



P U Y A L L U P

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

A Tradition of Excellence

2018-19 Draft Budget
August 6, 2018

2018 Legislative Session Update

Salary funding has no direct relationship to salary costs

Salaries are now funded by :

of funded units x the rate for each category as follows:

Certificated Instructional Staff: \$69,216

(includes classroom teachers, counselors, librarians, nurses – No funding for PE/athletics, music, band/orchestra, OTGS)

Certificated Administrative Staff: \$102,613

(includes funded principals & cert central admin)

Classified Staff: \$49,591

(Includes funded classified positions such as paras, secretaries, maintenance, custodians, warehouse, classified central admin, technology)

*Transportation and Food Services do not have funded positions

2018-19 – New minimum and maximum for teacher pay adjusted for IPD of 1.9% and 6% Regionalization:

- Minimum = for 0-4 years experience = \$43,206
- 10% increase at 5 years = \$47,526
- Maximum salary = \$97,213





2018 Legislative Session Update

New Extra Inequitable Levy Calculations

- January 2019 – “Enrichment” Levy capped at \$1.50 per \$1,000 or \$2,500 per student - **Which ever is smaller**
- Levy equalization provides a max of \$1,500 per student (including levy amount)
- As Assessed Value increases – Levy Equalization payments decrease
- Estimate Levy Equalization will be eliminated in 2030 assuming a 3% growth. Only then could we hope for an inflation increase over the \$1,500
- 2018 Levy was authorized at \$54,100,000 which is \$2,460 per student + plus an additional \$10M in LEA
- 2019 Levy at \$1.50/1,000 AV is \$25,243,000/about \$1,147 per student
- 2019 levy equalization will be about \$353 per student = \$7.7M
- Together they total the max \$1,500 per student = a loss of about \$21M (between tax year 2018 to 2019)





Legislative Update

Levy Loss & Funding Inequity



District/ Regionalization Factor	2017-18 Enrollment	Levy 2017	Levy 2019	% of lost Levy	Total funding Increase* From 2017-18 to 2019-20
Puyallup – 6%	23,142	\$53.3M	\$24.2M	55%	\$14,598,688
Federal Way – 12%	22,499	\$53M	\$23M	43%	\$31,092,156
North Shore – 18%	22,124	\$51M	\$46.9M	9%	\$54,425,797
Lake Washington - 18%	29,569	\$67.9M	\$59.2M	13%	\$82,639,825

* Based on
OSPI
Multi-year
tool dated
July 2018



Legislative Update

Funding Inequity

State and Local Per Pupil Funding (PPF)

District/ Regionalization Factor	State & Local PPF 2018-19 (A)	Puyallup's 2018-19 Enrollment (B)	2018-19 FTE*PPF (A*B)	Funding diff Over PSD	Funding % over PSD
Puyallup – 6%	\$12,374	23,142	\$286.3M		
Sumner – 12%	\$12,561		\$290.7M	\$4.3M	1.51%
Bethel – 0%	\$12,651		\$292.8M	\$6.4M	2.24%
Federal Way – 12%	\$13,673		\$316.4M	\$30M	10.50%
Tacoma – 12%	\$14,216		\$329M	\$42.6M	14.89%



2018 Legislative Session Update

Unfunded Mandates



SEBB – New State medical Plan

Participation required

Effective Jan 1, 2020

Eligibility at 630 hours per year

Funded by FTE as identified in the prototypical school model but charged by actual employee head count

Includes employees who waive coverage

Estimated impact = additional \$2.5M per year

Hunger Free Students - SHB 2610

Requires schools to provide a meal to students requesting a meal regardless of the student's ability to pay –
Funding = \$0

Paid Family Leave -SSB 5975

Required leave insurance program – intended for employees that do not have paid leave.

Payments begin January 2019 –
Benefits begin January 2020

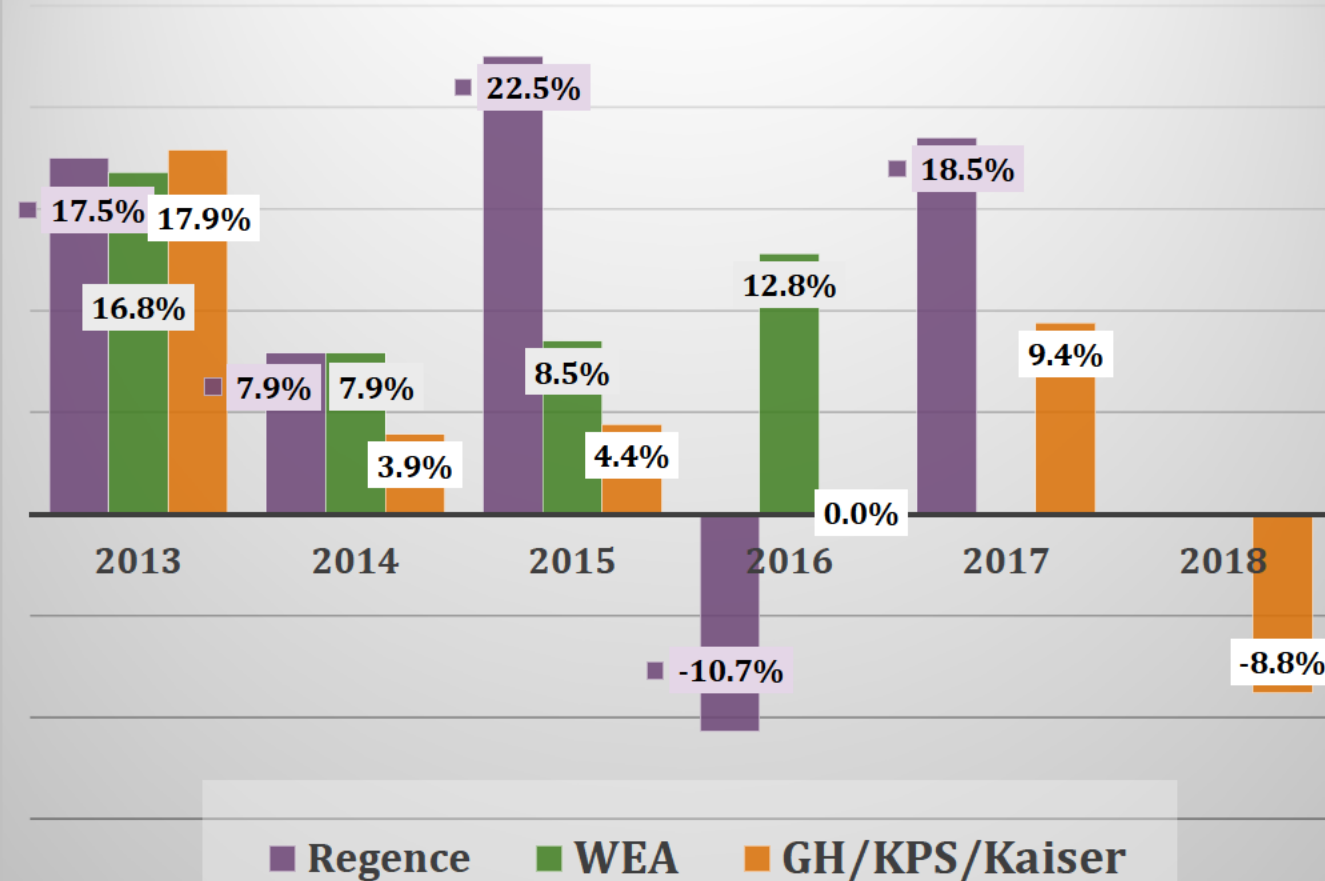
Estimated total cost \$670K per year split 37% employer and 63% employee

Funding = \$0

Benefits Committee

Kaiser Only Medical Plan Oct 2018 – Jan 2020

Medical Plans Rate History



- If we kept both Kaiser and Regence it would result in a \$2,445,797 rate increase
- Selecting the Kaiser only option avoids the \$2.4M rate increase and provides \$1,943,062 additional rate reduction resulting in a total “Net “Savings” to employees of \$4,398,859
- Regence did not participate in SEBB RFP – so they will not be an option in 2020
- Kaiser provided a second year rate cap of 9% for 2019-20 if SEBB fails to launch

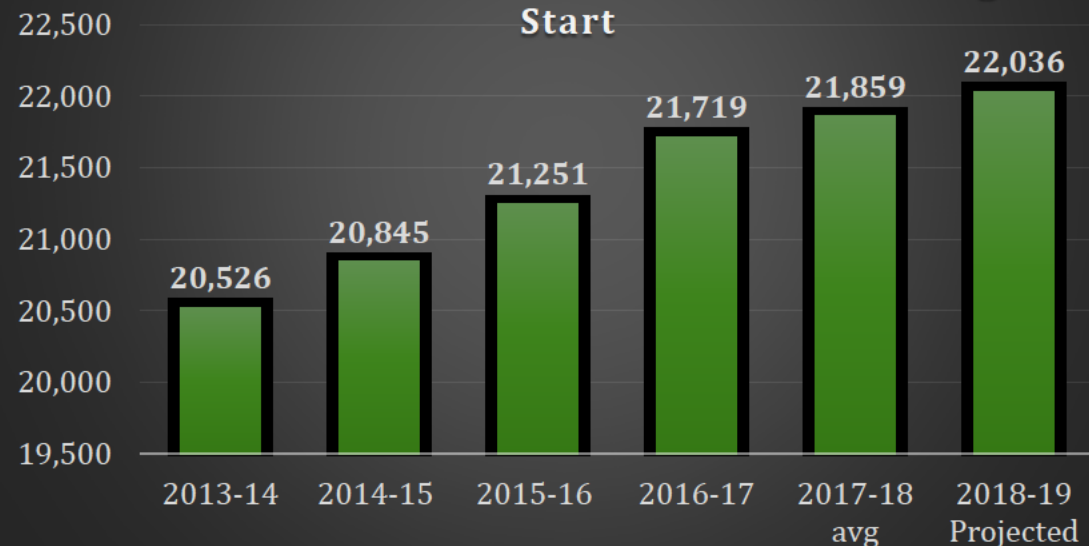
Enrollment Projection

Increase of 177



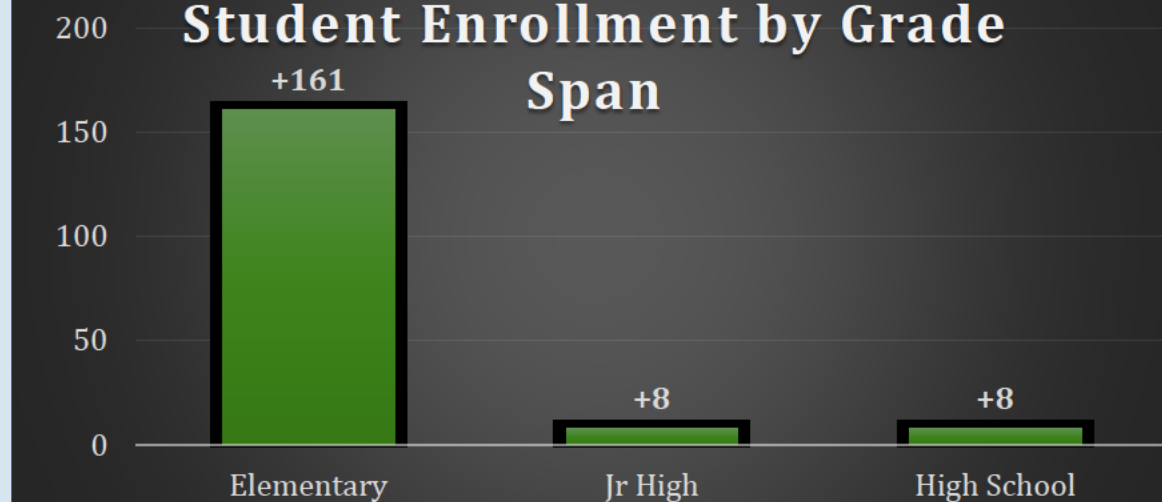
Enrollment - September Head Count

Does not include Chief Leschi, PDL, Running Start



Enrollment Increase = 1,510 in 6 years

Student Enrollment by Grade Span



Financial Overview

Change in Revenue Assumptions

Description	Amount (+,-)
General State Funding	
Apportionment	\$25,170,000
Levy	\$(14,542,000)
Levy Equalization	\$ (1,194,000)
Sub Total	\$ 9,434,000
Specific State Funding	
Special Education	\$5,287,000
Career & Technical Education	\$2,064,000
Learning Assist. Program	\$664,000
Transitional Bilingual	\$254,000
Highly Capable	\$86,000
Transportation Operations	\$991,000
Grand Total	\$18,780,000





Financial Overview

Change in Expenditure Assumptions



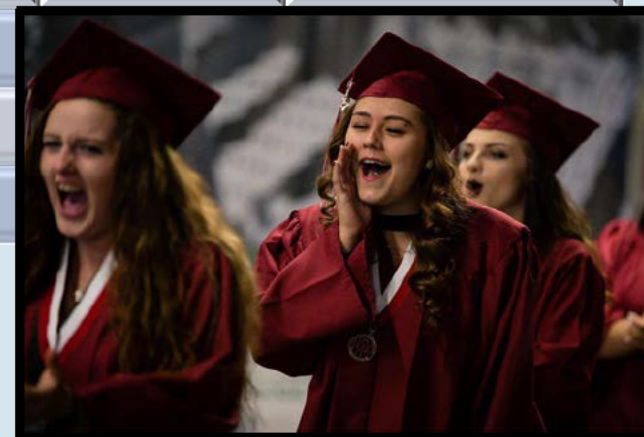
Description	FTE	Amount
Teachers – Classroom (Growth/Class Size Reduction)	24.0	\$2,568,000
Teachers – Specialists (Counselor, Music, PE)	1.55	\$165,900
Teachers – Categorical Programs	25.4	\$2,717,800
Para Support – Classroom & Categorical	17	\$1,204,300
Principals	2	\$310,000
Other staffing adds (Attendance Intervention Specialist, Critical Systems Specialist, Network Technician, Communications Coordinator, Payroll Technician)	4.6	\$484,700
Salary & Benefits Increase – 3.1% (Including salary schedule step increases & bargaining impacts)	-----	\$10,108,700
Materials, Supplies & Operating Costs	-----	\$3,832,400
Empowering Puyallup Acceleration	-----	\$5,792,500
Total		\$27,184,300

Required MSOC Disclosure

*
Materials, Supplies & Operating Costs

MSOC Category	Total	Prog 01-Basic Ed	Prog-02 Alt Ed	Prog-03 Open Doors	Prog-97 Dist. Wide Support
Supplies	\$25,631,768	\$23,446,618	\$77,300	\$39,550	\$2,068,300
Contracts	\$19,692,001	\$6,884,272	\$147,775	\$127,760	\$12,532,194
Travel	\$236,662	\$113,662	\$1,000	\$500	\$121,500
Capital Equip	0	0	0	0	0
Total Budgeted	\$45,560,431				
State Allocation	\$26,683,333				
Difference	\$18,877,098				

(Note: If the State MSOC allocations exceed MSOC expenditures, the district must report any proposed use of the difference and how this use will improve student achievement.)





General Fund

Beginning Balance	\$43,900,000
Revenue	\$302,353,421
Expenditures	\$310,757,702
Difference	(\$8,404,281)
Ending Balance	\$35,495,719



General Fund

Fund Balance Detail

Projected Ending Fund Balance 8/31/19	\$35,495,719
Restricted (State grants & contracts)	-\$2,278,041
Non Spendable (inventory and prepaid items)	-\$1,400,000
Committed (by Board Action- opening new schools, Empower Puyallup, compensated absences)	-\$5,777,221
Assigned to Contingencies	-\$1,554,000
Assigned to other purposes (bldg. budget carryover)	-\$1,300,000
Minimum Fund Balance Policy (14 days operating expense)	-\$16,733,000
Unassigned Fund Balance	\$6,453,457



General Fund 4 year Projection

Revenues & Expenditures

	2018-19	2019-20	2020-21	2021-22
Revenues	\$302,353,421	\$303,150,122	\$310,687,019	\$308,350,603
Expenditures	\$310,757,702	\$308,325,278	\$311,886,054	\$313,756,865
Projected Fund Balance	\$35,495,719	\$30,320,563	\$29,121,528	\$23,715,266
Inc/Dec in Fund Balance	\$ (8,404,281)	\$(5,175,156)	\$(1,199,035)	\$(5,406,262)



ASB Fund

Beginning Balance	\$1,189,114
Revenue	\$5,841,074
Expenditures	\$5,252,172
Difference	\$588,902
Ending Balance	\$1,778,016



ASB Fund 4 year Projection

Revenues & Expenditures

	2018-19	2019-20	2020-21	2021-22
Revenues	\$5,841,074	\$6,016,307	\$6,196,795	\$6,382,699
Expenditures	\$5,252,172	\$5,409,739	\$5,572,029	\$5,739,191
Projected Fund Balance	\$1,778,016	\$2,384,584	\$3,009,350	\$3,652,858
Inc/Dec in Fund Balance	\$588,902	\$606,568	\$624,766	\$643,508



Transportation Vehicle Fund

Beginning Balance	\$2,530,485
Revenue	\$1,046,587
Expenditures	\$3,577,072
Difference	\$(2,530,485)
Ending Balance	\$-0-



Transportation Vehicle Fund 4 year Projection

Revenues & Expenditures

	2018-19	2019-20	2020-21	2021-22
Revenues	\$1,046,587	\$1,077,984	\$1,110,324	\$1,143,634
Expenditures	\$3,577,072	\$1,077,984	\$1,110,324	\$1,143,634
Projected Fund Balance	\$0	\$0	\$0	\$0
Inc/Dec in Fund Balance	\$0	\$0	\$0	\$0



Capital Projects Fund

Beginning Balance	\$234,627,791
Revenue	\$4,499,526
Expenditures	\$172,370,000
Difference	\$(167,870,474)
Ending Balance	\$66,757,317



Capital Projects Fund

4 year Projection

Revenues & Expenditures

	2018-19	2019-20	2020-21	2021-22
Revenues	\$4,499,526	\$3,457,212	\$2,990,745	\$2,585,981
Expenditures	\$172,370,000	\$27,150,000	\$24,950,000	\$21,650,000
Projected Fund Balance	\$66,757,317	\$43,064,529	\$21,105,274	\$2,041,255
Inc/Dec in Fund Balance	(\$167,870,474)	(\$23,692,788)	(\$21,959,255)	(\$19,064,019)



Debt Service Fund

Beginning Balance	\$7,091,514
Revenue	\$36,965,872
Expenditures	\$34,646,775
Difference	2,319,097
Ending Balance	\$9,410,611



Debt Service Fund

4 year Projection

Revenues & Expenditures

	2018-19	2019-20	2020-21	2021-22
Revenues	\$36,646,775	\$42,999,097	\$37,223,479	\$36,767,530
Expenditures	\$34,646,775	\$37,091,250	\$38,620,894	\$36,158,838
Projected Fund Balance	\$9,410,611	\$15,318,458	\$13,921,043	\$14,529,735
Inc/Dec in Fund Balance	\$2,319,097	\$5,907,847	(\$1,397,415)	\$608,692



Next Steps

- August 20th - Hold final public hearing and ask the Board for consideration of approval of the 2018-19 budget
- New fiscal year starts September 1, 2018
- First day of school is September 5, 2018





PUYALLUP
SCHOOL DISTRICT
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Discussion