



# 2023-2024 Budget Presentation #3

# Purpose

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- Review General Fund Assumptions
- Present the 2023-24 Budgets for all five funds
- Present the multi-year forecast for all five funds
- Receive feedback and input in preparation for adoption of the 2023-24 budgets at the August 8, 2023, board meeting

# Background

- **May 23, 2023**
  - Presented the legislative impacts on 2023-24 revenues
  - Provided information on the roles of a budget
  - Presented the structure of the five funds maintained by the district
  - Presented preliminary forecasted revenues and expenditures
- **June 27, 2023**
  - Provided updated estimates for revenues and expenditures
  - Presented on GFOA, ZBB, and Prototypical School Funding Model
- **July 14, 2023**
  - Updated the Board on status of General Fund revenues and expenditures for 2023-24
- **Budget must be adopted either August 8th or August 22nd of 2023**

# Budget Calendar

Date		Type of Interaction
May 23, 2023		Board Meeting: 2023-24 Budget Kickoff Presentation
May 30 & June 6, 2023	✓	Advertise: Public Hearing for 2022-23 TVF Budget Extension
June 13, 2023	✓	Board Meeting: Public Hearing and Approval of 2022-23 TVF Budget Extension and Interfund Loan Resolution
June 27, 2023	✓	Board Meeting: Budget Presentation-Foundations
Mid-July	✓	Additional Budget Communications from Fiscal Services
<b>July 25, 2023</b>	✓	<b>Board Meeting: Presentation-2023-2024 Proposed Budget</b>
<b>July 25 &amp; August 1, 2023</b>		Advertise Public Hearing for 2023-24 Budget Adoption (All Funds)
August 8, 2023		Board Meeting: Public Hearing & Final Adoption of the 2023-2024 Budget
August 22, 2023		Absolute last opportunity to adopt the budget

# Budgeted Funds

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- **General Fund** – normal and recurring operations, for all resources not required to be recorded in one of the other funds
- **Capital Projects Fund** – long-lived, capital improvements, usually funded by the passage of bonds
- **Debt Service Fund** – redemption of outstanding bonds
- **Associated Student Body (ASB) Fund** – students' interests: for cultural, athletic, recreational and social uses
- **Transportation Vehicle Fund (TVF)** – purchase and major repair of pupil transportation equipment

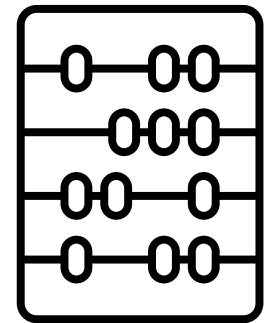


# 2023-24 Budgets – All Funds

	General Fund	Capital Projects Fund	Debt Service Fund	ASB Fund	Transportation Vehicle Fund
5% Reserves	15,674,684				
Assigned Reserves	6,673,198				
Carryover	-				
Beginning Fund Balance	22,347,882	210,334,778	12,194,315	1,494,623	1,810,034
Add Revenues	313,493,701	19,543,732	24,576,822	7,362,385	1,746,669
Add Transfers In	-		327,795		
Total Resources Available	335,841,583	229,878,510	37,098,932	8,857,008	3,556,703
Less Expenditures	<b>(313,493,701)</b>	<b>(110,392,500)</b>	<b>(27,282,675)</b>	<b>(7,275,496)</b>	<b>(1,360,000)</b>
Less Transfers Out	-				(327,795)
Ending Fund Balance	22,347,882	119,486,010	9,816,257	1,581,512	1,868,908

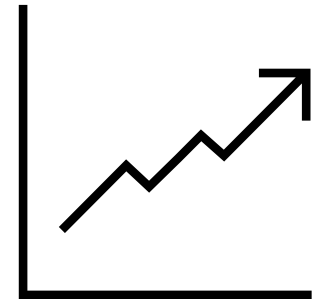
# General Fund Assumptions

- Enrollment is based on current counts plus an increase of 60 student FTE from early registration indications and 20 FTE from modified calculation of student FTE at the secondary levels based on state auditor's recommendation
- Interest rates on deposits are up from prior years
- SEBB medical benefits funding will increase in September from \$1,026 per state funded FTE to \$1,100
- PSD's payment to the state for SEBB medical benefits will be \$1,100 per each employee that qualifies (630+ hours/year)



# General Fund Assumptions

- Fund balance management (retain board requested 5% reserves as well as special purpose assignments)
- IPD is 3.7% for the 2023-2024 school year
- ESSER funds of about \$1 million will be used
- Ongoing revenues cover ongoing expenditures
- Mid-level salary placement for to-be-hired (TBH) positions
- Optimize K-3 class size ratio and funding





# General Fund Expenditure History

General Fund revenues and expenditures are estimated currently at \$313.5 million

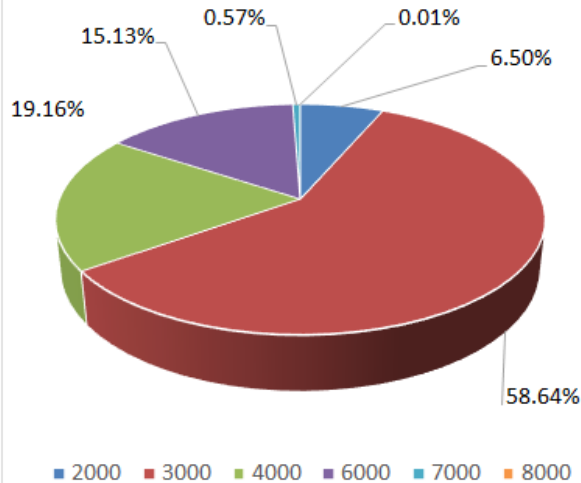
Year	Actual Expense (in millions)	% Change from PY
2016-2017	\$205.6	
2017-2018	\$226.7	10.3%
2018-2019	\$250.9	10.7%
2019-2020	\$255.3	1.7%
2020-2021	\$269.5	5.6%
2021-2022	\$299.1	11.0%
2022-2023 Budgeted	\$316.0	5.6%
2023-2024 Estimated	\$313.5	-0.79%

# 2023-24 General Fund Revenue +/-

State Apportionment Increase	5,198,862
Increase Student FTE by 80	
3.7% increase to state funded FTE salaries	
Prototypical staffing model funding increase	
K-3 class size funding @17.00	
3.1% increase in MSOC multipliers	
Levy	5,080,772
Special Education	3,648,590
Other State Grants	1,007,181
Learning Assistance (LAP)	555,484
Food Service	514,626
Investment Earnings	495,401
Transportation	277,057
Bilingual	59,202
Other Federal Grants	19,043
ESSER funding	(19,670,612)

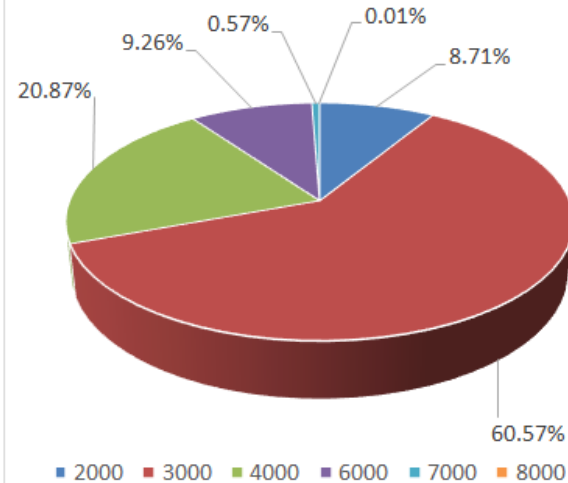
# 2023-24 General Fund Revenue by Source

FY 2022-2023 BUDGET



LOCAL \$	2000	\$ 20,463,360
APPORTIONMENT	3000	184,737,279
STATE GRANTS	4000	60,346,925
FEDERAL GRANTS	6000	47,654,039
OTHER SCHOOL DIST	7000	1,798,108
OTHER SOURCES	8000	40,000
		<u>\$ 315,039,711</u>

FY 2023-2024 BUDGET



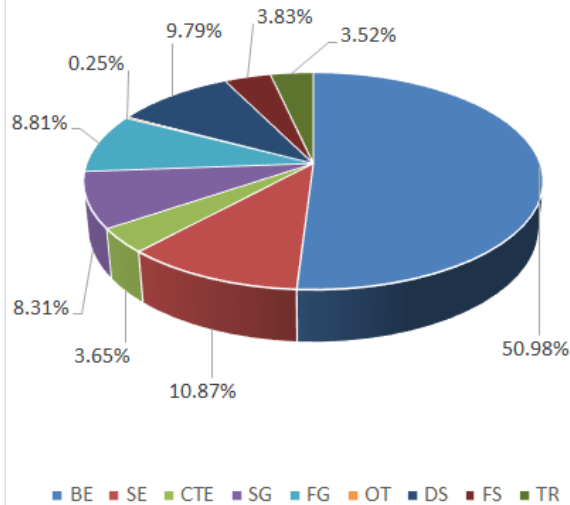
LOCAL FUNDS	2000	\$ 27,307,917
APPORTIONMENT	3000	189,888,440
STATE GRANTS	4000	65,415,736
FEDERAL GRANTS	6000	29,043,500
OTHER SCHOOL DIST	7000	1,798,108
OTHER SOURCES	8000	40,000
		<u>\$ 313,493,701</u>

# 2023-24 General Fund Expenditures +/-

BEA Certificated, classified salaries and benefits	9,992,723
Salary increases	
Step progression	
Special Education	2,417,193
Other State Grants	964,023
Learning Assistance (LAP)	462,676
BEA MSOCs	131,820
Other Federal Grants	(44,296)
Transitional Bilingual	(119,452)
ESSER Funding	(17,100,632)

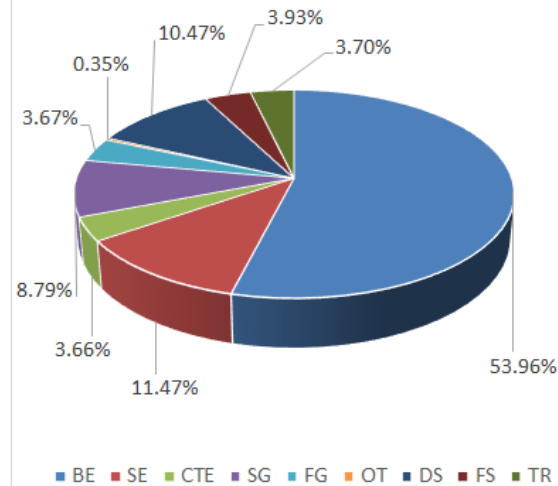
# 2023-24 General Fund Expenditures by Program

FY 2022-2023 BUDGET



BASIC EDUCATION	BE	\$ 161,118,236
SPECIAL EDUCATION	SE	34,341,149
CTE PROGRAM	CTE	11,534,534
STATE GRANTS	SG	26,267,311
FEDERAL GRANTS	FG	27,848,188
OTHER INSTRUCTIONAL	OT	779,477
DISTRICT WIDE SUPPORT	DS	30,924,764
NUTRITION SERVICES	FS	12,091,209
PUPIL TRANSPORTATION	TR	11,134,843
		<b>\$ 316,039,711</b>

FY 2023-2024 BUDGET



BASIC EDUCATION	BE	\$ 169,171,932
SPECIAL EDUCATION	SE	35,950,519
CTE PROGRAM	CTE	11,475,954
STATE GRANTS	SG	27,567,377
FEDERAL GRANTS	FG	11,510,175
OTHER INSTRUCTIONAL	OT	1,082,220
DISTRICT WIDE SUPPORT	DS	32,813,881
NUTRITION SERVICES	FS	12,323,566
PUPIL TRANSPORTATION	TR	11,598,077
		<b>\$ 313,493,701</b>

# General Fund Change in Fund Balance

Estimated Ending Fund Balance 8/31/23	22,347,882
Add: Prior Year Carryover Planned Use	
<b>Estimated Beginning Fund Balance 9/1/22</b>	<b>22,347,882</b>
 Add: On-going revenues 23-24	 313,493,701
Less: On-going expenditures 23-24	(313,493,701)
Less: One-time expenditure	-
<b>Estimated Ending Fund Balance 8/31/24</b>	<b>22,347,882</b>

## Fund Balance Allocations

Unassigned 5% Reserves per Board	15,674,684
Assigned - Instruction Materials Adoption	700,000
Assigned - Computer Replacement	1,250,000
Assigned - Athletics/Visual Performing Arts	1,000,000
Assigned - Classroom Space/New Building Operations	1,931,828
Assigned - Future Legislative Action	1,250,000
Assigned - Delta HS Fund Balance	541,370
<b>Total Allocations</b>	<b>22,347,882</b>



# MSOC Reporting Requirements

For 2023-24 as part of their budget process, districts must disclose:

- The amount of general education and lab science material, supplies and operating costs (MSOCs) to be received by the district from state apportionment
- The amount the district proposes to spend on these MSOCs and the difference between the two amounts
- If the MSOC apportionment exceeds expenditures, the district must report any proposed use of the difference and how this use will improve student achievement

## 2023-2024 Budget for General Education and Lab Science

MSOC Proposed Expenditures	\$26,164,794
MSOC Proposed Apportionment	\$25,266,562
MSOC Expenditures over Apportionment	\$ 898,232

# 2023-24 Capital Projects Fund Proposed Budget

Beginning Fund Balance		210,334,778
Revenues:		
State Construction Assistance	8,667,400	
Local (Impact/Interest/Other)	<u>10,876,332</u>	
Total Revenues		19,543,732
Total Expenditures		(110,392,500)
Ending Fund Balance		119,486,010

# 2023-24 Capital Projects Fund Proposed Budget

## **2023 Bond Projects**

High School #3	\$ 77,700,000
Small Innovative High School	\$ 20,900,000
CTE Upgrades (CHS & PHS)	\$ 1,550,000
Land	\$ 6,000,000
Athletic Fields	\$ 2,000,000

## **Other Projects**

Re-Roofs	1,367,500
Portable Moves	705,000
Asphalt	170,000

<b>Total Expenditures</b>	<b>\$ 110,392,500</b>
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# 2023-24 Debt Service Fund Proposed Budget

Beginning Fund Balance		12,194,315
Revenues:		
Property Tax Collections	24,006,780	
Transfer From Transportation Vehicle Fund	327,795	
Interest	570,042	
Total Revenues		24,904,617
Expenditures:		
Bond Principal Payments	(10,925,000)	
Bond Interest Payments	(15,929,881)	
Bus Lease Principal & Interest	(327,795)	
Misc Expense	(100,000)	
Total Expenditures		(27,282,676)
Ending Fund Balance		9,816,256

# 2023-24 ASB Fund Proposed Budget

Beginning Fund Balance		1,494,623
Revenues:		
ASB Collections	7,275,496	
Interest	86,889	
Total Revenues		7,362,385
Expenditures:		
General Student Body	(952,286)	
Athletics	(2,953,652)	
Classes	(197,439)	
Clubs	(3,102,517)	
Private Money	(69,602)	
Total Expenditures		(7,275,496)
Ending Fund Balance		1,581,512

# 2023-24 Transportation Vehicle Fund Proposed Budget

Beginning Fund Balance		1,810,034
Revenues:		
State Depreciation	1,700,000	
Interest	<u>46,669</u>	
Total Revenues		1,746,669
Expenditures:		
Purchase Buses (8)	(1,360,000)	
Transfer to Debt Service	<u>(327,795)</u>	
Total Expenditures		(1,687,795)
Ending Fund Balance		1,868,908



# Four-Year Forecast Assumptions

- Required by the state since in 2018-19
- Ongoing revenues cover ongoing expenditures = balanced budget
- Conservative approach in projecting enrollment increases
- MSOCs mostly flat with only IPD increases
- Staffing levels up based on new schools and enrollment changes
- State, Federal, and Special Programs funding levels are relatively flat with increases due to IPD and new legislation
- Use OSPI's Revenue Forecast Model
- Follow the Long-Term Facilities Management Plan when building the Capital Fund budgets

# Four-Year Forecast & Enrollment Projection

School year	2023-24	2024-25	2025-26	2026-27
Enrollment (FTE)	17,731	17,820	17,999	18,178
<b>General Fund</b>				
<b>Beginning Fund Balance</b>	<b>\$ 22,347,882</b>	<b>22,347,882</b>	<b>23,141,411</b>	<b>23,668,136</b>
Total Resources	313,493,701	329,364,288	339,898,784	350,119,635
Total Expenditures	(313,493,701)	(328,570,759)	(339,372,059)	(349,608,592)
Contribution to/(From) Fund Balance	-	793,529	526,725	511,043
<b>Ending Fund Balance</b>	<b>22,347,882</b>	<b>23,141,411</b>	<b>23,668,136</b>	<b>24,179,179</b>
<b>Capital Projects Fund</b>				
<b>Beginning Fund Balance</b>	<b>\$ 210,334,778</b>	<b>119,486,010</b>	<b>54,990,844</b>	<b>36,467,584</b>
Total Resources	19,543,732	45,564,834	5,826,740	165,384,821
Total Expenditures	(110,392,500)	(110,060,000)	(24,350,000)	(49,960,000)
Contribution to/(From) Fund Balance	(90,848,768)	(64,495,166)	(18,523,260)	115,424,821
<b>Ending Fund Balance</b>	<b>119,486,010</b>	<b>54,990,844</b>	<b>36,467,584</b>	<b>151,892,405</b>

# Four-Year Forecast & Enrollment Projection

School year		2023-24	2024-25	2025-26	2026-27
<b>Debt Service Fund</b>					
<b>Beginning Fund Balance</b>	<b>\$</b>	<b>12,194,315</b>	<b>9,816,256</b>	<b>11,690,159</b>	<b>14,050,642</b>
Total Resources		24,576,822	30,097,578	33,756,883	36,541,449
Total Expenditures		(27,282,676)	(28,223,675)	(31,396,400)	(35,257,375)
Transfers In/(Out)		327,795	-	-	-
Contribution to/(From) Fund Balance		(2,378,059)	1,873,903	2,360,483	1,284,074
<b>Ending Fund Balance</b>		<b>9,816,256</b>	<b>11,690,159</b>	<b>14,050,642</b>	<b>15,334,716</b>
<b>ASB Fund</b>					
<b>Beginning Fund Balance</b>	<b>\$</b>	<b>1,494,623</b>	<b>1,581,512</b>	<b>1,654,654</b>	<b>1,711,805</b>
Total Resources		7,362,385	7,706,081	8,065,403	8,441,637
Total Expenditures		(7,275,496)	(7,632,939)	(8,008,252)	(8,402,332)
Contribution to/(From) Fund Balance		86,889	73,142	57,151	39,305
<b>Ending Fund Balance</b>		<b>1,581,512</b>	<b>1,654,654</b>	<b>1,711,805</b>	<b>1,751,110</b>
<b>Transportation Vehicle Fund</b>					
<b>Beginning Fund Balance</b>	<b>\$</b>	<b>1,810,034</b>	<b>1,868,908</b>	<b>2,012,886</b>	<b>2,119,231</b>
Total Resources		1,746,669	2,643,478	2,730,820	2,819,087
Total Expenditures		(1,360,000)	(2,499,500)	(2,624,475)	(2,755,697)
Transfers In/(Out)		(327,795)			
Contribution to/(From) Fund Balance		58,874	143,978	106,345	63,390
<b>Ending Fund Balance</b>		<b>1,868,908</b>	<b>2,012,886</b>	<b>2,119,231</b>	<b>2,182,621</b>

# Budget Calendar

Date		Type of Interaction
May 23, 2023	✓	Board Meeting: 2023-24 Budget Kickoff Presentation
May 30 & June 6, 2023	✓	Advertise: Public Hearing for 2022-23 TVF Budget Extension
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