



2020-21 Proposed Budget

Highline Public Schools

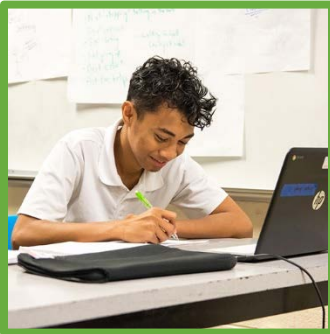
Kate Davis
Chief Financial Officer
June 24, 2020





Outline

- Revenue Trends
- What is Basic Ed?
- Non-Basic Education
- Expenditure Trends
- Fund Balance
- Other Funds
- 2019-20 Budget Extension
- Questions and Comments



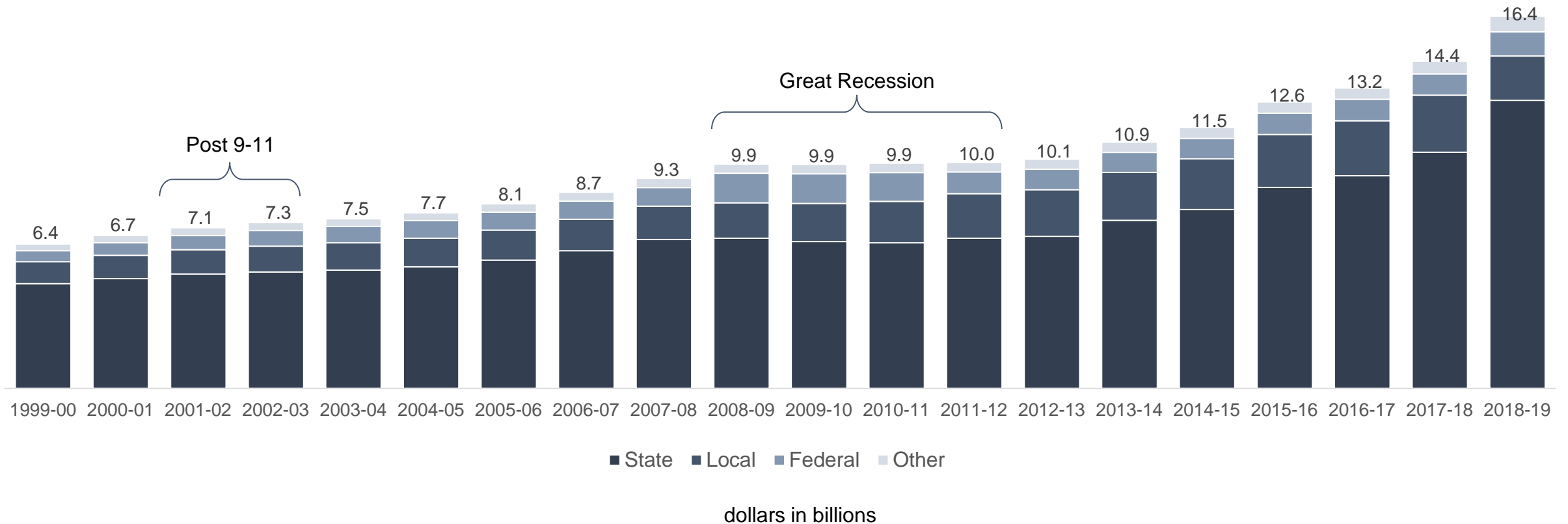
Revenue Trends



HIGHLINE
PUBLIC SCHOOLS

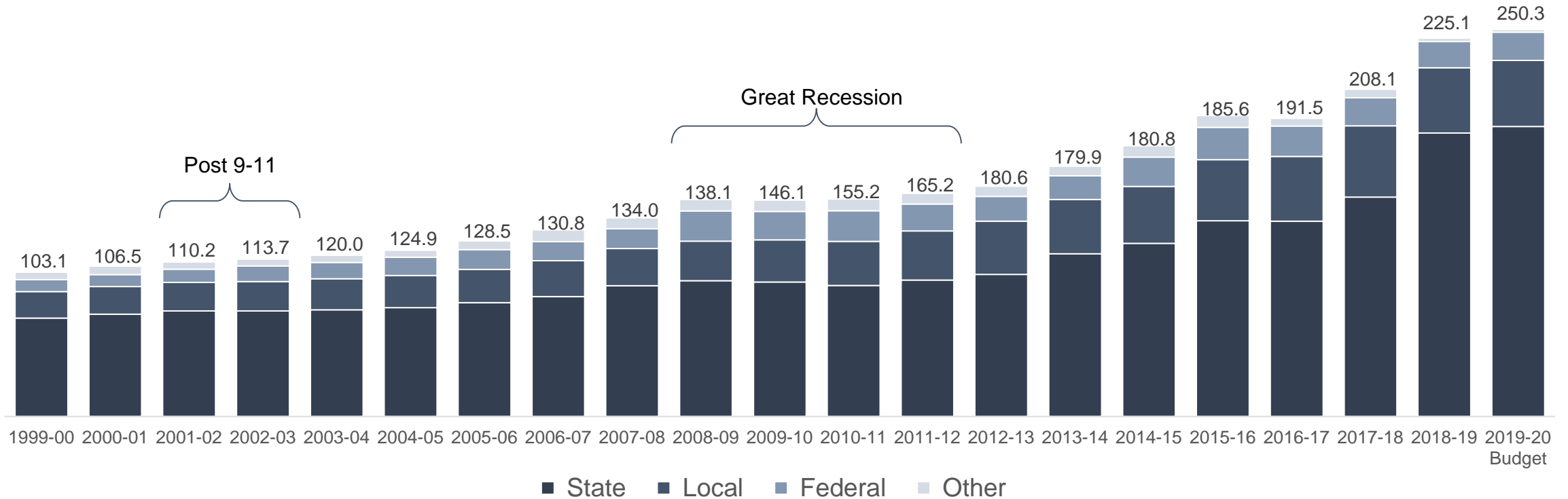
State Level: Total K-12 Education Funding by Source

Total K-12 funding becomes flat during recessionary periods



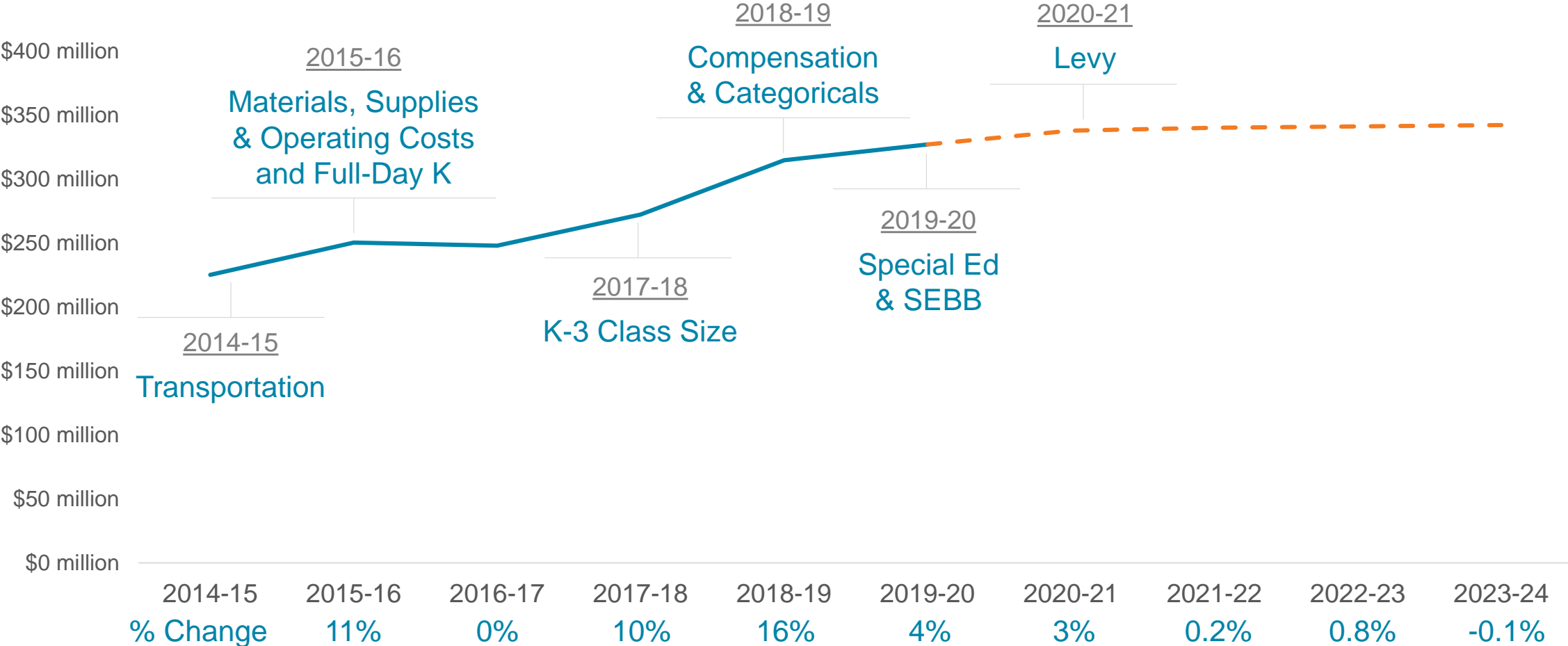
Highline: Total Funding by Source

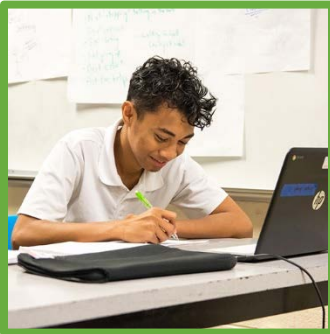
Highline revenue grew during the Great Recession as a result of enrollment growth



dollars in millions

Revenue Trend





What is Basic Education?





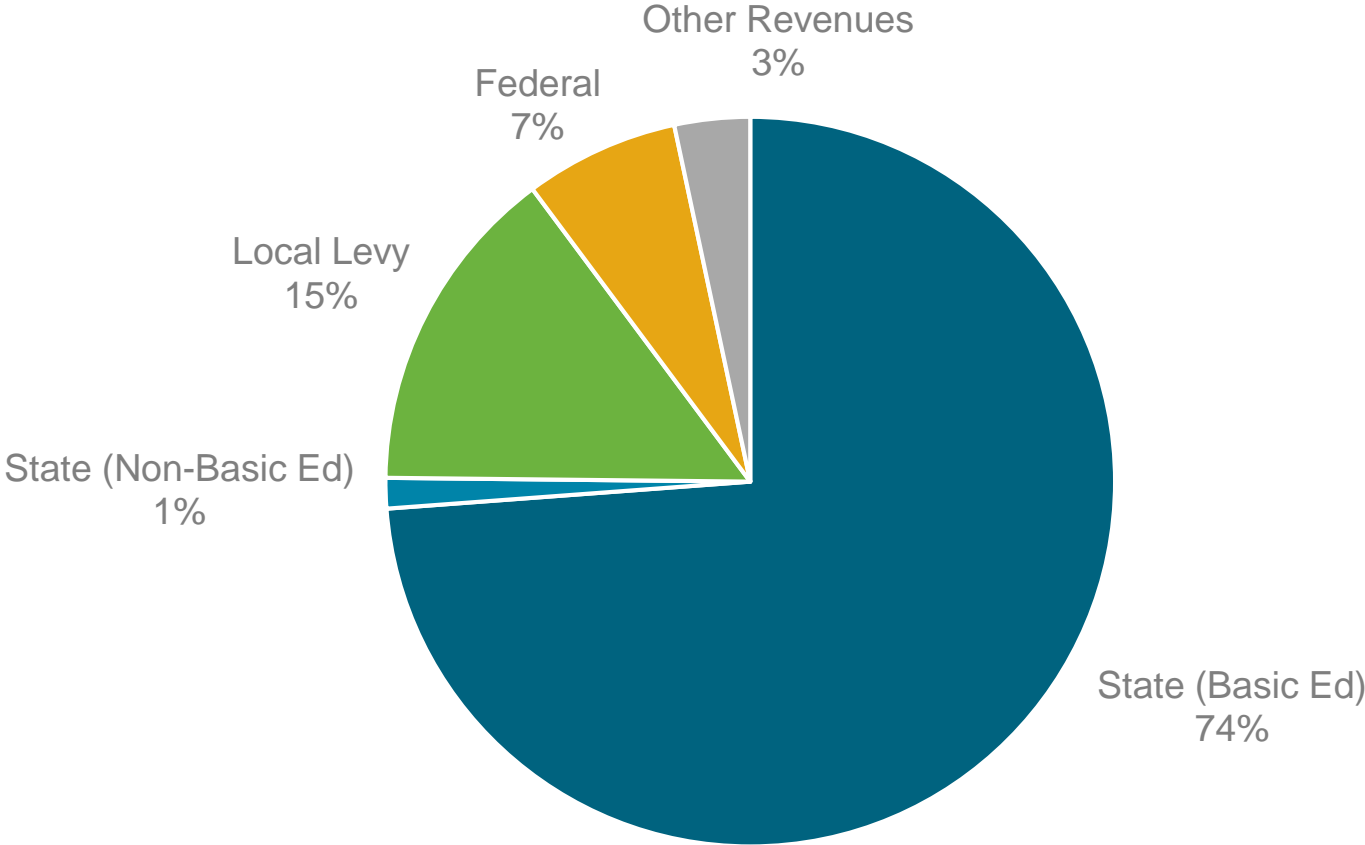
State Basic Education Programs

Program	Percent of Education Budget
General Apportionment	70.7%
Special Education	10.8%
Pupil Transportation	4.5%
Learning Assistance Program	3.3%
Transitional Bilingual Instruction Program	1.5%
Highly Capable Program	0.2%
Institutional Education	0.1%
Subtotal Basic Education Programs	91.1%

How much of Highline's Budget is Basic Education?

26% of our revenue is non-basic education.

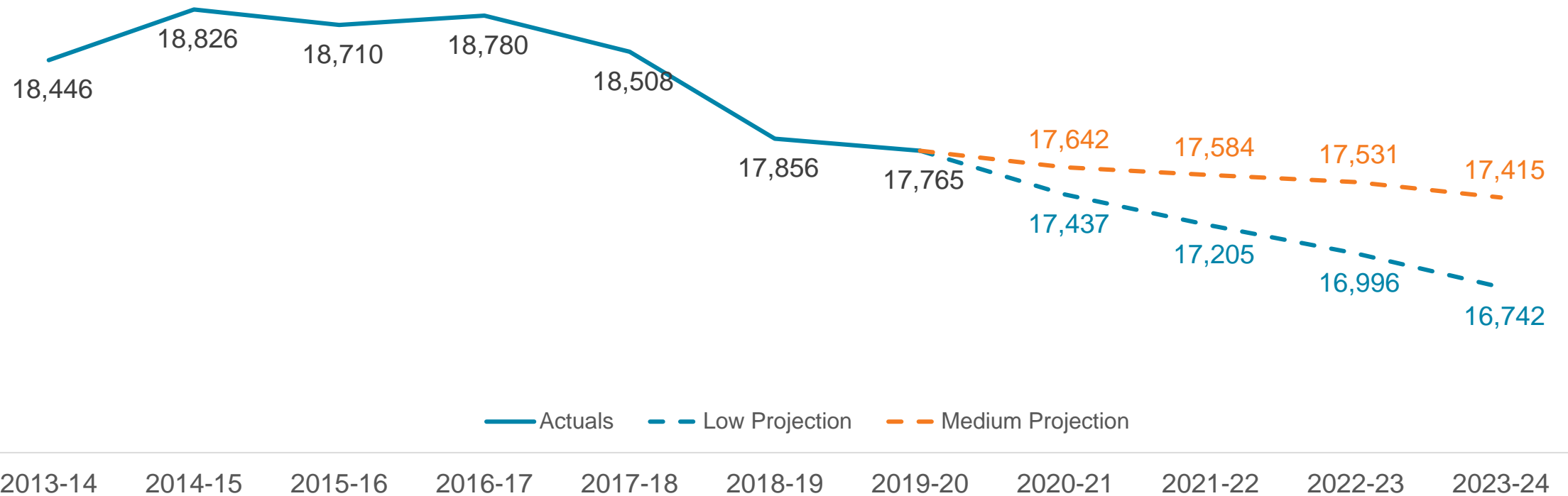
15% of our revenue comes from the local operating levy.



Highline 2020-21 Budget Revenue by Source

Highline Enrollment Trend

Student FTE October Enrollment For School Years 2013-14 to 2023-24
(excludes Running Start and Open Doors)



Budget Impacts of Declining Enrollment

State Revenue Declines

- Basic Education Allocation Per FTE Student Rate May 2020 **\$9,604.70**
- October 2018 to October 2019 enrollment dropped **91 students**
- Equates to **\$-874,027.70**

Fixed Expenses Stay the Same

- 91 students spread over 33 schools may do little to impact staffing ratios
- Square footage stays the same for facility maintenance, cleaning, utilities, and insurance
- With no changes to staff or services, the demands on central administration stay the same

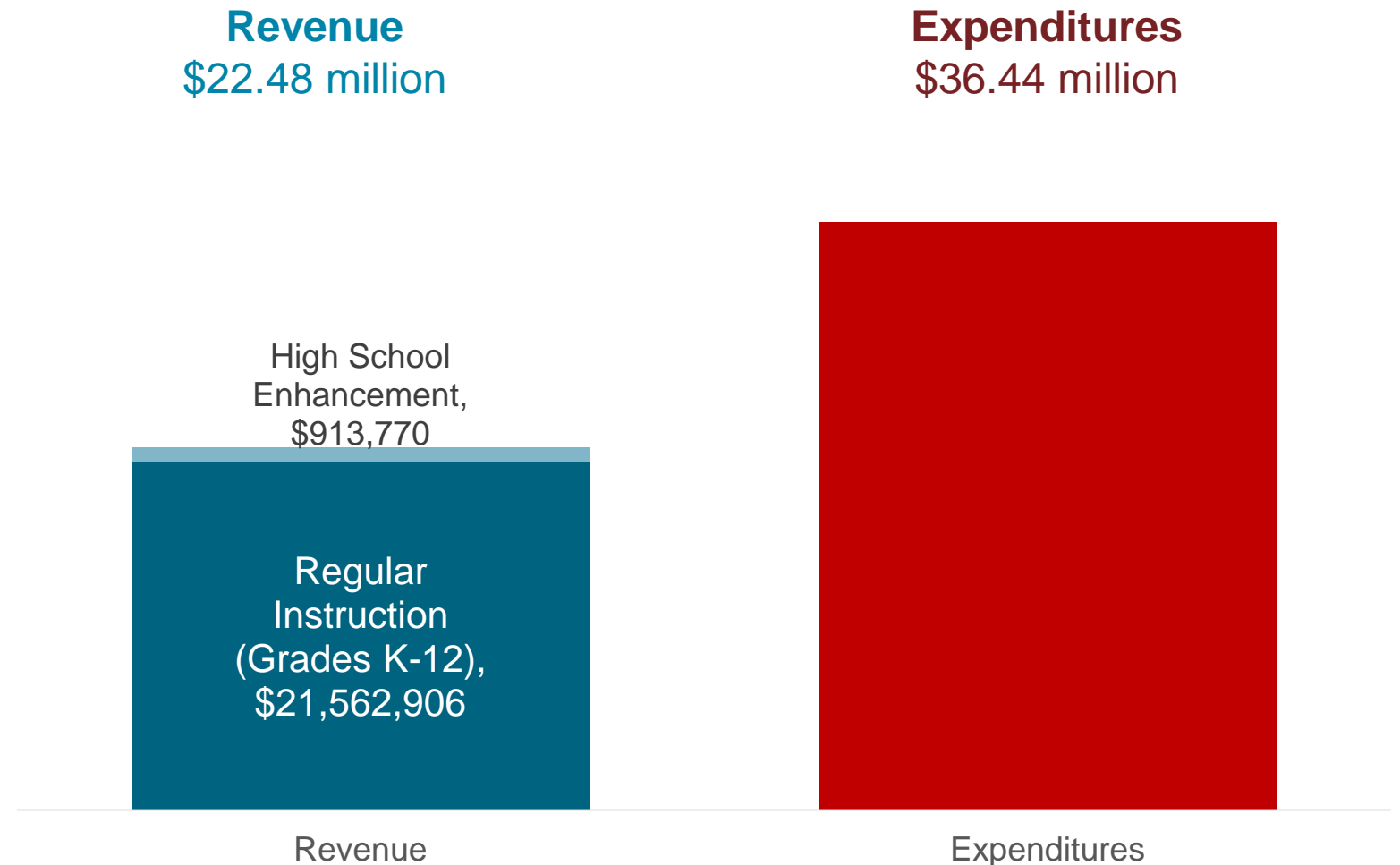
Supplies & Materials Budget (2020-21)

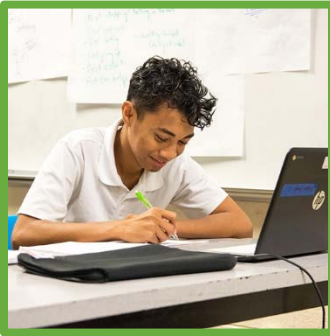
\$14 million

above state funding is spent on Materials, Supplies, and Operating Costs

1.6% inflationary adjustment from the state

5-15% increase in expenditures like insurance and utilities



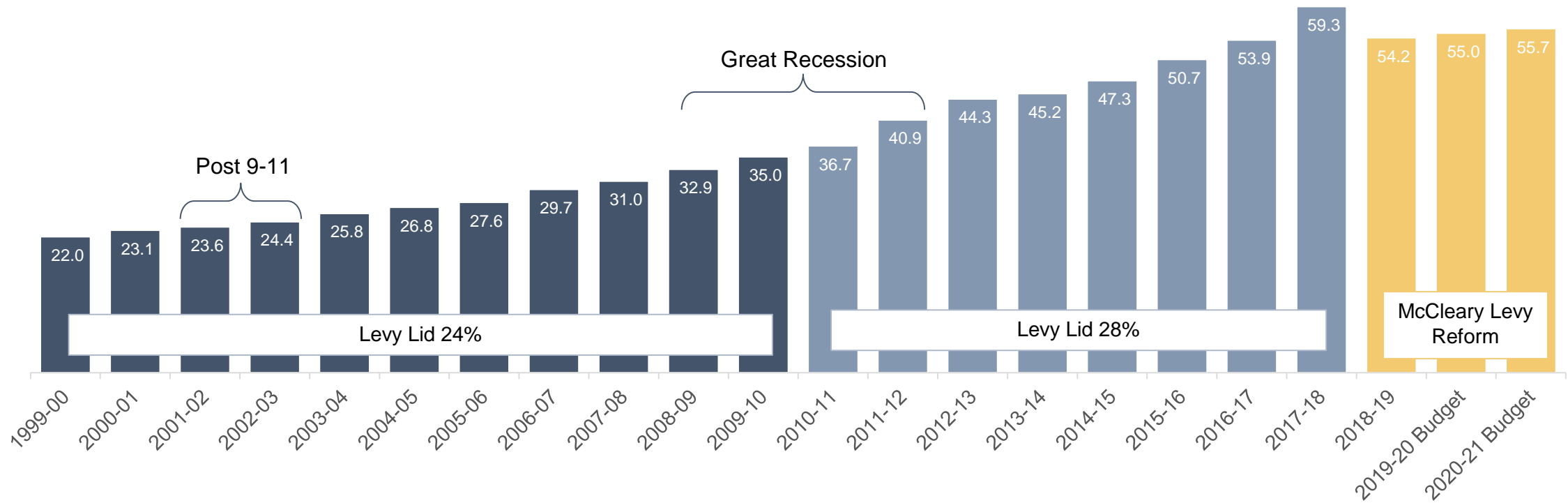


Non-Basic Education



Non-Basic Education: Local

The operating levy was not impacted during the great recession largely because the state raised the levy lid. Smaller local revenues may be impacted.



dollars in millions
chart includes levy and non-tax local revenue

Source: <http://fiscal.wa.gov/K12.aspx>

Non-Basic Education: Local Levy

Voters Approved		Authorized Collection		Rollback
Collection Year	Levy Amount	Collection Year	Levy Amount	Amount
2019	\$47,329,540	2019	\$31,937,529	\$ 15,392,011
2020	\$48,749,426	2020	\$47,607,939	\$ 1,141,487
2021	\$50,211,909	2021 (estimated)	\$47,980,992	\$ 2,230,917
2022	\$51,718,266	2022 (estimated)	\$48,213,815	\$ 3,504,451

Historically, the Legislature has raised levy authority during recessionary times to offset state budget cuts. Highline would be able to access a small amount of “Rollback” in 2021 and 2022. Highline’s operating levy will be up for renewal during 2022.

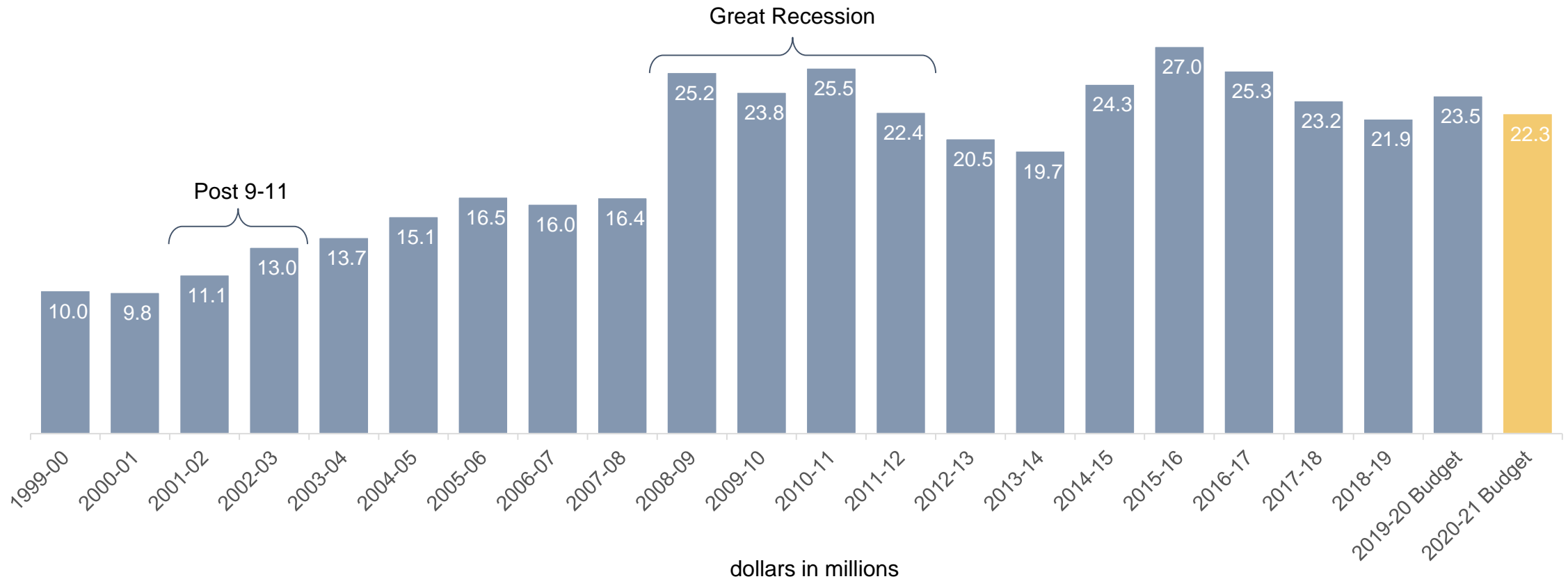
Non-Basic Education: Local Non-Tax

	2019-20	2019-20	2019-20	2020-21	2020-21
	Budget	Projected	Change from Budget	Projected	Change from 2019-20 Projected
Tuition and Fees	\$ 573,500	\$ 211,000	\$ (362,500)	\$ 168,000	\$ (43,000)
Sale of Goods, Supplies, and Services	\$ 1,671,277	\$ 1,484,477	\$ (186,800)	\$ 930,750	\$ (553,727)
Investment Earnings	\$ 472,000	\$ 472,000	\$ -	\$ 340,000	\$ (132,000)
Gifts and Donations	\$ 407,000	\$ 147,000	\$ (260,000)	\$ 267,500	\$ 120,500
Fines and Damages	\$ 24,500	\$ 5,600	\$ (18,900)	\$ 17,500	\$ 11,900
Rentals and Leases	\$ 775,000	\$ 503,000	\$ (272,000)	\$ 160,000	\$ (343,000)
Insurance Recoveries	\$ -	\$ 27,500	\$ 27,500	\$ 28,000	\$ 500
Local Support Nontax	\$ 659,100	\$ 601,500	\$ (57,600)	\$ 529,000	\$ (72,500)
E-Rate	\$ 4,100,000	\$ 3,800,000	\$ (300,000)	\$ 1,928,151	\$ (1,871,849)
Total	\$ 8,682,377	\$ 7,252,077	\$(1,430,300)	\$ 4,083,901	\$ (3,168,176)

The 2019-20 budget also contained \$6 million of budget capacity that is not anticipated to be collected.

Non-Basic Education: Federal

Federal revenue tends to grow during recessionary periods. During the Great Recession, Federal funds were provided to offset declines in State funding.



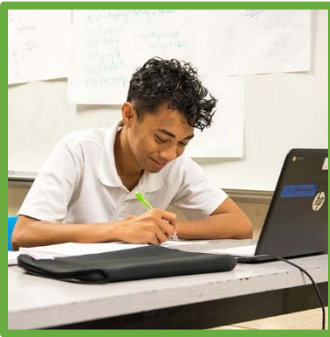


Non-Basic Education: Federal CARES Act

- OSPI Estimated: \$6,257,000
 - Less Equitable Share set aside: \$200,000
 - **Estimated Collection: \$6,057,000**
-
- One-time funding
 - Will help offset lost revenue and costs incurred to maintain salaries during COVID-19
 - Will help pay for additional costs to open school in Fall 2020
 - Subject to state off-set in spring 2021

Non-Basic Education: State

Educator Focused	2019-20	Student Focused	2019-20
Beginning Educator Peer Mentors	\$ 284,185	Dual Language	\$ 35,000
Leadership Intern	\$ 8,560	Washington Robotics	\$ 39,287
Recruiting WA Teachers - Bilingual Ed	\$ 50,000	AP Computer Science	\$ 8,000
Teacher Principal Eval Program	\$ 36,473	Advanced Placement/ Career Tech	\$ 4,500
National Board Cert Bonus	\$1,700,000	PSSC Summer School	\$ 20,000
		Running Start Enhancement	\$ 235,000
		PSESD - WA Kids	\$ 9,240
		BECCA	\$ 18,552
		Safe Routes to Schools	\$ 25,000
		Food Services	\$ 200,000
		ECEAP	\$2,000,000
Total	\$2,079,219	Total	\$2,594,579

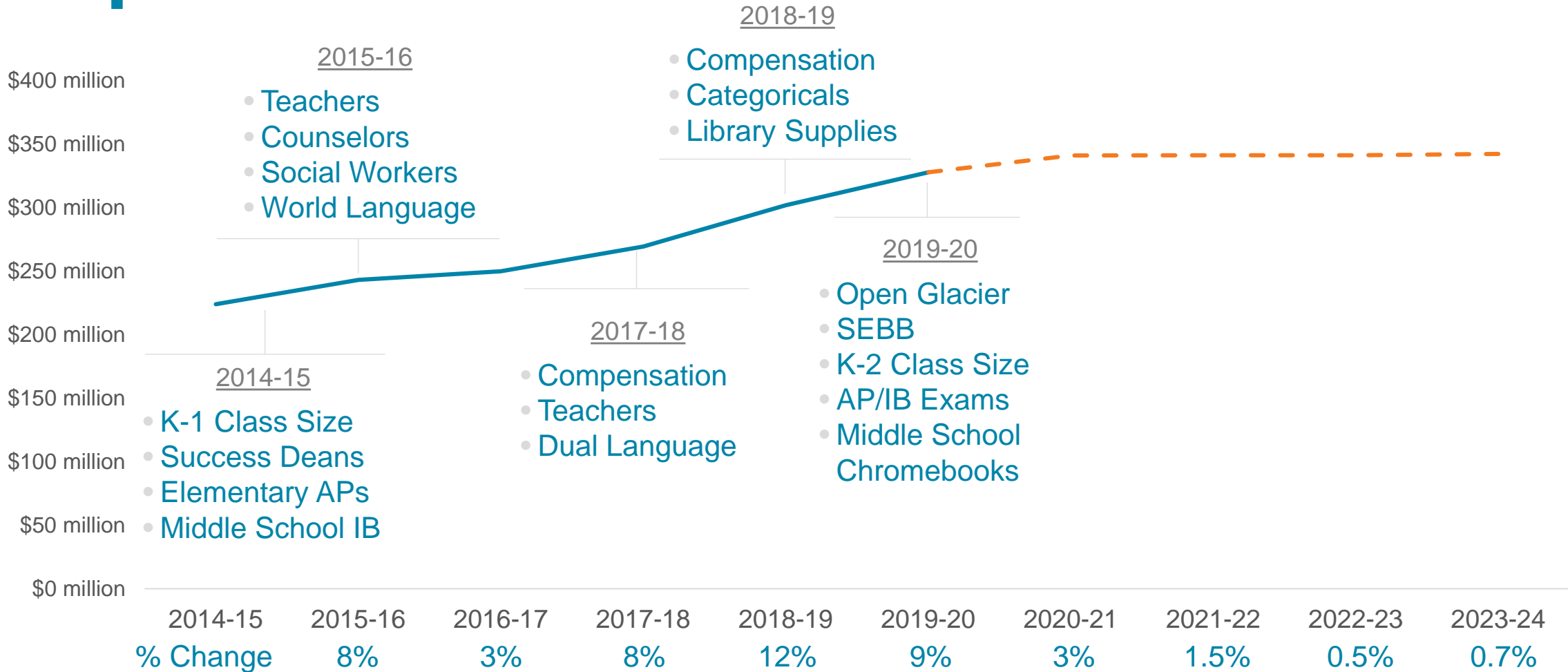


Expenditure Trends



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Expenditure Trend

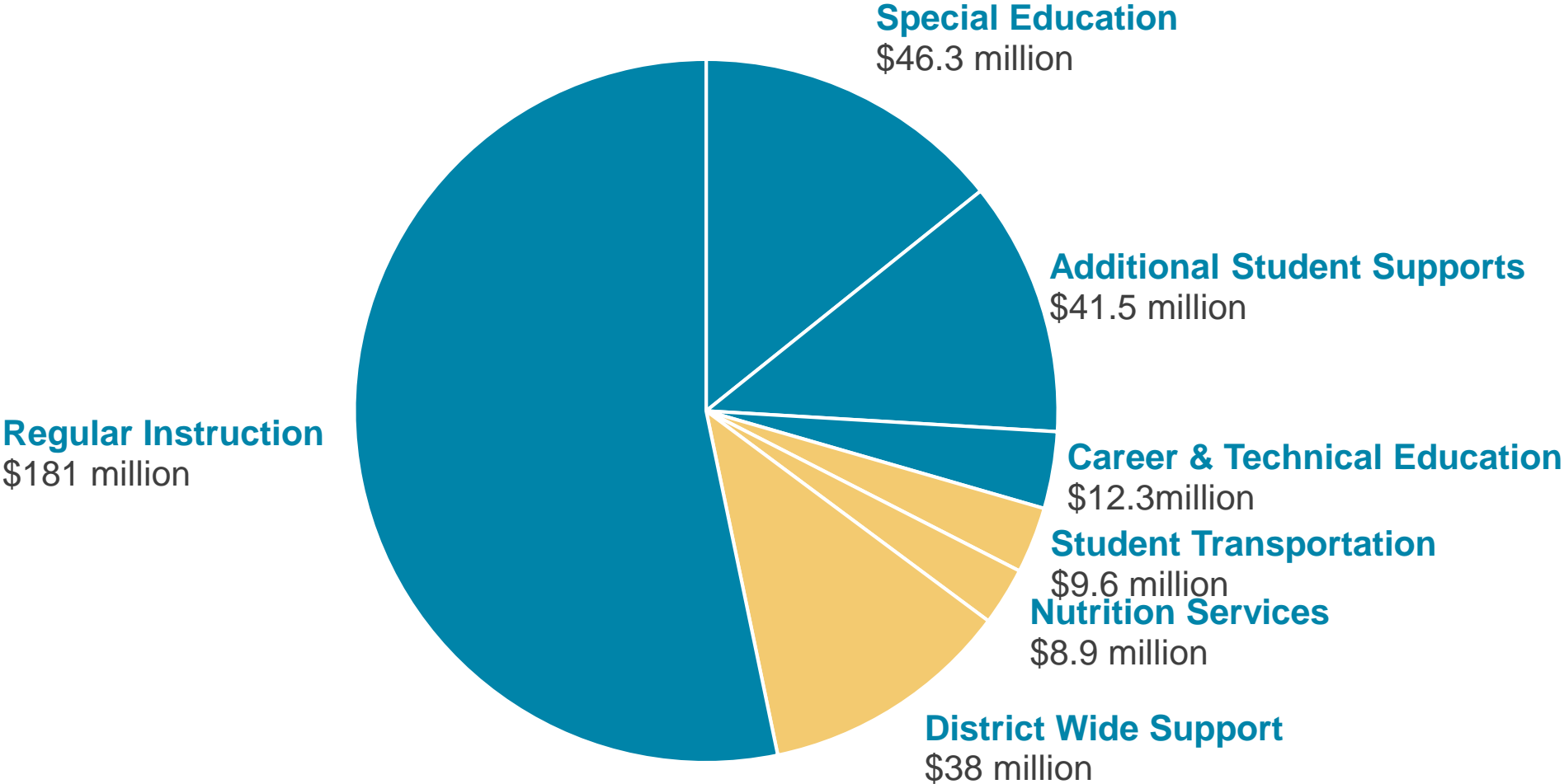


What activities does the budget buy?

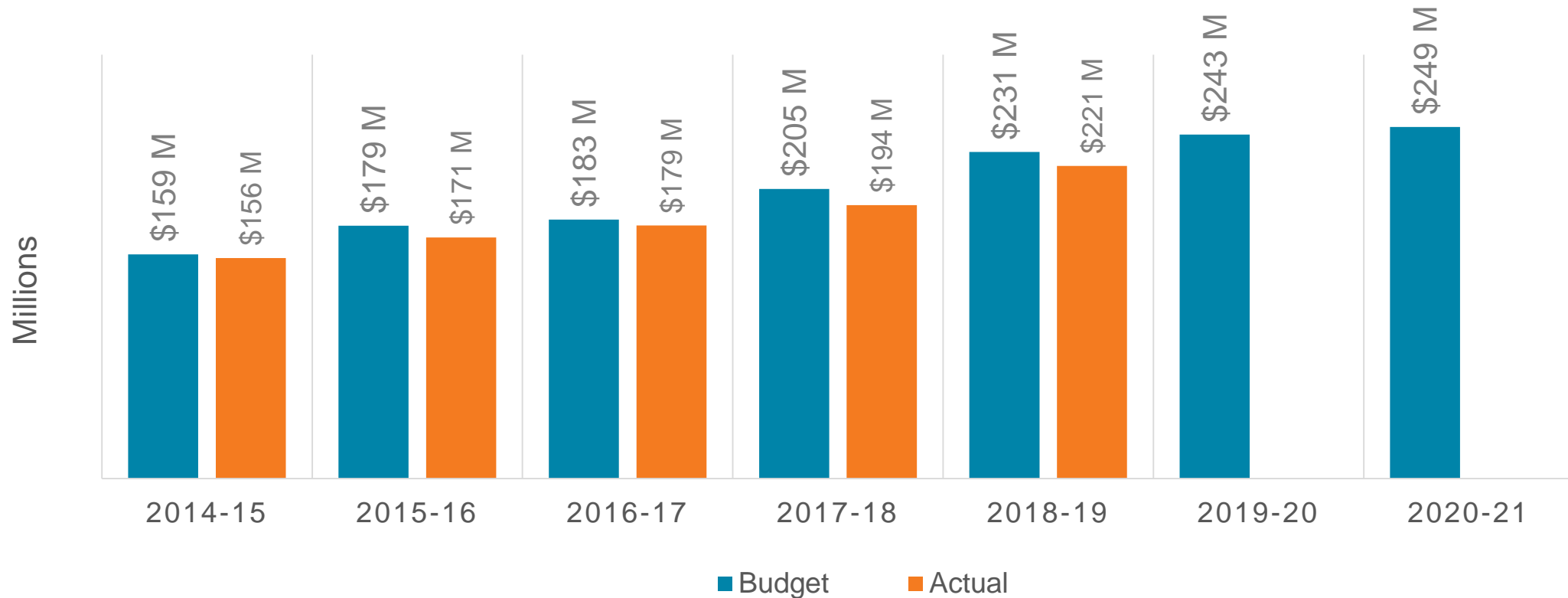
83% of the budget goes to instructional activities

6% for student nutrition and transportation

11% for district-wide services such as utilities, facilities, security, technology and central office support

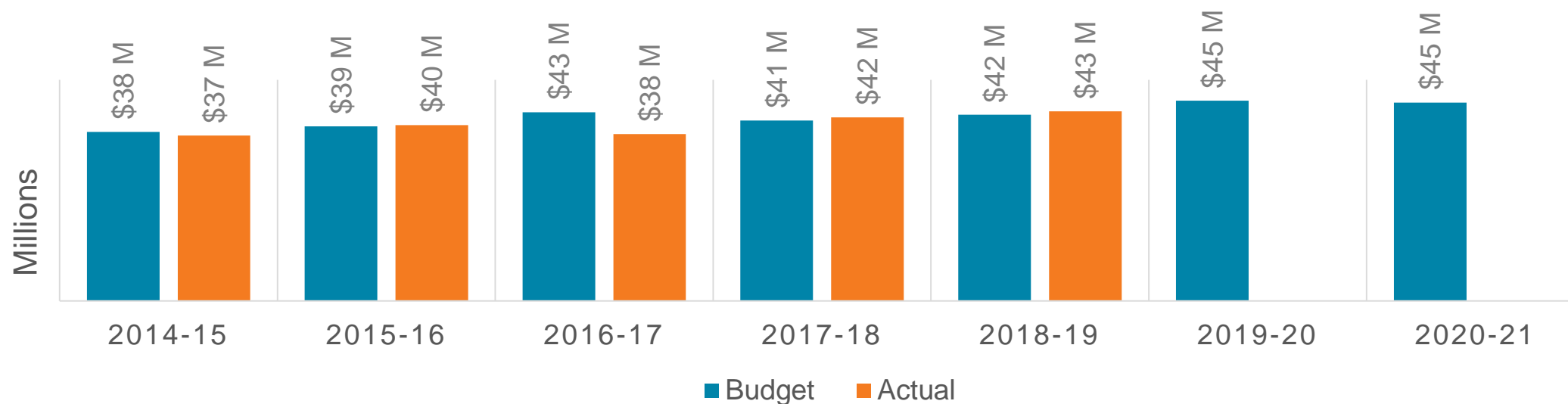


Instructional Expenditures



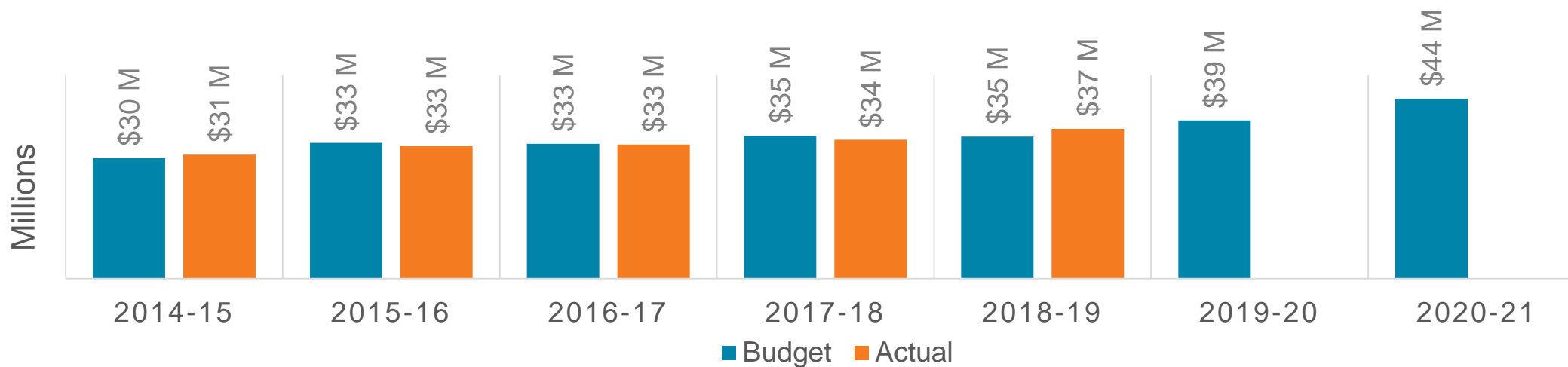
Instructional Expenditures were budgeted to **increase by \$90 million** since 2014-15.

Support Expenditures



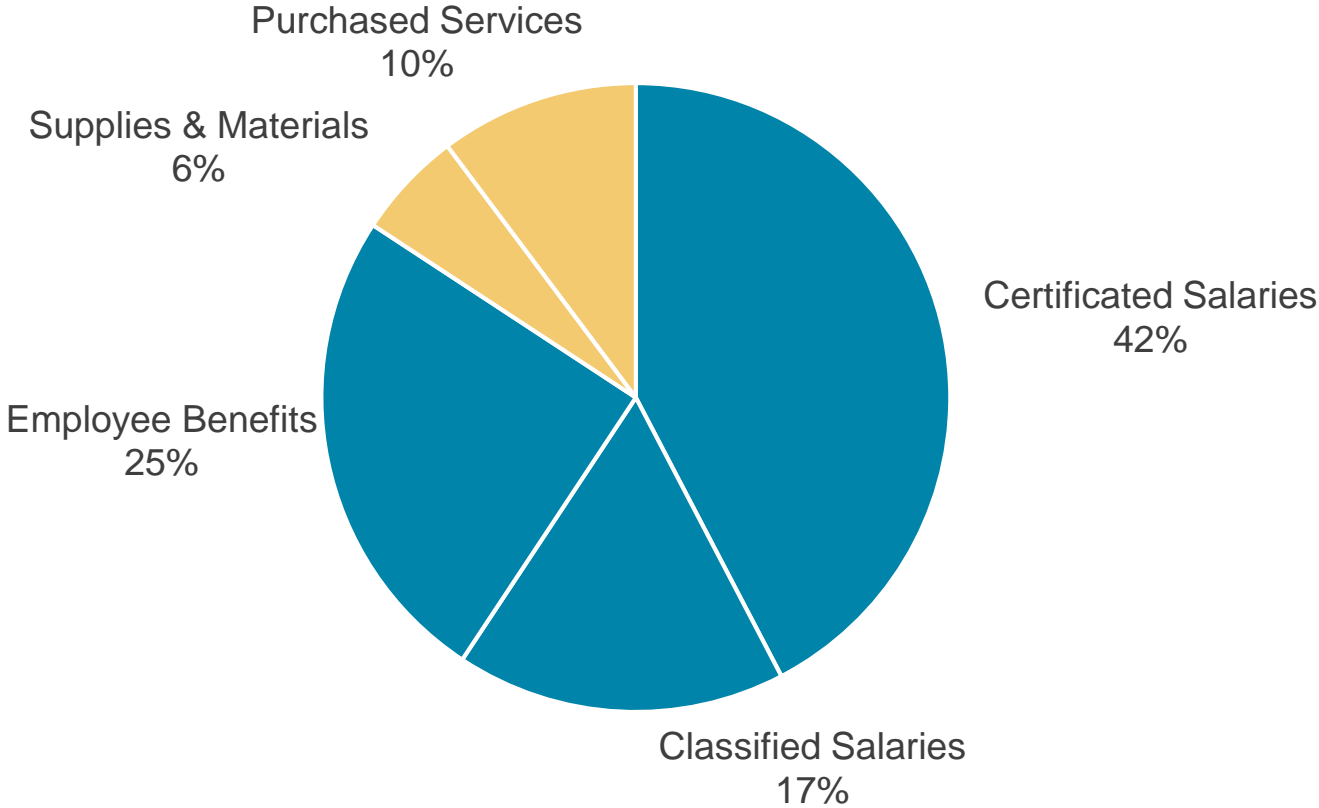
Support Expenditures were budgeted to **increase by \$7 million** since 2014-15.

Administration Expenditures



Administration Expenditures were budgeted to **increase by \$14 million** since 2014-15.

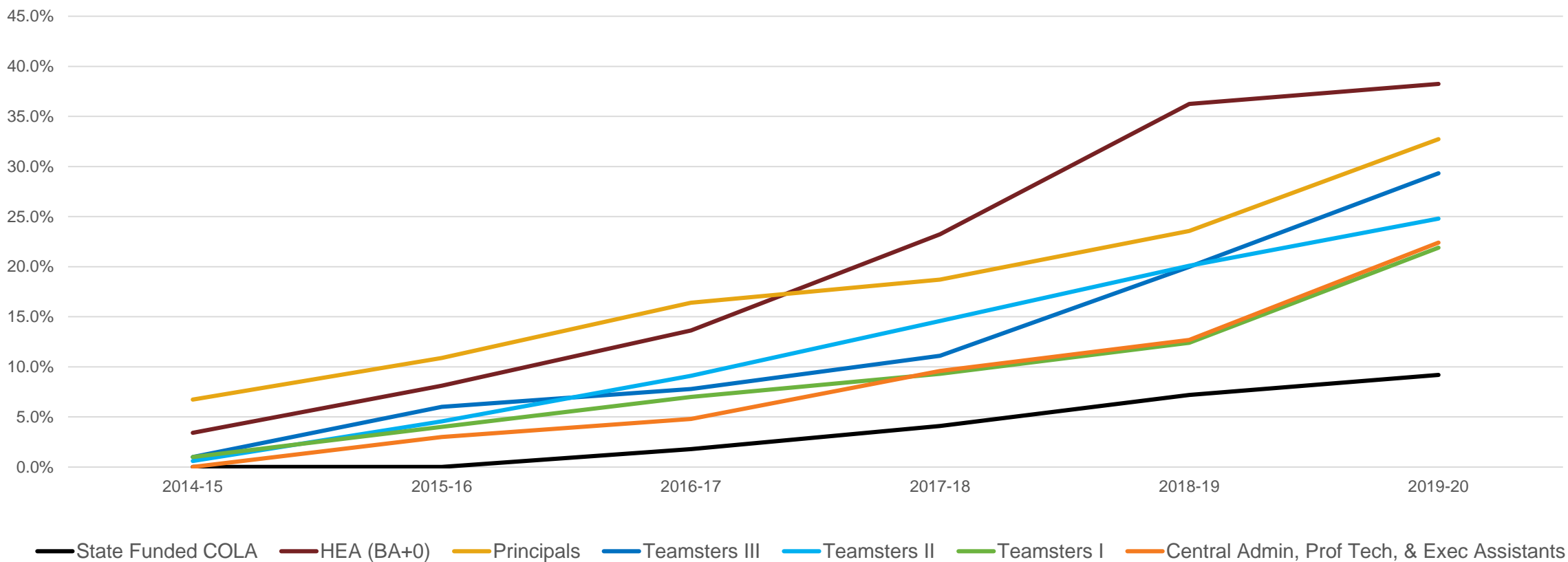
How is the money spent?



84% of the budget is spent on staff salaries and benefits

History of Salary Increases

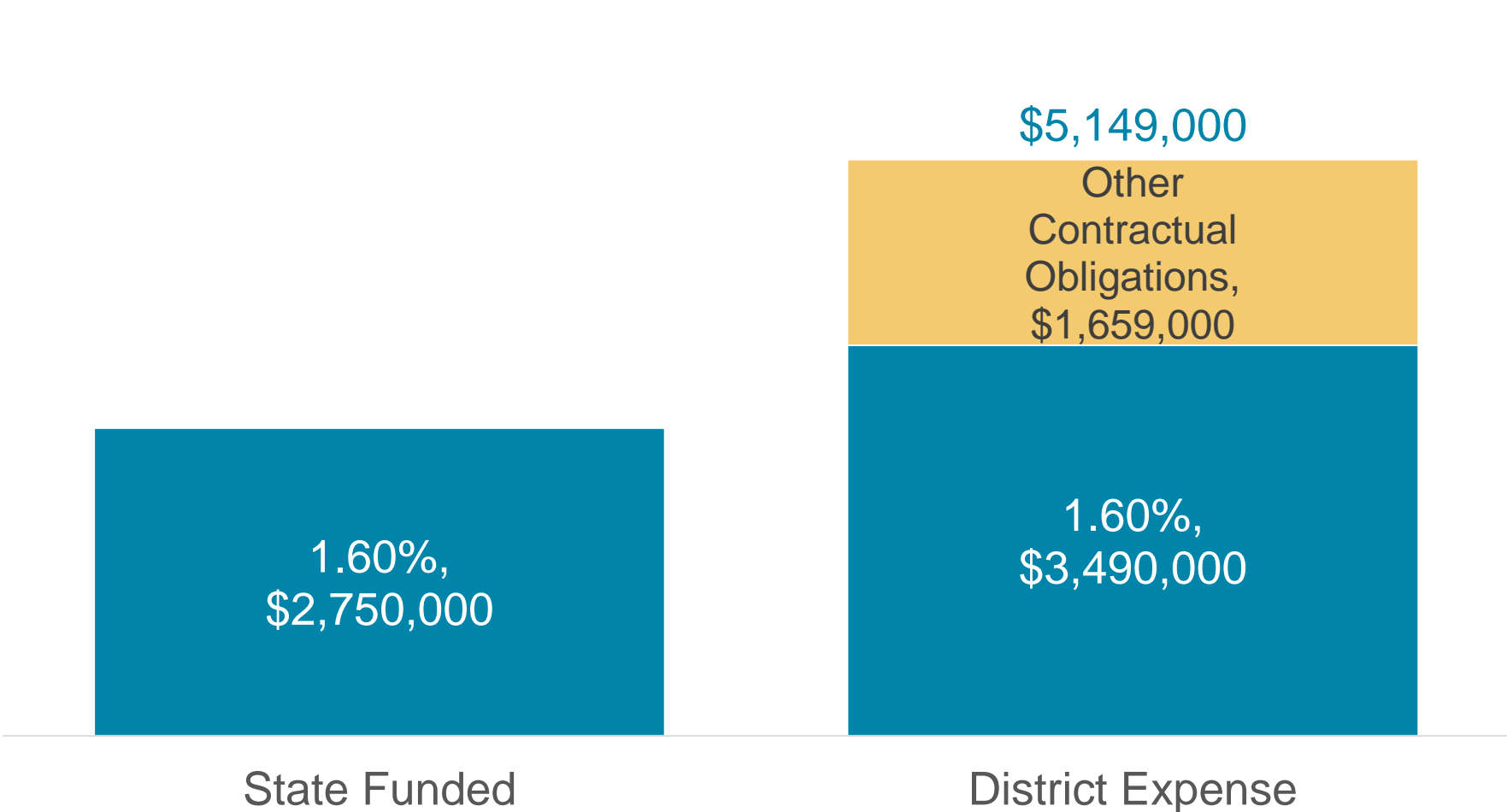
Cumulative Compensation Increases by Workgroup



2020-21 Inflationary Adjustments

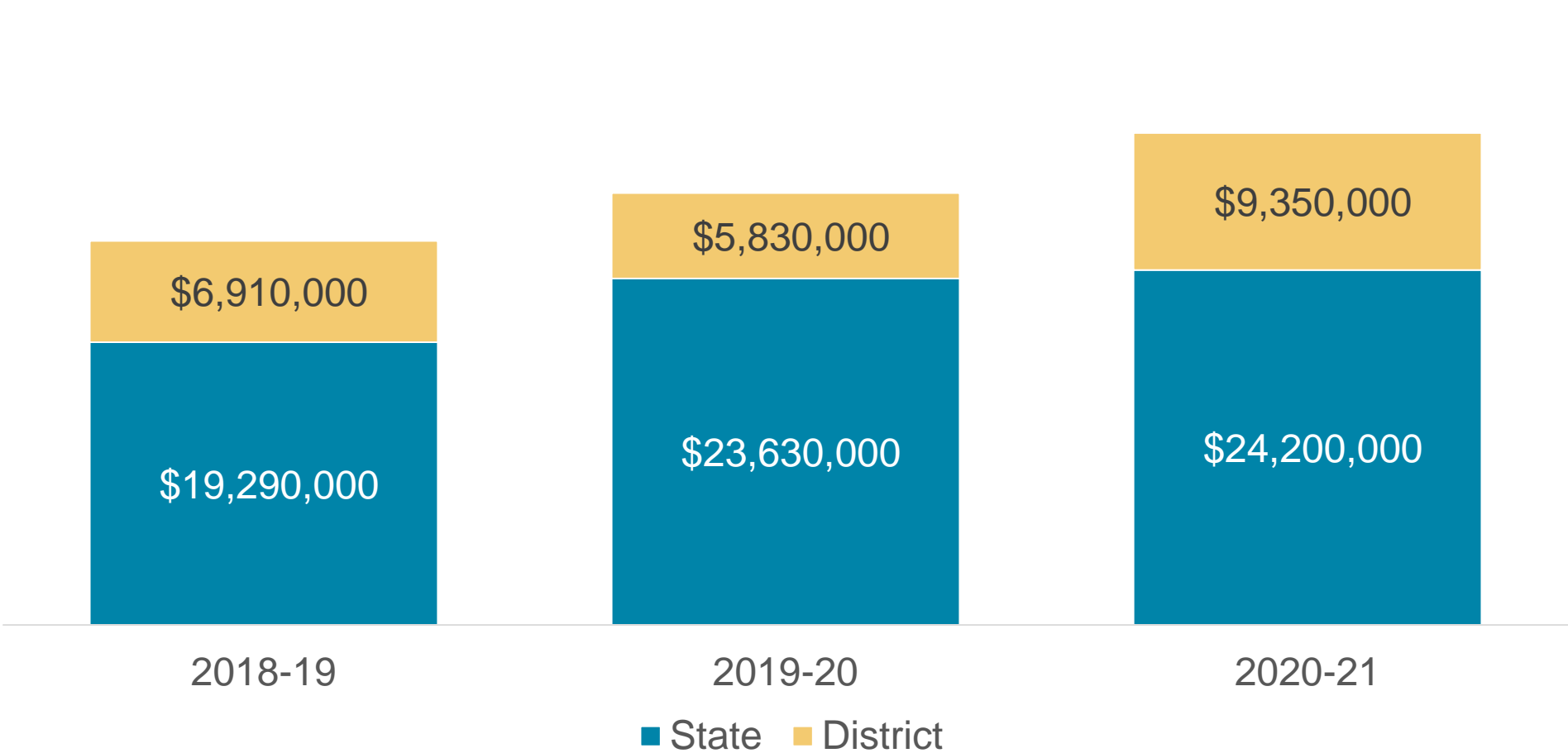
Ongoing compensation adjustments are expected to cost at least **\$5 million**.

State funding increases are partially offset by declining enrollment.



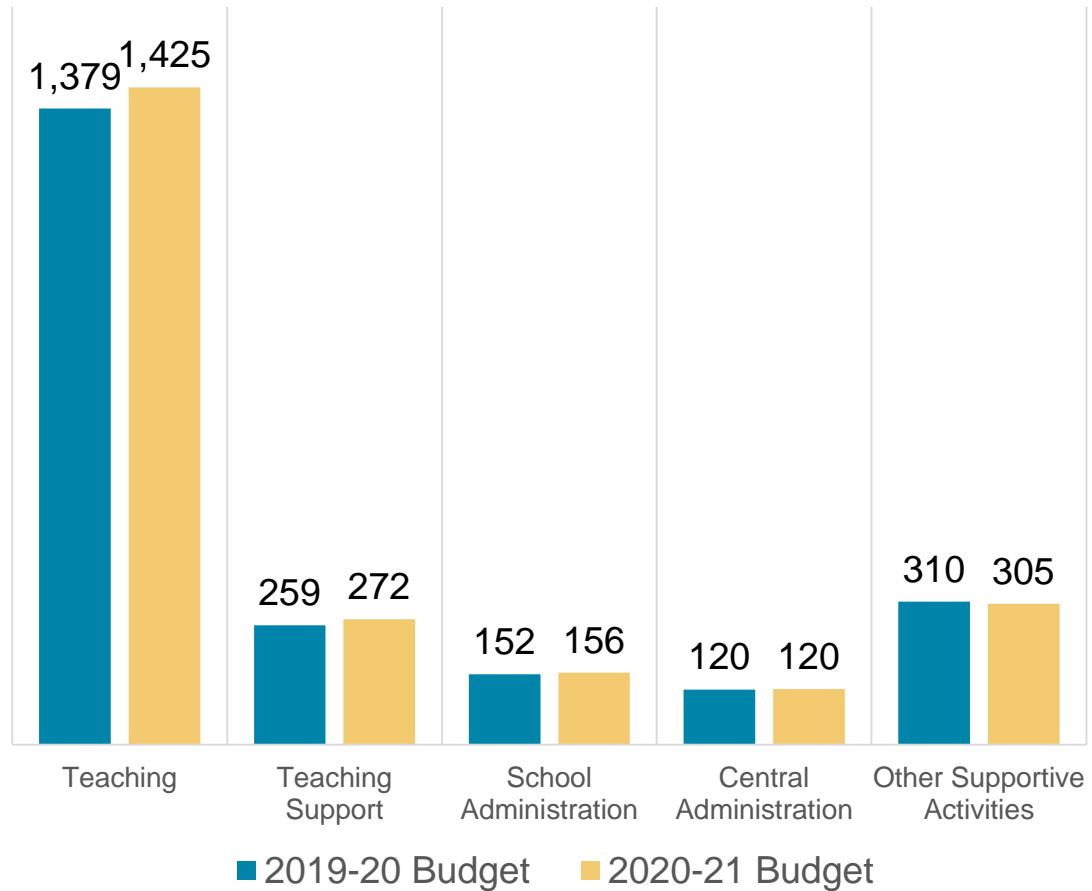
SEBB Costs

Ongoing benefit increases will result in an additional cost of about **\$2.5 million** per year.

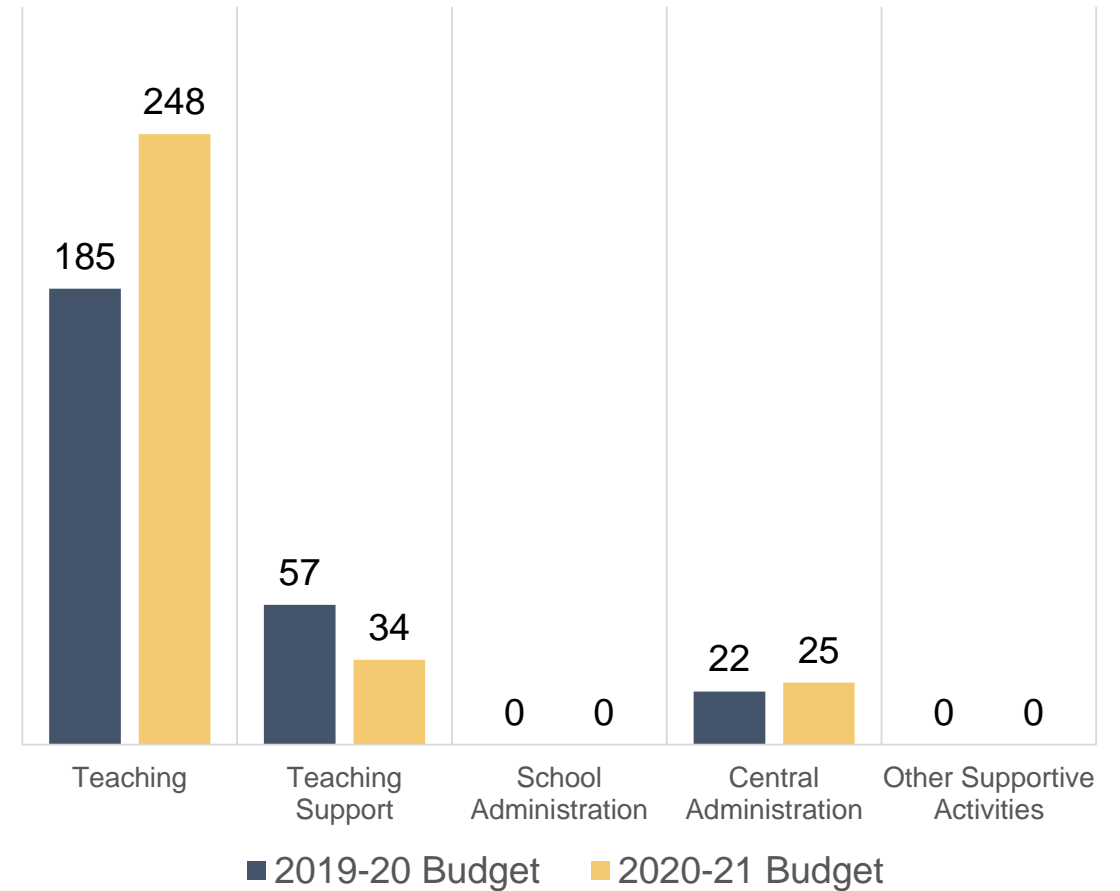


Staff Summary

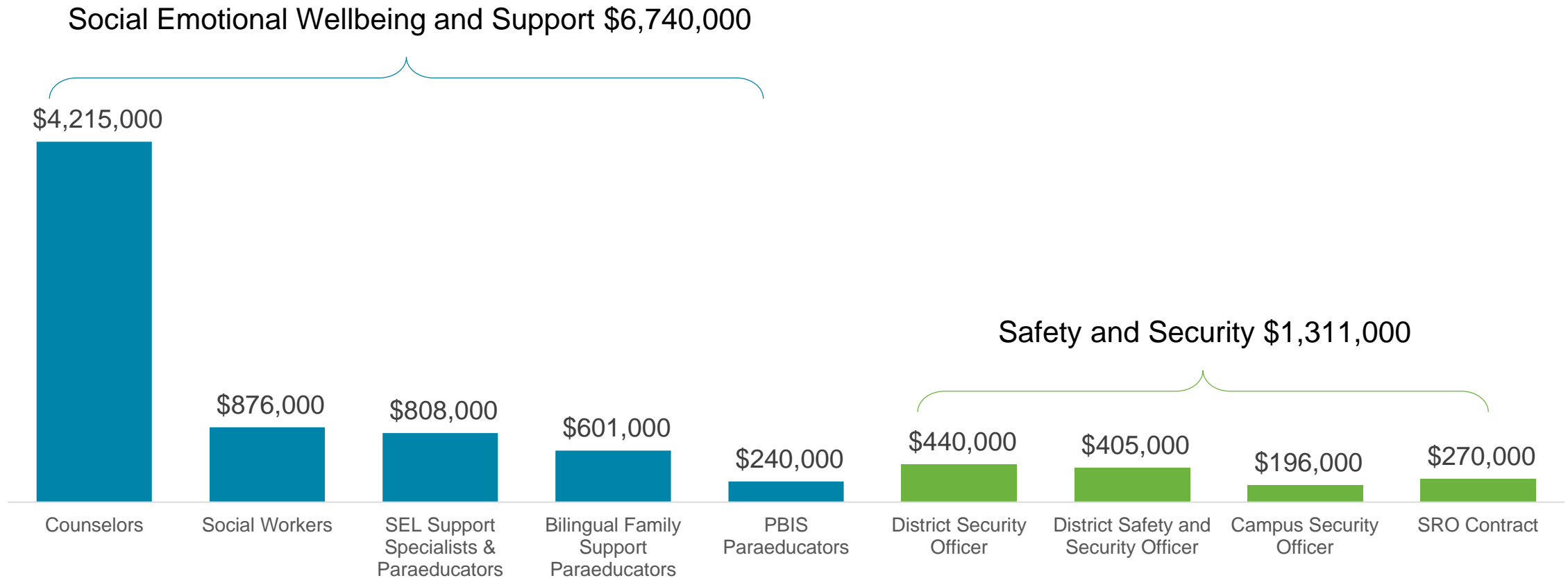
Basic Ed & Levy Funded Staff FTE



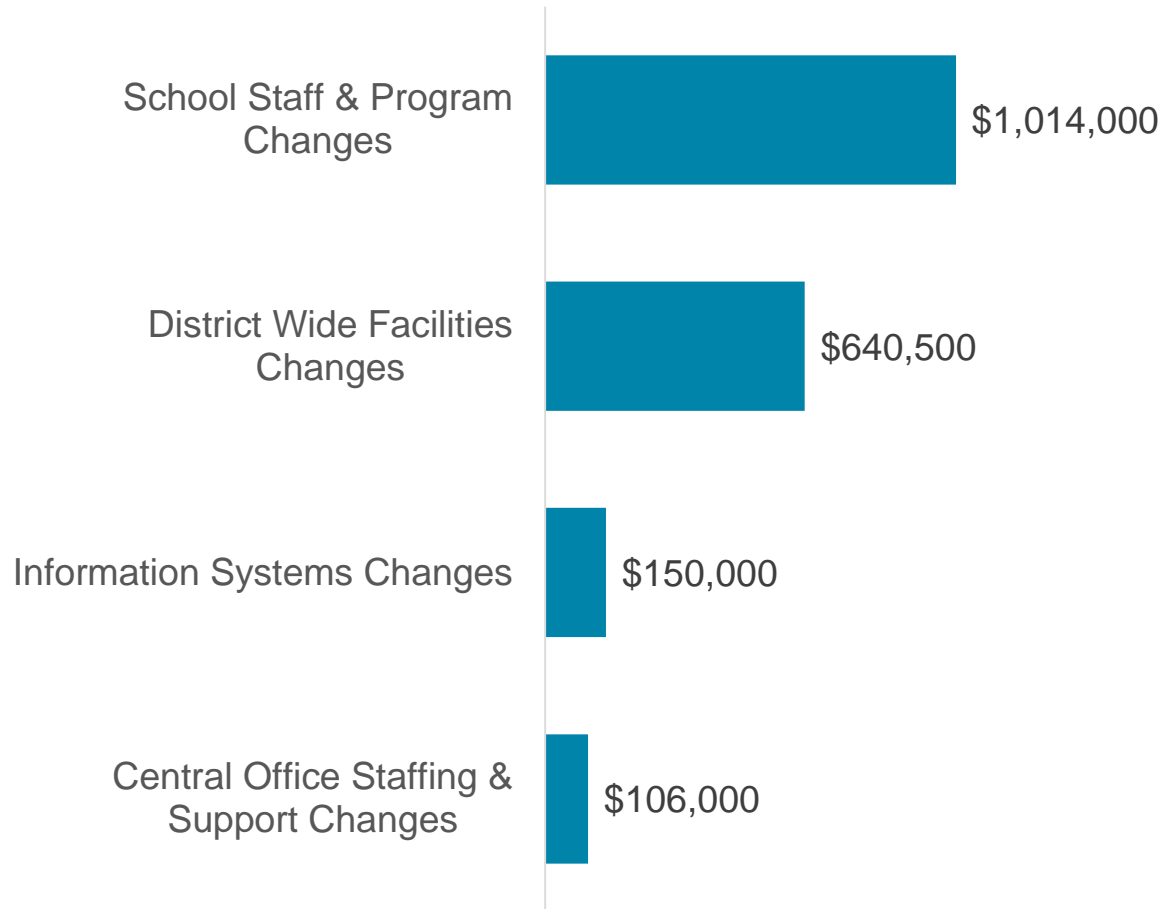
Categorical & Grant Funded Staff FTE



Social Emotional Wellbeing and Support



Basic Ed Budget Adds



School Staff & Program Changes

- Education Assistant positions at four elementary schools
- Becoming A Man
- Success Deans (2.0 FTE)
- Custodial Operations (1.5 FTE)

District Wide Facilities Changes

- Insurance increasing 15% & Utilities increasing 5%
- Grounds Maintenance (1.0 FTE)

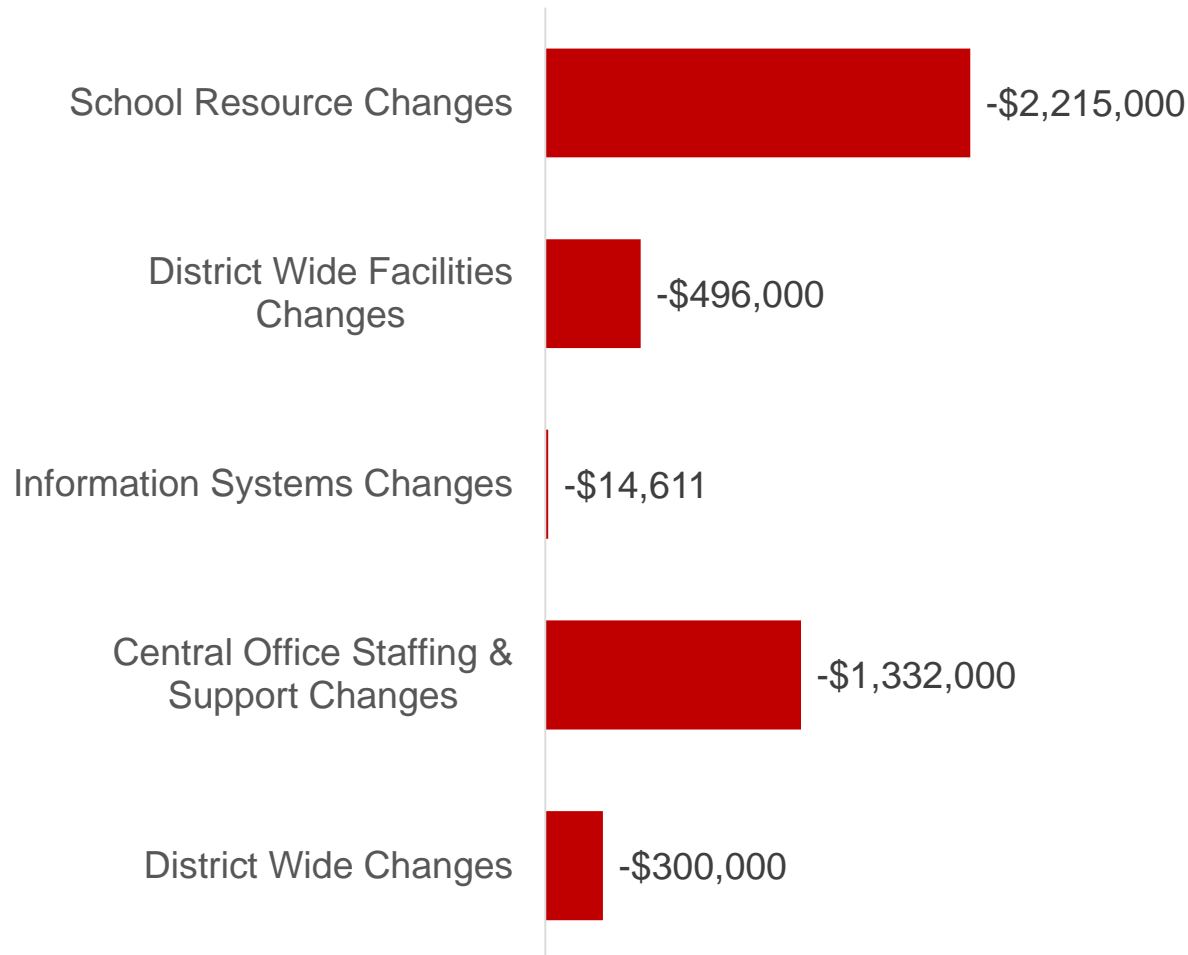
Information Systems Changes

- NetApp Storage
- Frontline (HR recruiting and hiring software)

Central Office Staffing & Support Changes

- Social Services Support Administrator
- Translation & Interpretation contracts

Basic Ed Budget Cuts



School Resource Changes

- Delay Chromebook replacement
- Delay curriculum adoption
- Reduce SRO contracts

District Wide Facilities Changes

- Remove one-time project funding
- Combine document control and facilities scheduling

Information Systems Changes

- Tools4Ever

Central Office Staffing & Support Changes

- Reduce or eliminate positions and contracts
- Reduce professional learning

District Wide Changes

- Restrict non-local travel



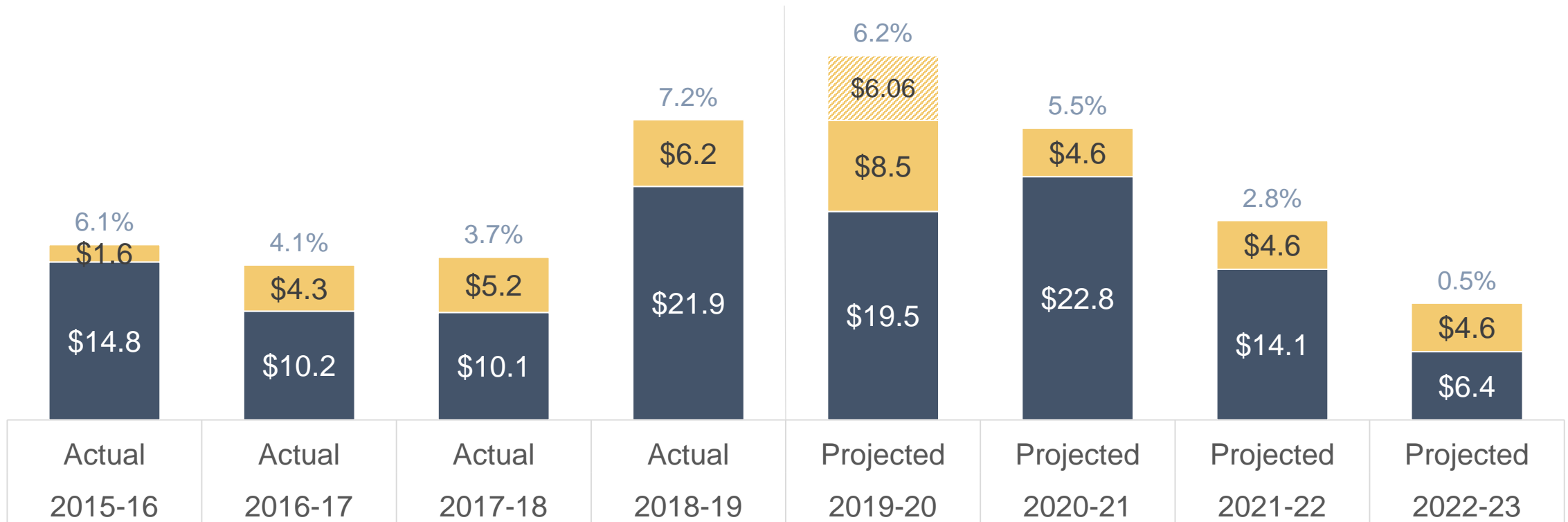
Fund Balance

Revenue & Expenditures

General Fund 4-Year Budget Summary

	2019-20	2020-21	2021-22	2022-23	2023-24
Beginning Fund Balance	\$28,093,000	\$34,103,006	\$22,768,057	\$14,105,138	\$6,380,572
+ Revenues	\$315,953,006	\$326,469,873	\$327,134,766	\$329,938,192	\$329,517,210
+ CARES	\$6,057,000				
- Expenditures	\$316,000,000	\$331,747,822	\$335,797,685	\$337,662,758	\$339,809,189
- CARES		\$6,057,000			
Ending Fund Balance	\$34,103,006	\$22,768,057	\$14,105,138	\$6,380,572	(\$3,911,407)
Restricted Balance	\$8,523,856	\$4,553,611	\$4,553,611	\$4,553,611	\$4,553,611
Restricted Balance: CARES	\$6,057,000				
Unrestricted Balance	\$19,522,150	\$18,214,446	\$9,551,526	\$1,826,961	(\$8,465,019)
Percent of Expenditures	6.2%	5.5%	2.8%	0.5%	-2.5%

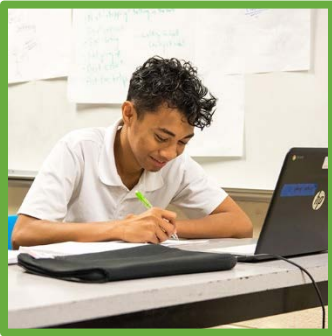
Ending Fund Balances



Note: Percentages are the Percent Unrestricted Fund Balance

■ Unrestricted ■ Restricted ▨ CARES

dollars in millions



Other Funds



HIGHLINE
PUBLIC SCHOOLS

Associated Student Body Fund

funds raised by students to support extra-curricular activities



General Student Body



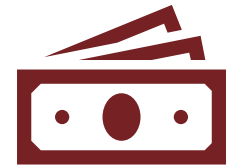
Athletics



Classes



Clubs



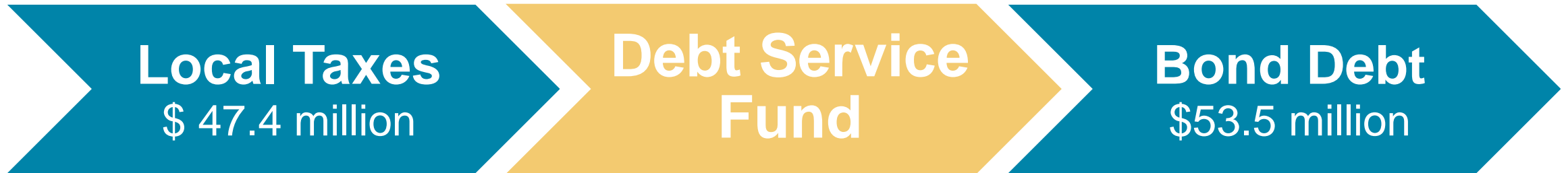
Private Monies

	General Student Body	Athletics	Classes	Clubs	Private Monies
Revenue	\$ 480,000	\$ 150,000	\$ 42,500	\$ 351,050	\$ 20,110
Expenditures	\$ 401,041	\$ 284,225	\$ 47,100	\$ 388,855	\$ 24,811

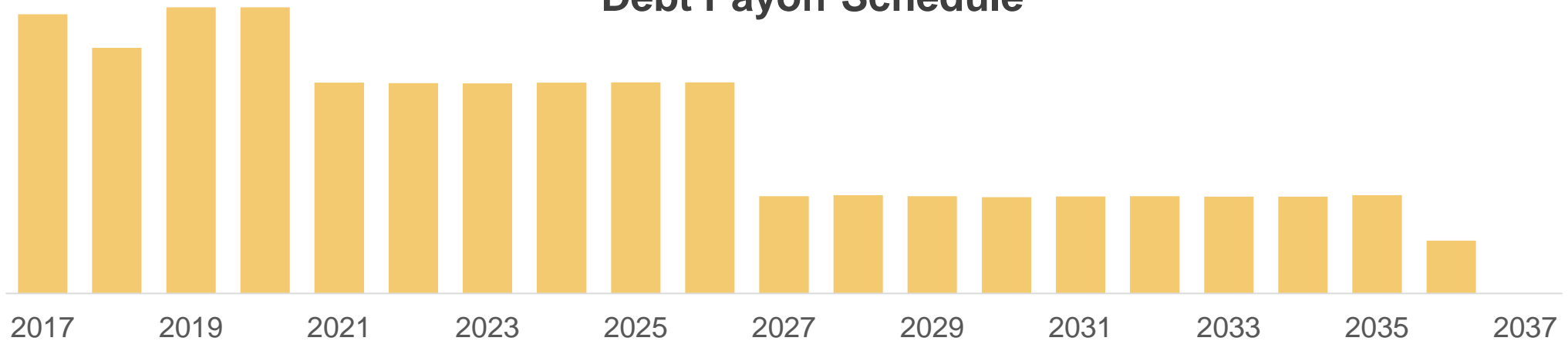


Debt Service Fund

Revenue from local taxes to pay voter-approved bond debt



Debt Payoff Schedule



Capital Projects Fund

Facilities construction, renovation, and major improvements

New Schools

Des Moines Elementary School

Glacier Middle School

In Progress:

Highline High School

Architectural design of three new schools
(Evergreen, Tyee, and Pacific)

School Improvements

Renovation of Olympic Interim School

Capital improvements including installation of new roofs, replacement of boilers, paving asphalt, installation of new communication systems

Sewer extension at Beverly Park

Locks and Security Project – Phase 1

In Progress:

Locks and Security Project – Phase 2



Capital Projects Fund

Facilities construction, renovation, and major improvements



Beginning Fund Balance \$ 47,188,983

+ Revenues \$ 62,732,583

- Expenditures \$ 88,350,172

Ending Fund Balance \$ 21,571,394



Transportation Vehicle Fund

Purchases and major repairs of school buses



Vehicle Fleet

110 School Buses



New Purchases

3 Electric School Buses



Retired Vehicles

3 School Buses

Transportation Vehicle Fund Budget

The district pays for school buses upfront and is reimbursed by the state over the life of the bus.

Beginning Fund Balance	\$	1,404,273
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+ Revenues	\$	661,250
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- Expenditures	\$	1,400,000
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Ending Fund Balance	\$	665,523
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2019-20 Budget Extension

Debt Service Fund

Capital Projects Fund



Debt Service Fund

Revenue from local taxes to pay voter-approved bond debt

2019-20 Current Budget

Beginning Fund Balance	\$	20,244,400
+ Revenues	\$	51,926,573
- Expenditures	\$	50,019,300
<hr/>		
Ending Fund Balance	\$	22,151,673

2019-20 Proposed Revision

Beginning Fund Balance	\$	19,902,782
+ Revenues	\$	51,926,573
- Expenditures	\$	50,519,300
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Ending Fund Balance	\$	21,310,055

Capital Projects Fund

Facilities construction, renovation, and major improvements

2019-20 Current Budget

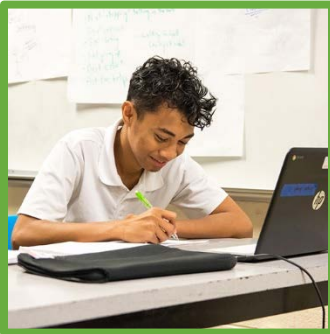
Beginning Fund Balance	\$	113,193,202
+ Revenues	\$	5,785,000
- Expenditures	\$	85,116,260
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Ending Fund Balance	\$	33,861,942

2019-20 Proposed Revision

Beginning Fund Balance	\$	143,383,711
+ Revenues	\$	17,213,552
- Expenditures	\$	113,408,280
<hr/>		
Ending Fund Balance	\$	47,188,983

Capital Projects Fund

- The initial budget was entered inaccurately understating the required funds by \$13,221,827
- Funds required for current fiscal year exceeded initial projections by \$15,070,193
 - Highline HS overall budget remains the same. The contractor expenditure for FY 2019-2020 are greater than the initially projected.
 - Glacier MS Overall budget remains the same. The construction expenditures occurred in the FY 2019-2020 instead of previous fiscal year.
 - Des Moines ES Overall budget remains the same. Additional scope requested by City of Des Moines for FY 2019-2020 not previously anticipated.



Questions & Comments



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