

**Operating and Capital
Approved Budgets for Fiscal Year
2021-2022**



Presented to and Approved by the Tukwila School District

Board of Directors

August 10, 2021

Approved August 10, 2021

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Draft Board Resolution

TUKWILA SCHOOL DISTRICT NO. 406 KING COUNTY, WASHINGTON

RESOLUTION NO. 917

A RESOLUTION of the Board of Directors of the Tukwila School District No. 406, King County, Washington, adopting the 2021-22 Budget, the four-year budget plan summary and the four-year enrollment projection.

WHEREAS, the Board of Directors of the Tukwila School District No. 406 has reviewed the proposed 2021-22 budget, the four-year budget plan summary, and the four-year enrollment projection; and

WHEREAS, the budget, summary and enrollment projections as presented, adequately provides for the school district’s operations; and

NOW, THEREFORE BE IT, RESOLVED, that the Board of Directors of the Tukwila School District No. 406 has determined that the final appropriation level of expenditures for each fund in 2021-22 will be as follows:

General Fund	\$61,128,093	
Capital Projects Fund	\$8,836,248	
Associated Student Body Fund	\$179,517	
Debt Service Fund	\$7,690,809	
Transportation Vehicle Fund	\$303,510	

ADOPTED this 10th day of August, 2021 in Tukwila, Washington.

President

Vice President

Director

Director

Director

ATTEST:

Dr. Flip Herndon
Secretary to the Board of Directors

Approved August 10, 2021

Executive Summary

Preface: The Board created, reviewed and approved the 2020-21 Board Priorities during five board meetings between March and June 2021. The District presented preliminary budgets to the Board between June and July. The District has taken Board feedback to include 5th Grade Camp and Staff Appreciation funding, Robust art programs, closing the learning gap and other feedback to create the proposed budget contained in this document. The proposed budget includes carryover and recovery (see page 7). The proposed budget was adopted by the Board at its August 10, 2021 Board Meeting.

Executive Summary: While the district had an adequate ending fund balance several years ago it more recently has been faced with stretch budgets to make it through each year. The 19-20 school year presented more challenges when schools were forced to close in March of 2020 due to the COVID-19 Pandemic. One of the upsides to the school closure were some expense reduction leaving a 9.2% ending fund balance for that year. For 20-21sy, the District worked hard to educate students both remotely and in brick and mortar as safely as possible as well as accommodate staff needs.

The following table shows historic enrollment, revenue, spending and fund balance trends. The district will have carry over Cares monies (ESSER) that will be spent between 2021-22 through 2024. This will have no impact on the 2021-22 ending fund balance.

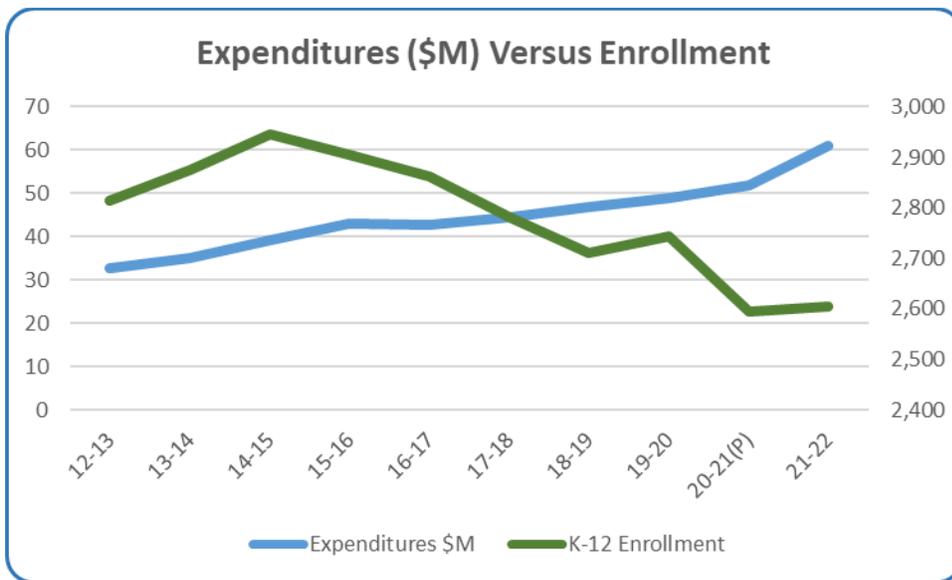
Executive Summary (\$000's)	Act 2017-18	Act 2018-19	Act 2019-20	Proj 2020-21	Bgt Yr 1 2021-22	Bgt Yr 2 2022-23	Bgt Yr 3 2023-24	Bgt Yr 4 2024-25
Enrollment	2,780	2,711	2,745	2,645	2,605	2,663	2,637	2,611
Change	(81)	(70)	34	(100)	(40)	58	(26)	(26)
% Change	-2.8%	-2.5%	1.3%	-3.6%	-1.5%	2.2%	-1.0%	-1.0%
State Funding	11,994	8,719	6,459	7,225	25,671	27,662	27,120	26,588
Other	19,224	25,160	26,637	25,349	170	174	171	167
Local Funding	451	471	279	301	7,434	7,433	7,287	7,145
Sub Total BEA	31,670	34,350	33,375	32,875	33,275	35,269	34,578	33,900
% Change	3.4%	8.5%	-2.8%	-1.5%	1.2%	6.0%	-2.0%	-2.0%
Grants and Other	12,719	15,126	15,811	17,828	25,799	26,871	16,930	16,581
Total Revenue	44,389	49,476	49,186	50,703	59,074	62,140	51,508	50,481
% Change	6.2%	11.5%	-0.6%	3.1%	16.5%	5.2%	-17.1%	-2.0%
Expenditures	44,567	46,709	49,034	51,787	61,128	62,035	52,227	51,061
% Change	4.3%	4.8%	5.0%	5.6%	18.0%	1.5%	-15.8%	-2.2%
Begin Fund Balance	1,761	1,583	4,350	4,502	3,418	1,364	1,469	750
Capacity	(178)	2,767	152	(1,084)	(2,054)	105	(719)	(580)
Ending Fund Balance	1,583	4,350	4,502	3,418	1,364	1,469	750	170
%	3.6%	8.8%	9.2%	6.7%	2.3%	2.4%	1.5%	0.3%

Approved August 10, 2021

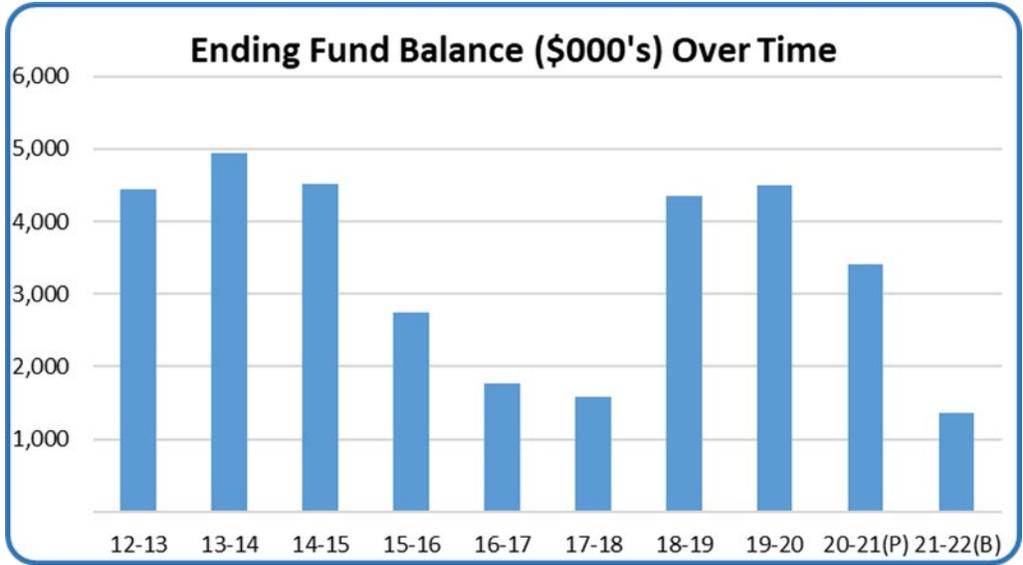
To remain sustainable, the district must align its costs with its revenues. Cost reductions will be required to achieve a positive ending fund balance going forward. The district must stabilize its enrollment, lobby the State for additional monies continue to pursue CTE and other sources of funding. In addition, any additional expenditure must be offset by cost reductions.

Expenditures exceeded revenues for four out of the last six years, with the exceptions being 2018-19 and 2019-20. Cost reduction measures in 2018-19 focused on attrition, MSOC reductions and operating controls that were made as far away from the students as possible and these cost reductions were maintained in 2019-20. In addition, 2019-20 had additional cost reductions, including a \$1.3M in staffing reductions through attrition and a reduction in force and additional MSOC reductions related to Covid-19 pandemic that started in March 2020. Guidance from the KCHD and MOU's established in 2019-20 school year, resulted in additional incurred staffing costs for 2020-21.

The 2021-22 budget cost assumptions are aggressive and must be exceeded to cover known and unknown risks. The district has material risk in the size of its infrastructure, Covid-19, TEA/ESP, SEIU, Administrator, and Principal wage increases due to comparable district language, and Risk Management Insurance costs. These and other risks are outlined on the next several pages and will require significant cost reductions to limit their impact to the Ending Fund Balance and allow the district to maintain sustainability.



Because a large portion of every school district's revenue is based on enrollment, districts must reduce expenditures when they reduce students to avoid drawing down their ending fund balance. When Tukwila's enrollment began to decline in 2015-16 and costs continued to increase Tukwila continued to draw down their fund balance. This can work in the short term, but if Tukwila continues to spend more money than they receive they will run out of money. The next table shows the district's ending fund balance over time.



Risks, Opportunities and Capacity

Covid-19:

2020-21 school year started fully distance learning with the exception of our most vulnerable student being able to attend in person. Optional Hybrid began in April. The district has teams that are continually working on school safety plans. The budget assumes that additional Covid-19 related costs will be covered by the Cares (ESSER II and III).

Transportation funding has been negatively impacted by Covid-19. Funding is based prior year ridership. 19-20 left a gap in funding even with the stabilization. Only ESSER I can get reimbursed for this loss. For 21-22, the State will give the District the 19-20 allocation.

In addition, some families may keep their kids away from brick and mortar as Covid-19 precautions.

Enrollment versus Infrastructure:

District enrollment reached a peak of 2,946 students in 2014-15 and has declined for the last five years. The district is expecting a 1% enrollment increase in 2021-22 and a small enrollment increase in 2022-23 due to the construction of new housing units. See the enrollment section for more information.

Enrollment is trending down faster than the district is reducing its cost structure. Stabilizing long-term enrollment is critical to the long-term sustainability of the district. The completion of the Elementary School construction and the Foster and Showalter Modernization projects will help, as will the larger 'Technology Levy' that will provide additional funding to support the student learning environment.

Wage Increases and Union Activity:

The 2021-22 budget assumes a 5% rate increase for TEA and ESP and a reclassification with a 3% rate increase for SEIU. The TEA and ESP union agreements include comparable district language that may

result in a higher wage increase. The Principal and Administration team will also be receive 7% increase in wages.

Grants - Special Education:

The state does not fully fund Special Education. In five of the last six years, the district has spent 30% or more than it received in its special education revenue. In other words, for five years for every dollar of funding the district has spent \$1.30 or more to support their special need students. 2018-19 demonstrated that the district can operate with a 15% overspend. 2021-22 is projected to have an over spend of 26%.

Sped (\$000's)	15-16 Act	16-17 Act	17-18 Act	18-19 Act	19-20 Act	20-21 Proj	21-22 Bgt
Revenue	2,860	2,940	3,451	4,739	4,917	4,910	5,036
Expenditures	4,109	3,996	4,843	5,468	6,234	6,040	6,064
Difference \$	-1,249	-1,056	-1,391	-729	-1,318	-1,130	-1,029
Difference %	44%	36%	40%	15%	27%	23%	20%

Grants – 2021-22 Underspend:

2020-21 spending on some Grants and Categoricals is trending to be lower than their corresponding revenue sources. As a result, the 2021-22 figures assume carry over or limited recovery.

Direct Expenditures	Recovery	Carryover	2021-22 Impact
Program 31 Career & Tech	0	48,000	48,000
Program 55 LAP Regular	0	71,413	71,413
Program 55 LAP High Poverty	-50	93,965	94,015
Program 74 Highly Capable	-30,498	0	30,498
Totals	-30,548	213,378	243,926

Legal Costs:

The 2021-22 budget includes \$175k in legal costs. It is possible actual costs will be higher than the budget.

Insurance Increase:

We are expecting a 20% increase. 20-21 total was \$389,789 and the projected amount for 21-22 is \$467,747.

SEBB:

Effective January 1, 2020 all employee insurance plans were managed by the School Employees Benefit Board (“SEBB”). All of the district’s employees that work 630 hours a year are now eligible for health insurance with no proration based on the number of hours worked. 2020-21 will have a full-year impact of the higher costs. 2021-22 the SEBB rate has decreased. Starting Sept 1, it will be \$968 versus \$1,000, resulting in potential saving of \$10k.

Construction Delay

Budget assumes that construction at all five schools is completed on time, with the exception of final checklist items, some exterior work and the Foster Commons. The budget assumes there will be no general fund expenses associated with construction.

K-3 Class Size Compliance

The State requires districts to maintain a K-3 class size of 17 students per teacher. Tukwila met the threshold in 2020-21 and is planning to meet the threshold in 2021-22.

Deferred Maintenance:

The citizens of Tukwila passed a four-year 'Capital Levy' and increased funding will start in January 2021. Monies will be used to meet technology needs and will begin to address deferred maintenance on a prioritized schedule.

Moody's Bond Rating:

The district's Moody's bond rating dropped from Aa2 to Aa3 in Nov 2017. The bond rating dropped from Aa3 to A2 with a negative outlook on 9/11/2018. This was a double down grade (the district skipped A1). The current rating 11/2020 stayed an A2 but the negative outlook was removed. This is a step in the right direction.

Opportunity: Attrition

It is statistically likely that employees will leave the district in 2021-22. Cost savings will occur if there is a delay in hiring the replacement or if the position is not filled at all.

Budget Year Two Risks and Opportunities

Any cost overrun associated with the risks listed above will carry into Budget Year Two and beyond. The district needs to reduce the size of its cost structure to achieve a positive year two ending fund balance.

Budget Process

The Budget Advisory Team was created in March 2021. The Team’s goal was to explore enrollment strategies and find “operating efficiencies” to allow the district to meet its Mission with limited financial resources”. In addition, the district hosted Community Budget Forums to get feedback from the community and to discuss the budget in an open and transparent manner.

Revenue assumptions are based on the F203 Revenue Report and have been reviewed by the ESD. Every expenditure account was reviewed and vetted with each stakeholder(s) and reductions were made to reflect cost-cutting efforts, enrollment projections, state and federal funding, categorical spending, inflation, unfunded mandates and input from the Board, the Budget Advisory Committee and the community at large.

Board Priorities

1 Create a culture of equity, trust, honesty, respect, and positive relationships.

- **Staff Appreciation Event.** Budget includes \$7k for the 2020-21 staff appreciation event. - All staff should be acknowledged. Some examples, staff breakfast, star awards. Make this more inclusive and more than just an annual event, maybe monthly to diversify instead of just one big event. Due to COVID, not sure what this will look like for 20-21, but the budget is available.
- **Need quality input from non-staff community members and students.** We will continue to communicate and recruit through our website/ social media and word of mouth.

#2 Develop a clear focus on engaging students through the design of instruction through curriculum, experiences, work, and supports to ensure student achievement.

- **Race and Equity.** MSOC funding increased from \$10,000 to \$75,000. The 2020-21 budget includes additional Professional Development (“PD”) payroll funding for trainings and discussions and includes funding for any supplies and materials that will be needed.- District Administration have had 2 training so far and is in continued partnership with PSESD.
- **Creative Learning Labs: Equitable access at each elementary school.** There is a teacher at each Elementary doing the CLL virtually and have the necessary tools to be successful.
- **Design and implement an academic acceleration program for all students with a special focus on the 40% of students who are 2 or more grade levels behind.**
- **Summer School for students that are below grade level expectations, highly capable students from categorical funding source and students that need credit recovery.** Funding will be based on grant awards. – School have allocated Hi-LAP poverty dollars for summer school. If the second round of ESSER is passed, we can allocate funds for summer school as well.
- **Increase collaboration with our community and faith based organizations, i.e. Boys and Girls club.**
- **Establish and maintain community partnerships/relationships and increased communication.**
- **Social and Emotional Learning support for staff and students-** Sound Discipline is working with the Building leadership and Ruler has been rolled out to Leadership.
- **K-3 class sizes to maximize state revenue.** The District achieved a K-3 class size of 17 in 2019-20 and the 2020-21 budget includes a K-3 class size of 17 to maximize state revenue. If the actual class size is higher than 17 the State will reduce funding equivalent to the staff savings. As a result, there is no cost to maintain the K-3 class size of 17.
- **Outdoor Education (Osprey Camp).** The budget includes \$95k for 5th Grade Camp. Funding was achieved by reducing classified extra hours and requiring all 2020-21 extra hours to be pre-approved. Due to COVID, this more than likely will not happen for the 20-21 sy. We will make sure this funding is available for the 21-22sy.

- **Dual Language.** T&L formed a committee and the 2020-21 budget includes \$30k for a dual language kindergarten program at Tukwila Elementary in 2020-21. This program will expand to kindergarten and first grade at Tukwila Elementary in 2021-22 and will progress into other grades thereafter. Funding is provided through an iGrant. Due to Covid, we will start with dual language in kindergarten next year. It will be just kindergarten class in English/Spanish at Tukwila Elementary School.
- **Pre K in all elementary schools.** The district will provide ECEAP, Head Start, and Voices of Tomorrow at Thorndyke and ECEAP and ECSE (Early Childhood Special Education) at Cascade View and the district continues to explore options for Tukwila Elementary. –We are in talks with PSESD. We will keep you posted.
- **Review needs for increased Community Liaisons** (e.g. Vietnamese, Arabic/Farsi)- Vietnamese is priority. Working on a funding source.
- **Increase support for the Arts, specifically Band, Choir, Drama.-** Meetings of the minds would play a huge part in the what this plan would look like and desired outcomes. Having a meeting with the department heads would be the first step.

#3 Ensure and communicate structures of sustainability and continuity are in place that result in increased student, staff, and community commitment to and ownership of the direction of the district.

- **Communications.** School based and administration stipends will continue in 2020-21 in the same form as 2019-20. The 2020-21 budget includes \$3,000 in stipends. The Admin office is looking into hiring this position and not effecting the 8% threshold of Central office expenses.
- **Financial Stability**
 - Performance Audits, every 5 years per policy 6550
 - Ending Fund Balance between 3% to 4% for 2020-21.
 - Ending Fund Balance 6% for 2021-22.
 - Utilize all available funds effectively for the benefit of our students, e.g. no give backs or money left on the table.
- **Safety Issues**
 - Immunizations. *There is no cost for the district to be compliant with WA State law.*
 - Lead in water faucets. Retest all faucets after construction and every three years (all below 5ppb with plan to get all below 1 ppb. See [DOH guidelines](#)). *Testing was completed in 2019 and all faucets with 1ppb or higher were replaced in 2019-20.*
 - Ventilation evaluation of current systems and their capacity. *Create a plan for future upgrades to address air quality/exchanges/filters.*
- **School lunch nutritional standard.** OSPI confirmed Tukwila's nutritional standards met or exceeded nutritional standards during its 2019-20 audit. In addition, the district offers a vegetarian option at every school and at every meal period regardless on whether the students

eats at school or picks up a meal to eat remotely. - We were audited for the summer food program at the end of 19/20 and there were no findings.

#4 Design a recruitment and on-boarding system that hires, retains, empowers and provides leadership pathways for high quality staff that believe in the direction of the district.

- *Hire a workforce reflective our of community.*

Programs and Positions

Table notes:

Program	2018-19 Actual	2019-20 Actual	2020-21 Budget	2021-22	H/(L)
Avid	26,853	50,628	37,200	37,200	0
5th Grade Camp	73,578	0	0	95,000	0
Summer School	362	TBD	TBD	500,000	na
Travel	69,792	74,165	64,275	65,000	725
Legal	56,772	100,993	175,000	175,000	0
Before / After School Programs	81,938	TBD	100,000	TBD	0
Curriculum	287,620	175,550	175,000	-	(550)
Race & Equity MSOC	11,139	10,000	75,000	75,000	0

- Summer School and Before / After School Program allocations will be determined based on grant awards.
- 5th grade camp was not held in 2020-21 due to the ‘Stay Home Stay Healthy’ proclamation but will be included in the 2021-22 budget.
- The 2021-22 Race and Equity budget will also include training and discussions during Smart Wednesday meetings and one or two professional development days depending on recommendations from the Race and Equity team.

Enrichment

In the 2012 McCleary decision, the Washington State Supreme Court ruled that insufficient state funding for basic education unconstitutionally caused districts to rely on local levy funding to support the costs of implementing the state's basic education program. HB 2242 addressed this by limiting the amount of local levy funding for education, and restricting the use of the funds. The HB 2242 limits on local levies began in January 2019 and the monies collected through the local levy were thereafter called, "Educational Programs and Operations Levy," or "EP&O" funding. The EP&O monies are sometimes referred to as "Enrichment" funds, but the term enrichment can be misleading and was excluded from the district's 2020 EP&O ballot measure. The EP&O ballot language is shown below.

Proposition No. 1

Renewal Educational Programs and Operations Levy

The Board of Directors of Tukwila School District No. 406 adopted Resolution No. 896, authorizing a renewal educational programs and operations levy. This proposition would authorize the District to meet the educational needs of students by levying the following excess taxes, renewing an expiring levy, on all taxable property within the District, for educational programs and operations expenses not funded by the State.

Year	Rate	Amount
2021	\$1.75	\$7,850,000
2022	\$1.75	\$8,250,000
2023	\$1.75	\$8,700,000
2024	\$1.75	\$9,150,000

Explanatory statement

Passage of Proposition No. 1 would allow the Tukwila School District to renew an existing educational programs and operations levy that will expire at the end of calendar year 2020. The taxes collected by this levy will be deposited in the District's General Fund and used to meet the educational needs of students and pay expenses of educational programs and operations that are not fully funded by the State of Washington, including, but not limited to, expenses of teaching, student support, special education services, school nurses and counselors, textbooks and classroom supplies, student transportation, security, student activities (such as band, music, art, world languages and extra-curricular activities), professional development and training, and other school operations. Further information is available on the District's website at www.tukwilaschools.org.

All expenditures that are not covered by the State, by grants, by categoricals, etc. must be covered by the local EP&O levy since there are no other remaining funding sources. As a result, the EP&O levy pays for unfunded certified & classified salaries, unfunded library services, unfunded maintenance, and other costs that are not covered by other funding sources such as the unfunded costs of nurses, counselors, family advocates, custodians, textbooks and other instructional materials, Covid-19 related costs not covered by other programs. In addition, the local levy pays for the actual cost of basic utilities such as power, water, sewer, insurance and maintenance that is not covered by the State.

In addition to the EP&O levy, other local funding is considered “enrichment”. These revenues includes programs like ECEAP and Head Start that have their own limits on how their money is spent and it includes other local revenues like donations, facility rentals, etc. 2021-22 “enrichment” revenues are shown below.

Revenue Description	Revenue
Ed Programs & Operations Levy	8,073,767
Head Start	305,000
Other	170,218
Total Revenue	8,548,985

MSOC Description	MSOC	Payroll Description	Payroll
Art	8,600	Billable (TEA President)	59,718
Audit Cost	70,000	Sickleave Buyback	248,879
AVID	21,000	Cert Extra Hours	331,440
BEA	95,958	Cert Stipend	64,077
Camp	95,000	Cert Subs	272,583
Curriculum Council	10,000	Certificated Administrative Staff Salaries	466,109
Drama	2,000	Certificated Instructional Staff Salaries	777,427
Dues and Fees	5,034	CL Extra Hours	50,000
Evaluation & Assessment	68,600	CI Stipend	312,781
Extra Curricular	119,150	Class Overload	40,636
Gates	350,000	Classified Staff Salaries	1,044,449
Graduation	18,507	Classified-Sub	129,610
Grants	272,500	Dept Chair	34,750
Health/Fitness	4,850	Extended Days	94,656
HVAC PM/Repairs	268,400	In-district Interp/Trans	17,197
In-district Mileage	950	PR Taxes & Benefits	1,114,128
Language Arts	3,700	Stadium	61,931
Legal Service	175,000	Total Payroll	5,120,371
Library	75,400		
Math	61,800		
Music / Band	4,350		
Music/Choir	7,050		
Other	57,960		
Repairs/Maint	152,314		
Science	14,500		
Social Studies	8,100		
Stadium	5,000		
Staff Appreciation	7,000		
Student Registration	15,200		
Summer Maintenance Projects	148,500		
Travel/Lodging	7,400		
Water/Sewer	73,856		
World Language	850		
Total MSOC	2,228,529		

Student Enrollment

The 2021-22 Full-Time Equivalent (FTE) K-12 enrollment budget is 2,605. An additional 75 students are expected to participate in Running Start and an additional 4 students are expected to participate in Open Doors bringing the total 2021-22 enrollment budget 2,684.

The following table shows the changes in actual student enrollment and the changes (increases/decreases) in the budgeted student enrollment over the past several years. 2021-22 enrollment was built by each school principal with input from their staff and reviewed by the Budget Advisory Team. Projected enrollment in budget years two through four reflect Davis Demographics analyses, City of Tukwila new housing construction projects, and other assumptions.

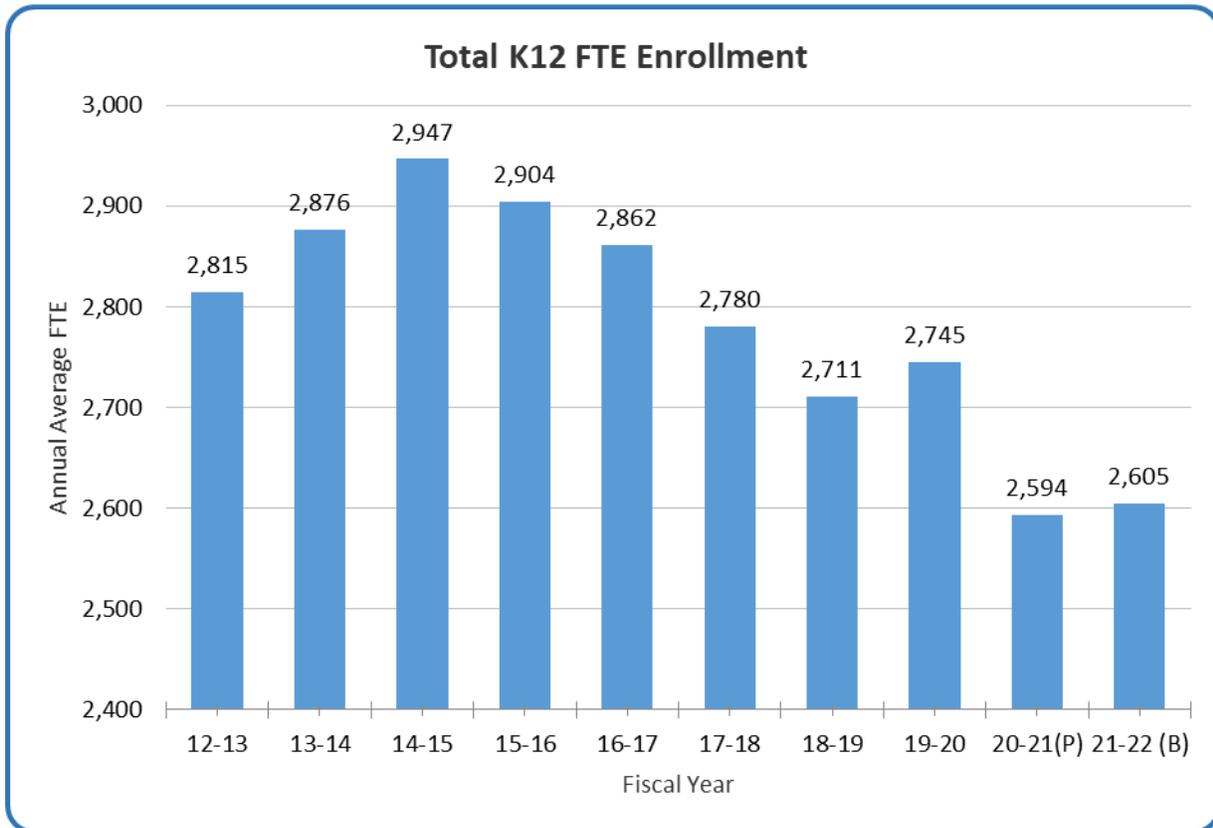
FTE Enrollment By Grade	11-12 Act	12-13 Act	13-14 Act	14-15 Act	15-16 Act	16-17 Act	17-18 Act	18-19 Act	19-20 Act	20-21 Proj	21-22 Fcst
Elementary (K-5)	1,330	1,352	1,404	1,442	1,428	1,404	1,367	1,305	1,304	1,218	1,216
Middle (6-8)	633	624	662	678	678	638	615	626	660	609	604
High (9-12)	848	839	810	827	798	819	798	779	781	767	785
Total K12 FTE	2,811	2,815	2,876	2,947	2,904	2,862	2,780	2,711	2,745	2,594	2,605
FTE Change from PY	2	4	61	71	-42	-43	-81	-70	34	-151	11
% Change	0.1%	0.1%	2.2%	2.5%	-1.4%	-1.5%	-2.8%	-2.5%	1.3%	-5.5%	0.4%
ALE	0	0	0	0	0	0	3	32	55	60	0
Running Start	27	41	33	30	33	50	69	80	94	100	75
Open Doors	0	0	9	12	0	0	0	4	2	2	4
Grand Total	2,838	2,856	2,917	2,988	2,937	2,911	2,852	2,826	2,896	2,756	2,684
FTE Change from PY	10	18	61	71	-51	-26	-59	-26	70	-140	-72
% Change	0.3%	0.6%	2.2%	2.4%	-1.7%	-0.9%	-2.0%	-0.9%	2.5%	-4.8%	-2.6%

FTE Vs Plan	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22
Actual K12 FTE	2,811	2,815	2,876	2,947	2,904	2,862	2,780	2,711	2,745	2,593	na
Budgeted FTE	2,777	2,834	2,812	2,876	2,981	2,903	2,775	2,760	2,643	2,645	2,605
Bgt vs. Act FTE	34	-19	64	71	-77	-41	5	-49	102	-52	na

* Source Document: Historical data from OSPI Report 1251 full-year average

Student Enrollment – Chart

As shown below, K-12 enrollment reached a peak in 2014-15 has declined for the last five years. 2021-22 projects a slight increase. The district expects a small increase in budget year two enrollment due to the completion of three housing developments.



Contributing to the recent decline in enrollment include two competing schools that opened during the summer of 2018. The Impact Public Charter School is adding one grade level per year. The Abubakr Islamic Center of Washington, formerly known as Makkah Islamic School, has capped its enrollment.

Impact School	18-19	19-20	20-21	21-22	22-23
K	120	95	104	100	
1	60	127	102	104	
2		63	133	102	
3			70	135	
4				70	
5					
Total	180	285	409	511	0
Abubakr K-8	170	170	196	185	

General Information

Four (4) operating funds and one (1) capital projects fund comprise the total annual budgets for the Tukwila School District. The distinctive funds are identified below with a summary description of each.

1. General Fund

The General Fund is financed from local, county, state, and federal sources. These revenues are used for financing the current operations of the school district such as personnel, student instruction, food service, transportation, and maintenance.

2. Capital Projects Fund

The Capital Projects Fund is used to cover expenditures for technology projects, construction projects, major repairs, and equipment.

3. Debt Service Fund

The Debt Service Fund is established to account for the payment of principal, interest, and expenditures related to the redemption of outstanding bonds.

4. Associated Student Body Fund

The Associated Student Body Fund is financed through the establishment and collection of fees from students and nonstudents as a condition of their attendance at any extracurricular event of the district.

5. Transportation Vehicle Fund

The Transportation Vehicle Fund is provided to account for the state reimbursement to the school district for approved pupil transportation equipment and for the purchase and major repair of such equipment.

General Fund – Local Excess Levy

In the 2012 McCleary decision, the state Supreme Court ruled that insufficient state funding for basic education unconstitutionally caused districts to rely on local levy funding to support the costs of implementing the state's basic education program. HB 2242 addressed this by limiting the amount of local levy funding for education, and restricting the use of the funds. Limits on Local Levies began on January 1, 2019 and this is reflected in the table below where 2018-19 local levy collections were reduced by 35.8% and 2019-20 local levy collections decline an additional 33.1%, but 2021-22 is flat due to being able to use 19/20 enrollment numbers for formula allocation.

Local Levy History	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Proj	2021-22 Budget
Amount	10,779,578	11,867,362	11,844,582	8,719,105	6,549,251	7,225,803	7,433,311
Change \$	438,282	1,087,784	-22,780	-3,125,477	-2,169,854	676,552	207,508
Change %	4.1%	9.2%	-0.2%	-35.8%	-33.1%	9.4%	2.8%

The State sets its local levy rates on a calendar year (from January 1st through December 31st), however school districts operate on a fiscal calendar (from September 1st through August 31st). As a result, the District’s 2021-22 levy revenue includes calendar year 2021 and 2022 levy values as calculated above.

Local Levy Revenue*	Annual Levy	Collection Percent	2021-22 Budget
Fall 2021	7,711,814	45%	3,470,316
Spring 2022	7,571,000	55%	4,164,050
Sub Total			7,503,847
Collection percentage			99.06%
Total 2021-22 Local Levy Revenue			7,433,311

The Levy cap imposed by the McCleary Act limits school districts to collect the lower of (1) revenue per FTE, (2) a rate per Assessed Property Value (“AV”) or (3) the levy amount approved by the taxpayers, which was \$7,850,000 in 2021.

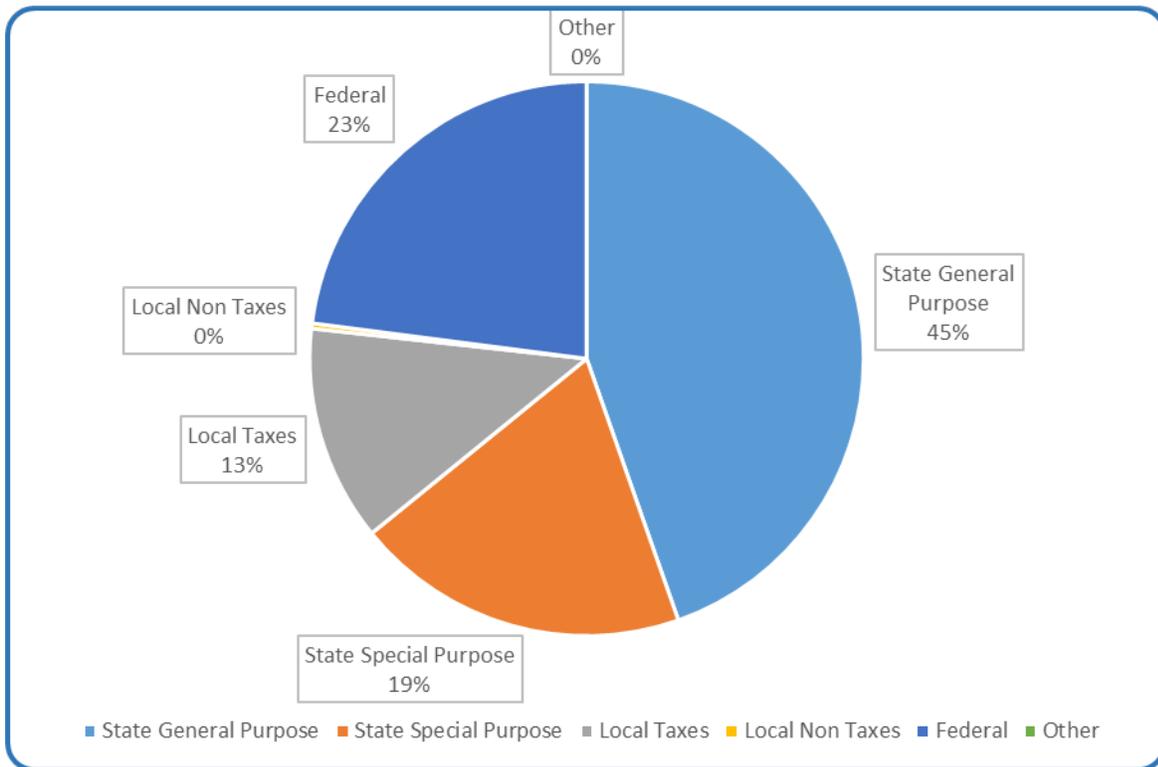
Local Levy Calculation	Calendar Year 2021	Calendar Year 2022
Max Per Pupil	2,604	2,650
Enrollment	2,584	2,560
Revenue Based on FTE	6,726,403	6,784,929
Assessed Value	4,338,812,236	4,425,588,481
Assessed Rate Per \$1,000	2.50	2.50
Revenue Based on Assessment	10,847,031	11,063,971
Lower of Per FTE or Assessment	7,225,795	6,784,929
Spring	4,198,916	3,731,711
Fall	3,302,089	3,053,218

As shown in the table above, local levy calculations use prior year enrollment and assessed value amounts. The State maximum per pupil is capped at \$2,604 in 2021 and grows with CPI thereafter. In 2019 the State rate per AV was \$1.50 / \$1,000 and the AV rate was increased to \$2.50 / \$1,000 in 2020 and beyond. In order for Tukwila to increase its local levy it will need to increase enrollment and / or lobby the State for relief. 2021-22 has the same allocation as 19-20 due to being able to use 19-20 enrollment numbers for formula allocation.

General Fund Revenue

2021-2022 Revenue comes from the following sources.

Revenue By Category	2021-22 Bgt
State General Purpose	26,342,799
State Special Purpose	11,521,776
Local Taxes	7,433,311
Local Non Taxes	177,218
Federal	13,548,667
Other	0
Total Revenue	59,023,771



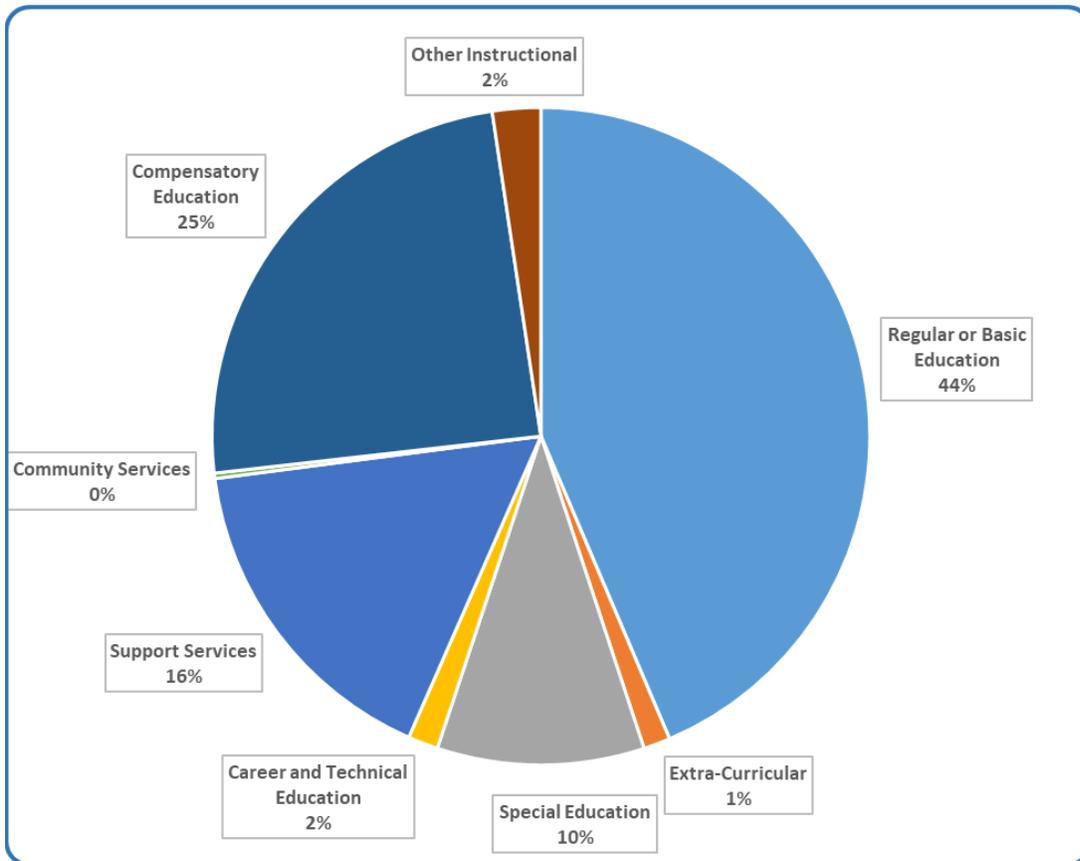
General Fund- Revenue by Activity

Revenue By Activity	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Proj	2021-22 Budget
11 Local Property Tax	11,994,404	11,358,626	6,459,251	7,225,758	7,433,311
13 Sale of Tax Title Prop	1,271	0	731	0	
21 Tuitions & Fees	9,421	5,093	2,432	5,500	500
22 Sale of Goods, Svc, Supplies	218,808	218,465	167,625	5,000	-
23 Investment Earnings	45,593	33,948	87,041	80,000	80,000
25 Gifts & Donations	32,987	14,094	60,409	45,730	-
26 Fines & Damages	3,088	4,260	1,269	687	-
27 Rentals and Leases	116,929	81,134	48,592	10,180	30,000
28 Insurance Recoveries	22,337	7,467	19,208	8,443	-
29 Local Support Nontax	93,448	181,061	83,363	150,000	59,718
31 Apportionment	19,698,097	19,016,079	27,242,818	27,430,155	26,342,799
41 State Revenue Program	6,838,597	5,473,490	9,455,197	9,648,651	10,821,320
43 Other State Agency	448,951	332,433	556,650	634,500	700,456
55 Federal Forests	1,948	0	753	0	-
61 Federal Revenues	4,198,207	4,119,162	4,111,040	4,961,843	12,675,813
63 Fed Grant Other Agency	419,338	458,892	485,086	455,000	820,000
69 USDA COMMODITIES	137,515	108,248	111,272	120,000	110,000
71 Program Participation	99,924	146,150	19,110	36,000	-
82 Private Foundation	931	251,581	272,921	650,000	-
93 Sale of Equipment	7,103	535	2,208	0	-
Total Revenue	44,388,897	41,810,716	49,186,976	51,467,447	59,073,917

General Fund- Expenditure Budget

The General Fund Expenditure Budget of **\$61,128,093** is the recommended operating budget for the 2020-21 school year. This includes a 2.5% capacity amount of **\$1,475,594** that should only be used when (1) additional revenues are received that require an increase in the District's current operations or (2) when emergencies or unexpected situations occur that have a financial impact (i.e. fire or flood). Capacity is not budget available to fund new initiatives. This amount also include \$75,000 being transferred to the Transportation Vehicle Fund to purchase a new bus.

The General Fund includes the following: Basic Education programs, Career and Technical Education, Food Services, Pupil Transportation, operational costs for all buildings and grounds and all Categorical Aid Programs (Federal and State). The following chart shows the General Fund Budget broken into categories.



General Fund- Expenditure by Program

Regular or Basic Education \$25,978,264
 Charged to these program codes are the direct expenditures for Basic Ed. These charges are limited to the activities of instruction, related direct supervision of teachers.

Extra-Curricular \$786,481
 Expenditures for activities that extend beyond the classroom, such as athletics (coaches, uniforms, stipends, transportation, etc.).

Special Education \$6,064,257
 Charged to these programs are the expenditures for providing special education and related services for all handicapped pupils between birth and twenty-one years of age.

Compensatory Education \$14,548,112
 Charged here are the direct expenditures to assist student participation in the regular instructional programs. Includes remediation programs like Title I and bilingual education. The programs are mostly cost-neutral due to being funded by outside sources, such as grants and/or donations. Apportionment and/or levy money contributes to these programs if/when the district chooses to expand the programs beyond the ability of their outside funding. This also include ESSER II and III 20% set asides.

Other Instructional Programs \$1,414,899
 Charged in these accounts are summer school, highly capable education, local education program enhancement, grants for basic skills development, educational improvement and support, and special projects.

Career and Technical Education \$880,071
 Direct expenditures for the secondary Vocational/Technical Program.

Community Services \$157,913
 These accounts are charged for operating programs primarily for the benefit of the community as a whole or some segment of the community. This program includes the Swim Pool, Performing Arts Center and Recreation. These programs are mostly cost-neutral due to being funded by outside sources, such as donations and the fees charged to use district facilities. Apportionment and/or levy money contributes to these programs when the district allows a student-focused organization (i.e. PTA) to use its facilities free of charge

Support Services \$9,747,502
 Support Services are the activities that support the educational programs of the district. Areas included are maintenance, health services, superintendent's office, Board of Directors, business operations, personnel services, utilities, insurance, data processing, district printing, food service and pupil transportation.

General Fund- Detailed Expenditure by Program

		2017-18	2018-19	2019-20	2020-21	2021-22
	Program	Actual	Actual	Actual	Proj	Budget
01	Basic Education	21,777,049	22,885,404	24,187,426	23,416,474	25,978,264
04	Extra Curricular	801,949	721,504	641,790	486,861	786,481
12						4,761,581
14						2,128,968
18	Race to the Top	9,129	0			
21	Special Ed, Basic, State	4,075,204	4,657,694	5,370,432	6,033,658	5,486,079
22	SpEd Infants & Toddlers	146,125	220,983	367,832	0	
24	Special Ed Suppl, Federal	621,346	589,695	495,874	778,958	578,178
31	Vocational Basic State	443,609	378,216	444,142	811,456	853,427
34	Mid School, Career Tech,			0	0	
38	Vocational, Federal	23,001	31,601	26,733	37,141	26,644
51	Title I	1,576,841	1,514,821	1,782,644	1,794,127	1,819,929
52	School Improvement	260,374	184,030	515,569	779,789	751,191
55	Learning Assistance, State	1,303,132	2,034,450	2,115,143	2,514,168	2,269,873
58	Special & Pilot Programs	968,570	1,048,733	711,886	669,092	578,336
61	Head Start	268,682	280,320	302,506	294,797	299,271
64	Title III LEP & RSIP Refugee School Impact	174,042	145,379	96,409	192,391	105,591
65	Trans Bilingual, State	1,248,654	1,478,026	1,555,368	1,814,467	1,833,372
73	SUMMER SCHOOL			0	0	
74	Highly Capable	35,171	20,213	18,302	91,123	86,110
79	Medicaid, SBIRT, Gearup, Cares	130,816	416,060	522,700	2,920,592	848,400
88	After School Dinner/ECEAP		4,070	493,283	0	480,389
89	Other Community Services	171,011	165,864	141,425	103,533	157,913
97	Districtwide Support	7,386,565	6,882,191	6,583,618	6,598,187	6,955,672
98	Food Service	1,933,091	1,935,121	1,633,378	1,353,862	1,904,855
99	Pupil Transportation	1,212,323	1,114,648	1,027,685	1,097,176	886,975
	Transfers					
	Capacity			0	0	1,475,594
	Total Expenditures	44,566,759	46,709,024	49,034,145	51,787,852	61,053,093

General Fund-Administrative Cost Comparison

Central Administration	2018-19	2019-20	2020-21	2021-22
Dollars	Actual	Actual	Proj	Budget
11 Board Of Directors	160,477	150,846	84,657	169,775
12 Superintendent'S Office	590,756	515,248	672,134	776,170
13 Business Office	742,727	845,407	872,747	947,259
14 Human Resources	779,571	610,869	664,650	598,884
15 Public Relations	144,229	15,568	8,689	24,849
21 Supervision - T&L	1,011,886	1,024,794	1,018,730	1,196,213
41 Supervision Food Svc	148,169	99,703	64,650	80,889
51 Supervision - Transportation	175,809	220,818	172,769	171,043
61 Supervision - Plant	189,366	185,883	186,522	189,799
Central Administration	3,942,990	3,669,136	3,745,548	4,154,881

Central Administration	2018-19	2019-20	2020-21	2021-22
Percent of Revenue	Actual	Actual	Proj	Budget
11 Board Of Directors	0.3%	0.3%	0.2%	0.3%
12 Superintendent's Office	1.2%	1.0%	1.3%	1.3%
13 Business Office	1.5%	1.7%	1.7%	1.6%
14 Human Resources	1.6%	1.2%	1.3%	1.0%
15 Public Relations	0.3%	0.0%	0.0%	0.0%
21 Supervision - T&L	2.0%	2.1%	2.0%	2.0%
41 Supervision Food Svc	0.3%	0.2%	0.1%	0.1%
51 Supervision - Transportation	0.4%	0.4%	0.3%	0.3%
61 Supervision - Plant	0.4%	0.4%	0.4%	0.3%
Central Administration	8.0%	7.5%	7.4%	7.0%

General Fund-Central Admin Responsibilities

Board of Directors: Audits, Governance, Legal, Levy Election

Superintendent's Office: Supervision, Bond Projects, Enrollment

Business Office: Accounts Receivables (Revenues), Accounts Payable (Expenditures), Benefits, Budget, Free & Reduced Lunch Applications, Payroll, Records Retention, Facility Rental

Human Resources: Training & Employee Support, Professional Development, Public Records Requests, Risk Management, Safety & Security (Personnel), TEA/TCEA/SEIU

Communications: Newsletter, Website

Instruction, Teaching & Learning, Academics: AVID, Before & After School, Curriculum, Early Learning (ECEAP / Head Start), English Language Learners (ELL), Family Engagement, GRANT: Title I, II, & III, Learning Assistance Program (LAP), Special Education, Student Services, Summer School, Homeless (McKinney-Vento), Family Engagement, Title IV, Title X

Food Services: Breakfast in the Classroom, Lunch Program, USDA Fresh Fruits & Vegetables

Transportation: Bus Maintenance, Fleet Management, Student Transportation

Maintenance & Operations: Building Maintenance, Grounds Maintenance, Safety & Security (Property), Utilities and oversight of the \$99M construction project that covers all five schools.

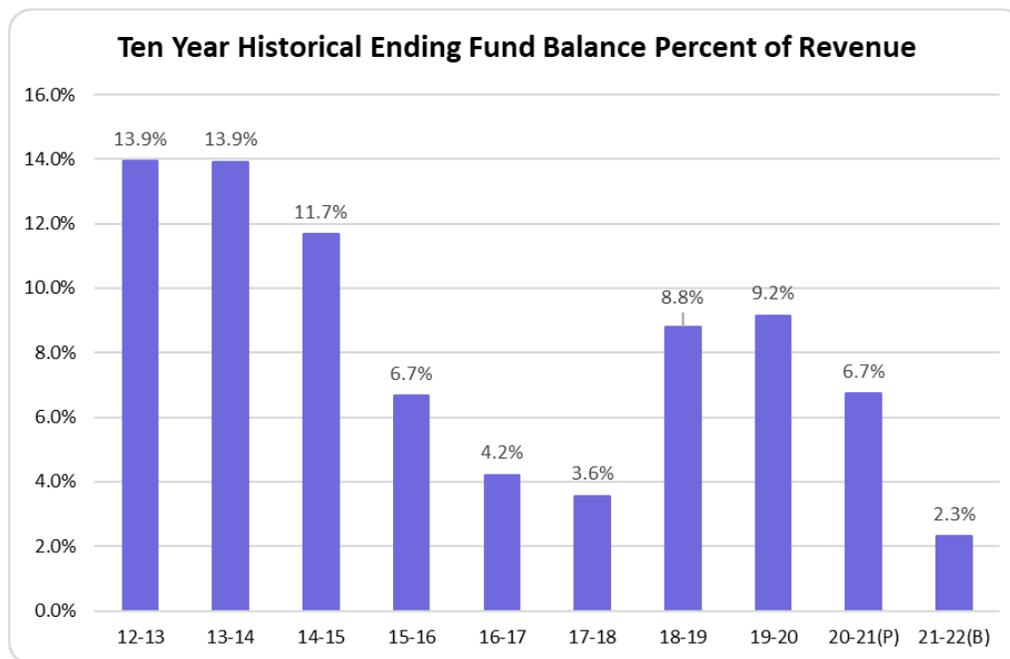
General Fund – Fund Balance History

The district’s expenditures were greater than its revenue from 2013-14 through 2017-18 and resulted in four years of declining ending fund balances. 2018-19 ending fund balance is where the trend starts to show an increase. 2019-20 the ending fund balance was 9.2% due to intentional reductions in expenditure as well as additional reductions due to Covid- 19 pandemic, which cause the closure of brick and mortar school and moved to an online model.

Ten Year Historical Fund Balance Percentage Table

(\$000's)	12-13 Act	13-14 Act	14-15 Act	15-16 Act	16-17 Act	17-18 Act	18-19 Act	19-20 Act	20-21(P) Proj	21-22(B) Budg
Beginning Fund Balance:	5,284	4,444	4,937	4,510	2,671	1,761	1,583	4,350	4,502	3,418
(Plus) Revenues:	31,882	35,476	38,635	41,250	41,811	44,389	49,476	49,186	50,703	59,074
(Minus) Expenditures:	32,721	34,983	39,062	43,010	42,721	44,567	46,709	49,034	51,788	61,128
Change in Fund Balance:	-840	493	-427	-1,760	-910	-178	2,767	152	-1,085	-2,054
8/31 Ending Fund Balance:	4,444	4,937	4,510	2,750	1,761	1,583	4,350	4,502	3,418	1,364
Fund Balance Percentage	13.9%	13.9%	11.7%	6.7%	4.2%	3.6%	8.8%	9.2%	6.7%	2.3%
									Capacity:	1,477

Ten Year Historical Fund Balance Percentage Chart



Capital Projects Fund

The Tukwila School District passed a Capital Projects Levy on February 11, 2020 that provides the district with \$3,350,000 per calendar year for four years, from January 1, 2021 through December 31, 2024. Collections are used for capital projects, deferred maintenance, technology equipment, software and support staff.

Tukwila School District No. 406

Proposition No. 2

Renewal Technology and Capital Projects Levy

The Board of Directors of Tukwila School District No. 406 adopted Resolution No. 897 authorizing a renewal levy for technology and capital projects. This proposition would authorize the District to acquire and install technology equipment and infrastructure to better prepare students for careers of tomorrow, improve school facilities, and make safety and energy efficiency upgrades, by levying the following excess taxes, renewing an expiring levy, on all taxable property within the District:

Collection Year	Est Levy	
	Rate/\$1,000 Assed Value	Levy Amount
2021	\$0.75	\$3,350,000
2022	\$0.71	\$3,350,000
2023	\$0.67	\$3,350,000
2024	\$0.64	\$3,350,000

Explanatory statement

Passage of Proposition No. 2 would allow the Tukwila School District to renew an existing levy that will expire at the end of calendar year 2020. These funds would be deposited in the District’s Capital Projects Fund to pay for technology infrastructure, computers and other hardware, software, online subscriptions, applications, licensing and related implementation costs. These technology improvements will allow the District to stay-up to date to better prepare students for the careers of tomorrow and ensure technology systems are safe, secure and reliable. To provide and enhance quality learning environments, the renewal levy will also fund critical school repairs, energy efficiency upgrades, major systems (such as, heat pumps and lighting systems), equipment upgrades and replacements, and site safety and security upgrades. Further information is available on the District’s website at www.tukwilaschools.org.

The proposed four-year renewal technology and capital projects levy would authorize collection of taxes of \$3,350,000 each year from 2021 through 2024. The tax levy rate required to produce these levy amounts is estimated to be \$0.75 per \$1,000 of assessed value in 2021, \$0.71 in 2022, \$0.67 in 2023 and \$0.64 in 2024.

The annual spending breakdown for each category is shown below.

Year	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Proj	2021-22 Bgt Yr 2	2022-23 Bgt Yr 3	2023-24 Bgt Yr 4
Beginning Balance	595,180	559,416	451,179	377,692	423,826	778,436	726,994
Tax Revenue	900,290	877,409	863,303	2,224,702	3,318,510	3,318,510	3,318,510
Tech Dept Equipment and Software	611,779	578,810	426,731	947,998	741,400	950,000	404,905
Creative Learning Lab Instruction	0	0	0	416,970	435,000	461,100	658,064
Tech Department Support	204,034	273,237	233,734	243,600	414,500	375,471	390,490
Tech Instructional Coaches	120,239	133,599	276,325	170,000	173,000	183,380	199,272
Facility Projects	0	0	0	400,000	1,200,000	1,400,000	1,600,000
Total Expenditures	936,053	985,647	936,790	2,178,568	2,963,900	3,369,951	3,252,732
Ending Balance	559,416	451,179	377,692	423,826	778,436	726,994	792,772

Capital Projects Fund Cont.

In addition to the Capital Levy, the Tukwila School District passed a Bond Levy on February 9, 2016 that provided the authority to issue \$99.2M in Bond Funding payable over twenty years and to collect bond levies over the same time period to pay for the bonds.

Capital Projects Fund 2021-22 Budget		
2021-22 Estimated Beginning Balance		7,345,163
Estimated Revenues		
Projected 2021-22 Levy Collection	3,318,510	
Other Revenues	450,000	
Interest	120,000	3,888,510
Total Estimated Funds Available		11,233,673
Recommended Expenditure Budget		
Bond Projects ¹	5,600,000	
Technology Related	2,036,248	
Facility Related	1,200,000	8,836,248
2020-21 Estimated Ending Fund Balance		2,397,425

1 – Bond Projects includes budget for Foster, Showalter Middle School, all three Elementary Schools and Administration Building Modernization. This amount represents a portion of the total cost of the listed bond projects. This amount will be expended over multiple years. The amount included ensures sufficient funding is available to the multitude of projects the District is doing at one time. Unexpended funds will be carried forward to the next year to continue funding the bond projects.

Debt Service Fund

The Debt Service Fund is used for the payments of long-term debt principal and interest. Tukwila uses long-term debt to pay for its \$99.2M construction project and for the purchase of its buses in 2016 and 2019-20.

Bonds that were issued to finance the \$99.2M construction projects require semi-annual payments. Upcoming bond payments are shown below.

Period Ending	Principal	Interest	Debt Service	Fiscal Year Debt Svc
12/1/2020	3,345,000	1,780,950	5,125,950	
6/1/2021	0	1,714,050	1,714,050	6,840,000
12/1/2021	3,690,000	1,714,050	5,404,050	
6/1/2022	0	1,640,250	1,640,250	7,044,300
12/1/2022	4,055,000	1,640,250	5,695,250	
6/1/2023	0	1,551,550	1,551,550	7,246,800
12/1/2023	4,450,000	1,551,550	6,001,550	
6/1/2024	0	1,440,300	1,440,300	7,441,850

In addition to making debt payments on the \$99.2M construction project the debt service fund is used to make the debt payments for the 2016 bus loan (ten buses) and the 2019 bus loan (four buses, of which two were purchased in 2019 and two were purchased in 2020).

Transportation Vehicle Fund Debt Payments															
Period Ending	2016 Bus Loan					2019 Bus Loan					2016 & 2019 Bus Loans				
	Principal	Interest	Debt Service	Fiscal Year Debt	Annual Debt Svc	Principal	Interest	Debt Service	Fiscal Year	Annual Debt Svc	Principal	Interest	Debt Service	Fiscal Year	Annual Debt
6/1/2019	0	13,524	13,524		na	0	0	0		na	0	13,524	13,524		na
12/1/2019	93,355	13,524	106,879	na	120,403	0	2,850	2,850	na	2,850	93,355	16,374	109,729	na	123,253
6/1/2020	0	12,432	12,432	119,311	na	10,000	6,750	16,750	19,600	na	10,000	19,182	29,182	138,911	na
12/1/2020	95,539	12,432	107,971	na	120,402	0	6,500	6,500	na	23,250	95,539	18,932	114,471	na	143,652
6/1/2021	0	11,314	11,314	119,285	na	15,000	6,500	21,500	28,000	na	15,000	17,814	32,814	147,285	na
12/1/2021	97,775	11,314	109,089	na	120,403	0	6,125	6,125	na	27,625	97,775	17,439	115,214	na	148,028
6/1/2022	0	10,170	10,170	119,259	na	15,000	6,125	21,125	27,250	na	15,000	16,295	31,295	146,509	na
12/1/2022	100,063	10,170	110,233	na	120,403	0	5,750	5,750	na	26,875	100,063	15,920	115,983	na	147,278
6/1/2023	0	8,999	8,999	119,232	na	20,000	5,750	25,750	31,500	na	20,000	14,749	34,749	150,732	na
12/1/2023	102,404	8,999	111,403	na	120,402	0	5,250	5,250	na	31,000	102,404	14,249	116,653	na	151,402
6/1/2024	0	7,801	7,801	119,204	na	20,000	5,250	25,250	30,500	na	20,000	13,051	33,051	149,704	na

The 2021-22 Debt Service Fund budget is shown below.

Debt Service Fund		
2021-22 Estimated Beginning Balance		1,963,100
Estimated Revenues		
Projected 2021-2 Levy Collection	8,321,040	
Interest Income	63,000	
Transfer (from Transportation)	146,510	8,530,550
Total Estimated Funds Available		10,493,650
Recommended Expenditure Budget		
Bond Principal	3,690,000	
Bond Interest	3,354,300	
Bus Loan Principal	112,775	
Bus Loan Interest	33,734	
Fees (Capacity)	500,000	7,690,809
2021-22 Estimated Ending Fund Balance		2,802,841

Annual Disclosure Statement

Disclosure Information

Tukwila School District No. 406
King County, Washington
CUSIP #495116

Outstanding Unlimited Tax General Obligation Debt (As of December 31, 2020)

<u>Type</u>	<u>Amount Issued</u>	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
UTGO Bonds, 2016	\$56,405,000	06/07/2016	12/01/2035	\$ 52,935,000
UTGO Bonds, 2018	31,190,000	10/11/2018	12/01/2037	<u>25,200,000</u>
				<u>\$ 78,135,000</u>

Outstanding Limited General Obligation Debt (As of December 31, 2020)

<u>Type</u>	<u>Amount Issued</u>	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
LGO Bid, 2016	\$1,334,300	11/08/2016	12/01/2029	\$ 967,000
Copier Lease #2	334,296	04/01/2016	02/28/2021	48,644
Local Program	270,000	10/15/2019	06/01/2032	<u>260,000</u>
				<u>\$ 1,275,644</u>

The 2020 Collection Year Bond Assessed Valuation was \$4,394,519,546⁽¹⁾. The District has no authorized but un-issued bonds outstanding.

Tax Collections (As of December 31, 2020)

<u>Tax Levies</u>	<u>Levy Rates</u> ⁽²⁾	<u>Ad Valorem Levy Amounts</u>
Bonds	\$1.57307	\$6,912,887
M&O	1.65064	7,253,770
Capital Project	0.20415	897,141
Transportation	<u>0.00000</u>	<u>0</u>
Total	<u>\$3.38464</u>	<u>\$15,063,798</u>

As of December 31, 2020, approximately 98.11 percent of taxes levied in 2020 were collected.

1 Assessed valuation is based upon 100% of actual valuation, and is adjusted to exclude senior citizens. The District has no Timber Assessed Value.

2 Dollars per \$1,000 of Assessed Valuation

Approved August 10, 2021

Associated Student Body Fund

The ASB budget is shown below.

	2020-21 Projected	2021-2022 Bgt Yr 1	2022-2023 Bgt Yr 2	2023-2024 Bgt Yr 3
ASB Budget				
2021-22 Beginning Balance	187,344	224,794	224,794	224,794
Estimated Revenues	4,000	100,000	100,001	100,002
Total Estimated Funds Available	235,794	324,794	324,795	324,796
Expenditure Budget	11,000	100,000	100,001	100,002
2021-22 Estimated Ending Fund Balance	224,794	224,794	224,794	224,794

Historic ASB revenue and expenditures by activity are shown below.

ASB	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Proj	2021-22 Budget
Ending Fund Balance						
Beginning Balance	120,309	112,097	136,254	164,558	187,344	224,342
Revenues	83,795	90,331	99,504	64,308	48,450	41,543
Funds Available	204,104	202,428	235,757	228,866	235,794	265,885
Expenditure	92,007	66,175	71,199	41,522	11,452	179,517
Ending Fund Balance	112,097	136,254	164,558	187,344	224,342	86,368

ASB	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Proj	2021-22 Budget
Revenue By Activity						
1000 General Student Body	57,400	57,040	65,128	35,000	33,150	10,600
2000 Athletics	22,212	29,540	26,861	21,919	11,500	28,000
3000 Classes	1,136	0	0	0	0	0
4000 Clubs	3,046	3,751	7,478	2,320	3,800	2,943
6000 Private Moneys	0	0	37	0	0	0
Total Revenue	83,795	90,331	99,504	59,240	48,450	41,543

ASB	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Proj	2021-22 Budget
Expenditures By Activity						
1000 General Student Body	62,315	33,565	37,043	25,459	6,890	131,531
2000 Athletics	21,950	23,718	23,789	12,893	3,112	36,941
3000 Classes	3,510	854	1,571	745	0	600
4000 Clubs	3,792	8,038	8,796	2,381	585	10,445
6000 Private Moneys	440	0	0	44	0	0
Total Expenditures	92,007	66,175	71,199	41,522	10,587	179,517

Transportation Vehicle Fund

The Transportation Vehicle Fund is used for the purchase and major repair of pupil transportation equipment.

The district replaced four buses in 2019-20 keeping the total number of buses at 19. The district will need to replace one bus by December 2021 and one other bus in October 2022. The district will need \$75k from General Fund to be able to purchase the bus.

Transportation Vehicle Fund		
2021-22 Estimated Beginning Balance		199,049
Estimated Revenues		
State Depreciation Funding	138,085	
General Fund Transfer	75,000	
State Eco Grant	0	
Interest Income	3,300	216,385
Total Estimated Funds Available		415,434
Recommended Expenditure Budget		
Capacity	12,000	
Bus Purchase	145,000	
Transfer to Debt Services: 2016 Loan	119,259	
Transfer to Debt Services: 2019 Loan	27,250	303,509
2021-22 Estimated Ending Fund Balance		111,926

Since the State funds buses based on depreciation the school district would lose 'revenue from depreciation' if it does not replace buses when they are completely depreciated.

Four-Year Budget Assumptions

The following assumptions were used to create the four-year forecast.

	2021–22	2022–23	2023-24	Notes
CPI	2.2%	1.5%	1.6%	Applied to LEA & Levy per pupil inflators
IPD	2.0%	1.6%	1.7%	Applied to salary allocations and National Board Bonus

- Enrollment based on Davis Demographic assumptions and validated with school principals.
- Inflationary increases (CPI and IPD) based on OSPI rates as follows.
- Local Levy (Enrichment) funding based on \$2,563 per FTE in 2020 and grows with OSPI CPI assumptions thereafter.
- State revenue based on enrollment projection plus OSPI CPI assumptions.
- Annual wages increase with union agreements plus a 2% average step increase. When a union agreement expires wage rates increase with OSPI IPD assumptions plus 2% step increases.

Appendix I: 2020-21 General Fund Four Year Projection

Description	REVENUES					2024-25 Proj-Proj
	2019-20 Actual	2020-21 Proj	2021-22 Proj	2022-23 Proj	2023-24 Proj	
Local Taxes (M&O Levy)	6,459,251	7,225,758	7,433,333	7,433,227	7,287,477	7,144,585
State General Purpose	26,637,356	25,348,234	25,671,383	27,662,140	27,119,745	26,587,985
Other, Hold Harmless	278,935	300,922	170,448	174,243	170,826	167,477
Basic Education	33,096,606	32,573,992	33,104,716	35,095,367	34,407,222	33,732,571
Extra Curricular						
Vocational Basic State						
Districtwide Support / Unassigned						
Total Local (BEA):	33,375,542	32,874,914	33,275,164	35,269,609	34,578,048	33,900,047
ESSEER II			5,248,199.00			
ESSEER III				9,437,289		
ESSEER III 20% SET Aside			2,359,322.00			
Race to the Top						
Special Ed, Basic, State	3,996,425	4,008,982	4,283,492	4,515,609	4,367,252	4,086,561
SpEd Infants & Toddlers	407,899					
Special Ed Suppl, Federal	512,238	778,958	752,252	779,602	741,235	702,124
Vocational, Federal	26,733	32,466	32,466	32,466	32,466	32,466
Title I	1,782,584	1,794,127	1,430,481	1,462,330	1,371,458	1,357,935
School Improve	532,583	799,960	868,000	868,000	868,000	868,001
Learning Assistance, State	2,053,725	2,329,541	2,269,873	2,281,827	2,104,444	2,049,047
Special & Pilot Programs	684,334	550,938	644,388	550,938	550,938	550,938
Head Start	254,457	240,000	305,000	240,000	240,000	240,000
Title III LEP & RSIP Refugee Sch	99,591	192,381	183,239	180,406	177,617	169,376
Trans Bilingual, State	1,805,964	1,814,467	1,844,019	1,922,777	2,004,899	2,024,834
Highly Capable	28,729	28,248	87,590	90,487	90,487	90,487
ECEAP /After School Dinner	708,090	522,500	640,456	522,500	522,500	522,500
Other Community Services	1,273	8,700	96,718	8,700	8,700	8,700
Food Service	1,221,535	1,739,876	1,904,854	1,986,211	1,900,039	1,918,931
Pupil Transportation	1,001,741	655,515	921,080	960,420	918,752	927,887
Medicaid, SBIRT, Gearup	666,146	1,031,624	1,927,324	1,031,624	1,031,624	1,031,624
Targeted Covid-19 Relief #6178	27,391	1,300,000				
Total Grants & Categorical:	15,811,436	17,828,283	25,798,753	26,871,186	16,930,410	16,581,411
Grand Total Revenue:	49,186,977	50,703,197	59,073,917	62,140,795	51,508,459	50,481,459

1,646,473

Program	Description	EXPENDITURES					2024-25 Proj	
		2018-19 Actual	2019-20 Actual	2020-21 Proj	2021-22 Proj	2022-23 Proj		2023-24 Proj
01	Basic Education	22,885,404	24,187,426	23,416,474	25,991,264	26,257,957	25,691,536	25,137,333
00	Transfer out to TVF				75,000	75,000	75,000	75,000
04	Extra Curricular	721,504	641,790	486,861	786,481	794,551	777,411	760,641
31	Vocational Basic State	378,216	444,142	811,459	853,427	862,184	843,585	825,388
97	Districtwide Support	6,882,191	6,583,618	6,598,187	7,778,672	7,858,488	7,688,148	7,521,500
	Total BEA:	30,867,314	31,856,976	31,312,981	35,484,844	35,848,180	35,075,680	34,319,862
12	ESSEER II				4,761,581			
13						8,515,872		
14					2,128,968			
18	Race to the Top							
21	Special Ed, Basic, State	4,657,694	5,370,432	6,033,658	5,486,079	5,783,363	5,593,354	5,233,859
22	SpEd Infants & Toddlers	220,983	367,832					
24	Special Ed Suppl, Federal	589,695	495,874	778,958	578,178	599,199	569,710	539,650
38	Vocational, Federal	31,601	26,733	37,141	26,644	26,644	26,644	26,644
51	Title I	1,514,821	1,782,644	1,794,127	1,819,929	1,488,359	1,395,869	1,382,106
52	School Improvement	184,030	515,569	779,789	751,191	751,191	751,191	751,192
55	Learning Assistance, State	2,034,450	2,115,143	2,514,168	2,269,873	2,074,388	1,913,131	1,862,770
58	Special & Pilot Programs	1,048,733	711,886	669,092	578,336	494,465	494,465	494,465
61	Head Start	280,320	302,506	294,797	299,271	235,492	235,492	235,492
64	Title III LEP & RSIP Refugee School	145,379	96,409	192,391	105,591	103,959	102,352	97,603
65	Trans Bilingual, State	1,478,026	1,555,368	1,814,467	1,833,372	1,911,675	1,993,323	2,013,143
74	Highly Capable	20,213	18,302	91,123	86,110	88,958	88,958	88,958
88	ECEAP /After School Dinner	4,070	493,283	522,500	480,389	391,913	391,913	391,913
89	Other Community Services	165,864	141,425	103,533	157,913	14,205	14,205	14,205
98	Food Service	1,935,121	1,633,378	1,353,862	1,904,854	1,986,211	1,900,039	1,918,931
99	Pupil Transportation	1,114,648	1,027,685	1,098,089	886,975	924,858	884,733	893,530
79	Medicaid, SBIRT, Gearup	416,060	522,700	1,097,176	1,487,995	796,468	796,468	796,468
79	Covid-19 Relief/ only 19/20			1,300,000				
	Total Categorical:	15,841,710	17,177,168	20,474,871	25,643,249	26,187,220	17,151,847	16,740,929
79	Capacity @ 2.5% in years 2 - 4							
Grand Total Expenditures:	46,709,024	49,034,144	51,787,852	61,128,093	62,035,400	52,227,527	51,060,791	

Impact to Capacity	2,767,177	152,833	-1,084,654	-2,054,176	105,396	-719,068	-579,332
Ending Fund Balance \$	4,350,388	4,503,221	3,418,568	1,364,392	1,469,787	750,719	171,387
Ending Fund Balance % of Rev	8.8%	9.2%	6.7%	2.3%	2.4%	1.5%	0.3%

Approved August 10, 2021

