

Finance Update

Budget: April Actuals

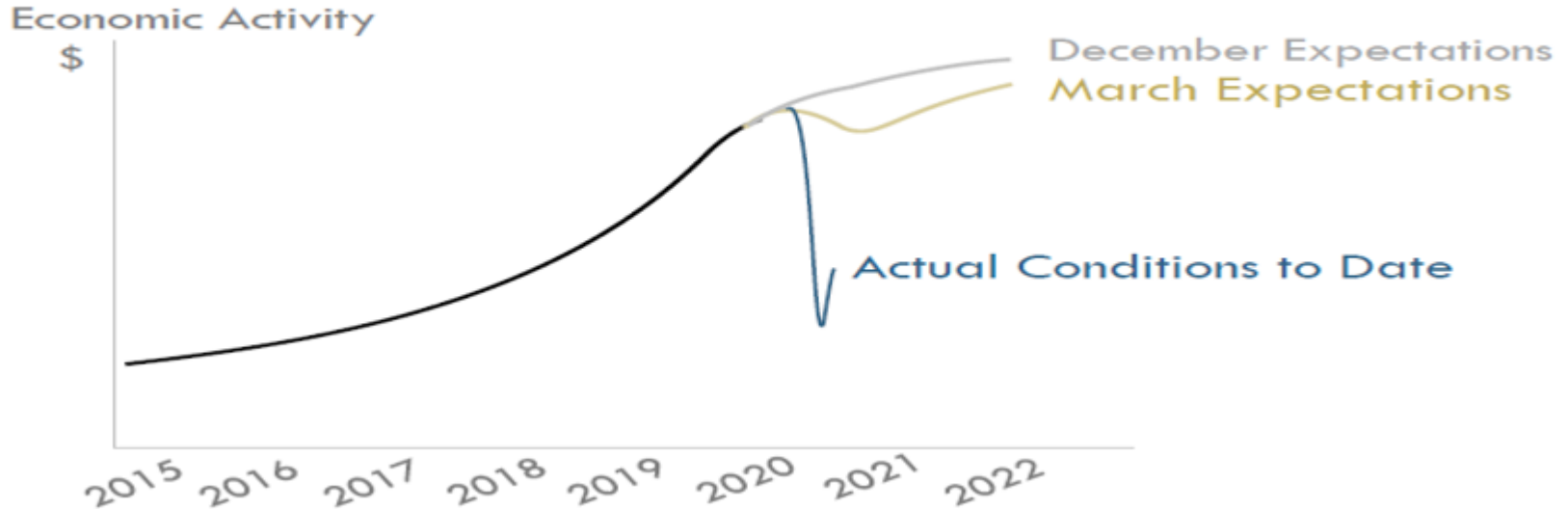
	April Actuals
Revenue	\$7,921,453
Expenses	\$7,393,131
Net Income	\$528,322

Actual expenses came in \$50k higher than forecast while revenue was favorable by \$140K.

Life After COVID-19

The Unimaginable

The events that have transpired over the past two months were unimaginable, even in March.



Next Year | FY 2020-21 Budget Outlook

Additional revenue available to spend above FY 2019-20 spending levels.*

March 2019
Forecast

\$27.3 Million

Enough revenue to hold appropriations flat, no inflation or caseload growth

May 2020
Forecast Update

-\$3.3 Billion Shortfall
-25.3% of FY 2019-20 Expenditures

Changes relative to March:

\$895.8 million deficit carried over from FY 2019-20

General Fund revenue expectations were reduced in FY 2020-21 by \$2.42 billion

Shortfall amount does not include inflation or caseload pressures

Any budget changes for FY 2019-20 will carry into FY 2020-21

Budgets Reflect DSST's Values

Our budget decisions will:

- Rely upon our core (mission, vision, values, human condition, equity)
- Put people first as much as possible
- Be fiscally responsible and make the tough decisions as needed
- Look ahead and be strategic
- Treat challenges as opportunities

What We Know and What We Don't

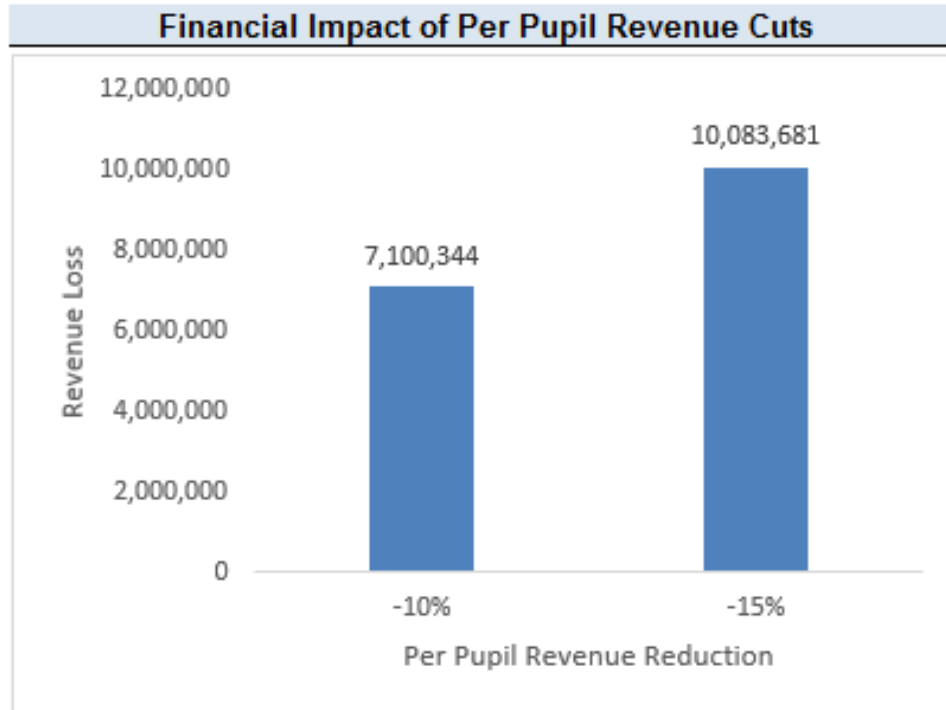
Known

- Revenue for next year will be materially lower
- Budgets will need to see significant reductions to offset
- We need to engage with families differently over the summer for fall enrollment

Unknown

- Per Pupil Revenue
- Impact of COVID on enrollment
- Amount and nature of future Federal stimulus

Budget Options



Budget Adjustment Options

Revenue Options

ESSER CARES Act Funding

Expense Options

- Salary Freeze
- No Returning Bonus
- 401k Gift Reduction
- Home Office Staff Reduction
- School Staff Reduction
- Network Furlough Days
- Reduced Stipends
- Eliminate Travel

Reserve Options

Excess Reserve Use

New Potential COVID Expenses

- PPE and Sanitation Expenses
- Student Internet Access Needs
- Digital Curriculum Platform
- Hybrid Model Hardware Requirements
- LMS Platform for Professional Development

Latest Revenue Information

ESSER (Elementary Secondary Schools Economic Relief)

- Allocation from Federal Government to Local Education Agencies
- Per CDE projections, **DSST will receive ~\$1.6M**
- Money needs to be spent by September, 2021
- State Coronavirus Relief Fund
 - Governor Polis has allocated \$510M to K-12
 - Assuming flat per student, **DSST may receive ~\$3.5M**
 - Money needs to be spent by December, 2020

Budget Approval Process: Key Dates

- May 25th – Long Bill in Senate
- June 10th – F&O Committee Budget Review
- June 19th – Final Approved Budget
- June 25th – Board Meeting Budget Approval
- June 30th – Submit Approved Budgets to Districts