



2019-20 Budget:

Budget Update

Snoqualmie Valley School District

August 22, 2019

Outline

- ▶ Legislative Session
- ▶ Enrollment Projections
- ▶ General Fund
- ▶ Revenue
- ▶ Fees
- ▶ Expenditure Budget
- ▶ Staffing
- ▶ Ending Balance Projections
- ▶ Capital Projects Fund
- ▶ Debt Service Fund
- ▶ Transportation Vehicle Fund
- ▶ Associated Student Body Fund
- ▶ Four Year Projections - General Fund

Legislative Session

- ▶ Year 2 of EHB 2242: Compensation in the 2019-20 school year includes 2% increase for the Implicit Price Deflator (IPD)
- ▶ State Funded Rates per funded FTE - after Regionalization Factor (18% for SVSD)
 - ▶ \$77,313 - Certificated Instructional (1.0 FTE = 1,440 hrs)
 - ▶ \$116,514 - Certificated Administrative (1.0 FTE = 2,080 hrs)
 - ▶ \$56,130 - Classified (1.0 FTE = 2,080 hrs)
- ▶ Second of three professional development days funded
- ▶ Levy Authority capped at \$2.50/\$1,000 of Assessed Valuation, or \$2,500/student; whichever is lower.
 - ▶ SVSD is estimated to be at \$1.47/\$1,000 and just under \$2,200/student

FUN with Numbers: Who's Who

K-3 Class Size Compliance Calculation: 2018-19

Source: OSPI

Lake Washington	15.53
Tahoma	17.09
Riverview	18.38
Snoqualmie	19.00
Issaquah	19.25

In 2018-19, all districts were funded at 17:1 by the state. In 2019-20, districts will be funded at their demonstrated levels, up to 17:1. NOTE: Delta between 19.27:1 and 17:1 for SVSD is ~15 teachers.

Legislative Session

- ▶ First year of the K-3 class size compliance. Districts must be at a ratio of 17:1 in order to maximize funding. Projecting to meet class size compliance.
- ▶ Districts must account for levy and other local sources separately -“subfund” expenditure accounting. Expenditures must only be spent for enrichment activities.
- ▶ Special Education multiplier was increased from 96.09% to 99.5%.
- ▶ Reduced the minimum expenditure threshold for Safety Net applications.
- ▶ MSOC funding increased by IPD (inflation).
- ▶ The district will be moving to the School Employees Benefit Board (SEBB) for benefits starting in January 1, 2020

Legislative Session - SEBB

- ▶ Health Benefit rate allocations, per qualifying employee are as follows:
 - ▶ \$973 per month from Sept. 1, 2019 to Dec. 31, 2019.
 - ▶ \$994 per month from Jan. 1, 2020 to June 30, 2020.
 - ▶ \$1,056 per month from July 1, 2020 to Aug. 31, 2020.
- ▶ Employees who work more than 630 annual hours will qualify for benefits.
 - ▶ Benefits are no longer pro-rated based on FTE, and extend to substitutes. This improves out-of-pocket costs of employees, and increases the cost of staffing beyond the state allocation. Currently estimated to require \$1.3M of local levy funds.

Legislative Session - New Reporting Requirements

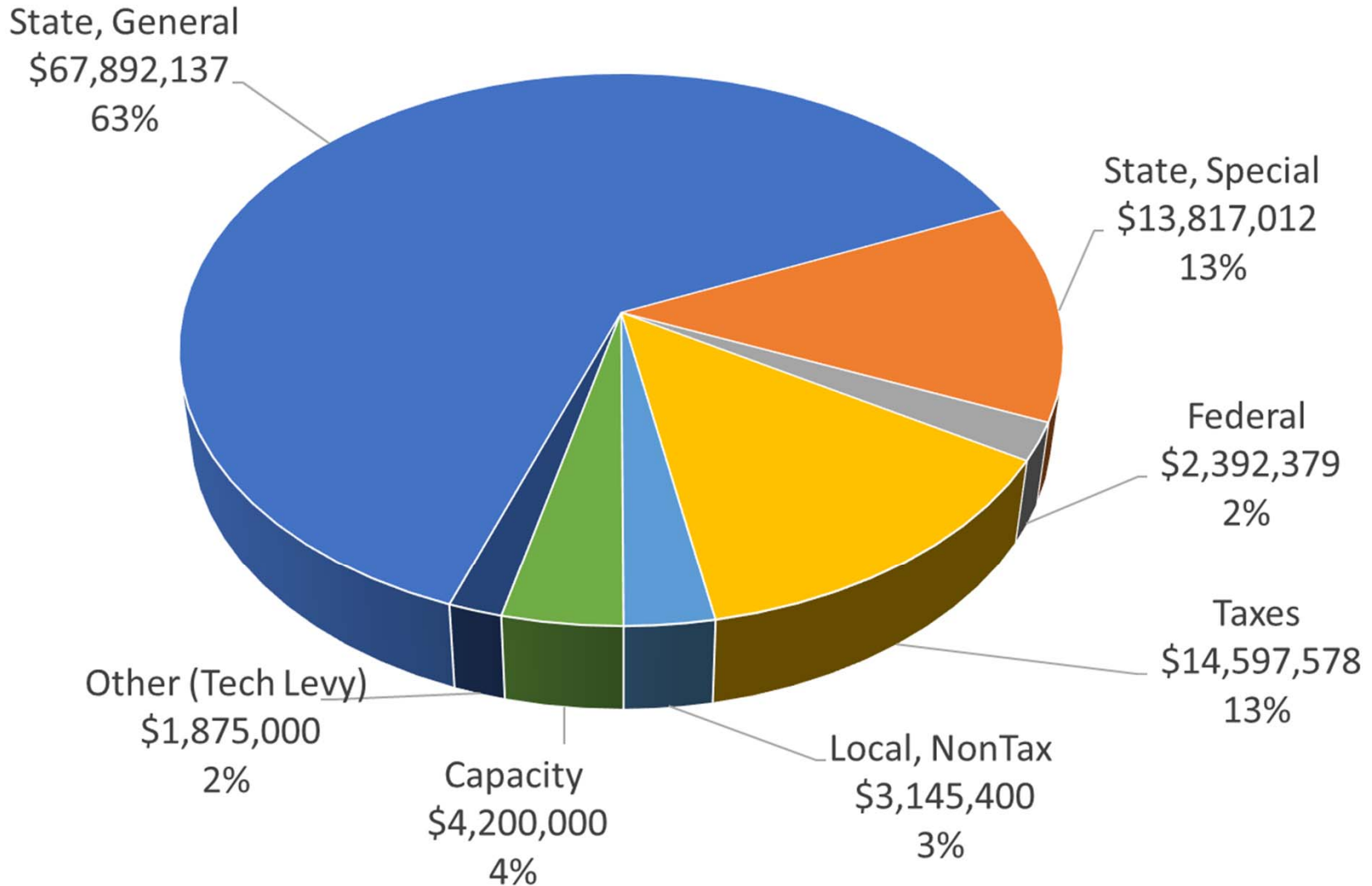
- ▶ ESSB 5313 -beginning in the 2019-20 school year, districts will be required to provide a supplemental expenditure schedule by revenue source that identifies the amount expended by object for enrichment activities. Subject to audit by State Auditor's Office (SAO).
- ▶ SAO will conduct a special education audit on revenues and expenditures to provide data to the education committees of the legislature.
- ▶ Districts will be required to provide OSPI the results of each collective bargaining agreement for certificated staff within 30 days of finalizing contracts

Enrollment Projections (Average Annual FTE)

	19-20 Budget	April 2019 Actual	
K-5	3,305	3,354	-1.5%
6-8	1,721	1,674	2.8%
9-12	1,625	1,669	-2.6%
TOTAL	6,651	6,697	-0.7%

General Fund: Revenue

\$107,919,506



General Fund: Revenue Summary

- ▶ Total Revenues - \$107.9M
 - ▶ Levy collection based on voter authorization amounts
 - ▶ Increase in State Funding for inflation, enrollment, SEBB costs, Special Education.
 - ▶ Qualifying for full funding - Elementary Class Size Compliance
 - ▶ State Transportation Funding increases
 - ▶ Increased federal funding
 - ▶ Continue transfer of technology levy funds for professional development and technology enhancements
 - ▶ Capacity for additional growth and/or unanticipated revenues
 - ▶ King County grant for mental health supports at secondary levels
 - ▶ Elimination of most secondary fees

Fee Changes - 2019-20

Secondary Fees

As part of the EP&O levy, and increased state funding for basic education, we are proposing significant decreases to fees charged to students at the secondary level.

Examples of Fees that have been Eliminated:

Consumables Fee, Agenda/Planner, Lab Fees, most course fees

Fees that are not eliminated:

Extracurricular, Clubs, Class fees where students keep something from the class (i.e PE Shirts, or a birdhouse in wood shop), course fees meant to cover trips or other costs that are enrichments to the program (Music).

Example: partial MSHS Fee list

Mount Si High School 2018-2019 COURSE FEES/COSTS

Contemporary World Problems/Civics	-\$10 materials cost
Creative Cooking	-\$15 per semester
Culinary Arts	-\$20 lab fee , optional \$15 basic Chef Coat
Engineering Design I or II	\$10 per semester
Environmental Horticulture	\$20 lab fee per year
Digital Media Academy	\$5 lab fee per semester
Intro to Robotics Engineering	-\$20 lab fee per year
Marketing, Advanced	Fees for activities assessed as they occur
Newspaper	-\$25 fee per year
PE classes plus	\$5 fee per semester for all PE classes FINE FOR LOST LOCKS \$6 lock fee if needed (can reuse lock each year)
Photography I	\$15 lab fee per semester
Photography II or III or IV	\$5 lab fee per semester (possible additional printing costs)
SCIENCE	
AP Biology	\$20 lab fee per year
AP Chemistry	\$20 lab fee per year
AP Environmental Science	\$20 lab fee per year
Astronomy	\$10 lab fee per semester
UW Astronomy 101	\$10 lab fee per semester
Chemistry	\$20 lab fee per year
Environmental Science	-\$20 lab fee per year

Meal Prices - Proposed Increase

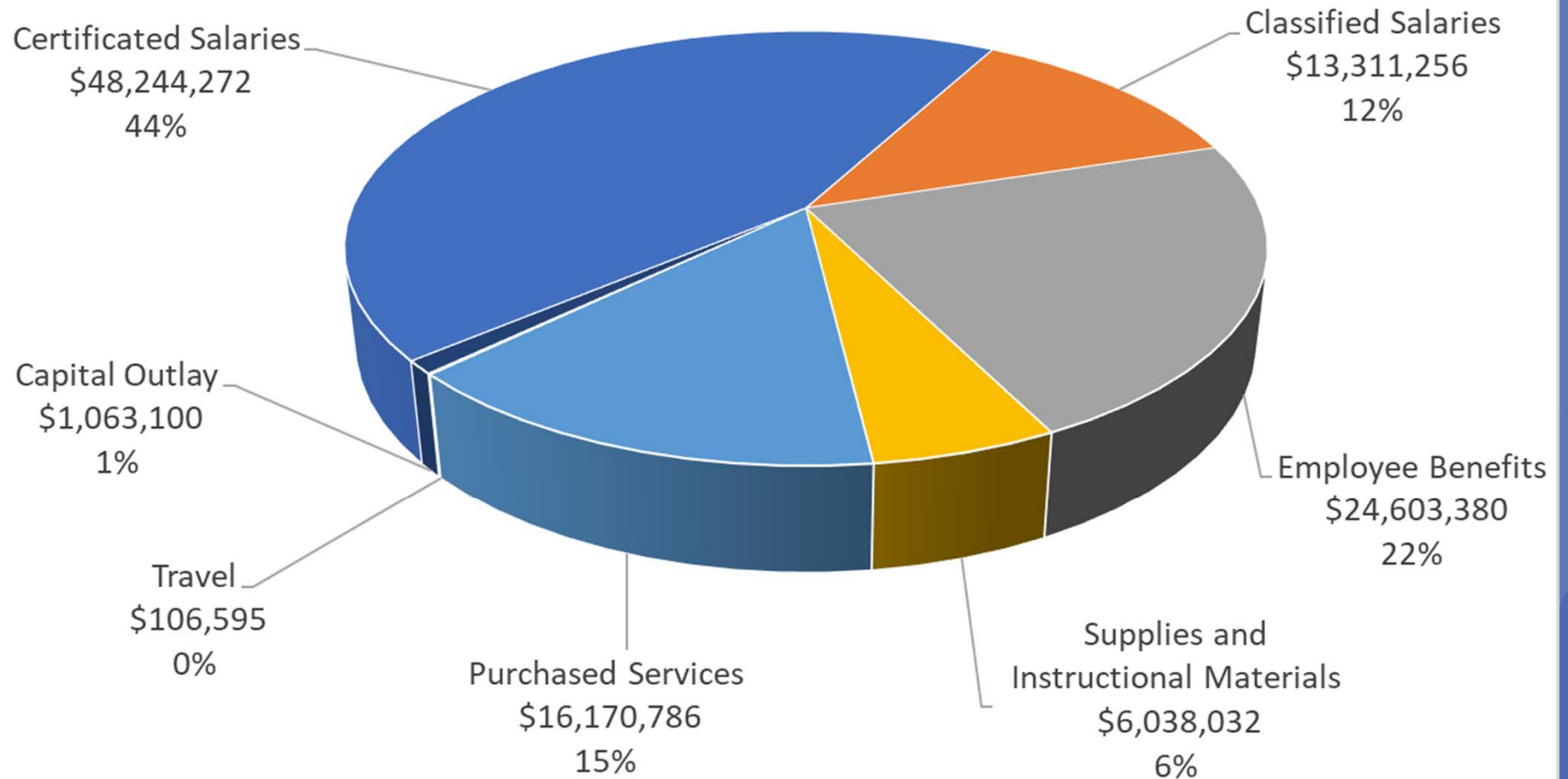
- ▶ Food Services is projected to operate in the red by approximately \$600k
- ▶ Meal Prices have not been adjusted for at least 7 years.
- ▶ Compared meal prices to our district neighbors: Lake Washington, Riverview, Issaquah, Tahoma
- ▶ We would propose a price increase at the secondary level only.
 - ▶ Estimated to generate an additional \$30k of revenues, if participation rates stay the same.

2019-2020 Proposed Meal Prices

Meal price comparison	Breakfast			Lunch			
	elem	ms/hs	adult	elem	ms	hs	Adult
Issaquah				3.75	4.00	4.00	4.50
Tahoma	2.00	2.25	2.75	3.00	3.50	3.75	4.50
Riverview	1.75	2.00	2.75	3.25	3.50	3.75	4.25
Lake Washington	1.50	1.75	2.50	3.00	3.25	3.25	4.00
4 district Avg	1.75	2.00	2.67	3.08	3.42	3.58	4.25
Sno Valley	1.75	1.90	2.25	3.25	3.25	3.50	4.00
Proposed 2019-20 rates	1.75	2.00	2.50	3.25	3.50	3.75	4.50
change from prior year	0.00	0.10	0.25	0.00	0.25	0.25	0.50

General Fund: Expenditure Budget

\$109,537,421



General Fund: Expenditure Summary

- ▶ Capacity of \$109.3M provides for:
 - ▶ Staffing increases for enrollment/program growth
 - ▶ Staffing increases for conversion to 3 Middle Schools
 - ▶ Staffing and Operational Cost increases related to opening of new Mount Si High School
 - ▶ Collectively Bargained compensation increases
 - ▶ Increased medical premium rates, and increased employee eligibility
 - ▶ Curriculum adoptions/support and ongoing professional development
 - ▶ Capacity for grants, growth and other unanticipated expenditures
 - ▶ Maintains building unit budget capacity (supplanting lost revenues from elimination of most secondary fees).

General Fund: Classified Staffing

Snoqualmie Valley School District Classified Staff FTE Budget Comparison by Program

PRG	Description	2018-19 Budget	% of Total	2019-20 Budget	% of Total	FTE Change
01	Basic Education	65.0	27%	61.5	25%	(3.5)
02	Alternative Learning	3.6	1%	3.6	1%	0.0
21/24	Special Education	45.1	19%	41.3	17%	(3.8)
31/34/38	Vocational	1.2	1%	1.2	1%	(0.0)
51/52	Title 1, Other Federal	3.4	1%	5.6	2%	2.2
55	Learning Assistance, State	6.2	3%	5.2	2%	(1.0)
64/65	Trans. Bilingual	2.3	1%	2.7	1%	0.5
69	Capacity	13.0	5%	13.0	5%	0.0
74	Highly Capable	0.5	0%	0.0	0%	(0.5)
79	Insturction Prog - Donations	0.0	0%	1.3	1%	
88	Child Care	0.7	0%	1.4	1%	0.7
89	Community Services	0.0	0%	0.0	0%	0.0
97	Districtwide Support	49.1	21%	52.7	22%	3.7
98	Food & Nutrition	17.5	7%	18.5	8%	1.0
99	Pupil Transportation	31.4	13%	33.5	14%	2.2
	Total	238.7	100%	241.4	100%	1.4

General Fund: Certificated Staffing

Snoqualmie Valley School District Certificated Staff FTE Budget Comparison by Program

PRG	Description	2018-19 Budget	% of Total	2019-20 Budget	% of Total	FTE Change
01	Basic Education	379.9	75%	388.4	75%	8.6
02	Alternative Learning	11.0	2%	10.3	2%	(0.8)
21/24	Special Education	67.8	13%	70.3	14%	2.5
31/34/38	Vocational	15.8	3%	14.1	3%	(1.7)
51/52	Title 1, Other Federal	1.0	0%	1.8	0%	0.8
55	Learning Assistance, State	0.0	0%	0.0	0%	0.0
64/65	Trans. Bilingual	1.0	0%	1.0	0%	0.0
69	Capacity	24.0	5%	23.0	4%	(1.0)
71	Traffic Safety	0.5	0%	0.5	0%	0.0
74	Highly Capable	5.5	1%	4.5	1%	(1.0)
97	Districtwide Support	2.0	0%	3.0	1%	1.0
	Total	508.5	100%	516.9	100%	8.4

General Fund: Materials, Supplies and Other Costs (MSOC) Summary

As part of the budget development, hearing, and review process required under RCW 28A.505, each district must disclose; (A) the amount of state funding to be received, (B) the amount the district proposes to spend for materials, supplies and operating costs (MSOCS), (C) the difference between these two amounts, and (D) if the state funding exceeds the proposed expenditures for MSOCS the proposed use of the difference and how this use will improve student achievement

MSOC RECONCILIATION

Combined 1191 MSOC from F-203

Regular Instruction (Column A)	\$ 8,238,722
Grades 9-12 Additional (Column J)	\$ 288,665
* Total MSOC Allocation	\$ 8,527,387

** Objects of Expenditure from F-195

	Totals	Prg 01	Prg 02	Prg 03	Prg 97
Object 5 - totals	\$ 3,373,878	\$ 2,187,601	\$ 58,232	\$ -	\$ 1,128,045
Object 7 - totals	\$ 11,313,936	\$ 3,369,636	\$ 123,000	\$ 140,000	\$ 7,681,300
Object 8 - totals	\$ 90,100	\$ 20,000	\$ -	\$ -	\$ 70,100
Object 9 - totals	\$ 1,062,100	\$ 50,000	\$ -	\$ -	\$ 1,012,100
* Total Budgeted 5-9 Expenditures	\$ 15,840,014				

*** Difference** **\$ (7,312,627)**

Excluding Running Start and Extracurricular (in Prg 01 above), total MSOC equals ~\$12.1M. Basic Ed planned expenditures still exceed State allocation.

Unemployment Expenses

- ~ \$18,700 of expenses YTD.
- Not aware of any significant changes in unemployment claims that would increase expenses for 2019-20.
- 2019-20 budget allows for up to \$40k to cover unemployment.

General Fund: Summary of Revenues & Expenditures

Program				Use of Local
Description	Number	Revenue	Expenditure	Funds
Basic Education	01,97	62,045,094	76,271,213	(14,226,119)
Alternative Learning Experience	02	1,199,931	1,767,274	(567,343)
Dropout Reengagement	03	314,616	140,000	174,616
Special Education, State	21	9,188,682	12,201,334	(3,012,652)
Special Education, Infants/Toddlers	22	755,656	728,000	27,656
Special Education, Federal	24	1,247,643	1,246,643	1,000
Vocational Ed, State	31	2,444,661	2,586,644	(141,983)
Middle School CTE	34	292,922	278,276	14,646
Vocational Ed, Federal	38	25,423	28,077	(2,654)
Title 1	51	516,317	516,317	0
Title 2	52	130,835	113,667	17,168
Learning Assistance Program	55	469,289	469,289	(0)
State Special & Pilot Prog	58	241,173	241,173	(0)
English Language Learners	64,65	405,153	415,340	(10,187)
Capacity	69	4,200,000	4,199,999	1
Traffic Safety	71	68,000	64,770	3,230
Summer School	73	38,200	61,508	(23,308)
Highly Capable	74	225,925	516,537	(290,612)
Misc. Grants/Fee Based Programs	79	1,402,200	895,128	507,072
Day Care	88	40,000	100,795	(60,795)
Community Services	89	250,000	236,596	13,405
Food Services	98	1,473,463	2,142,280	(668,817)
Pupil Transportation	99	4,217,000	4,316,554	(99,554)
	SUBTOTAL	91,233,915	109,537,414	(18,345,232)
Revenues to Support Funding Shortfalls				
Local EP&O Levy		14,562,323		
Other Financing Sources (Tech Levy)		1,875,000		
Local Non-Tax (Interest, Rentals)		290,000		
	TOTAL	107,919,505	109,537,414	(1,617,909)

Fund Balance Summary - 2019-20

Estimated Beginning Fund Balance	11,500,000
Total Revenues	107,919,506
Total Expenditures	<u>(109,537,421)</u>
Budgeted Ending Fund Balance	9,882,085
Budgeted Ending Fund Balance as a % of Revenues = 9.2%	

Capital Projects Fund

Expenditure Capacity: 55,809,174

The CPF includes expenditure capacity for Technology Levy purchases and 2015 Bond Projects:

- Mount Si High School

- Other Building/Asset Improvements

Debt Service Fund

Expenditure Capacity: 22,073,005

The DSF includes expenditure capacity to meet principal and interest payments on existing debt, and anticipated final sale of bonds related to the 2015 Bond Authorization.

Revenues from the \$24M bond sale are included in the Capital Projects Fund. All bonds authorized in 2015 (\$244.4M) have now been sold.

Bonds were priced on August 6th. Achieved a true interest cost of just over 2%. Bond sale will close in September, 2019. DA Davidson will provide a summary report after the sale closes.

Transportation Vehicle Fund

Expenditure Capacity: 850,000

The 2019-20 TVF Budget provides capacity for the purchase small and large capacity busses, to replace older vehicles coming off of depreciation.

Associate Student Body Fund

Expenditure Capacity: 1,721,750

The ASB Fund accounts for the student extracurricular activities in each school.

The total of capacity is comprised of 11 individual school ASB budgets.

4 Year Forecast

Key Assumptions:

Local Levy Collections:

Voter approved collections through 2022; for 2023, assume same level of collection as 2022

Federal Revenues:

1% growth - no change in 3 of the last 4 years.

All Revenues and Expenditures:

Increase proportionally to enrollment growth and state funding increases for inflation.

Specific Expenditures:

Current collectively bargained agreements with salary enhancements greater than inflation; SBIRT Grant expiration

4 Year Forecast - General Fund

SUMMARY OF GENERAL FUND BUDGET

	(1) 2019-20 Current Budget	(2) 2020-21 Forecast	(3) 2021-22 Forecast	(4) 2022-23 Forecast
TOTAL REVENUES	<u>107,919,506</u>	<u>112,692,832</u>	<u>116,067,399</u>	<u>119,414,033</u>
TOTAL EXPENDITURES	<u>109,537,421</u>	<u>112,899,491</u>	<u>116,626,262</u>	<u>120,125,864</u>
	<u>(1,617,915)</u>	<u>(206,659)</u>	<u>(558,862)</u>	<u>(711,831)</u>

NOTE: Given growth assumptions from prior slide, 2020-21 Forecast would require \$2.0M in expenditure reductions. Actual level of reductions needed will be assessed during next year's budget process.

Budget Summary - All Funds

Snoqualmie Valley School District No.410

BUDGET AND EXCESS LEVY SUMMARY

	General Fund	Associated Student Body Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund
SECTION A: BUDGET SUMMARY					
Total Revenues and Other Financing Sources	107,919,506	1,706,750	23,477,045	50,879,253	573,178
Total Appropriation (Expenditures)	109,537,421	1,721,750	22,073,005	55,809,174	850,000
Other Financing Uses--Transfers Out (G.L. 536)	0	XXXX	0	1,875,000	0
Other Financing Uses (G.L. 535)	0	XXXX	0	0	0
Excess of Revenues/Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-1,617,915	-15,000	1,404,040	-6,804,921	-276,822
Beginning Total Fund Balance	11,500,000	381,904	8,457,000	22,900,000	1,240,000
Ending Total Fund Balance	9,882,085	366,904	9,861,040	16,095,079	963,178
SECTION B: EXCESS LEVIES FOR 2020 COLLECTION					
Excess levies approved by voters for 2020 collection	15,100,000	0	0	0	0
Rollback mandated by school district Board of Directors 1/	0	0	0	0	0
Net excess levy amount for 2020 collection after rollback	15,100,000	XXXX	23,341,000	4,700,000	0

Board Action Needed to Adopt Fund Appropriations

Snoqualmie Valley School District No.410

BUDGET AND EXCESS LEVY SUMMARY

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Other Financing Uses--Transfers Out (G.L. 536)	0	XXXX	0	1,875,000	0
Other Financing Uses (G.L. 535)	0	XXXX	0	0	0
Excess of Revenues/Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-1,617,915	-15,000	1,404,040	-6,804,921	-276,822
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Net excess levy amount for 2020 collection after rollback	15,100,000	XXXX	23,341,000	4,700,000	0

Administration recommends the adoption of the above appropriations (expenditures) in each respective fund.

Questions?

