



Understanding School Budgeting and the Reduction Process

January 2023

What is a Budget?

A plan for financial operation embodying both an estimate of proposed expenditures for a fiscal year and the means of financing such expenditures.

2. The budget should focus financial resources on programs that directly support the District's Strategic Plan, or Board Ends. The Board Ends provide direction throughout the budget development process and prioritize the following:

- 1) Strong foundations for Academic and "Future Ready" Skills
- 2) Successful Global Citizens in an Ever Changing World
- 3) Connections





What is a Budget?

- ▶ To summarize, the budget or plan is designed as a planning and control system. It does not stop with the passage of the budget, but continues all year long as a method to monitor the efficiency of our operations. Our goal is to safeguard your assets, run our school system as efficiently and effectively as possible, and direct as much of our resources into the classroom as possible for the benefit of our students and staff.
- ▶ Our fiscal year begins September 1 and ends August 31.
- ▶ The budget process begins in late winter and culminates when the Superintendent submits a recommended budget to the Board, usually in August



Where does the money come from?

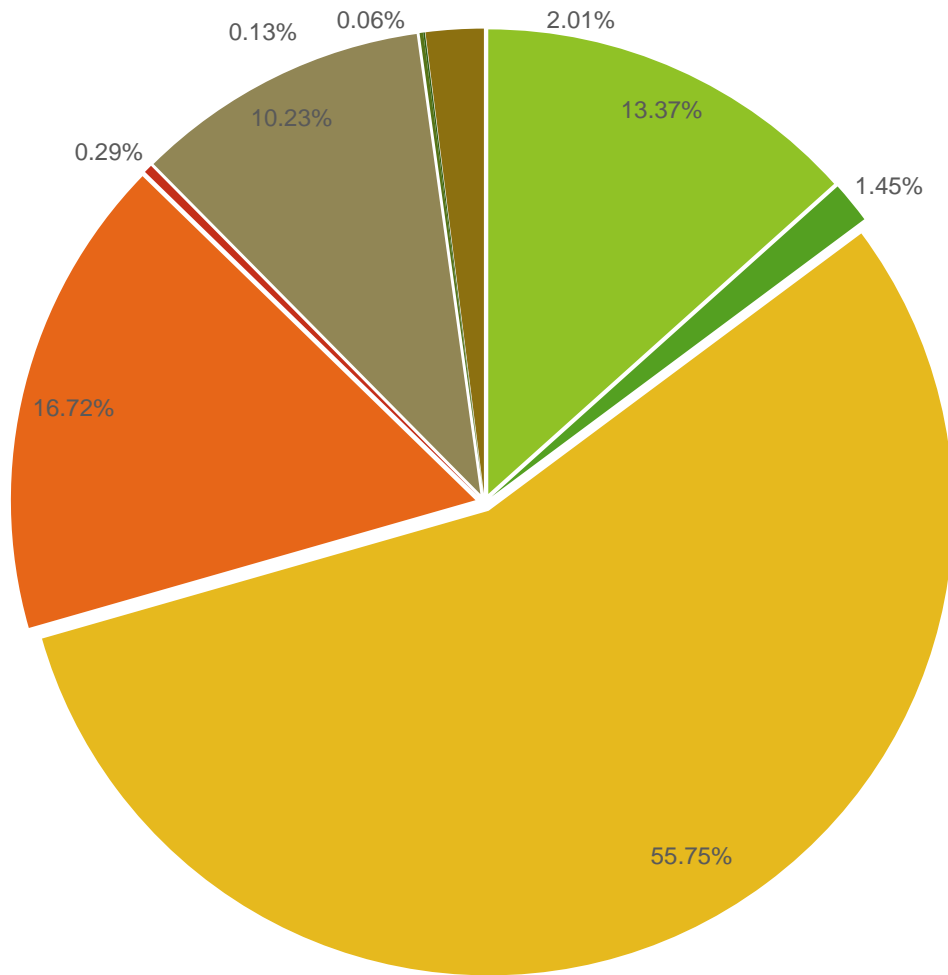
- ▶ **State General Purpose \$30,290,779**
 - ▶ Our largest source of revenue comes from the State's General Purpose or Apportionment allocation, which is funded primarily by the state sales and property taxes.
- ▶ **State Special Purpose \$9,084,707**
 - ▶ Funding is earmarked for specific educational and support programs, like Special Education, Learning Assistance Program, Transitional Bilingual, and Student Transportation
- ▶ **Federal General Purpose \$160,200**
 - ▶ Funds are received from a variety of general federal grants such as Impact Aid, funds received in lieu of taxes, and Federal Forest revenues. Most of the Federal General Purpose funds are not restricted in what they can be spent on.
- ▶ **Federal Special Purpose \$5,559,203**
 - ▶ Federal Special Purpose grants provide funding for programs to support specific student populations and programs, such as special education, Title I, Title II, Title IV, Migrant, and school nutrition services. *Each federal grant comes with its own requirements and rules for its use and can only be used for the intended purposes.* ESSER COVID Relief funding will be received during the 2020-21, 2021-22, 2022-23 and 2023-24 school years, therefore federal special purpose funding will be elevated in these years by these amounts.



Where does the money come from?

- ▶ **Local Taxes \$7,262,810**
 - ▶ In 2022-23 we expect to receive 13% of our revenue from local property taxes, which fund essential program expenditures beyond our state provided resources. Local tax revenues collected in the fiscal year 2022-23 will come from the levy passed by our voters in February 2022.
- ▶ **Local Non-Tax \$788,657**
 - ▶ This revenue source includes fees for goods and services, such as facility use fees. It also includes donations and interest earnings.
- ▶ **Other Revenue Sources \$98,192**
 - ▶ Other sources of revenue include revenue from other districts, and other local government agencies. It includes revenue for services provided to other school districts.
- ▶ **Other Financing Sources \$1,092,000**
 - ▶ Other Financing Sources include revenue transferred from the Capital Project Fund for our tech levy voted on by the Ellensburg voters in February 2022.

2022-2023 Budgeted Revenue



- 1000 TAXES
- 2000 LOCAL
- 3000 STATE GENERAL
- 4000 STATE SPECIAL
- 5000 FEDERAL GENERAL
- 6000 FEDERAL SPECIAL
- 7000 REVENUES OTH DIST
- 8000 REVENUES OTH ENTITIES
- 9000 OTHER FINANCING





How is the money spent?

- ▶ More than two-thirds of the General Fund budget will be spent directly on School Instruction; including teaching support activities (i.e., teachers, nurses, counselors, etc.). School-based support such as custodial and maintenance personnel, food services, transportation, and utilities amount to 17% of expenses - making the total amount spent at schools around 88 percent. District-wide support and central administration make up the remainder of the budget.

- ▶ School Instruction & Support \$39,506,260
- ▶ Other Support Activities (District-Wide Support) \$8,326,142
- ▶ Building Administration \$3,310,148
- ▶ Central Administration \$3,863,711



ESSER

- ▶ In 2020 districts received an infusion of federal dollars through the **Elementary and Secondary School Emergency Relief Fund**, or ESSER, to help schools operate on virtual and hybrid models and to address students' academic and social-emotional needs. ESSER is a one-time funding source.





ESSER Funds in Ellensburg

Actual Allocated ESSER Expenditures for 22/23 as of November 2022		
Salaries and Benefits		
EEA	\$ 287,176.97	2 MLL Teachers , .6 English
EAA	\$ 786,751.92	4 Deans, 1 Early Learning director
Classified	\$ 261,425.13	2 Family Liaison, 2 Mental Health, 1 Para
Total Salaries	\$ 1,335,354.02	
Benefits	520,788.07	
Total Salaries and Benefits	\$ 1,856,142.08	
Supplies and Professional Services		
Science Kits	60,000.00	
Map Growth	35,500.00	
Schoology	36,000.00	
Sub costs for Solution Tree, PLC	25,000.00	
MTSS Win/Sub Days	35,000.00	
Solution Tree	84,000.00	
Hot Spots	67,320.00	
Hanover Research	16,500.00	
	359,320.00	
Total	2,215,462.08	
Budget	\$ 2,413,341.34	
Unallocated Expense	\$ (197,879.26)	

Budget Reduction/Reallocation Process:

TEAMS

ESD Staff Budget Committee: Members from all associations and unions, and BOE member.

Student Centered Learning Committee: ESD Staff Budget Committee: Parents, Community Members, ESD Staff and BOE member.

Jan. 17

- Norms
- Overview of Process
- Consensus Model
- Principles and Board Priorities

Feb. 21

**ESD Staff Budget Committee
MMS Classroom**

Review budget items for review and identify impacts for each item

**Student Centered Learning Committee
MMS Library**

Review budget items for review and identify impacts for each item

March
Meeting #1
& #2

Both Committees at MMS Library
Use consensus model to move items from "under review" to Final Budget Reduction List.
Committees make final list.

April 12

Committees present final recommendation to the Board of Education





Budget Reduction/Reallocation Process:

Data/Information

Jan. 9

Survey out to stakeholders

Week of
Jan. 23

District and ESD 105 Team

Analyze survey data and place items on the "nonquantifiable" /viable list or on the Budget Items Under Review List

Feb. 21

ESD Staff Budget Committee and Student Centered Learning Committee *meet separately to identify impacts*

March
Meeting #1

Lists and impacts from both committees combined into one Master List with Impacts.

March
Meeting #2

Using consensus process, move items from Under Review to Final Reduction Recommendation List





Principles that will be used to vet suggestions generated by the survey and for our process

- ▶ Please share your suggestions to reduce the Ellensburg School District Budget by \$1 million for the 2023-2024 school year. All survey suggestions will be vetted by a Board members, district personnel and Educational Service District 105 specialists using the Budget Reduction/Reallocation Principles which are:
- ▶ **Honor ESD Board Priorities:** These priorities are in tiers, with the realization that budget reductions may occur across all tiers.
- ▶ **Be sustainable for up to three years.**
- ▶ **Be reasonably quantifiable:** determined by the finance office and help from ESD 105 specialists.
- ▶ **Not create significant disruptions to major functions that are required to run the organization, departments (maintenance/facilities, business or human resources offices, technology offices, etc.) or schools.**
- ▶ **Seek avenues for revenue generation; especially attracting new students.**

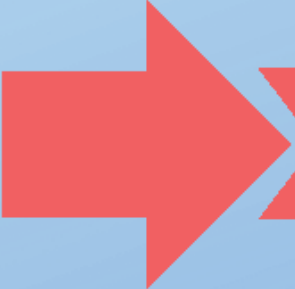


March Meeting #1 & #2

ESD Staff Budget Committee and Student Centered Learning Committee Members meet together.

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Members of both committees moved to mixed groups of five people.



Each group of five mixed stakeholders reviews the Budget Items Under Review and Impacts. By consensus, each group then chooses their Top 3 items they would move to the Final Budget Reduction List.

Each group of five stakeholders write their top 3 budget items on a chart paper, then present them to the group.

After all charts are presented, each individual will be given several dots to individually place next to the items on the chart that they most agree with.

Items on the charts that receive the most dots will be reviewed again with the whole group. Consensus will be necessary to move items to the Final Budget Reduction List.

This overall process will be repeated until the the items on the Final Budget Reduction List total approximately \$1 Million.

April 21

Committees present final recommendation to the Board of Education



Top Tips

Consensus is about co-operation between equals. The exact process that groups use may vary, but putting these values in practice will always be the key to making consensus work.

Explore your differences. People often shy away from conflict or get into arguments to prove they're right. However, the key to finding win-win solutions is to understand all the different needs and perspectives before forming a proposal.

Be very clear when you make a decision so everyone goes away with a shared understanding of what has been agreed. Before finalising a decision, test to check there really is agreement.

Each member agrees to:

- Take responsibility for helping group achieve a positive outcome
- Listen very carefully to what others are saying
- Monitor his/her level of participation (neither dominate nor withhold)
- Be aware of the purpose, stay on topic
- Engage with, build on, respond to the ideas of others
- Express disagreement or concerns constructively and with respect
- Be aware of how both verbal and non-verbal signals impact group dynamics
- Avoid side conversations when we are conducting business in the group as a whole
- Be fully present, for example avoid unnecessary use of smart phones.



Norms for Budget Reduction/Reallocation Process



- ▶ Respectful dialog: “I hear what you’re saying”, sharing back what you’ve heard
- ▶ Decisions are being made in good faith, take clarifying questions at face value
- ▶ Student learning at the center
- ▶ Time to clarify where we are at, including changes
- ▶ Ensuring all survey responses are shared
- ▶ Time to deepen understanding of budget items
- ▶ Clear or common definitions (avoid jargon)
- ▶ Access to primary sources and access to clarification outside of meeting
- ▶ Respect for time, stay on topic
- ▶ Speak up!
- ▶ Recognize biases, come in with open mind
- ▶ Mindful of what we say about the process and what is said in the room
- ▶ Be sensitive to the impact, be sensitive to individuals
- ▶ Be curious, ask questions
- ▶ Timely information, access to information before meeting to be prepared
- ▶ Transparency from district around behind the scenes information (ex - maybe we can’t adjust salaries, or are there already ideas?)
- ▶ Consider others’ perspectives as well as your own



Consensus Process

- This process will occur during the March meetings.
- Keep the process simple

Process:

Thumbs Up: Agree

Thumbs Sideways: Agree with some reservations

Thumbs Down: Do not agree but understand the importance of supporting the group process

What is Consensus ?

1. In a group of five, at least three thumbs up or sideways
2. In a group of seven, at least five out of seven people have thumbs up or sideways

