



**LAKE STEVENS
School District**

**BOARD OF DIRECTORS' SPECIAL MEETING
JANUARY 25, 2023**

Members Present: Mari Taylor, President
Nina Hanson
David Iseminger
Vildan Kirby
Paul Lund
Ken D. Collins, Superintendent

The Board of Directors of the Lake Stevens School District No. 4 met in a Special Meeting at Stevens Creek Elementary. The purpose of the Special Meeting was to provide Lake-Stevens School District budget information to the school board. Superintendent Collins welcomed everyone to the meeting, which began at 5:15 p.m. Superintendent Collins expressed some budgetary issues in the Lake Stevens School District. He said we are in a better situation than other districts. Superintendent Collins said other districts are talking about 25 million worth of cutbacks. He stated we are seeing enrollment loss as well as in other school districts. Superintendent Collins stated that we anticipated our general fund shrinking because we had a high general fund after the pandemic. He also expressed how there are also inflation and salary adjustments made by the state. The superintendent stated the ESSER money has helped us keep up with some of the challenges such as social, emotional, and other issues.

Assistant Superintendent Teresa Main reported on how the Lake Stevens School District budget will look at the end of the year. She stated our ending fund balance is the start of next year. She said we budget five percent conservatively. She stated there are seven extra teachers in the budget for next year that we might not hire. Assistant Superintendent Main stated that fewer expenditures and budget revenue are the strategy. In 2021-2022 we had monies to help us through tough times. Those are going away. We will be back to the pre-pandemic 2018-2019 balance. For the three years during the pandemic, we didn't pay bus drivers or for bus fuel. We are back to pre-pandemic dollars. We are tracking and projecting where we are going to end this year. In 2017-2018 we dipped down to a one-digit fund balance. Nothing is replacing the ESSER Cliff. It is done. We knew it would come to an end. With ESSER we purchased PPE, temperature sensors, masks and gowns. We bought the curriculum with our ESSER money. We used 80% of ESSER III for any position not funded by ESSER II such as Elementary Distance Learning, Elementary Dean of Students, Cavelero Dean of Students, Counselors, and PPE, and the remainder 20% remainder of ESSER III was to be used for summer programs, professional development, and Special Education Recovery. Assistant Superintendent Main stated one big ticket item is the Special

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Education recovery services. She said this is required and the intention through the pandemic was to meet student IEP goals. Assistant Superintendent Main states the goals are tied to the minutes and the recovery around the minutes. She said we are going to help the students recover their needed learning. She said if we are going to create these for elementary students, we are looking at summer and different times during the day. Assistant Superintendent Main said with the lack of learning that they received in past practice, we now have recovery and a new method to make it up. She stated we need to identify the learning laws, and their goals and work on a program to meet their goals. Assistant Superintendent Main stated that the Executive Director of Special Education, Miriam Tencate is working with her staff to move forward working on the recovery service program with the remainder of our ESSER funding. Assistant Superintendent Main also stated that parents can decline the service for their students. ESSER needs to be spent by September 2024.

Assistant Superintendent Main talked about the Legislative factors. Legislator Reykdal's proposal states he would like to fully fund Special Education. He would be getting rid of our Special Education funding cap of 13.5% and increasing the Special Education tiered multiplier. He proposed to fund transportation. He also would like to increase staffing allocations in a prototype funding model. He would like universal student access to free meals. Legislator Reykdal would like to add funding for classified administrative staff. He would like to have a 6% increase in the statewide minimum base salary before the inflationary increase (rebase). Legislator Reykdal would like regionalization capped at 12% and assigned by the county. He would like to provide an experience mix factor for certified staff with above-average experience OR exceeds average certified staff with advanced degrees. Lastly, he would like to move from IPD to CPI for statewide minimum salary allocations.

Assistant Superintendent Main talked about Governor Inslee's proposals. Governor Inslee would like all stabilization funding removed. Salary increases to statewide minimum salary allocations using a 4.5% IPD (no mention of changing regionalization). He would increase Special Education funding by raising the cap from 13.5% to 15.0%. The Special Education tiered multiplier would NOT change except for Special Education ages 3-5 years old. Governor Inslee would like to increase funding for the Food Service Community Eligibility Provision (CEP). He would also want funding for National Board Certification to be reduced. Governor Inslee would like continued Statutory Increase of Staffing Allocation in a Prototypical Funding Model for PSES (year 2 of a 3-year phase-in funding) but no additional increase in allocations. Governor Inslee is not focusing on K12, his focus is safety and climate change.

Assistant Superintendent Main said that between now and the middle of March the House and Senate will be throwing bills around. In mid-March, the House

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will come out with its budget, and then the Senate. When both budgets are out of conference there will be a middle ground and that is what districts will get.

Assistant Superintendent Main talked about pre-judgment interest. If a person/student has a claim that they can prove happened they can get the interest from when the first day it happened. They have until three years after the age of 18 to sue and we would have to pay the interest from when it happened. We may not even know if it ever happened. All of our witnesses and the investigation would be diminished.

Assistant Superintendent Main presented information on a Prototypical Funding Model for 2022-2023. We predict enrollment turns into the number of staffing units based on enrollment. State Funded for Certified Instructional Staff is 512.37, Classified Staff is 159.30, and Administrative Staff is 37.66. Locally Funded for Certified Instructional Staff is 66.87, Classified Staff is 195.83 and Administrative Staff is <1.72>.

The 2023-2024 Revenue Model is projected to receive 169.8 million and approximately \$7.5 million more than in 2023-2023. We assume that enrollment growth will equal 1% and regionalization will equal 1.18%. If regionalization is dropped to 1.12% then we lose an additional <4.8 million>. IPD will be at 5.0% with no 6% rebasing. ESSER dollars are exhausted and not replaced with any other stabilization dollars. The 2023-2024 Expenditures are LSEA increase - IPD + 1.5%, PSE OP increase - Inflationary Adjustment or 2%, Teamsters (custodians, drivers, and mechanics) are open. The Administrator and Non-Rep. increases are unknown. We also have Elementary and Cavelero Mid High School Dean of Students for 2023-2024 and Special Education Recovery Services.

Assistant Superintendent Main talked about the Expenditure Reductions. The average expenditure growth will equal 8%, projecting a 3% expenditure growth. We are projecting \$3.5 Million in reductions. This will be equivalent to any combination of (plus other options): 23 CIS, 70 CLS (FT), 15 CAS, reduced over hours, reduced utility usage, reduced building budget allocations, or reduced extra-curricular activity buses. Revenue is not as much, expenditures are getting up there with others and budget projects only grow at 3%. Executive of Operations, Robb Stanton said every time we add a new building we go solar. Assistant Superintendent Main states we do have some hope and we are in a much better situation than our neighbors. She hopes that enrollment will come in higher than expected. She says are going to meet more often with the budget to work as a team to get through this as painlessly as possible.

Director Lund appreciated Assistant Superintendent Main's exceptional presentation.

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Director Iseminger stated that the staff knows how conservative we are and that we are not in debt.

The board members greatly appreciated Assistant Superintendent Main's time and work on her budget presentation.

President Taylor adjourned the meeting at approximately 6:19 p.m.



President



Secretary