



SOUTH KITSAP SCHOOL DISTRICT



2023-24 Budget

Introduction

- ▶ This presentation summarizes South Kitsap School District's budget for the 2023-24 school year, September 1, 2023 through August 31, 2024.
- ▶ In compliance with WAC 392-123-054, A public hearing on the budget is being held this evening as well as board adoption. The budget is prepared in compliance with state laws and the instructions of the Office of the Superintendent of Public Instruction.
- ▶ District expenditures for each fund cannot exceed the amount approved in the budget unless amended by the school board after public notice and hearing.



Budget Development



Leadership Team

Identify budget priorities aligned with Priority Plan

School Board Input

Identify needs/requirements due to legislation or program



Business Office

Identify budget capacity, revenue & expenditure trends

Determine enrollment projection

Review/Implement legislative changes

Review/assess needs, monitor, adjust, report



Departments and Schools

Identify and analyze program needs to develop budget requests



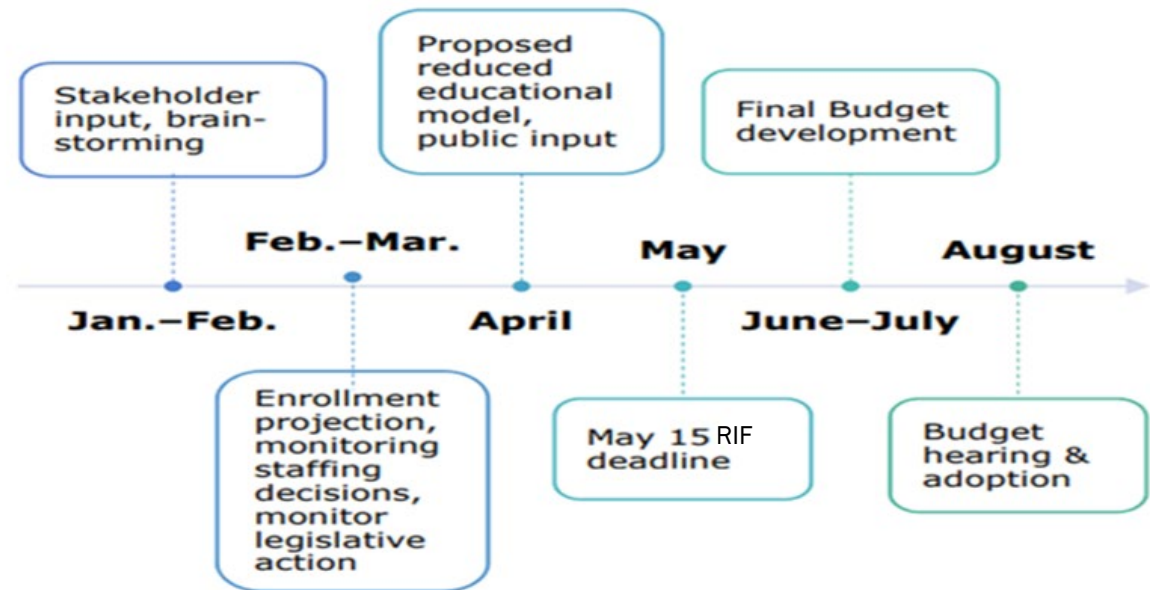
Human Resources

Identify/allocate staffing, hire staff based on enrollment projection

Five Funds of School Budgeting

General Fund	State & local revenue and expense fund for school operations, may support other funds as needed
Capital Projects Fund	Capital Levy or bond proceeds, may only be expended on capital projects
Associated Student Body Fund	Student athletics/activities/clubs
Transportation Vehicle Fund	Solely for the purchase of yellow buses
Debt Service Fund	Service/retirement of long-term debt

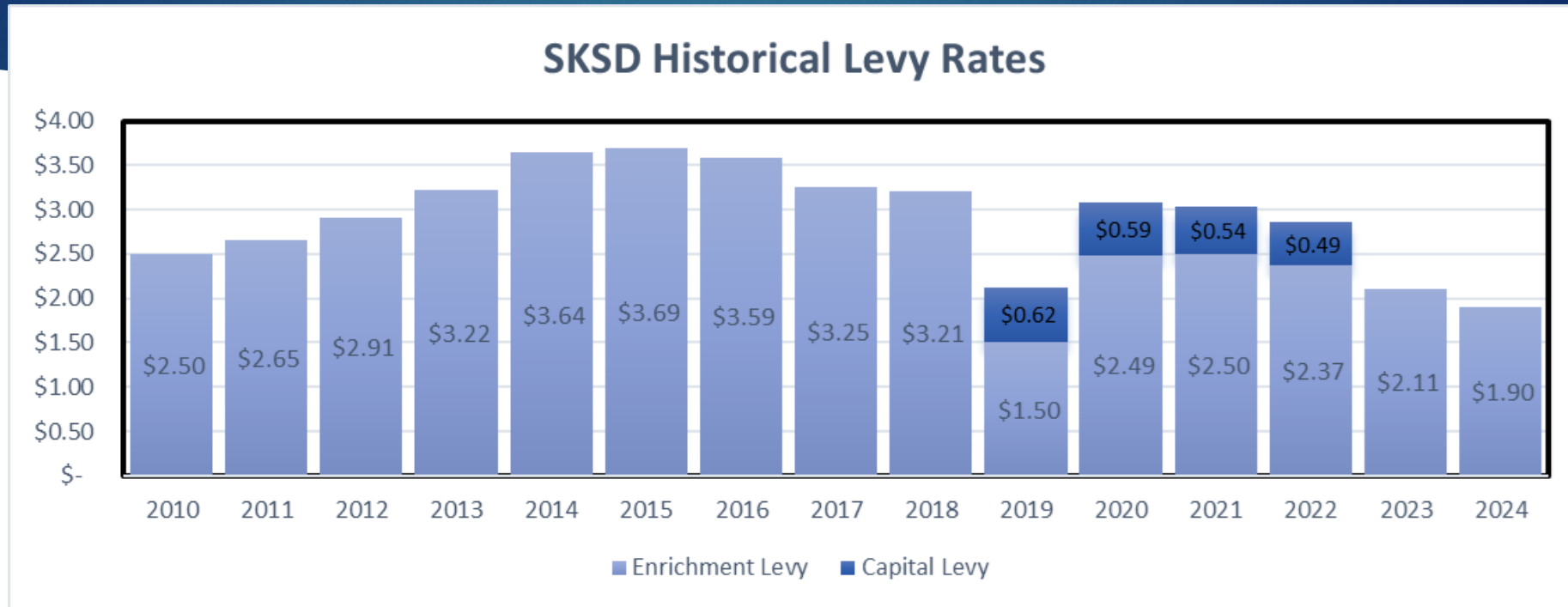
Five Funds of School Budgeting



Budget Changes

- Minimum of 3.7% increase in salaries (IPD increase from state Legislature). Some bargaining groups were provided additional increases based on bargaining agreements.
- Certificated TRS Retirement rates decreased 5.01%. Less funding is received for funded positions, unfunded positions result in a cost savings to the District.
- SEBB Health benefits increase \$74/month per staff member.
- Increased staff funding for physical, social, emotional support staff. (counselors, nurses, social workers, psychologists)
- Increased funding for special education. (Funding increased from 13.5% to 15% and LRE % funding increased).
- Regionalization remains at 18%.
- ESSER Funding is fully expended, \$5.3M of General Fund expenses were coded to ESSER in 2022-23.
- The combination of funding changes and the sunset of ESSER funding resulted in the District making budget reductions for 2023-24.

Levy



South Kitsap current Enrichment Levy approved by voters approved \$30.38M for 2023 and \$33.12M for 2024. Levy LID calculation has changed for SKSD, the District is only allowed to collect a maximum of \$2,988.32 per student FTE in 2023 and an estimated \$3,143 per student FTE in 2024 based one enrollment of the prior year. For 2023, Districts in Washington were “grandfathered” in enrollment due to COVID. The 2019-20 enrollment was used through 2023. 2024 will be based upon on the 2022-23 enrollment.

Enrollment

South Kitsap School District Enrollment History								
	2018-19	2019-20	2020-21	2021-22	2022-23 ytd	2022-23 Budget	Budget versus YTD	2023-24 Budget
Half Day	0	0	0	0	0			
K	766.958	741.98	616.294	691.055	677.35	707	-29.65	667
1	730.814	785.3	626.857	666.52	727.02	694	33.02	699
2	767.202	726.4	692.364	653.219	707.12	672	35.12	745
3	761.43	758.22	667.446	708.008	678.89	659	19.89	727
4	784.2	759.48	679.563	674.448	731.47	719	12.47	681
5	774.827	789.57	692.412	686.639	677.56	679	-1.44	729
6	742.312	748.23	763.635	721.868	702.66	694	8.66	661
7	716.943	755.42	780.106	763.908	696.07	688	8.07	700
8	706.232	766.48	793.199	769.438	719.49	693	26.49	696
9	690.88	781.73	961.371	773.949	679.84	682	-2.16	685
10	706.69	764.42	918.711	837.639	680.51	700	-19.49	674
11	588.905	654.81	727.804	710.485	545.13	676.4	-131.27	557
12	643.75	610.8	692.933	733.084	537.02	593.6	-56.58	560
Total	9,381.14	9,642.84	9,612.70	9,390.26	8,760.13	8,857.00	-96.87	8,781.00
RS	264.05	223.15	243.34	221.89	212.70	223	-10.30	218.15
Total w/RS	9,645.19	9,865.99	9,856.04	9,612.15	8,972.83	9,080.00	-107.17	8,999.15
ALE	353.94	688.91	1588.11	1337.15	459.28	508	-48.72	409
Brick & Mortar	9,027.20	8,953.93	8,024.59	8,053.11	8,300.85	8,349.00	-48.15	8,372.00
Change from Prior Yr Brick & Mortar	-123.23	-73.27	-929.34	28.53	247.74			



ALE = Alternative Learning Experience; Brick and Mortar = students attending in personal traditional classes. ALE is funded differently (less per pupil)

2023-24 Fund Summary

2023-2024 Budget					
	General Fund	ASB	Debt Service	Capital Projects	Transportation
Beginning Fund Balance	13,712,853	735,459	2,245	5,200,000	1,240,000
Revenues	175,960,216	826,076	-	3,755,000	1,000,000
Transfer In			355,400		
Expenditures (Appropriation)	175,633,665	868,237	355,400	8,800,170	2,240,000
Transfer Out	250,000			105,400	
Revenues Over (Under) Exp.	76,551	(42,161)	-	(5,150,570)	(1,240,000)
Ending Fund Balance	13,789,404	693,298	2,245	49,430	0

General Fund

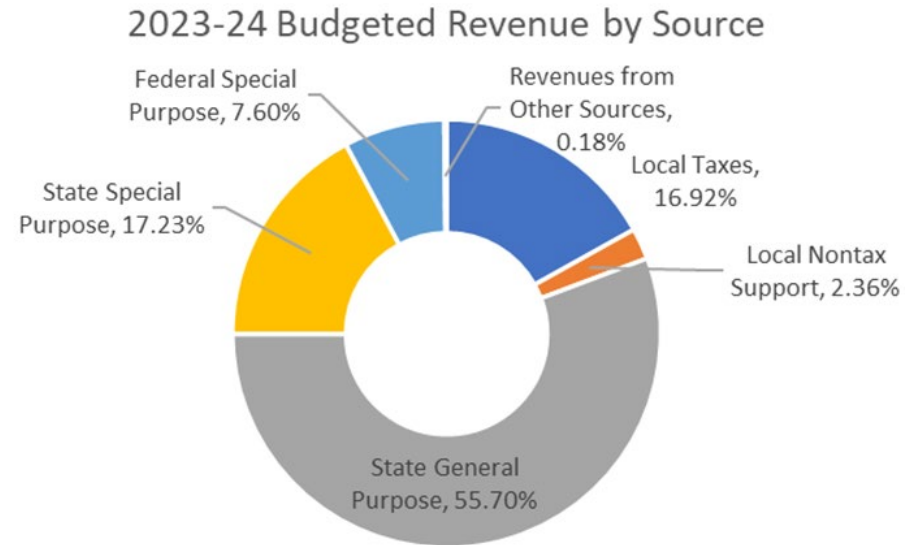
Least Restrictive

- Regular Instruction
- Instructional Support
- Athletics
- Enrichment
- Support Services/Operations

Most Restrictive

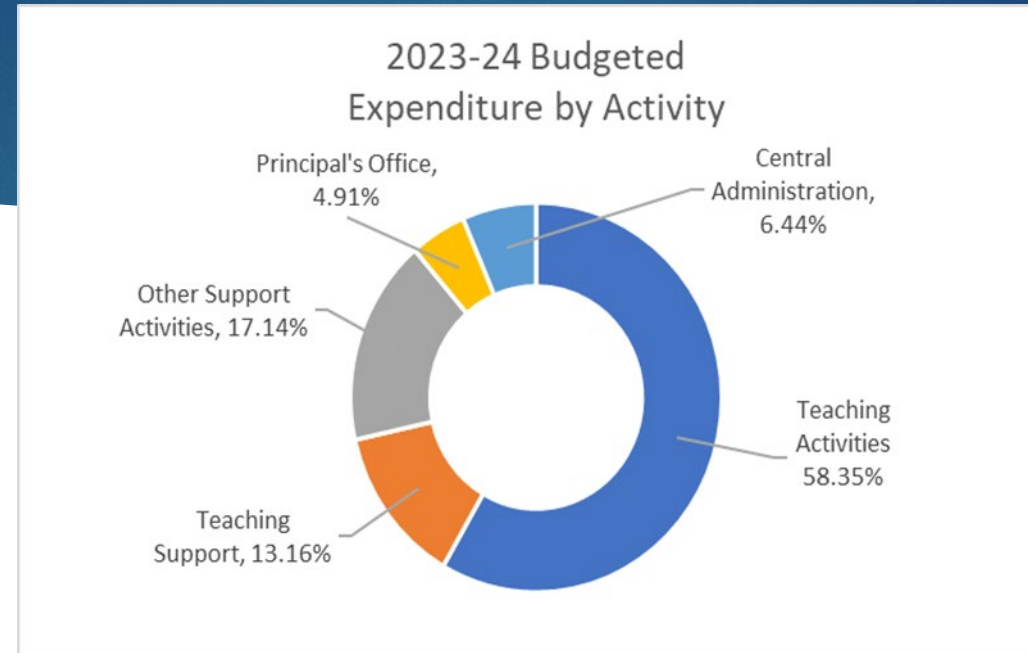
- Food & Nutrition Services
- Pupil Transportation
- Special Education
- Career & Technical Education
- Other Categorical Programs

General Fund: Where does the money come from?



General Fund (GF)						
	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Budget	2023-24 Budget
Local Taxes	18,323,849	18,627,498	24,571,653	26,216,033	28,191,343	29,767,915
Local Non Tax Support	3,559,370	2,721,662	2,040,522	1,578,818	4,183,003	4,157,500
State, General Purpose	91,273,779	96,179,688	96,250,541	94,306,575	96,056,080	98,011,943
State, Special Purpose	26,037,467	27,676,739	24,324,066	25,417,876	25,058,536	30,322,104
Federal, General Purpose	458,661	131,990	326,070	996,443	385,000	-
Federal, Special Purpose	7,051,581	7,042,584	11,662,267	23,340,557	21,734,995	13,380,754
Other Revenue Sources	15,341	1,156,574	4,504	378,989	230,000	320,000
Total Revenues	146,720,048	153,536,735	159,179,623	172,235,291	175,838,957	175,960,216

General Fund: Where does the money go?

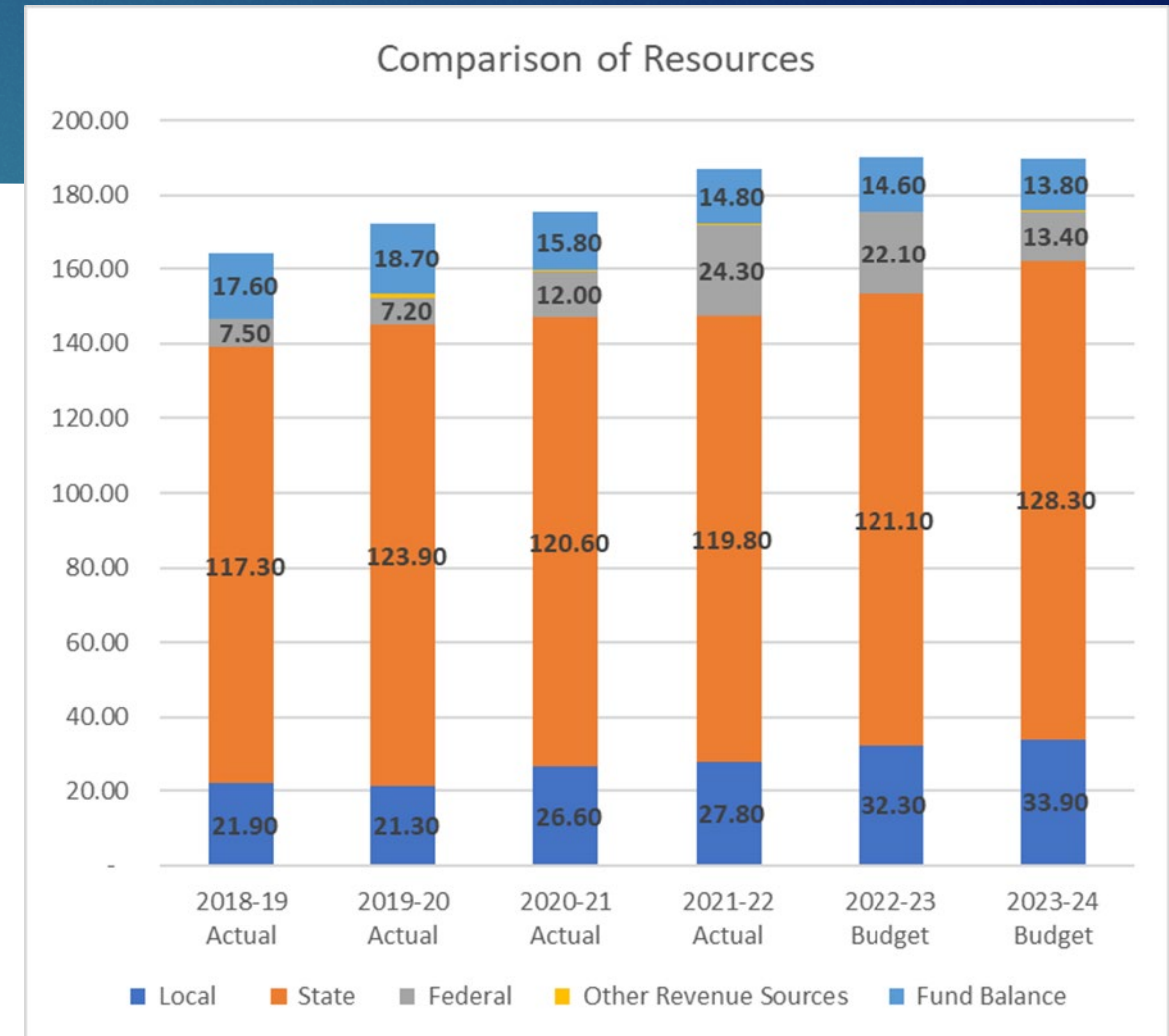


General Fund	Summary of Expenditures by Activity	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Activity	Title	Actual	Actual	Actual	Actual	Budget	Budget
	Teaching Activities	85,174,407	88,763,802	97,132,998	100,083,216	104,305,629	102,483,000
	Teaching Support	19,341,084	20,672,147	22,123,148	24,715,333	22,154,222	23,107,621
	Other Support	22,600,629	25,662,098	24,537,934	27,685,999	28,676,431	30,110,916
	Principal and Support	7,237,358	7,626,360	7,860,180	8,656,909	8,619,144	8,617,738
	Central Administration	10,457,501	9,547,241	10,407,625	11,453,778	12,006,190	11,314,390
*****	GRAND TOTAL	\$ 144,810,980	\$ 152,271,648	\$ 162,061,885	\$ 172,595,235	\$ 175,761,616	175,633,665

General Fund Comparison of Total Resources (including Fund Balance)

General Fund (GF)						
	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Budget	2023-24 Budget
Local	21.90	21.30	26.60	27.80	32.30	33.90
State	117.30	123.90	120.60	119.80	121.10	128.30
Federal	7.50	7.20	12.00	24.30	22.10	13.40
Other Revenue Sources	0.15	1.20	0.45	0.38	0.23	0.32
Total Revenue	146.85	153.60	159.65	172.28	175.73	175.92
Fund Balance	17.60	18.70	15.80	14.80	14.60	13.80
Total Resources	164.45	172.30	175.45	187.08	190.33	189.72

(Numbers are in Millions and may not total exactly due to rounding)



General Fund Summary

General Fund (GF)						
	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Budget	2023-24 Budget
Beginning Fund Balance	17,687,410	17,573,938	18,710,068	15,827,806	14,500,000	13,712,853
Revenues	146,720,048	153,536,735	159,179,623	172,235,291	175,838,957	175,960,216
Transfer In						
Expenditures (Appropriation)	144,810,980	152,271,648	162,061,885	172,595,235	175,761,616	175,633,665
Transfer Out	2,022,540	128,957		630,000		250,000
Revenues Over (Under) Exp.	(113,472)	1,136,130	(2,882,262)	(989,944)	77,341	76,551
Ending Fund Balance	\$ 17,573,938	\$ 18,710,068	\$ 15,827,806	\$ 14,837,862	\$ 14,577,341	\$ 13,789,404

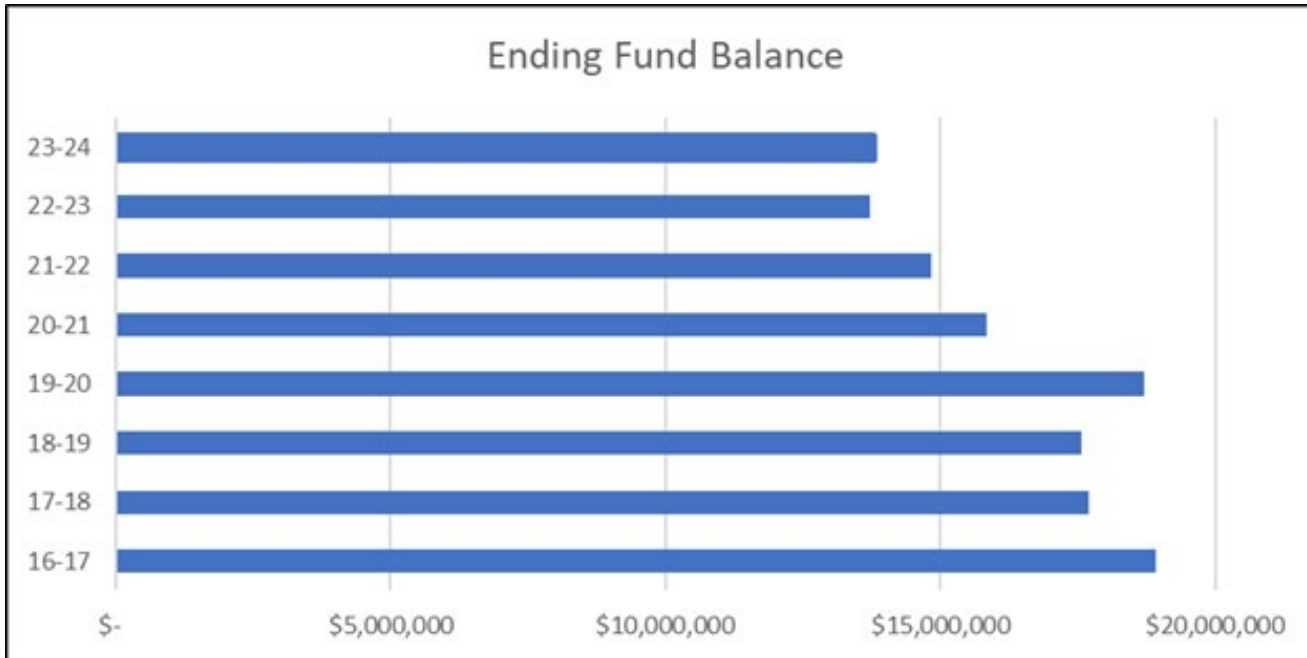
Fund Balance Management

Why Have a Fund Balance?

- Fund balance is an important indicator of District financial health
 - *FB would be a key factor in a bond rating should the District have a bond passed by voters*
- Fund balance allows flexibility for unforeseen conditions or mitigation of reductions once budget cycle begins
 - *Can help offset unexpected declines in funding or enrollment*
- Ensures continuity of operations in an emergency
 - *Mitigates any delays/changes in state funding*

How does the Fund Balance fluctuate?

- The budget is a plan
 - Expenditures in budget status are based on a 5-year average



Year	Ending Fund Balance	
16-17	\$ 18,911,886	
17-18	\$ 17,687,410	
18-19	\$ 17,573,938	
19-20	\$ 18,710,068	
20-21	\$ 15,827,806	
21-22	\$ 14,837,860	
22-23	\$ 13,712,853	*Projected
23-24	\$ 13,789,404	*Budgeted

Fund Balance Trend

Budget Summary

Projected General Fund Balance 2023-24

Ending Fund Balance						
Restricted for State Revenue Carryover	367,637	367,637	1,522,101	871,898	1,500,000	975,846
Restricted for Food Service	657,285	657,285	452,869	572,294	300,000	125,000
Restricted for Debt Service	130,000	130,000	0	0	0	250,000
Nonspendable Fund Balance-Inventory and Prepaid	967,702	967,702	1,157,486	1,529,084	1,000,000	1,466,863
Restricted for Self Insurance	60,000	60,000	0	0	0	0
Assigned to Contingencies	6,770,054	1,610,000	200,000	200,000	200,000	200,000
Assigned to Other Purposes - Carryover	2,310,100	0	0	0	0	1,764,703
Unassigned Fund Balance	71,160	8,677,444	3,306,741	2,872,636	2,830,163	208,615
Minimum Fund Balance Policy	6,240,000	6,240,000	9,188,609	8,791,948	8,747,178	8,798,377
Total Ending Fund Balance	17,573,938	18,710,068	15,827,806	14,837,860	14,577,341	13,789,404

Staffing Levels – State vs. Levy

- ▶ Staffing levels and salaries are determined locally
- ▶ OSPI uses the Prototypical School Funding Model to allocate resources to the District
 - ▶ There is no “authorized” number of staff by OSPI
 - ▶ OSPI creates allocated staff numbers for some areas using the PSFM
 - ▶ OSPI provides an enhancement multiplier of funding for special education
 - ▶ OSPI does not allocate staffing for bus drivers, they provide an allocation based on ridership
 - ▶ OSPI does not allocate staffing for food & nutrition services or for any other federal program
 - ▶ The District, with the support of the community, determines the number of staff required for program delivery

Staffing Comparison

For 22-23,
Some
Certificated FTE
Basic Ed staffing
was charged to
ESSER.

		23-24 Budget		22-23 Budget		22-23 State Reported Staffing		23-24 Budget vs 22-23 Budget		23-24 Budget vs 22-23 State Reported	
Program		Cert	Class	Cert	Class	Cert	Class	Cert	Class	Cert	Class
1	BASIC EDUCATION	464.942	88.578	421.173	96.883	423.824	90.394	43.769	-8.305	41.118	-1.816
97	DISTRICTWIDE SUPPORT	3	120.263	3	124.471	3	124.44	0	-4.208	0	-4.177
Subtotal	BASIC EDUCATION	467.942	208.841	424.173	221.354	426.824	214.834	43.769	-12.513	41.118	-5.993
	STATE FUNDED	463.66	130.52	449.519	128.615						
Subtotal 2	ALTERNATIVE LEARNING	20.8	3.9	21.36	4.343	21.3	3.965	-0.56	-0.443	-0.5	-0.065
12	ESSER II Federal			2	1	0.169		-2	-1	-0.169	0
13	ESSER III Federal Spcl Purpose			17.09		19.089		-17.09	0	-19.089	0
14	ESSER III Federal Learning Loss			19		14		-19	0	-14	0
Subtotal	ESSER	0	0	38.09	1	33.258	0	-38.09	-1	-33.258	0
21	SPECIAL EDUCATION	108.533	117.998	96.964	113.76	87.864	103.598	11.569	4.238	20.669	14.4
24	SPED IDEA GRANT	16.7	0	33.1		33.149	0	-16.4	0	-16.449	0
Subtotal	SPECIAL EDUCATION	125.233	117.998	130.064	113.76	121.013	103.598	-4.831	4.238	4.22	14.4
31	CTE HIGH SCHOOL	34.55	5.37	33.384	4.029	34.55	4.121	1.166	1.341	0	1.249
34	CTE MIDDLE SCHOOL	16.65	0.863	12.033	0.863	15.85	0.863	4.617	0	0.8	0
Subtotal	CAREER TECH EDUCATION	51.2	6.233	45.417	4.892	50.4	4.984	5.783	1.341	0.8	1.249
51	TITLE I GRANT	11.182	0.384	13.76	0.449	11.68	0.45	-2.578	-0.065	-0.498	-0.066
52	TITLE II GRANT	2		2		1		0	0	1	0
55	LEARNING ASSISTANT PROG	15.4	1.746	14.58	1.051	14.733	1.05	0.82	0.695	0.667	0.696
58	SPECIAL & PILOT PROGRAMS	0	1		1	0	1	0	0	0	0
61	HEAD START, FEDERAL		0.123		0.147		0.147	0	-0.024	0	-0.024
64	LIMITED ENGLISH PROFICIENCY		0.184		0		0.184	0	0.184	0	0
65	TRANSITIONAL BILINGUAL	1.482	2.809	0.95	3.867	1.53	2.236	0.532	-1.058	-0.048	0.573
68	INDIAN ED		0.551		0.735	1	0.551	0	-0.184	-1	0
74	HIGHLY CAPABLE	1.5	0.588	1	0.588	0.7	0.588	0.5	0	0.8	0
79	INSTRUCTIONAL PROG, OTH	0.7		0.7		3.413		0	0	-2.713	0
89	COMMUNITY SCHOOLS	5.167	6.809	2.667	4.809	3.413	3.809	2.5	2	1.754	3
98	FOOD AND NUTRITION SVCS		26.526		26.2		24.172	0	0.326	0	2.354
99	TRANSPORTATION		67.502		65.781		60.348	0	1.721	0	7.154
Subtotal	GRANT & CATEGORICAL	37.431	108.222	35.657	104.627	37.469	94.535	1.774	3.595	-0.038	13.687
	GRAND TOTAL	702.606	445.194	694.761	449.976	690.264	421.916	7.845	-4.782	12.342	23.278

General Fund – Multi-year Forecast

General Fund	Budget 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27
Beginning Fund Balance	\$13,712,853	\$13,789,404	\$13,608,092	\$13,375,771
Revenues	\$175,960,216	\$180,230,112	\$188,895,928	\$198,443,765
Expenditures (incl transfers)	\$175,883,665	\$180,411,424	\$189,128,249	\$198,417,861
Ending Fund Balance Projected	\$13,789,404	\$13,608,092	\$13,375,771	\$13,401,675
Enrollment	8,999	8,927	9,067	9,186

Maintenance Supplies & Operating Cost (MSOC) Funding vs. Expenditures 2021-22

	State Funding	General Fund District Expenses
Total	\$ 11,410,599	\$ 14,538,348
Less capacity for Running Start		\$ 12,738,348
State Underfunding of District MSOC Expenses		(\$1,327,749)

Other Funds

Associated Student Body (ASB)						
	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Budget	2023-24 Budget
Beginning Fund Balance	734,667	748,616	780,618	704,963	790,375	735,459
Revenues	974,120	504,463	120,172	480,860	1,166,266	826,076
Transfer In						
Expenditures (Appropriation)	960,171	472,461	195,827	405,470	1,262,175	868,237
Transfer Out						
Revenues Over (Under) Exp.	13,949	32,002	(75,655)	75,390	(95,909)	(42,161)
Ending Fund Balance	\$ 748,616	\$ 780,618	\$ 704,963	\$ 780,353	\$ 694,466	\$ 693,298

Debt Service Fund (DSF)						
	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Budget	2023-24 Budget
Beginning Fund Balance	2,085	2,154	2,188	2,196	2,207	2,245
Revenues						
Transfer In	515,527	512,752	385,299	381,021	438,000	355,400
Expenditures (Appropriation)	515,458	512,718	385,290	381,009	440,000	355,400
Transfer Out						
Revenues Over (Under) Exp.	69	34	9	11	(2,000)	-
Ending Fund Balance	\$ 2,154	\$ 2,188	\$ 2,196	\$ 2,208	\$ (437,793)	\$ 2245

Other Funds

Capital Projects Fund (CPF)						
	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Budget	2023-24 Budget
Beginning Fund Balance	1,295,139	1,712,497	3,279,957	4,882,795	4,852,155	5,200,000
Revenues	4,422,393	7,192,158	6,309,567	7,345,935	8,944,162	3,755,000
Transfer In						
Expenditures (Appropriation)	3,618,535	4,087,646	4,321,439	6,995,566	12,750,340	8,800,170
Transfer Out	386,500	1,537,052	385,290	381,009	530,000	105,400
Revenues Over (Under) Exp.	417,358	1,567,460	1,602,838	(30,641)	(4,336,178)	(5,150,570)
Ending Fund Balance	\$ 1,712,497	\$ 3,279,957	\$ 4,882,795	\$ 4,852,155	\$ 515,978	\$ 49,430

Transportation Vehicle Fund (TVF)						
	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Budget	2023-24 Budget
Beginning Fund Balance	625,086	622,069	68,817	570,453	367,261	1,240,000
Revenues	617,354	578,956	501,636	1,272,083	998,577	1,000,000
Transfer In	740,292					
Expenditures (Appropriation)	1,360,663	1,132,209	-	1,475,274	1,320,000	2,240,000
Transfer Out						
Revenues Over (Under) Exp.	(3,017)	(553,253)	501,636	(203,191)	(321,423)	(1,240,000)
Ending Fund Balance	\$ 622,069	\$ 68,816	\$ 570,453	\$ 367,262	\$ 45,838	\$ -

Priorities for 2023-24

- ▶ Closely monitor enrollment
- ▶ Closely monitor staffing
- ▶ Align budget resources behind the Priority Plan
- ▶ Adjust budget pending bond election
- ▶ Complete Capital Levy projects





Questions/Comments?