

Fiscal Year (FY) 24 Preliminary Budget Assumptions

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Overview: FY24 Budget Approach

- Strategy, process and preliminary budget assumptions.
- Current reality after audit FY22 and revised FY23.
- Share next steps to Board action to adopt FY24 budget by June 2023.



FY24 Preliminary Adopted Budget

Guiding change - FY24 budget

Guiding questions: How will the budget for FY24 continue to:

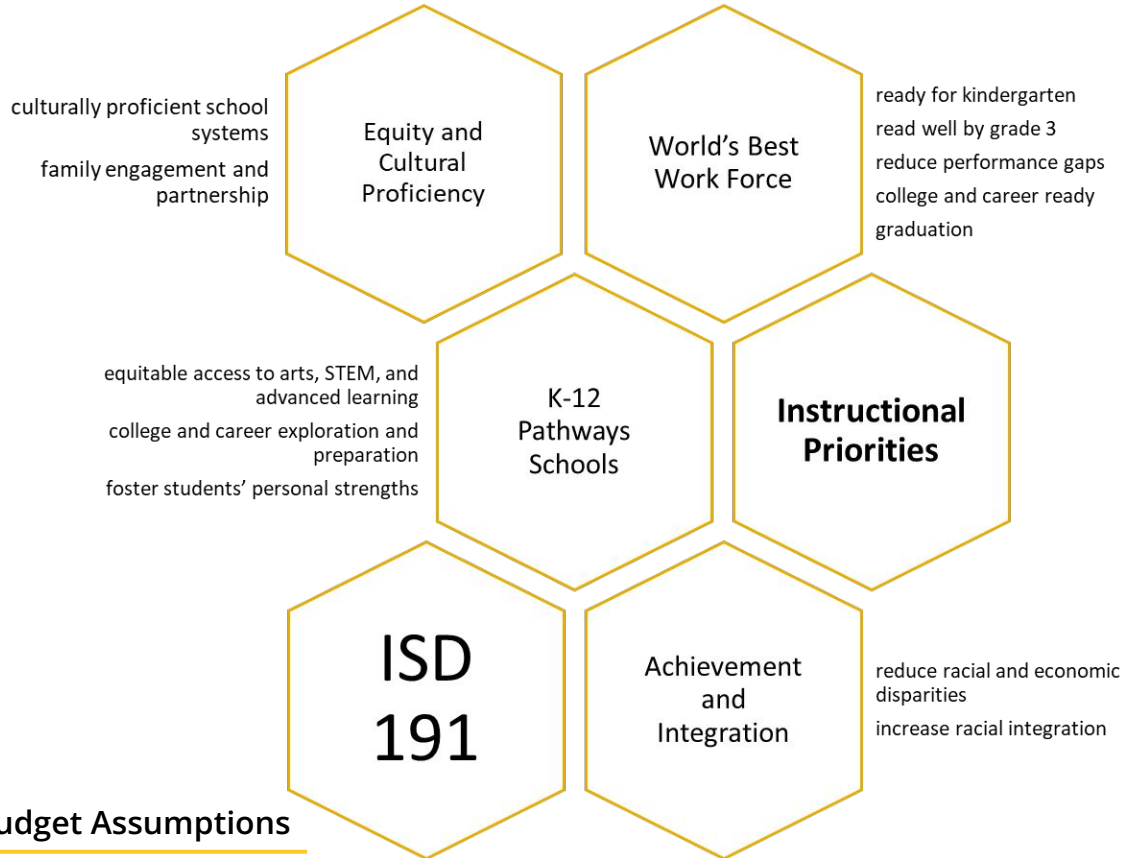
- Support our mission and priorities?
- Position the budget to leverage every funding source available?
- Align with the goals of advancing equitable student outcomes?

FY24 Strategies for Structurally Sustainable Budget

- Prioritize investment for instructional priorities, including PK-12 Pathways
- Maintain current class size parameters (Enrollment Rightsizing)
- Use of restricted funds before general undesignated funds
- Understand ebb and flow of revenue streams and expenses
- Strategic use of federal resources to accelerate learning post pandemic and to position budget for sustainable programming once funds end

FY24 Strategies: How we use categorical funds

- Federal Title Funding (I,II,III,IV,VI)
- Achievement & Integration
- Curriculum Capital
- Special Education
- General Funds
 - Professional Development
 - Curriculum
 - Assessment



FY24 Strategies: How we maintain class sizes

- Staffing allocations provided to building principals based on current Board approved class size averages.
 - K-5 average : 24.5 students per class with fewer students in Kindergarten and more in 5th grade classes.
 - 6-8 average : 21 students per FTE*
 - 9-12 average : 26 students per FTE*

*secondary program class sizes vary based on course type, external class size restrictions, instructional models, student interest, and graduation requirements.

FY24 Strategies: How we maintain class sizes

- Adjust instructional full-time equivalency (FTE's) based on enrollment to maintain Board approved class size averages.
- Adjust staff FTE's to maintain expense to revenue ratio in certain categorical funding areas such as Compensatory, Achievement and Integration, and Title (rightsizing based on categorical funds).



FY24 Strategies: Federal pandemic relief money

- Purpose:
 - Needed for relief, recovery, and to rebound.
 - Health needs (physical, mental, social, emotional), connection to school (physical, digital, social-emotional) and effective learning opportunities.
 - Stakeholder feedback regarding priorities.



FY24 Adopted Budget: Process

- Each budget manager is responsible for the following:
 - Review the budget to ensure that all expenditures for 2022-23 school year have been coded correctly
 - Identify priority expenditures
 - Identify any cost savings
 - Make decisions about discretionary funds
- Submit budget adjustments and/or request for additional funding
- Cross-functional team reviews before submission to Superintendent

FY24 Adopted Budget: Timeline

- **January - February**
 - Board approves FY23 revised budget
 - Board receives report on FY24 budget assumptions
- **March**
 - Board discussion of Governor and legislative funding updates in workshop
 - Superintendent presents adjusted budget recommendations to the Board
- **June 8** - FY24 Adopted budget presented
- **June 22** - FY24 Adopted budget approved

FY24 Preliminary Budget Revenue Assumptions

- **Local Aid**

- K-12 enrollment projected for FY23 was 7219
- K-12 enrollment actual on 1/16/23 was 7457 (+238)
- *K-12 Enrollment assumed for FY24 will be 7,363 (-94)*
- Projected to generate \$6 million in levy aid

- **State Aid**

- Compensatory revenue increase
- *Assumption of 3% increase on General Education formula*
- *Assumption of \$5 million increase in cross subsidies (Special Education and English Learner)*

FY24 Preliminary Budget Revenue Assumptions

- **Federal Aid**
 - Elementary and Secondary School Emergency Relief Fund (ESSER) III funds will decrease compared to FY23.
- Combined revenue increase approximately **\$17 million**

FY24 Preliminary Expenditure Assumptions

- 2.5% salary assumptions for all contracts applied
- 6% transportation increase assumed based on contract
- 18% increase on utilities
- 5% increase on supplies, materials, and other services
- 9% increase on medical insurance premiums
- ESSER III funds for all additional positions considered to be continuing
- Combined expenditure increase approximately **\$9 million**

Current Reality FY 23-24

General Fund Budget Comparative Summary

	Actual Results 2020-21	Actual Results 2021-22	Adopted Budget 2022-23	Revised Budget 2022-23
Total Beginning Fund Balance	\$ 20,326,027	\$ 29,521,880	\$ 29,371,898	\$ 32,521,899
Revenues	129,973,192	126,974,994	125,658,061	127,778,817
Federal Relief Revenues for current costs	4,673,195	3,902,488	3,400,000	4,027,847
Federal Relief Revenues for new costs		5,443,165	6,270,499	5,949,046
Expenditures	120,777,339	127,877,463	130,869,041	131,854,440
Federal Relief Expenditures for new costs	4,673,195	5,443,165	6,270,499	5,949,046
Variance (Revenues - Expenditures)	9,195,853	3,000,019	(1,810,980)	(47,776)
Total Ending Fund Balance	\$ 29,521,880	\$ 32,521,899	\$ 27,560,918	\$ 32,474,123
Breakdown of Fund Balance Categories				
Nonspendable	\$ 382,338	\$ 254,436	\$ 382,338	\$ 254,436
Restricted	9,020,782	9,841,889	8,637,897	10,819,678
Committed	1,849,491	1,837,017	1,168,634	1,394,580
Assigned	5,081,823	1,810,980	-	-
Unassigned	13,187,446	18,777,577	17,372,049	20,005,429
Total Ending Fund Balance	\$ 29,521,880	\$ 32,521,899	\$ 27,560,918	\$ 32,474,123
Unassigned Fund Balance %	10.51%	14.08%	12.67%	14.52%

FY 24 Assumptions

Revenue: **\$17 million**
 Expenditures: **\$9 million**

FY24 Fund Balance Increase:
\$8 million

FY 23 projected Ending Fund
 Balance: **\$32.5 million**

FY 24 projected Ending Fund
 Balance: **\$40.5 million**

Thank You.