

REQUEST FOR BOARD ACTION

To: ESD Board of Education
From: ESD Chief Financial Officer, Rebekah Brooks
Date: January 19, 2023
Business Date: January 23, 2023
Subject: 2022-2023 Revised Budget

RECOMMENDATION:

Approve the revisions to the Elizabeth School District, Fiscal Year 2022-2023 budget as presented.

BACKGROUND AND FINDINGS:

Pursuant to C.R.S. 22-44-110(5), the board may review and change the budget, with respect to both revenues and expenditures, at any time prior to January 31 of the fiscal year for which the budget was adopted. Since the June 27, 2022, School Board meeting, the budget has been changed for a variety of reasons.

The following is a broad overview of the changes in the District's funds:

- General Fund – The following changes impacted the projected ending fund balance:
 - There was a decrease of \$445,824 to the beginning fund balance because staff now has the actual audited numbers.
 - There was an overall increase of revenues after allocations of \$1,253,514. This growth was due to the grants the district received and School Finance Act funding increased due to higher than anticipated enrollment numbers. Another factor that kept revenues from being higher was that improvement fees are much lower than expected causing a \$300,000 reduction in that portion of the budget.
 - The total increase of expenses and transfers is \$1,682,038.
 - The following is a list of some of the additional expenses reflected in the revision:
 - Costs related to the Air Quality, Safer, Coaction, and Operation Stabilization & Workforce grants
 - Salary and benefits due to bonus stipends and salary increases subsequent to the start of the fiscal year
 - Increased insurance premiums

- Additional SPED paraprofessional support, purchased services for contractors to cover staffing shortages, and services for SPED students sent to outside agencies
 - Superintendent search
 - Master plan
 - Capital expenditures for school buses and camera equipment, several safety related items, and laptops for teachers
- The net effect of the changes within the General Fund is a decrease of the projected ending fund balance of \$874,348 from the prior budget adoption.
 - The Student Activity fund was changed to reflect the true beginning fund balance.
 - The Self Insurance Fund was changed to reflect the audited beginning fund balance and to reduce expected expenditures for the remainder of health insurance claims since switching to Kaiser this school year.
 - The Pupil Activity and Food Service Funds were changed to update salary and benefit expenditures, decreasing the transfer into the Pupil Activity Fund and changes to reflect the actual beginning fund balance.
 - There were no changes to the Grants Fund.
 - The reason that the beginning fund balance for all the funds was changed was due to the fact that the original budget was built with anticipated ending fund balances, while this budget reflects actual audited ending fund balances.

FISCAL IMPACT:

With the current budget as presented, it is anticipated that the District's General Fund will end the current fiscal year with a fund balance of \$1,896,043. As a percentage of expenditures and transfers, the projected ending fund balance is 7.07%.
