

Disclaimer: This is an updated preliminary draft of budget projections based on this year's staff, the reduction of 11.5 ESSER positions, prior to having a finalized state budget, and prior to final adjustments for identified operational needs. The actual proposed budget will be brought to the Board in June 2023.

Budget Projections Updated 2023-2026

Board of Education
Presentation

May 15, 2023

Ms. Sara DeVries
Chief Financial Officer



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Amended Preliminary Budget

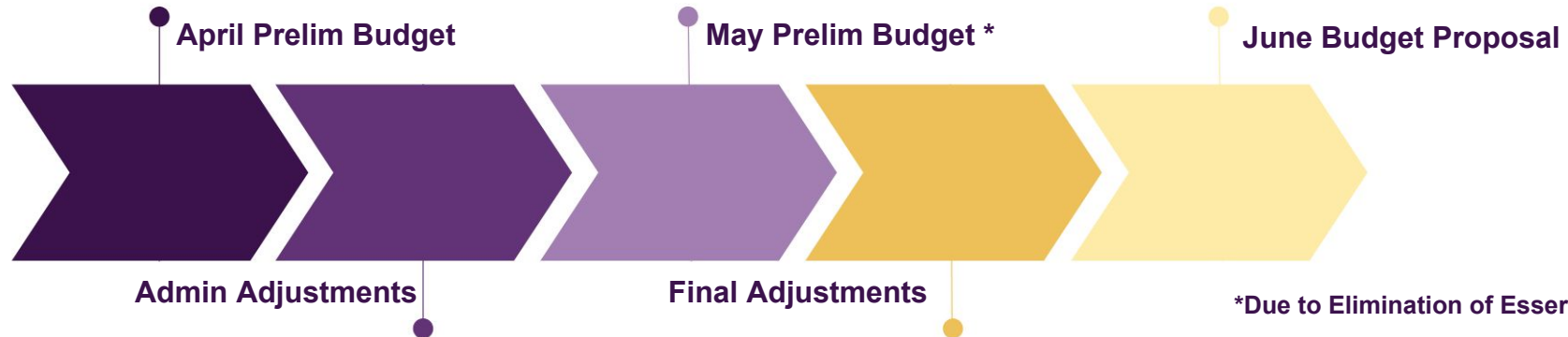
Update & Rationale

April Board of Education Regular Meeting Presentation

- \$2.2 million shortfall for 23/24
- \$4.7 million shortfall for 24/25
- Deficit spending by 25/26

Administrative Staff - Possible Adjustments/Goals

- Directive from Superintendent
- Good financial standing without staff layoffs if possible



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Student & Staffing Levels

Before COVID vs Today

	Spring 2020	Spring 2023	Difference
Students #	5046	4846	-200 (x \$9,608 projected foundation)
Staffing #	279	308	+29 (21 ESSER)

- During Spring of 2020 we notified 40+ staff members of potential fall layoffs based on funding and COVID impact.
- ESSER I funds received (Remote Learning, PPE, etc.) - Net layoff on only 1 position by fall of 2020
- ESSER II, III & 11T - (Additional Interventionists, Counselors, ELL & Itinerant staffing)

Caledonia Community Schools

LONG RANGE FINANCIAL PROJECTION

April 17, 2023

CURRENT TRAJECTORY

\$458/PUPIL INCREASE FROM STATE

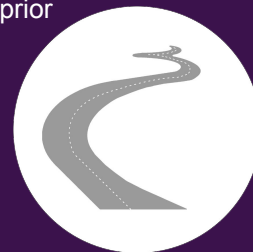
o PUPIL INCREASE or DECREASE

	\$171 foundation incr 47 pupil decrease		\$450 foundation incr 23 pupil increase		Assumptions \$458 foundation incr 0 pupil increase/decrease		Assumptions \$200 foundation incr 0 pupil increase/decrease		Assumptions \$200 foundation incr 0 pupil increase/decrease
	AUDITED 2021-22 ACTUAL	% INC (DECR)	AMENDED 2022-23 BUDGET	% INC (DECR)	2023-24 PROJECTED	% INC (DECR)	2024-25 PROJECTED	% INC (DECR)	2025-26 PROJECTED
REVENUES	\$59,845,848	12.8%	\$67,481,351	-1.2%	\$66,683,262	-1.1%	\$65,972,964	1.7%	\$67,087,212
EXPENDITURES	\$61,022,128	11.6%	\$68,112,239	1.1%	\$68,870,059	2.6%	\$70,681,871	1.6%	\$71,844,914
PROJECTED SHORTFALL	(1,176,280)		(630,888)		(2,186,797) *		(4,708,907) *		(4,757,702) *
Shortfall Percentage	-1.9%		-0.9%		-3.2%		-6.7%		-6.6%
YEAR END PROJECTED FUND BALANCE	9,042,724		8,411,836		6,225,039		1,516,131		(3,241,571)
Fund Balance Percentage	14.82%		12.35%		9.04%		2.15%		-4.51%

The assumptions described in the detailed long range projection are an integral part of this presentation.

*Shortfall reflects the reduction and elimination of federal stimulus funds. 21 teacher positions were added with federal stimulus funds and most of the deficit will be handled through staff attrition in the fall of 2023 and fall of 2024.

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Positions added with ESSER III and 11t

In 22/23 Proposed Budget

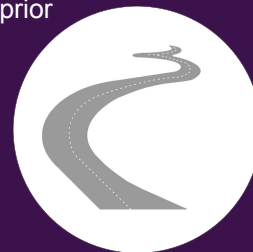
Total Positions Added (31.45 added for 22/23):

- 6.7 Teachers, 3.75 Support (General Fund budget)
- 21 Teachers (ESSER III & 11t budget)
(11 Interventionists, 5.5 Counselors, 1 English Learner Teacher, 2 Itinerants)

This represents an overall total of 31.45 new positions being added for 22/23.

(Note: This slide was part of the June 20, 2022, [Public Hearing presentation](#). The district will work to prioritize positions and transition others as we are able through attrition in 2023 and 2024.)

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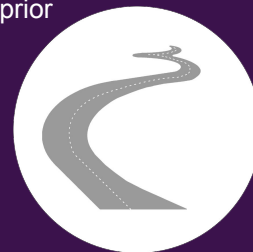
Movement Through Attrition

Staffing Positions

21 Teachers (ESSER III & 11t budget)

- 11.5 known vacant positions heading into fall of 2023 (retirement/resignation)
- 11.5 of the 21 ESSER positions will be reduced (interventionists & itinerants by fall of 2023)
- Movement will impact 18 of the 308 teachers
- All internal teachers will be moved to vacant positions before any vacancies will be posted
- Total staff reduction of \$1.3 million

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ESSER Federal Grants

23/24 Final Year to Expend

2022/2023 Budgeted ESSER Expenditures \$4,350,639

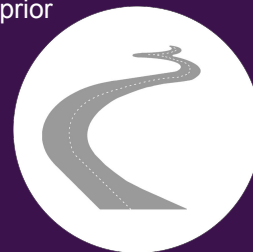
- ESSER II \$728,860 (Nursing/Health & Wellness, Safety Paras - moved to general fund
Staff Training, Tutoring, HVAC, etc. - one time expense)
- ESSER III \$1,619,187 (Staffing - Mental Health Supports, Interventionists)
- ESSER 11t \$2,002,592 (Interventionists, ELL, Itinerants)

2023/2024 Preliminary Budget ESSER Expenditures \$1,822,632

- ESSER 11t \$1,822,632

*Note: If there are unused ESSER funds remaining at the conclusion of 2022/23 they will be rolled over to 2023/24.
All ESSER funds must be fully expended by 9-30-24.*

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Caledonia Community Schools

Preliminary Budget Updated: 2023-2024

Key Assumptions

Revenue:

- Flat enrollment (no change in student numbers)
- Foundation increase of \$458 per student (per governor's budget proposal, no longer a 2X formula meaning Caledonia will receive the full increase)
- ESSER Federal Grant - final year to expend (\$1.8 million)

Expenditure:

- Contractual salary "steps" for all groups
- 4% increase in employee insurance costs
- 18% increase in transportation fuel and repair parts
- Increase in technology replacements of est. \$639,000
- ESSER Federal Grant - final year to expend (\$1.8 million)
 - 21 ESSER positions were added for 22/23
 - 11.5 ESSER positions being reduced for an est. \$1.3 million in 23/24 (9.5 Interventionists and 2 Itinerants transitioning to vacant positions)
 - All remaining ESSER positions being reduced for 24/25

Revised from 4-17-23 draft preliminary budget:

Reflects reduction of 9.5 ESSER Interventionists and 2 Itinerants transitioning into open positions.

A secondary level of ESSER reductions of 4.5 Student Support Specialists/Counselors would save an additional \$446,445. Look for guidance from BOE to implement layoffs for 23/24 or postpone to 24/25.

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Caledonia Community Schools

LONG RANGE FINANCIAL PROJECTION

May 9, 2023

CURRENT TRAJECTORY

\$458/PUPIL INCREASE FROM STATE

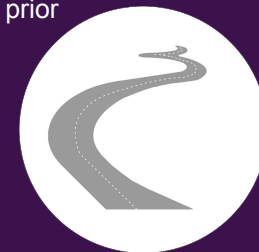
o PUPIL INCREASE or DECREASE

	\$171 foundation incr 47 pupil decrease	\$450 foundation incr 23 pupil increase	Assumptions \$458 foundation incr 0 pupil increase/decrease partial ESSER reductions	Assumptions \$200 foundation incr 0 pupil increase/decrease final ESSER reductions	Assumptions \$200 foundation incr 0 pupil increase/decrease				
	AUDITED 2021-22 ACTUAL	% INC (DECR)	AMENDED 2022-23 BUDGET	% INC (DECR)	2023-24 PROJECTED	% INC (DECR)	2024-25 PROJECTED	% INC (DECR)	2025-26 PROJECTED
REVENUES	\$59,845,848	12.8%	\$67,481,351	-1.2%	\$66,683,262	-1.1%	\$65,972,964	1.7%	\$67,087,212
EXPENDITURES	\$61,022,128	11.6%	\$68,112,239	-0.8%	\$67,558,325	-0.2%	\$67,413,384	1.7%	\$68,576,427
PROJECTED SHORTFALL	(1,176,280)		(630,888)		(875,063) *		(1,440,420) *		(1,489,215)
Shortfall Percentage	-1.9%		-0.9%		-1.3%		-2.1%		-2.2%
YEAR END PROJECTED FUND BALANCE	9,042,724		8,411,836		7,536,773		6,096,352		4,607,137
Fund Balance Percentage	14.82%		12.35%		11.16%		9.04%		6.72%

The assumptions described in the detailed long range projection are an integral part of this presentation.

*Shortfall reflects the reduction and elimination of federal stimulus funds. 21 teacher positions were added with federal stimulus funds and most of the deficit will be handled through staff attrition in the fall of 2023 and fall of 2024.

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Preliminary Comparison Summary

Preliminary Budget as of 4-17-23 (prior to staff & program adjustments)

	23-24	24-25	25-26
Revenues	\$66,683,262	\$65,972,964	\$67,087,212
Expenditures	<u>\$68,870,059</u>	<u>\$70,681,871</u>	<u>\$71,844,914</u>
Shortfall	-\$2,186,797	-\$4,708,907	-\$4,757,702
Fund Balance	\$6,225,039	\$1,516,131	-\$3,241,517

Updated Preliminary Budget as of 5-15-23 (reflects reduction of 11.5 ESSER positions in 23/24 and elimination of all remaining ESSER positions in 24/25 with 0 student increase in all 3 years)

Revenues	\$66,683,262	\$65,972,964	\$67,087,212
Expenditures	<u>\$67,558,325</u>	<u>\$67,413,384</u>	<u>\$68,576,427</u>
Shortfall	-\$875,063	-\$1,440,420	-\$1,489,215
Fund Balance	\$7,536,773	\$6,096,352	\$4,607,137