



Cherry Creek **Future Forward** 

ADOPTED FY2021-2022 Budget Presentation

June 23, 2021





Agenda

- Calendar Review
- Economic Updates
- School Finance Legislation
- General Fund Investments and Highlights
- All Other Fund Investments and Highlights
- Summary Appropriations
- Appendix – Additional Supporting Documents



Calendar Review

Presentation Topics	Venue	Dates
FY2020-2021 Supplemental Appropriations and 3 Year Forecast	Board of Education	December 11, 2020
FY2020-2021 Updates, FY2021-2024 Forecast, Economic Updates	Board of Education	January 11, 2021
FY2020-2021 Updates, FY2021-2024 Forecast and Assumptions	Board of Education	January 22, 2021
FY2021-2022 General Fund Preliminary Budget and Forecast	Board of Education	March 26, 2021
FY2021-2022 General Fund Preliminary Budget and Forecast	DAC - Future Forward	April 7, 2021
FY2021-2022 General Fund Updated Preliminary Budget	Board of Education	April 23, 2021
FY2021-2022 All Funds Proposed Budget Draft posted online	Website	May 27, 2021
FY2021-2022 All Funds Proposed Budget Draft	Board of Education	June 2, 2021
FY2021-2022 Proposed Budget Books delivered to BoE	Board of Education	June 16, 2021
FY2021-2022 All Funds Proposed Budget Final	Board of Education	June 23, 2021
FY2021-2022 All Funds Adopted Budget posted online	Website	June 30, 2021
Budget Revision and Updated Forecast presentation	Board of Education	January 2022



Economic Updates



Economic Summary

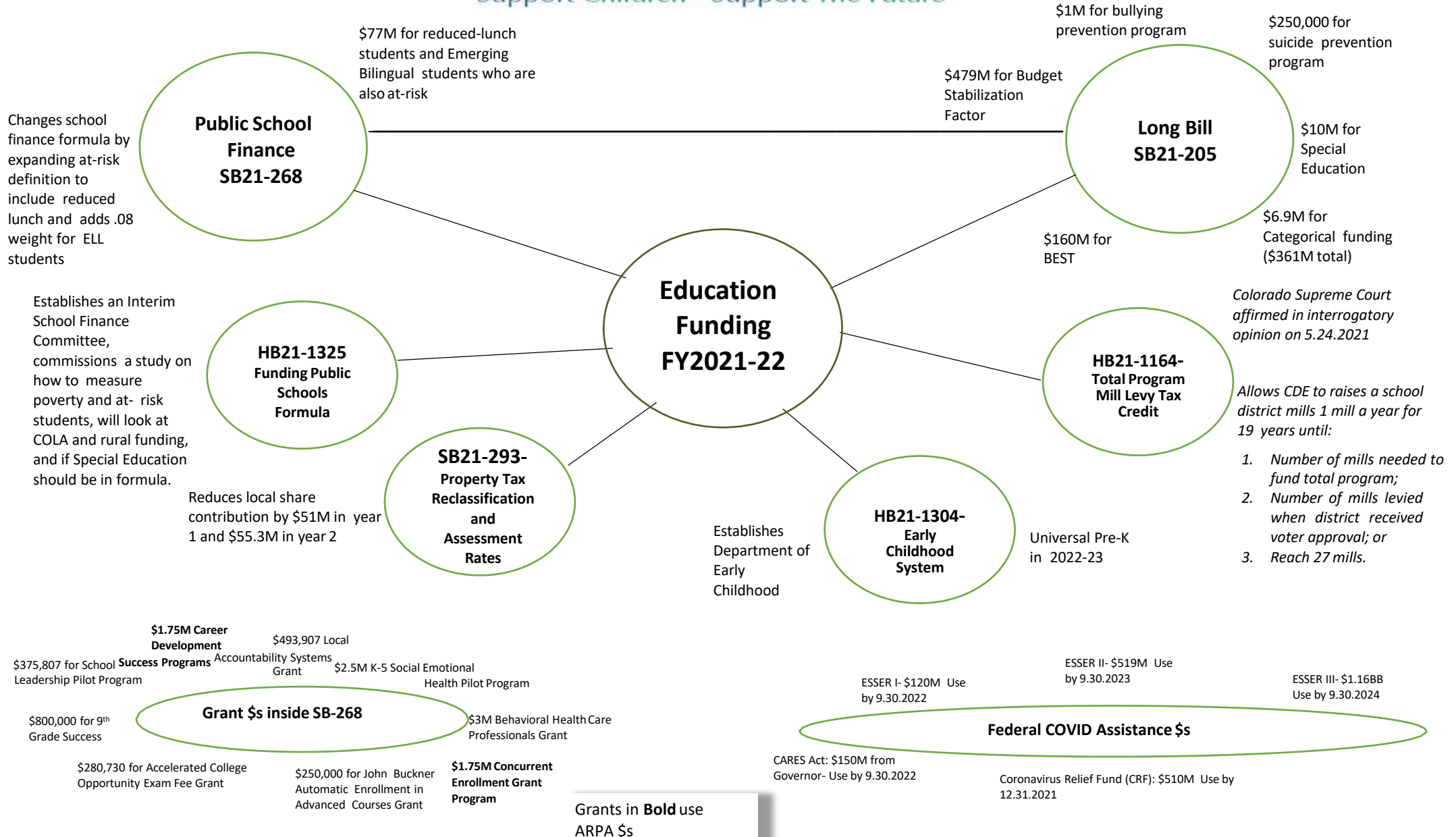
- At a National level, the post-pandemic economy has been more resilient than forecasters expected, owing in large part to unprecedented federal fiscal stimulus packages to bridge the recovery
- Unemployment rates have dropped, but demonstrate that those with lower educational attainment continue to be the most impacted
 - Colorado has regained 66% of jobs lost since the pandemic began
- ESSER II and ESSER III funds will be allocated based upon current Title I allocations to support learning loss due to the pandemic, including retaining teachers and staff along with maintaining class sizes
- The State Budget is projected to increase back to pre-pandemic levels with significant targeted increases for K-12 education, Higher education systems, BEST (Building Excellent Schools Today) grant program funds, and higher level of funds appropriated to the state's pension fund PERA
- School Finance Act was passed on June 3, 2021
 - Numerous other bills passed through Legislation that will impact K-12 education



School Finance Legislation

COLORADO SCHOOL FINANCE PROJECT

Support Children - Support The Future





School Finance Act

Cherry Creek School District

- Base per pupil funding: The bill increases base per pupil funding for FY2021-22 by \$141.67 to \$7,225.28, which reflects a 2.0 percent inflation rate
- Budget Stabilization Factor: The bill decreases the Budget Stabilization Factor by \$481.4 million, from \$1.05 billion in FY2020-21 to \$571.2 million in FY 2021-22. For FY2022-23, the bill specifies that the Budget Stabilization Factor cannot exceed the FY2021-22 level
- FY2021-2022 enrollment is expected to increase slightly, recovering some students that were not enrolled in Cherry Creek Schools for FY2020-2021 due to the pandemic
- Cherry Creek per pupil funding will increase by \$859 (10.6%) from \$8,107 in FY2020-21 to \$8,966 in FY2021-22
- Budget Stabilization Factor for Cherry Creek is (\$34.3M) or -6.67% of Total Program Funding
- Inception to date Budget Stabilization Factor for Cherry Creek (\$593.59M)
 - State Budget Stabilization from inception (\$9.75B)



FY2021-2022 All Funds Proposed Budget



General Fund Key Investments

- Remove furlough days for CCSD staff
 - 5 days for Certified staff
 - 6 days for Admin / ProTech staff
- Staff raises (detail on next slide)
- Staff one-time (COLA) payment to all staff
- Change to teacher/student ratio at Middle School and Elementary
- Yellow Fleet additions
- Reinstate Middle School Athletics and Activities
- Savings from renegotiated contracts
- Transfer qualifying expense to ESSER II grant and Capital Construction, Technology & Maintenance Fund

FY2021-2022 Budgeted Raise Pool

	% of Current Pay	Raises (includes Benefits)
CCEA	74.33%	16,391,000
CCTEA	1.59%	348,000
CMGC	1.88%	400,390
Admin	4.52%	962,361
Protech	2.66%	566,795
All other classified	15.02%	3,198,631
TOTAL		\$ 21,867,177

***** Equivalent to approximately a 4% raise *****

FY2021-2022 Proposed General Fund Budget

	FY19-20 Actual	FY20-21 UPDATED PROJECTION (May)	FY21-22 BUDGET
Beginning Fund Balance	\$85.70	\$86.78	\$84.91
Total Revenue	621.35	595.32	644.51
Total Expense	620.27	597.18	644.12
Add/(Draw) Fund Balance Impact	1.08	(1.86)	0.39
Ending Fund Balance	\$86.78	\$84.91	\$85.30

3 Year Projection FY2021-2025

Projection for future years includes:

- Increase in PPR 2% each year
- Slight increases to enrollment
- Hold staffing ratios constant
- Salary freeze – all future years for financial modeling purposes

	FY19-20 Actual	FY20-21 UPDATED PROJECTION (May)	FY21-22 BUDGET	FY22-23 PROJECTION	FY23-24 PROJECTION	FY24-25 PROJECTION
Beginning Fund Balance	\$85.70	\$86.78	\$84.91	\$85.30	\$95.14	\$104.56
Total Revenue	621.35	595.32	644.51	656.26	669.83	681.51
Total Expense	620.27	597.18	644.12	646.43	660.40	670.36
Add/(Draw) Fund Balance Impact	1.08	(1.86)	0.39	9.84	9.42	11.15
Ending Fund Balance	\$86.78	\$84.91	\$85.30	\$95.14	\$104.56	\$115.71



Other Fund Key Investments / Highlights

- Capital Construction, Technology, & Maintenance Fund
 - Funding 1:1 technology for all students
 - Add new technology to all buses in the District
- Capital Reserve Fund
 - Begin paying for Oracle maintenance and support
- Building Fund
 - Fund major projects supported by the 4B ballot initiative in November 2020
 - Elementary 45, Innovation expansion, Major renovations, Mental Health Day Treatment Center, School based Health Clinics
- Designated Purpose Grants Fund
 - Will not have CRF Funds in FY2021-22, will add ESSER II funds
- Food and Nutrition Services
 - Continue free meals for all students, at risk for a loss next year
- Extended Child Services Fund
 - Extending hours at no additional cost to families to support early release in elementary schools
 - Decreased enrollment projected, at risk for a loss next year

FY2021-22 Proposed Budget Appropriations

	Expenditures and Transfers	Appropriated Reserves	Total Expenditures / Appropriated Reserves
Funds			
Operating/General Fund	\$ 644,120,000	\$ 32,743,600	\$ 676,863,600
Special Revenue Funds			
Designated Purpose Grants	52,713,084	-	52,713,084
Extended Child Services	9,895,714	296,871	10,192,585
Pupil Activities	16,950,000	508,500	17,458,500
Food Services Fund	20,127,935	603,838	20,731,773
Total Operating/Special Revenue Funds	\$ 743,806,733	\$ 34,152,809	\$ 777,959,542
Building Fund	107,708,664	-	107,708,664
Bond Redemption Fund	55,109,403	-	55,109,403
Capital Reserve Fund	13,584,600	407,538	13,992,138
Capital Construction, Technology and Maintenance Fund	29,637,354	1,068,900	30,706,254
Total Building, Capital and Debt Services	\$ 206,040,021	\$ 1,476,438	\$ 207,516,459
TOTAL	\$ 949,846,754	\$ 35,629,247	\$ 985,476,001

NEXT STEPS

July 2021

- Adopted Budget Book available to the public

**Summer
2021**

- Engage in steps to develop more equitable school based funding starting in FY2022-23
- Presentations regarding equitable funding model

**January
2022**

- Updated Revenue based on October Counts and December Forecast
- Supplemental Appropriations for applicable funds
- Launch equitable school funding model



QUESTIONS





Economic Updates – Appendices



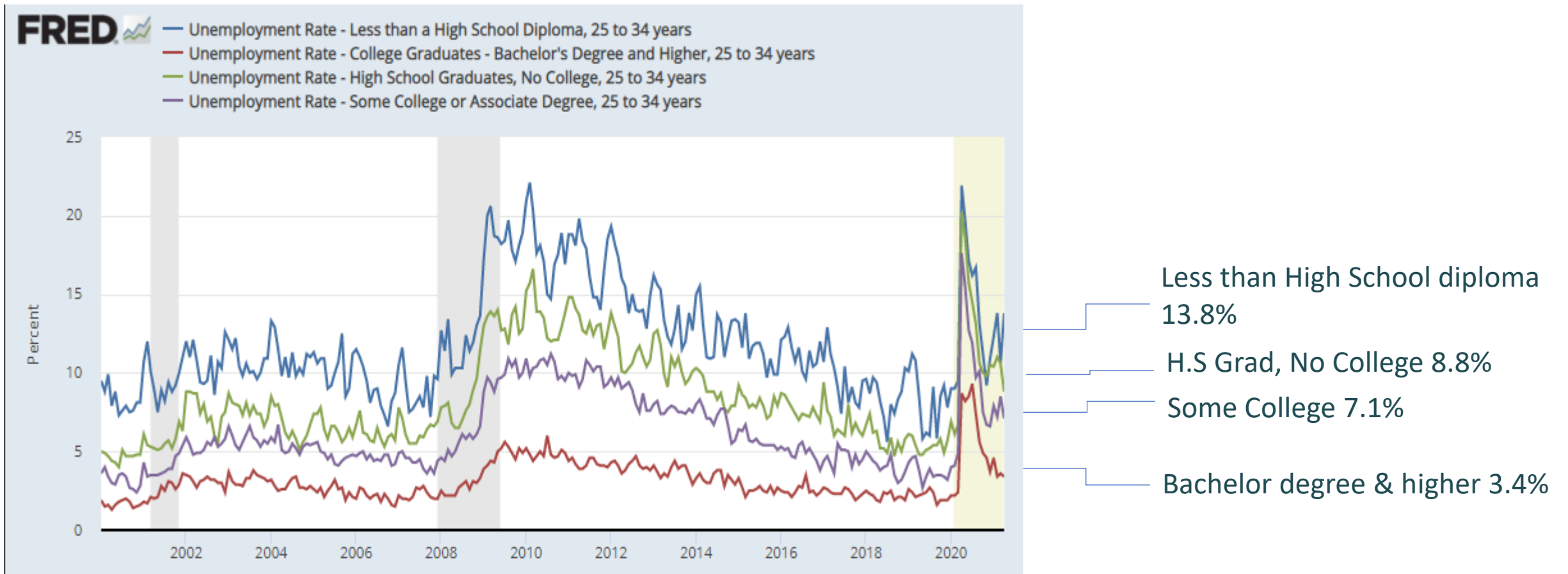
National Economy

COVID-19 and Economic Impacts

- Total non-farm employment rose by 266,000 in April, and the unemployment rate was 6.1%.
 - Notable job gains in leisure and hospitality, other services, and local government education were partially offset by employment declines in temporary help services and in couriers and messengers.
- While the pandemic had profound impacts on our lives, the pandemic economy has been much more resilient than forecasters expected owing in large part to unprecedented federal fiscal stimulus.
 - A broad-based economic recovery is expected with vaccine distribution, with the economy returning to trend in 2022
 - Labor markets will lag the recovery, with leisure and hospitality sectors remaining hardest hit

Source: US Bureau of Labor Statistics and Deloitte

US Unemployment by Educational Attainment - April 2021



Source: US Bureau of Labor Statistics



TABOR – Historical and Current

- Before TABOR was passed in 1992, most school districts had School Finance Act mill levies of approximately 40 mills
 - Intent of TABOR was to limit the amount of revenue the State of Colorado can retain and spend based on the prior fiscal year's actual revenue
- Due to TABOR revenue constraints, mill levy rates began dropping to satisfy the TABOR formula
- In the late 1990s, most school districts elected to “de-Bruce” with voter approval thereby removing themselves from TABOR’s constraints
 - No school district was required to de-Bruce
 - Cherry Creek did not de-Bruce at that time
- In error, CDE instructed those districts that had “de-Bruced” to continue to drop their mill levy to comply with TABOR
 - Mill levies in the late 1990s / early 2000s were in the mid 30s when most districts de-Bruced
- In the mid 2000s, the State froze mill levies for all districts that had “de-Bruced” and set a cap of 27 mills
 - The current average mill levy in 2021 is in the low 20s statewide in Colorado



Colorado Supreme Court Ruling

May 24, 2021

- Colorado Supreme Court ruled on the interrogatory for House Bill 21-1164 regarding Total Program Mill Levy Tax Credit
- Ruling states that the legislature can slowly remove tax credits on school districts that have “de-Bruced” to correct the error imposed by CDE in the 1990s
- Districts can’t have their mill levy go higher than when they “de-Bruced”, 27 mills, or being fully locally funded
- For example, a district that was at 33 mills when it “de-Bruced” but is now at 25 mills will have their mill levies increased by 1 mill per year until they reach 27 mills
- Cherry Creek is not affected as we “de-Bruced” last year and our mill levy is frozen at approximately 18.7 mills
- This is the first step toward a uniform mill levy that will eventually impact Cherry Creek



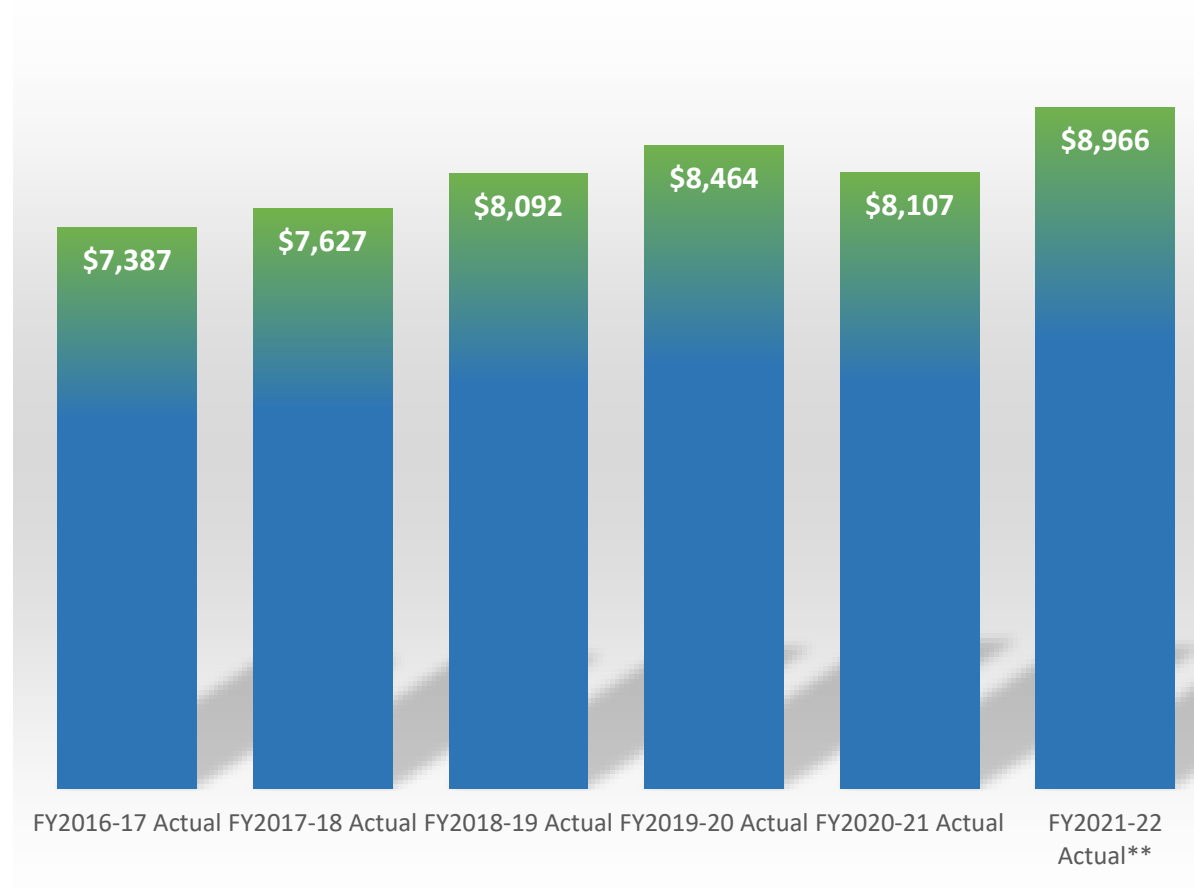
All Funds – Appendices

Cherry Creek School District Enrollment

Funded Pupil Count Comparison

Funded Pupil Count (FPC)		Actual FY19-20	Actual FY20-21	Projected FY21-22
Schools	High Schools	17,431.5	17,932.4	17,604.5
	Middle Schools	12,589.5	12,435.2	12,212.8
	Elementary Schools	22,507.0	21,557.4	21,877.5
	Charter Schools	1,013.5	1,214.0	1,422.0
	Total Schools	53,541.5	53,138.9	53,116.8
Programs	Preschool SPED	601.0	524.5	450.4
	Options Program	333.5	290.9	249.7
	Foote Center	42.0	16.4	16.5
	Expulsion	19.5	5.6	5.7
	Total Programs	996.0	837.5	722.3
Total Funded Pupil Count		54,537.5	53,976.4	53,839.1
Funding Per Pupil		\$8,464	\$8,107	\$8,966

Net Total Program Funding per Pupil Comparison



****** FY2021-2022 funding level projections are estimated to be approximately \$859 more per pupil, or 10.6% more than that of FY2020-2021. The recovery from the reduced economic activity caused by COVID-19 has facilitated the increase in per pupil revenue.



Capital Construction, Technology, and Maintenance Fund

- New fund created in FY2020-21 due to successful passage of 4A Ballot initiative
- Budget appropriation for FY2021-22 is \$30.71M
- Anticipated expenses funded by the Capital Construction, Technology, and Maintenance Fund include:
 - Purchase computer devices to provide 1:1 technology devices for all students within Cherry Creek School District
 - Provide regular replacement of technology devices for teaching staff across the District
 - Maintenance activities, including salary/benefit support for staff such as building engineers and maintenance technicians across the District
 - Purchase new bus technology, with ongoing maintenance fees

Capital Construction, Technology, and Maintenance Fund

	FY2018-19 Actual	FY2019-20 Actual	FY2020-21 Projected	FY2021-22 Budget
BEGINNING FUND BALANCE	\$0.00	\$0.00	\$0.00	\$1.07
<u>Revenues</u>				
Property Tax	-	-	34.47	35.63
Total Revenues	0.00	0.00	34.47	35.63
TOTAL FUNDS AVAILABLE	\$0.00	\$0.00	\$34.47	\$36.70
<u>Expenditures</u>				
Operations and Maintenance	-	-	16.25	13.21
Technology	-	-	16.40	15.67
Charter School Allocation	-	-	0.75	0.76
Total Expenditures	0.00	0.00	33.40	29.64
ENDING CAPITAL RESERVE FUND BALANCE	\$0.00	\$0.00	\$1.07	\$7.06



Capital Reserve

Changes compared to Prior Year Actuals

- Expenses in the Capital Reserve Fund include:
 - IT Software support: Power School, Microsoft, Identity Management, Google Services, Zoom.
 - Priority maintenance projects
 - Capital leases on current bus fleet and other capital in the District
- Next year the following will not be included:
 - \$2M Maintenance and Facilities operational projects to be absorbed in General fund and no longer funded from Capital Reserve
- New expenses to be included next year:
 - \$1.5M Oracle Maintenance payments

Capital Reserve Fund

	FY2018-19 Actual	FY2019-20 Actual	FY2020-21 Projected	FY2021-22 Budget
BEGINNING FUND BALANCE	\$22.15	\$20.09	\$17.42	\$21.51
<u>Revenues</u>				
Invest. Income/Cash in Lieu of Land	0.84	0.17	5.89	0.15
Transfer from General Fund	22.81	18.94	13.77	13.58
Transfer from Building Fund	-	-	-	-
Instructional Tech. Lease Proceeds	-	-	-	-
Bus Replacement Lease Proceeds	-	-	-	-
Certificates of Participation	7.00	-	-	-
Total Revenues	30.65	19.11	19.66	13.74
TOTAL FUNDS AVAILABLE	\$52.80	\$39.20	\$37.08	\$35.24
<u>Expenditures</u>				
Building and Improvements	21.47	15.12	-	1.50
Equipment, Software and Internet	4.90	0.32	9.30	8.90
Debt Service – Technology and Buses	6.33	6.34	6.27	3.19
Total Expenditures	32.70	21.78	15.57	13.58
ENDING CAPITAL RESERVE FUND BALANCE	\$20.09	\$17.42	\$21.51	\$21.66



Building Fund

Changes compared to Prior Year Actuals

- The District Long-Range Facility Planning Committee develops facility planning recommendations for new schools and other facility projects that accommodate student enrollment and improve instructional programs
- Expenses anticipated in the Building Fund for FY2021-22 include:
 - High School Innovation
 - Village East Expansion
 - Safety and Security
 - Technology
 - Elementary 45
 - School Building Upgrades
 - CCIC Expansion
 - Community Health Clinics
 - Mental Health Day Treatment Center
 - Support Facilities upgrades

Building Fund

\$ IN MILLIONS	FY2018-19 Actual	FY2019-20 Actual	FY2020-21 Projected	FY2021-22 Budget
BEGINNING FUND BALANCE	\$153.91	\$71.24	\$28.82	\$171.55
<u>Revenues</u>				
Sale of Bonds	-	-	150.00	-
Premium on Bonds	-	-	42.29	-
Investment Income	3.59	1.05	0.08	0.18
Total Revenues	3.59	1.05	192.37	0.18
TOTAL FUNDS AVAILABLE	\$157.50	\$72.29	\$221.19	\$171.73
<u>Expenditures</u>				
Salaries & Benefits	1.12	0.17	0.12	-
Land, Building and Improvements	74.10	33.35	43.09	93.18
Equipment	10.77	6.24	6.07	14.53
Professional Services	0.27	3.71	-	-
Bond Issue Costs	-	-	0.35	-
Total Expenditures and Transfers	86.26	43.47	49.64	107.71
ENDING BUILDING FUND BALANCE	\$71.24	\$28.82	\$171.55	\$64.02



Designated Purpose Grants

Changes compared to Prior Year Actuals

- Designated Purpose Grants Fund is used to manage Local, State, and Federal Grant funding sources and expenditures.
- Major Grants funded:
 - READ Act
 - Every Student Succeeds Act (ESSA) Grants
 - Individuals with Disabilities Education Act (IDEA)
- Next year CCSD does not anticipate the following grants:
 - (\$28.5M) FY2020-21 CRF funding
 - (\$3.5M) FY2020-21 ESSER I funding
- New grant anticipated for next year:
 - \$13.5M FY2021-22 ESSER II funding

Designated Purpose Grants

\$ IN MILLIONS	FY2018-19 Actual	FY2019-20 Actual	FY2020-21 Projected	FY2021-22 Budget
BEGINNING FUND BALANCE	--	--	--	--
<u>Revenues</u>				
Local/Private	3.09	2.65	5.21	2.18
State	5.75	3.56	5.77	6.33
Federal	19.14	20.59	58.6	44.20
Total Revenues	27.98	26.80	69.58	52.71
TOTAL FUNDS AVAILABLE	\$27.98	\$26.80	\$69.58	\$52.71
<u>Expenditures</u>				
Salaries	12.56	10.90	29.93	21.42
Benefits	3.53	3.04	9.62	5.99
Purchased Services	2.30	2.62	8.19	5.16
Supplies and Materials	2.51	1.90	10.14	3.73
Other	7.08	8.34	11.70	16.41
Total Expenditures	27.98	26.80	69.58	52.71
ENDING FUND BALANCE	-	-	-	-



Food and Nutrition Services

Changes compared to Prior Year Actuals

- The Food and Nutrition Services Department is accountable for the Food Services Program within the District and nourishes the whole student by creating nutritious meals, building healthy habits, and cultivating positive relationships to support the Cherry Creek School District
- Focus areas for FY2021-22
 - Meals for all students will continue to be offered for free next school year
 - Expanding FNS services to charter schools
 - Expand summer meal service as staffing allows to reach more students
 - Explore opportunity to continue this service for holiday break
 - Age Appropriate Nutrition Education programs to be rolled out at all Middle Schools
 - Special meals to be offered throughout the year to all grade levels
 - Coordinate with all Middle and High Schools to ensure all vending and competitive foods regulations are in compliance
 - With extension of free meals being offered to all students, this fund has a risk to be at a loss for FY2021-22

Food Services Fund

\$ IN MILLIONS	FY2018-19 Actual	FY2019-20 Actual	FY2020-21 Projected	FY2021-22 Budget
BEGINNING FUND BALANCE	\$5.68	\$4.93	\$2.83	\$0.66
<u>Revenues</u>				
Sales, Investment, Catering	9.61	7.64	11.14	11.14
Federal Meal Reimbursement (less than 50% of total revenue)	7.07	6.36	12.10	7.88
USDA Donated Food	1.12	1.03	0.89	1.22
State Meal Reimbursement	0.32	0.29	0.15	0.21
Total Revenues	18.12	15.32	24.28	20.45
TOTAL FUNDS AVAILABLE	23.80	20.24	17.30	21.59
<u>Expenditures</u>				
Salaries & Benefits	9.22	9.81	9.79	11.24
Purchased Services	33.02	30.05	27.09	32.83
Supplies	7.91	6.68	5.44	7.78
Property	0.24	0.33	0.07	0.07
Other Objects and Uses of Funds	0.83	0.02	0.34	0.11
Total Expenditures	18.87	17.42	16.64	20.12
ENDING FOOD SERVICE FUND BALANCE	\$4.93	\$2.82	\$0.65	\$1.47



Extended Child Services

Changes compared to Prior Year Actuals

- The Extended Child Services Fund is used to account for the District's Before & After and Intersession School Programs offered outside of the traditional classroom schedule
- Next year the following changes are anticipated:
 - Due to the pandemic and parents learning to work from home the ECS programs have seen a significant decrease in participation, which is not expected to fully restore for a few years.
 - In FY2021-22 Cherry Creek School District will pilot a program to add ECS services to Pre-School sites, offering the community a full day experience for these students
 - ECS services will be offered (extended) as the District shifts to Elementary early dismissal on Wednesdays – 1 hour earlier than current year at no additional cost to families
 - With the compression of services being offered by this program, this fund has a risk to be at a loss for FY2021-22

Extended Child Services Fund

\$ IN MILLIONS	FY2018-19 Actual	FY2019-20 Actual	FY2020-21 Projection	FY2021-22 Budget
BEGINNING FUND BALANCE	\$6.64	\$5.82	\$4.75	\$1.66
<u>Revenues</u>				
Before and After School	11.50	8.63	5.05	7.90
Kindergarten Enrichment	4.87	--	--	--
Preschool	2.09	1.37	1.30	1.00
Other Enterprise Programs	0.84	0.88	0.64	0.63
Total Revenues	19.30	10.88	6.99	9.53
TOTAL FUNDS AVAILABLE	\$25.94	\$16.70	\$11.74	\$11.19
<u>Expenditures</u>				
Before and After School	9.13	9.65	6.35	7.45
Kindergarten Enrichment	4.77	--	--	--
Preschool	1.61	1.28	1.6	0.77
Other Enterprise Programs	2.35	--	1.14	1.05
Utilities and Indirect Costs	0.87	0.18	0.98	0.63
Transfer to General Fund	1.4	--	--	--
Total Expenditures and Transfers	20.14	16.28	15.13	9.90
ENDING ECS FUND BALANCE	\$5.82	\$4.75	\$1.66	\$1.30



Bond Redemption Fund

Changes compared to Prior Year Actuals

- The Bond Redemption Fund is used to account for property taxes levied and investment income, to provide for payment of general long-term debt principal retirement, semi-annual interest, and related fees.
- Bond Fund expenses for FY2021-22 are anticipated at \$55M
 - Will cover debt repayment on existing debt plus additional bonds that were added in November 2020

Bond Redemption Fund

\$ IN MILLIONS	FY2018-19 Actual	FY2019-20 Actual	FY2020-21 Projected	FY2021-22 Budget
BEGINNING FUND BALANCE	\$55.07	\$59.58	\$72.27	\$57.33
<u>Revenues</u>				
Property Taxes	61.93	70.96	55.07	56.18
Refunding Bond Proceeds	--	70.02	--	--
Investment Income	0.99	0.88	0.41	0.03
Refunding Bond Premium	--	17.00	--	--
Total Revenues	62.91	158.86	55.49	56.21
TOTAL FUNDS AVAILABLE	\$117.98	\$218.45	\$127.75	\$113.54
<u>Expenditures</u>				
Bond Principal Retirement	31.35	33.67	45.89	27.84
Interest	27.04	25.50	24.52	27.26
Transfer to Escrow Agent/Fiscal Charges	0.01	87.02	0.02	0.02
Total Expenditures	58.40	146.18	70.42	55.11
ENDING BOND REDEMPTION FUND BALANCE	\$59.58	\$72.27	\$57.33	\$58.43



Pupil Activities Fund

Changes compared to Prior Year Actuals

- The Pupil Activities Fund accounts for the self-supporting financial activities associated with elementary school, middle school, and high school extracurricular activities.
- This includes, the sale of athletic and activity tickets, fund-raising events, user and club fees, and fund-raising generates revenue.
- No significant changes to Fund Balance are anticipated for next fiscal year

Pupil Activities Fund

\$ IN MILLIONS	FY2018-19 Actual	FY2019-20 Actual	FY2020-21 Projected	FY2021-22 Budget
BEGINNING FUND BALANCE	\$6.33	\$6.71	\$7.16	\$8.79
<u>Revenues</u>				
High School	9.13	8.58	5.62	11.93
Middle School	1.29	1.1	0.26	2.09
Elementary School	1.92	0.73	0.29	2.61
Other Revenue	0.55	0.56	0.18	0.32
Total Revenues	12.89	10.97	6.35	16.95
TOTAL FUNDS AVAILABLE	\$19.22	\$17.68	\$13.51	\$25.74
<u>Expenditures</u>				
High School Activities	9.02	8.32	3.74	11.93
Middle School Activities	1.16	1.02	0.31	2.09
Elementary School Activities	1.78	0.76	0.35	2.61
Other Expenditures	0.55	0.42	0.32	0.32
Total Expenditures	12.51	10.52	4.72	16.95
ENDING PUPIL ACTIVITIES FUND BALANCE	\$6.71	\$7.16	\$8.79	\$8.79