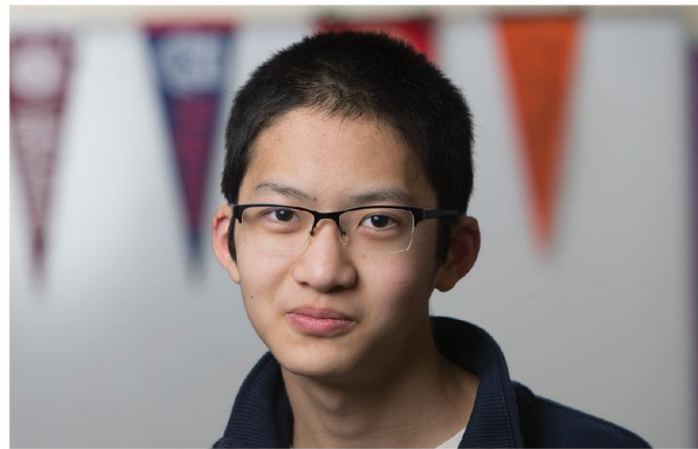


December 2021 Budget Workshop



Expect great things.

Budget Workshop Goals

- Overview changes since the release of the 2022 Preliminary General Fund Budget
- Impact of proposed changes on our financial forecast
- Agreement on next steps for the 2022 budget

2022 General Budget Update

- Eliminated budget for Credit Recovery
 - Included in ESSER II allocation
- Reduced budgetary reserve
 - Eliminated allocation for class size adjustment teachers
- Reduction to Charter Tuition Expenditures
 - Reduction in tuition rate from the 2020-21 to 2021-22 school year

Summary of Major Changes

Credit Recovery	(383,641)
Budgetary Reserve	(2,545,936)
Charter School Tuition	(1,797,247)
Total Reduction	(4,726,824)

Major Changes by Object From November to Now

Expenditure Category	November	December	Increase/(Decrease)	% Change
Salaries & Benefits	341,653,034	338,756,241	(2,896,793)	-0.85%
Special Education	90,599,995	90,599,995	-	0.00%
Debt Service	43,915,466	43,613,107	(302,359)	-0.70%
Charter Schools	119,129,177	117,331,930	(1,797,247)	-1.69%
Transportation	40,441,468	40,450,572	9,104	0.03%
Utilities	9,819,031	9,819,031	-	0.00%
Purch. Prof. & Tech. Services	9,649,778	9,623,778	(26,000)	-0.28%
Purch. Prop. Services	3,082,388	3,082,804	416	0.01%
Other Purch. Services	13,850,926	13,838,681	(12,245)	-0.09%
Supplies	11,100,426	11,100,566	140	0.00%
Property	3,302,938	3,302,938	-	0.00%
Other Objects	3,169,371	3,169,371	-	0.00%
Other Finan. Uses	579,200	579,200	-	0.00%
Total	690,293,198	685,268,214	(5,024,984)	-0.75%



Expect great things.

We Are on Still Track to Completely Exhaust Our Fund Balance During 2023

	Adopted Year Ended 2021	Projected Year Ended 2021	Projected Year Ended 2022	Projected Year Ended 2023	Projected Year Ended 2024
Total Revenues	\$631,914,258	\$628,341,428	\$633,906,152	\$643,309,022	\$652,287,795
Total Expenditures	\$671,348,058	\$657,646,298	\$685,268,214	\$698,452,025	\$710,282,886
Beginning Balance	\$73,234,205	\$91,701,905	\$62,397,034	\$11,034,972	(\$44,108,031)
Operating Surplus/(Deficit)	(\$39,433,800)	(\$29,304,871)	(\$51,362,062)	(\$55,143,003)	(\$57,995,091)
Ending Fund Balance	\$33,800,405	\$62,397,034	\$11,034,972	(\$44,108,031)	(\$102,103,123)
Less Projected Reservations	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)
Less Committed Fund Balance	\$0	\$0	\$0	\$0	\$0
Less Assigned Fund Balance	(38,980,987)	(51,362,062)	(55,143,003)	(57,995,091)	(\$43,249,825)
Unassigned Fund Balance	(\$7,680,582)	\$8,534,972	(\$46,608,031)	(\$104,603,123)	(\$147,852,947)
% Budgeted Expenditures	-1.14%	1.30%	-6.80%	-14.98%	-20.82%
Minimum Fund Balance per Board Policy #721	\$33,567,403	\$32,882,315	\$34,263,411	\$34,922,601	\$35,514,144
Compliance with Fund Balance Policy	No	No	No	No	No
Funds needed to comply with Fund Balance Policy	\$41,247,985	\$24,347,343	\$80,871,442	\$139,525,724	\$183,367,091



Expect great things.

Impact of Possible Tax Increase

- 2021-22 Act 1 Index for the district is 3.0%
- Current Millage rate is 9.95 Mills

% Increase	Mills	2022 Estimated Real Estate Revenue	Increase over Existing Projection
No Increase	9.95	\$ 183,623,498	\$ -
0.50%	10.00	\$ 184,511,615	\$ 888,117
1.00%	10.05	\$ 185,399,733	\$ 1,776,235
1.50%	10.10	\$ 186,287,850	\$ 2,664,352
2.00%	10.15	\$ 187,175,968	\$ 3,552,470
2.50%	10.20	\$ 188,064,085	\$ 4,440,587
3.00%	10.25	\$ 188,952,203	\$ 5,328,705

Projected Impact on the Taxpayer

Millage Rate	Property Value				
	\$ 50,000	\$ 84,500	\$ 100,000	\$ 150,000	\$ 200,000
9.95 (2021 Level)	\$ 497.50	\$ 840.78	\$ 995.00	\$ 1,492.50	\$ 1,990.00
10.00 (0.5% Increase)	\$ 2.50	\$ 4.22	\$ 5.00	\$ 7.50	\$ 10.00
10.05 (1% Increase)	\$ 5.00	\$ 8.45	\$ 10.00	\$ 15.00	\$ 20.00
10.10 (1.5% Increase)	\$ 7.50	\$ 12.67	\$ 15.00	\$ 22.50	\$ 30.00
10.15 (2% Increase)	\$ 10.00	\$ 16.90	\$ 20.00	\$ 30.00	\$ 40.00
10.20 (2.5% Increase)	\$ 12.50	\$ 21.13	\$ 25.00	\$ 37.50	\$ 50.00
10.25 (3.0% Increase)	\$ 15.00	\$ 25.35	\$ 30.00	\$ 45.00	\$ 60.00



Impact of a Millage Increase on our Forecast

	Adopted Year Ended 2021	Projected Year Ended 2021	Projected Year Ended 2022	Projected Year Ended 2023	Projected Year Ended 2024
Total Revenues	\$631,914,258	\$628,341,428	\$639,234,857	\$648,744,301	\$657,831,780
Total Expenditures	\$671,348,058	\$657,646,298	\$685,268,214	\$698,452,025	\$710,282,886
Beginning Balance	\$73,234,205	\$91,701,905	\$62,397,034	\$16,363,677	(\$33,344,047)
Operating Surplus/(Deficit)	(\$39,433,800)	(\$29,304,871)	(\$46,033,357)	(\$49,707,724)	(\$52,451,106)
Ending Fund Balance	\$33,800,405	\$62,397,034	\$16,363,677	(\$33,344,047)	(\$85,795,154)
Less Projected Reservations	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)
Less Committed Fund Balance	\$0	\$0	\$0	\$0	\$0
Less Assigned Fund Balance	(38,980,987)	(46,033,357)	(49,707,724)	(52,451,106)	(\$37,594,961)
Unassigned Fund Balance	(\$7,680,582)	\$13,863,677	(\$35,844,047)	(\$88,295,154)	(\$125,890,114)
% Budgeted Expenditures	-1.14%	2.11%	-5.23%	-12.64%	-17.72%
Minimum Fund Balance per Board Policy #721	\$33,567,403	\$32,882,315	\$34,263,411	\$34,922,601	\$35,514,144
Compliance with Fund Balance Policy	No	No	No	No	No
Funds needed to comply with Fund Balance Policy	\$41,247,985	\$19,018,638	\$70,107,458	\$123,217,755	\$161,404,258

 Expect great things.

Our Recommendation for Workforce Adjustment Using ESSER III Funding

- **Maintain all school-based staffing at current levels through 2022-23 school year.** Elimination of all appeal allocations and all allocations beyond the Base Service Delivery Model for 2023-24 and beyond. Would require an estimated \$33.7 million in total ESSER Funding beginning January 1, 2022.

Budget Year	2022	2023	2024
General Expenditure Reduction	\$21,036,937	\$ 21,036,937	\$ 21,036,937
ESSER Funding Required	\$21,036,937	\$ 12,622,162	\$ 0

Impact of a Millage Increase and ESSER III Funding on our Forecast

	Adopted Year Ended 2021	Projected Year Ended 2021	Projected Year Ended 2022	Projected Year Ended 2023	Projected Year Ended 2024
Total Revenues	\$631,914,258	\$628,341,428	\$638,734,983	\$647,229,973	\$654,848,207
Total Expenditures	\$671,348,058	\$657,646,298	\$666,587,848	\$678,259,534	\$688,113,291
Beginning Balance	\$73,234,205	\$91,701,905	\$62,397,034	\$34,544,169	\$3,514,608
Operating Surplus/(Deficit)	(\$39,433,800)	(\$29,304,871)	(\$27,852,865)	(\$31,029,561)	(\$33,265,084)
Ending Fund Balance	\$33,800,405	\$62,397,034	\$34,544,169	\$3,514,608	(\$29,750,476)
Less Projected Reservations	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)
Less Committed Fund Balance	\$0	\$0	\$0	\$0	\$0
Less Assigned Fund Balance	(38,980,987)	(27,852,865)	(31,029,561)	(33,265,084)	(\$18,909,330)
Unassigned Fund Balance	(\$7,680,582)	\$32,044,169	\$1,014,608	(\$32,250,476)	(\$51,159,806)
% Budgeted Expenditures	-1.14%	4.87%	0.15%	-4.75%	-7.43%
Minimum Fund Balance per Board Policy #721	\$33,567,403	\$32,882,315	\$33,329,392	\$33,912,977	\$34,405,665
Compliance with Fund Balance Policy	No	No	No	No	No
Funds needed to comply with Fund Balance Policy	\$41,247,985	\$838,146	\$32,314,784	\$66,163,453	\$85,565,471

 Expect great things.

Budget Approval Timeline

- ~~• November 3, 2021 – November Budget Workshop~~
- ~~• November 17, 2021 – Preliminary Budget Released~~
- ~~• November 22, 2021 – Public Hearing~~
- ~~• December 6, 2021 – Special Budget Public Hearing~~
- December 8, 2021 – December Budget Workshop
- December 20, 2021 – Public Hearing
- December 22, 2021 – Legislative Meeting

In Closing

- A decision is needed on whether to:
 - Utilize ESSER III to provide short term stability by maintaining school-based staffing levels through 2022-23
 - Include a millage increase in the 2022 budget



Budget Workshop Goals

- Overview changes since the release of the 2022 Preliminary General Fund Budget
- Impact of proposed changes on our financial forecast
- Agreement on next steps for the 2022 budget