

Approved August 23, 2022

**Operating and Capital  
Approved Budgets for Fiscal Year  
2022-2023**



**Presented to and Approved by the Tukwila School District**

**Board of Directors**

**August 23, 2022**

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## Draft Board Resolution

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TUKWILA SCHOOL DISTRICT NO. 406 KING COUNTY, WASHINGTON

### RESOLUTION NO. 924

**A RESOLUTION of the Board of Directors of the Tukwila School District No. 406, King County, Washington, adopting the 2022-23 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 2022-23 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 2022-23 will be as follows:

General Fund	\$64,953,643	
Capital Projects Fund	\$7,605,938	
Associated Student Body Fund	\$123,737	
Debt Service Fund	\$7,897,532	
Transportation Vehicle Fund	\$310,000	

**ADOPTED** this 23rd day of August, 2022 in Tukwila, Washington.

\_\_\_\_\_  
President

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**ATTEST:**

\_\_\_\_\_  
Dr. Flip Herndon  
Secretary to the Board of Directors

## Executive Summary

**Preface:** The Board created, reviewed and approved the 2022-23 Board Priorities during five board meetings between March and June 2022. The District presented preliminary budgets to the Board between June, July and August. The District has taken Board feedback to include 5<sup>th</sup> Grade Camp and Staff Appreciation funding, Robust art programs, closing the learning gap, SEL, 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 23, 2022 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 21-22sy, the District worked hard to educate students 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.

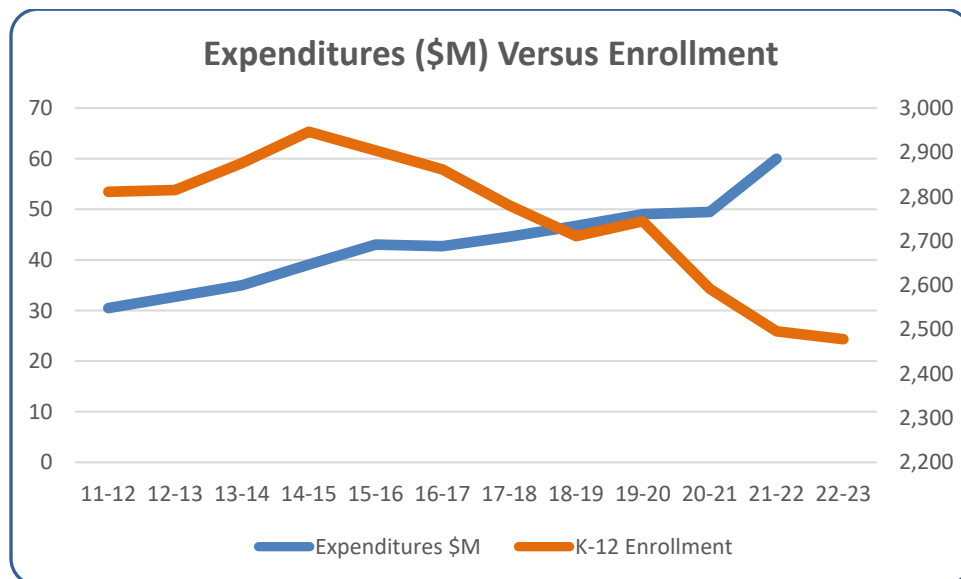
Executive Summary (\$000's)	Act 2019-20	Act 2020-21	Pro 2021-22	Bgt Yr 1 2022-23	Bgt Yr 2 2023-24	Bgt Yr 3 2024-25	Bgt Yr 4 2025-26
Enrollment	2,745	2,592	2,496	2,478	2,488	2,500	2,503
Change	34	(153)	(96)	(18)	10	12	3
% Change	1.3%	-5.6%	-3.7%	-0.7%	0.4%	0.5%	0.1%
State Funding	6,459	9,480	24,159	26,344	25,828	25,321	24,825
Other	26,638	25,864	2,177	4,827	4,307	4,377	4,448
Local Funding	279	7,531	7,447	7,922	7,767	7,614	7,465
Sub Total BEA	33,376	42,875	33,783	39,093	37,902	37,312	36,738
% Change	-2.8%	28.5%	-21.2%	15.7%	-3.0%	-1.6%	-1.5%
Grants and Other	15,810	6,583	18,321	22,928	17,254	13,201	13,458
<b>Total Revenue</b>	<b>49,186</b>	<b>49,458</b>	<b>52,104</b>	<b>62,021</b>	<b>55,156</b>	<b>50,513</b>	<b>50,196</b>
% Change	-0.6%	0.6%	5.3%	19.0%	-11.1%	-8.4%	-0.6%
<b>Expenditures</b>	<b>49,034</b>	<b>49,483</b>	<b>53,078</b>	<b>64,953</b>	<b>55,599</b>	<b>51,703</b>	<b>50,316</b>
% Change	5.0%	0.9%	7.3%	22.4%	-14.4%	-7.0%	-2.7%
<b>Begin Fund Balance</b>	<b>4,350</b>	<b>4,502</b>	<b>4,477</b>	<b>3,503</b>	<b>571</b>	<b>128</b>	<b>(1,062)</b>
Capacity	152	(25)	(974)	(2,932)	(443)	(1,190)	(120)
Ending Fund Balance	4,502	4,477	3,503	571	128	(1,062)	(1,182)
%	9.2%	9.1%	6.7%	0.9%	0.2%	-2.1%	-2.4%

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

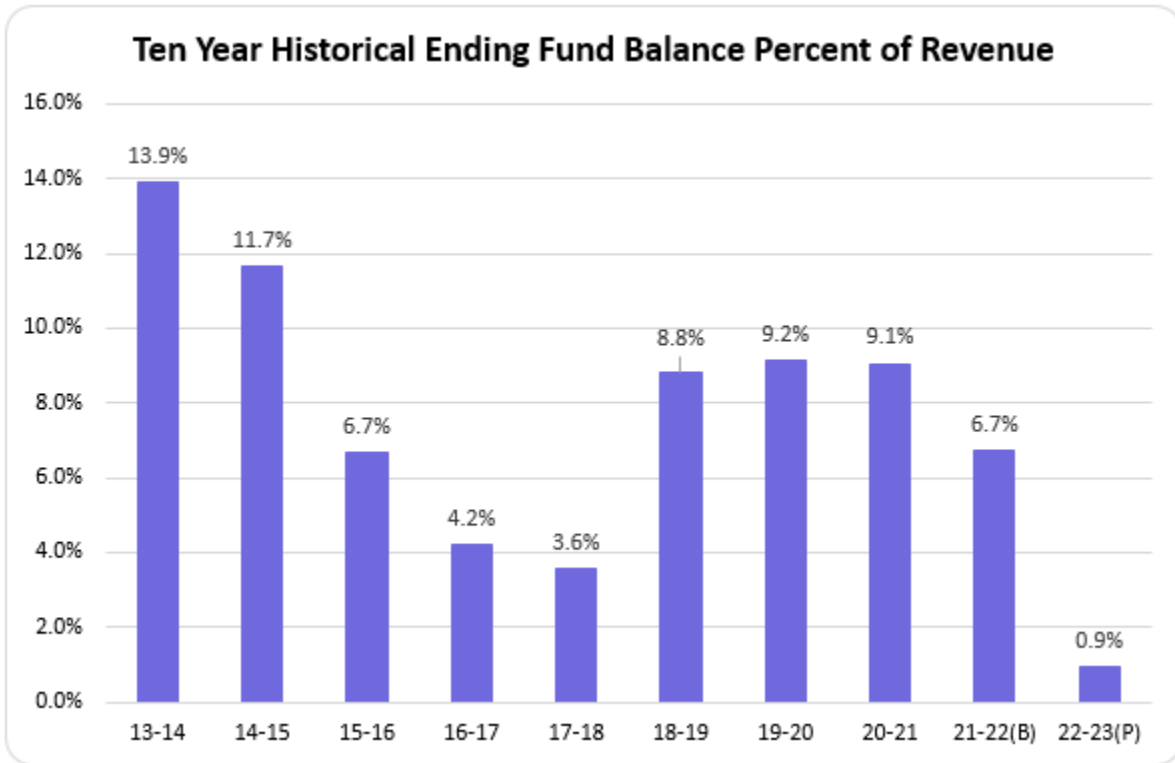
enrollment, lobby the State for additional monies continue to pursue CTE and other sources of funding. In addition, any additional expenditure must be offset by cost reductions.

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. Enrollment stabilization in the amount of \$1.7M has contributed to healthier fund balance.

The 2022-23 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

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### Covid-19:

2021-22 school year was in person with optional online learning. 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).

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 an enrollment decrease in 2022-23 and a small enrollment increase in 2023-24 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 updates of the Elementary School, and the Foster and Showalter Modernization 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 2022-23 budget assumes a 5.5% rate increase for TEA and ESP (We are currently bargaining) and a 5.5% rate increase for SEIU. The TEA and ESP union agreements include comparable district language that may result in a higher wage increase. The Principal a team will be receiving a 6.9% increase in wages and Administration team will receive 5.5% 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. 2022-23 is projected to have an over spend of 32%.

Sped (\$000's)	16-17 Act	17-18 Act	18-19 Act	19-20 Act	20-21 Act	21-22 Proj	22-23 Bgt
Revenue	2,940	3,451	4,739	4,917	4,180	4,258	4,763,105
Expenditures	3,996	4,843	5,468	6,234	5,751	6,003	6,302,807
Difference \$	-1,056	-1,391	-729	-1,318	-1,570	-1,745	-1,539,702
Difference %	36%	40%	15%	27%	38%	41%	32%

**Grants – 2021-22 Underspend:**

Direct Expenditures	Recovery	Carryover	2022-23 Impact
Program 55 LAP High Poverty	184,699	87,490	97,209
<b>Totals</b>	<b>184,699</b>	<b>87,490</b>	<b>97,209</b>

**Legal Costs:**

The 2022-23 budget includes \$75k in legal costs. It is possible actual costs will be higher than the budget.

**Insurance Increase:**

We are expecting an increase. The projected amount for 21-22 is \$571,065.

**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. For the 2021-22 school year the SEBB rate decreased. Starting Sept 1, it will be increased to \$1,023 versus \$968, resulting in addition costs of \$110,952.

### **K-3 Class Size Compliance**

The State requires districts to maintain a K-3 class size of 17 students per teacher.

### **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 2022-23. 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

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The Budget Advisory Team was created in March 2022. The Team's goal was to explore enrollment strategies and find "operating efficiencies" to allow the district to meet its Mission. Another layer of this was discussing the use and needs of ESSER dollars. 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. These meetings do not have high attendance. We are working on other strategies to get higher participation.

ESSER meetings included the following groups, student, staff, parents and community stakeholders.

Revenue assumptions are based on the F203 Revenue Report and have been reviewed by the ESD. Every expenditure account is still being reviewed and vetted with each stakeholder(s) and reductions will be 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

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

- **Staff Appreciation.**  
*Originally, this has been an annual event. With feedback provided, in addition to an annual event, staff would like monthly recognition. With the hiring of a Communications Director, we can find new ways to highlight staff on a more frequent basis. Budget has been increased from \$7,000 to \$12,000 to accommodate this request.*
- **Community counsel/ Parent counsel-** *(BEA cannot pay for this. We would need a grant specific to this need). We are waiting for the Bill to be passed.*

### #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.** *This budget is \$75,000. We will continue our partnerships with the PSESD and look for other opportunities.*
- **Creative Learning Labs:** *Esser dollars have been allocated to keep the curriculum up to date and innovative. The current ask is \$60,000 and will be reviewed until the sunset in 2024.*
- **Design and implement an academic acceleration program for all students with a special focus on the 60% 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. Both Hi-Lap and ESSER dollars with support this work.*
- **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. The plans are still in process. We are continuing SEL work with ruler, sound discipline, and continuing SEL support at all buildings. Academic acceleration will start with a baseline in 22-23 to make sure all students participate in assessments and from the assessment data, finding resources to help support our students. There is ESSER money available to support these items.*
- **Mental Health Supports and services.** *We have partnerships with Community Based Organizations. The majority of these services are referral based, but we also have ESSER dollars to pay for additional supports. Some of our current providers include, Asian Counseling Referral Services (ACRS), NAVOS, Childhaven, CONSEJO, Sound Mental Health, Cowlitz Tribal Health, and Refugee Women Alliance (ReWa).*

- **Family & community engagement-** This can be accomplished with hiring staff or collaborating with a CBO.
- **Outdoor Education (Osprey Camp).** *The budget includes \$95k for 5<sup>th</sup> Grade Camp. Due to COVID, this may look different in the current and upcoming school year. Legislation to possibly fund outdoor activities.*
- **Dual Language.** *T&L formed a MLS PLC committee with multilingual parents being at least half of the participants in learning and giving recommendations to the superintendent's cabinet for building our dual language program. With enough parent input, we hope to start the program in the fall of 2023 with two Spanish kindergarten dual-language classes at one of the elementary schools and this will progress into other grades after that. We have received Dual Language federal grants for the two years of planning and startup cost for teachers, staff, parents, and leadership training. However, the expansion of the dual-language programs, including the cost of curriculum and teacher salaries, will all be a part of basic education. The dual-language program is in General Education and will not take up more spaces with the exiting general education class setup.*
- **High Quality Pre K in all elementary schools.** *The district has preschool classes for all three elementary school. Cascade View has ECEAP, Head Start, and ECSE (Early Childhood Special Education); Thorndyke has ECEAP, Head Start, and Voice of Tomorrow. Tukwila Elementary has ECEAP/Community blend dual language and inclusive (Gen Ed and sped ED combines) classes. CV ECEAP maintains its Early Achiever certification while Thorndyke ECEAP is up for renewal this year.*
- **Increase access 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. One of the recommendations for the first year was to hire a Theatre specialist at the secondary level. The CAO has met with the Fine Arts Coordinator and shared the expectation of Fine Arts being implemented in all buildings and performances to occur in both winter and spring. With the exception of the new principal at Thorndyke, all principals have met with the Fine Arts Coordinator to discuss curriculum maps, the implementation of Fine Arts and will be working on dates for performances to occur. Currently, we are working on placing an order for supplies and materials and getting instruments repaired.*
- **Biotech to expand and support CTE program.** *CTE dollars are available for this. Just outlining the plans and analysis of current and upcoming projects.*

**#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.** Improving communication structures that are responsive. Create more specific languages. We have hired a .75 Communication Specialist and will provide a communications budget. Creating communication structures that are responsive such as having interpreter services available at all of our events.
  
- **Financial Stability**
  - Performance Audits, every 5 years per policy 6550.
  
  - Ending Fund Balance 6% for 2022-23.
  
  - Utilize all available funds effectively for the benefit of our students, e.g. no give backs or money left on the table.
  
- **Safety Issues**
  - 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. Analysis of current systems will be conducted. ESSER can pay for this work.*
  - Staffing- *ensuring staffing levels are there to provide safety for students and staff*
  - Mental health, sexual safety, bullying and bystander training- Looking to partner with Safe schools to see if they offer these types of modules.
  - Reporting- how can people report? Who gets the information? How is sent to appropriate personnel?
  
- **School lunch nutritional standard.** Establish ongoing input via student surveys.

**#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 of our community. The HR department has a recruitment budget.*
  - *Establish working relationships with Historically Black Colleges.*
  - *Hiring Bilingual staff*

## Enrichment

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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](http://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. 2022-23 “enrichment” revenues are shown below.

Revenue Description	Revenue
Ed Programs & Operations Levy	7,923,752
Head Start	379,523
ECEAP	710,000
Other	161,700
<b>Total Revenue</b>	<b>9,174,975</b>

MSOC Description	MSOC	Payroll Description	Payroll
Art	18,500	Billable (TEA President)	65,718
AVID	11,500	Cert Extra Hours	330,000
BOARD APPRECIATION	12,000	Cert Stipend	30,332
Camp	95,000	Cert Subs	596,075
Curriculum Council	10,000	Certificated Administrative Staff Salaries	822,668
Drama	750	Certificated Instructional Staff Salaries	793,822
Dues and Fees	31,770	CL Extra Hours	192,150
Evaluation & Assessment	107,800	CL Longevity	100,815
Extra Curricular	424,851	Class Overload	40,000
Graduation	17,500	Classified Staff Salaries	980,609
Health/Fitness	7,850	Classified-Sub	216,000
Language Arts	3,700	Dept Chair	18,500
Legal	75,000	Extended Days	75,000
Library	34,400	Extra-Curricular	570,286
Math	61,800	Head Start	379,523
Music / Band	10,000	In-district Interp/Trans	5,000
Music/Choir	21,400	PR Taxes & Benefits	1,293,014
Other	67,881	Stadium	35,000
Other Professional Services	210,800	<b>Total Payroll</b>	<b>6,544,512</b>
Property Tax	86,000		
Repairs/ Maintenance	451,289		
Science	9,000		
Social Studies	7,600		
Summer Maintenance Projects	200,000		
Utilities	438,300		
World Language	800		
Stadium	30,000		
<b>Total MSOC</b>	<b>2,445,491</b>		

## Student Enrollment

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The 2022-23 Full-Time Equivalent (FTE) K-12 enrollment budget is 2,478. An additional 93 students are expected to participate in Running Start and an additional 2 students are expected to participate in Open Doors bringing the total 2021-22 enrollment budget 2,573.

Approved August 23, 2022

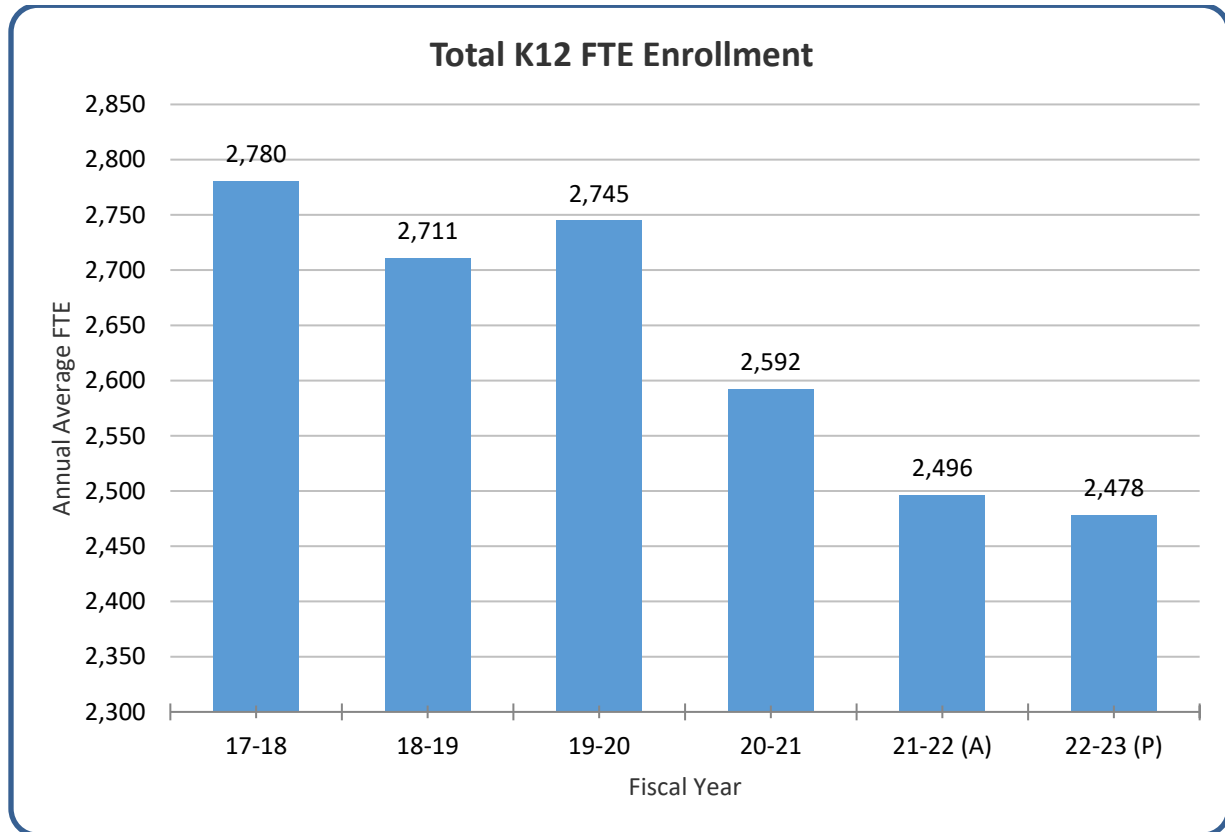
The following table shows the changes in actual student enrollment and the changes (increases/decreases) in the budgeted student enrollment over the past several years. 2022-23 enrollment was built by each school principal with input from their staff and reviewed by the Budget Advisory Team.

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

<b>FTE Enrollment By Grade</b>	<b>17-18 Act</b>	<b>18-19 Act</b>	<b>19-20 Act</b>	<b>20-21 Act</b>	<b>21-22 Ave</b>	<b>22-23 Bud</b>
Elementary (K-5)	1,367	1,305	1,304	1,214	1,136	1,127
Middle (6-8)	615	626	660	612	587	580
High (9-12)	798	779	781	766	773	771
<b>Total K12 FTE</b>	<b>2,780</b>	<b>2,711</b>	<b>2,745</b>	<b>2,592</b>	<b>2,496</b>	<b>2,478</b>
FTE Change from PY	-81	-70	34	-153	-96	-18
% Change	-2.8%	-2.5%	1.3%	-5.6%	-3.7%	-0.7%
ALE	3	32	55	0	0	0
Running Start	69	80	94	78	75	93
Open Doors	0	4	2	4	4	2
<b>Grand Total</b>	<b>2,852</b>	<b>2,826</b>	<b>2,896</b>	<b>2,674</b>	<b>2,575</b>	<b>2,573</b>
FTE Change from PY	-59	-26	70	-222	-99	-2
% Change	-2.0%	-0.9%	2.5%	-7.7%	-3.7%	-0.1%
<b>FTE Vs Plan</b>	<b>17-18</b>	<b>18-19</b>	<b>19-20</b>	<b>20-21</b>	<b>21-22</b>	<b>22-23</b>
Actual K12 FTE	2,780	2,711	2,745	2,592	2,496	2,478
Budgeted FTE	2,775	2,760	2,643	2,645	2,605	2,478
Bgt vs. Act FTE	5	-49	102	-53	-109	0
<b>SPED FTE</b>	<b>17-18</b>	<b>18-19</b>	<b>19-20</b>	<b>20-21</b>	<b>21-22</b>	<b>22-23</b>
Ages 0-2	18.8	22.9	37.2	39.5	0.0	0
Ages 3-5	36.6	38.0	30.4	32.3	32.3	18
Ages K-21	290.3	315.2	323.3	342.7	368.0	325
<b>Totals</b>	<b>345.7</b>	<b>376.1</b>	<b>391.0</b>	<b>414.5</b>	<b>400.3</b>	<b>343.0</b>
% Increase	14.8%	8.8%	4.0%	6.0%	-3.4%	-14.3%
% of Total	12.4%	13.9%	14.2%	16.0%	16.0%	13.8%

## Student Enrollment – Chart

As shown below, K-12 enrollment reached a peak in 2017-18 has declined for the last five years. 2022-23 projects a slight decrease. 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, but was recently dissolved. The Abubakr Islamic Center of Washington, formerly known as Makkah Islamic School. They are projecting to have about 25 Tukwila students.

Impact School	18-19	19-20	20-21	21-22	22-23
K	120	95	103	161	
1	60	127	102	106	
2		63	133	119	
3			69	128	
4				69	
5					
<b>Total</b>	<b>180</b>	<b>285</b>	<b>407</b>	<b>583</b>	<b>0</b>
<b>Abubakr K-8</b>	170	170	196	180	185



## General Information

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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 2022-23 is flat due to being able to use 19/20 enrollment numbers for formula allocation.

Local Levy History	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-2022 Proj	2022-2023 Bud Y1	2023-2024 Bud Y2	2024-2025 Bud Y3
Amount	11,844,582	8,719,105	6,459,251	7,248,392	7,456,873	7,923,753	8,089,138	3,792,888
Change \$	-22,780	-3,125,477	-2,259,854	789,141	208,481	466,880	165,385	-4,296,250
Change %	-0.2%	-35.8%	-35.0%	10.9%	2.8%	5.9%	2.0%	-113.3%

The State sets its local levy rates on a calendar year (from January 1<sup>st</sup> through December 31<sup>st</sup>), however school districts operate on a fiscal calendar (from September 1<sup>st</sup> through August 31<sup>st</sup>). As a result, the District's 2022-23 levy revenue includes calendar year 2023 and 2023 levy values as calculated above.

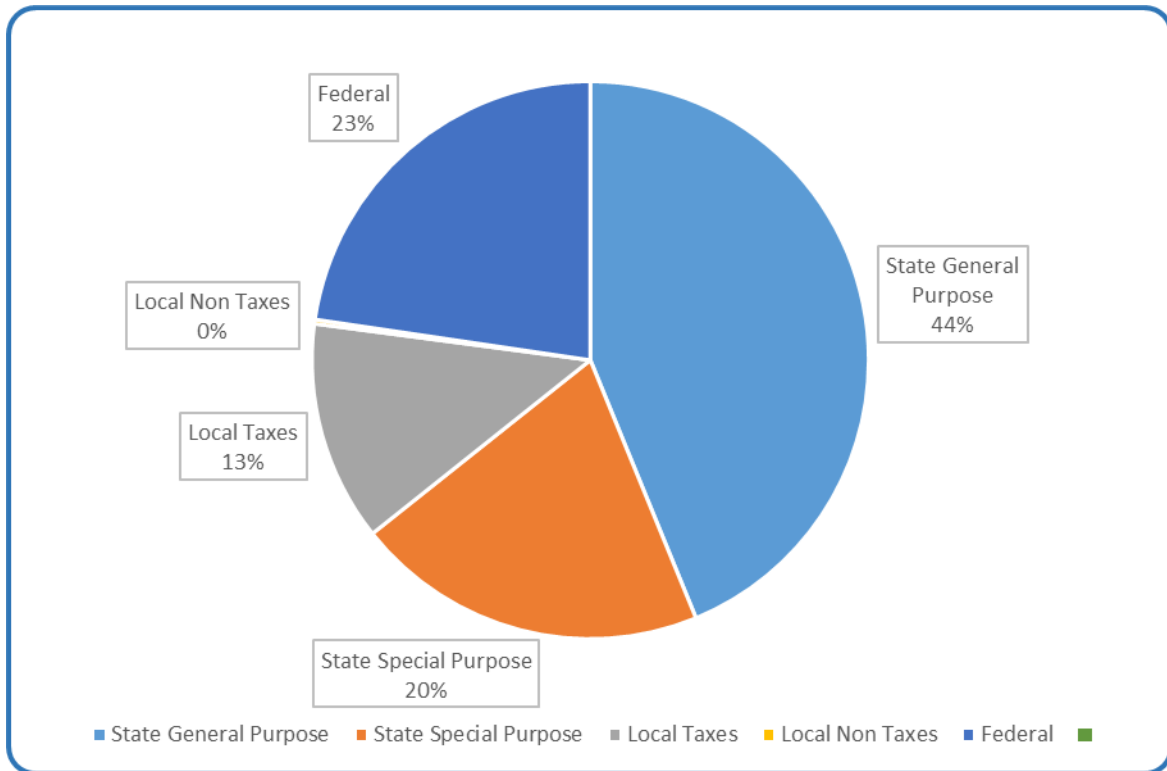
Local Levy Revenue*	Annual Levy	Collection Percent	2022-23 Budget
Fall 2022	7,796,418	46%	3,587,132
Spring 2023	8,182,303	53%	4,336,621
<b>Sub Total</b>			<b>7,923,753</b>
Collection percentage			100.00%
<b>Total 2022-23 Local Levy Revenue</b>			<b>7,923,753</b>

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 \$8,250,000 in 2022.

## General Fund Revenue

2022-2023 Revenue comes from the following sources.

Revenue By Category	2022-23 Bgt
State General Purpose	27,168,103
State Special Purpose	12,721,126
Local Taxes	7,923,752
Local Non Taxes	153,000
Federal	14,056,858
<b>Total Revenue</b>	<b>62,022,839</b>



## General Fund- Revenue by Activity

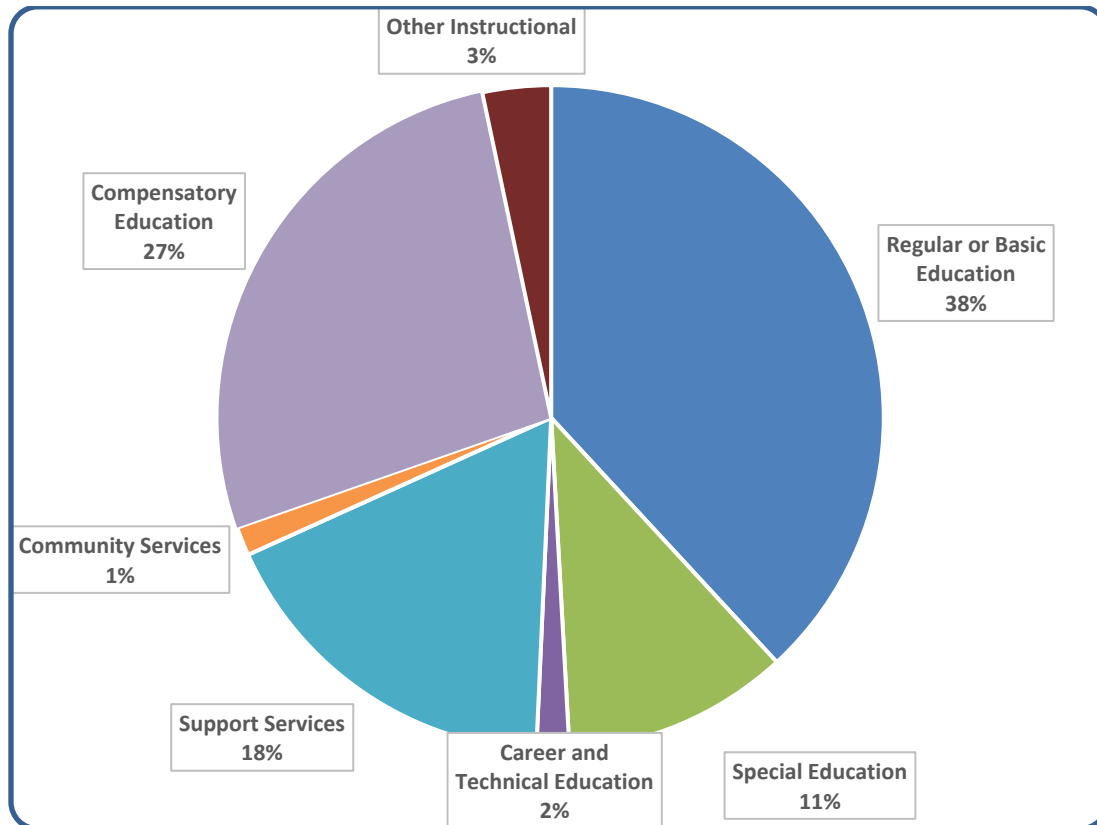
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue By Activity	Actual	Actual	Actual	Actual	Proj	Budget
11 Local Property Tax	11,994,404	11,358,626	6,459,251	7,248,392	7,446,873	7,923,752
13 Sale of Tax Title Prop	1,271	0	731	0		-
21 Tuitions & Fees	9,421	5,093	2,432	0		-
22 Sale of Goods, Svc, Supplies	218,808	218,465	167,625	5,131	34,000	-
23 Investment Earnings	45,593	33,948	87,041	47,104	20,000	25,000
25 Gifts & Donations	32,987	14,094	60,409	45,730	50,430	-
26 Fines & Damages	3,088	4,260	1,269	678	890	-
27 Rentals and Leases	116,929	81,134	48,592	11,020	60,000	68,000
28 Insurance Recoveries	22,337	7,467	19,208	8,443	110,000	-
29 Local Support Nontax	93,448	181,061	83,363	161,155	63,000	60,000
31 Apportionment	19,698,097	19,016,079	27,242,818	25,864,232	24,628,061	27,168,103
41 State Revenue Program	6,838,597	5,473,490	9,455,197	8,971,330	7,679,345	11,945,126
43 Other State Agency	448,951	332,433	556,650	508,379	700,456	776,000
52 Direct Federal Grants	0	0	0	17,340	-	-
55 Federal Forests	1,948	0	753	647	865	-
61 Federal Revenues	4,198,207	4,119,162	4,111,040	5,336,203	10,351,191	13,312,335
63 Fed Grant Other Agency	419,338	458,892	485,086	485,947	612,822	634,523
69 USDA COMMODITIES	137,515	108,248	111,272	104,968	110,000	110,000
71 Program Participation	99,924	146,150	19,110	38,560	36,000	-
82 Private Foundation	931	251,581	272,921	598,500	200,000	-
93 Sale of Equipment	7,103	535	2,208	0		-
<b>Total Revenue</b>	<b>44,388,897</b>	<b>41,810,716</b>	<b>49,186,976</b>	<b>49,453,759</b>	<b>52,103,933</b>	<b>62,022,839</b>

## General Fund- Expenditure Budget

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The General Fund Expenditure Budget of **\$64,953,643** is the recommended operating budget for the 2022-23 school year. This includes a 2.5% capacity amount of **\$1,623,841** 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 \$150,000 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

\$24,767,523

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

\$827,386

Expenditures for activities that extend beyond the classroom, such as athletics (coaches, uniforms, stipends, transportation, etc.).

### Special Education

\$7,139,070

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

\$17,560,685

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

\$2,158,703

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

\$1,033,223

Direct expenditures for the secondary Vocational/Technical Program.

### Community Services

\$906,173

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

\$11,388,266

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

		2019-20	2020-21	2021-22	2022-23
	Program	Actual	Actual	Proj	Budget
01	Basic Education	23,821,168	23,162,756	24,771,762	24,767,523
2	ALE	352,823	0		
3		13,435	17,759		
04	Extra Curricular	641,790	633,010	810,481	827,386
11	Special purpose - GEER				1,738,214
12	Special purpose- ESSER II		86,900	4,761,581	1,773,321
13	Special Purpose- ESSER III			254,354	4,283,311
14	Special Purpose- ESSER III Learning loss			155,307	1,385,064
21	Special Ed, Basic, State	5,370,432	5,750,530	5,486,079	6,329,303
22	SpEd Infants & Toddlers	367,832	0		
24	Special Ed Suppl, Federal	495,874	632,590	578,178	809,767
31	Vocational Basic State	444,176	787,589	1,072,809	1,003,623
38	Vocational, Federal	26,733	30,071	26,644	29,600
51	Title I	1,782,644	1,692,714	1,819,929	1,647,800
52	School Improvement	515,569	726,845	751,191	763,528
55	Learning Assistance, State	2,115,143	2,201,437	2,269,873	2,534,468
58	Special & Pilot Programs	711,886	762,310	658,247	802,128
61	Head Start	302,506	305,313	377,623	458,194
64	Title III LEP	96,409	97,343	105,591	182,236
65	Trans Bilingual, State	1,555,368	1,601,084	1,833,372	1,992,421
74	Highly Capable	18,302	72,154	86,110	88,659
79	Medicaid, SBIRT, Gearup, Refugee grant	522,700	710,022	989,835	1,092,658
88	ECEAP	493,283	514,098	705,050	811,418
89	Other Community Services	141,425	95,876	157,913	94,755
97	Districtwide Support	6,582,963	7,579,779	7,564,634	8,483,389
98	Food Service	1,633,378	1,184,045	1,904,855	1,965,640
99	Pupil Transportation	1,027,685	838,445	1,075,196	939,237
	Transfers				150,000
	<b>Total Expenditures</b>	<b>49,033,524</b>	<b>49,482,670</b>	<b>58,216,614</b>	<b>64,953,643</b>

## General Fund-Administrative Cost Comparison

---

Central Administration Dollars	2019-20 Actual	2020-21 Actual	2021-2022 Proj	2022-2023 Budget
11 Board Of Directors	150,846	81,599	135,237	161,800
12 Superintendent'S Office	515,248	658,284	655,592	747,325
13 Business Office	845,407	849,733	907,259	731,562
14 Human Resources	610,869	668,610	79,803	756,165
15 Public Relations	15,568	8,990	146,983	150,616
21 Supervision - T&L	1,024,794	1,019,907	1,197,189	1,234,335
41 Supervision Food Svc	99,703	57,857	15,062	16,236
51 Supervision - Transportation	220,818	168,621	171,043	183,826
61 Supervision - Plant	185,883	187,222	189,798	201,696
<b>Central Administration</b>	<b>3,669,136</b>	<b>3,700,823</b>	<b>3,497,966</b>	<b>4,183,560</b>

Central Administration Percent of Revenue	2019-20 Actual	2020-21 Actual	2021-2022 Proj	2022-2023 Budget
11 Board Of Directors	0.3%	0.2%	0.3%	0.3%
12 Superintendent's Office	1.0%	1.3%	1.3%	1.2%
13 Business Office	1.7%	1.7%	1.7%	1.2%
14 Human Resources	1.2%	1.4%	0.2%	1.2%
15 Public Relations	0.0%	0.0%	0.3%	0.2%
21 Supervision - T&L	2.1%	2.1%	2.3%	2.0%
41 Supervision Food Svc	0.2%	0.1%	0.0%	0.0%
51 Supervision - Transportation	0.4%	0.3%	0.3%	0.3%
61 Supervision - Plant	0.4%	0.4%	0.4%	0.3%
<b>Central Administration</b>	<b>7.5%</b>	<b>7.5%</b>	<b>6.7%</b>	<b>6.7%</b>



## General Fund-Central Admin Responsibilities

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**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.

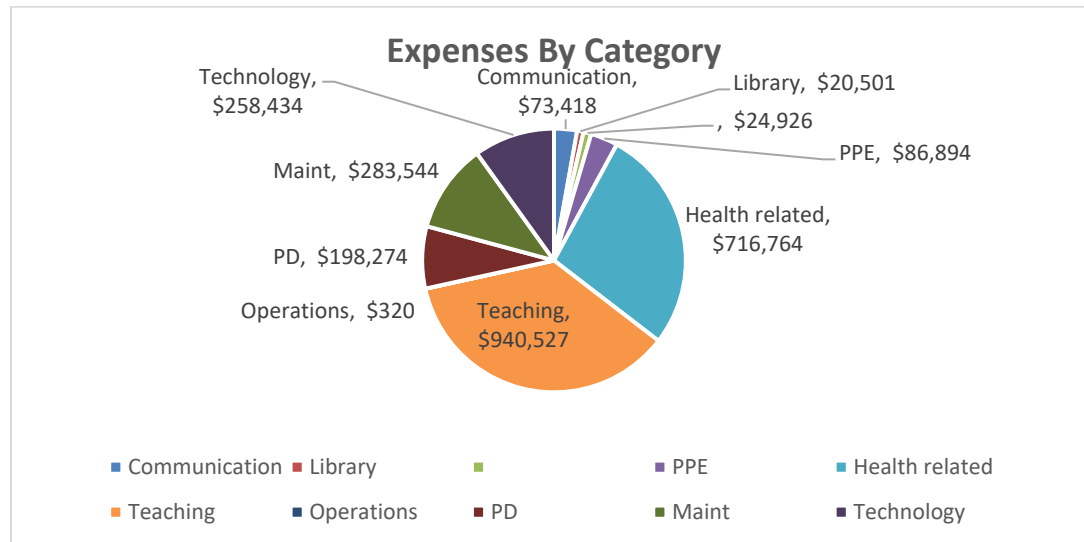
# Elementary and Secondary School Emergency Relief (ESSER)

Providing local educational agencies (LEAs), including charter schools that are LEAs, with emergency relief funds to address the impact that Novel Coronavirus Disease (COVID-19).

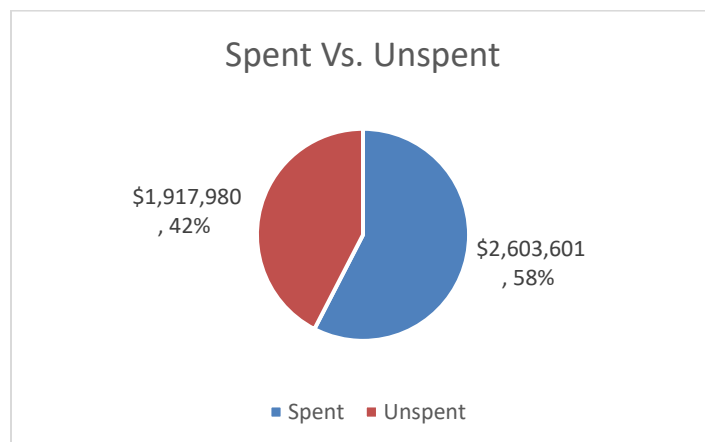
During the 2021-22 school year, several meeting were held with student, staff, parents and community stakeholders to get input regarding ideas on how to spend the funds.

	Total Grant	Indirect	Total to Spend Minus Indirect	Spent	Balance	Date Money Available	Deadline to spend
ESSER I	\$ 1,327,981	\$ 183,860	\$ 1,144,121	\$ 1,144,121	\$ -	7/15/2020	8/31/2022
ESSER II	\$ 5,248,199	\$ 726,618	\$ 4,521,581	\$ 2,603,601	\$ 1,917,980	3/5/2021	8/31/2023
ESSER III Learning loss	\$ 2,359,322	\$ 230,354	\$ 2,128,968	\$ 165,053	\$ 1,963,915	6/15/2021	8/31/2024
ESSER III	\$ 9,437,289	\$ 921,417	\$ 8,515,872	\$ -	\$ 8,515,872	6/30/2021	8/31/2024

## Esser II

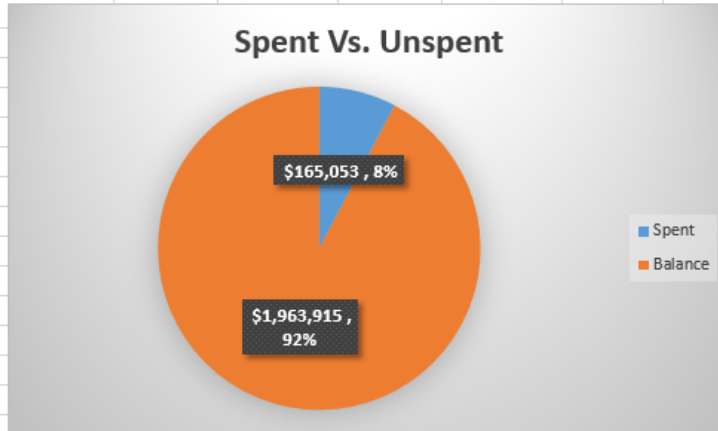


## As of July 2022



As of July 2022

ESSER III Learning Loss Spending								
	Total Grant	Indirect	Total to Spend Minus Indirect	Spent	Balance	Date Money Available	Deadline to spend	%
ESSER III Learning loss	\$2,359,322	\$230,354	\$2,128,968	\$165,053	\$1,963,915	6/15/2021	8/31/2024	8%



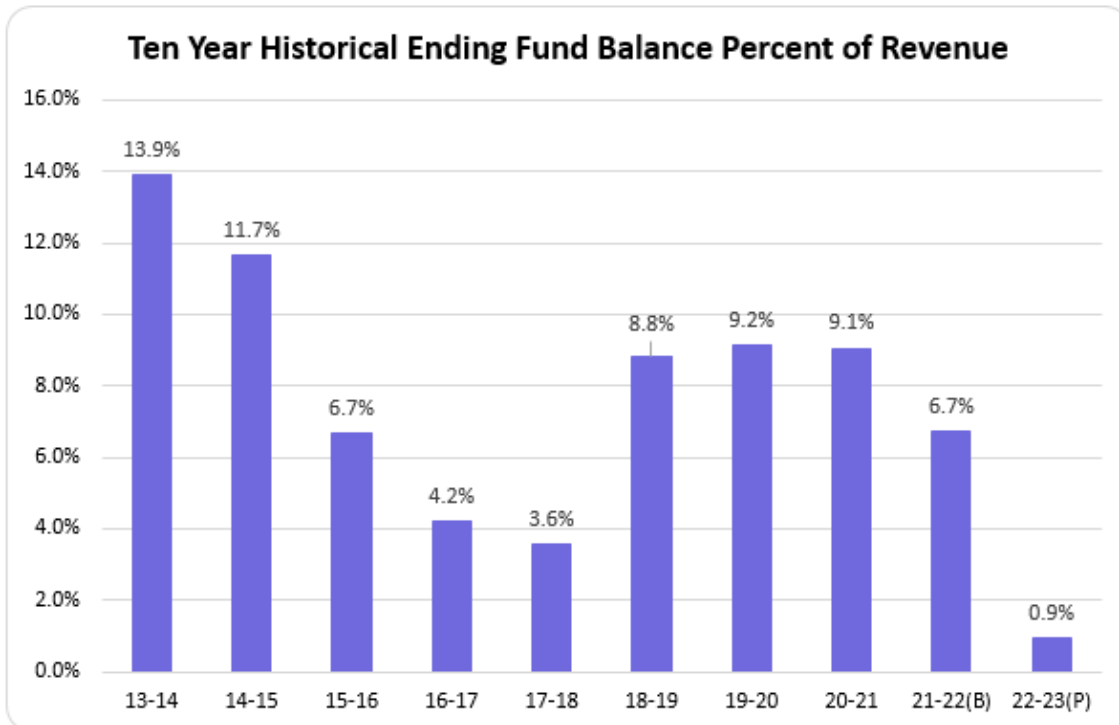
## General Fund – Fund Balance History

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)	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 Act	21-22(B) Proj	22-23(P) Bug
<b>Beginning Fund Balance:</b>	4,390	5,284	4,444	4,937	4,510	2,671	1,761	1,583	4,350	4,503	4,479	2,285
<b>(Plus) Revenues:</b>	31,369	31,882	35,476	38,635	41,250	41,811	44,389	49,476	49,187	49,459	51,326	60,448
<b>(Minus) Expenditures:</b>	30,475	32,721	34,983	39,062	43,010	42,721	44,567	46,709	49,034	49,483	53,520	61,207
<b>Change in Fund Balance:</b>	894	-840	493	-427	-1,760	-910	-178	2,767	153	-24	-2,194	-760
<b>8/31 Ending Fund Balance</b>	5,284	4,444	4,937	4,510	2,750	1,761	1,583	4,350	4,503	4,479	2,285	1,526
<b>Fund Balance Percentage</b>	16.8%	13.9%	13.9%	11.7%	6.7%	4.2%	3.6%	8.8%	9.2%	9.1%	4.5%	2.5%

### Ten Year Historical Fund Balance Percentage Chart



## Capital Projects Fund

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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](http://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 were \$0.73 per \$1,000 of assessed value in 2021, \$0.72 in 2022, estimated \$0.67 in 2023 and \$0.64 in 2024.

Approved August 23, 2022

The annual spending breakdown for each category is shown below.

Year	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Bud	2022-23 Bgt Yr 1	2024-25 Bgt Yr 2
<b>Beginning Balance</b>	387,046	256,145	182,550	819,197	812,465	25,436
Tax Revenue	877,409	863,194	2,179,215	3,318,510	3,318,510	3,318,510
<b>Total Revenue</b>	877,409	863,194	2,179,215	3,318,510	3,318,510	3,318,510
Tech Dept Equipment and Software	515,418	426,731	648,410	1,171,556	1,268,405	1,268,405
Creative Learning Lab Instruction	86,056	82,866	447,979	508,417	532,754	658,064
Tech Department Support	229,207	233,735	158,107	261,030	275,471	390,490
Tech Instructional Coaches	177,629	193,458	195,377	184,239	191,608	199,272
Facility Projects	0	0	92,695	1,200,000	1,837,300	802,278
<b>Total Expenditures</b>	1,008,310	936,789	1,542,568	3,325,242	4,105,538	3,318,510
<b>Ending Balance</b>	256,145	182,550	819,197	812,465	25,436	25,436

## Capital Projects Fund Cont.

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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.

<b>Capital Projects Fund 2022-23 Budget</b>		
<b>2022-23 Estimated Beginning Balance</b>		<b>8,587,000</b>
Estimated Revenues		
Projected 2022-23 Levy Collection	3,318,510	
Other Revenues	0	
Interest	120,000	3,438,510
Total Estimated Funds Available		12,025,510
Recommended Expenditure Budget		
Bond Projects <sup>1</sup>	3,500,000	
Technology Related	2,268,238	
Facility Related	1,837,700	7,605,938
<b>2022-23 Estimated Ending Fund Balance</b>		<b>4,419,572</b>

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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



Approved August 23, 2022

The 2022-23 Debt Service Fund budget is shown below.

<b>Debt Service Fund</b>		
2022-23 Estimated Beginning Balance		2,444,257
Estimated Revenues		
Projected 2022-23 Levy Collection	7,553,000	
Interest Income	50,000	
Transfer (from Transportation)	150,732	7,753,732
Total Estimated Funds Available		10,197,989
Recommended Expenditure Budget		
Bond Principal	4,055,000	
Bond Interest	3,191,800	
Bus Loan Principal	120,063	
Bus Loan Interest	30,669	
Fees (Capacity)	500,000	7,897,532
<b>2022-23 Estimated Ending Fund Balance</b>		<b>2,300,457</b>

# 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, 2021)

<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	\$ 51,580,000
UTGO Bonds, 2018	31,190,000	10/11/2018	12/01/2037	<u>22,865,000</u>
				<u>\$ 74,445,000</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	\$ 869,225
Local Program	270,000	10/15/2019	06/01/2032	<u>245,000</u>
				<u>\$ 1,114,255</u>

The 2021 Collection Year Bond Assessed Valuation was \$4,592,482,613<sup>(1)</sup>. The District has no authorized but un-issued bonds outstanding.

### Tax Collections (As of December 31, 2021)

<u>Tax Levies</u>	<u>Levy Rates</u> <sup>(2)</sup>	<u>Ad Valorem Levy Amounts</u>
Bonds	\$ 1.44283	\$ 6,626,172
EP&O	1.61654	7,423,932
Capital Project	0.72949	3,350,170
Transportation	--	--
Total	<u>\$ 3.78886</u>	<u>\$ 17,400,274</u>

As of December 31, 2021, approximately 98 percent of taxes levied in 20201 were collected <sup>(3)</sup>.

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

3 Taxes are due and payable on April 30 of each year succeeding the levy. The entire tax or first half must be paid on or before April 30, or else the total amount becomes delinquent on May 1. The second half of the tax is payable on or before October 31, becoming delinquent November 1.

## Associated Student Body Fund

The ASB budget is shown below.

ASB Budget	2020-21	2021-2022	2022-2023	2023-2024	2024-2025
	Actual	Budget	Bgt Yr 1	Bgt Yr 2	Bgt Yr 3
2022-23 Estimated Beginning Balance	187,344	183,737	218,737	130,879	89,721
Estimated Revenues	12,201	100,000	35,515	40,842	46,969
Total Estimated Funds Available	199,545	283,737	254,252	171,721	136,690
Expenditure Budget	15,808	65,000	123,373	82,000	123,373
<b>2022-23 Estimated Ending Fund Balance</b>	<b>183,737</b>	<b>218,737</b>	<b>130,879</b>	<b>89,721</b>	<b>13,317</b>

Historic ASB revenue and expenditures by activity are shown below.

ASB	2016-17	2017-18	2018-19	2019-20	2020-21	2021-2022	2022-2023	2023-2024	2024-2025
Ending Fund Balance	Actual	Actual	Actual	Actual	Actual	Budget	Bgt Yr 1	Bgt Yr 2	Bgt Yr 3
Beginning Balance	120,309	112,097	136,254	164,558	187,344	183,737	218,737	130,879	89,721
Revenues	83,795	90,331	99,504	64,308	12,201	100,000	35,515	40,842	46,969
Funds Available	204,104	202,428	235,757	228,866	199,545	283,737	254,252	171,721	136,690
Expenditure	92,007	66,175	71,199	41,522	15,808	65,000	123,373	82,000	94,300
<b>Ending Fund Balance</b>	<b>112,097</b>	<b>136,254</b>	<b>164,558</b>	<b>187,344</b>	<b>183,737</b>	<b>218,737</b>	<b>130,879</b>	<b>89,721</b>	<b>42,390</b>

ASB	2016-17	2017-18	2018-19	2019-20	2020-21	2021-2022	2022-2023	2023-2024	2024-2025
Revenue By Activity	Actual	Actual	Actual	Actual	Actual	Budget	Bgt Yr 1	Bgt Yr 2	Bgt Yr 3
1000 General Student Body	57,400	57,040	65,128	35,000	12,176	65,243	23,400	26,910	30,947
2000 Athletics	22,212	29,540	26,861	21,919	25	30,757	1,600	1,840	2,116
3000 Classes	1,136	0	0	0	0	1,500	2,500	2,875	3,306
4000 Clubs	3,046	3,751	7,478	2,320	0	2,500	5,015	5,767	6,632
6000 Private Moneys	0	0	37	0	0	0	3,000	3,450	3,968
<b>Total Revenue</b>	<b>83,795</b>	<b>90,331</b>	<b>99,504</b>	<b>59,240</b>	<b>12,201</b>	<b>100,000</b>	<b>35,515</b>	<b>40,842</b>	<b>46,969</b>

ASB	2016-17	2017-18	2018-19	2019-20	2020-21	2021-2022	2022-2023	2023-2024	2024-2025
Expenditures By Activity	Actual	Actual	Actual	Actual	Actual	Budget	Bgt Yr 1	Bgt Yr 2	Bgt Yr 3
1000 General Student Body	62,315	33,565	37,043	29,759	12,111	58,630	63,700	35,376	54,479
2000 Athletics	21,950	23,718	23,789	14,032	3,112	5,100	5,100	5,865	9,032
3000 Classes	3,510	854	1,571	894	0	770	3,500	4,025	6,199
4000 Clubs	3,792	8,038	8,796	2,857	585	500	48,073	33,284	51,257
6000 Private Moneys	440	0	0	0	0	0	3,000	3,450	2,406
<b>Total Expenditures</b>	<b>92,007</b>	<b>66,175</b>	<b>71,199</b>	<b>47,542</b>	<b>15,808</b>	<b>65,000</b>	<b>123,373</b>	<b>82,000</b>	<b>123,373</b>

## Transportation Vehicle Fund

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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 \$150k from General Fund to be able to purchase the bus.

<b>Transportation Vehicle Fund</b>			
<b>2022-23 Estimated Beginning Balance</b>		<b>158,498</b>	
Estimated Revenues			
State Depreciation Funding	150,797		
Fund from General Fund	150,000		
State Eco Grant	0		
Interest Income	3,300	304,097	
Total Estimated Funds Available		462,594	
Recommended Expenditure Budget			
Capacity	10,000		
Bus Purchase	150,000		
Transfer to Debt Services: 2016 Loan	119,232		
Transfer to Debt Services: 2019 Loan	31,500	310,732	
<b>2022-23 Estimated Ending Fund Balance</b>		<b>151,862</b>	

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

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

	2020-21	2021-22	2022-23	2023-24	2024-25 Notes
CPI	2.50%	4.70%	5.00%	2.10%	2.20% Applied to LEA & Levy per pupil inflators
IPD	1.60%	2.00%	5.50%	2.00%	2.10% Applied to salary allocations and National Board Bonus

- 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: 2022-23 General Fund Four Year Projection

4 Year Long Range Forecast - 8/23/2022

8/22/2022

Program	Description	REVENUES						2025-26
		2019-20 Actual	2020-21 Actual	2021-22 Proj	2022-23 Proj	2023-24 Proj	2024-25 Proj	
--	Local Taxes (M&O Levy)	6,459,251	7,248,392	7,446,873	7,922,027	7,766,693	7,634,405	7,465,103
--	State General Purpose	26,637,356	25,331,478	24,159,079	26,344,399	25,827,842	25,321,414	24,824,916
--	Other, Hold Harmless	278,935	300,815	336,320	460,679	601,646	589,849	578,283
01	Basic Education	33,096,606	32,579,870	31,605,951	34,266,426	33,594,535	32,935,819	32,290,019
04	Extra Curricular							
31	Vocational Basic State							
97	Districtwide Support / Unassigned							
	<b>Total Local (BEA)</b>	<b>33,375,542</b>	<b>32,880,686</b>	<b>31,944,271</b>	<b>34,727,105</b>	<b>34,196,182</b>	<b>33,525,668</b>	<b>32,868,302</b>

Program	Description	EXPENDITURES						2025-26 Proj
		2019-20 Actual	2020-21 Actual	2021-22 Proj	2022-23 Proj	2023-24 Proj	2024-25 Proj	
01	Basic Education	24,187,426	23,180,515	22,827,332	24,767,523	23,780,463	23,077,240	21,840,960
00	Transfer out to TVF			75,000	150,000	75,000	75,000	75,000
04	Extra Curricular	641,790	633,010	760,126	827,386	724,466	703,043	665,380
31	Vocational Basic State	444,142	787,589	1,017,359	1,003,623	994,017	964,622	912,946
97	Districtwide Support	6,583,618	7,579,779	7,778,672	8,483,389	8,401,304	8,151,988	7,714,422
	<b>Total BEA</b>	<b>31,856,976</b>	<b>32,180,893</b>	<b>32,458,489</b>	<b>35,231,921</b>	<b>33,975,250</b>	<b>32,971,893</b>	<b>31,208,707</b>

11	GEER		104,254	1,738,214				
12	ESSER II		100,865	3,698,463	1,900,000			
13	ESSER III			35,000	4,685,872	3,712,040		
14	ESSER III 20% SET Aside			800,000	1,905,000			
18	Race to the Top							
21	Special Ed, Basic, State	3,996,425	4,180,303	3,542,126	4,763,105	4,286,592	4,091,139	4,295,696
22	SpEd Infants & Toddlers	407,899						
24	Special Ed Suppl, Federal	512,238	609,665	752,252	834,000	737,869	750,381	658,930
38	Vocational, Federal	26,733	31,045	32,466	28,000	31,045	31,045	31,045
51	Title I	1,782,584	1,794,127	1,430,481	1,230,005	1,223,431	1,235,665	1,248,022
52	School Improve	532,583	760,954	568,000	752,368	868,000	868,001	868,001
55	Learning Assistance, State	2,053,725	2,158,924	1,954,528	2,532,811	2,498,640	2,481,663	2,456,350
58	Special & Pilot Programs	684,334	698,683	644,388	1,023,282	747,129	747,129	747,129
61	Head Start	254,457	256,733	305,000	379,523	363,080	308,080	308,080
64	Title III LEP & RSIP Refugee School	99,591	100,497	183,239	182,236	166,954	162,401	157,464
65	Trans Bilingual, State	1,805,964	1,840,516	1,844,019	1,912,889	1,856,024	1,912,076	1,969,820
74	Highly Capable	28,729	28,248	82,605	88,659	90,487	90,487	90,487
88	ECEAP /After School Dinner	708,090	441,552	710,000	710,000	672,500	522,500	627,000
89	Other Community Services	1,273	78,206	96,718	8,700	8,700	8,700	8,700
98	Food Service	1,221,535	904,892	1,904,854	1,904,854	1,695,622	1,746,829	1,799,584
99	Pupil Transportation	1,001,741	659,084	921,080	921,080	969,907	999,198	1,029,374
79	Medicaid, SBIRT, Gearup	666,146	627,461	654,443	1,531,624	1,031,624	1,031,624	1,031,624
79	Targeted Covid-19 Relief #6176	27,391	1,201,905					
	<b>Total Grants &amp; Categorical:</b>	<b>15,811,436</b>	<b>16,577,913</b>	<b>20,159,661</b>	<b>27,294,008</b>	<b>20,959,643</b>	<b>16,986,918</b>	<b>17,327,306</b>

11	GEER				1,738,214			
12	ESSER II		86,900	3,186,407	1,773,321			
13	ESSER III			35,000	4,283,311	3,257,936		
14	ESSER III 20% SET Aside			800,000	1,385,064			
18	Race to the Top							
21	Special Ed, Basic, State	5,370,432	5,750,530	5,486,079	6,329,303	5,696,104	5,436,382	5,708,202
22	SpEd Infants & Toddlers	367,832						
24	Special Ed Suppl, Federal	495,874	632,590	578,178	809,767	716,429	728,577	639,784
38	Vocational, Federal	26,733	30,071	26,644	29,600	32,819	32,819	32,819
51	Title I	1,782,644	1,692,714	1,819,929	1,647,800	1,238,992	1,251,382	1,263,896
52	School Improvement	515,569	726,845	751,191	763,528	880,875	880,876	880,876
55	Learning Assistance, State	2,115,143	2,201,437	1,954,528	2,534,468	2,290,275	2,274,714	2,251,511
58	Special & Pilot Programs	711,886	762,310	578,336	802,128	585,657	585,657	585,657
61	Head Start	302,506	305,313	299,271	458,194	438,342	371,941	371,941
64	Title III LEP & RSIP Refugee School In	96,409	97,343	105,591	182,236	166,954	162,401	157,464
65	Trans Bilingual, State	1,555,368	1,601,084	1,633,372	1,992,421	1,833,191	1,888,554	1,945,588
74	Highly Capable	18,302	72,154	86,110	88,659	90,487	90,487	90,487
88	ECEAP /After School Dinner	493,283	514,098	480,389	811,418	768,561	597,135	716,562
89	Other Community Services	141,425	95,876	157,913	94,755	94,755	94,755	94,755
98	Food Service	1,633,878	1,184,045	1,704,854	1,965,640	1,749,731	1,802,573	1,857,011
99	Pupil Transportation	1,027,685	838,445	1,001,084	1,092,680	1,150,604	1,185,352	1,221,149
79	Medicaid, SBIRT, Gearup	522,700	710,022	654,443	939,237	632,622	632,622	632,622
79	Covid-19 Relief							
	<b>Total Categorical:</b>	<b>17,177,168</b>	<b>17,301,777</b>	<b>20,619,319</b>	<b>29,721,722</b>	<b>21,623,931</b>	<b>18,016,228</b>	<b>18,450,325</b>

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79	Capacity @ 2.5% in years 2 - 4							
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<b>Grand Total Revenue:</b>	<b>49,186,977</b>	<b>49,458,599</b>	<b>52,103,933</b>	<b>62,021,113</b>	<b>55,155,824</b>	<b>50,512,586</b>	<b>50,195,609</b>
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<b>Grand Total Expenditures:</b>	<b>49,034,144</b>	<b>49,482,670</b>	<b>53,077,808</b>	<b>64,953,643</b>	<b>55,599,181</b>	<b>50,988,121</b>	<b>49,659,033</b>
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<b>Impact to Capacity</b>	<b>152,833</b>	<b>-24,071</b>	<b>-973,875</b>	<b>-2,932,530</b>	<b>-443,357</b>	<b>-475,535</b>	<b>536,576</b>
<b>Ending Fund Balance \$</b>	<b>4,503,221</b>	<b>4,479,152</b>	<b>3,505,276</b>	<b>572,747</b>	<b>129,390</b>	<b>-346,145</b>	<b>190,431</b>
<b>Ending Fund Balance % of Rev</b>	<b>9.2%</b>	<b>9.1%</b>	<b>6.7%</b>	<b>0.9%</b>	<b>0.2%</b>	<b>-0.7%</b>	<b>0.4%</b>