)
Use of 2022-2023 Unassigned Fund Balance	\$14.2	
Per Pupil Revenue Increase		\$42.8
District-Run Funded Pupil Count Decrease		(\$11.8)
Pass through to Charters of MLO per pupil increase		(\$0.3)
Special Education and Other Categorical Revenue increase		\$5.1
2018 MLO allocation for Career Tech reserve use	\$0.6	
Concurrent enrollment revenue increase	\$1.3	
Legacy Campus lease and rental income	\$0.4	
Total	\$16.5M	\$35.8M



Compensation Budgeting

- Licensed Staff will receive ongoing increase to base of 3.5% and steps of 2.0-2.5% based on years of service
 - Estimated cost of \$15.0M
- Classified Staff will receive ongoing increase to base of 6%
- Admin/Professional Staff will receive ongoing increase to base of 5%
 - Estimated cost (classified and admin/professional) of \$7.5M
- Zero increases to employee paid portion of medical benefit premiums
 - Estimated cost for District to absorb premium increases of \$3.0M
- **Overall investment of over \$25M in current employee compensation in 2023-2024***

**\$2,000 PERA includable retention stipend in September 2023 is in 2022-2023 Revised Budget*

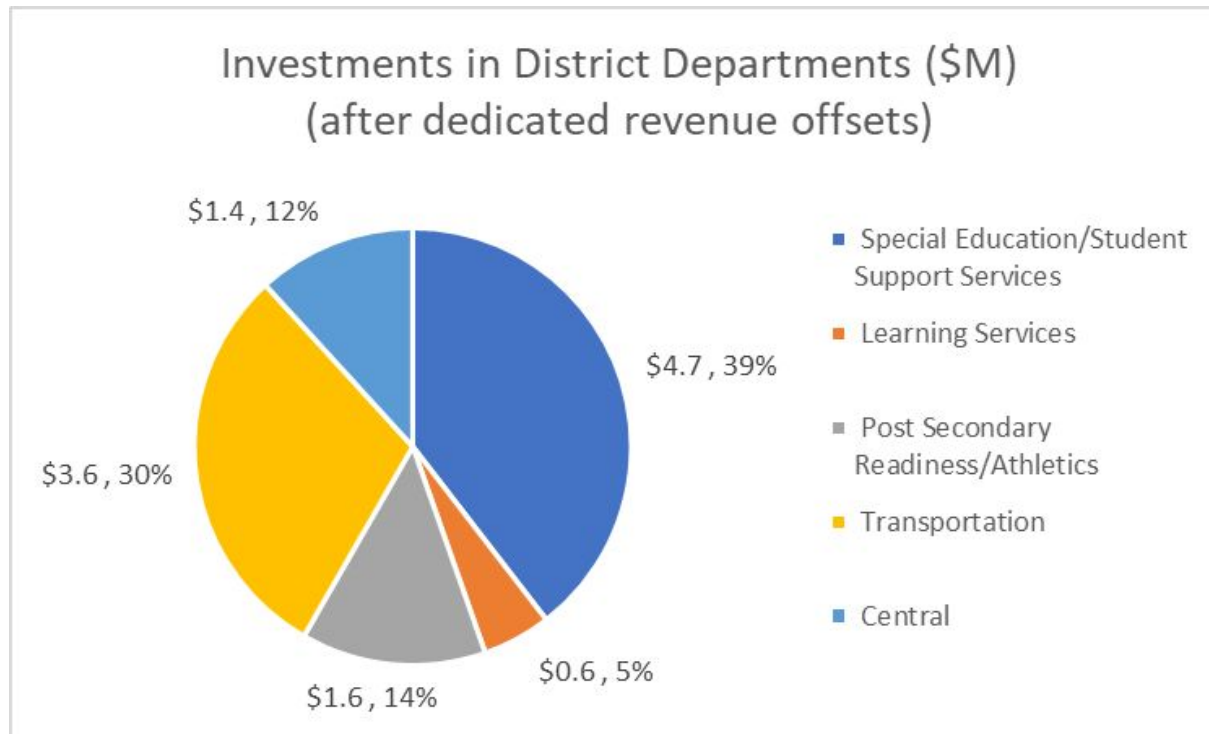
Site-Based Budget Changes

- Invest within Student Support Services non-discretionary allocations (~42 FTE or \$4.3M)
 - Increase Mental Health FTE support for schools with Affective Needs programs
 - Increase hours for EA IV positions by 30 minutes a day
 - Increase Gifted and Talented Interventionists at more elementary schools
 - Increase Campus Security Specialists at middle and high schools
- 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 (\$11.5M)*
 - 8% increase for elementary
 - 5% increase for middle
 - 4% increase for high

**redistribution from pay increases held centrally in 2022-2023 to individual school budgets, not an overall increase to DCSD budget*

Department Budget Overview

- Increases to department-managed budgets of \$12M after offset of dedicated revenue
- Increase of central budgets of \$1.4M (12% of department budget increases) exclusively related to employee retention or inflationary increases



One-Time vs Ongoing Uses: Combined General Fund

Expense Increase/(Decrease) Category	One Time (\$M)	Ongoing (\$M)
Licensed staff steps on salary schedule (2.0-2.5%)		\$3.8
Licensed staff salary schedule increase of 3.5%		\$11.2
Non-Licensed staff salary increase (5.0-6.0%)		\$7.5
Medical benefit premium increases absorbed by District	\$3.0	
Add VALE school budget		\$1.9
Neighborhood and alternative school non-discretionary allocation increase		\$6.0
Neighborhood school discretionary allocation increase (not base per pupil related)		\$1.2
Department increases in staffing and operations (before offset of dedicated revenue)	\$5.5	\$12.2
Total	\$8.5M	\$43.7M

Unknowns in the Forecast

Upside

- School Finance Act passed with Per Pupil Revenue **more** favorable than introduced bill
- Universal Preschool matching fills most available DCSD slots
- Budgeted positions are filled resulting in **less** use of more expensive contracted services

Downside

- School Finance Act passed with Per Pupil Revenue **less** favorable than introduced bill
- Universal Preschool matching does not fully utilize available space to match staffing
- Budgeted positions are **not** filled resulting in **greater** use of more expensive contracted services

Next Steps

- May 23rd - present 2023-2024 Proposed Budget to Board of Education
- May 31st - legal deadline for public notice on 2023-2024 Proposed Budget
- June 20th - present 2023-2024 Adopted Budget to Board of Education
- June 30th - legal deadline for budget adoption
- July 1st - 2023-2024 fiscal year begins



Questions?

