



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

2017-18 Draft Budget

August 7, 2017

2017 Legislative Session Update



Salary Related Changes

FY 2017-18:

- 2.3% COLA & temp COLA from 2015-17 biennium remains
- Current teacher Salary Allocation Model (SAM) remains in place for 2017-18
- OSPI to create a new (optional) teacher salary schedule by Dec 2017

FY 2018-19:

- SAM will be eliminated
- Staff mix eliminated
- Regionalization Factor applied - 6% for Puyallup

- Inflation index changed from CPI to IPD (implicit price deflator) Projections:

Index	2018	2019	2020	2021
IPD	1.7%	1.6%	1.8%	1.9%
CPI	2.3%	2.7%	2.1%	2.1%
Difference	(0.6%)	(0.9%)	(0.3%)	(0.2%)

2019-20 – new minimum and maximums for teacher pay:

- Minimum = \$40,000
- Maximum = \$90,000
- STEM, Special Education and Bilingual teachers may be paid up to an additional 10% (no additional funding provided)

2017 Legislative Session Update

Levy Related Changes

- January 2018 - State property tax increase of \approx 80 cents per \$1,000
- January 2019 – “Enrichment” Levy capped at \$1.50 per \$1,000
- Levy equalization provides a max of \$1,500 per student (including levy amount)

FY 2019-20 levy funds cannot be used for Basic Education

May be used for:

- Extracurricular activities
- Extended school days or year
- Courses outside of Basic Ed
- Early learning programs
- Other enrichment activities to be defined by OSPI by December 2017



2017 Legislative Session Update

Other Changes



K-3 class size set at 17

- 2017-18: K-3 class size is an automatic allocation
- 2018-19 forward: K-3 class size funding is based on actual class sizes

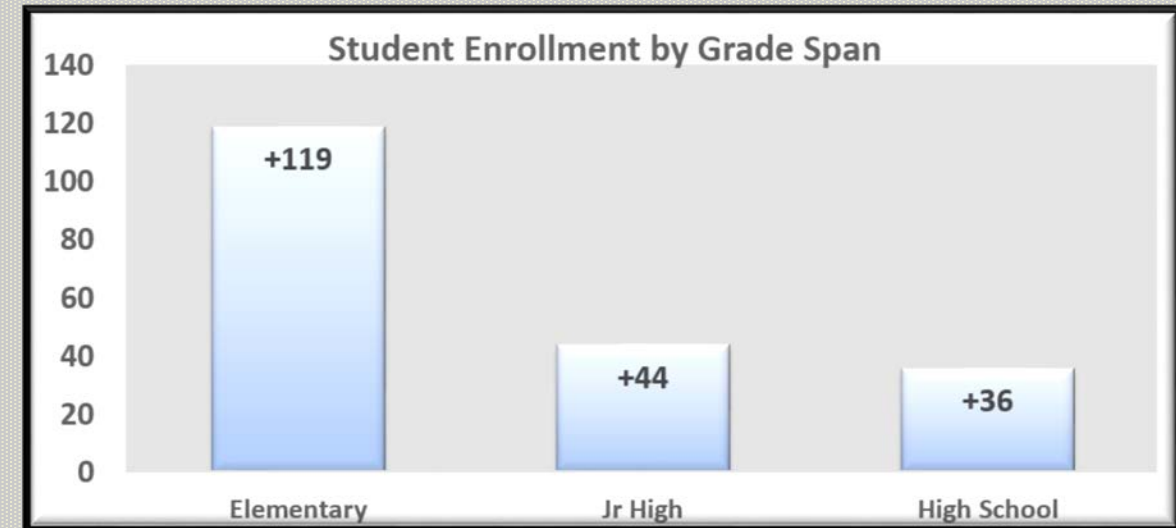
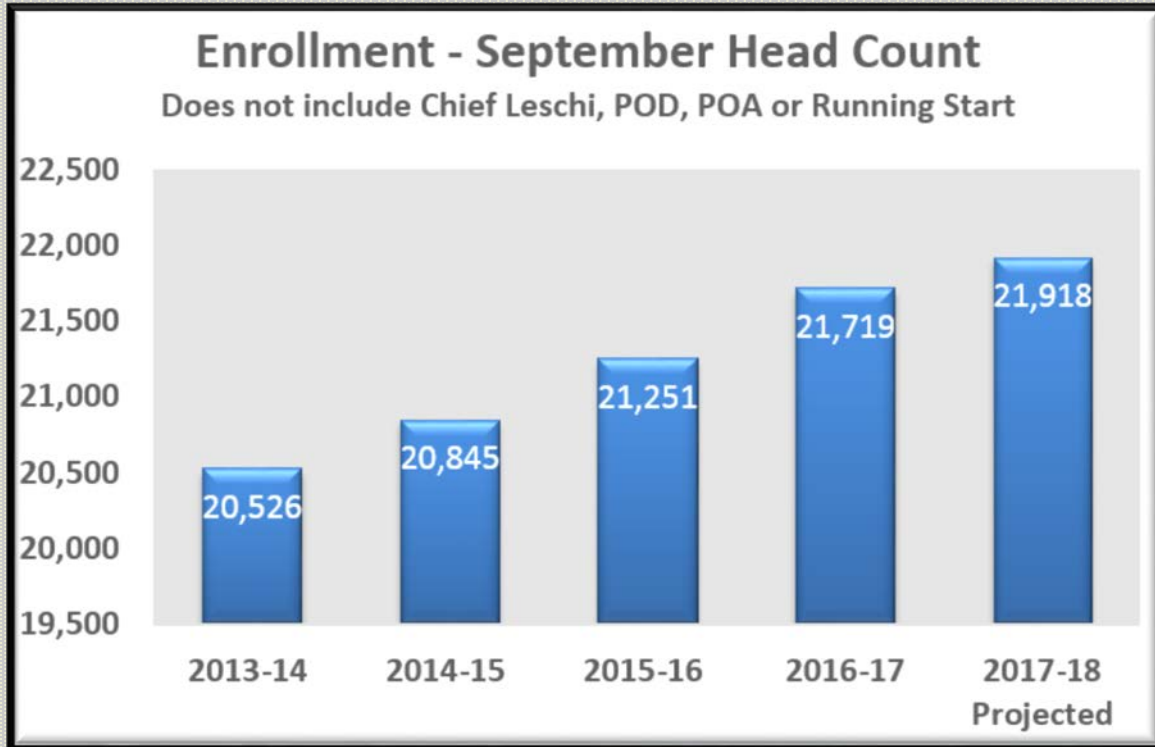
3 teacher professional development days – one per year starting in 2018-19

Benefits:

- State funding for health care increases \$40 in 2017-18 and another \$20 in 2018-19
- January 2020 the State will create the School Employees Benefits Board (SEBB)

Enrollment Projection

Increase of 199 FTE



Enrollment Increase = 1,392 in 5 years

Financial Overview

Change in Revenue Assumptions

Description	Amount
Levy & Levy Equalization	\$4,167,000
Enrollment	\$1,400,000
K-3 Class size reduction allocation	\$5,870,000
MSOC	\$ 450,000
State Cola - 2.3%	\$3,590,000
ALE/Dropout Reengagement	\$ 61,000
Special Education	\$1,700,000
CTE	\$1,260,000
LAP	\$ 612,000
TBIP	\$ 178,000
HiCap	\$ 300,000
Total	\$19,588,000





Financial Overview

Change in Expenditure Assumptions



Description	FTE	Amount
Teachers -Enrollment Growth	18.70	\$1,800,000
Teachers - Categorical	7.8	\$780,000
Teacher – POD/POA	.8	\$80,000
Cert Staffing (counseling, PE, music)	4.7	\$470,000
Para Support	2	\$80,000
Other staffing adds (.5 principal, .5 office support, custodian, HR auditor, Payroll specialist)	4	\$390,000
Retirement increase TRS: 13.13% ⇒ 15.20% /SERS: 11.58 ⇒13.48%	-----	\$3,354,000
State Cola - 2.3% w/ benefits	-----	\$5,000,000
Capacity (Curriculum, equip, tech, projects, one-time funds, bargaining)	-----	\$7,159,000
Total		\$19,113,000

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	\$ 11,245,778	\$ 8,970,778	\$ 85,800	\$ 38,950	\$ 2,150,250
Contracts	\$20,061,256	\$ 9,018,634	\$ 7,900	\$ 4,900	\$11,029,822
Travel	\$141,350	\$ 87,150	\$ 1,000	\$ 500	\$ 52,700
Capital Equip	0	0	0	0	0
Total Budgeted	\$31,448,384				
State Allocation	\$26,934,156				
Difference	\$4,514,228				

(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 4 year Projection

Levy, LEA & State Revenues

	2016-17	2017-18	2018-19	2019-20	2020-21
Max Levy *	\$51,795,000	\$ 53,348,000	\$36,653,435	\$23,121,405	\$24,684,450
State Levy Equalization (LEA)	\$7,996,618	\$10,611,271	\$11,927,115	\$11,358,953	\$10,386,410
Subtotal	\$59,791,618	\$63,959,271	\$48,580,550*	\$ 34,480,358*	\$35,070,860*
State Funding Projection**	\$183,346,179	\$198,088,364	\$214,735,238	\$239,953,899	\$244,705,918
Total State, Levy and LEA***	\$243,137,797	\$262,047,635	\$263,315,788	\$274,434,257	\$279,766,778
Yr/Yr Change \$		\$18,909,838	\$ 1,268,153	\$ 11,118,469	\$ 5,342,521
Yr/Yr Change %			0.5%	4%	2%
Per Pupil Funding	\$10,939	\$11,503	\$11,559	\$12,047	\$12,282

*Dependent
on voter
approval

**Does not
include LEA

*** Does not
include local
and federal
revenue

General Fund 4 year Projection

Revenues & Expenditures

	2017-18	2018-19	2019-20	2020-21
Revenues*	\$ 281,266,006	\$283,983,825	\$294,340,880	\$298,954,170
Expenditures	\$280,791,712	\$284,882,220	\$288,703,175	\$292,591,395
Inc/Dec in Fund Balance	\$ 474,294	\$ (898,395)	\$ 5,637,705	\$ 6,362,775

*** Assumes voter approved maximum levy in 2018 and beyond**

ASB Fund

Beginning Balance	\$1,035,035
Revenue	\$5,696,141
Expenditures	\$5,148,823
Difference	\$547,318
Ending Balance	\$1,582,353



Transportation Vehicle Fund

Beginning Balance	\$2,444,605
Revenue	\$1,123,735
Expenditures	\$3,568,340
Difference	\$(2,444,605)
Ending Balance	\$-0-



Capital Projects Fund

Beginning Balance	\$280,023,560
Revenue	\$4,047,246
Expenditures	\$86,365,000
Difference	\$(82,317,754)
Ending Balance	\$197,705,806



Debt Service Fund

Beginning Balance	\$14,337,126
Revenue	\$31,911,061
Expenditures	\$34,872,525
Difference	\$(2,961,464)
Ending Balance	\$11,375,662

General Fund

Beginning Balance	\$41,749,504
Revenue	\$281,266,006
Expenditures	\$280,791,712
Difference	\$474,294
Ending Balance	\$42,223,798

General Fund

Fund Balance Detail

Budgeted Beginning Fund Balance	\$41,749,504
Restricted (State grants & contracts)	-\$3,067,784
Non Spendable (inventory and prepaid items)	-\$1,500,000
Committed (by Board Action- opening new schools, Empower Puyallup, compensated absences)	-\$16,100,000
Assigned to Contingencies	-\$350,000
Assigned to other purposes (bldg. budget carryover)	-1,000,000
Minimum Fund Balance Policy (14 days operating expense)	-\$14,490,000
Unassigned Fund Balance	\$5,241,720



Next Steps

- August 21st - Hold final public hearing and ask the Board for consideration of approval of the 2017-18 budget
- New fiscal year starts September 1, 2017
- First day of school is September 5, 2017





Discussion