
Report: DAC Budget Subcommittee

February 16, 2021

Overview

DAC's Statutory Obligation:

Provide advice to the Board of Education on priorities for school district monies.

DAC initial feedback to Board on December 9, 2020:

- Least impactful/most palatable reductions based on SAC survey (Professional Development, STEM/STEAM, Interventionists)
 - Approval of Community Budget Workgroup Proposal
-

Budget Subcommittee Process

Staff Presentations

- School Finance in Colorado
- Jeffco Budget Overview
- Q&A on Budget and Reduction Challenges

Meetings/Discussions

- SAC Survey Results
 - DUIP Subcommittee
 - FSCP Subcommittee
 - Community Budget Workgroup Representative
-

SAC Survey Key Takeaways

Least Impactful Reductions **

- Professional Development
- Interventionist
- STEM/STEAM

Least Support for Reductions

- Classroom teachers
- Mental/Behavioral Supports

*** Our December advice focused on least impactful reductions. These items will equate to a very small portion of the estimated \$53 Million in necessary cuts. As such, the Subcommittee redirected to a focus on priorities for preserving funding levels in certain categories.*

Subcommittees are aligned

**Avoid cuts to Mental/Behavioral Health
Supports and Classroom Learning
Experience**

DUIP

- Overwhelming concern for addressing COVID learning impacts.

FSCP

- Survey responses show high levels of substance abuse, bullying, and feelings of hopelessness.
-

Budget Subcommittee Proposal for advice to BOE on March 4, 2021

1. Avoid cuts to classroom teachers.
 2. Avoid cuts that impact the classroom learning experience.
 3. Avoid cuts to Mental/Behavioral Health Supports.
-

Action Required (after break out session)

Vote 1

- Should the DAC adopt the Budget Subcommittee's recommended advice to the Board of Education?

Vote 2

- Should the DAC adopt the Community Budget Workgroup Proposal?
-



Community Budget Workgroup Recommendations – Final Report February 8, 2021

Background

In the fall of 2020, a citizen based community workgroup was formed by the Superintendent's office to gather feedback and provide recommendations with regard to budget reductions and reserves spending due to current and anticipated declines in revenue as a result of the COVID-19 pandemic. At the time, Jeffco Public Schools anticipated a significant budget shortfall for at least the next three fiscal years.

Staff provided a budget update that included concerns regarding uncertainty about the duration of the virus, how long the economy would be impacted, early forecasts from the state's Joint Budget Committee and Legislative Council, awareness that the forecasts did not address funding loss due to new legislation, caution with regard to the sustainability of the governor's proposed buy down of the Budget Stabilization factor, and recognition of huge student enrollment declines. Federal guidance on auditing of Coronavirus Relief Funds (CRF) related expenditures was still not available; thus, school districts had to remain cautious and plan for the possibility that at the completion of the audit, some expenditures may not qualify for CRF/Elementary and Secondary School Emergency Relief (ESSER) funds.

Based on what was known at the time, the Community Budget Workgroup (CBW) took a position that equity and impacts to our Jeffco Schools must be a priority; reductions to K-12 public education funding in the State of Colorado would be a multi-year event; and that reductions would need to be taken across every level of departments, services and staff in Jeffco. Budget reductions were prioritized with the goal of keeping reductions as far away as possible from the student experience for as long as possible. Unknowns included the potential for additional federal funding, additional on-going revenue losses for Jeffco Schools not yet realized, impacts of COVID and the length of the pandemic, how learning will be delivered to students and repercussions to staffing needs if the learning model is changed. CBW recommendations were based on what was known at the time and subject to re-evaluation and adjustment when the workgroup would reconvene in 2021 to consider updated economic, pandemic and legislative updates.

The November report from CBW recommended a reserves spend down at a rate of 4.5 percent for 2021/2022 and 2022/2023 with 2 percent available for 2023/2024 in combination with a prioritized list for implementing reductions, if needed, starting with centralized budget cuts first, furlough days for staff at all levels, student based budgeting (SBB) cuts and, lastly, compensation cuts.

The November recommendations were communicated to the Board of Education through the District Accountability Committee on December 10, 2020.

Purpose

The Community Budget Workgroup reconvened in February 2021 for an opportunity to re-evaluate and/or adjust its recommendations after receiving updated economic, pandemic and legislative information and to provide input regarding identified central-based budget reductions and budget scenarios proposed by district leadership.

Timeline and Discussion

The Community Budget Workgroup met via Zoom on February 3 and 8, 2021.

On February 3, staff provided preliminary information on potential centralized budget reductions and alignment to the Strategic Plan that were being evaluated along with a reduction tool for considering various budget reduction scenarios and reserves spending. On February 8, staff shared the budget update that would be presented to the Board of Education on February 10. The presentation covered fiscal year 2021/2022 assumptions, economic updates and forecasts from the state, budget scenarios to determine the size of the hole that would need to be filled through reductions and reserves spending, central-based reductions and Strategic Plan alignment, and a reserves update. Staff reported that the district put a hold on spending and hiring in an effort to make reductions using vacancies and reduce the amount of reserves spend down in the current year. In addition, staff shared information on reductions that were identified by school, department and district leadership to be made centrally without impacting student learning along with options for additional budget reductions.

There was robust and thoughtful discussion around enrollment loss actuals and funding impacts, proposed changes to the budget stabilization factor, potential new federal relief funding opportunities and limitations, the current pandemic environment, how learning will be delivered, staffing and compensation impacts, status of audited Coronavirus Relief Fund reimbursements, reserves updates, out year projections, confidence for and timing of economic recovery, the trend for school finance recovery to lag in recessionary years, funding sources or additional reductions that could be needed for potential literacy curriculum purchase one-time and on-going, continuing loss of revenue from fees, proposed reductions and alignment to the district's goals and strategic plan, how SBB cuts impact staffing reductions, challenges of estimating enrollment loss recovery, long-term effects of compensation or salary impacts, competition from other districts that have mill levy overrides to fund compensation, reserves as a factor for evaluating district financial stability, and how reduction and reserves decisions affect community perception of district values.

Community Budget Workgroup Position

The Community Budget Workgroup confirmed its desire to prioritize cuts that are as far away from the direct student learning experience for as long as possible and that a spend down of reserves should be the first tool to help cover the budget shortfall. If further reductions are needed, it is recommended that the reductions be implemented in the order of the previously identified prioritized list from the CBW's fall recommendations, but after further evaluation to identify potential additional centralized cuts in the area of Education, Research and Design (ERD) over and above what has already been identified for reductions.

Community Budget Workgroup Recommendation

The Community Budget Workgroup supports moving forward with the reductions that have been identified by the district as presented. It recommends a closer evaluation and identification of additional potential reductions in the area of ERD before considering reserves spending or other budget reductions.

To avoid making any additional reductions, the CBW is comfortable with spending down reserves for 2021/2022 in the amount of \$34 million, or approximately 5 percent which is an increase of .5 percent from its previous recommendation. If, as the district continues to evaluate the budget throughout the year, further reductions are necessary, the CBW recommendation is to implement reductions in the order of the prioritized list previously provided to the Board in December starting with centralized cuts first, furlough days, SBB and, lastly, compensation cuts. [See the full Community Budget Workgroup Report dated [November 14, 2020](#) that was communicated to the [Board of Education on December 10, 2020](#)].

Recommendations from the CBW will be reported to the District Accountability Committee (DAC) through the DAC Budget Subcommittee in February for consideration and communication to the Board of Education in March. This final report concludes the work of the CBW.

Community Budget Workgroup Members

Alicia Archuleta – Math Teacher/JCEA Member
Brian Ballard – Financial Oversight Committee
Carolyn Wolf – District Accountability Committee
Jason Firestone – Manager, Student Engagement Office/JCAA Member
Orin Levy – Community Stakeholder
Jeena Templeton – Principal/JCAA Member
Katie Winner – Community Stakeholder
Kim Schipper – Principal Secretary/JESPA Member
Scott Tarbox – Financial Oversight Committee

Staff Liaisons:

Kristopher Schuh – Interim Superintendent of Schools
Nicole Stewart – Interim Chief Financial Officer
Jason Hendricks – Director of Finance
Debbie Rainguet – Executive Assistant to the CFO

BREAKOUT ROOM QUESTIONS

Reserves spend down

We are in a crisis, why not spend down more?

Furlough days

Feedback consistently shows we want to maintain teachers and reduce impact to classrooms. Who would be included and how would this impact our teachers and students?

Readiness for learning

How do Mental/Behavior Health Supports help our schools meet the Strategic Plan priority of Readiness for Learning, the District Unified Improvement Plan and the Family School Community Partnership priorities?

Classroom learning experience

What does the classroom learning experience mean to you?