

BOARD UPDATE

Budget Status

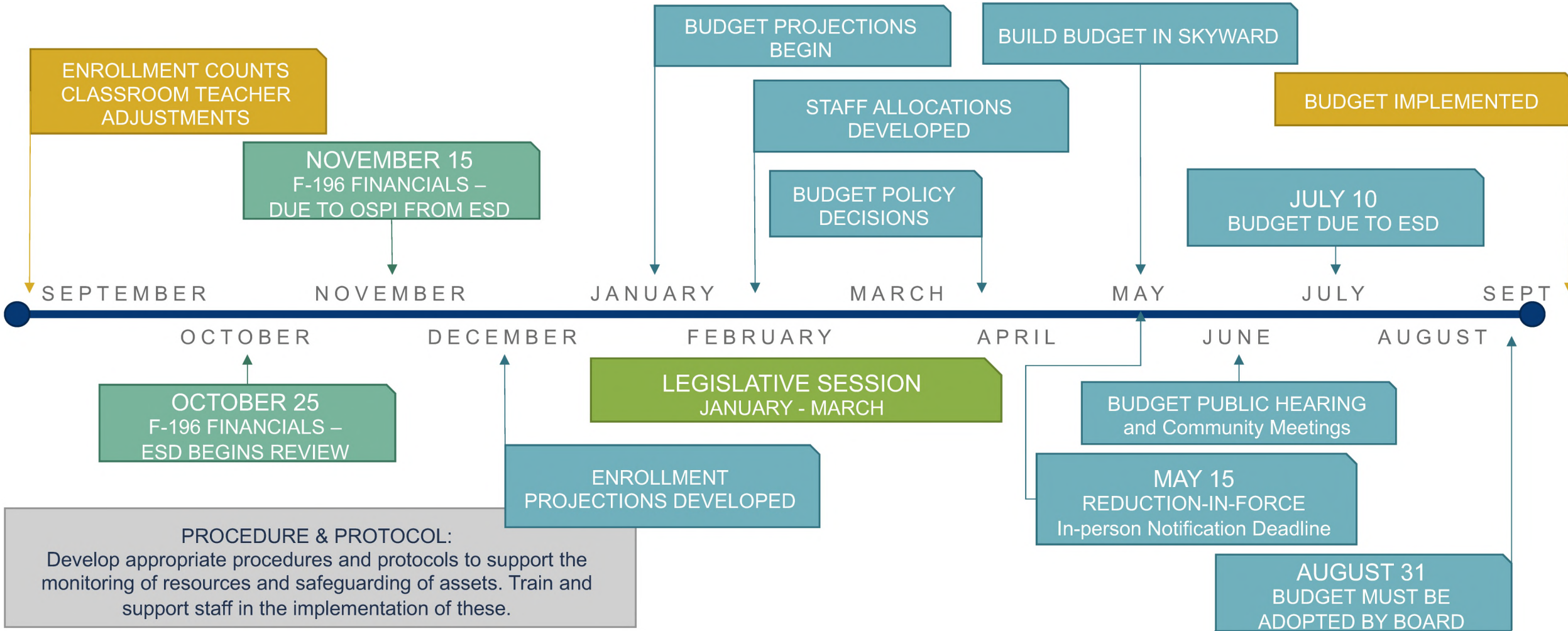
Kate Davis

November 9, 2023

Note: This is a brief presentation as the district was in the process of closing the fiscal year end at the time the presentation was developed. More detail will be available in coming months.



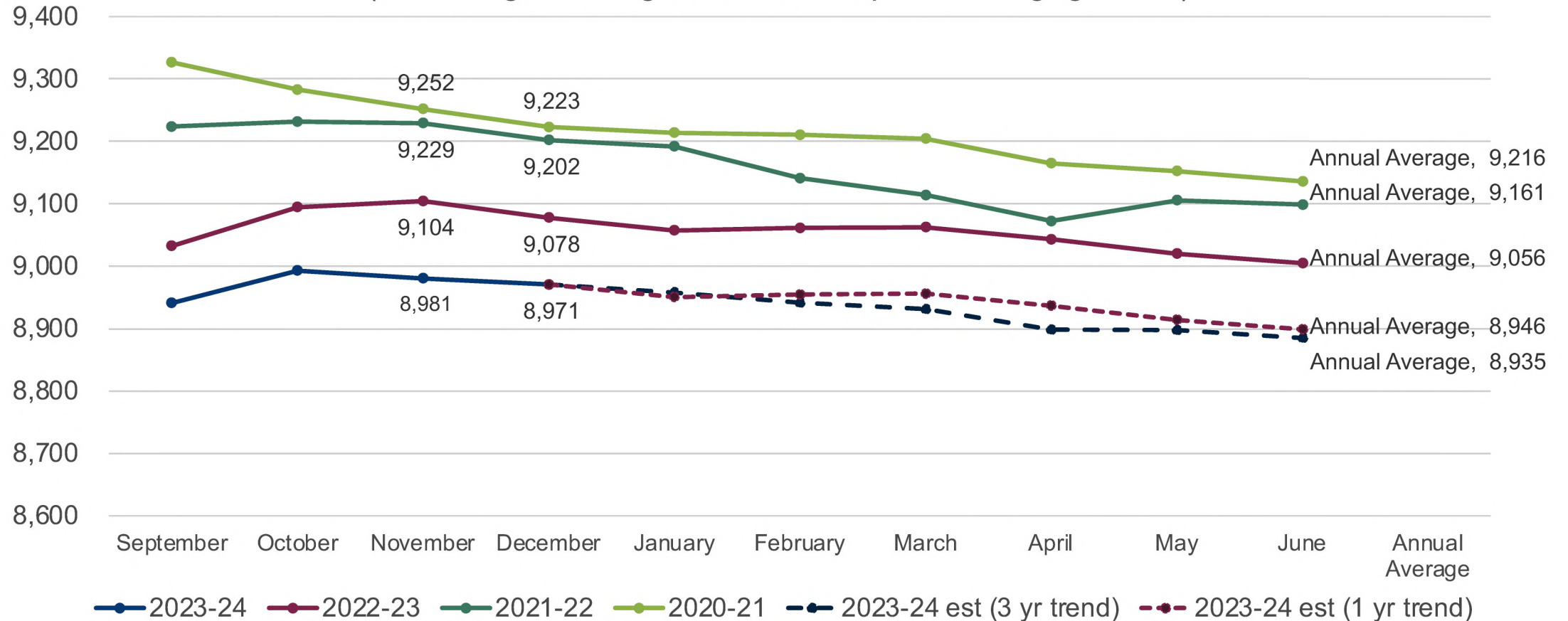
Timeline



Monthly budget status reports are generally available by second board meeting of the month. Monthly status reports begin after the year-end financial reports are submitted to OSPI.

Enrollment Trend Update (December)

Total K-12 Basic Education Enrollment including ALE
(excluding Running Start and Dropout Reengagement)



Note: 2023-24 Budget Enrollment was 9,031.47

4-year Operating Budget

updated November 3, 2023

Minimum **\$3.5 million** of cuts are required to balance the budget for 2024-25. These cuts need to be permanent and sustainable.

This is likely **an optimistic projection**. A detailed fiscal analysis will be presented at the end of January. The next slide identifies items impacting the budget outlook.

| | 2023-24 Year 1 | 2024-25 Year 2 | 2025-26 Year 3 | 2026-27 Year 4 |
|--|-------------------|-------------------|-------------------|-------------------|
| Beginning Balance | \$9,593,810 | \$6,483,896 | \$5,900,180 | \$5,975,688 |
| + Revenue | 175,683,431 | 180,497,754 | 183,258,920 | 185,389,636 |
| - Expenditure | 178,793,345 | 184,611,704 | 183,276,321 | 185,304,520 |
| - Expenditure Cuts | | -3,530,235 | -92,909 | |
| Ending Balance | 6,483,896 | 5,900,180 | 5,975,688 | 6,060,804 |
| | 3.6% | 3.3% | 3.3% | 3.3% |
| Minimum Fund Balance | 5,341,195 | 5,900,180 | 5,975,688 | 6,045,053 |
| Non-Spendable & Assigned to Other Purposes | 551,780 | 457,783 | 460,615 | 481,885 |

Revenues and Expenditures in out years are expected to grow by IPD as specified in RCW 28A.400.205 (revised 2023) and adjusted for a simple annual aging of each grade level.

Building Blocks of Budget Projections

Revenue Projections

- Inflationary Adjustments
+ \$2.4 to \$3 million per year
- Enrollment Adjustments
- \$1.4 to \$1.9 million per year
- SEBB Adjustments
+ 619,000 million per year
will vary annually based on rate
- ESSER Funding
- \$1.3 million (2024-25)
- New State Policies
+ \$1.03 million (2024-25)
Final investment for Counselors, Nurses, and Social Workers;
additional funding may vary based on state operating budget

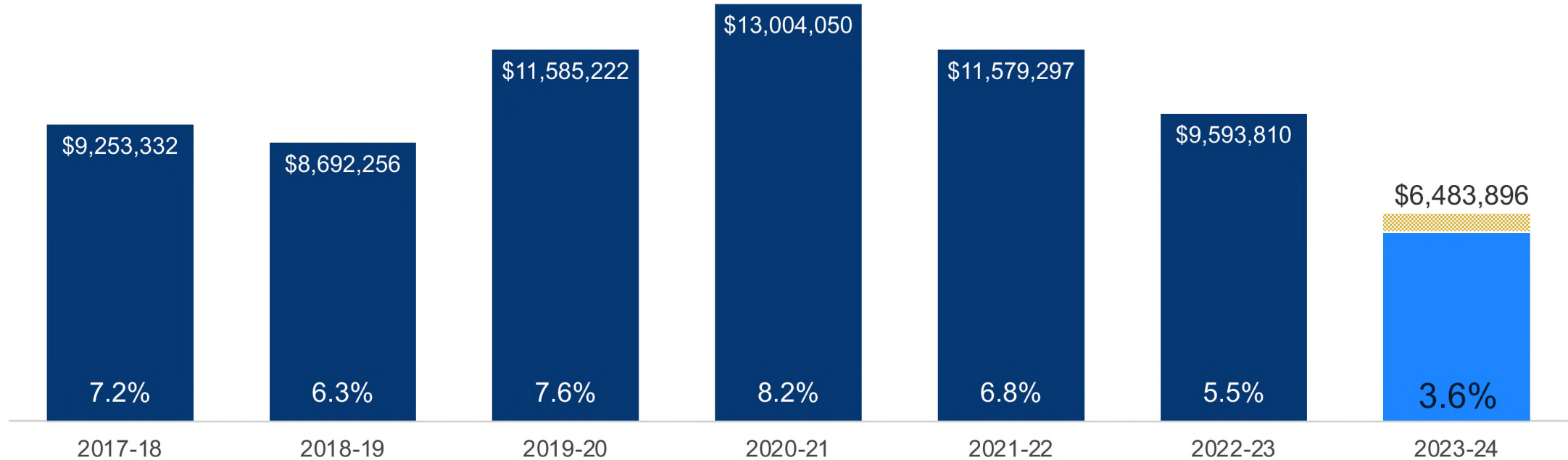
Beginning Balance Projection

Expenditure Projections

- Inflationary Adjustments (Compensation)
+ \$2.6 to \$4.45 million per year
- Enrollment Adjusted Staffing
- \$812,000 per year
- SEBB Adjustments
+ \$899,000 per year
will vary based on rate
- Market Rate Compensation Adjustments
+ \$99,000 to \$4 million per year
varies each year above inflationary adjustments based on collective bargaining
- Materials, Supplies, Operating Costs
+ \$2 million per year
Insurance, utilities, fuel, school meals, curriculum and class materials, contracted services
- Annual Savings

Ending Fund Balance Trend

General Fund Ending Fund Balance



| | | | | | |
|------------------------|------------|-------------|-------------|--------------|--------------|
| Ending Balance | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
| Change from Prior Year | -\$561,076 | \$2,892,966 | \$1,418,828 | -\$1,424,753 | -\$1,985,487 |

Tech Levy

\$ 5,841,705 Beginning Balance
 +\$12,667,141 Levy Collections
 - \$17,472,016 Budget Expenditure
 \$ 1,036,830 Ending Balance

We plan to use fund balance within the Tech Levy to finance various initiatives in the current school year. While there may be savings or efficiencies to be gained, the tech levy is largely already at capacity.

| Instructional | Budget | Notes |
|---|---------------------|---|
| Computer Hardware & AV | \$ 679,000 | Staff Laptop Replacements & Common Space and PAC AV |
| Tech Professional Development & Stipend | \$ 3,722,536 | Self-directed Prof. Dev. for Certificated Staff |
| Mobile/Portable Devices | \$ 1,102,500 | |
| Classroom Display Systems | \$ 366,000 | Panel Displays |
| Classroom, Web Support & Video Conf. | \$ 68,000 | |
| Adaptive Technology | \$ 50,000 | Serves students with special needs |
| Software Systems | \$ 1,779,000 | New Systems, curriculum systems, SEL & Wellness |
| Total | \$ 7,767,036 | |

| Operational | Budget | Notes |
|---|---------------------|---|
| Computer Hardware, Training | \$ 245,700 | Staff laptop replacement cycle |
| Network Infrastructure, Safety/Phone System | \$ 1,880,500 | Cameras, network security, servers & storage... |
| School Safety Vestibules (Capital Planning) | \$ 2,130,000 | Design and build for 4 middle and 3 elementary |
| Safe Walking/Biking Routes to Schools | \$ 680,000 | |
| Redundant and Green Power | \$ 650,000 | |
| Software Systems | \$ 451,000 | New Systems and renewals |
| Total | \$ 6,037,200 | |

| Staffing Support | Budget | Notes |
|-------------------------------|---------------------|--|
| Support Staff - Instructional | \$ 1,168,495 | Implementation of technology related initiatives |
| Support Staff - Operational | \$ 2,499,285 | Implementation of technology related initiatives |
| Total | \$ 3,667,780 | |

Budget Cuts Options

The district cut **\$7 million** in preparation for the 2023-24 school year budget. Over 40 percent were from central office.

As we look to the 2024-25 budget, we will continue to refine the list of potential savings, update estimates, and explore other options through out the budget process.

The list totals **\$7,154,896** and **69.5 staff FTE**.

| Budget Item | Reduction Taken in 2023-24 | Additional FTE Staff Reduction | Additional Reduction Option |
|--|----------------------------|--------------------------------|-----------------------------|
| Total | | 69.5 | \$ 7,154,896 |
| 1 Increase class size in grades 6-12 | Partial | 6.1 | \$882,106 |
| 2 Eliminate Elementary Art (librarians in rotation) | - | 5.1 | \$734,400 |
| 3 Eliminate Bus Monitors | - | 14.0 | \$613,607 |
| 4 Eliminate Secondary Social Workers | - | 4.0 | \$576,000 |
| 5 Eliminate Restorative Justice Centers at Secondary | - | 3.9 | \$561,600 |
| 6 Eliminate Elementary Behavior Techs | - | 11.0 | \$480,282 |
| 7 Eliminate remaining Family Liaisons | Partial | 6.0 | \$425,355 |
| 8 Eliminate 5th grade band and strings | Partial | 2.5 | \$360,000 |
| 9 Eliminate SPED Coaches | - | 2.0 | \$310,000 |
| 10 Reduce T&L specialists | Partial | 2.0 | \$284,000 |
| 11 Eliminate Middle School Sports | - | 0.0 | \$274,534 |
| 12 Reduce Executive Director Positions | - | 1.0 | \$250,020 |
| 13 Reduce Elementary Librarians | - | 1.5 | \$216,000 |
| 14 Eliminate Middle School Asst Principal | - | 1.0 | \$205,000 |
| 15 Eliminate Early Childhood administrator | - | 1.0 | \$171,000 |
| 16 Eliminate Outdoor Ed (CISPUS) | - | 1.0 | \$151,319 |
| 17 Reduce custodial staffing more | Partial | 2.0 | \$137,000 |
| 18 Reduce Office Professional in Central Office | - | 1.0 | \$122,000 |
| 19 Eliminate Native ED Coordinator | - | 1.0 | \$117,289 |
| 20 Eliminate two nurses replace with HRA's | Partial | 2.0 | \$114,784 |
| 21 Eliminate Mentor Coordinator | - | 1.0 | \$111,000 |
| 22 Eliminate Dean at WMS | - | 0.4 | \$57,600 |



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