CRYSTAL

MEMORANDUM

To: Board of Education
From: Rob Grossi
Date: September 18, 2020
Re: Update on FY 2021 Budget

On September 22, 2020, I will be presenting the FY 2021 final budget, which will include a public hearing and board approval. This will be the fifth board meeting in which we have addressed the budget. The preliminary budget was also presented to FORC.

A high-level summary of the budget is as follows:

1. Total revenues are projected to be relatively flat versus FY 2020 as increased tax revenues generated from the expired TIF are essentially offset by the prior year bond abatement, the elimination of the TIF surplus, reduced interest earnings and the elimination of most student fees for this school year.

2. Total expenses, excluding major capital, are projected to increase approximately $5.3 million. This increase includes direct expenses and contingencies related to COVID, including: (a) $1.4 million for child-care related expenses; (b) $500,000 for PPE (which includes a $170,000 contingency); (c) $250,000 contingency for additional programs being considered to address student learning during COVID such as a Saturday program; (4) $320,000 in CARES expenses. Excluding these expenses, total expenses are projected to increase 2.9% versus FY 2020.

3. Total projected revenues are expected to exceed total budgeted expenses (including COVID related expenses) by $1.5 million. This will increase budgeted fund balances to $33.3 million, which equals approximately 3.8 months of fund balance reserves.

4. The District is also budgeting to spend the remaining bond dollars on capital projects during the year, which equals approximately $24 million.

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These uncertain times are making it difficult for any school district to fully predict how the fiscal year will end. This budget was designed to give the Board and the Administration maximum flexibility to navigate through this pandemic with the least negative impact on student learning. The Administration will continue to focus on maximizing efficiencies without sacrificing preparedness for changes that may occur during the fiscal year due to COVID related issues.

If you have any questions or desire any additional information or clarity, please contact Dr. Kelley and I will respond accordingly.

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