
FY 2021 Final Budget Recommendation to the Board of Education

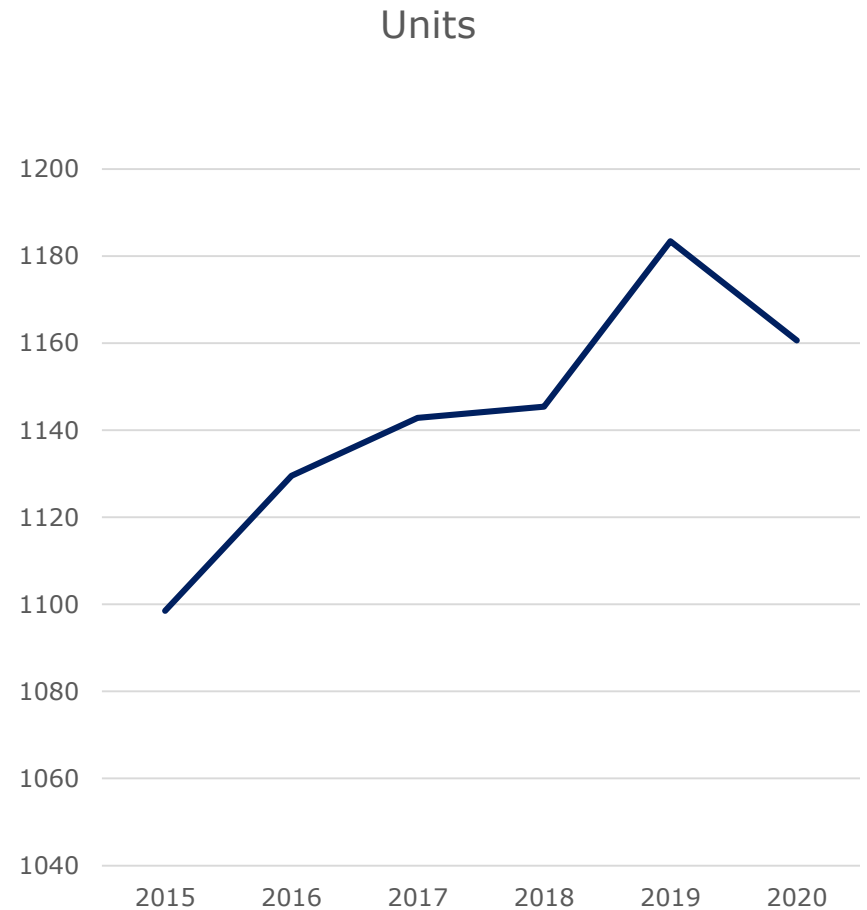
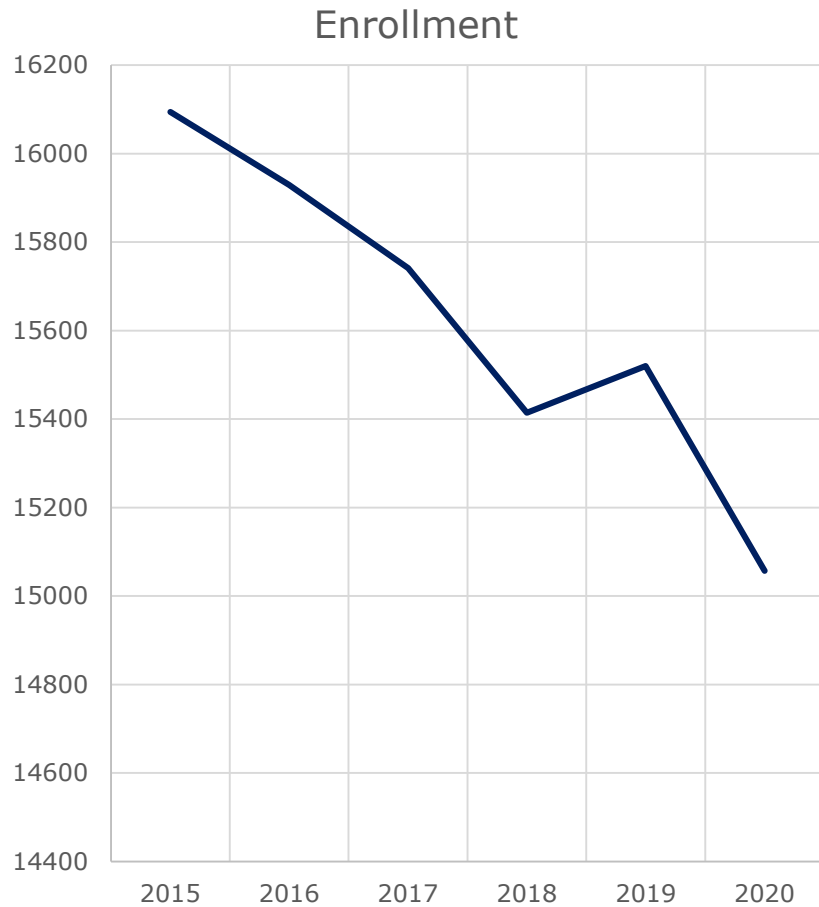
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February 10, 2021

FY 2021 Final Budget Summary

- Net revenue impact $-.5\%$ from Preliminary Budget
- Reflects final September 30 count (November 13) decline in unit enrollment and decline in choice/charter enrollment
- Final State budget allocations driven by unit count; final budget includes reductions in Division I, II and III funding as a result of unit decline
- First year 98% unit count guarantee was needed
- State funded additional allocation to 99% of guaranteed Division I unit count as one-time assistance
- Slight increase in revenue from decline in choice and charter schools
- Final Budget includes slight reduction in local tax receipts

Enrollment vs. Unit trends



Choice and Charter Enrollment

- Net Choice increase +90
 - Red Clay students choicing out to other districts decreased by 34 students
 - Other district students choicing in to Red Clay increased by 56

- FY21 Choice revenue is \$4,905,382, an increase of \$221,526 from Preliminary Budget.

- FY21 Charter enrollment decreased by 39 students
 - FY21 Charter payment \$13,848,737 a decrease of \$160,847 from Preliminary Budget.

FY21 Final Budget Highlights - Revenue

Net revenue impact -.5% from Preliminary Budget

- State -1.0% and Local +.2%)
- Decrease in local tax receipts
- Decrease in interest earned
- Decrease in charter payments based on enrollment
- Increase in Indirect from ESSER funding (Cares Act)
- Increase in estimated senior tax rebates
- Increase in choice income based on Sept 30 count
- Decrease in state revenues based on decrease in unit count, including Division I salaries, Division II AOC and Division III Equalization and Related Services
- Additional One-Time State Appropriation for 99% of Guaranteed Unit Count
- Decrease in related services cash-in
- Continued State Give-Back (\$2,612,494)
 - Division I, II, Technology, Professional Development, Ed Sustainment

FY21 Final Budget Highlights - Expenditures

- ❑ Division I state salary reduction based on earned unit decrease
- ❑ School budgets adjusted for September 30th count enrollment increases
- ❑ Local salaries and benefit reduction due to COVID and hybrid staffing configuration (EPER)
- ❑ Reduction in District Wide Services due to COVID and staffing configurations (substitutes)
- ❑ Related services increase \$248,496 for contracted services
- ❑ Total expenditures -1.1% from Preliminary Budget
- ❑ Minimum estimated local year-end balance \$15.6 million; allows sufficient balance to meet obligations and necessary FY22 carry-forward
- ❑ No changes in Tuition budget

Looking ahead - FY 2022 Budget

- Continue to monitor enrollment
- Governor's Recommended 2022 budget highlights current and long term legal settlement terms including additional \$13M Opportunity Funding (English Learner and Low Income eligibility) and K-3 Basic Unit, county ombudsman and recruitment and retention in high needs schools (2023); budget also includes 1% general salary increase
- ESSRF II Funding planning and implementation (3 Year)
 - Facilities and HVAC
 - Technology
 - Recovery services
- Redding Commission recommendations
- Tuition tax supports continued growth of special education units

Next Steps

- ❑ March Board approval of Final Budget
- ❑ Continued Monthly CFRC meetings
- ❑ ESSRF planning and implementation
- ❑ March DEFAC and revenue estimates
- ❑ May 1 Financial Position Report
- ❑ FY2022 State Budget June 30, 2021
- ❑ Red Clay Tax Warrant July 8, 2021