



# FISCAL OUTLOOK

Board of Directors Meeting



# OVERVIEW



- Message from Dr. Saltzman
- Review budget deficit and guiding principles
- Staff and community feedback to date; timeline
- Identify areas for potential reduction in FY25
- Board interaction with potential reduction areas and consideration implications for models
- Board discussion and next steps



# THE 2024-25 BUDGET OUTLOOK



## 2023-24 budget

### Original Budget

- Revenue \$385.2 million
- Expenditures \$389.5 million
- Deficit \$ 4.3 million

### Based on spending through December 2023

- Revenue projected \$382.9 million
- Expenditures projected \$385.9 million
- Deficit \$ 3.0 million  
(decreases the fund balance)

# THE 2024-25 BUDGET OUTLOOK



## 2023-24 projections (estimates)

*As of Jan 26, 2024*

- Revenue projected (FY24) \$382.9 million
  - Revenue increase est. +\$12.8 million
- Revenue projected (FY25) **\$395.7 million**
- Expenditures projected (FY24) \$385.9 million
  - Cost est. for salary increases and MSOCs + \$15.9 million
- Expenditures projected (FY25) **\$401.8 million**
  - **Spending will exceed revenue by at least - \$6.1 million**
  - **Planned spend down of fund balance \$1.7 million**
  - **Reductions needed \$4.4 million**

# FOUR-YEAR FORECAST



## Assumptions

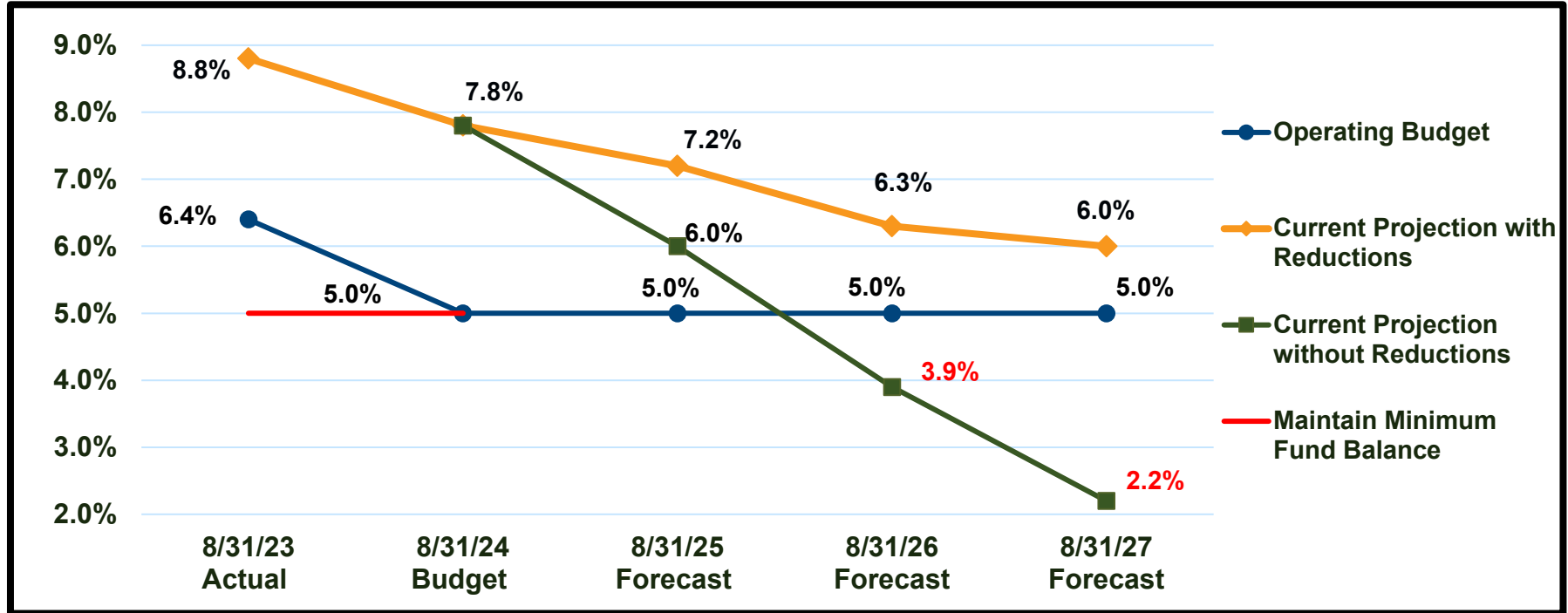
- Slightly increasing enrollment
- No significant legislative changes to funding
- \$3 – 5 million in reductions, primarily through attrition or material, supplies and operating costs (MSOCs)
- Implicit Price Deflator (IPD) for staffing cost increases

General Fund	Estimated Actuals 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27
IPD	3.7%	3.9%	2.4%	1.9%
October 1 Headcount	19,596	19,646	19,803	19,965
Beginning Fund Balance	33,314,215	30,280,614	28,571,840	25,881,359
Revenues	382,894,497	395,666,273	404,361,207	414,272,090
Expenditures	385,928,098	397,375,046	407,051,688	415,160,356
Total Estimated Use of Resources	(3,033,602)	(1,708,773)	(2,690,482)	(888,267)
Ending Fund Balance	30,280,614	28,571,840	25,881,359	24,993,092

# BUDGET VS UPDATED FORECAST



Improved fiscal outlook, however reductions still needed



# FEEDBACK



Session	Purpose
Weekly cabinet sessions since December	Workshop format, understand range, prioritize, streamline central supports
EEA budget meeting	Understand range, methodology, revenues and expenditures
Administrators	Guiding principles, areas for potential reduction, preliminary feedback
Administrator and Professional Technical budget committee	budget status, provide input, areas for potential reduction, feedback
Fiscal Advisory Council	Understand factors, range, areas for potential reduction, feedback
Presidents' Council	Understand factors, timeline, solicit feedback
Staff & Community Survey	Gauge stakeholder priorities, values, feedback
Community Resource Center staff meeting	Understand factors and feedback to date, solicit input
Budget community meeting	Understand factors, range, areas for potential reduction; feedback

# BUDGET DEVELOPMENT



## Timeline

- Continued review on all open positions
- **January 2024:** Final review and assessment of enrollment assumptions
- **January 2024:** Board budget workshop
- **January 2024:** Admin & Prof Tech Budget Advisory meetings
- **January 2024 – May 2024:** Fiscal Advisory Council
- **February 2024:** Community engagement meeting
- **March/April 2024:** Implementation of legislative outcomes
- **April 2024:** Reduced Educational Program (if needed)





# GUIDING PRINCIPLES



- We will preserve items and services that directly affect student learning to the greatest extent possible
- We will be guided by prioritizing Tier 1 instruction led by the Strategic Plan
- We will consider regulatory, legal and contractual requirements as well as space needs
- We will consider consolidating and reorganizing work to increase efficiencies

# GALLERY WALK EXERCISE



- Understanding potential reductions by area
- Receiving preliminary board member feedback
  1. Central office & operational supports (staffing)
  2. Central office & operational supports (materials and programs)
  3. Classroom staffing & supports (certificated, classified, materials, services, and operating cost)
  4. Additional program needs
- Yellow dots: Reconsider
- Red dots: Strongly reconsider
  - Prioritization



- Initial feedback on potential reduction areas; collective priorities
- Key areas for future consideration
- Resolution to direct superintendent to develop and present reduction model (if needed – April 23)



# Thank you!

