

Board Member Presentation September DAC meeting

September 16, 2020

Goals

- Introduce myself
- Impending LPS financial crisis & the mill levy override
 - Slides from the August 13 Board meeting: item 9.2
 - <https://go.boarddocs.com/co/lpsco/Board.nsf/Public>
- School boundaries
 - Pictures from LPS website: <https://littletonpublicschools.net/boundary-study>
- Re-opening
- Other

Updated 2020-2021 Financial Projections with COVID-19 Costs

Beginning Fund Balance per Adopted Budget	\$20,167,109
Revenues Before School Finance Act (SFA)	163,628,046
SFA Increase	2,423,040
Budget Stabilization Reduction	(9,320,361)
Total Budgeted Revenue	<u>156,730,725</u>
Expenditures Before Increases (Reductions)	169,542,988
Health Insurance Increase	100,000
PERA Increase	500,000
Salary Increase	0
Budget Reductions	(4,222,966) *ongoing
Reduce Transfer to Capital Projects	(1,000,000) *one-time
Reduce Transfer to Risk Management	(600,000) *one-time
Reduce Coronavirus Relief Fund Expenditures	(6,600,000) *one-time
COVID-19 Expenditures	<u>3,500,000</u>
Total Budgeted Expenditures	<u>161,220,022</u>
Net Change in Fund Balance	<u>(4,489,297)</u>
Ending Fund Balance	<u><u>\$15,677,812</u></u>

Composition of Fund Balance:	
Unassigned Fiscal Stability	(\$78,272)
Unassigned Board Policy	7,400,906
Restricted TABOR	4,440,544
Assigned Budget Carryover	3,439,346
Non-Spendable Inventory	<u>475,288</u>
Total Fund Balance	<u><u>\$15,677,812</u></u>

Updated 2020-2021 Financial Projections with COVID-19 Costs

Beginning Fund Balance per Adopted Budget	\$20,167,109
Revenues Before School Finance Act (SFA)	163,628,046
SFA Increase	2,423,040
Budget Stabilization Reduction	(9,320,361)
Total Budgeted Revenue	<u>156,730,725</u>
Expenditures Before Increases (Reductions)	169,542,988
Health Insurance Increase	100,000
PERA Increase	500,000
Salary Increase	0
Budget Reductions	(4,222,966) *ongoing
Reduce Transfer to Capital Projects	(1,000,000) *one-time
Reduce Transfer to Risk Management	(600,000) *one-time
Reduce Coronavirus Relief Fund Expenditures	(6,600,000) *one-time
COVID-19 Expenditures	<u>3,500,000</u>
Total Budgeted Expenditures	<u>161,220,022</u>
Net Change in Fund Balance	<u>(4,489,297)</u>
Ending Fund Balance	<u><u>\$15,677,812</u></u>

Composition of Fund Balance:	
Unassigned Fiscal Stability	(\$78,272)
Unassigned Board Policy	7,400,906
Restricted TABOR	4,440,544
Assigned Budget Carryover	3,439,346
Non-Spendable Inventory	<u>475,288</u>
Total Fund Balance	<u><u>\$15,677,812</u></u>

Budget Stabilization Factor: Impact to LPS

Year	Impact
2009–2010 (Year 1: mid-year cut)	\$ (2,410,957)
2010–2011 (Year 2: state budget stabilization factor)	(10,949,491)
2011–2012 (Year 3: negative factor)	(13,829,263)
2012–2013 (Year 4: negative factor)	(17,791,090)
2013–2014 (Year 5: negative factor)	(17,343,058)
2014–2015 (Year 6: negative factor)	(14,917,613)
2015–2016 (Year 7: negative factor)	(13,965,917)
2016–2017 (Year 8: negative factor)	(13,703,273)
2017–2018 (Year 9: negative factor)	(13,548,124)
2018–2019 (Year 10: budget stabilization factor)	(10,886,553)
2019–2020 (Year 11: budget stabilization factor)	(9,112,586)
2020–2021 (Year 12: budget stabilization factor-projected)	(18,511,691)
Total Lost Revenue 2009–2021	\$ (156,969,617)
Statewide total impact to education 2009–2021	\$ (9,313,576,848)

2020–2021 Budget Reductions

Potential Savings Measure	Estimated Savings
Department staffing reductions	
Retirements	\$ 842,036
Eliminations	706,196
Current vacant positions (not planning to fill)	178,573
Staffing reduction 0.5 FTE (secondary) and 0.25 FTE (elementary)	658,125
One-day reduction year-round classified staff	22,366
Two-day reduction year-round administrative staff	133,302
One-day reduction other administrative staff	27,321
One-day reduction certified staff	352,976
Reduction of transfer to Capital Projects/Risk Management Fund	750,000
Nutrition Services payment for overhead	100,000
Increase SACC overhead from 4% to 7%	134,448
Reduction of transfer to Athletic and Activities Fund	250,000
Drivers Ed increase contribution to General Fund	50,000
Eliminate Energy Manager software	11,323
Eliminate Skyview software	6,300
TOTAL	\$ 4,222,966
Facility rental fees (estimated; therefore not included in total)	130,000

2021–2022 Uncertainties

- Actual 2020–2021 end of year results.
- Actual October 1st enrollment.
- Additional state funding reductions.
- Additional COVID-19 costs.
- Employee compensation.
- Health insurance rate increases.
- Availability of fund balance to help balance the budget.

2021–2022 Financial Projections

	1% PPR Increase No Change to BS Factor	1% PPR Increase \$5M Increase to BS Factor
Beginning Fund Balance	\$15,677,812	\$15,677,812
Revenues Before School Finance Act	156,730,725	156,730,725
SFA Increase	1,131,169	1,131,169
Budget Stabilization Reduction	0	(5,000,000)
Total Budgeted Revenue	157,861,894	152,861,894
Expenditures Before Increases (Reductions)	170,142,988	170,142,988
Health Insurance Increase	1,331,044	1,331,044
2020-2021 Budget Reductions	(4,222,966)	(4,222,966)
Total Budgeted Expenditures	167,251,066	167,251,066
Net Change in Fund Balance = Reductions Needed	(9,389,173) (120 staff positions)	(14,389,173) (184 staff positions)
Ending Fund Balance	\$6,288,639	\$1,288,639
Composition of Fund Balance:		
Unassigned Fiscal Stability	(\$6,028,099)	(\$11,028,099)
Unassigned Board Policy	7,400,906	7,400,906
Restricted TABOR	4,440,544	4,440,544
Non-Spendable Inventory	475,288	475,288
Total Fund Balance	\$6,288,639	\$1,288,639

2021–2022 Budget Balancing Solutions

□ Program Reduction Possibilities

- Increase class size by changing the staffing formula by 5% or a reduction of 30 FTEs ≈ \$2.9M
- Eliminate the Options program ≈ \$2.8M
- Reduce 1 FTE at each school for specials/electives ≈ \$2M
- Eliminate district subsidy and increase fees for athletics and activities ≈ \$1.6M
- Eliminate Village preschool programs ≈ \$1.4M
- Eliminate Phoenix, Voyager, and NEXT programs ≈ \$1.3M
- Eliminate Career Tech programs ≈ \$550,000

2021–2022 Budget Balancing Solutions

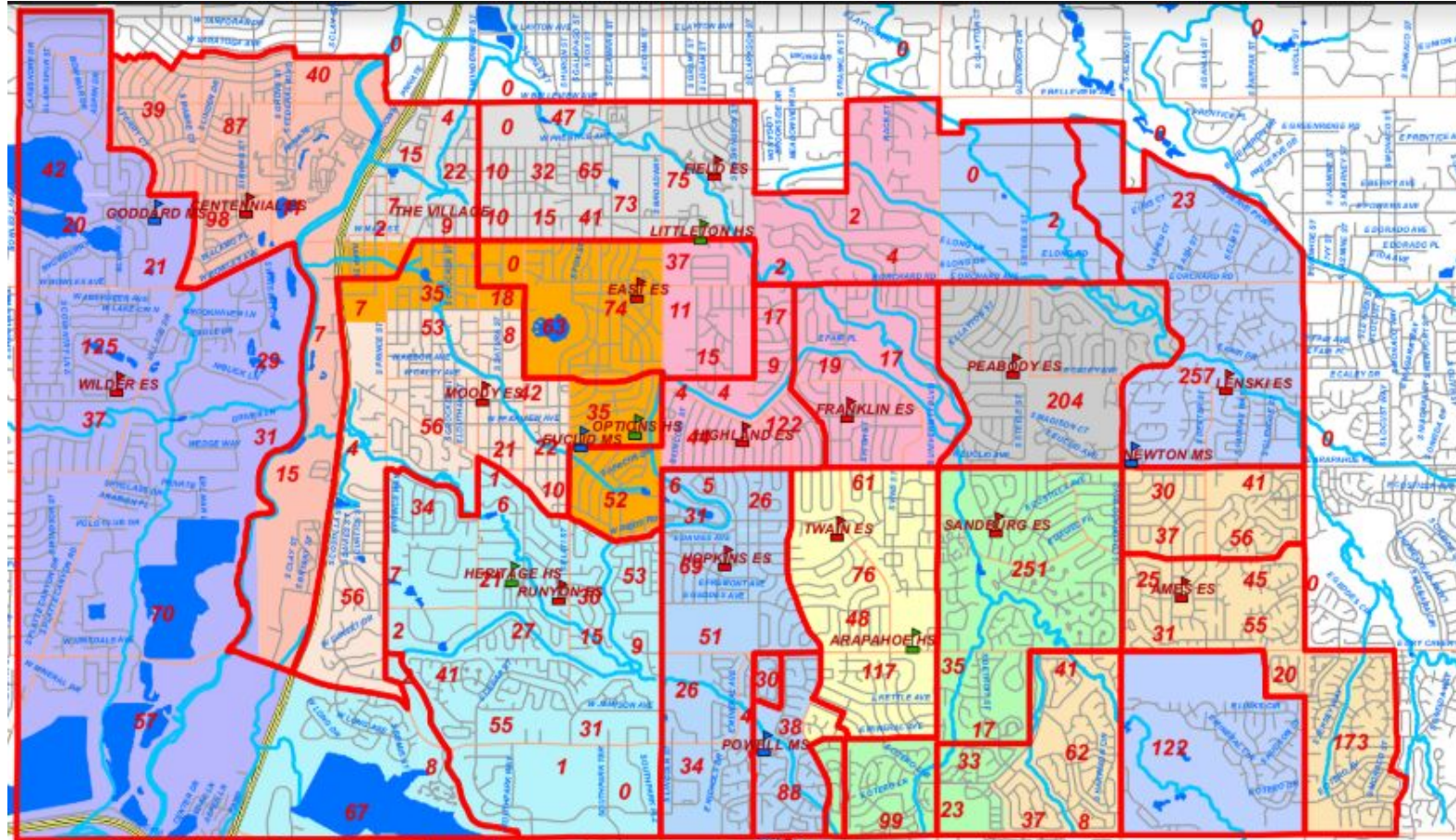
□ Support Services Reduction Possibilities

- Reduce transportation services by 50% ≈ \$3.1M
- Reduce teacher support and instructional coaches ≈ \$2.8M
- Reduce safety, security, and social and emotional services by 50% ≈ \$1M

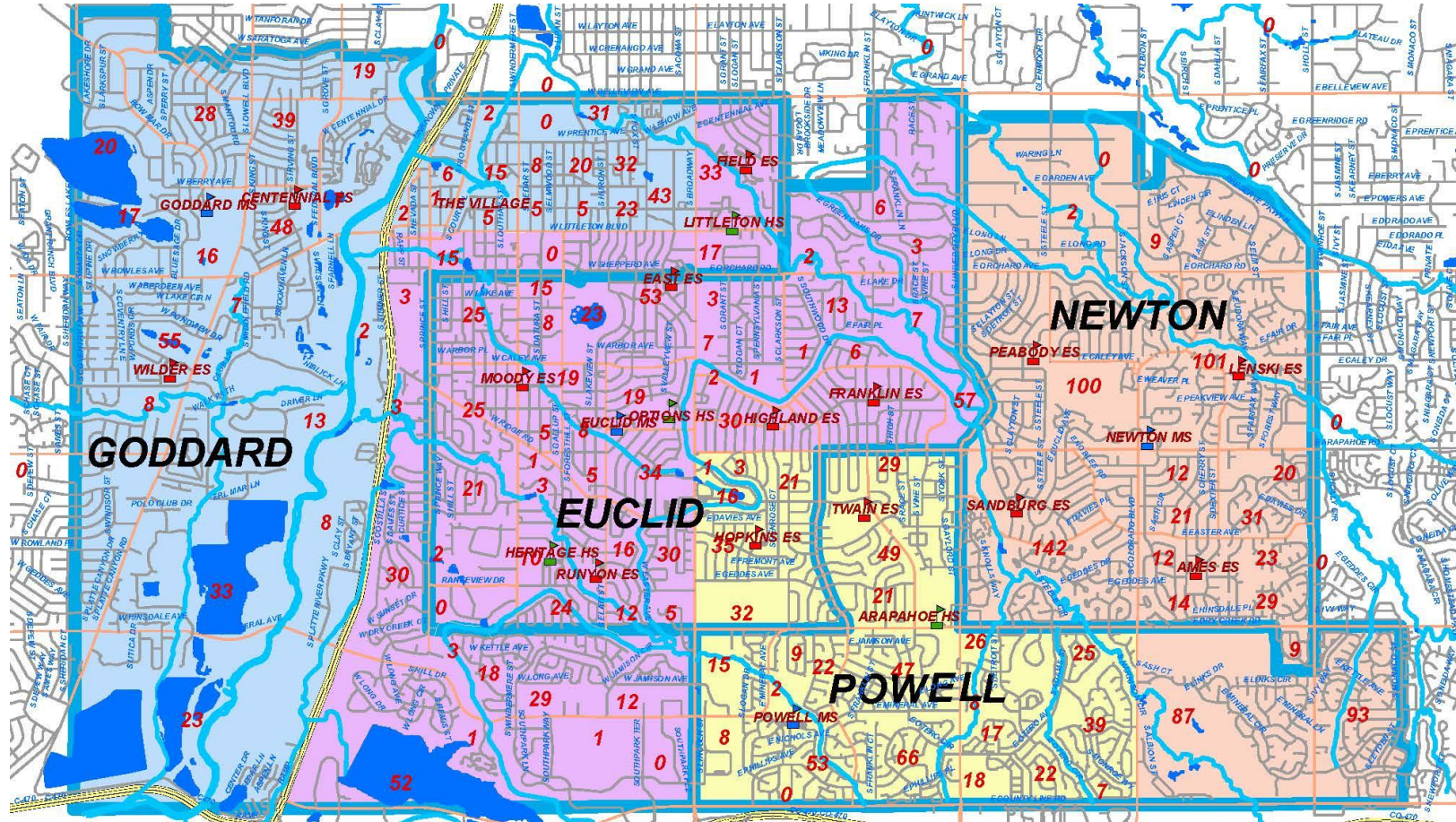
□ Employee Compensation Reduction Possibilities

- Reduce 10 instructional days (employee working days) ≈ \$6M
- Further reduce all employee pay by 2% ≈ \$2.2M

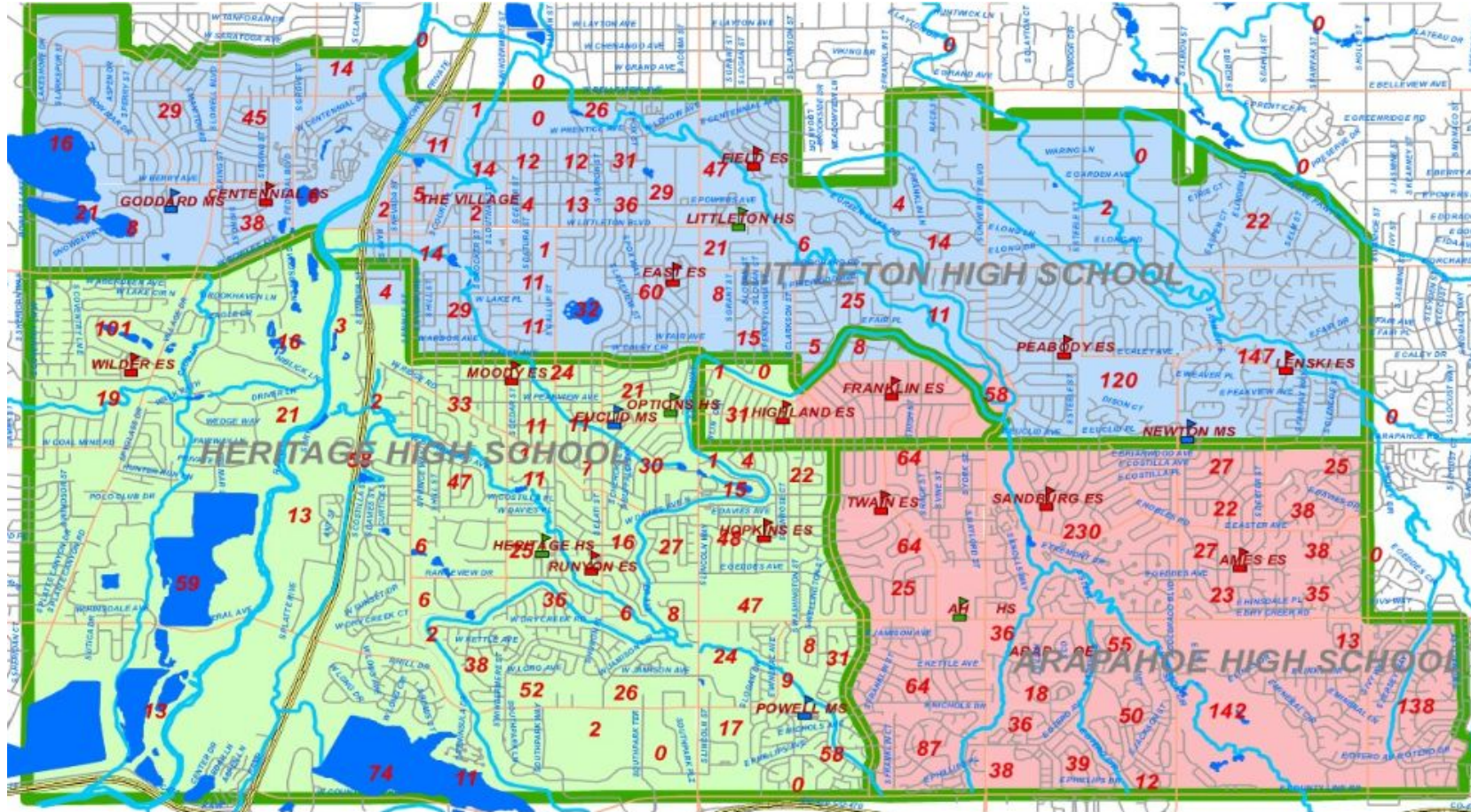
Elementary: Colors are New Boundary



Middle School: Colors are New Boundary



High School: Colors are New Boundary



Re-Opening

- In-Person for Elementary: Secondary Hybrid
- On-going quarantines due to community spread
 - This was expected
- So far, no cases of transmission at school
 - Masks work
- Challenges:
 - TOPS staffing
 - TOPS: new software
 - Secondary teachers are overloaded

Thank you

Questions?

robertreichardtboe@lps.k12.co.us

303-803-4412