



# FY2020 Financial Update

April 28, 2020

| Dr. Sarah Baray



FY 2020  
Adopted Budget

# FY 2020 ADOPTED BUDGET REVENUE



Source of Revenue	FY 20 Adopted (in Millions)
Sales Tax	\$38.0
State/Local Match	4.3
USDA (Food)	1.5
Sliding Scale Tuition and other revenue	0.8
Fund Balance allocated	<u>3.0</u>
<b>Total Revenue</b>	<b>\$47.6</b>

# FY 2020 ADOPTED BUDGET APPROPRIATIONS

Program	FY 20 Adopted (in Millions)
Pre-K 4 SA Education Center Services	\$26.2
Transportation Services	0.8
Competitive Grants	4.8
Facilities, Leases, & Maintenance	6.5
Professional Learning and Program Innovation	2.0
Enrollment/Attendance Services	0.8
Public Relations/Marketing	0.8
Administration	1.7
Other*	4.0
<b>Total Appropriations</b>	<b>\$47.6</b>

\*Other includes Program Assessment, Sales Tax Collection Fees and transfers.

# FY 2020 ADOPTED BUDGET FUND BALANCE



	<b>Beginning</b>	<b>Ending</b>
Projected Fund Balance at time of Adoption	\$ 5,767,795	\$ 2,724,619

FY 2020

Budget Re-estimate

July 2019-March 2020

# FY 2020 BUDGET RE-ESTIMATE REVENUE



		July 2019 – March 2020		
Category	Adopted Budget	9 Month Plan	9 Month Actual	Variance
Sales Tax	\$ 38,034,844	\$ 28,517,344	\$ 28,817,670	\$ 300,326
State/Local	4,296,600	3,325,617	2,864,199	(461,418)
USDA (Food)	1,499,123	1,016,354	763,134	(253,220)
Tuition	721,875	641,667	728,296	86,629
Misc. Revenue	<u>51,630</u>	<u>37,770</u>	<u>351,535</u>	<u>313,765</u>
<b>Total</b>	<b>\$ 44,604,072</b>	<b>\$ 33,538,752</b>	<b>\$ 33,524,834</b>	<b>\$ (13,918)</b>

# FY 2020 BUDGET RE-ESTIMATE EXPENDITURES

July 2019 – March 2020				
Service	Adopted Budget	9 Month Plan	9 Month Actual	FY 2020 Variance
Education Center Services	\$ 26,253,150	\$ 20,007,709	\$ 19,306,503	\$ 701,206
Transportation Services	815,335	634,460	522,155	112,305
Facilities, Leases & Maintenance	6,562,980	5,025,205	4,952,087	73,118
Competitive Grants	4,769,741	2,694,965	2,125,542	569,423
Professional Learning	2,031,961	1,446,977	1,119,695	327,282
Public Relations	828,602	608,410	869,330	(260,920)
Enrollment/Attendance Services	769,446	488,247	345,952	142,295
Administration	1,686,199	1,259,745	1,160,719	99,026
Other*	<u>3,929,834</u>	<u>3,522,869</u>	<u>3,499,040</u>	<u>23,829</u>
<b>Total</b>	<b>\$ 47,647,248</b>	<b>\$ 35,688,587</b>	<b>\$ 33,901,023</b>	<b>\$ 1,787,564</b>

\*Other includes Program Assessment, Sales Tax Collection Fees and transfers.

FY 2020  
Budget Re-Estimate  
Through Year End  
July 2019-June 2020

# SALES TAX REDUCTION



Projected Loss		
<b>FY 20</b>	(\$3,545,382)	-9.3%

**Fiscal Year: July 1 – June 30**

# PROGRAMMATIC ADJUSTMENTS FY 20



1. Cost savings related to Education Center closure
  - Food Service
  - Transportation
  - Supplies and materials
2. Cost savings related to Professional Learning
3. Hiring freeze for all vacant positions

# FY 2020 YEAR END RE-ESTIMATE REVENUE



Category	Adopted Budget	Budget Re-Estimate	FY 2020 Variance
Sales Tax	\$ 38,034,844	\$ 34,449,238	\$ (3,585,606)
State/Local	4,296,600	4,005,675	(290,925)
USDA (Food)	1,499,123	968,548	(530,575)
Tuition	721,875	728,296	6,421
Misc. Revenue	<u>51,630</u>	<u>360,260</u>	<u>308,630</u>
<b>Total</b>	<b>\$ 44,604,072</b>	<b>\$ 40,512,017</b>	<b>\$ (4,092,055)</b>

# FY 2020 YEAR END RE-ESTIMATE EXPENDITURES

Service	Adopted Budget	Budget Re-Estimate	FY 2020 Variance
Education Center Services	\$ 26,253,150	\$ 25,318,337	\$ 934,813
Transportation Services	815,335	566,829	248,506
Facilities, Leases & Maintenance	6,562,980	6,510,735	52,245
Competitive Grants	4,769,741	3,538,490	1,231,251
Professional Learning	2,031,961	1,549,473	482,488
Public Relations	828,602	985,970	(157,368)
Enrollment/Attendance Services	769,446	558,767	210,679
Administration	1,686,199	1,581,658	104,541
Other*	<u>3,929,834</u>	<u>3,828,642</u>	<u>101,192</u>
<b>Total</b>	<b>\$ 47,647,248</b>	<b>\$ 44,438,901</b>	<b>\$ 3,208,347</b>

\*Other includes Program Assessment, Sales Tax Collection Fees and transfers.

# FY 2020 YEAR END RE-ESTIMATE CITY FEES



Service	Adopted Budget	Budget Re-Estimate	FY 2020 Variance
Building Maintenance Charge	-	-	-
PC Replacement	114,351	92,001	22,350
IT Assessment Fee	823,637	809,915	13,722
Procurement Fee	99,929	96,147	3,782
Retiree Health Assessment	66,833	65,456	1,377
Civilian Health Assessment	2,970,136	2,970,136	-
Indirect Cost Transfer	<u>866,451</u>	<u>866,450</u>	<u>1</u>
<b>Total</b>	<b>\$ 4,941,337</b>	<b>\$ 4,900,105</b>	<b>\$ 41,232</b>

# FY 2020 YEAR END RE-ESTIMATE FUND BALANCE



<b>Category</b>	<b>Adopted Budget</b>	<b>Actual</b>	<b>Variance*</b>
Beginning Fund Balance	\$5,767,795	\$7,125,688	\$1,357,893

\*\$1,357,893 positive variance will be used to offset anticipated loss in sales tax due to COVID-19.

# FY 2020 RE-ESTIMATE: SUMMARY



	<b>FY 2020 Adopted Budget</b>	<b>FY 2020 Budget Re-Estimate</b>	<b>Variance</b>
Beginning Fund Balance	\$ 5,767,795	\$ 7,125,688	\$ 1,357,893
Revenues	44,604,072	40,512,017	(4,092,055)
(Less) Expenditures	<u>47,647,248</u>	<u>44,438,901</u>	<u>3,208,347</u>
<b>Ending Balance</b>	<b>\$ 2,724,619</b>	<b>\$ 3,198,804</b>	<b>\$ 474,185</b>

Questions?



Pre-K to 4th SA

# FY 2021 Budget Work Session

April 28, 2020

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# FY 21 BUDGET ASSUMPTIONS

- We will experience a loss of \$3 million in sales tax revenue from FY20.
- We will continue to provide high-quality pre-k to 2,000 children in our Education Centers.
- We will continue to support authentic family engagement.
- We will provide professional learning to improve early education throughout San Antonio.
- We will support high quality early childhood education through competitive grant awards.
- We will continue building capacity at Gardendale Elementary School, a Pre-K 4 SA replication site.

# SALES TAX REDUCTION



<b>Projected Loss</b>		
<b>FY 20</b>	(\$3,545,382)	-9.3%
<b>FY 21</b>	(\$2,959,140)	-8.6%

**Fiscal Year: July 1 – June 30**

# PROGRAMMATIC CONSIDERATIONS FY 21



1. Assess the effects of COVID-19 on Pre-K programs
  - More children likely to qualify
  - HB 3 funding may be reduced
  - ISDs may not ramp up as quickly
2. Prioritize services for children and families
3. Review capacity for Professional Learning and Grants

# 8 YEAR PROGRAM FINANCIAL FORECAST

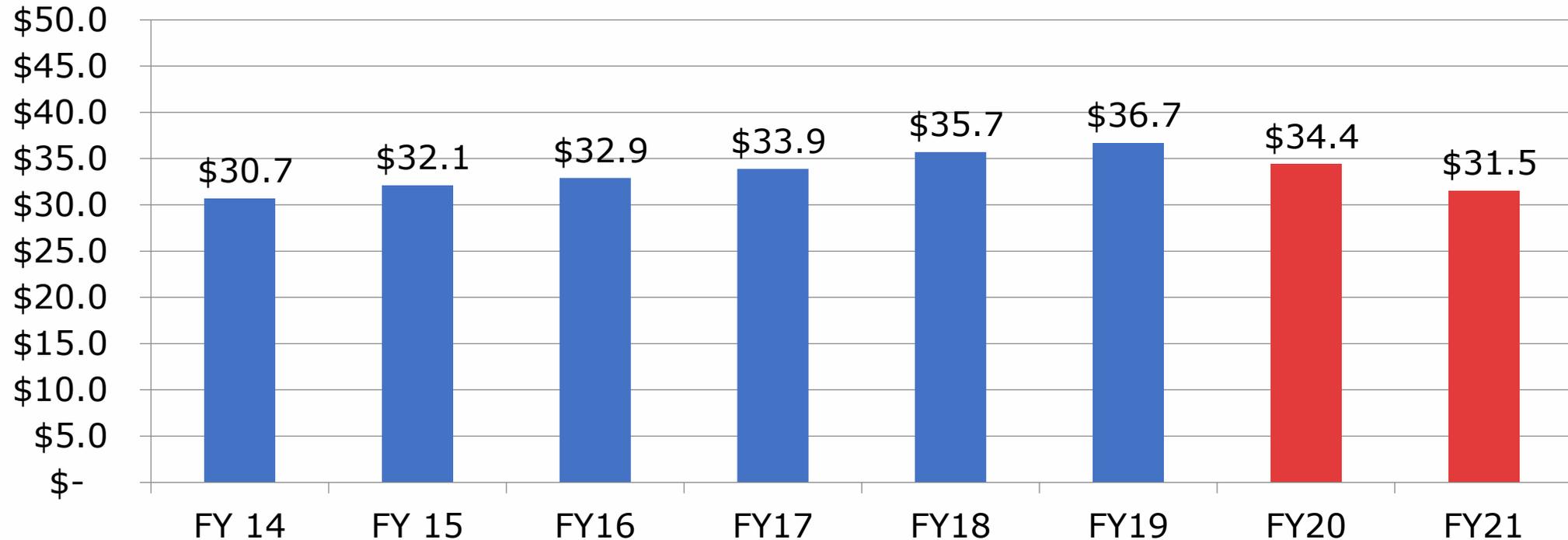


- Current Version of 8 year Program Model includes:
  - Adjusted revenues based on loss projections from COVID-19;
  - A freeze on current vacant positions;
  - Adjusted expenses from the City;
  - A reduction in contractual services for items such as transportation, program assessment and marketing; and
  - Allows for funding of Competitive Grants for FY21.

# 8 YEAR PROGRAM FINANCIAL FORECAST: SALES TAX



IN MILLIONS



- FY 14-19 actuals; FY 20-21 projections
- Pending revised projection from the City
- FY21 projects 12 months of sales tax pending program re-authorization

# 8 YEAR PROGRAM FINANCIAL FORECAST



- State/Local Match Dollars
  - Current Model anticipates 75% ISD students
  - Projection based on an average daily population of 1,925 students
  - FY21 Revenue Projection: \$4.3 million
- CACFP Reimbursement
  - Average daily student population reduced to 1,925 students
  - Assumes a 2% annual increase to reimbursement rates. (Rates are released in July)
  - FY21 Revenue Projection: \$1.5 million

# 8 YEAR PROGRAM FINANCIAL FORECAST



- Other Revenue
  - Ratio of Tuition/Scholarship Students increased to 25%
  - Other Revenue includes Late Fees, Interest Earnings, Contributions and other fees.
  - FY 21 Revenue Projection: \$738K
- Overall Financial Impact of Revenue projections
  - \$2.9 Million less than prior year (primarily sales tax)

# 8 YEAR PROGRAM FINANCIAL FORECAST: CoSA CHANGES



Program	Original	Current Estimate	FY 2021	Variance
Civilian Healthcare Assessment	\$ 2,970,136	\$2,935,491	\$ 2,822,050	\$ 113,441
TMRS	2,237,947	2,232,228	2,176,630	55,598
IT Assessment	823,637	809,915	536,227	273,688
Procurement Fee	99,929	96,147	126,249	(30,102)
Indirect Costs Transfer <sup>1</sup>	866,451	866,450	866,451	(1)
Retiree Health Assessment	66,833	65,456	69,245	(3,789)
<b>Subtotal</b>	<b>\$ 7,064,933</b>	<b>\$ 7,005,687</b>	<b>\$ 6,596,852</b>	<b>\$ 408,835</b>

<sup>1</sup> Indirect cost transfers assumes no increase to charge. Pending confirmation by COSA

# 8 YEAR PROGRAM FINANCIAL FORECAST: PRE-K CHANGES

Program	Original	Estimate	FY 2021	Variance
Personnel Complement				
Education Centers	\$ 15,121,401	\$ 14,518,369	\$ 14,462,239	\$ 56,130
Professional Learning	1,293,239	873,484	806,429	67,055
Temporary Services	1,109,642	1,305,956	857,474	448,482
Transportation Services	815,335	566,829	500,000	66,829
Competitive Grant Awards	4,046,283	2,804,579	2,500,000	304,579
Communications Contract	550,000	628,578	380,000	248,578
Program Assessment	312,136	312,136	200,000	112,136
<b>Total</b>	<b>\$ 23,248,036</b>	<b>\$ 21,009,931</b>	<b>\$ 19,706,142</b>	<b>\$ 1,303,789</b>

# FY 2021 PROPOSED PERSONNEL COMPLEMENT CHANGES

Personnel Summary by Program	FY 2020	FY 2021	Hiring Freeze	Position
Education Centers	104	100	-4	Master Teachers/Teachers
Education Centers	101	100	-1	Assistant Teachers
Education Centers	65	62	-3	FT Teacher's Aides
Education Centers	31	20	-11	PT Teacher's Aides
Professional Learning	12	7	-5	Professional Development Coaches
Administration	1	0	-1	Assistant to the Director
<b>Total</b>	<b>255</b>	<b>230</b>	<b>-25</b>	

# 8-YEAR PROGRAM FINANCIAL FORECAST

## IN MILLIONS

	Actual						Projected	
	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21
Beginning Balance	\$6.5	\$17.6	\$19.6	\$19.9	\$13.8	\$8.7	\$7.1	\$3.2
Revenues	32.6	37.0	38.5	40.2	42.0	44.1	40.5	38.1
Expenditures	<u>21.5</u>	<u>35.0</u>	<u>38.2</u>	<u>46.3</u>	<u>47.1</u>	<u>45.7</u>	<u>44.4</u>	<u>41.3</u>
Ending Balance	\$17.6	\$19.6	\$19.9	\$13.8	\$8.7	\$7.1	\$3.2	\$0.0

\*FY 2021 contains 12 months of sales tax revenue

# 8 YEAR PROGRAM FINANCIAL FORECAST



- Discussion Items:
  - Competitive Grant Awards in FY21
  - Marketing Contract
  - Transportation
  - Program Assessment
  - Personnel Changes
  - Planning for Re-Authorization

# Discussion