



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

2022-23 Draft Budget

- Legislative session ended March 10, 2022
- State salary increase of 5.5% for 2022-23
- Major funding impacts:
 - ✓ Funding formula increases for counseling & health services
 - ✓ Stabilization Funding
 - ✓ Nutrition Services



Legislative Highlights

Physical, Social and Emotional Support Staff

- State allocation increased for:
 - Counselors
 - Nurses
 - Social workers
 - Psychologists
- Resulted in about \$2.4 M in additional funding, however this still doesn't cover the district's total costs for these positions.



Legislative Highlights

Stabilization Funding

- Enrollment Stabilization

- 50% of financial impact related to decreased enrollment
- Compared funding levels of 2019-20 to 2021-22 enrollment
- Funding for PSD = **\$4,660,000** (paid in May 2022)
- No payments expected for 2022-23

- LEA Stabilization

- Uses the greater of 2019-20 or 2020-21 enrollment in both levy and LEA calculations for calendar year 2022 and 2023.
- Funding for 2021-22 = **\$2,118,000** (paid in May 2022)
- Funding for 2022-23 = **\$ 151,000**



Legislative Highlights

Child Nutrition Services



- USDA did not extend waiver that allowed the district to provide meals to all students, regardless of free/reduced lunch eligibility.

However...

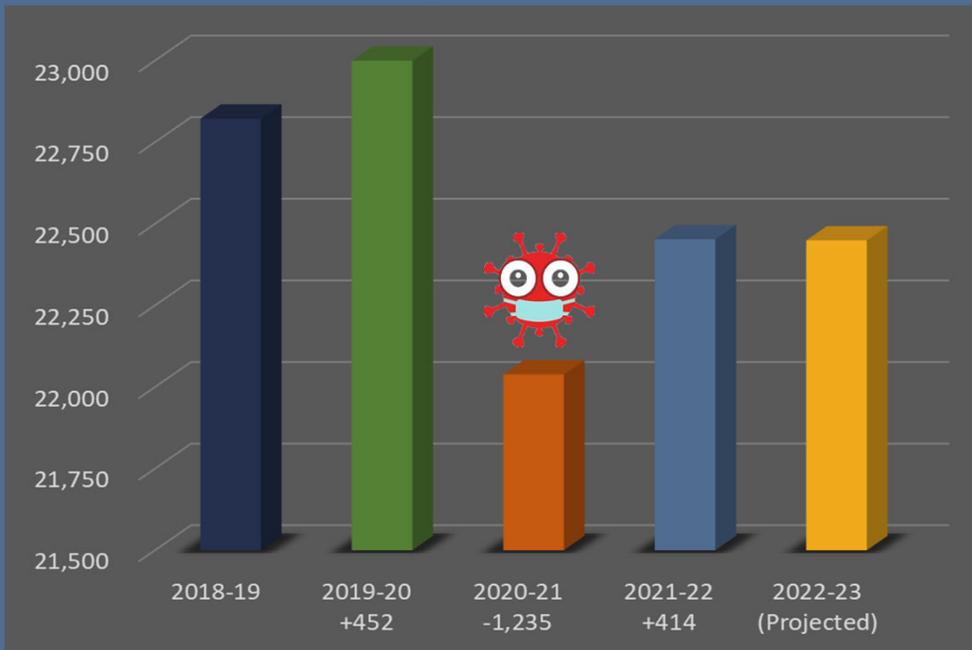
- Expanded the Community Eligibility Provision
 - Schools \geq 40% with students directly certified for free meals
 - All students in these schools are eligible to receive free meals
 - Eligible schools = Firgrove, Spinning, Stewart, Sunrise, Walker, Waller Rd, Wildwood



Legislative Highlights

Enrollment

Average Annual FTE



➤ Projecting flat enrollment for 2022-23

- ❖ Enrollment markedly decreased in 2020-21 related to the pandemic
- ❖ District gained back 414 students throughout 2021-22
- ❖ Most all of the 2021-22 growth was at Kindergarten through 2nd grade
- ❖ Data below shows large growth at grades 7-9 due to a “bubble” of students that moved from 6th to 7th grade.

	2020-21	2021-22	Difference
K-6	11,519.95	11,799.71	279.76
7-9	5,262.57	5,430.61	168.04
10-12	5,256.17	5,222.76	(33.41)
	22,038.69	22,453.08	414.39



Enrollment Projections

General Fund



Key Points:

- Local Non-Tax increase reflects \$3 M estimated increase in lunch sales (21-22 USDA waiver ended).
- State General and State Special Purpose revenue increase is due to state salary, benefit and supply increases (5.5%) and enhanced staffing model allocations.
- Federal Special Purpose revenue decreases as the district spends down ESSER funds.
- Federal Special Purpose also reflects movement of \$3 M in federal food service revenue to local revenue.

Revenue	21-22 Projected	22-23 Budget	Difference	% Change
Local Taxes (Levy)	\$53,898,697	\$59,540,954	\$5,642,257	10.47%
Local Non-Tax (Fees, Rentals, Interest)	2,097,970	5,674,518	3,576,548	170.48%
State General (Apportionment)	207,834,042	222,551,830	14,717,788	7.08%
State Special Purpose (State Categorical Programs)	46,669,032	53,185,120	6,516,088	13.96%
Federal General Purpose (Federal Forest, Impact Aid)	17,000	17,000	-0-	0.00%
Federal Special Purpose (Federal Categorical Programs)	40,891,506	31,217,253	(9,674,253)	-23.66%
Revenue From Other Entities (Out of Dist SPED Svcs)	1,436,169	1,500,000	63,831	4.44%
Other (Sale of Surplus Equip)	90,000	195,000	105,000	116.67%
Total	\$352,934,416	\$373,881,675	\$20,947,259	5.94%



General Fund Revenues

Key Points:

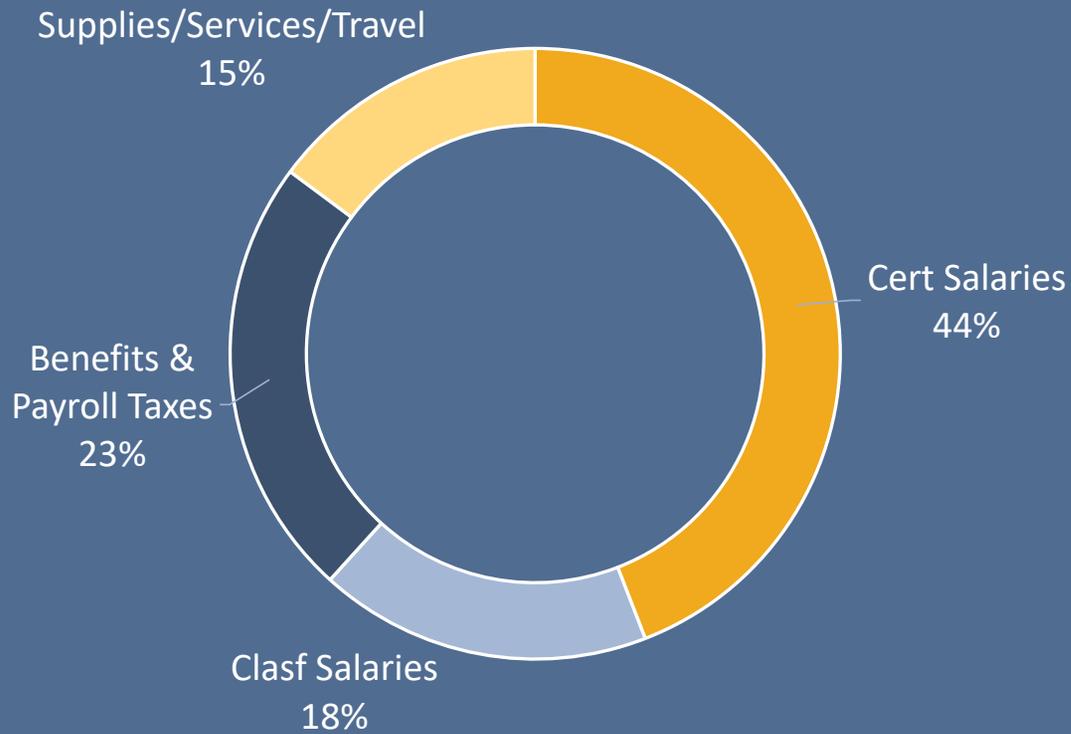
- Ongoing salary and benefit increases of \$26 M – mostly related to 5.5% state salary increases and bargaining agreements.
- Federal Special Purpose expenditures decrease as the district spends down our ESSER funds
- \$5 M increase in Materials, Supplies, Equipment – increased costs of fuel, food, technology, maintenance of buildings and sites.

Program	21-22 Projected	22-23 Budget	Difference	% Change
Basic Education	\$200,146,510	\$216,614,197	\$16,467,687	8.2%
Federal Special Purpose (ESSER)	12,276,011	6,659,054	(5,616,957)	-45.8%
Special Education	45,053,567	51,795,124	6,741,557	15.0%
Vocational Education	13,857,248	15,534,254	1,677,006	12.1%
Categorical	16,236,401	15,563,379	(673,022)	-4.1%
Other Instructional Programs*	861,014	3,415,141	2,554,127	296.6%
Community Services	1,283,298	1,421,530	138,232	8.2%
Support Services	63,589,846	73,868,648	10,278,802	16.2%
Total	\$353,303,895	\$384,871,327	\$31,567,432	8.9%

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



General Fund Expenditures



Total
Salaries &
Benefits =
85%



General Fund Expenditures – By Object

MSOC Category	Total
Supplies	\$11,523,646
Services	28,194,818
Travel	255,950
Total Budgeted	39,974,414
State Allocation	29,268,921
Difference	\$10,705,493

***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.*



Required MSOC Disclosure

Materials, Supplies & Operating Costs

Staff Category	State Funded Units	State Funded Salary/Benefits	Actual FTE	District Actual Salary/Benefits	Difference
Classroom Teachers	1,004	107,777,919	963	120,782,925	13,005,006
Librarians	27	2,909,407	23	3,333,675	424,268
Counselors	53	5,691,729	50	6,427,932	736,203
Nurses	12	1,319,413	17	1,884,398	564,985
Social Workers	4	477,943	-	-	(477,943)
Psychologists	2	167,006	-	-	(167,006)
PEA Appendix B/C/D Stipends				1,327,448	1,327,448
Professional Learning Days		1,733,090		7,642,612	5,909,522
Total Instructional Staff	1,103	120,076,506	1,051	141,398,990	21,322,484
					-
Cert Administrators	20	2,998,120	18	4,476,989	1,478,869
Principals	61	9,371,243	63	13,592,905	4,221,662
Classified Administrators	-	-	16	3,401,260	3,401,260
Total Administrative Staff	81	12,369,363	97	21,471,154	9,101,791
					-
Clerical	101	8,653,276	119	11,597,302	2,944,026
Teaching Assistance (Paras)	40	3,389,487	98	9,257,502	5,868,015
Security	4	348,785	15	1,510,829	1,162,044
Custodial	86	7,330,541	122	10,471,598	3,141,057
Technology	12	1,046,800	40	5,354,598	4,307,798
Facilities/Maintenance/Grounds/ Warehouse/Laborers/Mechanics	42	3,575,454	59	6,431,538	2,856,084
Coaches				2,487,625	2,487,625
Professional/Technical	57	4,886,389	45	5,667,343	780,954
Total Support Staff	342	29,230,732	498	52,778,335	23,547,603
					-
Totals	1,526	161,676,601	1,646	215,648,479	53,971,878

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
 - Subs and Leave Cash-Outs
- Employee salary and benefit commitments are **\$54 M** more than what is funded by the state!



State Funded vs District Funded FTE

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. \$1.7 M increase in revenue but \$3.1 M increase in salary and benefits expenditures!



Classified

% State Funded 84%

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



Cert Admin

% State Funded 69%

Examples: principals, cert central administrators



Cert Teacher

% State Funded 82%

Examples: classroom teachers, nurses, counselors, librarians



Impacts of State Salary Increases



Description	Amount
Unfunded Salary & Benefits	\$30,000,000
Teacher Training & Professional Development	3,800,000
Athletics & Extra Curricular Activities	4,700,000
Transportation	2,600,000
Educational Programs & Materials	5,900,000
Utilities	4,900,000
Student Technology	4,700,000
Special Education Subsidy	8,600,000
TOTAL	\$65,200,000



How Do We Spend Our Levy & LEA?

Review:

- Total ESSER/ARP funds awarded = \$34 M
- Not for regular operations
- Expenditures are earmarked for addressing:
 - ✓ Employee retention
 - ✓ Academic and wellness recovery
 - ✓ Social/emotional needs
 - ✓ Homeless students
 - ✓ Special education

ESSER/ARP Grant Funds Received by Year					
19-20 Actual	20-21 Actual	21-22 Projected	22-23 Projected	23-24 Projected	Total Grant Revenue
2,412,933	4,880,975	14,842,108	7,828,045	4,606,491	34,000,000



Enhanced
Teaching Staff
(Lower Class
Size)



Summer Learning
Academy



Mental Health and
Behavioral
Staffing/Services



Student Technology
and Wi-Fi Hot Spots



Additional Nursing
Staff and Health
Room Support



Student and Family
Connection Activities



ESSER/ARP Grant Funding

Elementary and Secondary School Emergency Relief / American Rescue Plan

General Fund		2022-23 Budget	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast
Beginning Fund Balance		51,980,000	40,990,348	31,982,421	20,548,726
Revenues		373,881,675	373,203,652	373,972,805	379,639,694
Expenditures	(b)	(384,871,327)	(382,211,579)	(385,406,500)	(392,774,770)
Increase (Decrease) in Fund Balance		(10,989,651)	(9,007,927)	(11,433,695)	(13,135,076)
Ending Fund Balance	(a)	40,990,348	31,982,421	20,548,726	7,413,650
Non-Spendable (Inventory)		1,500,000	1,500,000	1,500,000	1,500,000
Restricted (State Grant Carryover & Contracts)		1,817,049	1,570,740	1,326,868	1,082,945
Committed (Min FB Req)		21,235,623	21,412,658	12,944,858	16,705
Assigned (School/Dept C/O & Contingency)		4,774,000	4,761,000	4,777,000	4,814,000
Unassigned	(c)	11,663,676	2,738,023	0	0
Total Ending FB (a) as a % of XP (b)		10.7%	8.4%	5.3%	1.9%
Unassigned FB (c) as a % of XP (b)		3.0%	.7%	0%	0%

**NOTE: Committed Fund Balance would be short of board-required minimum fund balance by approximately \$8.8 M in 2024-25, and \$22 M in 2025-26.*



General Fund 4-Year Forecast

Other Funds

ASB

Transportation Vehicle

Capital Projects

Debt Service



ASB Fund



	2022-23 Budget	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast
Beginning Fund Balance	\$1,831,095	\$1,824,038	\$1,816,770	\$1,809,285
Revenues	6,399,903	6,591,901	6,789,659	6,993,349
Expenditures	(6,406,960)	(6,599,169)	(6,797,144)	(7,001,059)
Increase (Decrease) in Fund Balance	(7,057)	(7,268)	(7,485)	(7,710)
Ending Fund Balance	\$1,824,038	\$1,816,770	\$1,809,285	\$1,801,575



Transportation Vehicle Fund



	2021-22 Budget	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
Beginning Fund Balance	\$4,195,281	-	-	-
Revenues	1,471,317	1,515,457	1,560,920	1,607,748
Expenditures	(5,666,598)	(1,515,457)	(1,560,920)	(1,607,748)
Increase (Decrease) in Fund Balance	(4,195,281)	-	-	-
Ending Fund Balance	-	-	-	-

Additional Information for 2022-23 Budget:

- Tentative plan is to replace 7 large 72+ passenger buses.
- All resources are budgeted to be spent to allow for maximum purchasing capacity if needed.



Capital Projects Fund

	2022-23 Budget	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast
Beginning Fund Balance	\$37,454,075	\$27,284,529	\$21,364,529	\$17,944,529
Revenues	13,850,454	2,100,000	1,600,000	1,600,000
Expenditures	(24,020,000)	(8,020,000)	(5,020,000)	(5,220,000)
Increase (Decrease) in Fund Balance	(10,169,546)	(5,920,000)	(3,420,000)	(3,620,000)
Ending Fund Balance	\$27,284,529	\$21,364,529	\$17,944,529	\$14,324,529



Additional Information for 2022-23 Budget:

- Revenues include \$11.2 M in state match funds for the Ballou, Stahl, and Ferrucci Junior High addition projects.
- With capital levy passage, we may need to consider a budget extension to increase expenditure capacity.



Debt Service Fund



	2022-23 Budget	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast
Beginning Fund Balance	\$17,600,170	\$6,583,352	\$15,336,056	\$15,444,633
Revenues	35,038,131	31,564,554	33,160,232	27,602,428
Expenditures	(46,054,950)	(22,811,850)	(33,051,625)	(33,976,500)
Increase (Decrease) in Fund Balance	(11,016,818)	8,752,704	108,607	(6,374,072)
Ending Fund Balance	\$6,583,351	\$15,336,056	\$15,444,663	\$9,070,591

Additional Information for 2023-23 Budget:

- Revenue based on bond rate of \$1.76/\$1,000 AV.
- Expenditures are larger than previous years due to a principal payment in both December AND June for the recently refunded 2022A series bonds (2012 Refunding/2004 1st Issue).



Next Steps

- August 15 - Board consideration for approval of the 2022-23 budget
- September 1, 2022 - Fiscal year starts
- September 7, 2022 - School starts
- October 31, 2022 – Voter Registration Deadline
- November 8, 2022 – Election Day Capital Levy



Questions?

