

SUPERINTENDENT'S RECOMMENDED 2015-16 BUDGET

JUNE 2015



PSESD BUDGET BUILDING ASSUMPTIONS

- The PSESD budget will align with Board Ends
- Revenue/Expenditure changes:
 - *Early Learning State allocation may increase*
 - *HS Federal allocation may increase slightly*
 - *Decrease in RttT*
- The PSESD will adjust expenditures to match revenues
- Effort underway to make the budget process and resource use more understandable and transparent to employees
- Reserves more distinct to address long term needs

Cont.

- Each program will operate within revenues plus carry over, if any
- Indirect rates to support core operations will remain the same as FY 14 15
- Core program costs will be kept to a minimum
- Core funds available will be used to support strategic activities
- Program building costs (rent) will not change from FY 14 15 rates
- Technology fees will not change from FY 14 15 rates

RISK ANALYSIS

- Substantial interrogation utilized to build next year's budget:
 - Regularly analyze current year budget line by line
 - Monitor monthly and forecast end of year Fund Balance
 - Monitor monthly and forecast end of year Cash flow
 - Develop varied revenue scenarios
 - Project Multi-Year Revenue and Expenditures
 - Awareness of Legislative actions and potential actions

PSESD Budget Building Priorities

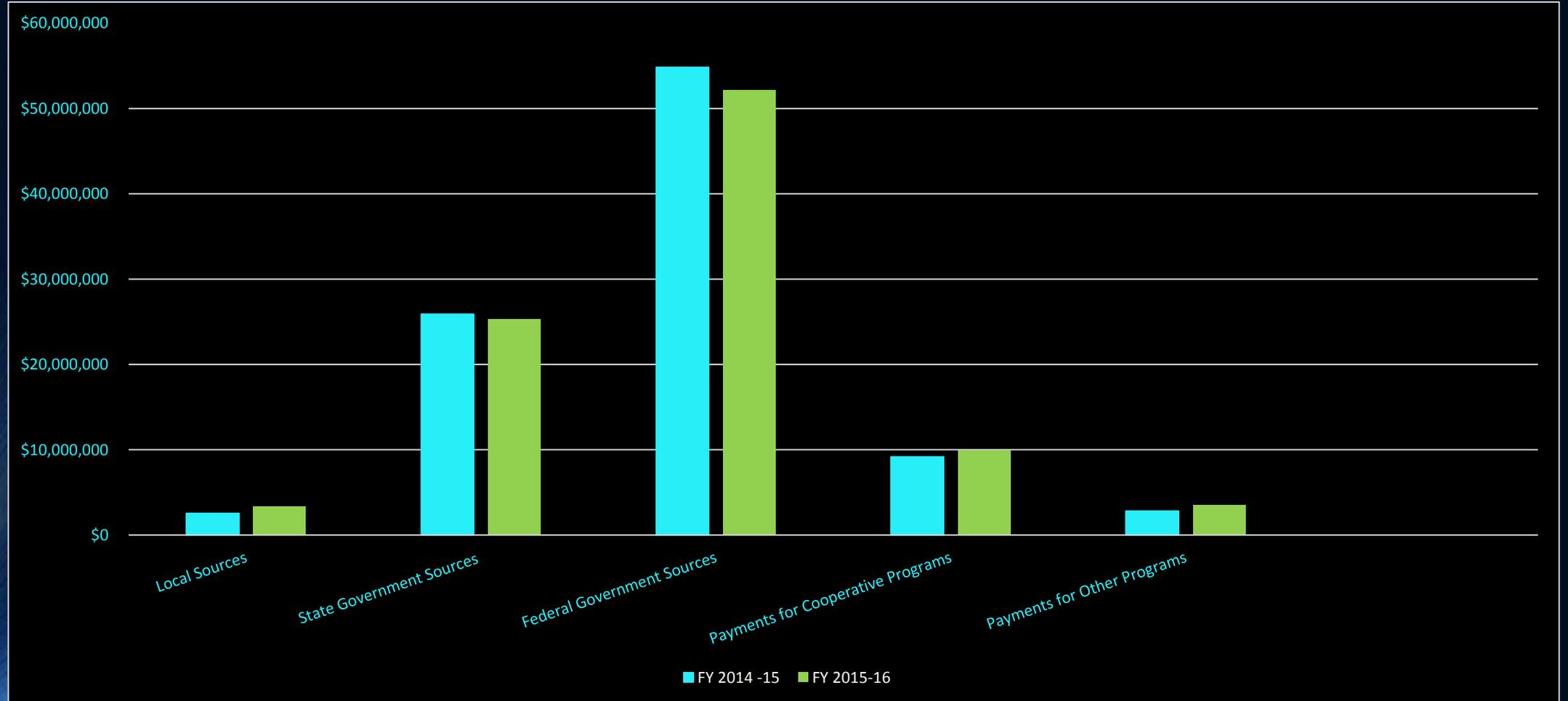
- Specific efforts to increase PSESD strategic direction
- Within available revenue, new ventures will be implemented to better serve our customers and position PSESD as a strong resource for our districts

PSESD Budget Building Priorities

- We intend to retain as many positions as possible with position retention aligned with grants
- To be competitive with the job market, we provide a 2% COLA
- Realigned core support of technology to support targeted strategies

COMPARING FISCAL YEAR

2014/2015
TO
2015/2016



**EDUCATIONAL SERVICE DISTRICT NO. 121
SUMMARY OF REVENUES**

		Actual FY13 14	Budget FY 14-15	Budget FY 15-16
REVENUES				
11 - 29	Local Sources	\$ 4,702,912	\$ 2,558,845	\$ 3,354,850
31 - 49	State Government Sources	\$19,343,583	\$25,885,941	\$25,316,684
51 - 69	Federal Government Sources	\$35,407,087	\$54,837,980	\$52,192,845
71 - 73	Payments for Cooperative Programs	\$ 7,982,134	\$ 9,174,319	\$ 9,954,214
81 - 83	Payments for Other Programs	\$ 2,917,689	\$ 2,820,514	\$ 3,496,044
92 - 95	Other Financing Sources	\$ 7,503		
TOTAL REVENUES		\$70,360,908	\$95,267,599	\$94,314,637

**EDUCATIONAL SERVICE DISTRICT NO. 121
GENERAL FUND BUDGET - REVENUES**

	Actual FY 13-14	Budget FY 14-15	Budget FY 15-16
LOCAL SOURCES			
12 Tuition and Fees	576,771	295,949	843,765
13 Sale of Goods, Supplies and/or Services	2,320,688	1,554,577	1,619,946
15 School Bus Fees and Charges	-4,827		
16 Investment Earnings	116,524	70,000	70,000
17 Gifts and Donations	572,426	493,319	641,139
18 Fines and Damages			
19 Rental of Property	94,836	145,000	180,000
20 Insurance Recoveries			
21 Certification Fees	30,385		
22 Precertification Fees	859,346		
23 E-Rate	92,215		
29 Local Sources, unassigned	44,548		
TOTAL LOCAL SOURCES	4,702,912	2,558,845	3,354,850

**EDUCATIONAL SERVICE DISTRICT NO. 121
GENERAL FUND BUDGET - REVENUES**

	Actual FY 13-14	Budget FY 14-15	Budget FY 15-16
STATE GOVERNMENT SOURCES			
31 ESD Allotment	510,851	510,000	511,287
32 Special Education			
36 Special, Pilot or Enhancement Programs	328,299	179,111	347,758
37 Nursing Services	115,881	110,034	114,810
39 State General Purpose, Unassigned	158,079	142,741	143,347
40 Early Childhood	15,522,358	22,240,720	21,396,630
41 Transportation - Operations	1,008,168	1,010,000	1,118,146
42 Transportation Depreciation Reimbursement	112,670	102,219	102,219
43 Other State Agencies	652,189	800,000	918,623
49 State Special Purpose, Unassigned	935,088	791,116	663,864
TOTAL STATE GOVERNMENT SOURCES	19,343,583	25,885,941	25,316,684

**EDUCATIONAL SERVICE DISTRICT NO. 121
GENERAL FUND BUDGET - REVENUES**

		Actual FY 13-14	Budget FY 14-15	Budget FY 15-16
FEDERAL GOVERNMENT SOURCES				
51	Special Education, IDEA	1,043,953	1,039,897	1,041,529
53	Remediation	275,631	280,464	277,902
60	School Food Service	792,886	660,000	828,829
61	Head Start	21,360,163	33,994,061	34,787,038
69	Federal Special Purpose, Unassigned	11,934,454	18,863,558	14,859,649
TOTAL FEDERAL GOVERNMENT SOURCES		35,407,087	54,837,980	52,192,845

EDUCATIONAL SERVICE DISTRICT NO. 121
GENERAL FUND BUDGET - REVENUES

	Actual	Budget	Budget
	FY 13-14	FY 14-15	FY 15-16
PAYMENTS FOR COOPERATIVE PROGRAMS			
71 Pmts from School Districts in Washington	1,818,572	1,798,410	2,145,457
73 Pmts from Other Entities	6,163,562	7,375,909	7,808,757
TOTAL FOR COOPERATIVE PROGRAMS	7,982,134	9,174,319	9,954,214
PAYMENTS FOR OTHER PROGRAMS			
83 Pmts from Other Entities	2,917,689	2,810,514	3,496,044
TOTAL FOR OTHER PROGRAMS	2,917,689	2,810,514	3,496,044
OTHER FINANCING SOURCES			
Change in Joint Venture	7,503		
TOTAL OTHER FINANCING SOURCES	7,503		

EXPENDITURES

**EDUCATIONAL SERVICE DISTRICT NO. 121
SUMMARY OF EXPENDITURES**

		Actual	Budget	Budget
		FY 13-14	FY 14-15	FY 15-16
EXPENDITURES				
01	ESD Core Operations	4,794,121	4,911,657	5,509,334
02	ESD Direct Cost Centers and Agency Services	1,868,628	1,526,786	1,358,956
10 - 60	Instructional Support	54,310,207	80,268,969	78,556,078
61 - 99	Non-Instructional Support	8,779,389	9,060,001	10,102,685
	Building Refinance			
D. TOTAL EXPENDITURES		69,752,345	95,767,413	95,527,053

**EDUCATIONAL SERVICE DISTRICT NO. 121
GENERAL FUND BUDGET EXPENDITURES**

		Actual FY 13-14	Budget FY 14-15	Budget FY 15-16
INSTRUCTIONAL SUPPORT				
10	Instructional Resources	48,201	63,617	99,900
12	Special Education	103,567	1,044,563	1,029,847
16	Staff Development	1,025,316	967,546	736,776
18	Education Technology	1,174,816	970,262	1,225,566
19	K-20	93,854	94,108	94,108
20	Safe and Drug-Free Schools	1,107,544	1,070,917	1,171,437
24	Math and Science	560,896	1,024,455	1,318,266
26	Art	538,430	1,101,742	584,331
30	Highly Capable	3,417	3,806	3,603
34	Early Childhood	38,012,584	55,777,442	56,017,962
XX	Budget Capacity			
36	Migrant Education	237,749	224,761	237,972
38	Alternative Learning Experience	1,781,593	1,661,828	2,246,187
48	Professional Development Centers	16,907	31,778	25,036
58	Race to the Top	7,292,300	13,867,753	10,702,449
59	Other Instructional Support Programs	2,313,033	2,364,391	3,062,638
TOTAL INSTRUCTIONAL SUPPORT		54,310,207	80,268,969	78,556,078

**EDUCATIONAL SERVICE DISTRICT NO. 121
GENERAL FUND BUDGET EXPENDITURES**

NON-INSTRUCTIONAL SUPPORT	Actual FY 13-14	Budget FY 14-15	Budget FY 15-16
62 Adult Education	289,593	283,246	283,246
64 Data Processing	64,496	61,361	40,541
66 Risk Management	5,441,880	6,786,068	7,218,723
68 Public Communications	80,188	88,000	88,000
70 Transportation	1,054,602	1,061,910	1,159,338
73 Nursing Services			
74 Human Resource Services	106,531	99,130	103,432
78 Fiscal Agent Services	1,691,116	171,111	223,889
89 Other Non-Instructional Support Programs	50,983	306,956	499,693
99 Transportation Equipment		202,219	485,823
TOTAL NON-INSTRUCTIONAL SUPPORT	8,779,389	9,060,001	10,102,685
TOTAL PROGRAM EXPENDITURES	69,752,345	95,767,413	95,527,053

EDUCATIONAL SERVICE DISTRICT NO. 121
SUMMARY OF GENERAL FUND – FUND BALANCE

	Actual FY 13-14	Budget FY 14-15	Budget FY 15-16
BEGINNING FUND BALANCE SUMMARY			
GI 810 Invested in Capital Assets	2,405,229	2,765,009	1,904,000
GL 830 Restricted for Debt Services	894,626	894,626	856,270
GL 865 Restricted for Other Items	1,742,910	1,833,834	2,010,134
GL 880 Restricted for Instructional Support Programs	3,327,046	3,906,983	3,501,586
Restricted for Non-Instructional Support			
GL 881 Programs	1,670,492	1,164,959	1,080,222
GL 885 Restricted for Joint Venture	610,848	612,900	620,500
GL 890 Unreserved Fund Balance	1,775,740	1,690,555	2,561,431
TOTAL BEGINNING FUND BALANCE	12,426,891	12,868,866	12,534,143

**EDUCATIONAL SERVICE DISTRICT NO. 121
SUMMARY OF GENERAL FUND - FUND BALANCE**

	Actual FY 13-14	Budget FY 14-15	Budget FY 15-16
ENDING FUND BALANCE SUMMARY			
GL			
810 Invested In Capital Assets	1,934,193	2,975,509	2,104,560
GL			
830 Restricted for Debt Service	856,270	894,626	756,270
GL			
865 Restricted for Other Items	2,117,134	1,920,134	2,111,134
GL Restricted for Instructional Support			
880 Programs	3,738,948	3,526,720	3,003,584
GL Restricted for Non-Instructional			
881 Support Programs	1,184,180	959,500	929,720
GL			
885 Restricted for Joint Venture	618,351	613,500	625,300
GL			
890 Unreserved Fund Balance	2,586,378	1,478,763	1,791,159
F. TOTAL ENDING FUND BALANCE	13,035,454	12,368,752	11,321,727

Core Funds beyond Core support, New Ventures

- Indirect Charges plus State ESD Allocation makes us CORE revenue.
- CORE operational Costs predicted for FY 15 -16 are less than predicted Core revenue - a new opportunity
- New Ventures were identified by Cabinet that would further our work toward our End
- Using the Race Equity Tool, a group of employees of color reviewed the ideas

Core Funds beyond Core support, New Ventures

- Budget packages prioritized using the Racial Equity Tool:
- **Priority 1: Racial Equity Implementation Plan and the BOLD Moves Strategies.** These two initiatives intersect, thus funding should be provided to support both efforts. These bodies of work should not be considered separate work.
- **Priority 2: Resource Development Director:** Generate funding for agency priorities. Highest priority should be to fully fund the PSESD Regional Safety Support Services along with Educare and the College Access Network.
- **Priority 3: PSESD Regional Safety Support Services:** As mentioned above, they would like to see the Resource Development Director prioritize the funding of this project.

TIMELINE

- Superintendent and senior staff make estimates of final budgets
- Superintendent Advisory Committee Chair approval

May

June 17

- Public hearing on recommended Budget
- Superintendent formally introduces recommended FY 15-16 GF Budget to Board
- Board takes formal action

- Ongoing- Budget updates as needed

Continues