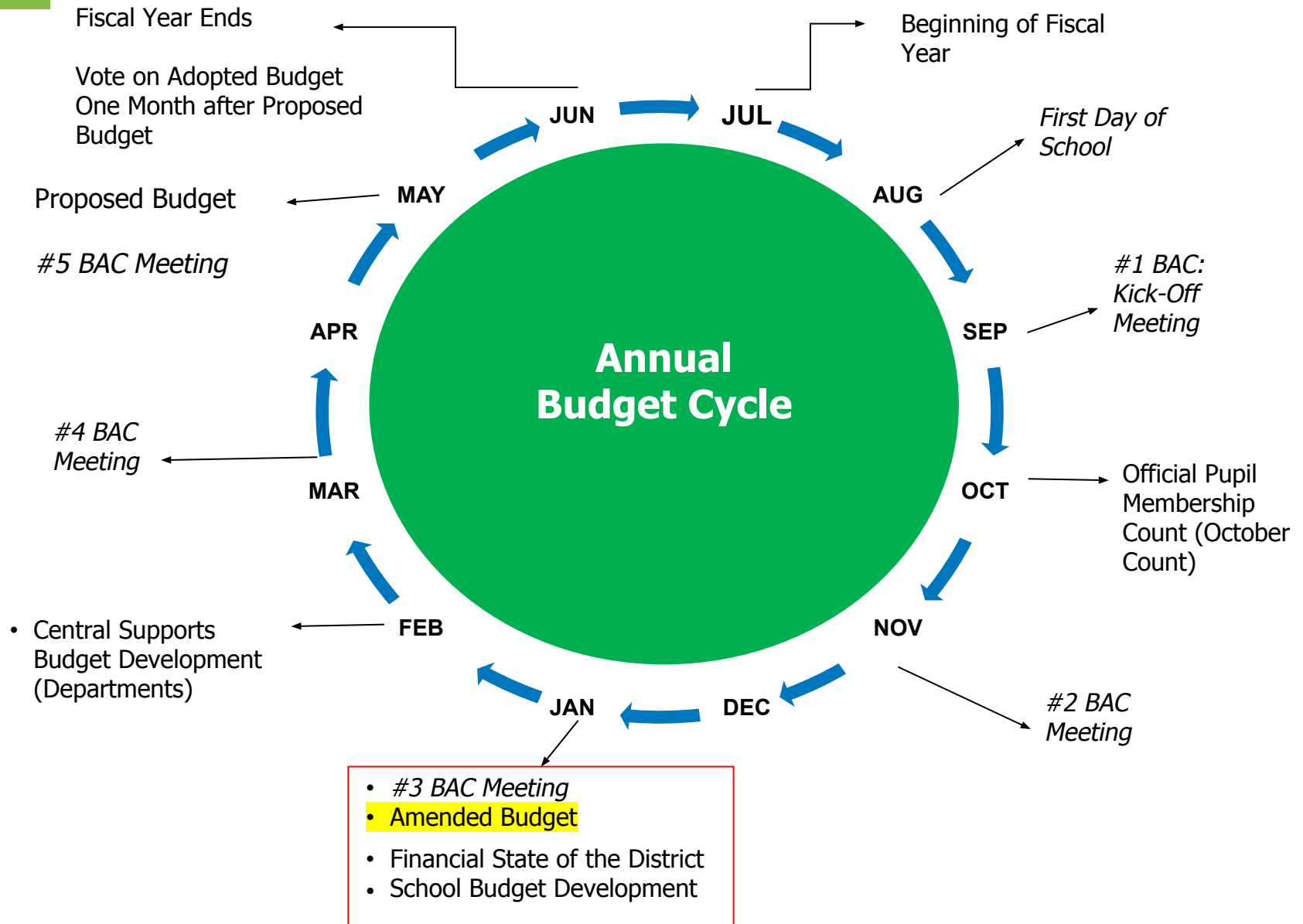


Discover a World of Opportunity™

2022-23 Amended Budget

Board of Education
January 26, 2023

DPS Budget Timeline



AMENDED BUDGET PROCESS OVERVIEW

Per state statute and CDE regulations, the Board of Education may review and change the adopted budget with respect to both revenues, expenditures and appropriation by fund prior to January 31st of each fiscal year

Potential reasons for making changes to the Adopted Budget include:

- Correcting beginning fund balances to audited prior year ending balances
- Updating revenue and expenditures to reflect:
 - Actual October Count enrollment
 - Any known changes to the State of Colorado's Budget
 - Issuance or refunding of GO Bonds or COP's
- Addition of new federal, state, local, or private grants
- Adjusting appropriations for new program rollouts, compensation increases, forecasted savings or reductions approved after the Adopted Budget process

Any approved changes to the Adopted Budget by the Board of Ed will be used for reporting purposes for the remainder of the fiscal year under the title of the "Amended Budget"

2022-23 Adopted vs. Amended Budget

FY23 Adopted Budget - Reduction to Fund Balance	\$ (1,176)
<u>Positive Changes</u>	
Forecasted Less Spending: School and Central Vacancies	\$ 15,534
Additional 2020 MLO Revenue (Raising mills)	\$ 14,032
SFA Changes	\$ 3,795
Additional Abatement Revenue	\$ 2,966
Total Positive Changes	\$ 36,327
<u>Negative Changes</u>	
DCTA Compensation	\$ (18,300)
ESP/Road to \$20 Compensation	\$ (16,094)
Estimated Non-Bond Capital Needs, including ERP	\$ (7,000)
Other Miscellaneous Adjustments	\$ (2,823)
Total Negative Changes	\$ (44,217)
Net Change	\$ (7,889)
FY23 Amended Budget - Reduction to Fund Balance	\$ (9,065)

- Savings forecasted from additional Budgetary Underspend: ~1.2% of total expenditures
- Revenue Changes: Enrollment and Share of At Risk Funding impacted SFA funding and increased Debt Free Schools mill impacted 2020 MLO revenues
- DCTA and ESP/Road to \$20 costs based on final agreements during summer and fall 2022
- Estimated Non-Bond Capital Needs include potential for roof and sidewalk repairs
- “Other Miscellaneous” includes HEPA Air Filter Replacement, Increased cost of natural gas to heat buildings, and transportation services
- Total change from Adopted is equal to about $\frac{2}{3}$ of 1 percent of the total expense budget

2022-23 Amended Budget - General Fund

General Fund	Actual FY21-22
Total Revenue	\$ 1,194,241
Total Expense	\$ 1,185,983
Net Change in Fund Balance	\$ 8,258
Total Fund Balance	\$ 133,393
10% of Revenue Target	\$ 119,424
Fund Balance Remaining to 10% Target	\$ 13,969

Adopted FY22-23	Amended FY22-23	Variance
\$ 1,250,097	\$ 1,268,684	\$ 18,587
\$ 1,251,273	\$ 1,277,750	\$ 26,476
\$ (1,176)	\$ (9,065)	\$ (7,889)
\$ 132,217	\$ 124,328	\$ (7,889)
\$ 125,010	\$ 126,868	\$ 1,859
\$ 7,207	\$ (2,540)	\$ (9,748)

Amounts are shown in thousands of dollars

Key Assumptions

- Enrollment declined 1k from 2021-22, but essentially hit our projections target
 - Fall adjustment at schools was offset by additional federal stimulus provided in January to support enrollment changes
- DPS at-risk pupil count increased by 2.7% from 2021-22 and maintained higher share of statewide at-risk

Risk and Opportunities



Additional funding from the state through the supplemental budget
Continued underspending of operational budgets from lower staffing ratios (Not operationally positive but does result in lower expenses)



Inflationary costs, both current and future, for all supplies, materials, and wages in all funds

CHANGES FROM ADOPTED TO AMENDED BUDGET – OTHER FUNDS

Operations & Technology Special Revenue Fund

- 2020 Mill Levy. Adjusted appropriation to \$50.66M to account for increasing the mills by 0.8276, as well as adjusting for actual 2022 assessed value less projected uncollectible taxes.

Grants Special Revenue Fund

- Decreased appropriation \$41.6M to reflect current trends and anticipated actual spend. Fund includes ESSER, Title I, IDEA, and the Emily Griffith Technical College.

Pupil Activity Fund

- Decreased appropriation \$294k due to the net impact of lower beginning fund balance and increased revenue estimates.

ProComp Special Revenue Fund

- Increased appropriation \$1.3M to reflect one-time payout for High Priority Retention from fund balance per the bargaining agreement.

Bond Redemption Fund

- Decreased appropriation \$12.3M due to smaller beginning fund balance and true up of interest owed on new debt schedule.

CHANGES FROM ADOPTED TO AMENDED BUDGET – OTHER FUNDS

Building Fund

- Increase appropriation \$80.6M due to combining Bond and Capital Reserve into one appropriation as the “Building Fund” as there is no need for a separate appropriation for CDE purposes. We will continue to report out separately on Bond and Capital Reserve for Bond Oversight and Board quarterly reporting.

Capital Reserve Fund

- Decreased appropriation \$97M due to combining Bond and Capital Reserve into one appropriation as the “Building Fund” as there is no need for a separate appropriation for CDE purposes. CDE no longer requires a separate Capital Reserve Fund. We will continue to report out separately on Bond and Capital Reserve for Bond Oversight, Board quarterly reporting, and in the detailed schedules included in this presentation.

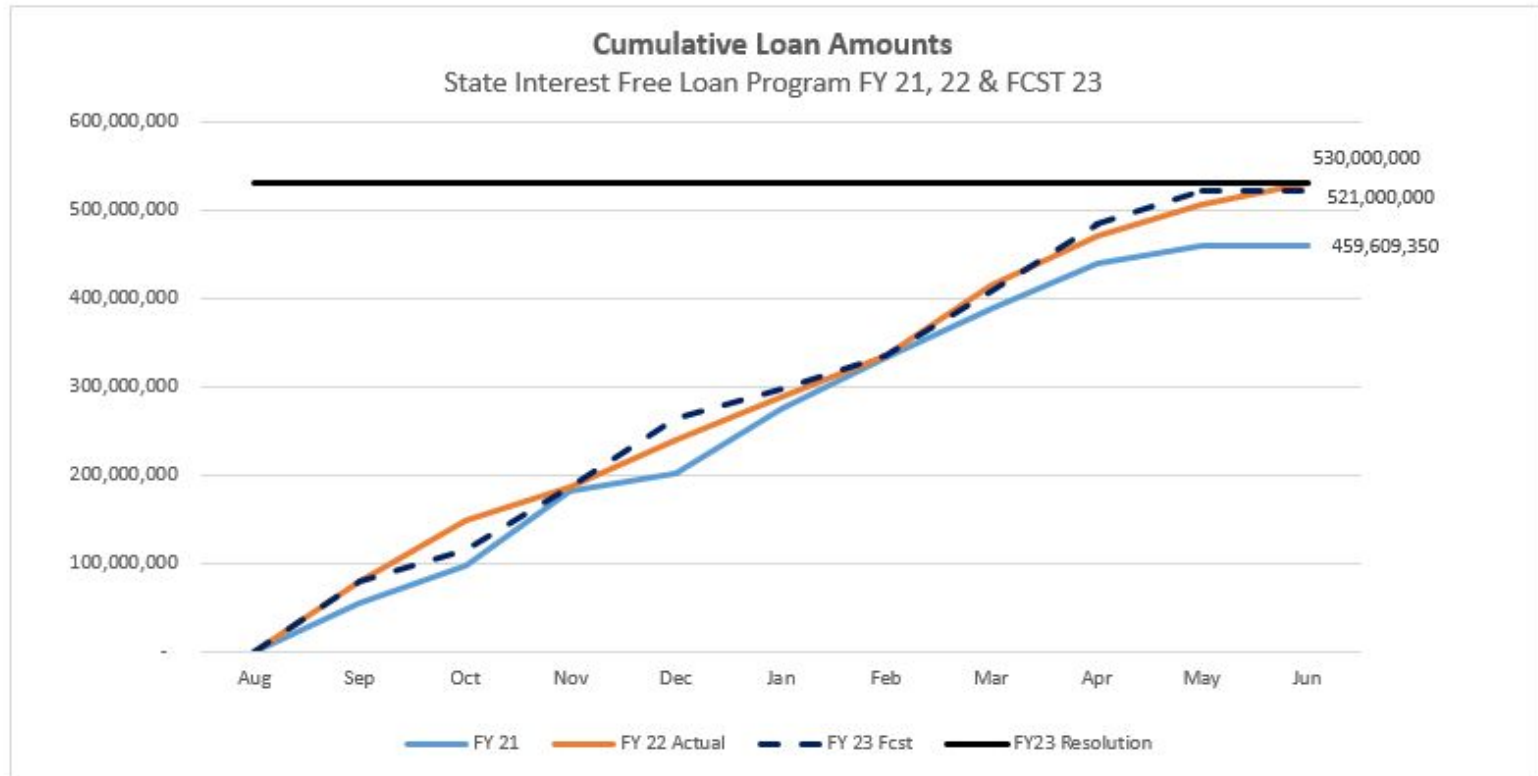
Food Service Fund

- Increased appropriation \$672k due to the net impact of higher beginning fund balance and increased interfund transfer related to increased costs from the bargaining agreements and the DPS organizational minimum wage.

Private Purpose Trust Fund and Government Permanent Fund

- Increased appropriation \$3.5M and \$1k respectively due to higher than anticipated beginning fund balances, as well as increased revenue assumptions in the Private Purpose Trust Fund.

2022-23 State Interest Free Loan Program



- For 2021-22, the full \$530M was needed with Net Assessed Value error from City/County of Denver causing lower collections.
- For 2022-23, Property Tax collections (excluding Bond Redemption) are increasing from \$864.6M to \$908.4M (5%), although State Equalization will cover a higher share of Total Program.
- The District recommends adding \$15M to the Maximum Borrowing for FY23, to a total of **\$545M**.

ALL FUNDING SOURCES

Sources In Addition to the General Fund

Fund #	Fund Name	Notes	Expense Appropriation	Appropriated Reserves & IFT	Total Appropriation
10, 13	General Fund	Includes Special Projects (Fund 13)	\$ 1,244,986	\$ 145,052	\$ 1,390,038
6	Operations & Technology Special Revenue Fund	2020 Mill Levy	\$ 50,658	\$ -	\$ 50,658
21	Food Services Fund	Food & Nutrition Services	\$ 42,461	\$ 4,668	\$ 47,129
22, 27	Grants Special Revenue Fund	All Grants and Emily Griffith Technical College	\$ 234,583	\$ 16,163	\$ 250,746
23	Pupil Activity Fund	Athletics & Student Activity Fund (MySchoolBucks)	\$ 17,171	\$ (1,553)	\$ 15,618
28	Special Revenue ProComp Revenue Fund	2005 Mill Levy	\$ 38,922	\$ -	\$ 38,922
31	Bond Redemption Fund	Debt servicing for bond	\$ 221,321	\$ 215,610	\$ 436,931
41	Building Fund	Bond and Capital Reserve Fund	\$ 257,713	\$ 109,580	\$ 367,293
72	Private Purpose Trust Fund	MetLife Retiree Life Insurance OPEB Plan	\$ 2,380	\$ 20,517	\$ 22,897
79	Governmental Permanent Fund	Resources restricted to earnings	\$ 60	\$ -	\$ 60
Total			\$ 2,110,255	\$ 510,037	\$ 2,620,292

Amounts shown in thousands of dollars

Fund #	Fund Name	Expense Appropriation Per Pupil
10, 13	General Fund	\$ 13,960
6	Operations & Technology Special Revenue Fund	\$ 568
21	Food Services Fund	\$ 476
22, 27	Grants Special Revenue Fund	\$ 2,630
23	Pupil Activity Fund	\$ 193
28	Special Revenue ProComp Revenue Fund	\$ 436
31	Bond Redemption Fund	\$ 2,482
41	Building Fund	\$ 2,890
72	Private Purpose Trust Fund	\$ 27
79	Governmental Permanent Fund	\$ 1



2022-23 AMENDED BUDGET RESOLUTIONS

RESOLUTION 1 - AMEND THE ADOPTED BUDGET

ACTION

January 26, 2023

Financial Services

2022-23 Amended Budget-Amend the Adopted Budget

RESOLUTION NO. _____

Amending the Adopted Budget
for the Fiscal Year Beginning
July 1, 2022, and
ending June 30, 2023

BE IT RESOLVED that the Adopted Budget for the fiscal year 2022-2023, be amended to include the modifications as set forth in the attached schedules as presented on January 26th, 2023

Xóchitl Gaytán, President

Michelle Quattlebaum, Secretary

RESOLUTION 2 - APPROVE THE AMENDED BUDGET

ACTION

January 26, 2023
Financial Services
2022-23 Amended Budget

RESOLUTION NO. _____

Amended Budget for the Fiscal Year
Beginning July 1, 2022, and
ending June 30, 2023

BE IT RESOLVED BY THE BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 1 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO that the amended budget for the ensuing fiscal year beginning July 1, 2022, and ending June 30, 2023, as presented at this meeting and as amended to this date, be, and it hereby is, adopted as the official budget of School District No. 1 in the City and County of Denver and State of Colorado for said fiscal year.

Xóchitl Gaytán, President

Michelle Quattlebaum, Secretary

RESOLUTION 3 - FUND APPROPRIATIONS

ACTION

January 26, 2023
Financial Services
2022-23 Amended Budget - Appropriations

RESOLUTION NO. _____

Approving the Amended Budget Appropriation for Expenditures During the Fiscal Year
Beginning July 1, 2022, and Ending June 30, 2023

WHEREAS, THE BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 1 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO has duly adopted an official budget for the fiscal year beginning July 1, 2022, and ending June 30, 2023, as required by law;

WHEREAS, said Board of Education has adopted a resolution certifying the amounts necessary to be raised from levies against the assessed valuation of all taxable property within said School District. No. 1 to defray expenditures through December 31, 2023, of the said next ensuing fiscal year;

WHEREAS, said Board of Education is required by law to adopt a resolution appropriating the moneys to be expended during such ensuing fiscal year in each fund;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 1 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO that the amounts shown below be appropriated for the ensuing fiscal year beginning July 1, 2022, and ending June 30, 2023.

Resolution continued on next page

RESOLUTION 3 - FUND APPROPRIATIONS - CONT.

Resolution continued from previous page

	Adopted	Change	Amended
GENERAL FUND	\$ 1,369,514,672	\$ 20,523,413	\$ 1,390,038,085
OPERATIONS & TECHNOLOGY SPECIAL REVENUE FUND	\$ 34,683,152	\$ 15,974,667	\$ 50,657,819
FOOD SERVICES FUND	\$ 46,456,926	\$ 672,273	\$ 47,129,199
GRANTS SPECIAL REVENUE FUND	\$ 292,389,688	\$ (41,643,851)	\$ 250,745,837
PUPIL ACTIVITY FUND	\$ 15,911,602	\$ (294,079)	\$ 15,617,523
SPECIAL REVENUE PROCOMP TRUST FUND	\$ 37,597,911	\$ 1,324,538	\$ 38,922,449
BOND REDEMPTION FUND	\$ 449,289,738	\$ (12,358,937)	\$ 436,930,801
BUILDING FUND	\$ 247,615,661	\$ 119,676,861	\$ 367,292,522
CAPITAL RESERVE FUND *	\$ 97,003,000	\$ (97,003,000)	\$ -
PRIVATE PURPOSE (TRUST) FUND	\$ 19,330,242	\$ 3,566,835	\$ 22,897,077
GOVERNMENTAL PERMANENT FUND	\$ 59,519	\$ 972	\$ 60,491

Xóchitl Gaytán, President

Michelle Quattlebaum, Secretary

**Capital Reserve Fund has been combined with the Building Fund for budgetary and Annual Comprehensive Financial Report (ACFR) purposes, but will continue to be broken out for quarterly reporting and in the detailed schedules in this presentation.*

RESOLUTION 4 - IDENTIFICATION & FILING

ACTION

January 26, 2023

Financial Services

2022-23 Amended Budget - Identification & Filing

RESOLUTION NO. _____

Identification and Filing of
Amended Adopted Budget and
Appropriation Resolution and Copies Thereof

BE IT RESOLVED BY THE BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 1 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO that the following action be taken with respect to the Amended Budget and Adopted Appropriation Resolution:

- (1) That the words "Amended Budget ", and the name of the school district, the date of adoption, and the signature of the President of the Board be entered upon the Amended Budget.
- (2) That a copy of the Amended Budget and the Appropriation Resolution be placed on file with the Secretary of this District in their office in the School Administration Building, 1860 Lincoln Street, Denver, Colorado and shall be open for inspection during reasonable business hours.

Xóchitl Gaytán, President

Michelle Quattlebaum, Secretary

RESOLUTION 5 - INTEREST FREE LOAN PROGRAM

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE PARTICIPATION BY THE DISTRICT IN THE STATE TREASURER'S INTEREST-FREE LOAN PROGRAM FOR COLORADO SCHOOL DISTRICTS AND BORROWING UNDER SUCH PROGRAM IN AN AGGREGATE PRINCIPAL AMOUNT UP TO \$545,000,000; ESTABLISHING THE TERMS AND PROVISIONS OF LOANS TO THE DISTRICT PURSUANT TO SUCH PROGRAM; PROVIDING FOR THE PAYMENT OF AND SECURITY FOR SUCH LOANS; AND AUTHORIZING THE EXECUTION, DELIVERY AND ACCEPTANCE OF DOCUMENTS IN CONNECTION WITH THE LOANS.

See complete document attached