



# BUDGET AND STRATEGIC PLANNING

BOARD STUDY SESSION – JUNE 8, 2020



# STUDY SESSION AGENDA

- ❑ Budget Policies, Process and Timeline
- ❑ Update on 2020-21 Strategic Work and Resource Alignment
- ❑ Preliminary Budget Changes for 2020-21
- ❑ Feedback and Direction from the Board

# BUDGET POLICIES, PROCESS & TIMELINE

# BUDGET HEARINGS, REVIEW & ADOPTIONS POLICY: 6000

## **Annual Budget**

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.

# BUDGET HEARINGS, REVIEW & ADOPTIONS POLICY: 6000

## **Budget Adoption**

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.

## **Budget Hearings and Reviews**

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.

# OPERATIONAL EXPECTATIONS

## OE-5 FINANCIAL PLANNING

The Superintendent shall develop and present to the Board a multi-year financial plan that is related directly to the Board's **Results** priorities and **Operational Expectations** goals, and that avoids long-term fiscal jeopardy to the district.

### **The Superintendent will develop a budget that:**

- 5.1 Is in a summary format understandable to the Board and community, presented in a manner that allows the Board to understand the relationship between the budget and the **Results** priorities and any **Operational Expectations** goals for the year.
- 5.2 Clearly describes revenues and expenditures with adequate supporting detail.
- 5.3 Shows the amount spent in each budget category for the most recently completed fiscal year, the amount budgeted for the current fiscal year, and the amount budgeted for the next fiscal year.
- 5.4 Discloses budget-planning assumptions.
- 5.5 Assures fiscal soundness in future years that includes provisions for reasonable contingencies.

# OPERATIONAL EXPECTATIONS

## OE-5 FINANCIAL PLANNING (CONTINUED)

- 5.6 Provides necessary information to the Board on matters with a significant budgetary impact, allowing the Board adequate time to consider the information presented.
- 5.7 Reflects anticipated changes in employee compensation, including inflationary adjustments, step increases, performance increases and benefits.
- 5.8 Includes such amounts as the Board determines to be necessary for its own governing function.
- 5.9 Is based on reasonable consultation with appropriate constituent groups.

### **The Superintendent may not develop a budget that:**

- 5.10 Plans for the expenditure in any fiscal year of more funds than are conservatively projected to be available during the year.
- 5.11 Provides for an anticipated year-end fund balance of less than five percent of the projected revenue.

# BUDGET & STRATEGIC PLANNING PROCESS AND TIMELINE

March

- District receives legislative funding level and new mandates

April

- Departments receive budget information for review
- DLT identifies budget addition requests and submits to Business Office

May

- SALT reviews strategic plan and budget requests associated with strategic work and provides feedback
- Board holds Study Session

June

Board holds Study Session  
Public budget presentation  
Public feedback period begins

August

- Board holds public hearing
- Board final budget approval





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# 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 three years


**Lake Washington School District**  
**2019-20 Budget**



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# STRATEGIC GOALS

Academic Success

Well-Being

Community Engagement

Excellent Staff

Effective Use of Resource

## Academic Success

	Ongoing	One-Time
<b>Elementary Associate Principals</b>	\$1,758,230	
<b>Special Education</b> <ul style="list-style-type: none"> <li>• Reserve funds for Behavior Supports, para educator staffing for two years</li> </ul>		\$4,000,000
<b>Instructional and Operational Support</b> <ul style="list-style-type: none"> <li>• Reserve funds for professional training, support and staffing related to reopening school</li> </ul>		\$2,000,000
<b>Tech Integration</b> <ul style="list-style-type: none"> <li>• Supports for tech integration</li> </ul>		\$300,500
<b>Data, Research, and Accountability</b> <ul style="list-style-type: none"> <li>• Data services and specialist support</li> </ul>	\$147,100	
<b>High School Deans of Students</b>	\$347,850	

***Additional Resource Needs Identified for 2020-21: \$8.6 Million***

## Strategic Goal: Well-Being

	Ongoing	One-Time
<b>Safety and Supervision</b> <ul style="list-style-type: none"><li>• Middle School Supervision Supports</li></ul>	\$234,200	
<b><i>Additional Resource Needs Identified for 2020-21: \$0.2 Million</i></b>		

## Strategic Goal: Community Engagement

	Ongoing	One-Time
<b>Communications</b> <ul style="list-style-type: none"><li>• Website tool for additional accessibility</li></ul>	\$20,300	
<b><i>Additional Resource Needs Identified for 2019-20: \$20,300</i></b>		

## Strategic Goal: Excellent Staff

*Additional Resource Needs Identified for 2020-21: \$0.2 Million*

**Ongoing**

**One-Time**

**Professional Development**

- Professional Learning Management Systems (PLMS) Supports

\$147,100

1,250

*Additional Resource Needs Identified for 2020-21: \$0.2 Million*

## Strategic Goal: Effective Use of Resources

<i>Additional Resource Needs Identified for 2020-21: \$0.7 Million</i>	<b>Ongoing</b>	<b>One-Time</b>
<b>Business Services</b> <ul style="list-style-type: none"> <li>• On-site credit card acceptance at secondary schools</li> </ul>	\$35,000	
<b>Facility Maintenance</b> <ul style="list-style-type: none"> <li>• Inspection and Testing Support</li> <li>• Custodial Support</li> </ul>	\$413,975	
<b>Data, Research, and Accountability</b> <ul style="list-style-type: none"> <li>• Support for student and fiscal software migration (Qmlative)</li> </ul>	\$114,723	
<b>Technology Services</b> <ul style="list-style-type: none"> <li>• Technology supports</li> </ul>	\$183,910	
<b><i>Additional Resource Needs Identified for 2020-21: \$0.7 Million</i></b>		



# BUDGET PROPOSAL STRATEGIC WORK – SUMMARY

Strategic Goal Area	Millions
Academic Success	\$8.6
Well-Being	\$0.2
Community Engagement	\$0.02
Excellent Staff	\$0.2
Effective Use of Resources	\$0.7
<b>Total Strategic Work Expenditures</b>	<b>\$9.7</b>

# 2020-21 PRELIMINARY BUDGET

## KEY CHANGES – ENROLLMENT

	2019-20 Budgeted Enrollment	2020-21 Budgeted Enrollment	Change in Enrollment from Budget to Budget
Elementary	14,952	15,357	405
Middle	7,163	7,430	267
Sr. High	7,534	7,655	121
Subtotal	29,649	30,442	793
Skill Center	352	352	0
ALE (EMK 12)	60	60	0
Total Enrollment	30,061	30,854	793

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

## KEY CHANGES – ENROLLMENT

	2019-20 Budgeted Enrollment	2020-21 Budgeted Enrollment	Change in Enrollment from Budget to Budget
CTE			
Middle	235	235	0
Sr. High	1,200	1,200	0
Skills Center	352	352	0
Special Education			
Birth – 2	260	0	(260)
3-5	295	280	(15)
K-21	2,940	3,020	80
EL	3,200	3,200	0
EL Exit	1,770	1,770	0
Running Start	610	610	0

## KEY CHANGES - REVENUES

<b>State Legislative Changes</b>	<b>Millions</b>
Salary Allocations/Benefits/Pension	\$6.9
Materials, Supplies, and Operating Costs (MSOC)	\$0.8
Special Education Formula Change	\$0.2
Special Education Infant & Toddlers transferred	(\$2.9)
<b>Total Legislative Changes</b>	<b>\$5.0</b>
<b>Enrollment/Levy Changes</b>	<b>Millions</b>
Basic Ed/Special Ed Enrollment	\$7.8
Levy	\$2.9
Categorical Programs (EL, LAP, Running Start, Transp.)	\$1.4
<b>Total Local Impact</b>	<b>\$12.1</b>

## KEY CHANGES - REVENUES

<b>Federal Grants*</b>	<b>Millions</b>
Title I	(\$0.1)
IDEA Federal Special Ed	(\$0.3)
<b>Total Federal Grants</b>	<b>(\$0.4)</b>
<b>Other Self-Supporting Programs</b>	<b>Millions</b>
Grants/Self-Supporting Programs	\$0.5
<b>Total Other</b>	<b>\$0.5</b>

\*Waiting for authorization from OSPI for Federal Elementary and Secondary School Emergency Relief Funds (ESSER) – LWSD allocation approximately \$1.6 Million

## KEY CHANGES - REVENUES

<b>Revenue Impact Summary</b>	<b>Millions</b>
Local Impact	\$5.0
State Legislative/Grant Impact	\$12.1
Federal Grant Impact	(\$0.4)
Other Self-Supporting	\$0.5
<b>Total Revenue Changes</b>	<b>\$17.2</b>

## KEY CHANGES - EXPENDITURES

	<b>Millions</b>
Staffing due to Enrollment	\$5.50
Compensation/Benefits/Pension	\$11.20
Special Education Infant & Toddlers transferred	(\$2.90)
Categorical/Grants/Self-Supporting Programs	\$1.20
Fixed Costs	\$1.10
Less one-time expenditures from prior year	(\$1.20)
Strategic and Organizational Work	\$9.70
<b>Total Expenditure Changes</b>	<b>\$24.60</b>



## FUND BALANCE SET ASIDE OPTION

- Statewide revenue shortfall anticipated due to economic conditions caused by COVID
- Enrollment and Legislative Impacts to 2020-21 budget and future budgets are unknown
- Expansions of Federal leave and unemployment benefits are not funded and will have an unknown cost impact
- Reserving additional funds would help mitigate any immediate revenue shortfall that occur next school year and give district time to go through the process of making decisions on future budget changes

# FUND BALANCE GL 872 COMMITTED TO ECONOMIC STABILIZATION

- Requires formal action by School Board
  - Board policy or approval by resolution
- Circumstances and conditions must be described
- Amounts set aside may only be expended when specific conditions exist
- Conditions cannot be expected to routinely occur

# FOUR-YEAR REQUIRED OUTLOOK: ASSUMPTIONS

## **Revenue Assumptions**

- Enrollment growth averages 0.5% 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

	2019-20 Budget	2020-21 Budget	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated
Beginning Fund Balance	\$68.0	<b>\$50.2</b>	\$40.3	\$30.1	\$17.4
Reserve Economic Impact		<b>\$40.0</b>	\$40.0	\$40.0	\$40.0
Revenues	\$463.7	<b>\$480.9</b>	\$491.8	\$502.5	\$513.0
Expenditures	\$466.2	<b>\$490.8</b>	\$502.0	\$515.2	\$528.2
Ending Fund Balance	\$65.5	<b>\$40.3</b>	\$30.1	\$17.4	\$2.2
Reserve Economic Impact		<b>\$40.0</b>	\$40.0	\$40.0	\$40.0

# BOARD FEEDBACK