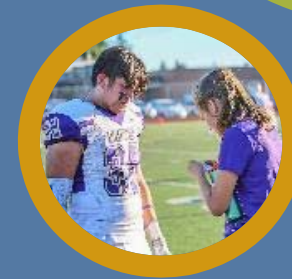


# Budget Forum: Community Update June 2020



*June 4, 2020*

# Agenda

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- Uncertainty
- Budget development assumptions
- Summaries of budget by fund
- Revenues and expenditures
- Fund balance projections

# Uncertainty

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- When and how do we re-open?
- What does re-opening necessitate or require?
  - Dr. Evans and OSPI state-wide task force
  - Epidemiology and waves of COVID to come
- Uncertainty:
  - Enrollment
  - Requirements
  - Operations
  - Funding
  - State shortfall
  - Teacher shortage?
- Board budget adoption is a legal authorization of expenditure authority of public funds
  - To build in conservatism, budget prepared on most costly scenario envisioned

# Budget Development Assumptions and Notes

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- State revenues provided with OSPI budgetary program applications
- Federal revenue projections (not yet available) – used previous year numbers
- CARES Act funding not yet included
- Increased the expenditure and revenue capacity reserve to \$3M

# Budget Development Assumptions and Notes

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- Developed budget leaving all salaries and pay that were agreed upon with bargaining agreements in the 19-20 school year the same
- Minor decrease from previously forecasted enrollment due to COVID (1% at k-8 and 2% at 9-12)
- Budget still in draft, known adjustments should be minor
- Prepared the budget for next year assuming school as normal

# General Fund

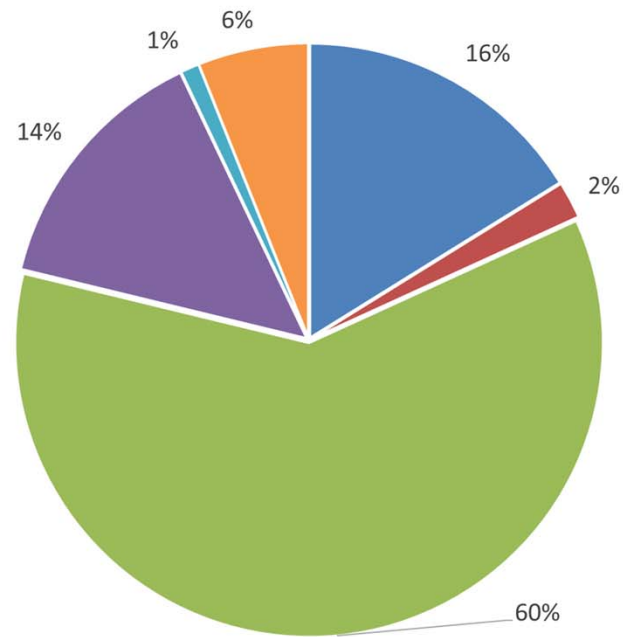
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- Talking points

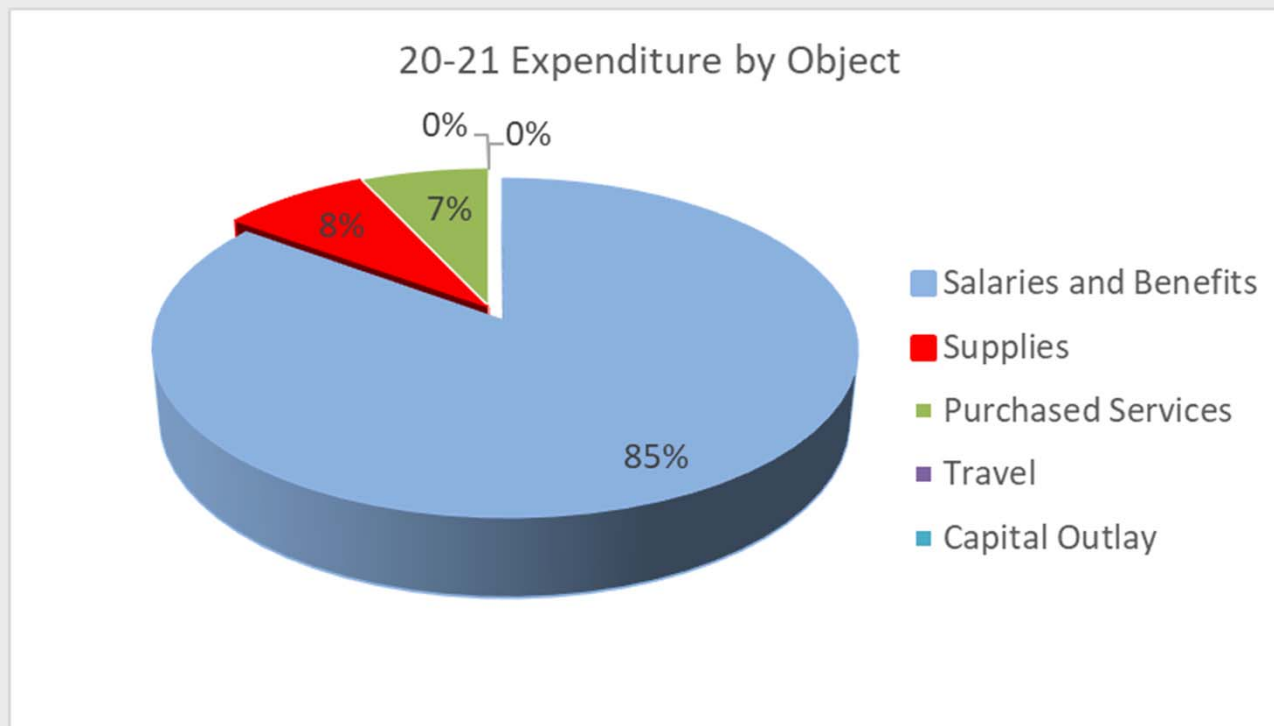
# General Fund Revenues

## 20-21 General Fund Budgeted Revenue

- Local Taxes, \$12,306,404
- Local Non-Tax, \$2,010,820
- State, General Purpose, \$56,840,253
- State, Special Purpose, \$14,144,225
- Federal, General Purpose, \$1,510,500
- Federal, Special Purpose, \$6,578,806

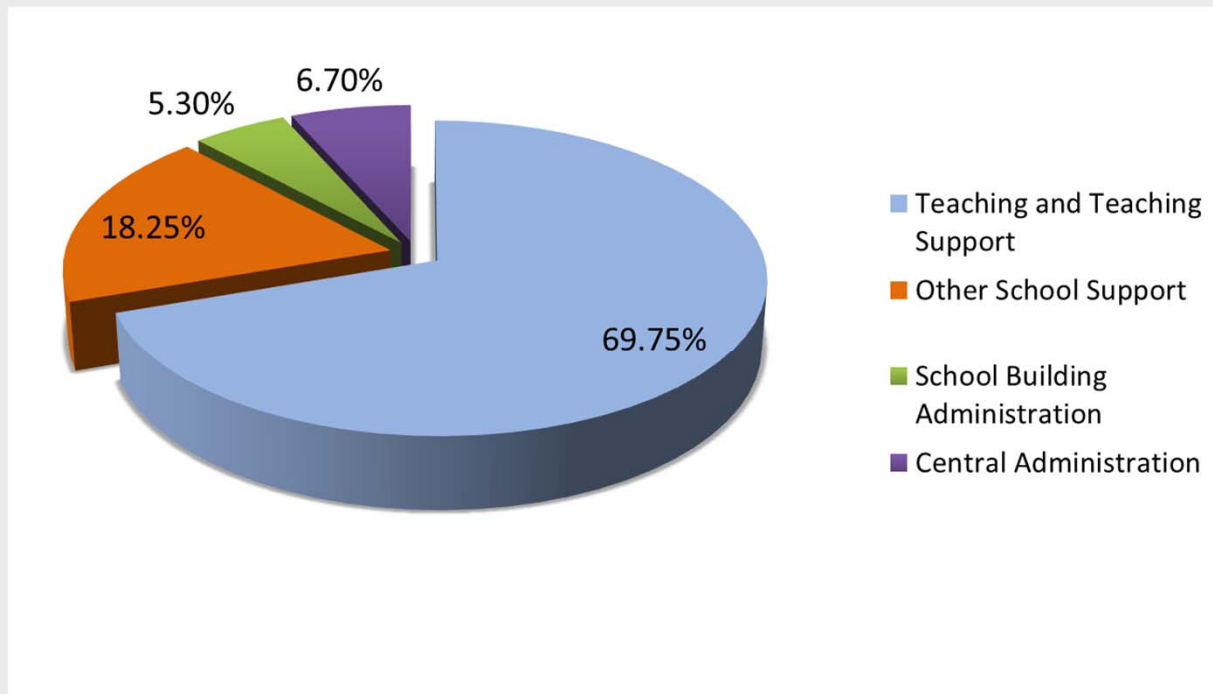


# General Fund Expenditures by Object





# General Fund Expenditures by Activity



# Budget Summary by Fund



## North Kitsap School District SUMMARY OF 2020-2021 BUDGETS

- Update GF

FUND	YEAR	BEGINNING BALANCE	REVENUES	EXPENDITURES	OPERATING TRANSFERS	ENDING BALANCE
<b>GENERAL:</b>	2020-21	10,254,794	93,391,008	96,577,185	90,730	7,159,347
	2019-20	6,872,699	91,544,414	87,621,701	0	6,679,709
<b>CAPITAL PROJECTS:</b>	2020-21	2,092,889	11,087,984	11,042,142	0	2,138,731
	2019-20	496,762	9,224,413	7,900,000	0	803,393
<b>DEBT SERVICE:</b>	2020-21	275,000	95,730	90,800	90,730	279,930
	2019-20	242,000	853,987	3,947,453	0	131,362
<b>ASB:</b>	2020-21	467,137	923,709	1,055,888	0	334,958
	2019-20	425,200	1,070,660	1,168,042	0	308,449
<b>TRANSP VEHICLE:</b>	2020-21	1,124,090	430,000	500,000	0	1,054,090
	2019-20	1,200,000	394,421	800,000	0	1,172,000

# Why?

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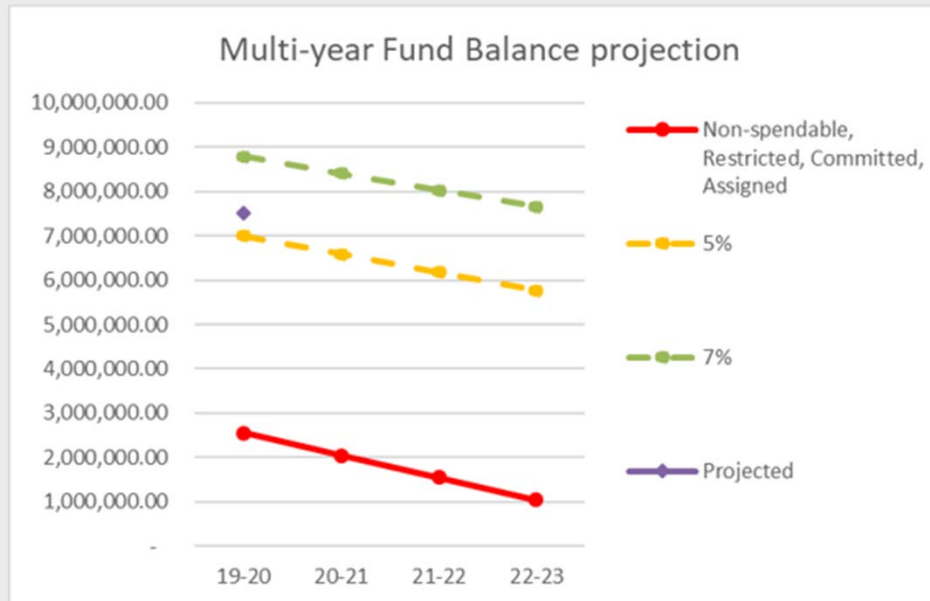
- SEBB and Prototypical
  - Examples of Prototypical deficiency
- Deficit spend primarily due to SEBB and salaries, benefits, operating costs raising faster than state inflationary increase
- Transportation Operational Revenue decrease
- SPED enrollment

# Deficit spend and projections

- Will likely need to deficit spend for the next 3 fiscal years
- Committed balance for SEBB will likely need to be uncommitted on a faster schedule than previously planned
- May need to consider adjusting Board minimum fund balance policy 6022
  - Currently 5-7%
  - 7% is approximately 1 month Salary & Benefits costs
- Election in Feb 2022 for tax collection year 2023
- For 2023-2024 school year need achieve to be revenue neutrality
- Tax delinquency rates
- OSPI Revenue models?

# Fund balance projection

- Needs updated for 19-20



# Summary...

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- Deficit spend
- Things will change for next year

# Questions

