

The Pueblo Chieftain

Budget woes causing headaches for school districts

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The negative economic impact from the coronavirus pandemic is now working its way into the fiscal year 2020-21 budgets for both local school districts.

This week, Ed Smith, superintendent for Pueblo County School District 70, notified members of the D70 community that the budget for the upcoming year may have to be cut by as much as \$8 million, which represents more than 10% of the entire budget.

The budgetary reduction, Smith explained, is a result of constricted spending and plummeting tax revenues that may lead the state to slash funding to school districts by as much as 20%.

The depth of the cuts ultimately will be determined by the state budget, which is expected to be set by the Colorado Legislature and approved by Gov. Jared Polis by the end of the month.

“In D70, that impact could total anywhere from \$3.5 million to \$8 million dollars, based on what Colorado school districts have been told to expect,” Smith said. “We are modeling our budget with a 10% reduction, based on the best information we have.”

The district already is taking steps to prepare for the shortfall by moving available central office administrative staff to current open positions “in an effort to start saving as much money as possible,” Smith said, adding that hiring for most open positions currently is paused.

“District administrators and school principals will continue to work to decrease expenses through many possible scenarios for the coming year,” he said. “District departments will also look at reducing supplies, foregoing travel to out-of-town and state seminars, and eliminating non-essential professional development training.”

The effort to bring expenditures in line with a new and lower revenue reality will, Smith warned, lead to difficult decisions.

“The district will still face significant reductions, even if it were to get federal funding to offset cuts, as it also attempts to find funding to move forward with plans to equip elementary and middle school students laptops or tablets for remote learning use,” Smith said.

“It’s a one-two gut punch right now: districts are being told to prepare for extensive state budget decreases, and we also have been told to have plans in place to continue remote learning in the fall should schools remain closed.”

Regardless of when D70 doors are once again opened, “We will have even more students returning to us next year with greater needs, magnified by one of the most life-changing events in our history,” Smith said.

“We will do our very best to protect services and programs that are vital to our students’ success.”

The D70 board of education is expected to approve its final fiscal year budget in June.

“All of these options will cause some level of disruption and inflict severe financial pain,” Smith added. “But at some point, these cutbacks become destructive and will limit our ability to serve our community.

“We will continue to fight for the well-being of the district’s students as well as D70’s future stability. We have worked through tough times before, and we will get through this by working together.”

In Pueblo School District 60, David Horner expressed concern over funding issues related to the current fiscal year budget during the D60 board of education’s remote April 28 meeting.

“With all the forecasts, will the state do another recision yet this year: which they do to us every now and again,” pondered Horner, the district’s chief financial officer. “Like in January, sometimes we will see a small recision. Will it be a big recision, in which they take back money and not give it to us?”

Horner also reminded the board that the district is heavily dependent on revenue from local property taxes, with \$20 million of \$32 million still to be collected before the current fiscal year ends.

“We are very much dependent on tax collections that come in from the end of April through the end of June to continue to support our operation,” said Horner, adding that the governor has extended the time frame for payment of taxes: an action that potentially could delay receipt of the funds.

“It really comes down to cash flow to be able to pay our bills for the balance of the year,” Horner said.

Future revenue, or a lack of it, also is on Horner’s mind.

“We’re looking at revenue forecasts that could be down 5%, 10% and even 15% and 20% reductions,” he told the board. “A 5% reduction for us is a little over \$7 million.”

Statewide, revenue could take a \$3 billion hit, “and another \$2 billion to \$3 billion two years after that,” Horner added.

Compounding the budgetary woes is an enrollment projection of at least 450 less D60 students come fall.

“I don’t know if that should be 500 or 1,000,” Horner cautioned. “I rub my crystal ball but can’t find the spot that says ‘pandemic’ on it. So I’m not really sure how to model that.”

To help mitigate financial damage, Horner reminded the board of a spending freeze instituted by Superintendent Charlotte Macaluso that corresponded to the closure of schools districtwide.

“We’re only spending the bare minimum we need to continue to service our kids in our distance learning plan,” Horner said. “This will help generate some carry-overs for next year.”

On a less gloomy note, the district is expected to receive \$4.3 million in Federal CARES Act funding, although criteria for how the money can be spent hasn’t yet been finalized.

Horner said a draft fiscal year budget, based on a projected 5% decrease in funding, is expected to be presented to the board at an upcoming meeting.

The 2020-21 fiscal year budget must be approved by the end of June.

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