5 Year Strategic Budget Planning

Presentation to Board of Directors

Mancos School District
November 16, 2026

Audrey Hazleton, Superintendent
Alice Miller, Business Manager

Goal & Agenda

Today's Goal:

- Build an understanding of our current financial health and future outlook
- Begin the process of building a five year budget plan (Completion Target: June 2027)

Agenda

- Strategic Alignment
- Core Financials & Multi-Year Projections
- Key Drivers & Assumptions
- Reserves & Policy Alignment
- Scenario & Sensitivity Analysis
- Strategic Fiscal Action Plan

Mancos Schools

Mission Statement

In our partnership with community, we will foster positive, safe and rigorous learning experiences.

Mancos Schools

Vision Statement

Every student will graduate with a broad academic foundation which enables each to demonstrate the skills of critical thinking, problem solving, teamwork and independent judgment. All students will understand democratic principles and recognize their civic responsibilities, and will be capable of ambitiously and appropriately participating in an age of dynamic technological change within a global context.



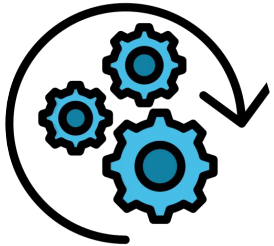
Healthy Community

We will cultivate a connected community where students, staff and families feel agency and belonging.



Engaging Learning

We will create learning environments that are rich with challenging, student-led learning experiences everyday.



Cohesive Systems

We will build open, aligned, and sustainable systems and teams that reflect our values and ensure continuity across our schools.

Strategic and Responsible Fiscal Management

How can we ensure our budgeting decisions visibly advance our mission, bring our vision to life, and accelerate progress towards our student outcome goals in the near and distant future?

DBD - Determination of Budget Priorities:

All resources of the district shall be directed toward ensuring that all students reach their learning potential

Core Financials & Multi-Year Projections



Mancos School District
Budget Projection
General Fund

	Actuals FY 25-26	Change	Budget FY 26-27	Forecast FY 27-28	Forecast FY 28-29	Forecast FY 29-30	Forecast FY 30-31	Forecast FY 31-32
Beginning Fund Balance								
Unassigned Fund Balance	2,096,543	205,921	2,302,464	1,740,125	2,661,297	3,590,497	4,482,959	5,410,577
Other Fund Balance	280,000	0	280,000	280,000	280,000	280,000	280,000	280,000
Total Beginning Fund Balance	2,376,543	205,921	2,582,464	2,020,125	2,941,297	3,870,497	4,762,959	5,690,577
Revenues								
Local Revenue	2,582,692	56,682	2,639,374	2,676,326	2,718,441	2,780,965	2,844,927	2,910,360
State Revenue	5,372,176	(60,384)	5,311,792	5,433,963	5,558,944	5,686,800	5,817,596	5,951,401
Federal Revenue	191,347	(383,413)	(192,066)	202,480	207,137	211,902	216,775	221,761
Allocations to Other Funds	(10,539)	10,539	0	0	0	0	0	0
Total Revenues	8,135,676	(376,576)	7,759,100	8,312,769	8,484,522	8,679,666	8,879,299	9,083,523
Total Resources Available	10,512,219	(170,655)	10,341,564	10,332,894	11,425,819	12,550,164	13,642,258	14,774,100
Expenditures								
Instructional Services	4,753,634	(526,949)	4,226,686	4,028,726	4,112,323	4,270,265	4,359,417	4,453,725
Pupil Services	310,686	118,047	428,733	351,212	359,290	367,554	376,007	384,656
Instr. Staff Support	371,747	(49,941)	321,805	228,623	241,594	247,150	252,835	258,650
General Administration	383,453	66,032	449,485	408,379	417,772	427,380	437,210	447,266
School Administration	595,951	(35,934)	560,017	474,820	482,464	490,143	497,857	507,523
Business Services	252,142	(152,674)	99,468	139,625	142,553	145,514	148,508	151,535
Maintenance & Operations	1,133,181	(27,683)	1,105,498	1,226,319	1,254,524	1,283,378	1,312,896	1,343,092
Transportation Services	287,505	(40,490)	247,015	0	0	0	0	0
Central Services	301,781	(6,785)	294,995	533,894	544,803	555,821	566,951	578,196
Other Services	0	25,396	25,396	0	0	0	0	0
Total Expenditures	8,390,081	(630,981)	7,759,099	7,391,597	7,555,322	7,787,205	7,951,681	8,124,643
Other Financing Uses								
Transfers In (Out)		0						
Proceeds from long-term debt	0	0	0	0	0	0	0	0
Total Other Financing Uses	0	0	0	0	0	0	0	0
Fund Balances								
Restricted - TABOR	280,000	0	280,000	280,000	280,000	280,000	280,000	280,000
Restricted - BLDG		0						
Unassigned Contingency	2,407,464	(667,339)	1,740,125	2,661,297	3,590,497	4,482,959	5,410,577	6,369,457
Total Fund Balance	2,687,464	(667,339)	2,020,125	2,941,297	3,870,497	4,762,959	5,690,577	6,649,457
Total Expenditures & Fund Balance	$11,077,545	($1,298,320)	$9,779,224	$10,332,894	$11,425,819	$12,550,164	$13,642,258	$14,774,100
	Net Income		0	921,172	929,201	892,462	927,618	958,880
	Beginning Fund Balance		2,140,125	2,140,125	3,061,297	3,990,497	3,990,497	3,990,497

Factors:
-455 students,
-Increase by 1 student each year
-2.3 % inflation increase each year (variable)

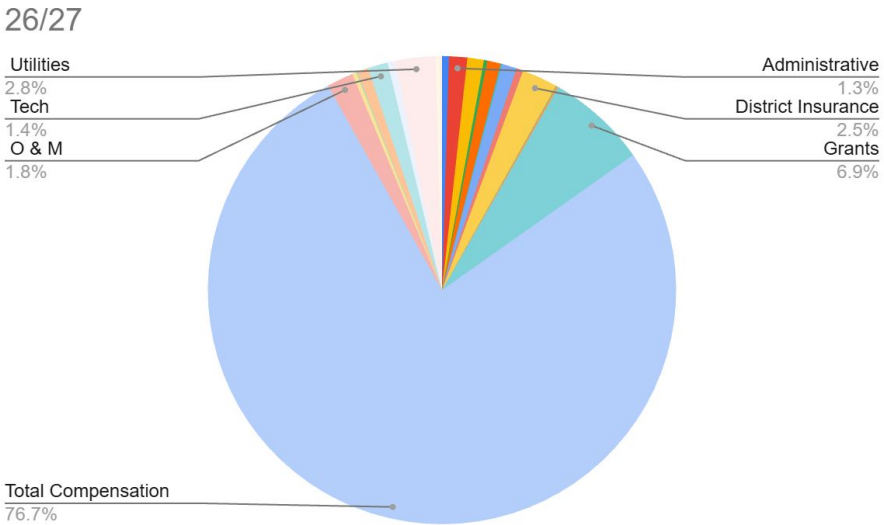
MSD Budget View

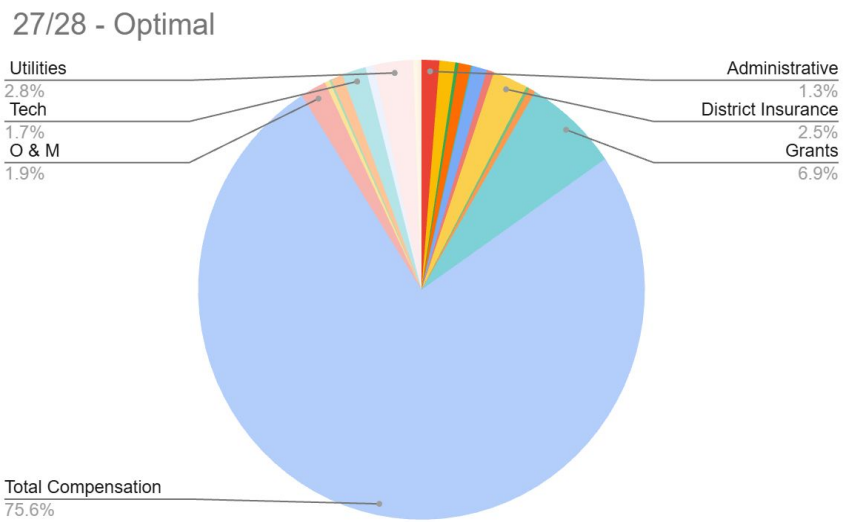
- Recurring vs non-recurring
- Base and optimal budget
- Aligned to our goals

	26/27	27/28 - Base	27/28 - Optimal
Revenue - Non-Recurring	$ 349,427.00	$ 309,868.00	$ 309,868.00
Revenue - Recurring	$7,799,666.60	$ 7,944,950.12	$ 7,947,108.70
Total Revenue	$8,149,093.60	$ 8,254,818.12	$ 8,256,976.70
Expenses - Non-Recurring	$ (39,559.00)	$ -	$ -
Expenses - Recurring	$ (8,310,373.18	$ (8,469,857.97)	$ (8,702,430.41)
Total Expenses	$ (8,349,932.18	$ (8,469,857.97)	$ (8,702,430.41)
Surplus / (Deficit)	**$ (200,838.58)**	**$ (215,039.85)**	**$ (445,453.71)**

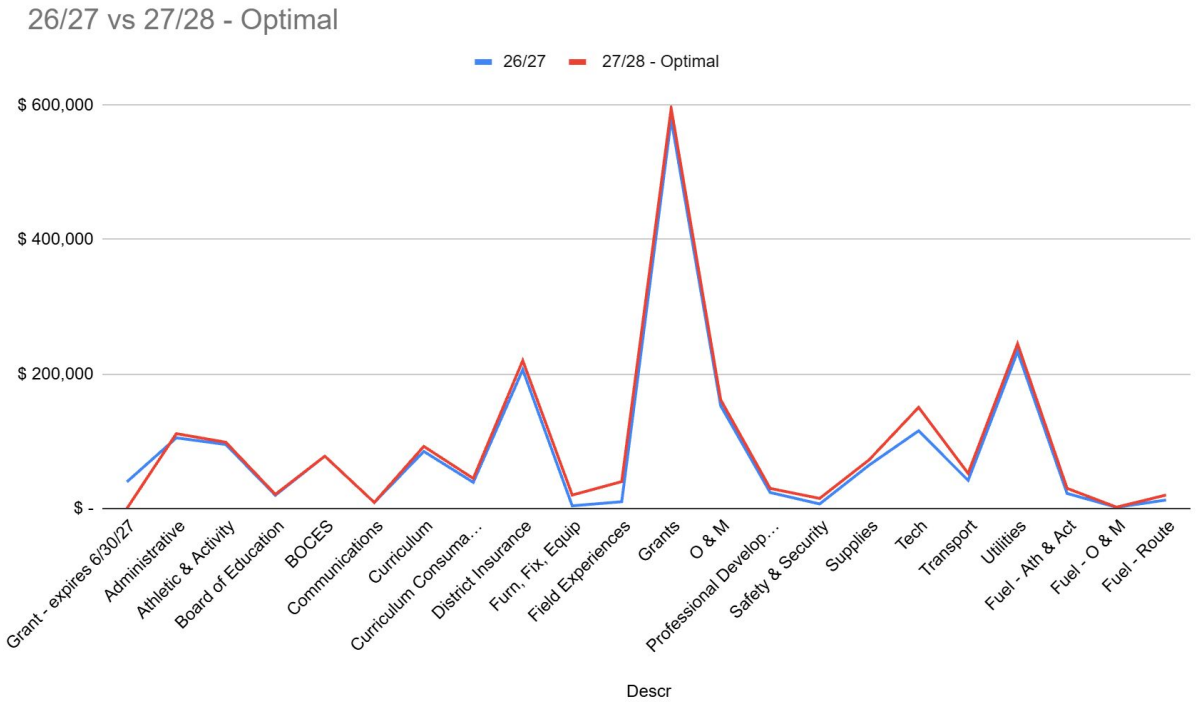
Another View by Category

Overall Operating Expenses





Operating Expenses minus Compensation



Key Drivers and Assumptions

Key Drivers

- Student Count
- Costs
- State funding formula
- One-time capital expenses

Assumptions

- Student count at 455 (same as 26/27). Statewide is a decline by 1.2%.
- Per pupil funding may be $1,000 more than 26/27 - based on the Governor's budget that was released Nov 1.
- Grant awards and expirations (no major expirations anticipated until 2028-29)

Unknowns

- Health benefits are variable (some districts saw a 20% increase in 26/27)
- Pera
- District Insurance
- What the legislature will do

Comparison

Mancos Re-6	Durango 9-R	Montezuma-Cortez RE-1	Dolores RE-4A
Spending			
TOTAL SPENDING PER STUDENT **$17,032**	TOTAL SPENDING PER STUDENT **$19,198**	TOTAL SPENDING PER STUDENT **$15,907**	TOTAL SPENDING PER STUDENT **$15,282**
Breakdown	Breakdown	Breakdown	Breakdown
SCHOOL LEVEL SPENDING PER STUDENT **$9,547** 56.1%	SCHOOL LEVEL SPENDING PER STUDENT **$12,845** 66.9%	SCHOOL LEVEL SPENDING PER STUDENT **$10,676** 67.1%	SCHOOL LEVEL SPENDING PER STUDENT **$10,392** 68.0%
SCHOOL SHARE OF CENTRAL SPENDING PER STUDENT **$7,485** 43.9%	SCHOOL SHARE OF CENTRAL SPENDING PER STUDENT **$6,353** 33.1%	SCHOOL SHARE OF CENTRAL SPENDING PER STUDENT **$5,231** 32.9%	SCHOOL SHARE OF CENTRAL SPENDING PER STUDENT **$4,890** 32.0%
STATE AVERAGE **$16,845** TOTAL SPENDING PER STUDENT	STATE AVERAGE **$16,845** TOTAL SPENDING PER STUDENT	STATE AVERAGE **$16,845** TOTAL SPENDING PER STUDENT	STATE AVERAGE **$16,845** TOTAL SPENDING PER STUDENT

CDE District Data

Comparison

State of Colorado
Funds 10 - 19, excluding 11
Operational Cost Analysis
FY 2024 - 2025

			Instruction 0010 - 2099		Pupil Services 2100 - 2199		Instr Support Services 2200 - 2299	
District	Code	Pupils	Expenditures	Exp as a %	Expenditures	Exp as a %	Expenditures	Exp as a %
MANCOS RE-6	2070	511	4,223,129	51.6%	341,749	4.2%	369,046	4.5%
MONTEZUMA-CORTEZ RE	2035	2,386	14,525,515	57.0%	779,057	3.1%	1,022,838	4.0%
DOLORES RE-4A	2055	668	5,952,276	61.6%	349,820	3.6%	370,501	3.8%
DOLORES RE NO.2	0890	262	2,552,321	53.8%	131,318	2.8%	120,288	2.5%
BAYFIELD 10JT-R	1530	1,183	11,160,541	56.9%	1,478,763	7.5%	603,392	3.1%
IGNACIO 11 JT	1540	633	6,526,353	49.3%	435,779	3.3%	375,450	2.8%
			44,940,135		3,516,486		2,861,515	
Average				55.0%		4.1%		3.5%

[CDE KPI Tools]

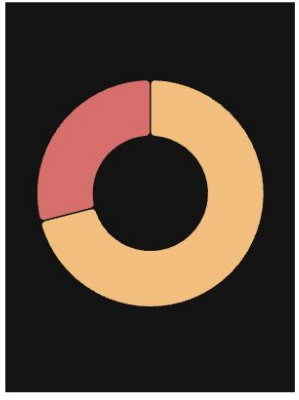
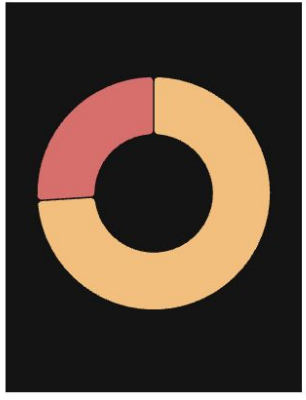
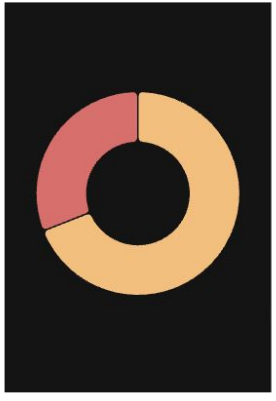
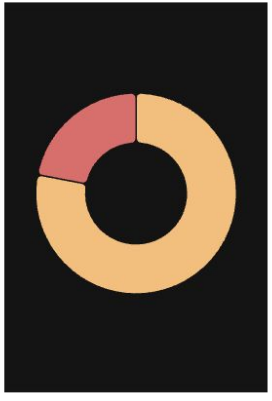
- Local area schools
- 25/26 data is not yet available as not all schools have audited financials

Comparison

State of Colorado
Funds 10 - 19, excluding 11
Operational Cost Analysis
FY 2024 - 2025

			Instruction		Pupil Services		Instr Support Services	
			0010 - 2099		2100 - 2199		2200 - 2299	
District	Code	Pupils	Expenditures	Exp as a %	Expenditures	Exp as a %	Expenditures	Exp as a %
MANCOS RE-6	2070	511	4,223,129	51.6%	341,749	4.2%	369,046	4.5%
HOLYOKE RE-1J	2620	514	5,771,748	63.7%	247,812	2.7%	217,407	2.4%
ROCKY FORD R-2	2530	576	5,216,218	49.1%	353,398	3.3%	343,540	3.2%
PARK RE-2	2610	576	5,666,844	58.7%	505,824	5.2%	78,384	0.8%
PEYTON 23JT	1060	599	5,770,395	60.6%	249,710	2.6%	40,692	0.4%
RANGELY RE-4	2720	485	5,209,476	62.0%	239,597	2.9%	196,423	2.3%
			31,857,810		1,938,090		1,245,491	
Average				57.6%		3.5%		2.3%

Schools of a similar size

Mancos Re-6	Durango 9-R	Montezuma-Cortez RE-1	Dolores RE-4A
Breakdown by Type	Breakdown by Type	Breakdown by Type	Breakdown by Type
			
Learning Environment $6,142,701 71%	Learning Environment $63,916,613 74%	Learning Environment $26,225,379 69%	Learning Environment $7,917,306 78%
Operations $2,560,645 29%	Operations $22,319,554 26%	Operations $11,728,782 31%	Operations $2,291,033 22%

Fund Balance & Policy Alignment

Capital reserve

Maintaining resources in the capital reserve fund is a beneficial and sound business practice and protects the public's investment in school district facilities. The Board directs the superintendent or designee to budget an amount up to $800 per pupil each year to the capital reserve account for capital outlay expenditures authorized in state law. This amount shall be transferred from the general fund to the capital reserve fund. The amount transferred from the general fund may be reduced by any money collected from the sale of land, buildings or both or any payments collected from the dedication of lands or voluntary contributions from a developer.

Operating reserve

Maintaining a fiscal year-end fund balance as an operating reserve in the general fund is a beneficial and sound financial management practice. The Board of Education assigns to the superintendent or designee the responsibility of accumulating and maintaining a general fund balance amounting to 25% of the district's current fiscal year adopted budget as an operating reserve. In the event the operating reserve falls below this amount, the superintendent shall develop a corrective action plan which includes how and when the operating reserve will be brought back to this level. This amount will be in excess of the emergency reserve required by Article X, Section 20 of the Colorado Constitution (TABOR).

Reserve & Policy Alignment

Capital Reserve:

- Current: $47,000
- What is “Up to $800/students?” - $364,000/year
- 25-26 facilities upkeep: $122,000
- 24-25 major renovations: $500,000

Operating Reserve:

- Current: $2,229,665
- Percentage: 22%
- Goal: 25-30%

Scenario Factors

	Base - 2-5%	Status Quo - 0%	Optimal +2-5%
Funding Sources	CO Total Program Funding (TPF)	CO Total Program Funding, grant funding	CO Total Program Funding Increase, grant funding
Reserves	20 - 25%	27% - Goal for “status quo”	30%
Student Experience & Outcomes	Programming for basics, Tier 1, 3 end up being prioritized	Current Program: Tier 1-3 w/ core program and some opportunity gaps	Fully support Tiers 1-3 academic and whole child Expand field experiences and HS pathways
Staff Experience & Outcomes	Reduced supports: - professional development - possible loss of student and educator support staffing - increased workload	Current supports: - Site based professional development - School calendar - Benefits	+ Varied PD + Improved benefits (wellness) + Compensation + Retention measures
Facilities	- Basic maintenance only	- Maintaining facilities	+ Facilities staffing + Capital projects ($2,800,00)

Sensitivities

- **Enrollment:** Impact of a ±2–5% shift in student headcount.
- **State Aid:** Impact of Amendment 87 and NN, School Finance Act
- **Local Tax Scenarios:** Timing of a future Bond proposal. What can we control before going back to voters?
- **Health Insurance Costs:** Impact of unexpected spikes in employee benefit costs.

Amendment 87 and Proposition NN

- Much to still be determined by the State Legislature in the coming months
  - **NN**: More restrictive - funding must be used to increase teacher pay, teacher retention, smaller class sizes, and access to career and technical courses. With state revenue increases, NN could grow each year. Supplement, not supplant.
  - **87**: Less restrictive - Supplement, not supplant; No restrictions articulated in the bill but the legislature could put more restrictions on the money.
- Early Projections (with ***significant details*** to be determined by legislature)
  - By 28-29 up to an additional $550,000/year possible

Mancos Re-6 FINANCIAL SNAPSHOT

Projected Additional Annual Revenue Starting July 1, 2027*	**$387,000**
Current % of Budget funded through State vs Local *(in Total Program Funding)*	**State: 74%** **Local: 26%**

Preliminary Estimates of Possible Prop. NN K-12 Funding for MANCOS RE-6

	#1: K-12 Education (Positive Factor) Total	#2: K-12 Education Total	#1: K-12 Education per Funded Pupil Count	#2: K-12 Education per Funded Pupil Count	Total K-12 Education per Funded Pupil Count
2026-27	$77,981	$171,580	$171	$375	$546
2027-28	$138,239	$0	$302	$0	$302
2028-29	$184,319	$0	$403	$0	$403

Scenario Exploration

Alice’s Scenario Tool

Discussion

Our Goal:

- Build an understanding of our current financial health and future outlook
- Begin the process of building a five year budget plan (Completion Target: June 2027)

