

BOARD AGENDA ITEM

January 10, 2023

SUBJECT:

Consideration to Designate a Portion of Fund Balance

BACKGROUND INFORMATION:

The School Board has the ability to commit a portion of fund balance for designated purposes. Committed fund balance would be reflected as such in each year's financial statements. Any repurposing or uncommitting of the designation would be handled through action of the School Board.

ADMINISTRATIVE CONSIDERATION:

The unassigned portion of General Fund fund balance totaled \$61,218,005 as of June 30, 2022. This represented approximately 3.25 months' operating reserves. Committing \$8 million in General Fund fund balance as described below would decrease the unassigned fund balance to approximately 2.80 months reserves while establishing funding for future needs.

The District's 1:1 technology initiative commenced with ESSER I funding. The District avoided a need to purchase laptops for all students in the initial phases by supplementing technology distributions with devices that were recently-purchased as part of building projects and from other sources. The replacement cycle for laptops is approximately four to five years. While technology funding has been included in ARP ESSER ("ESSER III"), it will be insufficient to fund replacements for all students. The Administration recommends designating and holding \$7 million in fund balance for laptop replacement.

A separate Board agenda item addresses and recommends establishing a critical need sign-on bonus to attract new teachers to the District. The estimated cost is \$850,000 to \$1 million, depending on the number of vacancies. The Administration has recommended designating \$1 million in fund balance to cover these bonuses.

RECOMMENDATION:

Commit \$7 million in fund balance for future 1:1 technology replacements and \$1 million for 2023 – 2024 teacher sign-on bonuses

PREPARED BY:

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