

2019-20 BUDGET AND PLANNING PROCESS

Board Study Session
June 10, 2019

Study Session Agenda

- ❑ Budget Policies, Process and Timeline
- ❑ Update on 2019-20 Strategic Work and Resource Alignment
- ❑ Preliminary Budget Changes for 2019-20
- ❑ Feedback and Direction from the Board

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Budget Policies, Process & Timeline

Annual Budget *File: DB*

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A district's annual budget is **tangible evidence of the board's commitment toward fulfilling the aims and objectives of the instructional program**. The budget expresses in specific terms the services to be provided, consistent with immediate and long-range goals and resources available and establishes priorities within broad program areas such as basic education, other separately funded programs and support services.

Prior to presentation of the proposed budget for adoption, the superintendent shall prepare for the board's study and consideration appropriate documentation supporting his/her recommendations, which shall be designed to meet the needs of students within the limits of anticipated revenues consistent with reasonable management practices.

Program planning and budget development shall provide for staff participation and the sharing of information with patrons prior to action by the board.

Current practice codified 1988

Adopted:
5/7/90

Budget Hearings & Review *File: DBG*

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The board shall hold an **annual budget meeting** as prescribed by state law at which time the voters of the district are invited to a **public hearing** on the proposed budget for the coming year. Members of the board and the administration shall be present at this meeting to answer questions on any phase of the budget.

Established by law

Budget Adoption *File: DBH*

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The budget shall be presented in a **public hearing no later than August 31**. Following this formal presentation, the president shall invite any written or oral testimony for or against the budget. After sufficient opportunity to react, the **budget shall be adopted by the board**. Such action shall be recorded in the official minutes of the board. Copies of the budget as adopted shall be filed with the educational service district no later than September 3. Copies of the budget will be filed with the State Superintendent of Public Instruction.

Current practice codified 1988

Adopted:

5/7/90

Financial planning for any fiscal year shall align with Board's **End Results** policies, ensure the district's financial position is **fiscally sound and be derived from a multi-year plan.**

Accordingly, the CEO shall develop a budget which:

1. Is in a **summary format understandable to the Board and community** presented in a manner that allows the board to see the **relationship between the budget and the Ends priorities for the year.**
2. Adequately describe revenues and expenditures.
3. Shows the amount spent in each budget category for the most recently completed fiscal year, the amount budgeted for each category for the current fiscal year and the amount recommended for the next fiscal year.
4. Discloses budget planning assumptions.
5. Plans for the expenditures in any fiscal year to be equal or less than are **conservatively projected** to be available during the year.

6. Provides necessary information to the Board on matters with a significant budgetary impact, allowing the Board adequate time to consider the information presented.
7. Considers feedback from the Board.
8. Provides for reasonable contingencies.
9. Maintains the projected year-end fund balance is not less than five percent of the projected revenue.
10. Provides adequate and reasonable budget support for Board development and other governance priorities, including the costs of fiscal audits, Board and committee meetings, Board memberships and district legal fees.
11. Takes into consideration fiscal soundness in future years and builds on the organizational capabilities sufficient to achieve **End Results** in future years.
12. Reflects anticipated changes in employee compensation, including inflationary adjustments, step increases, performance increases and benefits.
13. Is based on reasonable consultation with appropriate constituent groups.

Budget & Strategic Planning Process and Timeline

February	March	April	May	June	August
<ul style="list-style-type: none"> • Staff program survey deploys 	<ul style="list-style-type: none"> • Board holds Extended Study Session • Parent program survey deploys • District receives legislative funding level and new mandates • Strategic Planning Rep. Group convenes 	<ul style="list-style-type: none"> • Departments receive budget information for review • DLT identifies budget addition requests and submits to Business Office 	<ul style="list-style-type: none"> • SALT reviews strategic plan and budget requests associated with strategic work and provides feedback • Board holds Study Session 	<ul style="list-style-type: none"> • Board holds Study Session • Public budget presentation • Public feedback period begins 	<ul style="list-style-type: none"> • Board holds public hearing • Board final budget approval

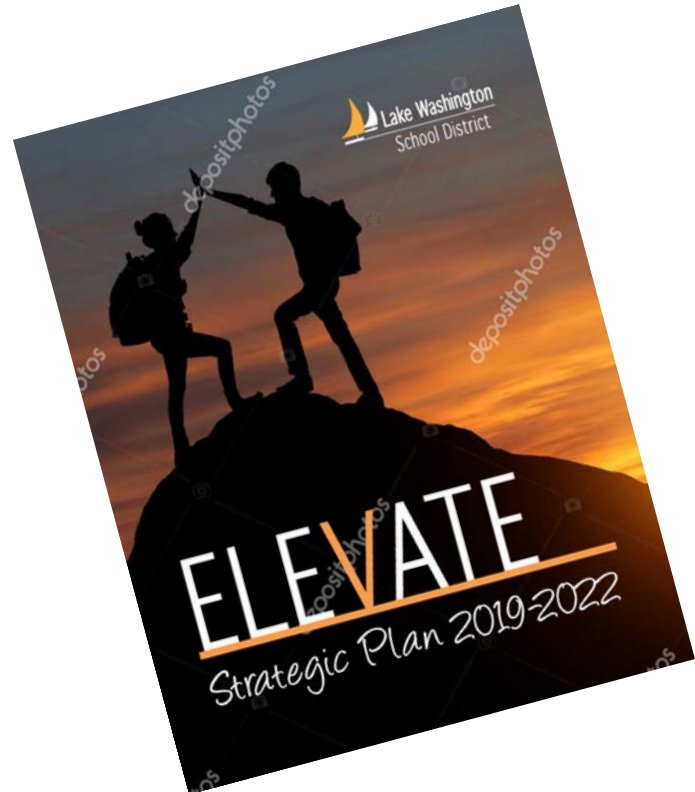
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Strategic Work and Resource Alignment

Meritorious Budget Award Transparency and Accountability

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Lake Washington School District has been awarded the Meritorious Budget Award for the last two years



Lake Washington School District
2018-19 Budget



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Strategic Goals

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- Academic Success
- Well-Being
- Community Engagement
- Excellent Staff
- Effective Use of Resource

Strategic Goal: Academic Success

<i>Additional Resource Needs Identified for 2019-20: \$2.6 Million</i>	Ongoing	One-Time
Multi-Tiered System of Support (MTSS) Training Inclusion and Co-Teaching Training		\$186,318
Special Education <ul style="list-style-type: none"> • Early Childhood Enhancements • Behavioral Health Support • Vision Support • Curriculum and Assessment Test Kits 	\$1,473,862	
Teaching and Learning <ul style="list-style-type: none"> • K-5 Math Assessment Pilot • Highly Capable Program and Testing Support • Musical Instrument Replacement and Maintenance • Technology Application Support • 5th Grade Teacher Training in technology and science • Curriculum Training • K-12 Next Generation Science Standards (NGSS) Science Training • International High School Transcript Support 	\$464,636	\$459,415

Strategic Goal: Well-Being

<i>Additional Resource Needs Identified for 2019-20: \$1.2 Million</i>	Ongoing	One-Time
Equity Efforts and Training	\$150,000	\$50,000
Safety and Security <ul style="list-style-type: none"> • Campus Security Uniforms and supplies • Emergency Management • SRO support 	\$184,339	\$12,000
Student Services <ul style="list-style-type: none"> • Behavioral Health Support • Interpreter Services • PBIS training 	\$376,800	\$185,840
Health Services Specialists (School Nurses)	\$151,214	
Athletics and Activities <ul style="list-style-type: none"> • Summer Athletics and Management • Activity stipend alignment cheer and dance 	\$150,223	

Strategic Goal: Community Engagement

Additional Resource Needs Identified for 2019-20: \$0.5 Million

Ongoing

One-Time

Communications

- Community Engagement Tools
- Public Records Request Support
- LINKS Support
- School Webmaster Stipends
- Sustainability Efforts School Green Team Stipends
- Community and Government Relations Support

\$466,267

Strategic Goal: Excellent Staff

<i>Additional Resource Needs Identified for 2019-20: \$1.3 Million</i>	Ongoing	One-Time
Human Resources Classified Recruitment Support	\$373,223	
Professional Development <ul style="list-style-type: none"> • Professional Learning Management Systems (PLMS) Supports • Paraeducator Certification Program Development and Training • Substitute Safety and Technology Training • New Teacher Support Program 	\$567,144	361,801

Strategic Goal: Effective Use of Resources

<i>Additional Resource Needs Identified for 2019-20: \$1.1 Million</i>	Ongoing	One-Time
Business Services Support	\$226,896	
Facility Maintenance <ul style="list-style-type: none">• Inspection and Testing Support• Grounds Support and Equipment• Custodial Support	\$380,830	\$196,000
Technology Imaging, Materials and Procurement Supports	\$286,225	

Budget Proposal

Strategic Work – Summary

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Strategic Goal Area	Millions
Academic Success	\$2.6
Well-Being	\$1.2
Community Engagement	\$0.5
Excellent Staff	\$1.3
Effective Use of Resources	\$1.1
Total Strategic Work Expenditures	\$6.7

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2019-20 Preliminary Budget

Key Changes – Enrollment

	2018-19 Budgeted Enrollment	2019-20 Budgeted Enrollment	Change in Enrollment from Budget to Budget
Elementary	14,837	14,952	115
Middle	7,052	7,163	111
Sr. High	7,372	7,534	162
Subtotal	29,261	29,649	388
Skill Center	352	352	0
ALE (EMK12)	60	60	0
Total Enrollment	29,673	30,061	388

Figures represent Average Annual Full-time Equivalent (FTE) and excludes Running Start

Key Changes – Enrollment

	2018-19 Budgeted Enrollment	2019-20 Budgeted Enrollment	Change in Enrollment from Budget to Budget
CTE			
Middle	298	235	(63)
Sr. High	1,247	1,200	(47)
Skills Center	352	352	0
Special Education	3,550	3,495	(55)
EL	2,775	3,200	425
EL Exit	1,300	1,770	470
Running Start	450	610	160

Budget Proposal

Key Changes - Revenues

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State Legislative Changes	Millions
Salary Allocations/Benefits/Pension	\$11.6
Materials, Supplies, and Operating Costs (MSOC)	\$1.4
Special Education Formula Change	\$1.0
Total Legislative Changes	\$14.0
Enrollment/Levy Changes	Millions
Basic Ed/Special Ed Enrollment	\$2.8
Levy	(\$3.0)
Categorical Grants (EL, LAP, Running Start)	\$2.9
Total Local Impact	\$2.7

Budget Proposal

Key Changes - Revenues

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Federal Grants	Millions
Title I	\$1.2
IDEA Federal Special Ed Safety Net	\$2.5
IDEA Federal Special Ed	\$0.5
Total Federal Grants	\$4.2
Other Self-Supporting Programs	Millions
Grants/Self-Supporting Programs	\$2.5
Total Other	\$2.5

Budget Proposal

Key Changes - Revenues

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Revenue Impact Summary	Millions
Local Impact	\$2.7
State Legislative/Grant Impact	\$14.0
Federal Grant Impact	\$4.2
Other Self-Supporting	\$2.5
Total Revenue Changes	\$23.4

Budget Proposal

Key Changes - Expenditures

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	Millions
Staffing due to Enrollment	\$2.30
Operational Costs of New Schools	\$2.30
K-3 Safety Net Staffing	\$3.20
Compensation/Benefits/Pension	\$23.30
Grants/Self-Supporting Programs	\$9.10
Fixed Costs	\$2.60
Less one-time expenditures from prior year	(\$1.50)
Strategic and Organizational Work	\$6.70
Total Expenditure Changes	\$48.00

Preliminary General Fund Budget

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	2018-19 Budget	2019-20 Budget
Beginning Fund Balance	\$45.8	\$68.0
Revenues	\$440.5	\$463.8
Expenditures	\$418.2	\$466.2
Ending Fund Balance	\$68.1	\$65.6

Four-year Required Outlook: Assumptions

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Revenue Assumptions

- Enrollment growth averages 1.0% per year
- No significant changes in state funding
- Levy based on current voter approved amounts

Expenditure Assumptions

- Staffing is aligned with enrollment growth
- Ongoing local costs needs over state funding for salaries/benefits/retirement
- Ongoing fixed cost increases and strategic adds

General Fund Budget

Preliminary Four-Year Required Outlook

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	2019-20 Budget	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
Beginning Fund Balance	\$68.0	\$65.6	\$58.7	\$51.2
Revenues	\$463.8	\$475.6	\$486.4	\$495.8
Expenditures	\$466.2	\$482.5	\$493.9	\$503.6
Ending Fund Balance	\$65.6	\$58.7	\$51.2	\$43.4

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Board Feedback