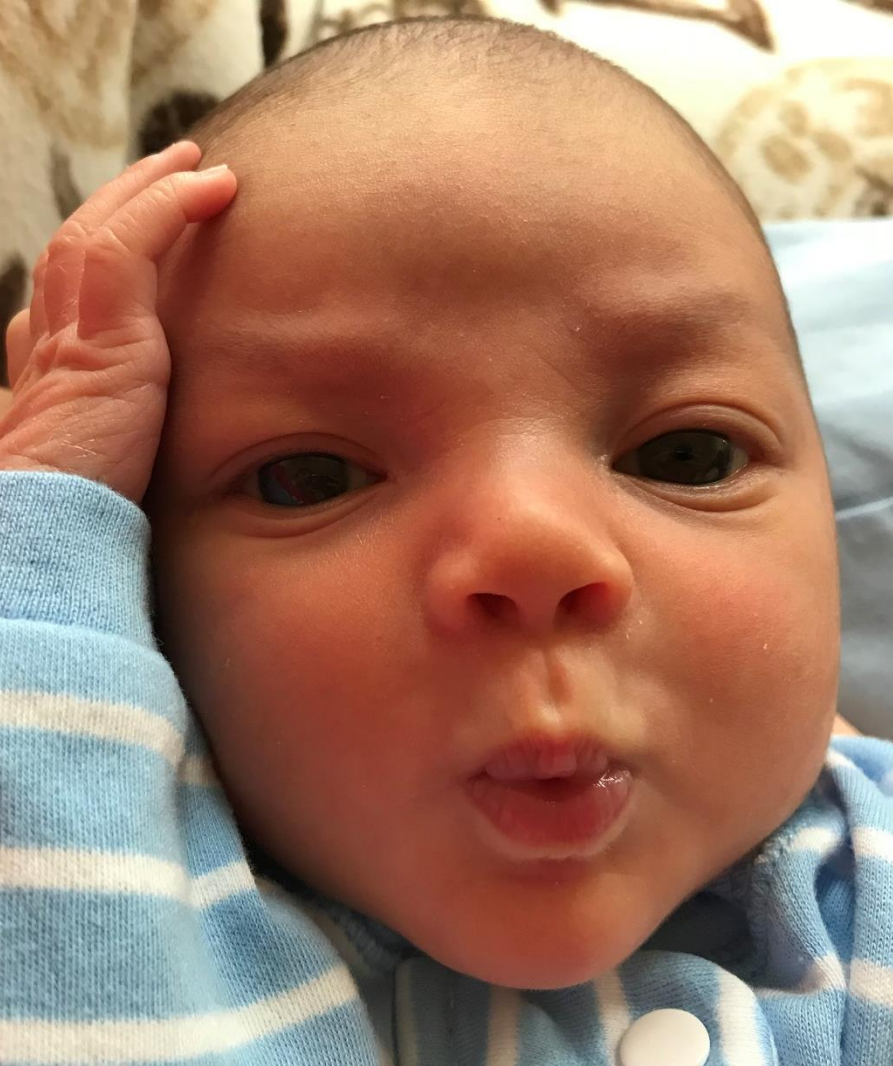


# Five Year Forecast October 12, 2020





# Time moves....



Slowly



yet

fast



# Where we were in May

- Reduction of \$28 million in projected revenue
  - \$6M property taxes, \$20M State funding
- County Auditor requested a delay in reappraisal and a delay in payment due date
- Reappraisal increase?



# Where we were in May

- OBM indicated a possible \$2.4 billion shortfall from the budget as enacted
- State reduced our revenue \$2 million, projected a further decrease of \$2 million for a total loss of \$4 million per year or \$20M

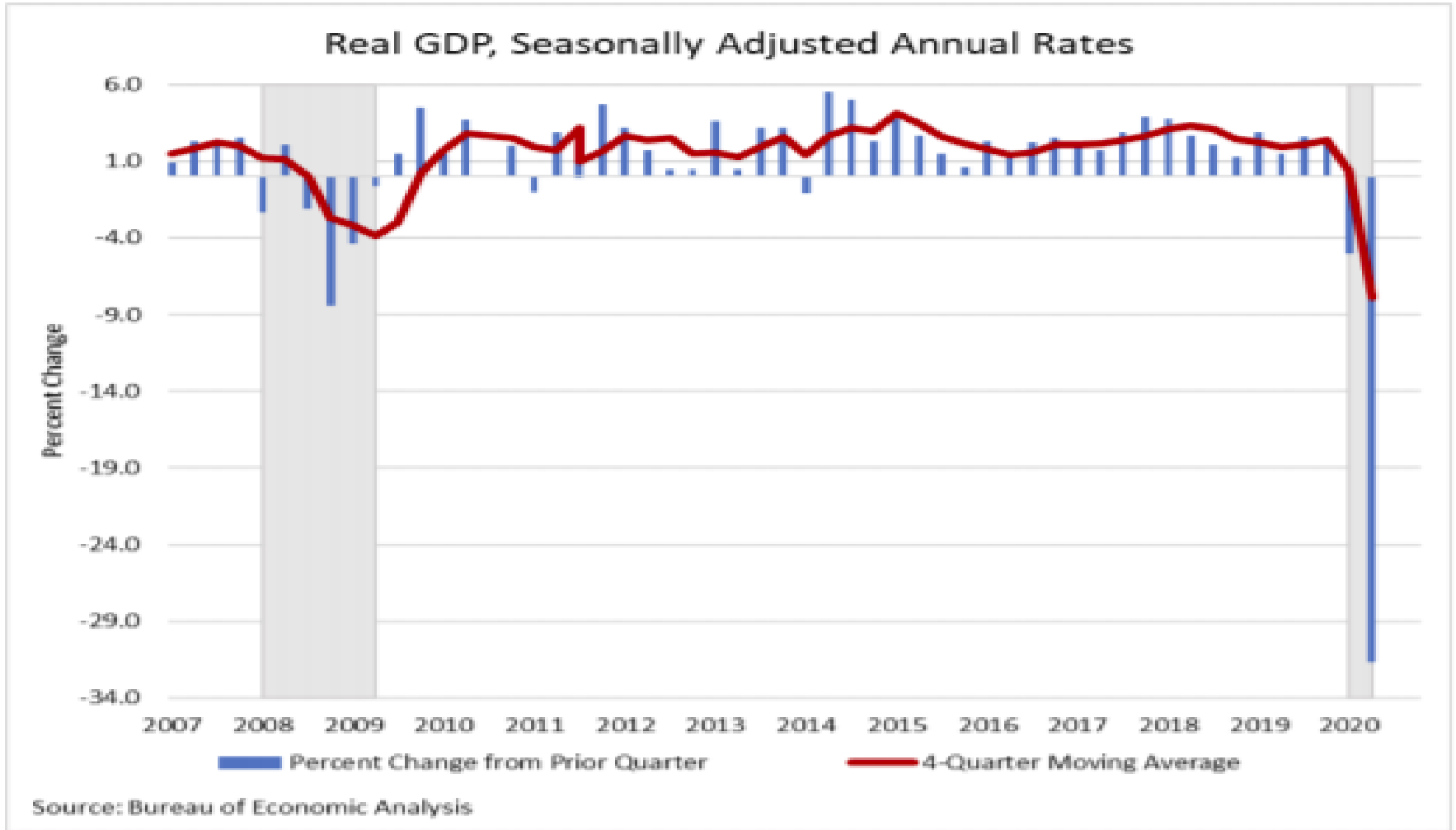


# Where we are now

- How will the state recover that \$2.4 billion and how accurate is it still?
- OBM monthly reports for July through Sept all show surprisingly higher than projected revenues
- Rainy Day Fund Balance \$2.7 Billion
- Gov. indicated his desire not to cut further

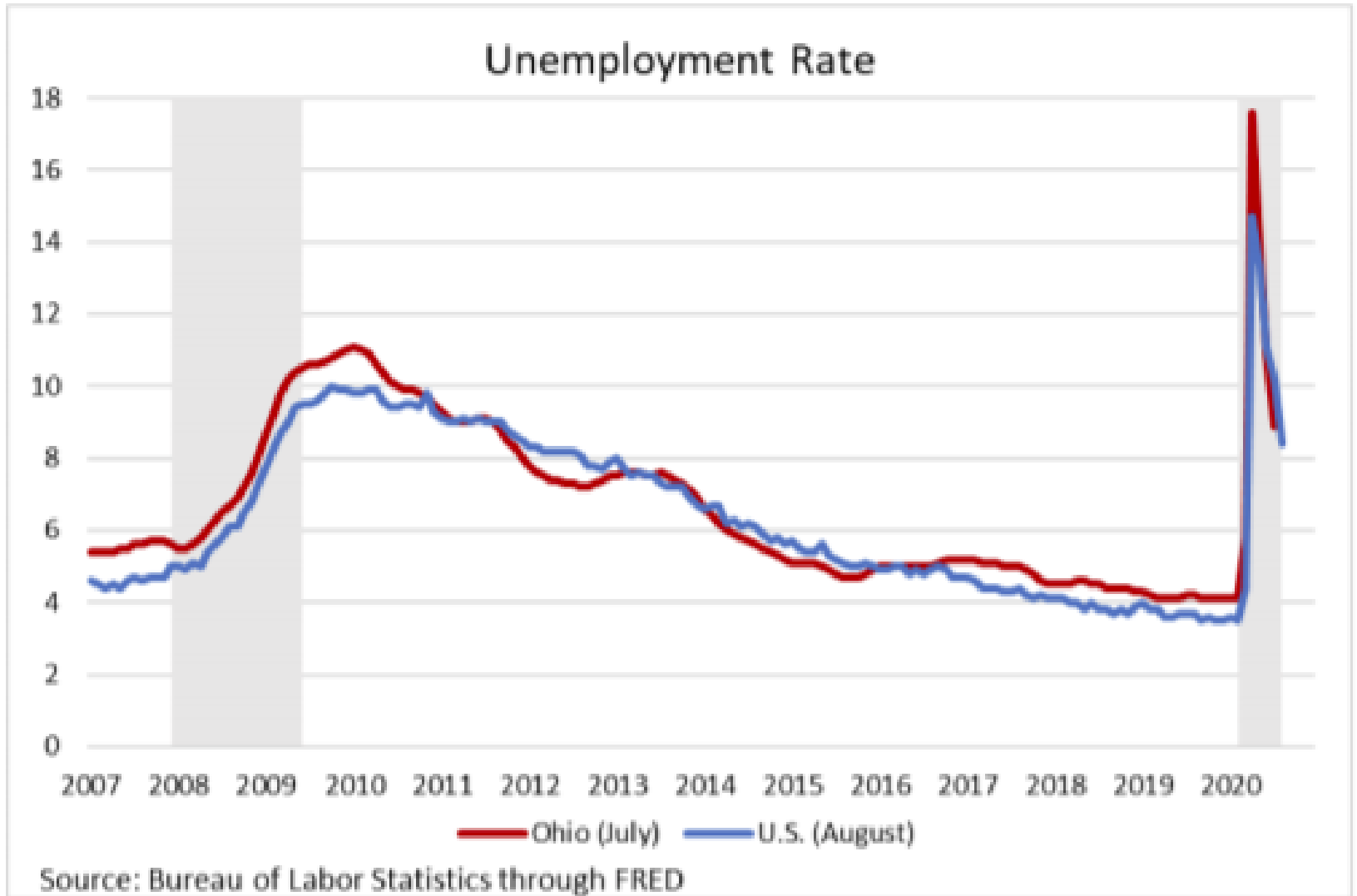


# Recent Data– Sept OBM





# Recent Data– Sept OBM





# Impact on Forecast

- May included a total reduction of \$28 million over 5 years, October adjusts that back up \$11 million
- Property Tax revenue recovering \$4.6 of the \$5.8 May reduction
- State funding recovering \$7.8 of the \$22 May reduction
- Investment income decreased \$1.6 million





# Expenditure Changes

- Total reduction of \$17 million from May
- Finished last year \$2.8 million under budget
- Superintendent reductions \$1.77 million for FY21, \$7.7 million over life of forecast
- 20 retirements and additional resignations, \$6 million
- Insurance increase 9.8% compared to 12%



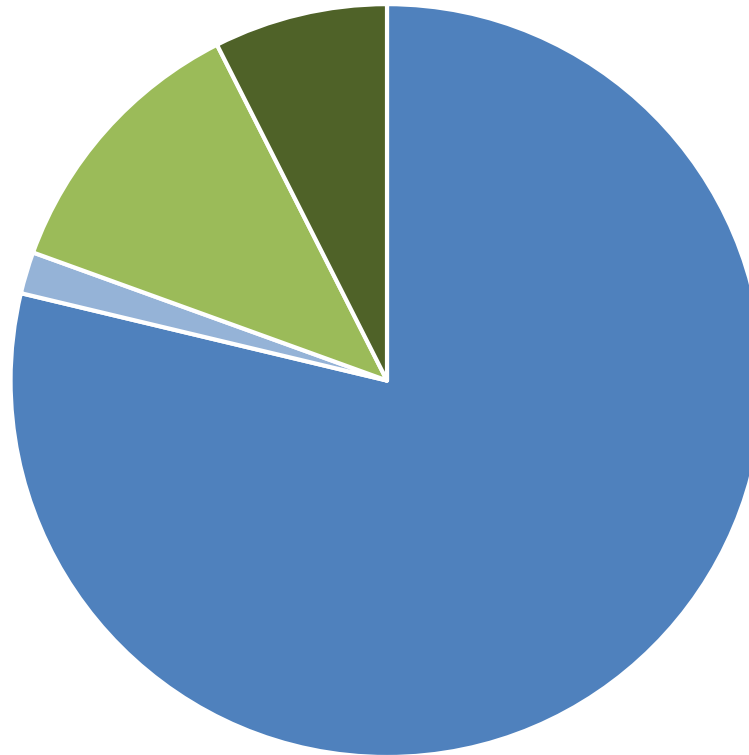
# Major Assumptions

- Assumes no future mass shutdown
- Assumes traditional school operations next year
- State funding will be at low levels for the long term, but not cut further (next biennium flat)
- Short term minor property tax delinquencies may occur but heal quickly
- Enrollment growth continues



# What Didn't Change

Total GF Projected Revenue FY21



- Local Prop Tax
- Other Local
- State Foundation
- Other State



# What Didn't Change

## We are Still A "Capped" District

Formula Funding	\$21.9
Pre-Cut Actual	\$17.4
Pre-Cut Shortfall	(\$4.5)
COVID Reduction	<u>(\$2.0)</u>
New Shortfall	(\$6.5)

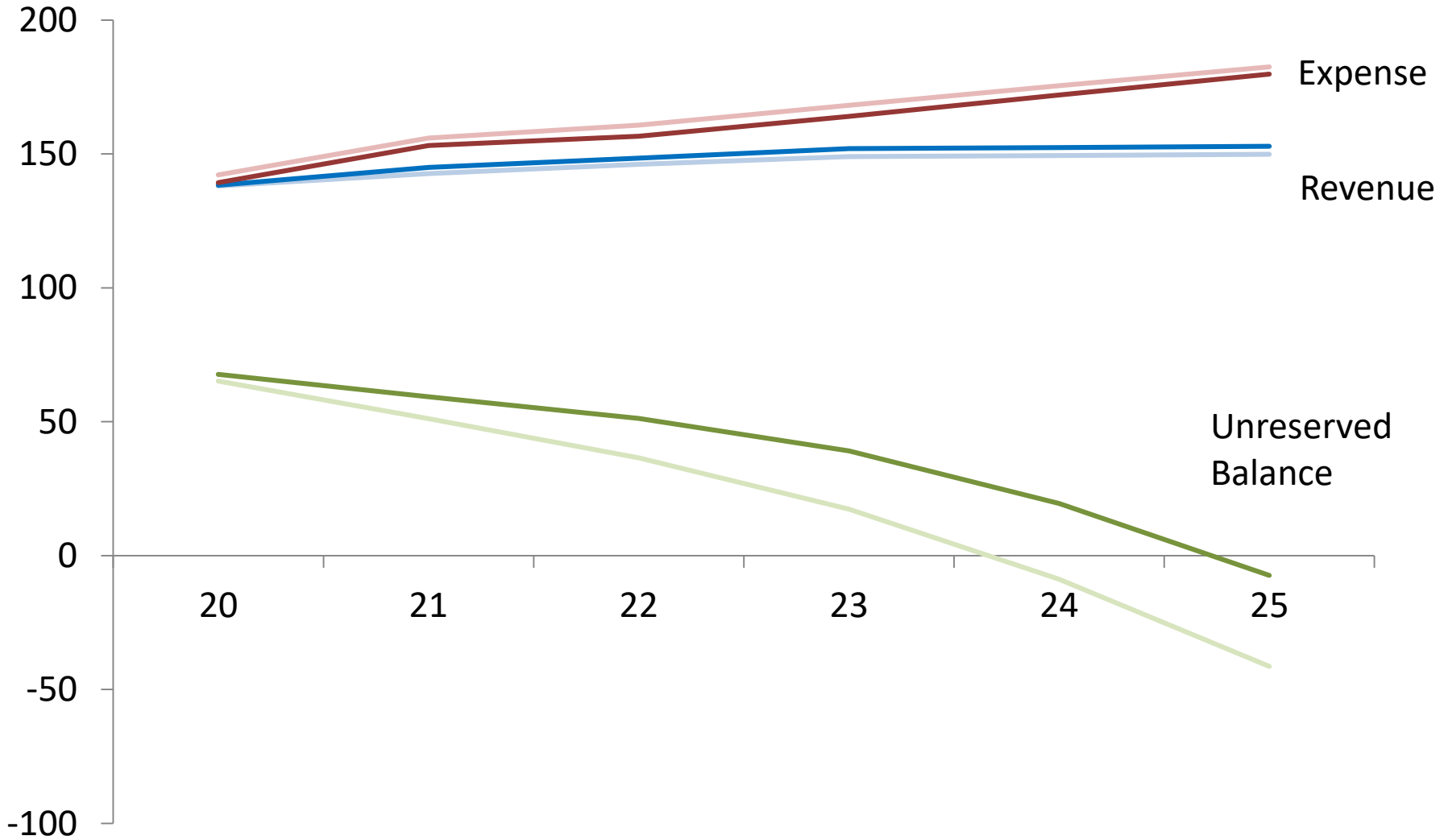


# What Didn't Change

Still "Funneling" Community/Voucher Through Us	
Community School Loss	\$1.5
Scholarship/Voucher	<u>\$2.0</u>
Total Reduction	\$3.5



# Net Impact





# The Future

- Operations are growing by slightly over 3 mills per year
- Our cash reserve is slowly being depleted as planned
- Need to consider both operating and capital needs



Questions?