



P U Y A L L U P

S C H O O L D I S T R I C T

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2021-22 Draft Budget

August 2, 2021



Unknowns & Challenges

- Enrollment
- 8 Employee groups open for contract negotiations
- ESSER Funding
- CL2.0 at PDL



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Legislative Highlights

- Session ended April 25, 2021
- State salary increase of 2% for 2021-22
- Major funding impacts: Stabilization Funds



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Legislative Highlights

Enrollment stabilization

Purpose: One-time funding to backfill for revenue loss due to decreased enrollment

- Funding formula = amount of funding decrease due to 20-21 enrollment shortfall, reduced by ESSER II funding
- Puyallup = \$4,600,000



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Legislative Highlights

Transportation stabilization funding

Purpose: One-time funding for districts that received less in school year 20-21 than in 19-20.

- 20-21 funding formula = average of 19-20 & 20-21 funding
- Puyallup initially received reduction of revenue of \$4.7 M in January
- Post-leg session, added back \$2.8 M

21-22 Funding = Greater than or equal to 19-20 funding level

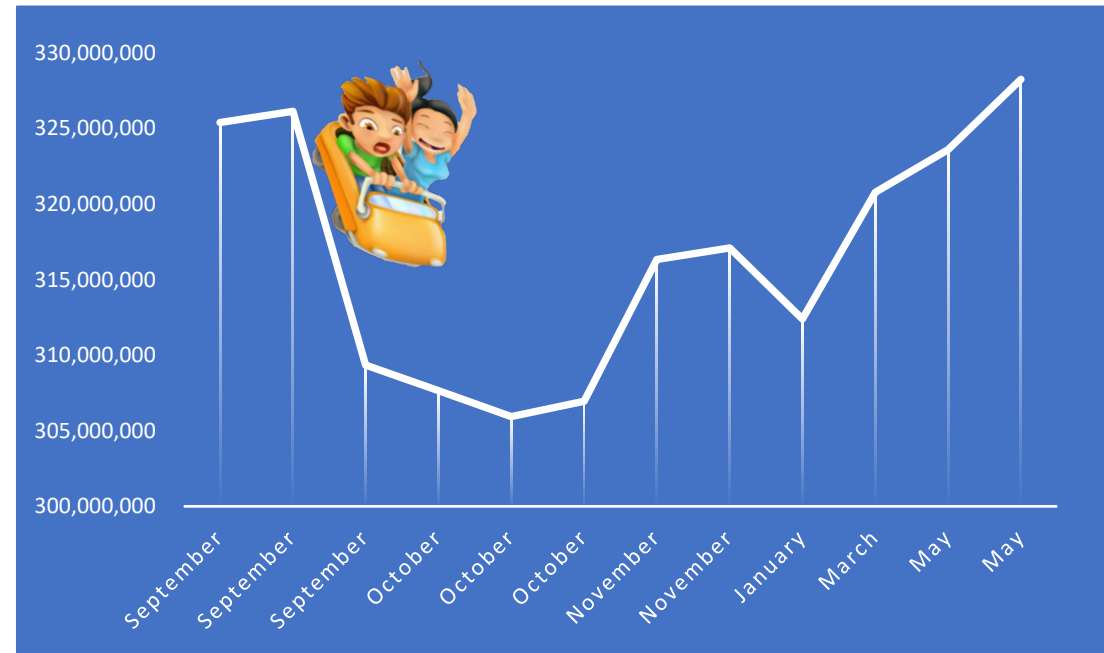


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2020-21 Financial Roller Coaster



Month	Description	\$ Change	Cumulative Total
September	Pierce County CARES Funding	750,000	750,000
September	Fall Enrollment Revenue Adjustment	(16,800,000)	(16,050,000)
October	Operating Budget Adjustment - Food Svc	(1,700,000)	(17,750,000)
October	Operating Budget Adj - Local RV (Bldg Use, Interest)	(1,700,000)	(19,450,000)
October	Federal Grant Adjustment	1,000,000	(18,450,000)
November	Passage of Supplemental Levy	9,400,000	(9,050,000)
November	Pierce County CARES Funding	750,000	(8,300,000)
January	State Transp RV Adjustment	(4,700,000)	(13,000,000)
March	ESSER II Funding	8,400,000	(4,600,000)
May	Transportation Stabilization (Post Legis. Session)	2,800,000	(1,800,000)
May	Enrollment Stabilization (Post Legis. Session)	4,670,000	2,870,000



Enrollment – Average Annual Headcount

Does not include POD, POA or Running Start



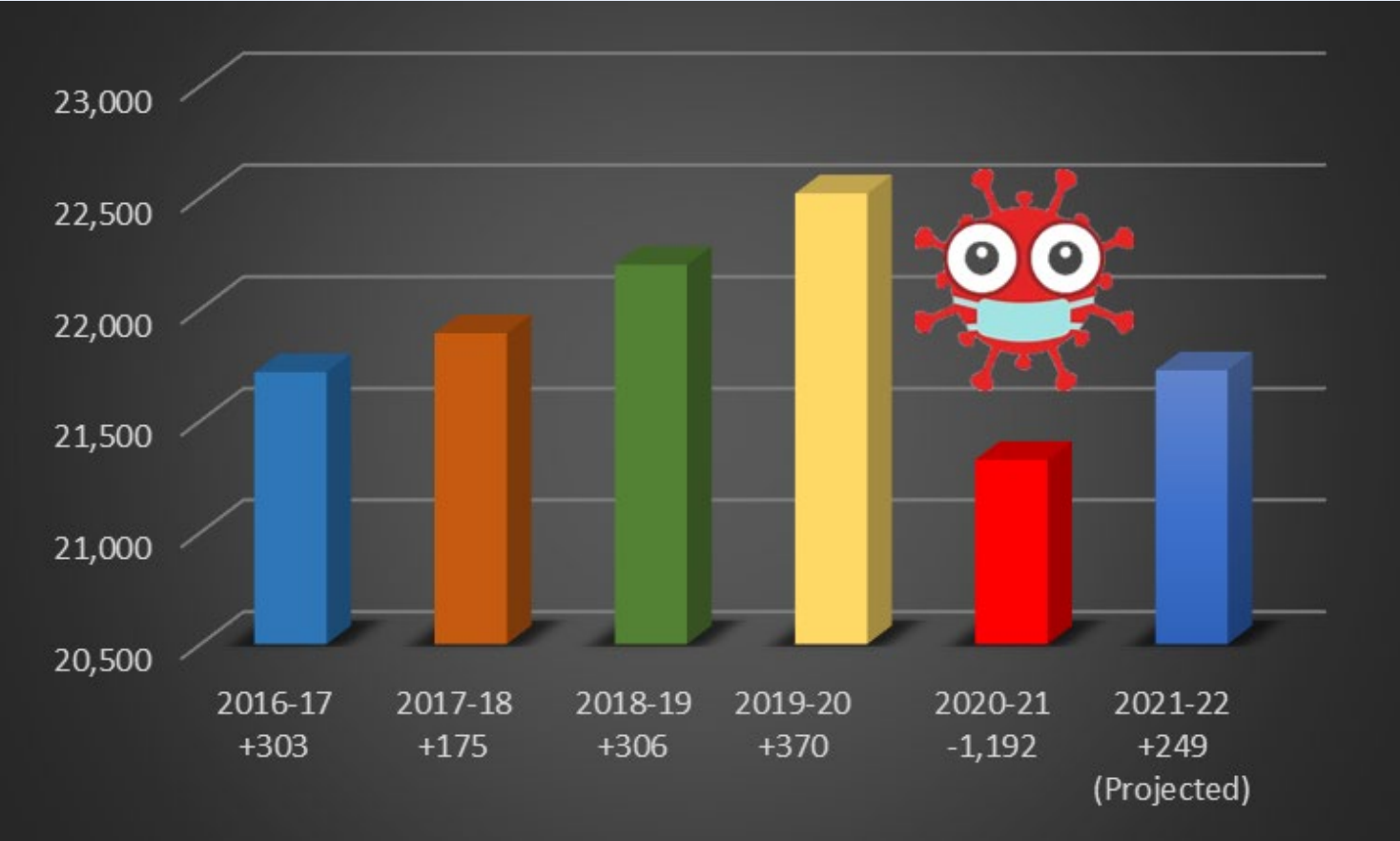
Projected Increase of 249
over 2020-21 Annual Average

High School +28

Junior High + 182

Elementary +39

Large enrollment “bubble” of
students moving from elem to jr high



Net Enrollment increase = 211 students over 6 years

General Fund

Revenues, Expenditures and Fund Balance



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Key Points:

- Local Tax (Levy) revenue increase reflects passage of supplemental levy
- Local Non-Tax decrease reflects \$3.0M estimated decrease in lunch sales (free USDA breakfast and lunch for ALL students in 21-22)
- State General and State Special Purpose revenues reflect lower revenue due to decreased enrollment
- Federal Special Purpose includes ESSER III revenue of \$11M and \$3M in increased federal food service revenue

General Fund Revenue



Revenue	20-21 Budgeted	21-22 Budgeted	Difference	% Change
Local Taxes (Levy)	\$33,789,300	\$53,230,846	\$19,441,546	57.5%
Local Non-Tax (Fees, Rentals, Interest)	6,307,360	2,946,506	(3,360,854)	-53.3%
State General (Apportionment)	220,540,792	211,693,043	(8,847,749)	-4.0%
State Special Purpose (State Categorical Programs)	48,562,846	48,268,491	(294,355)	-0.6%
Federal General Purpose (Federal Forest, Impact Aid)	57,000	17,000	(40,000)	-70.2%
Federal Special Purpose* (Federal Categorical Programs)	14,798,722	28,927,124	14,128,402	95.5%
Revenue From Other Entities (Out of Dist SPED Svcs)	1,300,000	1,500,000	200,000	15.4%
Other (Sale of Surplus Equip)	63,000	45,000	(18,000)	-28.6%
Total	\$325,419,020	\$346,628,010	\$21,208,990	6.5%

* Includes grant capacity of \$2,500,000 (budgeted in both revenues and expenditures)

Key Points:

- Staffing Changes \$1.1 M
- ESSER Grant Funds \$9.6 M (Federal Special Purpose)
- State salary increase of 2% and estimated bargained impacts: \$8.2 M
- \$800K Materials, Supplies, Equipment – Additional technology refresh and textbook adoptions

General Fund Expenditures



Program	20-21 Budget	21-22 Budget	Difference	% Change
Basic Education	\$192,325,626	\$200,087,127	\$7,761,501	4.0%
Federal Special Purpose	-0-	9,592,514	9,592,514	
Special Education	46,168,731	46,822,034	653,303	1.4%
Vocational Education	14,651,722	14,514,621	(137,101)	-0.9%
Categorical	13,896,052	14,451,881	555,829	4.0%
Other Instructional Programs*	3,387,878	3,361,014	(26,864)	-0.8%
Community Services	1,083,737	1,293,428	209,691	19.3%
Support Services	62,686,315	63,744,439	1,058,124	1.7%
Total	\$334,200,061	\$353,867,058	\$19,666,997	5.9%

*Includes grant capacity of \$2,500,000 (budgeted in both revenues and expenditures).

General Fund Staffing Changes

(Non-Categorical)



Description	FTE	Amount
Cert Grades K-6 Over-Formula to ESSER	<38.00>	\$<3,100,000>
Cert Grades 7-12 Instructional Staff	3.10	367,000
Cert Specialists Counselors (2.3), Music (.65), PE (.3)	3.25	385,000
Cert Jr High On Time Grad Spec (From .4 to 1.0)	4.20	498,000
ALE (CL2.0) Cert Instructional	13.90	1,647,000
ALE (CL2.0) Assistant Principal	1.00	175,000
ALE (CL2.0) Classified Para/Clerical	3.00	270,000
Technology Help Desk/Data Security	2.00	220,000
Transportation Specialist	1.00	88,000
ESC Support	.50	50,000
School Support (Para, Clerical)	1.75	157,000
Custodians (Kessler Center, Increased Jr High Sq Ft)	4.00	318,000
Total		\$1,075,000

ESSER Grant Funds *(Elementary and Secondary School Emergency Relief)*

- These grant funds are not a replacement for lost revenue
- Expenditures are earmarked for employee retention, academic and wellness recovery, and addressing social/emotional needs
- District use of funds must be approved by OSPI
- 3-year grant - \$18.8 M
- Expected to spend \$9.6 M in 21-22



38 FTE Over Staffing Formula Elementary Teachers
(1 Year Only)



Summer learning academy



Hazel Health & Panorama survey tool



Additional staff – social workers, enhanced math staffing, instructional coaches



Additional nursing staff – contact tracing and health room support



Smart Start additional certificated staff day-family connections and professional development

Key Points:

- Table includes basic ed and district support only; no categorical or grant-funded positions
- Other employee costs not included in this table:
 - Bus Drivers & Food Service (\$11 M)
 - Coaching Contracts (\$2.2 M)
 - Subs and Leave Cash-Outs (\$5.8 M)
- Employee salary and benefit commitments are **\$40M** more than what is funded by the state



State Funded vs District Funded FTE

	State Funded Units	State Funded Salary/Benefits	District Actual FTE	District Actual Salary/Benefits
Classroom Teachers	1,016	103,095,216	925	109,186,301
Counselors	44	4,477,387	49	5,897,791
Librarians	27	2,787,493	23	3,065,003
Nurses	3	349,388	16	1,756,103
Social Workers	1	140,892	-	-
Psychologists	1	57,453	-	-
Other Cert			4	435,655
PEA Appendix B/C/D Stipends				1,260,006
Professional Learning Days		1,624,365		5,974,951
Total Cert Instructional Staff	1,092	112,532,194	1,018	127,575,810
Cert Administrators	19	2,823,752	14	3,364,179
Principals	62	8,976,496	60	11,935,585
Classified Administrators	-	-	17	3,371,512
Total Administrative Staff	81	11,800,248	91	18,671,276
School Based Support	105	8,499,366	81	7,512,653
Paraprofessionals	38	3,060,547	92	8,138,898
Custodians	87	7,034,748	122	9,784,593
Security	4	334,793	13	1,243,766
Technology	12	1,004,711	40	4,867,642
Facilities/Maintenance/Grounds/ Warehouse/Laborers/Mechanics	42	3,431,845	59	5,949,920
Central Admin Support	57	4,613,449	82	8,706,517
Total Support Staff	346	27,979,459	488	46,203,989
Totals	1,519	152,311,901	1,597	192,451,075

Impacts of State Salary Increases

State salary increases only apply to the staff units that are funded by the state

The district passes the salary increase to **ALL** employees – including grant-funded positions

Grant programs **MUST** adjust their expenditures to accommodate the increased salaries

A **1%** salary increase from the state results in approx. **\$1.3 M** increase in revenue but **\$2.3 M** increase in salary and benefits expenditures!



Classified

% State Funded 85%

Examples: paras, custodians, security, prof/tech, facilities, maintenance, classified administrators



Cert Admin

% State Funded 71%

Examples: principals, cert central administrators



Cert Teacher

% State Funded 87%

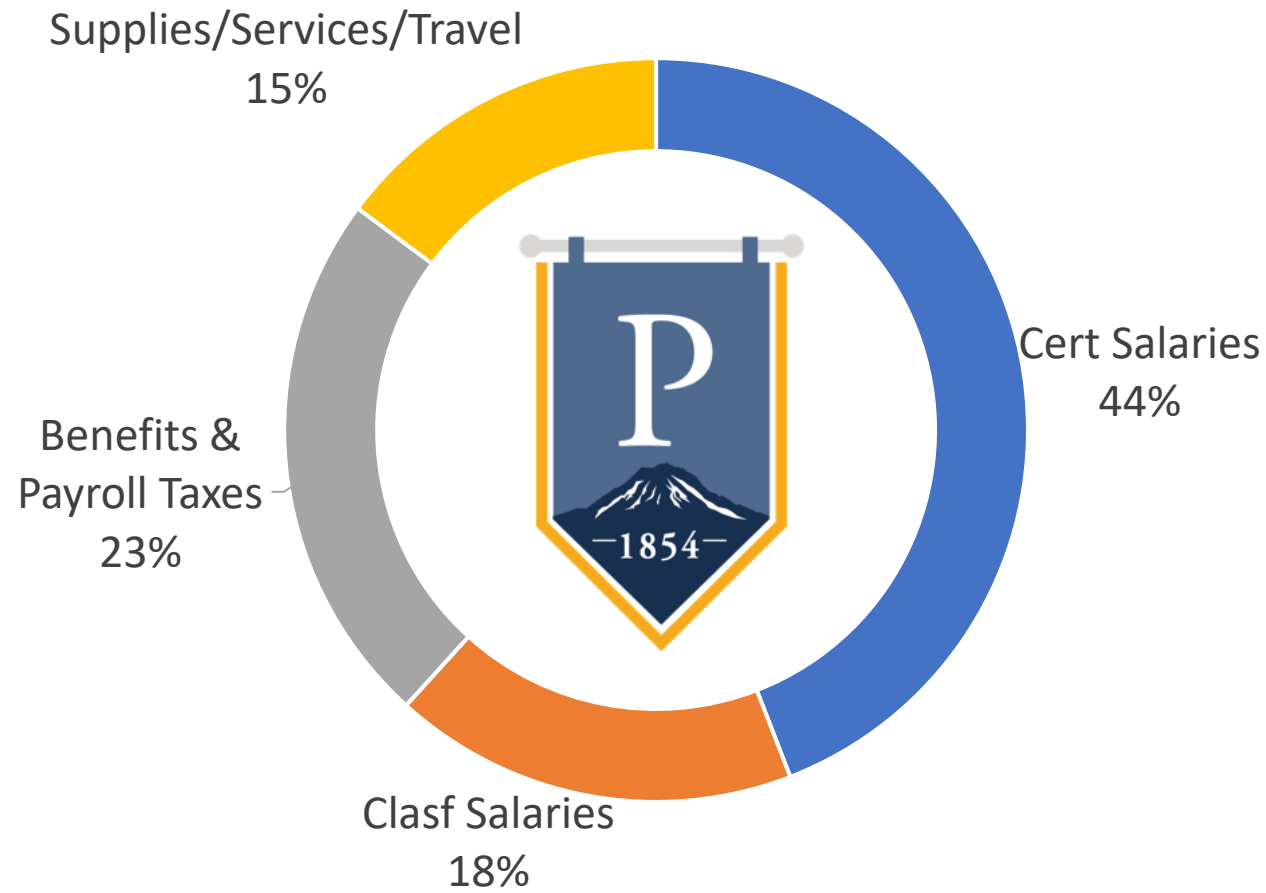
Examples: classroom teachers, nurses, counselors, librarians

How Do We Spend Our Levy & Levy Equalization?



Description	Amount
Unfunded Salary & Benefits	\$37,000,000
Teacher Supplemental Days	3,400,000
Athletics & Extra Curricular Activities	4,000,000
Instructional Materials & Supplies	1,300,000
District Programs – AVID & Arts	500,000
School Building Budgets	1,800,000
Teacher Extra Duty Stipends	1,200,000
Utilities	4,900,000
Technology – Empowering Puyallup	4,200,000
Special Education Subsidy	4,000,000
TOTAL	\$62,300,000

- The current educational programs and operations levy in 2022
- Levy revenue accounts for 15% of our total revenue



**Total
Salaries &
Benefits =
85%**

General Fund Expenditures By Object

Required MSOC Disclosure

(Materials, Supplies and Operating Costs)

MSOC Category	Total
Supplies	\$13,181,071
Services	22,646,827
Travel	227,250
Total Budgeted	36,055,148
State Allocation	27,619,087
Difference	\$7,359,924



NOTE: If state MSOC allocation exceeds budgeted MSOC expenditures, the district must report the proposed use of the difference and how this use will improve student achievement.

General Fund Multi-Year Forecast

• **Assumptions:**

- For fiscal years 2022-23 through 2024-25, salaries were increased by IPD (COLA) and step increase factor only.
- Current 4-year levy expires in 2022. Levy revenue for fiscal year 2022-23 assumes passage of a new levy at \$2.50/\$1,000 AV, to be collected starting in 2023.

• **Factors that could affect the forecast:**

- Enrollment changes
- Free USDA lunch available to all students
- Settled bargaining agreements



General Fund Multi-Year Forecast

General Fund		2021-22 Budget	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
Beginning Fund Balance		52,150,000	44,910,952	39,003,249	30,963,753
Revenues		346,628,010	344,361,648	348,706,391	349,179,343
Expenditures	(b)	(353,867,058)	(350,269,351)	(356,745,887)	(358,912,235)
Increase (Decrease) in Fund Balance		(7,239,047)	(5,907,703)	(8,039,496)	(9,732,892)
Ending Fund Balance	(a)	44,910,952	39,003,249	30,963,753	21,230,861
Non-Spendable (Inventory)		2,000,000	2,000,000	2,000,000	2,000,000
Restricted (State Grant Carryover & Contracts)		2,376,792	2,613,228	1,949,664	1,736,097
Committed (Min FB Req)		22,019,645	19,868,562	19,985,395	14,199,764
Assigned (School/Dept C/O & Contingency)		3,270,000	3,252,000	3,285,000	3,295,000
Unassigned	(c)	15,244,515	11,719,460	3,743,696	0
Total Ending FB (a) as a % of XP (b)		12.7%	11.1%	8.7%	5.9%
Unassigned FB (c) as a % of XP (b)		4.3%	3.3%	1.0%	0.0%



**NOTE: 2024-25 Committed Fund Balance would be short of board-required minimum fund balance by approximately \$5.8 M.*

Other Funds

ASB

Transportation Vehicle

Capital Projects

Debt Service



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	2021-22 Budget	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
Beginning Fund Balance	\$1,732,620	\$1,762,788	\$1,793,861	\$1,825,866
Revenues	6,039,106	6,220,279	6,406,887	6,599,093
Expenditures	(6,008,938)	(6,189,206)	(6,374,882)	(6,566,129)
Increase (Decrease) in Fund Balance	30,168	31,073	32,005	32,964
Ending Fund Balance	\$1,762,788	\$1,793,861	\$1,825,866	\$1,858,830

Additional Information for 2021-22 Budget:

- Schools budgeted for a return to normal levels of revenues and expenditures for 21-22 after a year of minimal athletics and activities due to the pandemic.

Transportation Vehicle Fund



	2021-22 Budget	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
Beginning Fund Balance	\$3,052,130	-	-	-
Revenues	1,099,278	1,132,256	1,166,225	1,201,211
Expenditures	(4,151,408)	(1,132,256)	(1,166,225)	(1,201,211)
Increase (Decrease) in Fund Balance	(3,052,130)	-	-	-
Ending Fund Balance	-	-	-	-

Additional Information for 2021-22 Budget:

- Tentative plan is to replace 7 large buses, 2 small buses for preschool needs and 1 mid-size bus for special needs during 2021-22.
- All resources are budgeted to be spent to allow for maximum purchasing capacity if needed.





	2021-22 Budget	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
Beginning Fund Balance	\$61,385,230	\$31,407,114	\$17,593,454	\$9,243,454
Revenues	14,936,284	7,886,340	1,600,000	1,600,000
Expenditures	(44,914,400)	(21,700,000)	(9,950,000)	(7,950,000)
Increase (Decrease) in Fund Balance	(29,978,116)	(13,813,660)	(8,350,000)	(6,350,000)
Ending Fund Balance	\$31,407,114	\$17,593,454	\$9,243,454	\$2,893,454

Additional Information for 2021-22 Budget:

- Revenues include \$12.3 M in state match funds for Ballou Jr High, Stahl Jr High, and Kessler Center.
- Major expenditures include the Stahl Jr High expansion, and close out of Ballou Jr High, Stahl Jr High, and Kessler Center construction projects.



Debt Service Fund



	2021-22 Budget	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
Beginning Fund Balance	\$16,375,129	\$17,335,358	\$5,929,945	\$15,411,364
Revenues	37,469,067	34,831,631	32,513,544	33,549,768
Expenditures	(36,508,838)	(46,237,044)	(23,032,125)	(33,051,625)
Increase (Decrease) in Fund Balance	960,229	(11,405,413)	9,481,419	498,143
Ending Fund Balance	\$17,335,358	\$5,929,945	\$15,411,364	\$15,909,507

Additional Information for 2021-22 Budget:

- *Revenue based on bond rate of \$1.76/\$1,000 AV.*
- *Expenditures based on principal and interest schedules related to existing debt for the 2004 and 2015 voter-approved bond projects.*



Next Steps

- August 16th – Hold final public hearing and ask the board for consideration of approval of the 2021-22 budget
- Fiscal year starts September 1, 2021
- School starts September 2, 2021



Questions?



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