

FY 2025 Budget

Board Work Session
February 6, 2023

Dr. Ian Roberts, Superintendent
Shashank Aurora, Chief Financial Officer



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Agenda

February 6, 2024

- Review of Budget Timeline + Statutory Requirements
- FY 2025 Budget Overview
- Review of FY 24 Strategic Goal Investments

TIMELINES + REQUIREMENTS



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New Budget Requirements

- Two Hearings Required
 - Additional steps for compliance
- Deadline for Certification April 30 (from April 15)

Budget Development

Board & Community + Statutory Requirements

Date	Item
February 6	Board Work Session – FY 2025 Budget Overview
March 5	School Board Meeting – Set Hearings for “Proposed Tax Notice” and “Budget Adoption”
March 5	Board Work Session – Strategic Investments Aligned to SMART Goals + Universal Tier Levers
March 10	Send “Proposed Tax Notice” to Publisher
March 15	Submit “Proposed Tax Notice” to State Department of Management
March 15	“Proposed Tax” Notice published in Newspaper and Online
March 26	Special Board Meeting – Public Hearing: “Proposed Tax Notice”
March 28	Send “Budget Adoption Notice” to Publisher
April 2	Board Work Session – Strategic Investments Aligned to Foundational Tier Levers
April 5	“Budget Adoption” Notice & Proposed Annual Budget Published
April 16	School Board Meeting – Public Hearing: “Budget Adoption & Certification”
April 1 – 11	Community Discussions – School Finance & Annual Budget (7 in person + Virtual)
April 30	Statutory Deadline – Submit Annual Budget to Polk County Auditor for Certification
July 1	Fiscal Year Begins

Community Discussions

Date	Time	School	Location	Notes
April 1	6:00 pm – 7:30 pm	North	Library	
April 3	7:15 am – 9:00 am	East	Library	
April 4	6:00 pm – 7:30 pm	Hoover	Library	Presented in Swahili
April 5	7:15 am – 9:00 am	Lincoln	Counseling / Conference Center	
April 8	6:00 pm – 7:30 pm	Hoover	Library	
April 9	6:00 pm – 7:30 pm	Roosevelt	Small Gymnasium	
April 10	Virtual Presentation Recorded			
April 11	6:00 pm – 7:30 pm	Central Campus	Board Room	Presented in Spanish

Requirements for Budget Adoption and Certification

- **Budget Must be Balanced**
 - Revenue + Fund Balance \geq Annual Expenditures
- **Property Tax Rate Must be Set**
 - Levies: General Fund, Management, PPEL, PERL

Property Tax

Tax Rate	FY 23	FY 24	FY 25 Proposed
General	11.18	10.99	
Management	2.36	2.36	
PPEL	1.67	1.67	
PERL	0.135	0.135	
Debt Service	0.00	0.00	
TOTAL TAX	\$15.34	\$15.15	No Increase

UNKNOWNNS

Closely Monitored Issues



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Unknowns with Financial Impact

- High Inflation
- Increasing Costs
- Uncertain Financial Markets
- Enrollment
- Continued Employee Shortage
 - Early Retirement Plan
- Impact of Legislative Actions
 - Long-Term Supplemental State Aid
 - State Vouchers
 - 1,381 for FY24
 - Changes to AEAs
 - Teacher Compensation
 - Selling of Buildings

Enrollment Forecast

	2023-24	2024-25	2025-26	2026-27
RSP & Associates Projections	↓235	↓229	↓315	↓203
Actual	↑28			

Discussion Items

- Minimum Pay: New Teachers - \$50K | 12-years experience -\$62K
 - Lower in both categories
 - Unknown if for all building staff or teachers with direct student contact.
 - Unknown for years I-II
 - Unknown if State will provide additional funding
- AEA downsizing with no correlating funding for media services
- SSA 2.5% Governor's proposal
 - May not be approved within the normal 30-day window

ACHIEVING A BALANCED BUDGET

What is Needed?



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FY 25 Budget – Starting Point (Amounts in Millions)

FY 24 General Fund (All)	\$495
Less ESSER Funds	(\$33)
FY 25 General Fund – Stay Flat	\$462

➡➡ **Breaking Down \$462 M**

Salaries (59%)	\$271
Benefits (25%)	\$115
Other Expenses (16%)	\$ 76

Potential Increases

(Cost of Living Allowance / Cost of Goods Sold)

With only COLA / COGS increases...

	FY 24 Base	Scenario A	Amount	Scenario B	Amount
Salaries	\$271	2.4%	\$ 6.50	2.9%	\$ 7.86
Benefits	\$115	6.0%	\$ 6.90	7.0%	\$ 8.05
Other Expenses	\$76	1.0%	\$ 0.76	1.0%	\$ 0.76
TOTAL			\$14.16		\$16.67

...Would have to reduce \$14 million to \$17 million, just to remain flat

Impact of Funding Formula

Item – Description	Amount	Notes
SSA – 2%	\$4.70	Reduction Offset
Certified Enrollment Increase – 28 students	\$0.21	Reduction Offset
Enrollment Out Increase – 470 students	(\$3.57)	Increased Enrollment Out Funds
ESA (categorical)* – 1,381 students x \$1,205	\$1.67	Reduction Offset
Flexibility Fund*	\$0.90	Reduction Offset
TOTAL *Subject to approval	\$3.91	Reduction Offset

	Scenario A	Scenario B
Reduction to Remain Flat	\$14.16	\$16.67
Reduction Offset	(\$ 3.91)	(\$ 3.91)
TOTAL	\$10.25	\$12.76

Adds in Discussion

Item – Description	Amount
Increased Planning Time	\$0.40
Strategic Plan Development	\$0.20
Philanthropy Director	\$0.175
Chief Academic Officer	\$0.275
TOTAL	\$1.05

	Scenario A	Scenario B
Reduction to Remain Flat	\$10.25	\$12.76
Adds in Discussion	\$ 1.05	\$ 1.05
TOTAL	\$11.30	\$13.81

Identified Reductions

(Target: \$14M (Scenario B))

Area	Estimated Impact
TARGET	(\$14 M)
10 FTE – HS	\$1 M
4% FTE across select departments	\$2 M
GAP	(\$11 M)

FY 24 BUDGET IN REVIEW

Planned Reductions

Planned Investments in SMART Goals



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Planned FY 24 Health Benefits Reductions

PLANNED REDUCTION - \$0.75 M

- Change in Specialty Pharmacy Provider

REDUCTIONS IN ACTION

- Year-to-Date: \$0.60 M in savings
- Anticipate to **MEET** the \$0.75M target

Planned FY 24 Operational Reductions

PLANNED REDUCTION - \$1.0 M

- Savings to the General Fund
- Move repair expenses from General Fund to Management
- Reductions in operating and maintenance expenditures

REDUCTIONS IN ACTION

- Year-to-Date: \$650K of expenses transferred from GF
- Anticipate to **MEET** the \$1.0M target

Planned Staffing Reductions

PLANNED REDUCTION - \$9.0 M

- Teaching Staff (based on declining enrollment)
 - 2% reduction
- Support Staff
 - 5% reduction
- Central Office Staff
 - 5% reduction

REDUCTIONS IN ACTION

- Year-to-Date: \$9M
- Anticipate to **MEET** the \$9.0 M target through allocation process

Investments in SMART Goals

(Amounts in Millions)

	Planned Investment			Investment in Action: Spend to Date			Impact
FY 2024 Inputs	Goal 1	Goal 2	Goal 3	Goal 1	Goal 2	Goal 3	<ul style="list-style-type: none"> • Implementation of HQ Curriculum • Access to Grade-Level Expectations • Data Literacy
Curricular Materials	\$0.30	\$0.00	\$0.69	\$0.12	\$0.00	\$0.46	
Professional Learning	\$1.97	\$1.26	\$0.17	\$0.83	\$0.73	\$1.45	
Staffing / Schedule Changes	\$0.75	\$0.70	\$1.32	\$0.42	\$0.34	\$0.64	
Extended Learning	\$0.25	\$1.35	\$0.83	\$0.29	\$0.82	\$0.49	
Sub-Total	\$3.27	\$3.31	\$3.01	\$1.88 M	\$1.88	\$1.65	
TOTAL	\$9.59			\$5.19			