

Fiscal Year 2021-2022 Early Budget Estimates

January 19, 2021

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Budget Terms

- **Average Daily Membership (ADM):** Average student count for a particular time frame.
 - Funding for preschool is only for preschool with disabilities.
 - Kindergarten is only funded at ½ day.
 - Scottsdale Online Learning ADM is based off logged minutes.
- **Group A Weighted Count:** Additional weights for Pre-K through 12 grade students.
- **Group B Weighted Count:** Additional weights for Special Needs, English Language Learners, K3, and K3 Reading.
- **Total Weighted Student Count:** Total amount of students with weights added on.

Budget Terms

- **Base Level Amount:** Amount per student as determined yearly by the State Legislature.
- **Teacher Experience Index (TEI):** Additional budget capacity for school districts whose average years of experience for teachers exceeds the State average.
- **Base Support Level:** Weighted student count X base level amount X teacher experience index.
- **Revenue Control Limit:** The district spending limit.
- **General Budget Limit:** Revenue Control Limit + additional allowable M&O add on such as M&O Override and Desegregation.

Budget Estimate Assumptions

- Average Daily Membership is based off January 2021 student enrollment, moving Scottsdale Online Learning back to home school.
- Average Daily Member is reduced by 415 from Fiscal Year 2020-2021 adopted budget to Fiscal Year 2021-2022 estimated budget.
- Estimated 1% inflation to base support level.
- State Retirement Contribution will increase to 12.41%, an increase of 0.19%.
- State fully restores District Additional Assistance.

Maintenance and Operations Estimated Budget

M&O Formula

Total Weighted Student Count		28,003
Base Level with 1.0% increase		4,403
Result	\$	123,299,160
Teacher Experience Index		1.03
Result	\$	126,554,257
Audit Expense from Fiscal Year 2019-2020	\$	72,836
Base Support Level	\$	126,627,093
Transportation Revenue Control Limit	\$	8,101,260
Revenue Control Limit	\$	134,728,353

Maintenance and Operations Estimated Budget

M&O Formula

Revenue Control Limit	\$	134,728,353
M&O Override	\$	20,209,253
M&O Deseg	\$	7,382,169
Budget Balance Carryforward	\$	9,000,000
Dropout Prevention	\$	221,130
Water Saving Transfer	\$	(2,982,628)
Prop 123 Funds	\$	1,463,092
General Budget Limit FY2020-2021	\$	170,021,369

Maintenance and Operations Estimated Budget

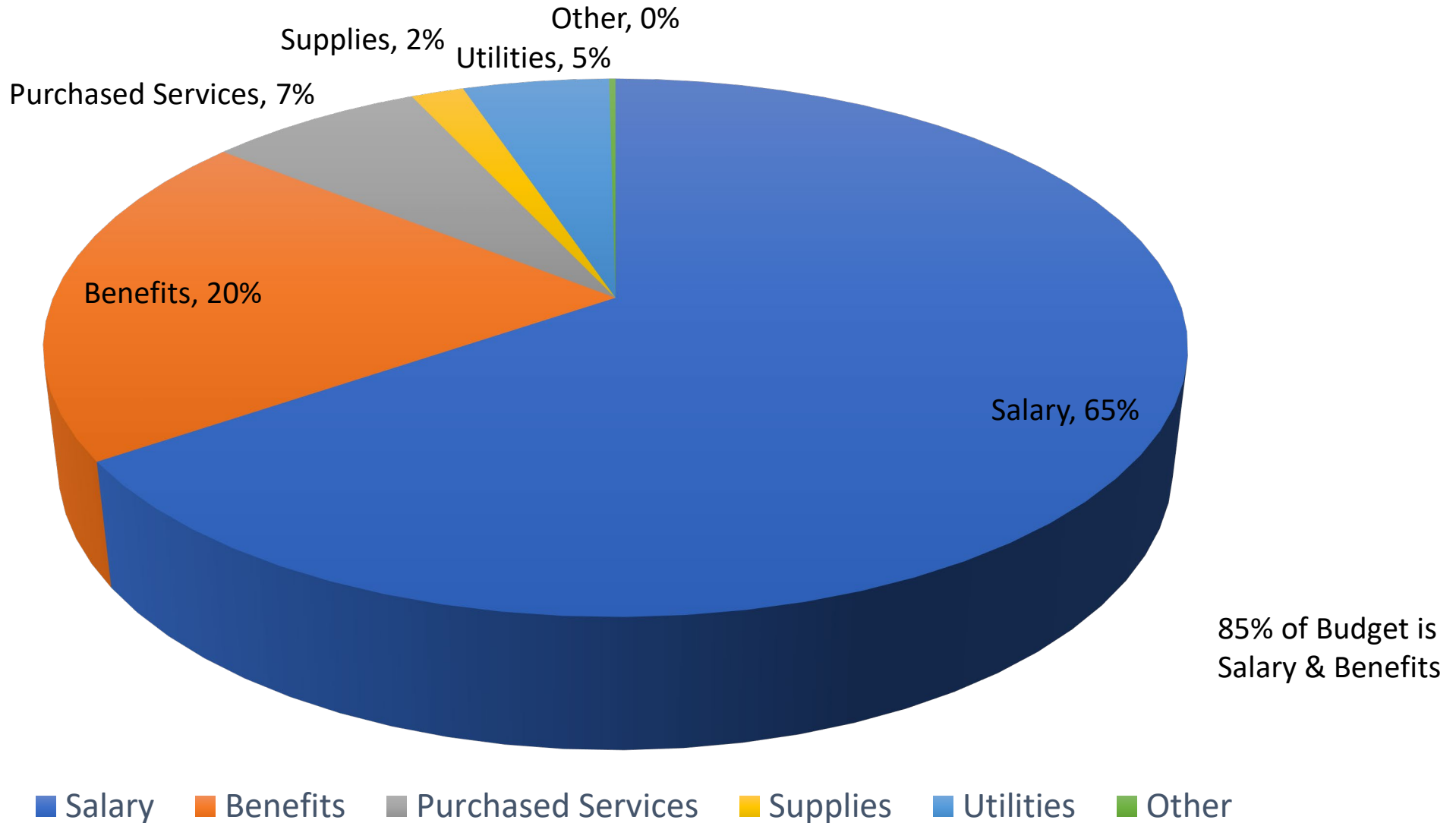
Fiscal Year 2021-2022 Estimated Budget	\$	170,021,369
Fiscal Year 2020-2021 Adopted Budget	\$	174,110,723
Difference	\$	(4,089,354)

Maintenance and Operations Budget Estimate

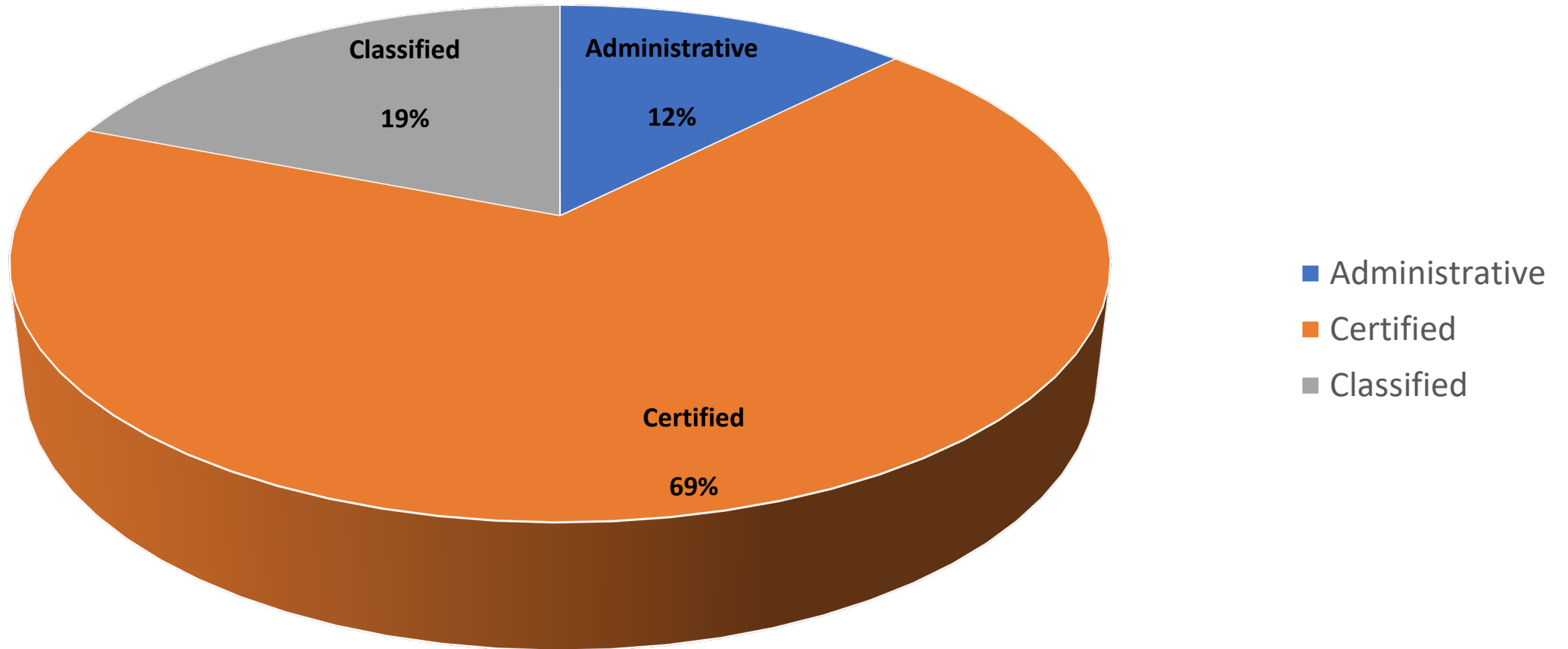
Budget Deficit	\$	(4,089,354)
Salaries & Benefits moved to cash accounts	\$	2,000,000
Withhold Property & Casualty Payment to Self-Insurance Trust	\$	1,200,000
Contracted Custodial Increase	\$	(200,000)
Program Increases	\$	(50,000)
Balance from deficit	\$	(1,139,354)
1% Salary Increase all employees	\$	(1,369,157)
Balance	\$	(2,508,511)

State Retirement Contribution Rate is increasing by 0.19%. Providing employees with 1% raise will help to keep employees from seeing a decrease on paycheck.

Fiscal Year 2019-2020 M&O Expenditures By Type



M&O Salaries By Classification



Possible Areas for Budget Reductions

- Reductions to certified FTE through attrition, due to reduced student count.
- Reductions to classified and administrative FTE.
- Elimination and/or reductions to specialty programs.
- Additional transfer to cash accounts.
- Transfer District Additional Assistance to Maintenance and Operations.
- Reduce Health Insurance payment to Self-Insurance Trust.
- Other Considerations

District Additional Assistance Estimated Budget

District Additional Assistance Estimate	\$	9,632,600
District Additional Assistance Fiscal Year 2020-2021	\$	8,933,186
Difference	\$	699,414
Estimated Carryforward	\$	3,000,000
Total Estimated District Additional Assistance	\$	12,632,600

Capital Override Estimated Budget

Approved Override	\$	8,500,000
Estimated Override Carryforward	\$	2,000,000
Total Estimated Capital Override Budget	\$	10,500,000

Cash Account Estimates

Name	Beg. Balance	Estimated Revenue	Estimated Expenditures from M&O moved to Cash	Estimated Expenditures (includes M&O transfer)	Estimated Balance	Min	Max
MIPS	4,027,214	1,000,000	500,000	2,700,000	2,327,214	250,000	2,000,000
Civic Center	6,984,918	1,364,000	800,000	1,700,000	6,648,918	341,000	2,728,000
Indirect Costs	6,994,286	1,000,000	700,000	2,400,000	5,594,286	250,000	2,000,000

Opportunities for Public Input on Budget

- Virtual Town Hall – January 21, 2021 at 5:30 p.m.
- Let's Talk
- Thought Exchange <https://my.thoughtexchange.com/787980358>

Budget Calendar

- January 21, 2021: Community Virtual Town Hall
- February 2, 2021: 2nd Review – Maintenance and Operations, Capital Override, and District Additional Assistance
- February 16, 2021: Review Proposed Salary Schedules & Employee Benefits
- March 2, 2021: Tentative Approval of Maintenance and Operations Budget
- March 2, 2021: Approval of Salary Schedules and Employee Benefits
- March 2, 2021: Authorization to issue contracts
- April 20, 2021: Approval of Capital Budgets
- June 8, 2021: Proposed Budget
- June 22, 2021: Public Hearing and Budget Adoption

Questions?