Budget Outlook
School Board Work Session

Jackie Bryan
June 7, 2023
OUR PROMISE

Every student in Highline Public Schools is known by name, strength and need and graduates prepared for the future they choose.
Outline

● Highline Budget Overview
  ○ Capital Project Fund
  ○ Transportation Vehicle Fund
  ○ Associated Student Body (ASB) Fund
  ○ Debt Service Fund

● General Fund
  ○ Revenue Sources
  ○ Expenditure Projections
  ○ Four-Year Outlook
2022-23 Budget Highlights

- Selling bonds to finance new school construction
- Funding lower student to counselor ratios in schools
- Introducing the purchase of three new curricula: middle school science, upper level math and secondary music
- Securing three electric buses, bringing our total to six
### 2023-24 Capital Projects Fund

<table>
<thead>
<tr>
<th><strong>Beginning Fund Balance</strong></th>
<th><strong>$280,473,644</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>+ $6,352,656</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td>- $243,881,491</td>
</tr>
<tr>
<td><strong>Ending Fund Balance</strong></td>
<td><strong>$42,944,809</strong></td>
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</tbody>
</table>
## 2023-24 Capital Projects Costs

<table>
<thead>
<tr>
<th>Project</th>
<th>Timeline</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evergreen High School</td>
<td>Opening Fall 2025</td>
<td>$103,057,559</td>
</tr>
<tr>
<td>Tyee High School</td>
<td>Opening Fall 2025</td>
<td>$100,598,428</td>
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<tr>
<td>Pacific Middle School</td>
<td>Opening Fall 2027</td>
<td>$9,571,426</td>
</tr>
<tr>
<td>Safety, Security &amp; Critical Improvements</td>
<td>Ongoing</td>
<td>$3,595,540</td>
</tr>
</tbody>
</table>
2023-24 Transportation Vehicle Fund

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Fund Balance</td>
<td>$3,100,000</td>
</tr>
<tr>
<td>Revenues</td>
<td>+ $1,800,000</td>
</tr>
<tr>
<td>Expenditures</td>
<td>- $2,400,000</td>
</tr>
<tr>
<td>Ending Fund Balance</td>
<td>$2,500,000</td>
</tr>
</tbody>
</table>
## 2023-24 Associated Student Body Fund

<table>
<thead>
<tr>
<th>Fund Balance</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Fund Balance</td>
<td>$1,049,499</td>
</tr>
<tr>
<td>Revenues</td>
<td>+ $1,086,130</td>
</tr>
<tr>
<td>Expenditures</td>
<td>- $1,133,103</td>
</tr>
<tr>
<td>Ending Fund Balance</td>
<td>$1,002,526</td>
</tr>
</tbody>
</table>
# 2023-24 Debt Service Fund

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Fund Balance</strong></td>
<td>$21,121,704</td>
</tr>
<tr>
<td>Revenues</td>
<td>+$62,710,707</td>
</tr>
<tr>
<td>Expenditures</td>
<td>-$69,000,000</td>
</tr>
<tr>
<td><strong>Ending Fund Balance</strong></td>
<td>$14,832,411</td>
</tr>
</tbody>
</table>
## 2023-24 General Fund

<table>
<thead>
<tr>
<th>Revenues</th>
<th>+$390,723,807</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditures</td>
<td>-$391,642,911</td>
</tr>
</tbody>
</table>
2023-24 and Beyond

How did we get here?

- Regional enrollment decline since 2017
- Increased cost of goods, services and salaries
- WA legislature continues to underfund public education, specifically special education
2023-24 Legislative Overview

➔ The legislature has not fulfilled their paramount duty to fully fund basic education.

2023-25 Biennium Operating Budget

- $5M in Special Education
- $250,000 in Transportation
- 3.7% Inflation Adjustment
2023-24 Special Education

Special education is basic education

- **74%** of total costs funded from state funding
- **21.5%** of total costs funded from local levy
- **4.5%** of total costs funded from committed fund balance

$10M will be committed within the Fund Balance to cover **$2.5M** per year for **four** years of special education costs.
2023-24 Revenue
State Funding Driven by Enrollment
2023-24 Revenue Sources

- **68%** of our revenue comes from state funded sources
- **14%** of our revenue comes from the local enrichment levy
- **11%** of our revenue comes from federal sources
- **7%** of our revenue comes from other sources, such as grants and donations
2023-24 State Revenue

What is Basic Education?

Apportionment includes CTE, Skills Center, ALE, Open Doors and Running Start

- Apportionment: $184,242,811
- Special Education: $41,553,132
- Learning Assistance (LAP): $14,667,312
- Transitional Bilingual: $10,621,724
- Transportation: $7,434,758
- Highly Capable: $603,497
2023-24 Local Revenue

What does the levy fund?

- Staff & Salaries: $18M
- Special Education: $12M
- Facility Maintenance: $7M
- Health Services: $5M
- Transportation: $4M
- Safety & Security: $3M
- Athletics: $2M
- Student & Family Support: $1.5M
- School Supports: $1.1M
- Advanced Courses & Arts: $1M
- Public Information: $1M
State Prototypical Model Comparison

Certificated Staff

- Teachers & Specialists: +86 (State Funded: 886, Highline Budget: 972)
- Counselors: +15 (State Funded: 52, Highline Budget: 67)
- Nurses: +3 (State Funded: 16, Highline Budget: 19)
- Principal & Assistant Principals: +19 (State Funded: 48, Highline Budget: 67)
State Prototypical Model Comparison

Classified Staff

- Support Staff: +25 (147 State Funded, 172 Highline Budget)
- Custodians, Facilities & Maintenance Staff: +41 (100 State Funded, 141 Highline Budget)
- Instructional Assistants: +13 (29 State Funded, 42 Highline Budget)
- Technology Staff: +28 (10 State Funded, 38 Highline Budget)
- Safety & Security Staff: +37 (3 State Funded, 40 Highline Budget)
2023-24 Federal Revenue

20% supports our highest poverty schools.

30% is one-time ESSER funds.

1% includes grants that support vocational education and skills centers, native education and youth training.
2023-24 Expenditures
76% funds instructional activities

5% funds student nutrition and transportation

19% funds districtwide services such as utilities, facilities, security, technology and central office support
2023-24 Expenditures

84% funds staff salaries and benefits

- Certificated Salaries: 43.0%
- Classified Salaries: 18.9%
- Employee Benefits: 22.2%
- Supplies & Materials: 5.8%
- Purchased Services: 10.1%
$6.7M above state funding is going towards supplies, materials and operating costs.

5-15% inflationary increase in utilities, insurance and other materials.
Four-year Outlook
Revenues and Expenditures

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023-24</td>
<td>$391,800,000</td>
<td>$390,700,000</td>
</tr>
<tr>
<td>2024-25</td>
<td>$388,500,000</td>
<td>$391,800,000</td>
</tr>
<tr>
<td>2025-26</td>
<td>$384,000,000</td>
<td>$396,800,000</td>
</tr>
<tr>
<td>2026-27</td>
<td>$392,200,000</td>
<td>$404,700,000</td>
</tr>
</tbody>
</table>

- $10M
- $12M

2023-24: Revenues decrease by $10M, Expenditures decrease by $12M
2024-25: Revenues increase to $388,500,000, Expenditures increase to $391,800,000
2025-26: Both Revenues and Expenditures increase by $12M
2026-27: Revenues increase to $392,200,000, Expenditures increase to $404,700,000
Fund Balance is the amount of revenues collected versus the amount of expenditures used over time.
Fund Balance Categories

1. **Non-spendable**: Items that are not in spendable form or legally required to remain intact.
2. **Restricted**: Funds with constraints imposed by law or legislation.
3. **Committed**: Funds with constraints adopted by school board.
4. **Assigned**: Funds intended for a particular function.
5. **Unassigned**: Remaining spendable funds after amounts are set aside for various restrictions.

Board policy requires an *unassigned fund balance* above 3% of expenditures attributable to basic education, special education, CTE, skills centers, support services and transportation.
Next Steps

➔ Reduce ESSER-related expenditures
➔ Align budget to new strategic plan
➔ Create efficiencies within our system
➔ Identify reductions for 2024-25 and beyond
➔ Continue to work with Legislators to fully fund basic education
Questions and Comments

Additional information can be found online:
- Interactive Budget Book
- Printable Budget Book
- F-195/F-195F State Budget Document
- 2023-24 Budget Presentation

→ highlineschools.org/budget