

2022-23 Budget Hearing and Adoption:

*Snoqualmie Valley School District
August 11, 2022*

Budget Topics

General Fund

- *Current Year Actuals-to-Date*
- *Revenues Summary*
- *Expenditures Summary*
- *4 Year Projections*

Other Funds Review

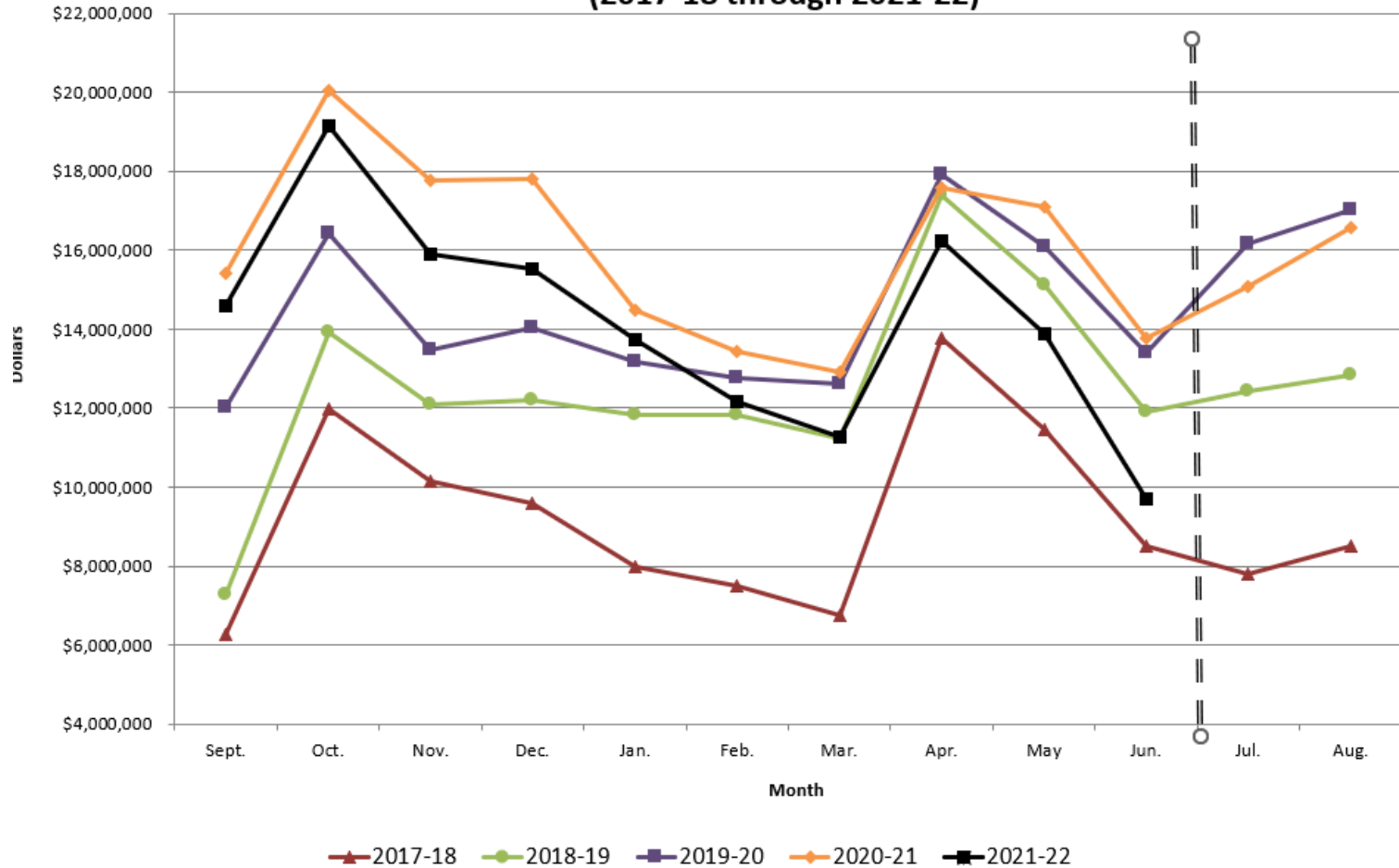
- *Capital Projects, Debt Service, ASB, Transportation Vehicle Funds*



General Fund 2022-23

General Fund Balance

Snoqualmie Valley School District No. 410
GENERAL FUND -- Total Ending Fund Balance by Month (Actual)
(2017-18 through 2021-22)




Fund Balance Projection

- *Have some trailing revenues this year – claims for ESSER, larger food service reimbursement.*
- *Budget anticipates beginning fund balance for of ~\$14.8M*
- *Current projected ending fund balance of ~\$14M*

2022-23 Current Draft Budget

Budget	2022-23	2021-22
Revenues	124,202,328	115,880,682
Expenditures	<u>125,923,947</u>	<u>117,692,127</u>
Use of Fund Balance	(1,721,618)	(1,811,444)

- *Prelim Fund Balance Recommendation (Feb 25) for 2022-23 Budget: Ending fund balance of 11 to 13%*
- *Current Draft Budget is just under the preliminary target @10.5%*



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Revenues	124,190,136	115,880,682
Expenditures	<u>125,923,947</u>	<u>117,692,127</u>
Use of Fund Balance	(1,733,811)	(1,811,444)

- *Revenue Changes: Levies; Inflation/Enrollment for State funding; ESSER Funds*
- *Expenditure Changes: Inflation, ESSER-funded staffing to address learning losses, other staffing increases (class size, counselors, nurses, communication, CTE, support staff)*

2022-23 Budget Priorities

- Reopening Plans and Addressing Learning Loss
 - *ESSER funding to fund staffing: social workers, mental health counseling, Multi-language learners (MLL), behavior specialists*
- Sustain recent initiatives:
 - *Instructional Coaches, Interventionists, AVID, World Lang, K-3 Class Size, MSHS 7-period day, MS Counselors, Fee Reductions*
- Progress towards balanced budget
- Collective Bargaining
 - *SVPA in progress*
- Curriculum adoptions
- Social/Emotional/Behavioral supports
- Professional development

2022-23 Budget Assumptions: Classroom Enrollment

Budgeted Enrollment (excl. Running Start)	2022-23	2021-22			2021-22 Actual
K-5	3,150	3,128	22		3,096
6-8	1,647	1,695	(48)		1,646
9-12	1,882	1,853	29		1,844
Alternative Learning	214	140	74		230
	6,893	6,816	3		6,816

- *Projected enrollment = 1% increase from 21-22 actuals.*
- *Many districts are grappling with enrollment coming out of COVID.*
- *Not shown above: Projecting lower running start enrollment, as we saw a reduction in enrollment this spring*

2022-23 Budget Highlights

Staffing vs. Total Enrollment (excl. Running Start)

	2019-20 Actual	2021-22 Actual		2022-23 Expected Actual	+/- 21-22	+/- 19-20
<i>FTE Enrollment</i>	6,922	6,816	(106)	6,893	77	(29)
<i>Certificated Staff</i>	494	508	14	524	16	30
<i>Classified Staff</i>	218	217	(1)	240	23	22

Staffing Increases

Certificated

ESSER FUNDING

Social Workers
Mental Health
Behavior Spec.
MLL

LOCAL FUNDING

Career Couns.
CTE Director
Nurses

Classified

Chief Comms
Elementary Paras
Admin Professionals
Custodial
Para IV
Business Office
Daycare

Projected Staffing vs. Pre-COVID Staffing

	2019-20 Actual	2022-23 Expected Actual	+/- 19-20	Estimated Cost
<i>FTE Enrollment</i>	6,922	6,893	(29)	
<i>Certificated Staff</i>	494	524	30	\$3,500,000
<i>Classified Staff</i>	218	240	22	\$1,300,000

~ \$4.8M incremental staffing costs vs. 19-20, with slightly lower enrollment. ESSER funds will fund ~\$1.6M.

Local Levy is supporting the remainder – class size reductions, increased communication and staff support, focus on career and post-high school options, health, safety and security

Elementary Average Class Size (not counting specialists)

	19-20	20-21	21-22	22-23 projected
K-3	20.2	18.2	18.8	19.7
4-5	24.5	23	20.6	23.9

20-21: Impacted by large drop in enrollment.

21-22: Demonstrated class size (includes specialists): 15.35.
State class-size funding: 17.0. State provided enrollment stabilization funds this year to help offset the cost of enrollment decline since 2019-20. ESSER 2 funding used for lower class sizes (6-12)

22-23: Working closer to 19-20 class sizes. Will continue to return to pre-covid class sizes in future years as part of balancing budget.

2022-23 Budget Assumptions

ESSER Funding

ESSER 1 (\$426k): Spent in 2020-21.

ESSER 2 (\$1.6M): Fully expended 2021-22.

*ESSER 3(\$3.7M): \$1.0M budgeted in 21-22
\$1.6M budgeted in 22-23
Remainder to be spent in 23-24*

2022-23 ESSER Expenditures

One-Time Funds – Focus on addressing learning loss/gaps from COVID. Use ESSER 3 funds to sustain for 2 years if possible.

3 Social Workers

2 Mental Health Counselors

2 Behavior Health Specialists

6.7 Increase in Multi-Language Learner Support

Evaluate effectiveness of these additions mid-year as we develop 2023-24 budget and use of remaining ESSER funds.

2022-23 Budget Assumptions

Food Service

- *Back to pre-Covid model – pay for meals, unless qualifying for Free or Reduced (which are both free to the student)*
- *Typically subsidize food services by \$600-700k: budget anticipates \$620k operating loss, to be covered by EP&O levy.*
- *Includes recently approved meal price increases at pre-Covid participation levels.*

2022-23 Budget Assumptions

New fee elimination for 2022-23

- *Standardized elementary school supply lists, and now provided by each school.
Funding provided by EP&O Levy (~\$120k)*

Previous School Fees Elimination

- *Eliminate all basic education school fees*
 - *Band/Music; CTE supply fees; PE Shirt Fees
~\$80k of additional fee reductions*
 - *Eliminating MSHS parking fees to try to help alleviate transportation demand vis-à-vis our bus driver shortage*

2022-23 Revenues

Budgeted Revenues	2022-23	2021-22	
Local Tax	18,811,801	16,358,000	EP&O Levy
Local NonTax	3,014,558	1,962,901	Food Sales return
State, General	75,050,631	69,650,263	IPD, enrollment and minor enhancements
State, Special Purpose	14,184,271	13,323,090	IPD, enrollment and minor enhancements
Federal, Special Purpose	8,806,067	11,813,538	Reduction of ESSER funding and Federal food reimbursement
Other Revenues	285,000	472,890	Reduction of SBIRT Grant
Other Financing Sources	4,050,000	2,300,000	Technology Levy
	124,202,328	115,880,682	

2022-23 Expenditures

Expenditures	2022-23	2021-22	
Regular Instruction	71,425,880	67,906,788	IPD, step increases and staffing Increases
Federal Special Purpose	1,514,377		New ESSER Classification
Special Ed Instruction	15,211,442	14,879,555	IPD and staffing adjustments
Vocational Ed Instruction	4,701,096	3,911,212	IPD + more CTE qualifying classes, moved from Regular Instruction.
Compensatory Ed Instruction	6,426,387	6,290,243	Increases in LAP
Other Instructional Programs	1,019,984	1,428,231	SBIRT reduction
Community Services	543,461	380,535	Daycare staffing Increase to meet legal requirements
Support Services	25,081,320	22,895,563	IPD, staffing increase, cost inflation
	125,923,947	117,692,127	

Majority of budgeted cost increases related to staffing.

2022-23 Expenditures

Expenditures	2022-23	2021-22	
			% Inc/(Dec)
Certificated Salaries	58,016,200	53,354,137	8.7%
Classified Salaries	16,859,498	14,881,797	13.3%
Benefits	27,498,773	25,352,532	8.5%
Total EE Compensation	102,374,471	93,588,466	
Certificated Salaries/FTE	106,477	100,516	5.9%
Classified Salaries/FTE	66,638	62,853	6.0%

Budgeted salaries/FTE are in line with expectations: 5.5% inflation, minor additional contractual increases, increase in 'staff mix' (salary steps) with less hiring this year.

2022-23 Expenditures

Expenditures	2022-23	2020-21	
Supplies	5,393,972	5,260,350	2.5%
Purchased Services	17,503,604	17,868,766	-2.0%
Travel/Capital Outlay	651,900	974,545	-33.0%
Materials, Supplies and Other Costs	23,549,476	24,103,661	

Purchased Services: Inflationary increases offset by decreases in food service management costs (less meals next year) and lower budgeted costs for out-of-district placements of students.

Capital Outlay: Decrease for 22-23, but may see an increase in subsequent years.

Expenditure By Activity Group

2021-22 Budget			
	Building Admin	Central Admin	Total
Issaquah	4.0%	5.3%	9.3%
Lake Washington	6.4%	4.8%	11.3%
Riverview	4.9%	8.2%	13.2%
Tahoma	5.0%	5.4%	10.4%
SVSD	5.4%	5.0%	10.4%
SVSD 22-23	5.5%	5.4%	10.9%

2022-23 Draft Budget Summary

Budgeted

2022-23

Revenues

124,190,136

Expenditures

125,923,947

Use of Fund Balance

(1,733,810)

*Budgeted ending fund balance of \$13.1M, or
~10.5% of Revenues*

2022-23 Budget Reminders

- *EP&O and Tech Levy increases approved by voters will help close the budget gap in 2023-24.*
- *However, ESSER funded staffing (\$1.7M) will eventually not be funded. When those are used, we will have to make some decisions to balanced the budget.*
 - *MLL supports will likely have to mostly return to typical funding levels or make reductions elsewhere;*
 - *Can we incorporate some of the social worker, mental health and behavior counseling over the next two years?*
- *Will likely have some cost cutting to do.*
 - *Assessing ROI of the ESSER-funded staffing*
 - *Software inventory and assessment*
 - *TBD*

4 Year Projections – General Fund

Assumptions:

- Levy Revenues from approved EP&O and Tech Levies*
- Enrollment Projections from FLO, converted to FTE using 3 year average;*
- Revenues and Expenditures increase by inflation (IPD) and enrollment growth percentages*
 - Including staffing, but not including any settlement costs of future contracts*
- ESSER funds contributing for the next 2 years*

4 Year Projections – General Fund

		2022-23 Current Budget	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast
REVENUES AND OTHER FINANCING SOURCES					
1000	Local Taxes	18,811,801	21,051,739	21,890,519	22,515,187
2000	Local Support Nontax	3,014,558	3,196,786	3,267,756	3,330,345
3000	State, General Purpose	75,050,631	79,587,387	81,354,276	82,912,485
4000	State, Special Purpose	14,184,271	15,041,700	15,375,635	15,670,130
5000	Federal, General Purpose				
6000	Federal, Special Purpose	8,806,067	8,991,688	7,328,146	7,364,787
7000	Revenues from Other School Districts				
8000	Revenues from Other Entities	285,000	290,700	296,805	302,741
9000	Other Financing Sources	4,050,000	4,950,000	5,250,000	5,550,000
TOTAL REVENUES AND OTHER FINANCING SOURCES		124,202,328	133,110,000	134,763,138	137,645,675
EXPENDITURES					
00	Regular Instruction	71,425,880	75,743,522	77,425,075	78,908,027
10	Federal Special Purpose Funding	1,514,377	1,700,000		
20	Special Education Instruction	15,211,442	16,130,963	16,489,080	16,804,902
30	Vocational Instruction	4,701,096	4,985,274	5,095,950	5,193,555
40	Skills Center Instruction				
50 and 60	Compensatory Education	6,426,387	6,560,970	6,613,385	6,659,609
70	Other Instructional Programs	1,019,984	1,081,641	1,105,654	1,126,831
80	Community Services	543,461	576,313	589,108	600,391
90	Support Services	25,081,320	26,867,467	27,463,941	27,989,968
TOTAL EXPENDITURES		125,923,947	133,646,150	134,782,193	137,283,283
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(1,721,619)	(536,150)	(19,055)	362,394

4 Year Projections – General Fund

	2022-23 Current Budget	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast
A. TOTAL REVENUES AND OTHER FINANCING SOURCES	124,202,328	133,110,000	134,763,138	137,645,675
B. TOTAL EXPENDITURES	125,923,947	133,646,150	134,782,193	137,283,283
E. EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,721,619)	(536,150)	(19,055)	362,394
H. TOTAL ENDING FUND BALANCE	13,078,381	12,542,231	12,523,176	12,885,568
	10.5%	9.4%	9.3%	9.4%

4 year forecasts for the other funds are attached to the agenda.



Other Funds 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	124,202,328	1,475,300	21,669,310	39,057,151	579,000
Total Appropriation (Expenditures)	125,923,947	1,576,038	24,939,863	18,000,000	1,200,000
Other Financing Uses--Transfers Out (G.L. 536)	0	XXXXX	0	4,050,000	0
Other Financing Uses (G.L. 535)	0	XXXXX	0	0	0
Excess of Revenues/Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-1,721,618	-100,738	-3,270,552	17,007,151	-621,000
Beginning Total Fund Balance	14,800,000	411,813	12,907,000	33,346,823	815,183
Ending Total Fund Balance	13,078,381	311,075	9,636,447	50,353,974	194,183
SECTION B: EXCESS LEVIES FOR 2023 COLLECTION					
Excess levies approved by voters for 2023 collection	20,585,000	0	0	0	0
Rollback mandated by school district Board of Directors 1/	0	0	0	0	0
Net excess levy amount for 2023 collection after rollback	20,585,000	XXXXX	18,240,000	8,039,000	0

Capital Projects Fund – 18.0M

Budget capacity to continue work on 2015 bond items: Preschool, safety and security, other asset improvements

Debt Service Fund - \$24.9M

Budget capacity to pay principal and interest on outstanding debt

Transportation Vehicle Fund - \$1.2M

Budget capacity to purchase new buses (replacing those coming off depreciation)

Associated Student Body Fund - \$1.5M

Student-proposed budget capacity for student activities

Capital Projects Fund

	TOTAL	(10) Sites	(20) Buildings	(30) Equipment	(35) Instruction Technology
PROJECT DESCRIPTION					
MSHS IMPROVEMENTS	500,000	0	500,000	0	0
PRESCHOOL	5,000,000	0	4,500,000	500,000	0
OTHER ASSET IMPROVEMENTS	2,500,000	0	2,500,000	0	0
PORTABLE CLASSROOMS	1,000,000	0	1,000,000	0	0
TECHNOLOGY	5,000,000	0	0	4,000,000	1,000,000
OTHER IMPROVEMENTS	4,000,000	0	3,000,000	1,000,000	0
TOTAL EXPENDITURES	18,000,000	0	11,500,000	5,500,000	1,000,000

Capacity for finalizing MSHS project; ongoing work on Other Asset Improvements, including preschool facility; Technology equipment funded by Technology Levy



Questions/Comments

Recommending Approval Of Board Resolution 872

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Other Financing Uses (G.L. 535)	0	XXXXX	0	0	0
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