

## **BOARD AGENDA ITEM**

**June 9, 2020**

### ***SUBJECT:***

2020 – 2021 Budget – Second/Final Reading

### ***BACKGROUND INFORMATION:***

The First Reading of the budget was presented for Board consideration at its May 12, 2020, meeting. A budget hearing was held on Tuesday, June 2, 2020.

In its revised 2020 – 2021 budget calendar, the Board scheduled presentation of the Second & Final reading for June 9, 2020.

### ***ADMINISTRATIVE CONSIDERATION:***

The Second Reading of the Superintendent's proposed budget is presented for Board consideration. As discussed previously, this year's budget process was unlike any other due to COVID-19 closures. State legislators passed a continuing resolution to continue operating on the 2019 – 2020 budget in the new fiscal year that begins July 1, 2020. They are expected to resume 2020 – 2021 budget discussions in September 2020. As a result, there are limited changes in this version of the budget compared to a typical year.

Most State revenue allocations are based on 2019 – 2020 amounts, with some estimates reflecting the departure of Horse Creek Academy charter school, and its student enrollment, from District-sponsorship.

The key components from the First Reading of the budget, that typically have the largest impacts on the budget, remain unchanged in the Second Reading -- no step increases and no cost of living adjustments are included in this Reading. The State froze the teacher scale and prohibited school districts, even those with the ability to fund increases locally, from providing pay increases to employees (excluding changes in positions). Because the District treats teachers and non-teachers similarly, no changes were made to any salary schedules or supplements.

A recap of other budget highlights include: changes in school staffing allocations based on enrollment projections and course requests; shifts to the General Fund resulting from loss of or lack of funding (i.e. exhaustion of carryover), such as CERDEP; the removal of amounts to be paid to Horse Creek Academy; the inclusion of phase III fine arts funding for elementary schools; the anticipated increase of employer health insurance premiums going into effect January 1, 2021; funding for the XSEL program; and revisions to various other estimates.

The State also suspended the anticipated 1% increase in the employer retirement contribution rate scheduled to go into effect for 2020 – 2021; however, the "insurance surcharge" component of employer retirement is scheduled to increase by some yet-to-be announced percentage. [The increase will be announced by the end of June.] This

version of the budget includes an estimated .25% increase in the insurance surcharge component that was not included in the First Reading.

The First Reading of the budget failed to include the Area 3 lawn maintenance costs. That agreement was entered into after the start of the 2019 – 2020 school year and not reflected in the original budget that was used as a starting point for the 2020 – 2021 budget. Those lawn maintenance costs have been included in the Second Reading and are reflected on the “Repairs/Maintenance Services” line on the General Fund budget.

The Board approved using a significant portion of CARES (Federal stimulus) dollars for 1:1 technology. This budget version includes funding for two additional technology positions as result of an increase in the number of student devices. The positions will be funded by eliminating and re-purposing a vacant coordinator position from the Instructional Services Department plus approximately \$25,000 in additional funds.

Schools’ and departments’ discretionary budget requests have largely been held for possible consideration at a later date.

The General Fund budget totals \$206,169,878, as presented and pending Board discussion. [The General Fund expenditures budget currently includes a line titled “fund balance increase” totaling \$1,045,995 on page 3. The Administration’s recommendation is that this not be viewed as a surplus that could be used to address various budget requests. When the State resumes budget discussions later this year, these funds may be needed to meet requirements and balance an amended budget.]

No tax increase is proposed for 2020 – 2021.

Budgets for the Special Revenue Fund, EIA Fund, Debt Service Fund, Capital Projects Fund, and School Food Service Fund are also presented for Board review. There were no changes from the First Reading.

***RECOMMENDATION:***

Approve the Second/Final Reading of the 2020 – 2021 budget with any changes resulting from Board discussion.

***ATTACHMENTS:***

1. 2020 – 2021 Budget – Second Reading (summary)
2. 2020 – 2021 General Fund Expenditures Budget – Second Reading by object (summary)
3. 2020 – 2021 General Fund Expenditures Budget – Second Reading by location (summary by object)
4. 2020 – 2021 General Fund Revenue Budget
5. Staffing formulas
6. 2020 – 2021 Salary Schedule

***PREPARED BY:***

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