

WASHOE COUNTY SCHOOL DISTRICT
Reno, Nevada

BOARD OF TRUSTEES WORK SESSION

April 9, 2019

TITLE: PRESENTATION BY STAFF AND DISCUSSION BY THE BOARD REGARDING THE FISCAL YEAR 2019-20 BUDGET FOR ALL DISTRICT FUNDS; UPDATE REGARDING THE STRUCTURAL BUDGET DEFICIT FOR THE GENERAL FUND; UPDATE OF BOARD BUDGET REQUESTS; DISCUSSION OF THE BUDGET TIMELINE; AND DISCUSSION AND POSSIBLE ACTION TO APPROVE THE TENTATIVE BUDGET (FOR DISCUSSION AND POSSIBLE ACTION)

FROM:

Mark Mathers, Chief Financial Officer
Mike Schroeder, Budget Director

PRESENTER(S) & PRESENTATION TIME:

Mark Mathers, Chief Financial Officer
Mike Schroeder, Budget Director
(2 hours)

DATE REPORT WRITTEN: March 29, 2019

SUMMARY: The Board will receive an update on the Fiscal Year 2019-20 budget for all District funds, an update for the general fund structural budget deficit, other factors that may impact the budget, analysis of the General Fund's fund balance, update regarding the Board's budget requests and discussion of the budget timeline and process moving forward. The Board may provide direction and staff will seek approval of the Fiscal Year 2019-20 Tentative Budget.

ADDITIONAL BACKGROUND INFORMATION:

[Nevada Revised Statute \(NRS\) 354.596](#) requires a tentative budget be filed on or before April 15th and requires the Board to give notice of a time and place of a public hearing on the tentative budget no sooner than the third Monday in May and no later than the last day of May (currently scheduled for May 28, 2019). The final budgets of school districts must be adopted on or before June 8th of each year. Statute also allows the District 30 days after the close of a Legislative Session to submit an Amended Final Budget if increases or decreases to revenues are not included in the final budget.

Board Policy 3110 requires Board approval of the tentative budget. In addition, the policy seeks to adopt an annual General Fund budget that is structurally balanced not later than Fiscal Year 2020-21.

The District has sought public engagement in the budget process by conducting a budget survey to obtain input pertaining to partial solutions to the budget deficit and identification of program priorities. The results of the budget survey as well as an overview of the budget deficit and explanation of the District's newly implemented Priority Based Budgeting (PBB) process were presented at five community budget forums. The results of the survey and forums were presented at a February 26, 2019 Board work session along with potential budget reductions resulting from the PBB process for programs that were determined to be less aligned to strategic plan priorities.

Although none of the reduction options were preferred and many of the options would result in deep reductions to programs, staff presented a summary of program reductions having a minimal to moderate impact at the March 12, 2019 Board meeting.

In addition, the Board has made several budget review requests and has already been updated regarding most of those requests. The requests related to fees for athletic transportation costs as well as a request to present 5 to 10 to 20 percent budget reductions will be part of the work session discussion.

The budget timeline will also be discussed and is included as Attachment B. The timeline outlines the key elements in the budget process and other key dates when information becomes available or when deadlines must be met. The goal is to file a budget that strategically aligns resources, is more structurally balanced and provides for sustainability.

The FY20 budget estimate is extremely tentative at this point as the Legislature is still in session and staff continues the analysis of the State's proposed budget for K-12 education and other potential Legislative impacts. Budget information requested by the Board and further analysis of reduction options is also ongoing. Staff will continue to update the Board and seek guidance as this information becomes available.

PREVIOUS BOARD ACTION:

Date: March 12, 2019

Related Action: [The Board of Trustees received an update on the Fiscal Year 2019-20 Budget and the process moving forward.](#)

Date: February 26, 2019

Related Action: [The Board of Trustees conducted a work session regarding the District's Fiscal Year 2019-20 General Fund budget estimate, status update of Board budget requests, an update on the priority based budgeting process including potential budget reductions and impacts of reductions to operations and the budget timeline.](#)

Date: January 26, 2019

Related Action: [The Board of Trustees received an update on the budget process for Fiscal Year 2019-20, including an analyses of certain issues requested by the Board on September 25, 2018.](#)

Date: September 25, 2018

Related Action: [The Board of Trustees conducted a workshop on the budget planning process for Fiscal Year 2019-20.](#)

ATTACHMENTS:

- Attachment A – General Fund Budget Update Narrative and Schedule of Sources and Uses
- Attachment B – Budget Timeline
- Attachment C – Department of Taxation Budget Forms
- Attachment D – FY19 Tentative Budget Power Point

STRATEGIC PLAN: The budget supports all five goals of *Envision WCSD 2020*.

BOARD POLICY:

[Board Policy 3110 – Preparation of the Annual Operating Budget](#)

LEGAL: This item follows the requirements of [Nevada Revised Statutes 354.596](#) and [354.598](#).

FINANCIAL: The budget provides funding to continue District operations.

COMMUNITY INVOLVEMENT: A community survey concluded on January 7, 2019. Five community budget forums were held in between January 24 and February 11, 2019 to discuss the budget deficit, budget survey results and obtain community input regarding budget priorities. The public is also invited to provide input on the budget at any of the Board meetings scheduled to discuss the Fiscal Year 2019-20 budget, including today's work session and the mandatory public hearing on the District's tentative budget scheduled for May 28, 2019.

ALTERNATIVES: N/A

RECOMMENDED ACTION: That the Board of Trustees; provide the Superintendent and staff with direction regarding the Fiscal Year 2019-20 budget process; indicate changes, if any, to the Fiscal Year 2019-20 Tentative Budget as proposed; and approve the Fiscal Year 2019-20 Tentative Budget.