



# 2019-20 PROPOSED BUDGET

Lake Washington School District  
June 24, 2019 Board Meeting

# Budget Presentation Outline

- ❑ 2019-20 Proposed Budget Document Presentation
  - ❑ *Budget Policies, Process & Timeline*
  - ❑ *Overview of All Funds*
  - ❑ *General Fund Revenues & Expenditures*
  - ❑ *Strategic Work and Resource Alignment*
  - ❑ *Next Steps*

# BUDGET POLICIES, PROCESS & TIMELINE



# Annual Budget *File: DB*

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*

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*

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

# Executive Limitations *EL-10*

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.

# Executive Limitations *EL-10* (continued)

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.



# Timeline

- ❑ June 24, 2019
  - ❑ *Budget presentation*
  - ❑ *Proposed budget will be available on district's website or copies can be obtained in Budget office*
  - ❑ *Public comment period - June 25 – August 11*
- ❑ August 12, 2019
  - ❑ *Public Hearing*
- ❑ August 26, 2019
  - ❑ *Formal Board action*

# 2019-20 PROPOSED BUDGET OVERVIEW

All Funds



# Expenditures By Fund

	<u>Millions</u>
■ General Fund	\$466.2
■ Associated Student Body Fund	\$5.6
■ Debt Service Fund	\$83.2
■ Capital Projects Fund	\$196.2
■ Transportation Vehicle Fund	\$2.0
<b>Total</b>	<b>\$753.2</b>



# Associated Student Body Fund

		<u>Millions</u>
Beginning Fund Balance		\$0.981
Revenues		<u>\$5.402</u>
Total Resources Available		\$6.383
Expenditures		
General Student Body	\$1.909	
Athletics	\$1.342	
Classes	\$0.188	
Clubs	\$1.980	
Private Monies	<u>\$0.141</u>	
Total Expenditures		<u>\$5.560</u>
Ending Fund Balance		\$0.823



# Debt Service Fund

		<u>Millions</u>
Beginning Fund Balance		\$31.131
Revenues		<u>\$75.136</u>
Total Resources Available		\$106.267
Expenditures		
Bond Principal	\$51.275	
Bond Interest	\$31.855	
Transfer Fees	<u>\$0.100</u>	
Total Expenditures		<u>\$83.230</u>
Ending Fund Balance		\$23.037



# Capital Projects Fund

		<u>Millions</u>
Beginning Fund Balance		\$109.194
Revenues		
Levy	\$45.674	
Interest/Impact Fees	\$5.235	
State Special Purpose	\$5.054	
Other Financing Sources	<u>\$70.000</u>	
Total Revenues		\$125.963
Transfer to General Fund		(\$8.609)
Transfer to Debt Service Fund		<u>(\$5.655)</u>
Total Resources Available		\$220.893
Expenditures		<u>\$196.166</u>
Ending Fund Balance		\$24.727

# 2019-20 Major Capital Projects

## 2016 Bond Construction Projects

- Completion of Timberline Middle School, Mead and Kirk Elementary rebuild and enlarge projects – open Fall 2019
- Juanita High School rebuild and enlarge – Phase 1 open Fall 2019; Phase II open Fall 2020
- Old Redmond Schoolhouse – Fall 2020

## 2019 Six-year Levy Projects - Capacity and Safety

- Lake Washington High School Addition
- Planning and design for Elementary Additions

## 2018 Four-year Levy Projects – Facilities and Technology

- Building Systems & Improvements
- Code, Compliance, Health & Safety
- School and Program improvements
- Site Improvements, Athletics & Playfield Upgrades
- Technology Infrastructure, Equipment, Software, Systems & Training



# Transportation Vehicle Fund

		<u>Millions</u>
Beginning Fund Balance		\$3.801
Revenues		<u>\$0.808</u>
Total Resources Available		\$4.609
Expenditures		<u>\$1.937</u>
Ending Fund Balance		\$2.672



GENERAL FUND



# 2019-20 Legislative Budget

- McCleary
  - Levy Reduction (2<sup>nd</sup> year)*
  - Move to statewide employee benefits (SEBB – January 1, 2020)*
  - Special Education*
- K-3 Staffing
- Para Educator Training
- Inflationary adjustment (COLA)
- Small increase in pension rate

# General Fund

		<u>Millions</u>
Beginning Fund Balance		\$68.032
Revenues		\$455.087
Transfer from Capital Projects Fund		<u>\$8.609</u>
Total Revenues		\$463.696
Expenditures		<u>\$466.226</u>
Ending Fund Balance		\$65.502

# 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)
Skill 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

<b>State Legislative Changes</b>	<b>Millions</b>
Salary Allocations/Benefits/Pension	\$12.4
Materials, Supplies, and Operating Costs (MSOC)	\$1.4
Special Education Formula Change	\$1.0
<b>Total Legislative Changes</b>	<b>\$14.8</b>
<b>Enrollment/Levy Changes</b>	<b>Millions</b>
Basic Ed/Special Ed Enrollment	\$2.7
Levy	(\$3.1)
Categorical Grants (Sped. Safety Net, EL, LAP, RS)	\$4.5
<b>Total Local Impact</b>	<b>\$4.1</b>

# Budget Proposal

## Key Changes - Revenues

<b>Federal Grants</b>	<b>Millions</b>
Title I	\$1.2
IDEA Federal Special Ed Safety Net	\$1.0
IDEA Federal Special Ed	\$0.5
<b>Total Federal Grants</b>	<b>\$2.7</b>
<b>Other Self-Supporting Programs</b>	<b>Millions</b>
Grants/Self-Supporting Programs	\$1.6
<b>Total Other</b>	<b>\$1.6</b>

# Budget Proposal

## Key Changes - Revenues

<b>Revenue Impact Summary</b>	<b>Millions</b>
Local Impact	\$4.1
State Legislative/Grant Impact	\$14.8
Federal Grant Impact	\$2.7
Other Self-Supporting	\$1.6
<b>Total Revenue Changes</b>	<b>\$23.2</b>



# Revenue Summary

	2018-19	2019-20	%
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
State Apportionment	\$282,928,613	\$300,200,645	6.1%
State Categorical	51,734,379	56,529,790	9.3%
Federal	15,527,805	18,093,693	16.5%
Levy	63,736,671	60,611,961	(4.9%)
Fee Programs	17,960,392	19,636,948	9.3%
Other	8,630,215	8,623,581	(0.1%)
<b>Total Revenue Budget</b>	<b>\$440,518,075</b>	<b>\$463,696,618</b>	<b>5.3%</b>

# Funding Sources

	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
State Basic	51.5%	52.0%	52.3%	54.6%	56.4%	58.7%	64.2%	<b>64.7%</b>
State Categorical	10.4%	11.3%	12.0%	11.5%	11.7%	11.4%	11.7%	<b>12.2%</b>
Federal	6.3%	5.7%	5.5%	5.1%	5.1%	4.4%	3.5%	3.9%
Levy	<b>22.9%</b>	22.5%	22.0%	21.1%	20.5%	19.2%	14.5%	<b>13.1%</b>
Fees	6.1%	5.7%	5.3%	5.0%	3.5%	3.5%	4.1%	4.2%
Other	2.8%	2.8%	2.9%	2.7%	2.8%	2.8%	2.0%	1.9%

% of total revenue budget

# Budget Proposal

## Key Changes - Expenditures

	<b>Millions</b>
Staffing due to Enrollment	\$2.30
Operational Costs of New Schools	\$2.30
K-3 Safety Net Staffing	\$3.20
Compensation/Benefits/Pension	\$24.20
Grants/Self-Supporting Programs	\$8.30
Fixed Costs	\$2.60
Less one-time expenditures from prior year	(\$1.50)
Strategic and Organizational Work	\$6.70
<b>Total Expenditure Changes</b>	<b>\$48.10</b>

# Materials, Supplies and Operating Costs (MSOC)

- ❑ State Funded MSOC \$38.5
- ❑ District Budgeted MSOC Expenditures \$32.0
- ❑ Difference \$6.5

Difference used for special education, substitute costs, professional learning, compensation for curriculum work, meetings, and training.

# Expenditure Program Summary

	2018-19	2019-20	%
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
Regular Education	\$260,997,540	\$291,424,353	11.7%
Alternative Learning Exp.	\$799,878	\$836,130	4.5%
Special Education	54,427,350	62,033,890	14.0%
CTE/Vocational Education	13,845,309	13,438,345	(2.9%)
Skill Center Instruction	3,477,211	3,631,537	4.4%
Compensatory Ed.	12,715,201	15,642,148	23.0%
Other Instruction	12,133,519	13,130,004	8.2%
Community Services	2,521,120	3,381,672	34.1%
District Wide Support	37,536,987	42,003,366	11.9%
Nutrition Serv./Transportation	19,699,783	20,704,984	5.1%
<b>Total Expenditure Budget</b>	<b>\$418,153,898</b>	<b>\$466,226,429</b>	<b>11.5%</b>

# Four-year Required Outlook: Assumptions

## 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

	2018-19 Budget	2019-20 Budget	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated
Beginning Fund Balance	\$45.8	\$68.0	\$65.5	\$58.5	\$50.9
Revenues	\$440.5	\$463.7	\$475.5	\$486.3	\$495.7
Expenditures	\$418.2	\$466.2	\$482.5	\$493.9	\$503.6
Ending Fund Balance	\$68.1	\$65.5	\$58.5	\$50.9	\$43.0

# STRATEGIC WORK AND RESOURCE ALIGNMENT





# Meritorious Budget Award Transparency and Accountability

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



# Strategic Goals

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

## Strategic Goal: Academic Achievement

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

## Strategic Goal: Well-Being

<i>Additional Resource Needs Identified for 2019-20: \$1.2 Million</i>	Ongoing	One-Time
<b>Equity Efforts and Training</b>	\$150,000	\$50,000
<b>Safety and Security</b> <ul style="list-style-type: none"> <li>• Campus Security Uniforms and supplies</li> <li>• Emergency Management</li> <li>• SRO support</li> </ul>	\$184,339	\$12,000
<b>Student Services</b> <ul style="list-style-type: none"> <li>• Behavioral Health Support</li> <li>• Interpreter Services</li> <li>• PBIS training</li> </ul>	\$376,800	\$185,840
<b>Health Services Specialists (School Nurses)</b>	\$151,214	
<b>Athletics and Activities</b> <ul style="list-style-type: none"> <li>• Summer Athletics and Management</li> <li>• Activity stipend alignment cheer and dance</li> </ul>	\$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
<b>Human Resources Classified Recruitment Support</b>	\$373,223	
<b>Professional Development</b> <ul style="list-style-type: none"><li>• Professional Learning Management Systems (PLMS) Supports</li><li>• Paraeducator Certification Program Development and Training</li><li>• Substitute Safety and Technology Training</li><li>• New Teacher Support Program</li></ul>	\$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
<b>Business Services Support</b>	\$226,896	
<b>Facility Maintenance</b> <ul style="list-style-type: none"><li>• Inspection and Testing Support</li><li>• Grounds Support and Equipment</li><li>• Custodial Support</li></ul>	\$380,830	\$196,000
<b>Technology Imaging, Materials and Procurement Supports</b>	\$286,225	

# Budget Proposal Strategic Work – Summary

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



# Budget Proposal

## Next Steps

- 2019-20 Proposed Budget document will be available on the district's website. Hard copies can be obtained in Budget office.
- Public comment period: June 25 – August 11
- Public Hearing: August 12
- Formal Board action: August 26