

Budget Outlook

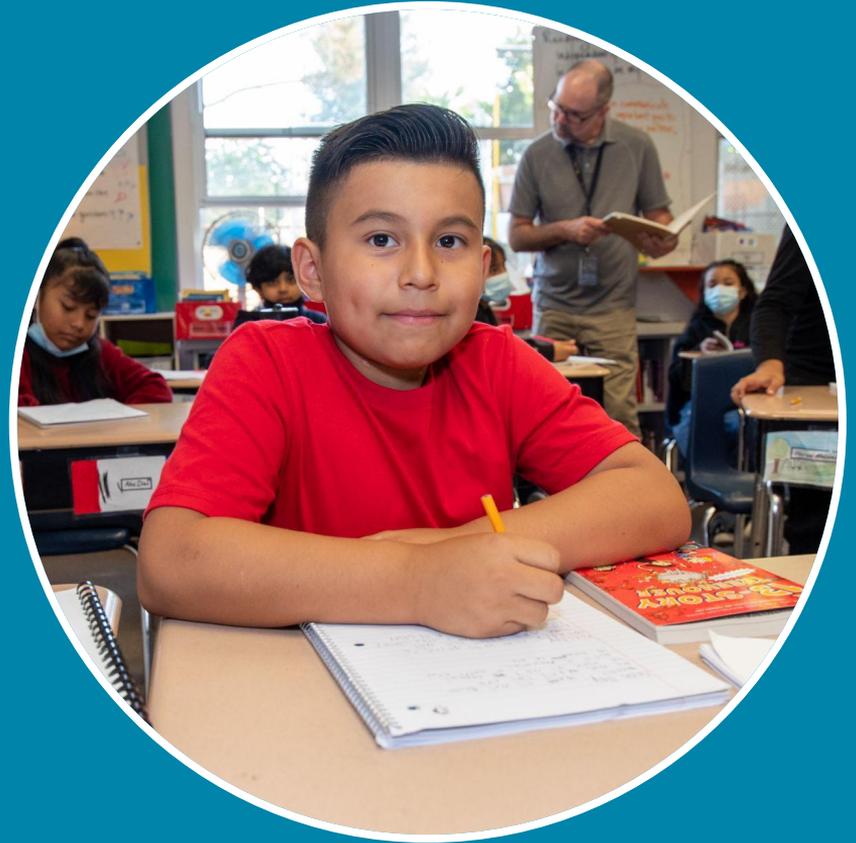
School Board Work Session



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

Beginning Fund Balance	\$280,473,644
Revenues	+ \$6,352,656
Expenditures	- \$243,881,491
Ending Fund Balance	\$42,944,809



2023-24 Capital Projects Costs

Project	Timeline	Cost
Evergreen High School	Opening Fall 2025	\$103,057,559
Tyee High School	Opening Fall 2025	\$100,598,428
Pacific Middle School	Opening Fall 2027	\$9,571,426
Safety, Security & Critical Improvements	Ongoing	\$3,595,540

2023-24 Transportation Vehicle Fund

Beginning Fund Balance	\$3,100,000
Revenues	+ \$1,800,000
Expenditures	- \$2,400,000
Ending Fund Balance	\$2,500,000



2023-24 Associated Student Body Fund

Beginning Fund Balance	\$1,049,499
Revenues	+ \$1,086,130
Expenditures	- \$1,133,103
Ending Fund Balance	\$1,002,526



2023-24 Debt Service Fund

Beginning Fund Balance	\$21,121,704
Revenues	+\$62,710,707
Expenditures	-\$69,000,000
Ending Fund Balance	\$14,832,411



2023-24 General Fund

Revenues	+\$390,723,807
Expenditures	-\$391,642,911



2023-24 and Beyond

How did we get here?

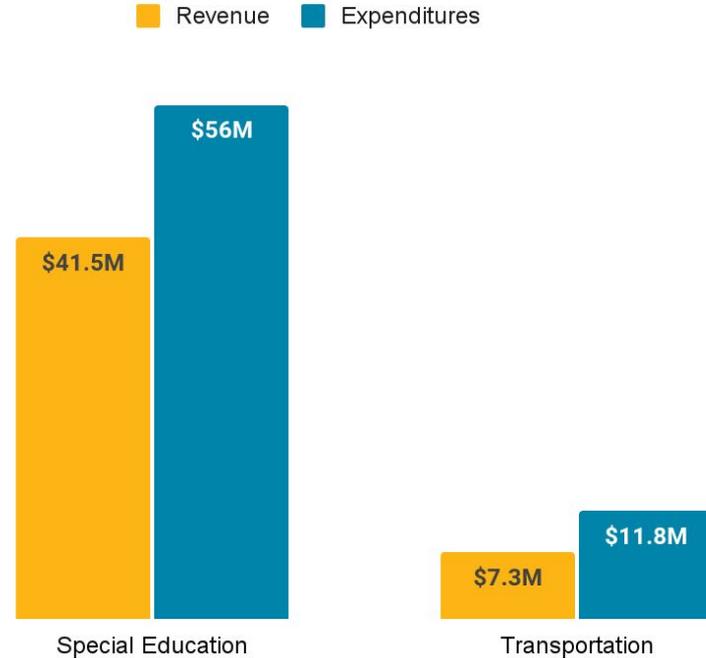
- Regional enrollment decline since 2017
- Increased cost of goods, services and salaries
- WA legislature continues to underfund public education, specifically special education

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

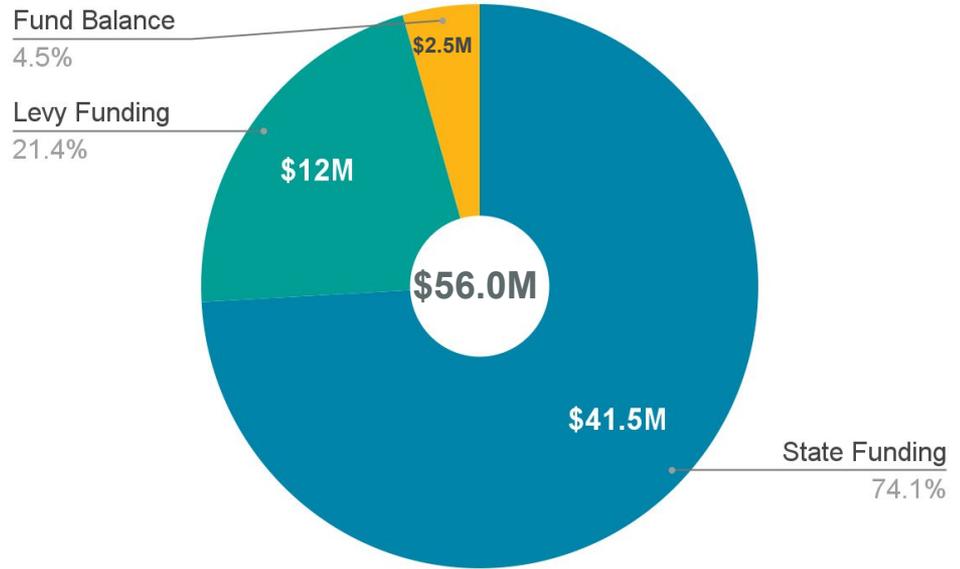


2023-24 Special Education

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

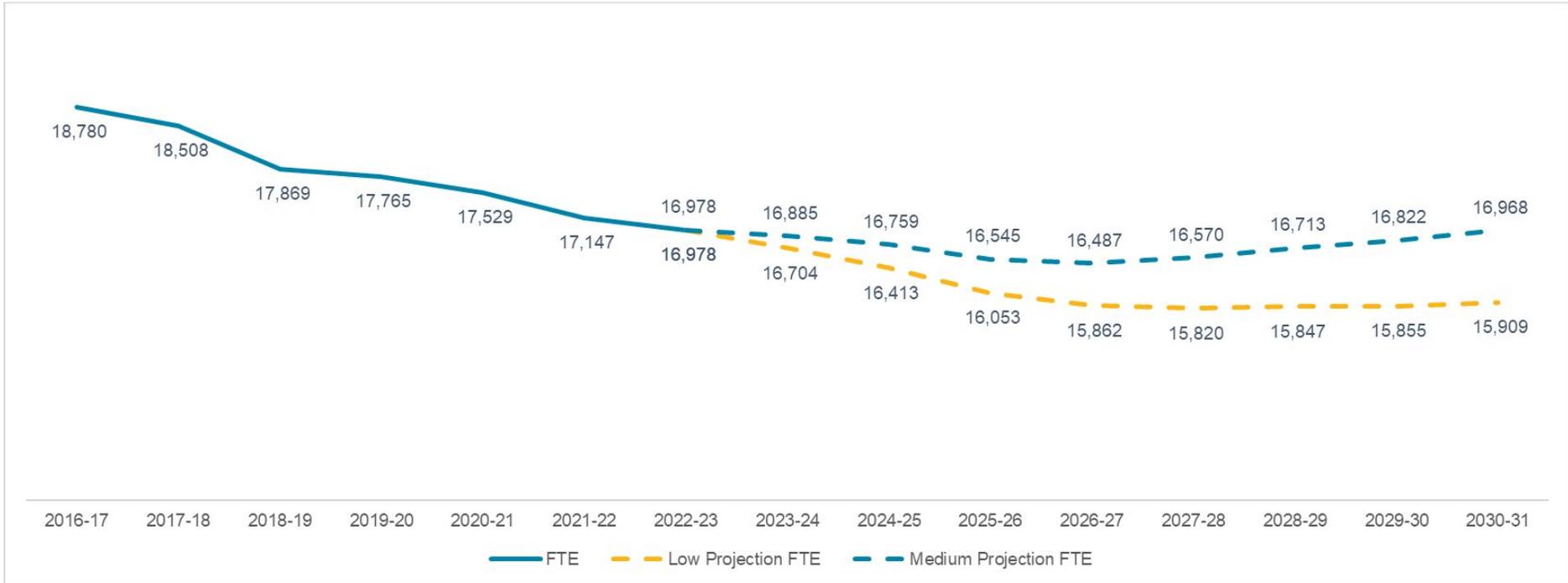
→ **\$10M** will be committed within the Fund Balance to cover **\$2.5M** per year for **four** years of special education costs.



2023-24 Special Education Funding by Source

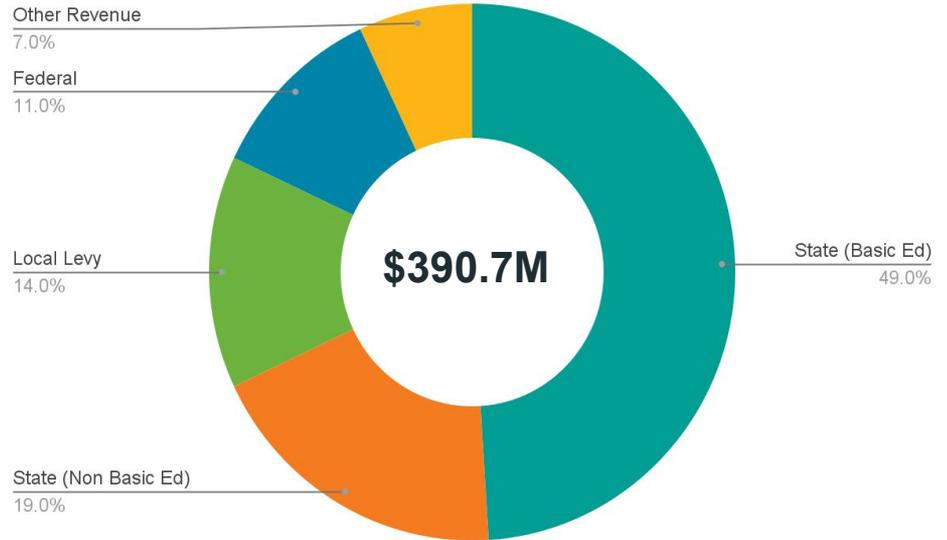
2023-24 Revenue

State Funding Driven by Enrollment



2023-24 Revenue Sources

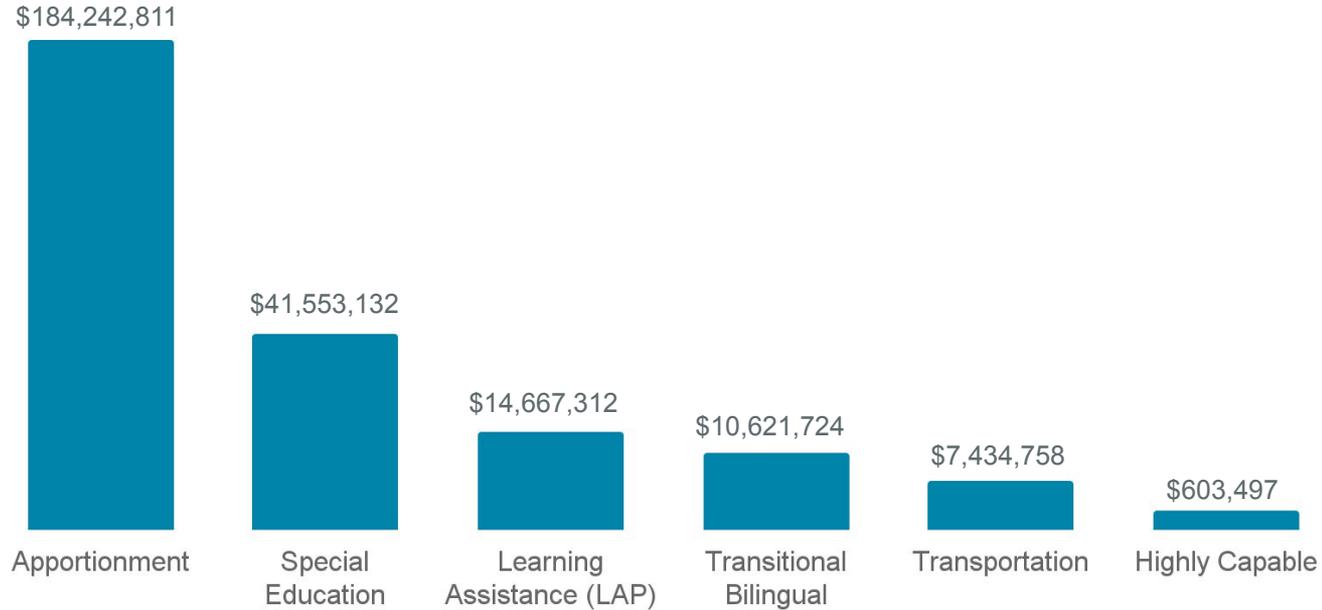
- **68%** of our revenue comes from state funded sources
- **14%** of our revenue comes from the local enrichment levy
- **11%** of our revenue comes from federal sources
- **7%** of our revenue comes from other sources, such as grants and donations



Highline 2023-24 Budget Revenue by Source

2023-24 State Revenue

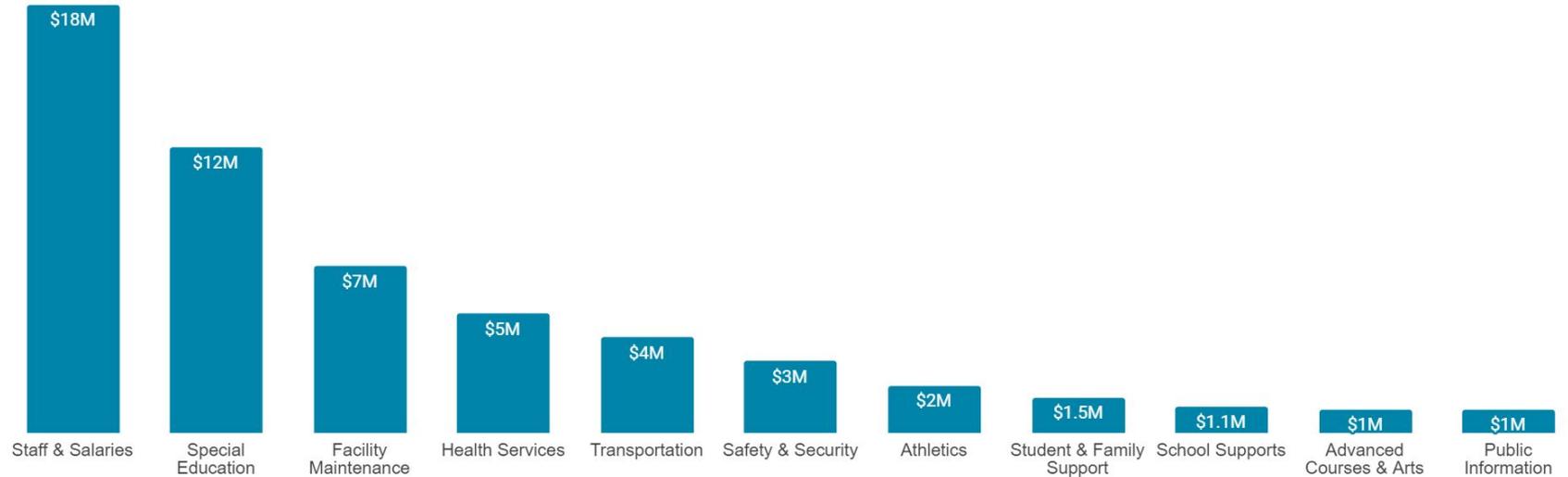
What is Basic Education?



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

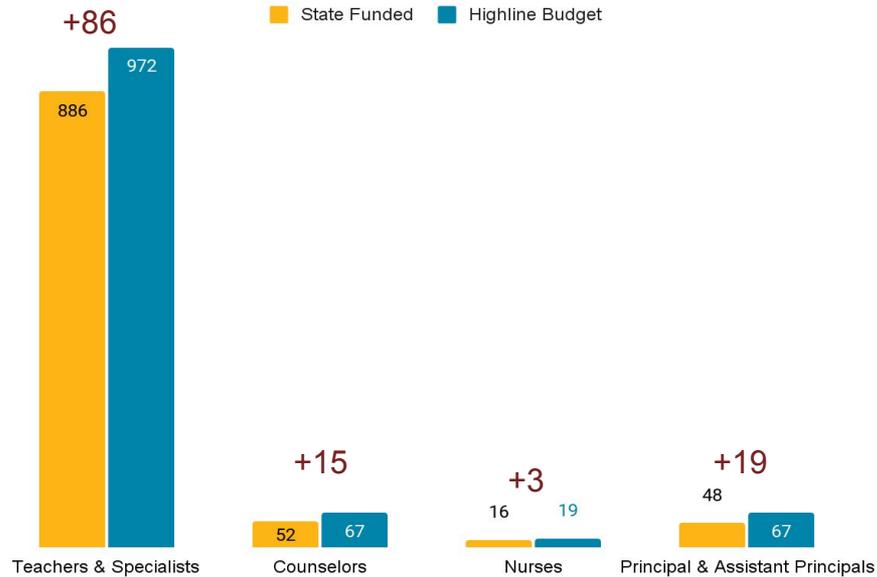
2023-24 Local Revenue

What does the levy fund?



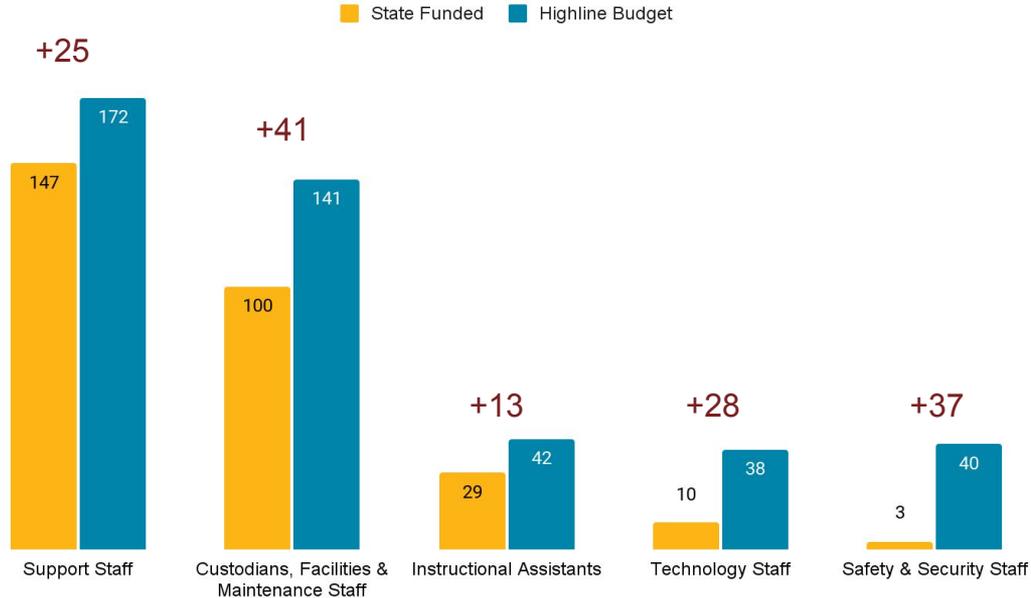
State Prototypical Model Comparison

Certificated Staff



State Prototypical Model Comparison

Classified Staff

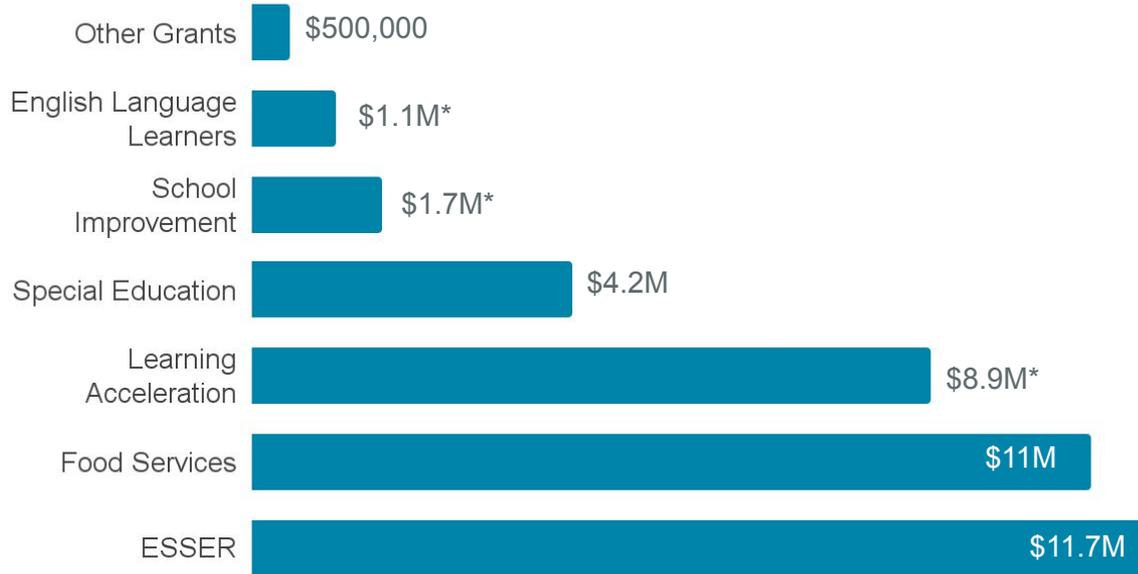


2023-24 Federal Revenue

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.



*includes carryover from 2022-23

2023-24 Expenditures

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

CTE/Skills Center

3.8%

Compensatory Ed

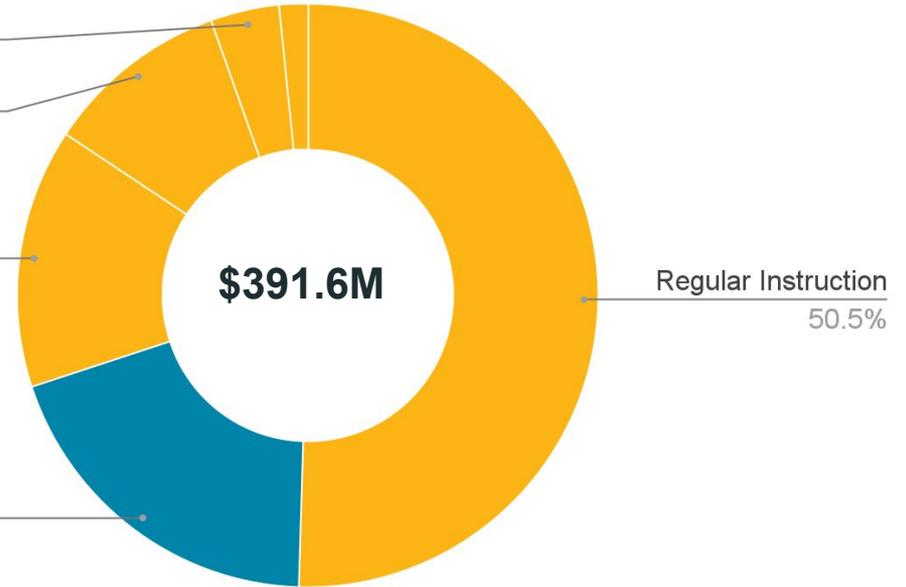
10.3%

Special Education

14.4%

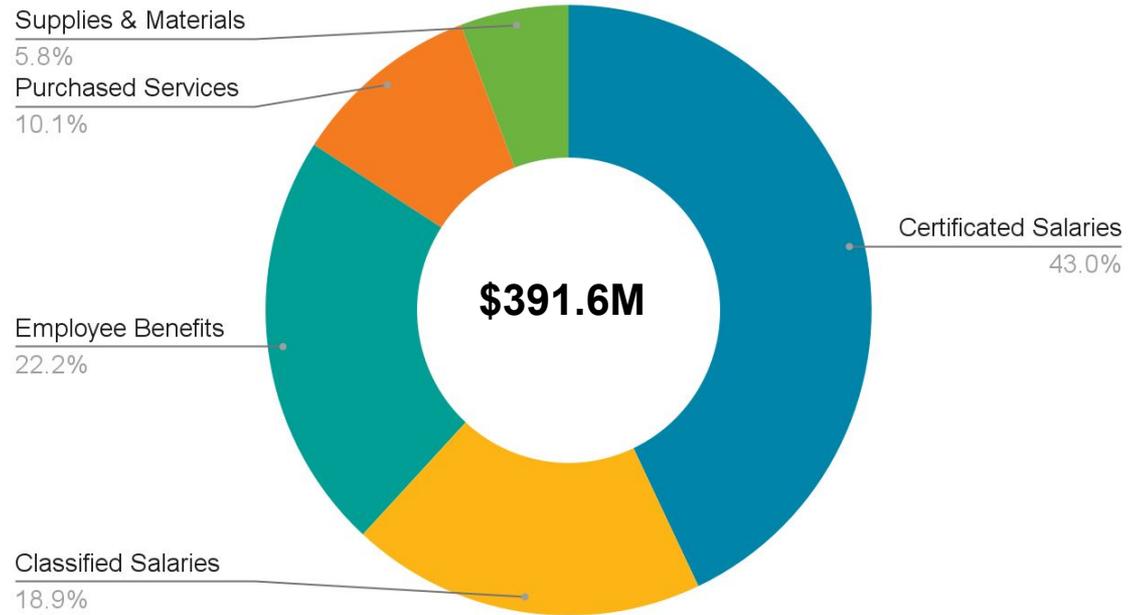
Support Services

19.4%



2023-24 Expenditures

84% funds staff salaries and benefits

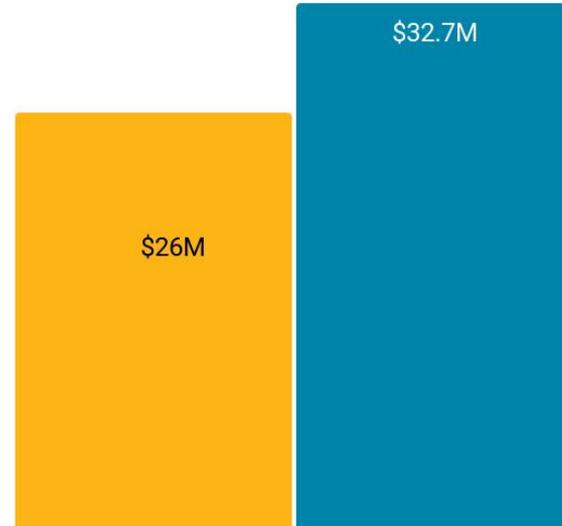


Supplies, Materials & Operating Costs

Revenue Expenditures

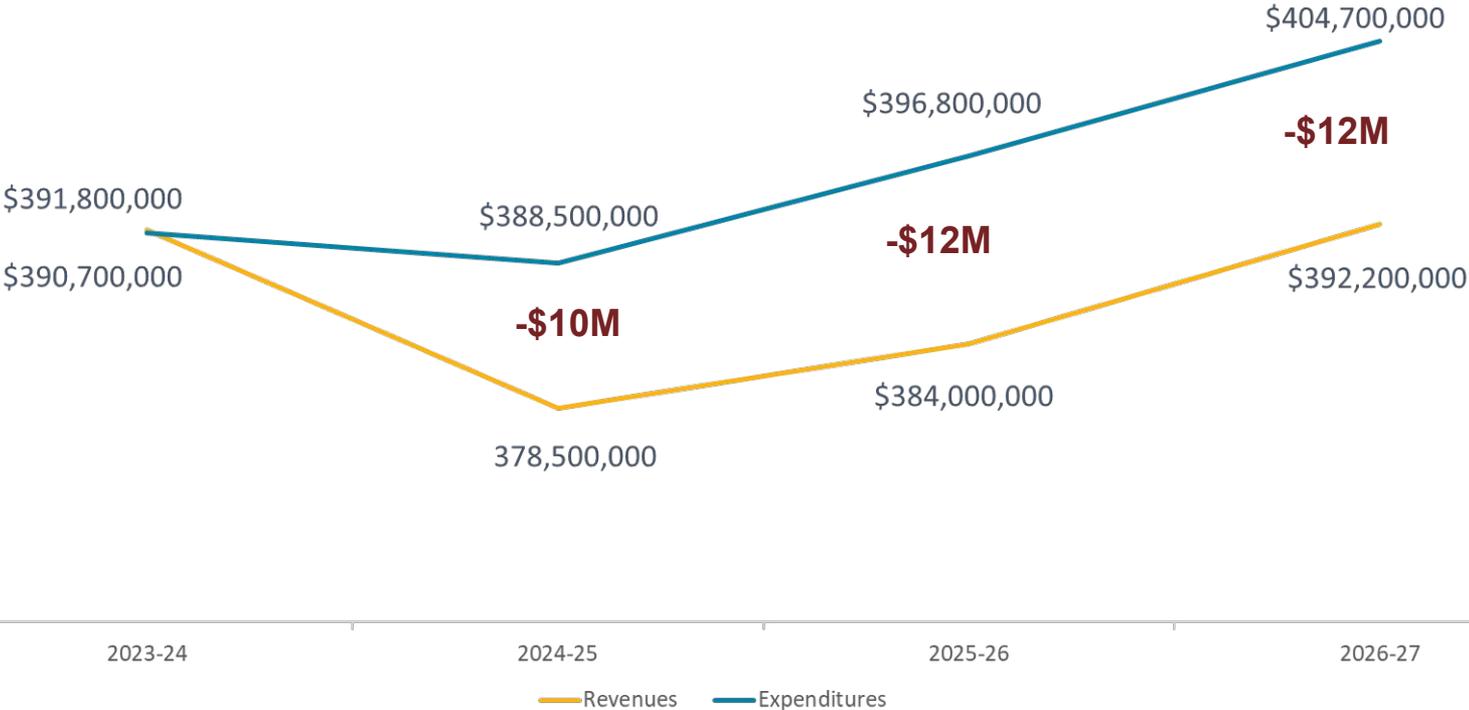
\$6.7M above state funding is going towards supplies, materials and operating costs

5-15% inflationary increase in utilities, insurance and other materials



Four-year Outlook

Revenues and Expenditures



Fund Balance

Fund Balance is the amount of revenues collected versus the amount of expenditures used over time.

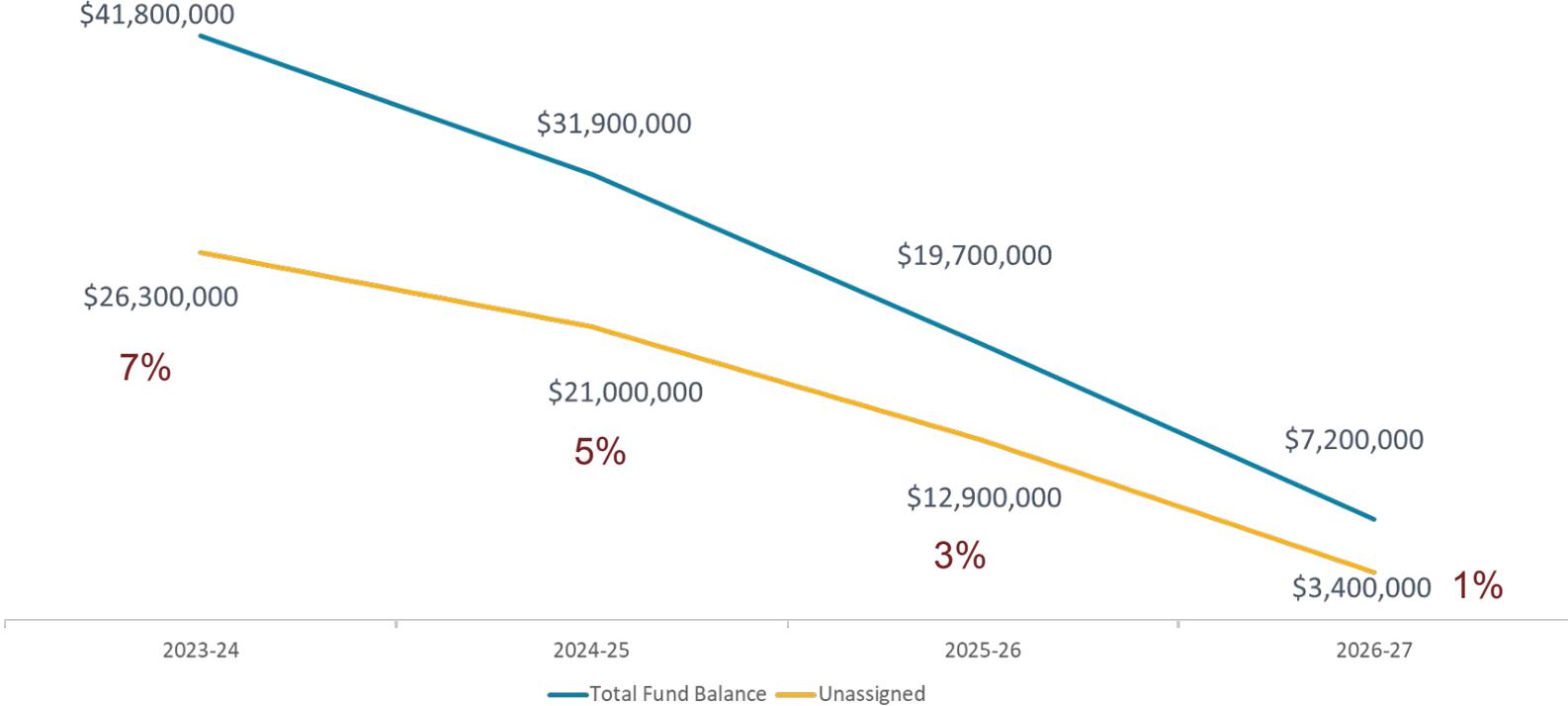
Fund Balance Categories

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.

Ending Fund Balance



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