



# LAKE WASHINGTON SCHOOL DISTRICT

## Budget Advisory Committee (BAC)

October 12, 2023





Committed to  
Providing a  
World-Class  
Education for  
Each and Every  
Student.

A close-up photograph of a spiral-bound notebook. The notebook is open to a page with a faint grid pattern. The spiral binding is visible on the left side. The page shows some numbers and lines, possibly from a previous page or a graph.

# Agenda

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5:00 – 5:45 p.m. – Welcome, Introductions and Mixer

5:45 – 6:00 p.m. – District Information/Review Committee Purpose

6:00 – 6:05 p.m. – Break

6:05 – 6:20 p.m. – State School Finance 101

6:20 – 6:40 p.m. – District Budget 101

6:40 – 7:00 p.m. – Questions, Wrap up, Next Steps

WELCOME COMMITTEE MEMBERS

Introduce yourself by sharing **Your  
Name and Role** as a representative  
on the committee?





# Welcome Mixer

- Number and respond to each on a separate notecard
- Share answers with a different partner for each question
- Cards are collected at the end of the activity

1. What is a skill you have that would surprise people?

2. What do you know about school district finances?

3. What interested you in joining this committee?

4. What do you hope our committee accomplishes together?

# Information about LWSD

- 2<sup>nd</sup> Largest District in the State of Washington
- Serve 30,200 students daily
- District covers 74 square miles across Redmond, Kirkland, half of Sammamish plus addresses in Bellevue, Woodinville and unincorporated King County
- 4,400 employees
- Operating Budget of \$550 million annually (86% staffing related costs)
- 110 languages spoken
- Highly diverse (*American Indian/Alaska Native .2, Asian 38.1, Black/African American 2.3, Hispanic or Latino 10.9, Native Hawaiian/Other Pacific Islander .2, Two or More Races 8.3, White 40*)
- Variety of needs (*Multi-Lingual 11.6, Highly Capable 10, Homeless 1.1, Low Income 12.9, Students with documented and accommodated disabilities 16.3*)

# Our Mission

Each student will graduate prepared to lead a rewarding and responsible life as a contributing member of our community and greater society.





A low-angle, upward-looking shot of several modern skyscrapers with glass facades, converging towards the top of the frame against a blue sky with some clouds. The perspective creates a sense of height and ambition.

# Our Vision

## Every Student Future Ready:

- Prepared for College
- Prepared for the Global Workplace
- Prepared for Personal Success



# Three Core Areas of FOCUS at LWSD in 2023-2024

- EQUITY
- INCLUSION
- MTSS – Multi-tiered Systems of Support



# Review Committee Purpose/Charge

- A District led volunteer citizens advisory group designed to inform the public on education funding policies and practices and to solicit participation and feedback in the District' budgeting process.
- Receive and gather financial and other information from the District for purposed of providing advice and counsel to the Superintendent and financial and business matters
- Explore and evaluate issues and needs of the District relative to fiscal affairs
- Utilize community survey data to inform committee work and feedback
- Understand the systems and processes currently in place to address the fiscal needs of the District
- Understand both the short-term and long-term financial plans and planning of the District.
- Provide advice to the Superintendent concerning budget and fiscal planning process, transparency with regard to District fiscal matters.







# Proposed Meeting Norms/Ground Rules

- Start / end on time
- Silence electronics
- Ask questions of each other for the purposes of gaining clarity and understanding
- Express yourself in terms of your needs and interests and the outcomes you wish to achieve
- Listen respectfully, and sincerely try to understand the other person's needs and interests
- Demonstrate curiosity and willingness to learn

A photograph of a classroom. A male teacher with glasses and a blue jacket is sitting at a desk, smiling and talking to a group of students. The students are seated at their desks, some looking towards the teacher. In the background, there are whiteboards with text and a grid, an American flag, and several posters on the wall, including one that says "TOGETHER EVERYONE ACHIEVES MORE" and others with portraits and the word "FUTURE".

# State School Finance 101



# HISTORY OF K-12 EDUCATION FINANCING



## WASHINGTON STATE CONSTITUTION

“It is the **paramount duty** of the state to make **ample provisions** for the education of all children residing within its borders, without distinction or preference on account of race, color, caste or sex.”

Article IX



# SCHOOL FUNDING HISTORY

- 1977-1988 Doran Decisions
  - Tasks the Legislature with defining “basic education”
- 2009 ESHB 2261
  - Establishes prototypical school model
- 2010 SHB 2776
  - Creates new school funding allocation model
- 2010 McCleary Decision
  - Confirms state funding is not ample, it is not stable, it is not dependable
- 2017 McCleary Solution
  - Legislature Provides additional state funding and limits local levy collections

# DORAN COURT DECISIONS

- Doran I - 1977
  - The level of funding provided by the state.... was not fully sufficient..
  - Legislature had not defined basic ed or provided fully sufficient funding without reliance on special excess levies
  - Led to Basic Ed Act of 1977 which established revised funding formula, substantially increased state funding, and limited amount and purpose of special levies.



## DORAN COURT DECISIONS

- Doran II - 1983
  - Duty to fully fund includes not only basic ed act also: special education; transitional bilingual; remediation; transportation for some pupils.
- Doran III - 1988
  - Required establishment of some form of “safety net” in special education

# ESHB 226I

- ESHB 226I passed in 2009
  - Defines new programs of Basic Education, while mandating that no new requirements shall be implemented without associated funding.
  - Adopts prototypical school funding model.
  - Establishes that programs shall be fully funded by the 2018-19 school year.
  - Establishes a new funding formula for Pupil Transportation, to begin during or before 2013.
  - Created the Quality Education Council (QEC) to develop and implement workgroups on funding formulas, data governance, levy, compensation
  - Creates a roadmap for work groups to define the details of the funding formulas.

## SHB2776 PROTOTYPICAL SCHOOL FUNDING MODEL

- SHB2776 passed in 2010
  - Implements the new funding structure for education as proposed by the QEC and the Funding formula technical workgroup
  - New funding structure to begin Sept 2011
  - New structure only - no new dollars
  - Creates timeline for funding phase-in and 2018 deadline for full funding
  - Funding shall be for allocation purposes only



## SHB 2776 GOALS (CONTINUED)

- More funding must begin in 2012-13
- Full Day Kindergarten fully funded statewide by 2017-18
- K-3 Class Size Reduction fully funded by 2017-18
- Materials, Supplies and Operating Costs fully funded by 2015-16
- Transportation fully funded by 2014-15

# MCCLEARY V. STATE OF WASHINGTON

- McCleary 2010
  - The Washington State Supreme Court issued a ruling that the state is not complying with its constitutional duty to “make ample provision for the basic education of all children in Washington.”
  - Court recognized the Legislature had enacted “a promising reform package” in its 2009 education reform bill and indicated that legislation, if funded, “will remedy deficiencies in the K-12 funding system.”
  - Court deferred to the Legislature to determine how to meet its constitutional duty, but retained jurisdiction over the case to “facilitate progress in the state’s plan to fully implement the reforms by 2018.”

## MCCLEARY SOLUTION

- EHB 2242 passed in 2017
  - Outlines long-term funding plan for school.
  - Increases state property taxes for education funding paid to the state
  - Increases salary allocations for all staff beginning in 2018-19
  - Eliminated certificated salary schedule, “mix factor”, adds regionalization factors
  - Limited amount districts can collect in local enrichment (M&O) levies

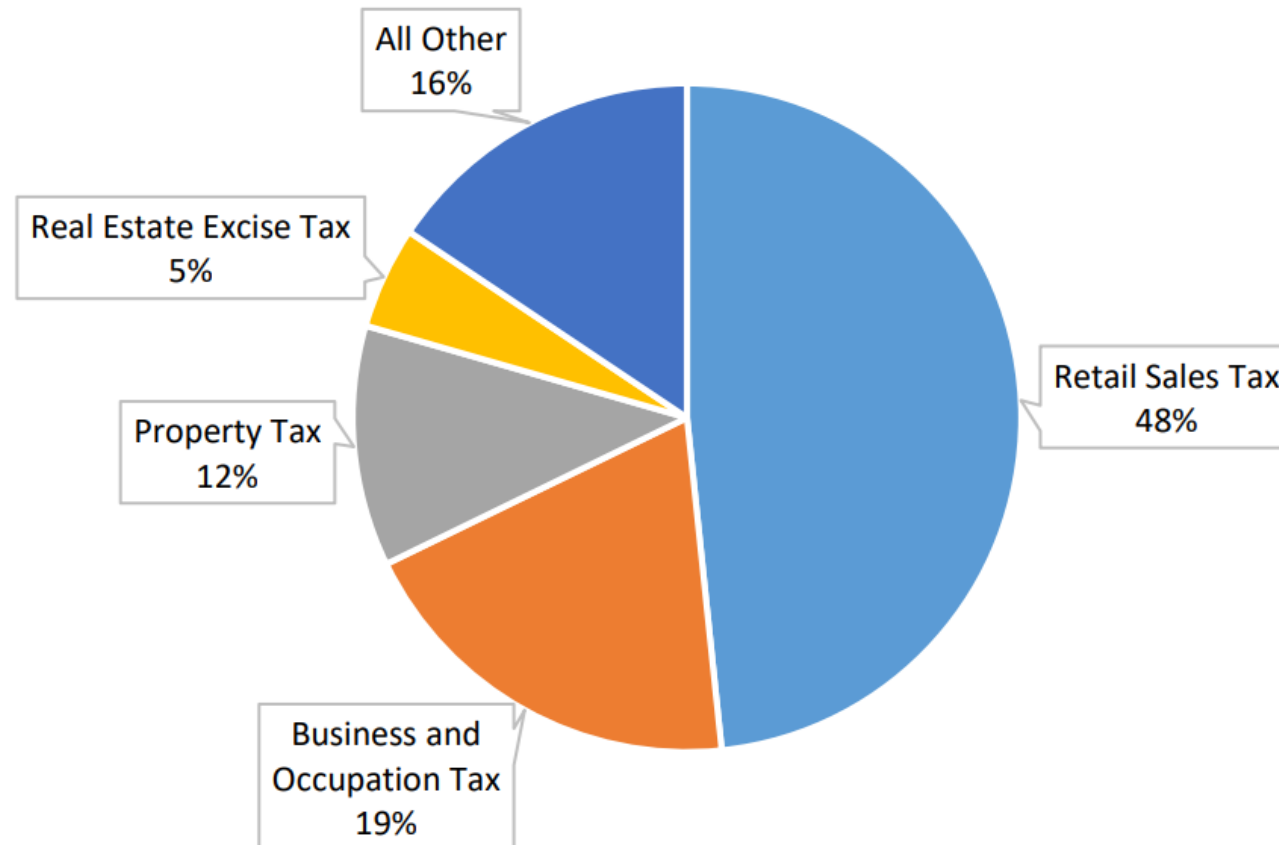


# REVENUES AND EXPENDITURES



# STATE PERSPECTIVE

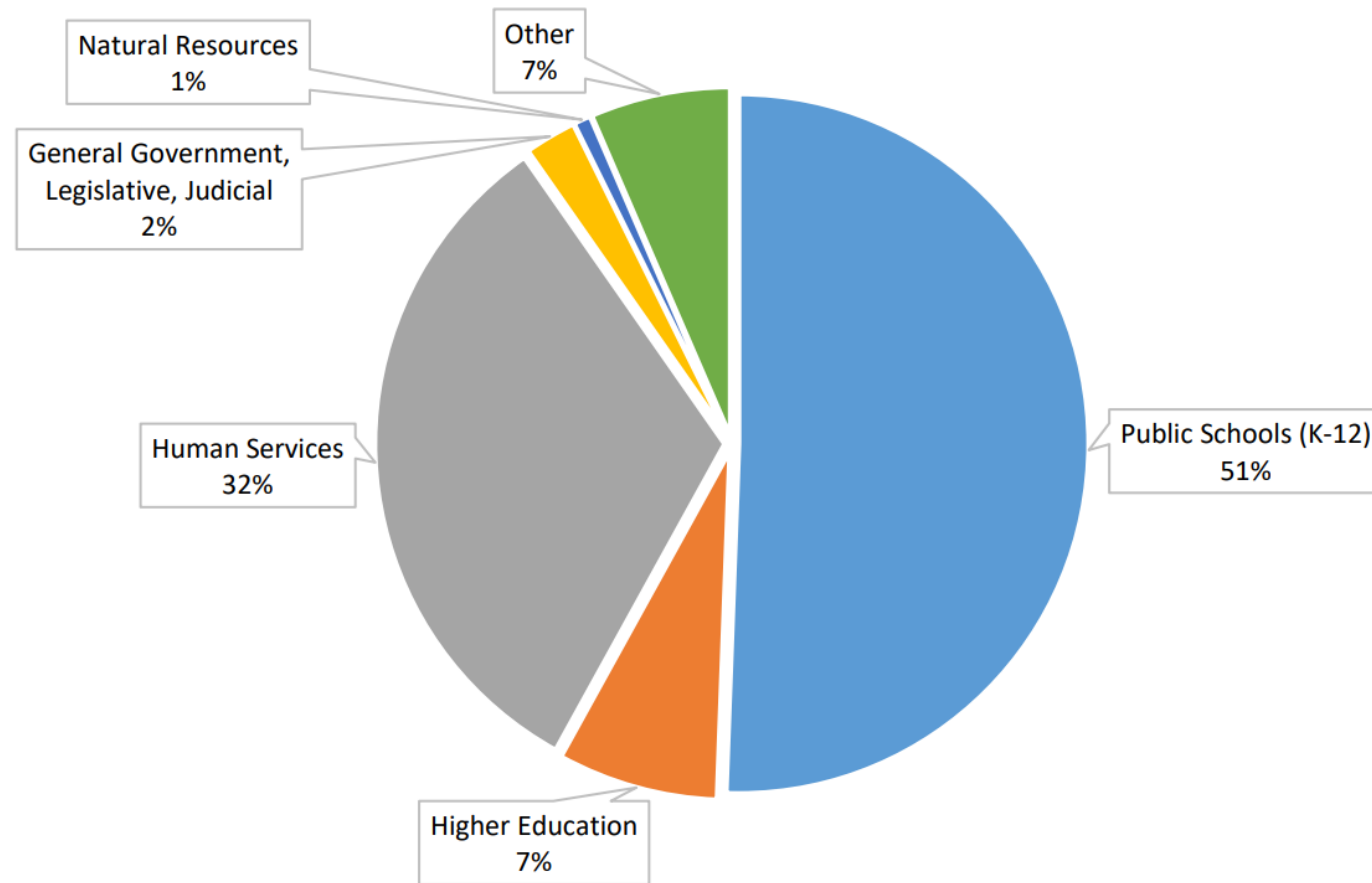
## WHERE DOES THE MONEY COME FROM?



Source: Organization and Financing of Washington Public Schools December 2020

# STATE PERSPECTIVE

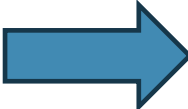

## WHERE DOES THE MONEY GO TO?



Source: Organization and Financing of Washington Public Schools December 2020



# STATE REVENUE OR “APPORTIONMENT”

- Basic Education
- Categorical
  - Special Education
  - Highly Capable
  - Learning Assistance Program
  - Multilingual Instruction
  - Transportation
- Enrollment is the largest driver of revenue
- Key to positive or negative impacts to budget
- Prototypical Model
- Enrollment  Staffing  Funding

# STATE FUNDING

## Enrollment Drives Staffing Through the Prototypical School Model

### Prototypical School Size

- A prototypical school is a fixed theoretical school size that is used for modeling purposes.

Category	Elementary (K-6)	Middle (7-8)	High (9-12)
Base Enrollment	400	432	600

- Funding is generated based on the grade level reported rather than a school's classification.

# School Level Staff Positions

School Level Staffing	Elementary (K–6)	Middle (7–8)	High (9–12)	Staff Type
Base Enrollment	400	432	600	Students
Principals	1.253	1.353	1.880	CAS
Teacher Librarians	0.663	0.519	0.523	CIS
Guidance Counselors	0.493	1.216	2.539	CIS
School Nurses	0.076	0.060	0.096	CIS
Social Workers	0.042	0.006	0.015	CIS
Psychologists	0.017	0.002	0.007	CIS
Teaching Assistance	0.936	0.700	0.652	CLS
Office Support	2.012	2.325	3.269	CLS
Custodians	1.657	1.942	2.965	CLS
Student and Staff Safety	0.079	0.092	0.141	CLS
Family Involvement Coordinators	0.0825	0.000	0.000	CLS








# How many students does it take to generate 1.0 FTE at each staff position?

School Level Staffing	Elementary (K–6)	Middle (7–8)	High (9–12)	Staff Type
Principals	319	319	319	CAS
Teacher Librarians	603	832	1,147	CIS
Guidance Counselors	811	355	236	CIS
School Nurses	5,263	7,200	6,250	CIS
Social Workers	9,524	72,000	40,000	CIS
Psychologists	23,529	216,000	85,714	CIS
Teaching Assistance	427	617	920	CLS
Office Support	199	186	184	CLS
Custodians	241	222	202	CLS
Student and Staff Safety	5,063	4,696	4,255	CLS
Family Involvement Coordinators	4,848	0	0	CLS

# PROTOTYPICAL MODEL EXAMPLES

		Prototypical Model	District Actual Staffing
	Instructional Staff	1,500 FTE	1,600 FTE
	Classified Safety Staff	6 FTE	78 FTE
	Technology Support Staff	17 FTE	40 FTE

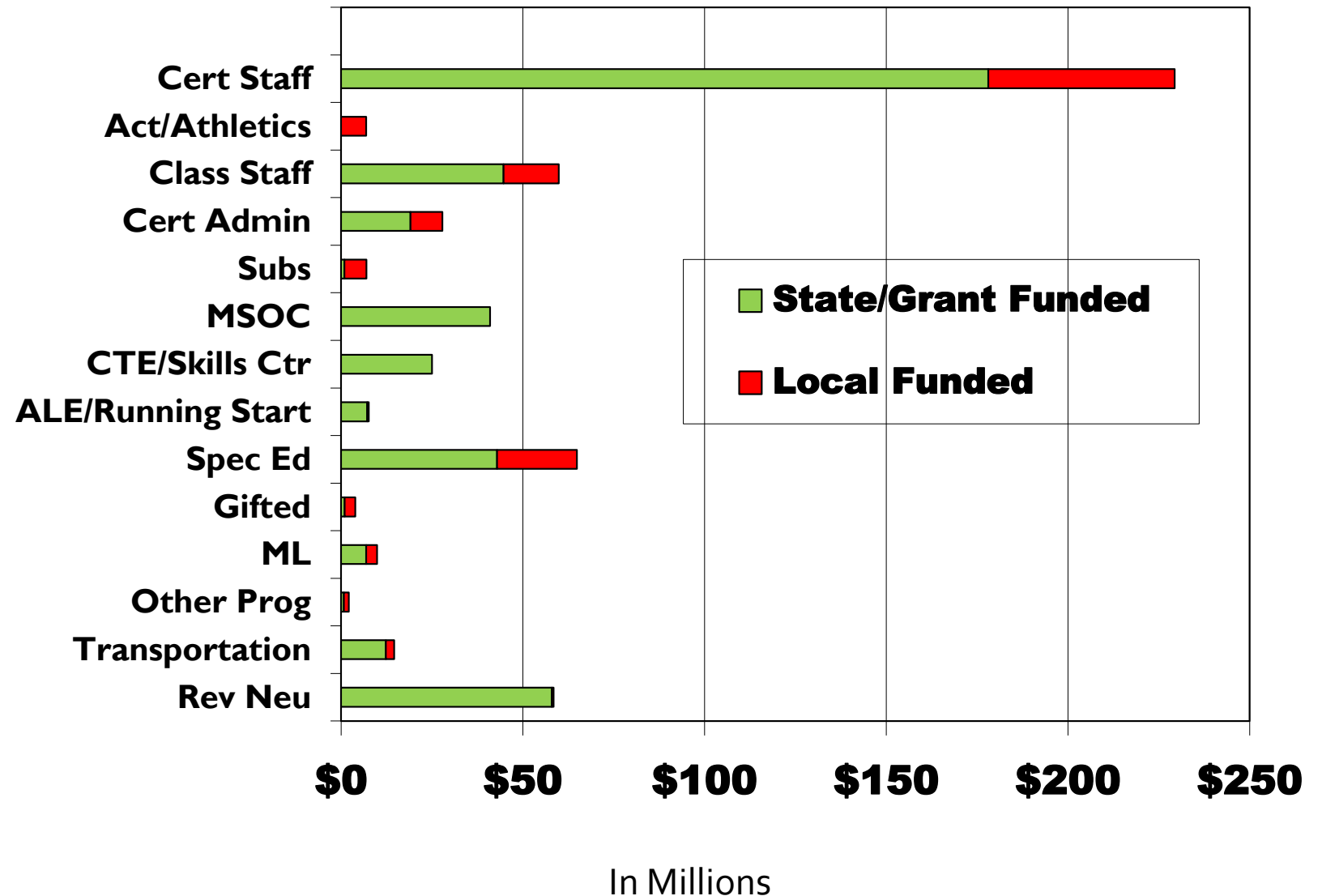
## OTHER APPORTIONMENT

- Certificated Substitutes
- Materials, Supplies and Operating Costs (MSOCs)
  - Utilities, Insurance, Technology, Professional Development, Maintenance, Supplies/Materials, Curriculum



There is a gap between what the state provides and what it actually costs to provide the programs and services our community expects

## Funded vs. Actual 2022-23

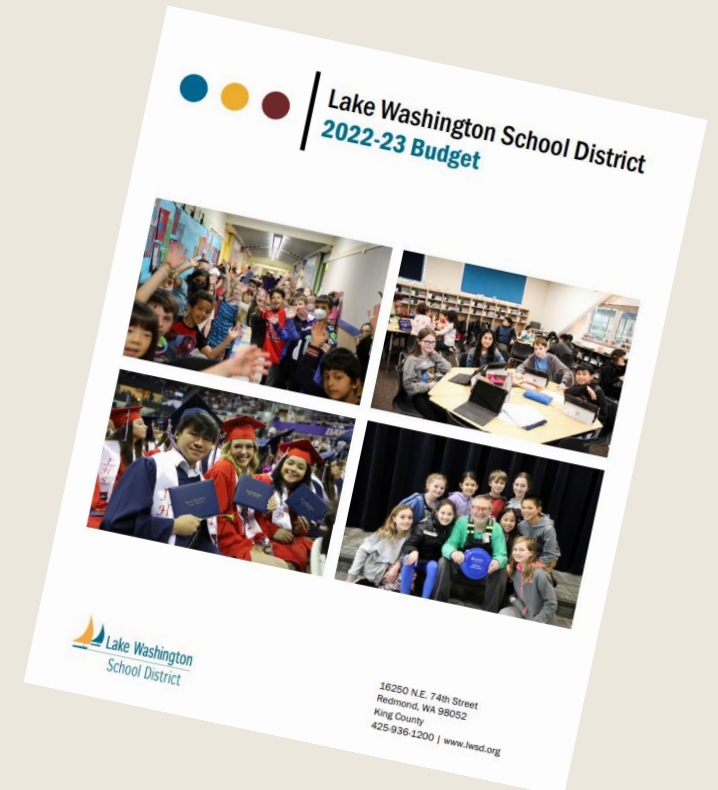




# District Budget 101

# Meritorious Budget Award Transparency and Accountability

Lake Washington School District has  
been awarded the Meritorious Budget  
Award for the last five years



# Expenditures By Fund



General Fund \$556.2



Associated Student Body \$7.5



Debt Service \$71.1



Capital Projects \$125.8



Transportation \$2.2

Total of all Funds: \$762.8





# Associated Student Body Fund

- Each school prepares individual budget plan for the year
- Expenditures for student extra curricular activities in each school
- Revenues include fundraisers, sales, and sports



# Debt Service Fund

- Expenditures are for the redemption of principal and payment of interest on bonds
- Revenue is from levies to repay bonds and reflects estimated interest revenue
  - *Can only levy the amount we need for principal and interest payments*



# Capital Projects Fund

- Provides for revenue and expenditures related to:
  - *Technology and Facilities Capital Levies*
  - *Construction Levies*
  - *Investment earnings*
  - *Developer Impact Fees*
  - *Grants*



# Transportation Vehicle Fund

- Expenditures used to replace buses
- Revenue includes state depreciation funds for bus replacement and investment earnings
- Last Transportation Levy was in 2001. Still using these funds and state depreciation dollars to fund replacement of aging bus fleet.

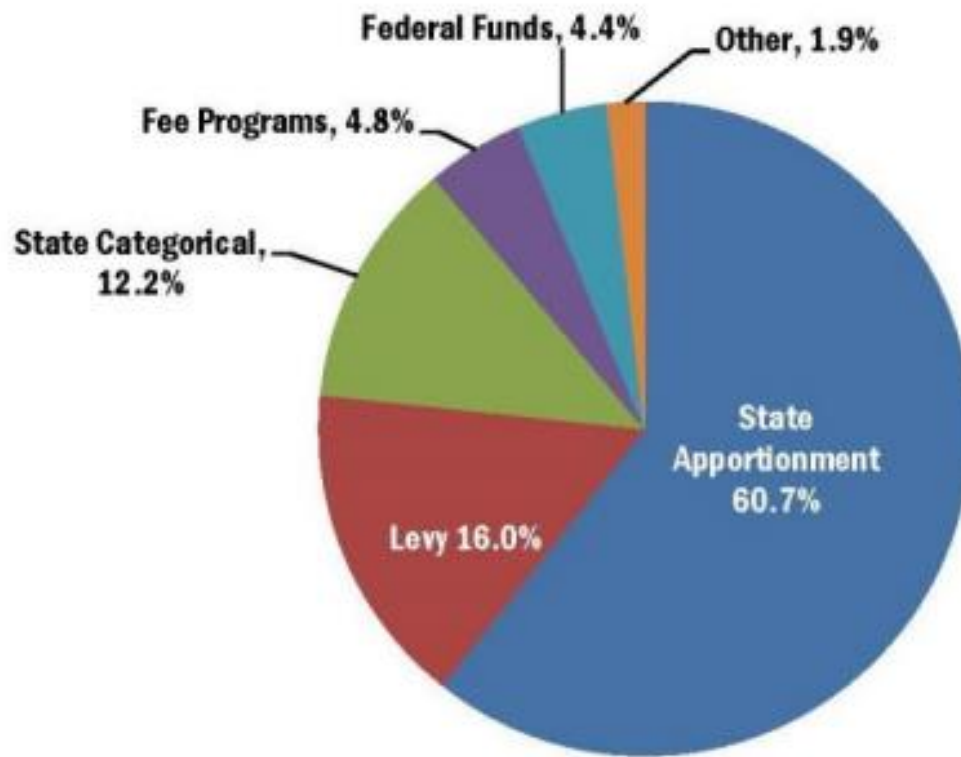


A group of graduates in caps and gowns, smiling, with the text 'GENERAL FUND' overlaid. The image has a warm, golden-yellow tint. A dark blue L-shaped graphic element is positioned on the left and bottom right corners.

# GENERAL FUND

# DISTRICT PERSPECTIVE

## WHERE DOES THE MONEY COME FROM



- State Funding
- Local EP&O Levy
- Federal Funding
- Local Fees
- Other grants, etc.

# OVERVIEW - SOURCES OF FUNDING SUMMARY

## General Fund Operations

- State Funding
- Local EP&O Levy
- Federal Funding
- Local Fees
- Other grants, etc.



- Basic Education
- Categorical
  - Special Education
  - Highly Capable
  - Learning Assistance Program
  - Multilingual Instruction
  - Transportation

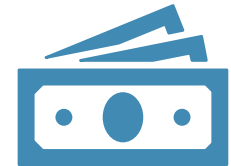
# OVERVIEW - SOURCES OF FUNDING SUMMARY

## General Fund Operations

- State Funding
- Local EP&O Levy
- Federal Funding
- Local Fees
- Other grants, etc.



The state does not fully  
fund Basic Education



Levy provides 15% of  
General Fund Budget

# EDUCATION PROGRAMS AND OPERATIONS LEVIES (EP&O)



Districts can raise local levies to “enrich” basic education  
Must be renewed at least every 4 years



Pays for program and operations beyond Basic Education including:  
Staff, professional learning, athletics and extracurricular activities, additional course offerings, early learning programs and underfunded programs such as special education, highly capable, Multilingual



McCleary ruling limited districts to \$2.50/\$1,000 of Assessed Valuation or \$2,700/student whichever is lower



# OVERVIEW - SOURCES OF FUNDING SUMMARY

## General Fund Operations


- State Funding
- Local EP&O Levy
- Federal Funding
- Local Fees
- Other grants, etc.



- Special Education IDEA
- Vocational Education
- Title I (Remediation)
- Title II (Professional Development)
- Title III (Limited English Proficiency)
- Free and Reduced Lunch Funding
- Head Start
- Other Grants

# OVERVIEW - SOURCES OF FUNDING SUMMARY

## General Fund Operations

- State Funding
  - Local EP&O Levy
  - Federal Funding
  - Local Fees
  - Other grants, etc.
- 
- Investment earnings
  - Fee programs – sports participation, food services, summer school
  - Gifts and donations
  - Rentals and leases – facilities use
  - Fines and fees from students (workbooks, supply fees)

# OVERVIEW - SOURCES OF FUNDING SUMMARY

## General Fund Operations

- State Funding
- Local EP&O Levy
- Federal Funding
- Local Fees
- Other grants, etc.



- Revenue from other school districts
- Revenue/grants from other agencies
- Transfers from other funds

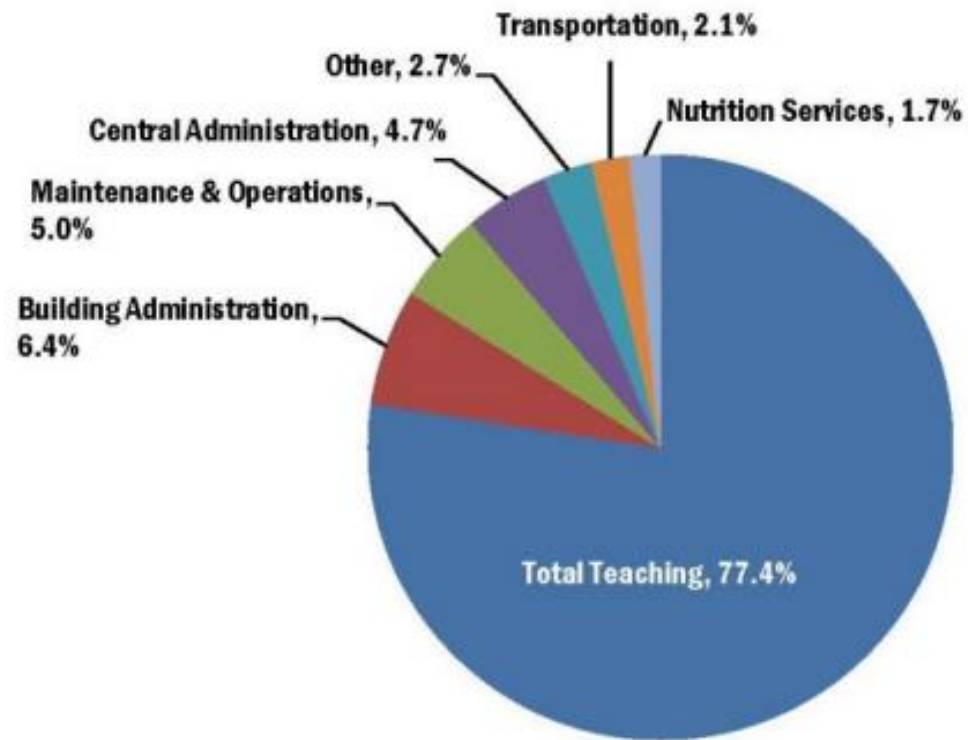
## REVENUE SUMMARY

	2023-24	%
	<u>Budget</u>	<u>of Total</u>
State Apportionment	\$332,842,948	60.7%
State Categorical	66,971,893	12.2%
Federal	24,301,996	4.4%
Levy	87,639,090	16.0%
Fee Programs	26,544,447	4.8%
Other	10,238,000	1.9%
Total Revenue Budget	\$548,538,374	100.0%

# DISTRICT PERSPECTIVE

## WHERE DOES THE MONEY GO?

Expenditures By Activity



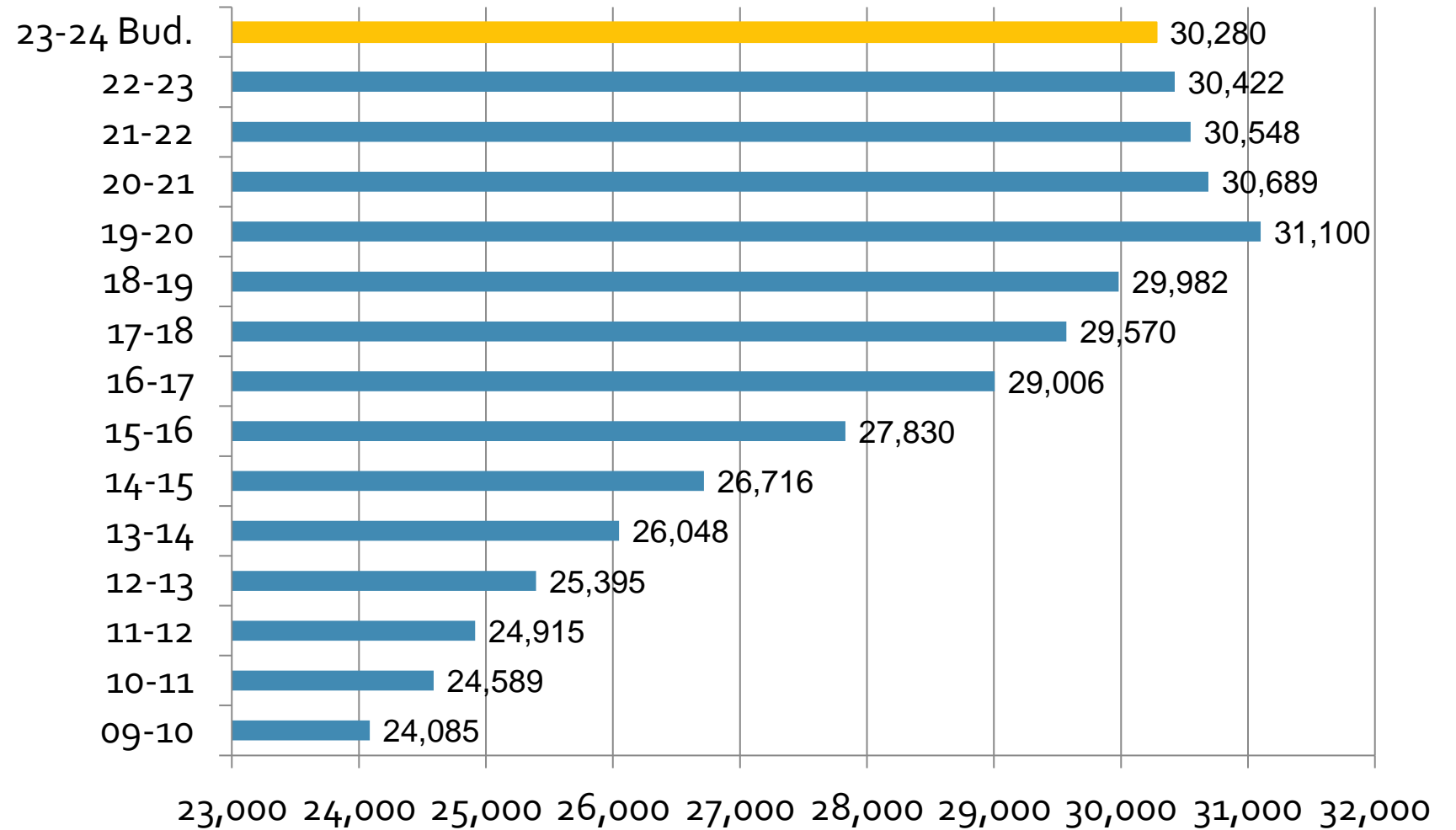


# EXPENDITURE PROGRAM SUMMARY

	2023-24	%
	<u>Budget</u>	<u>of Total</u>
Regular Education	\$334,161,107	60.1%
Alternative Learning Exp.	\$1,003,327	0.2%
Special Education	74,985,682	13.5%
CTE/Vocational Education	20,088,917	3.6%
Skill Center Instruction	4,143,435	0.7%
Compensatory Ed.	16,300,505	2.9%
Other Instruction	21,522,953	3.9%
Community Services	4,261,239	0.8%
District Wide Support	54,588,448	9.8%
Nutrition Serv./Transportation	25,099,483	4.5%
Total Expenditure Budget	\$556,155,096	100.0%

Headcount  
Enrollment  
Loss of 820  
since 2019-20

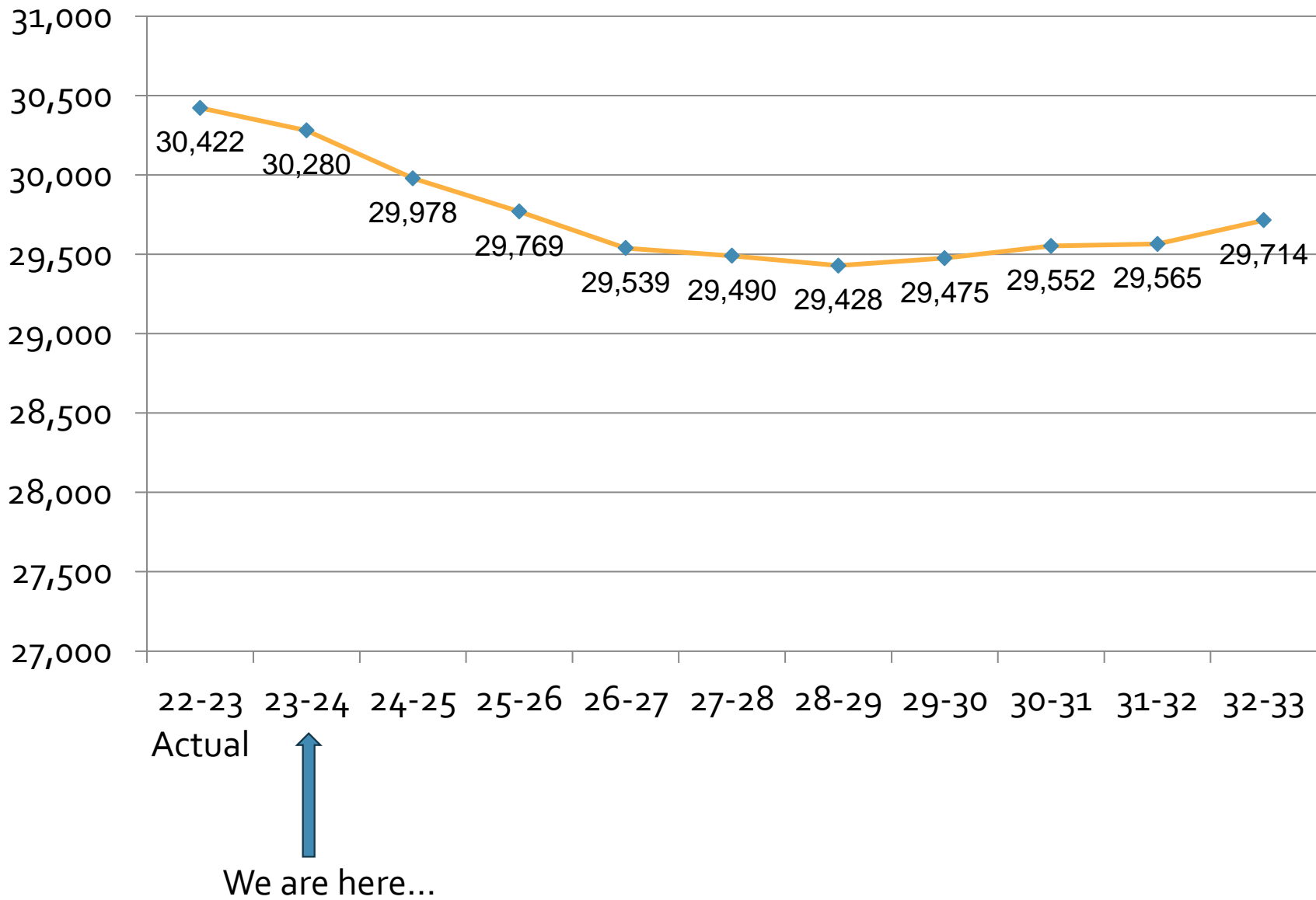
## Enrollment History and 2023-24 Projection



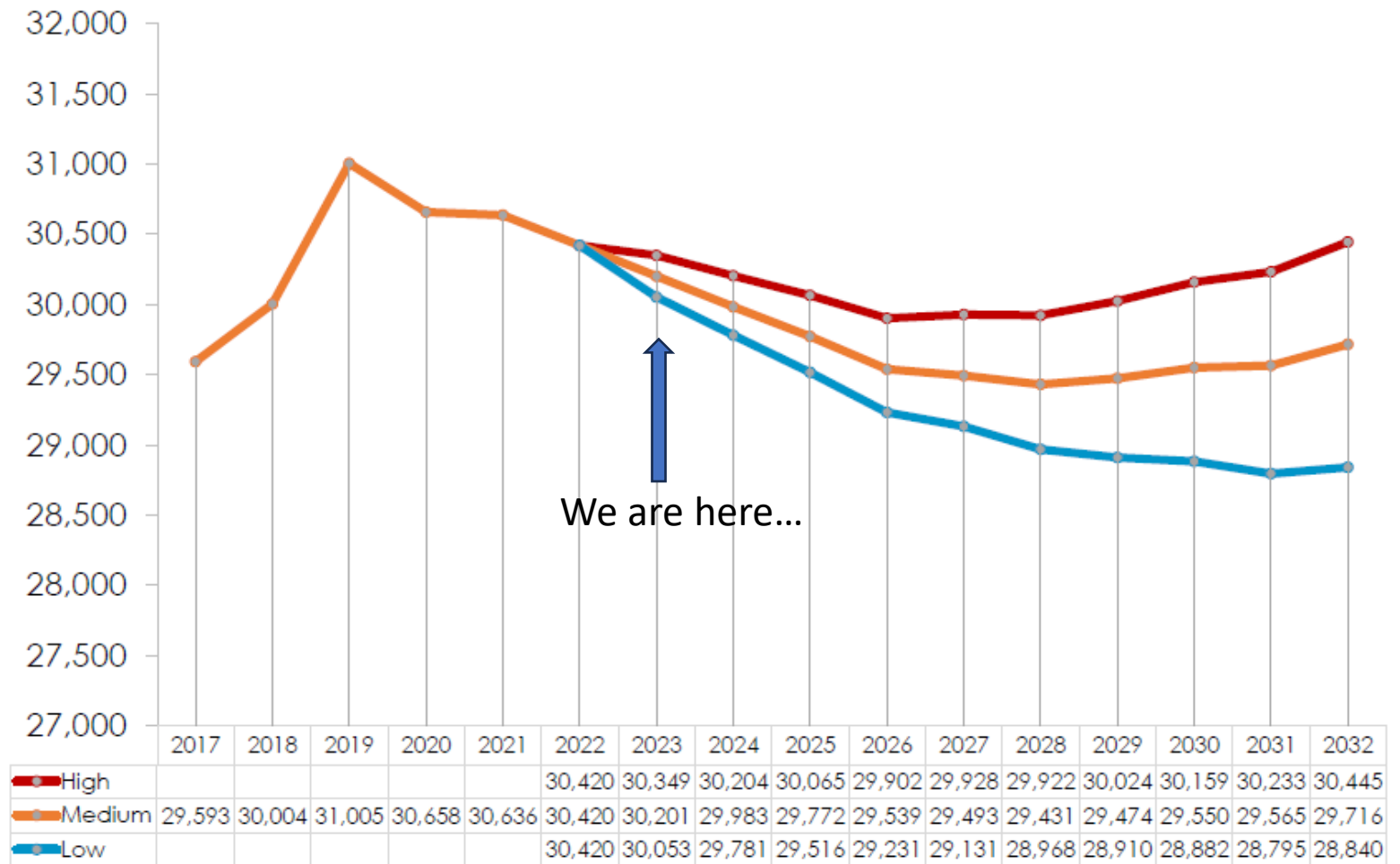
# Headcount Enrollment Projections

708 student loss over 10 years

## Enrollment Projections through 2032

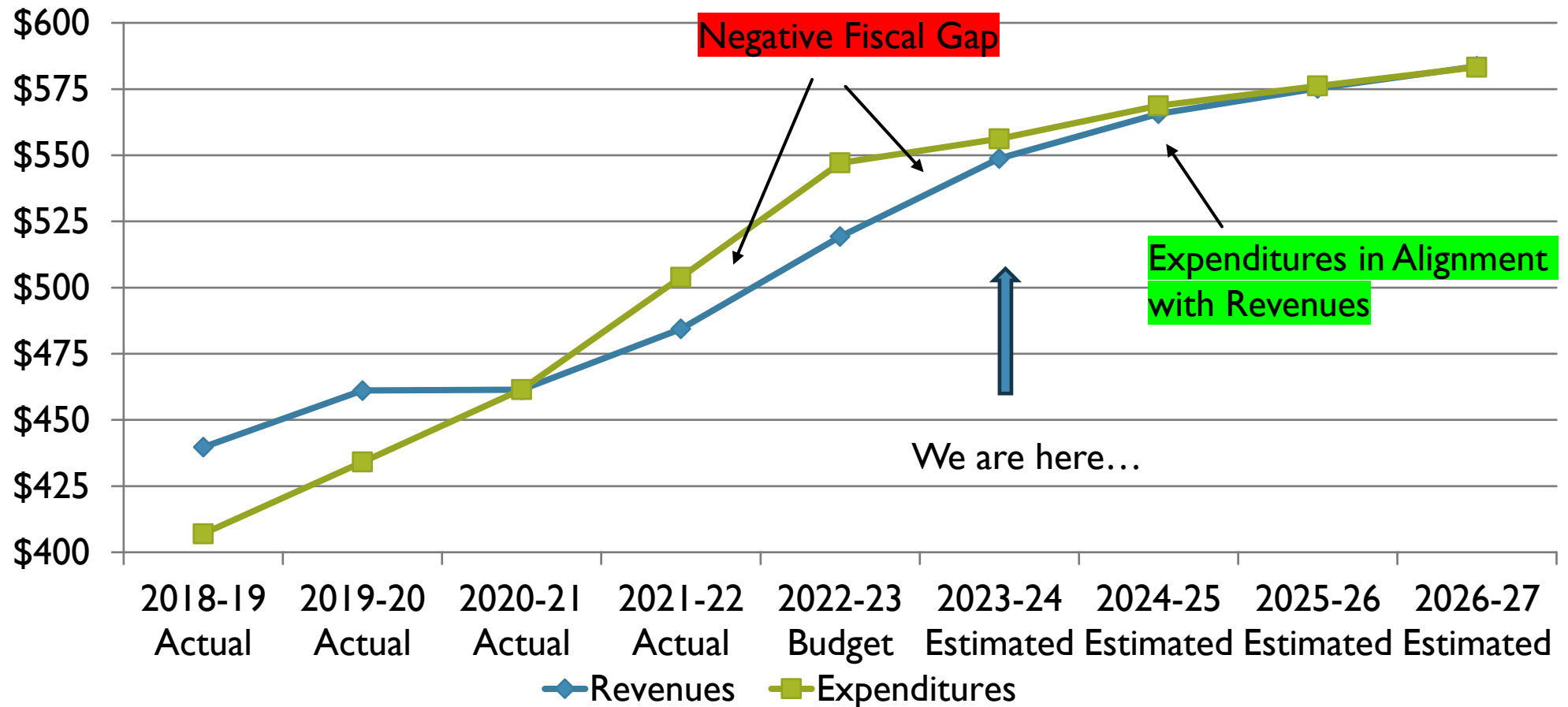


# Enrollment Projections through 2032



Districtwide October 1 building attendance enrollment forecasts (P223 headcount) through 2032-33—low-, medium-, and high-growth scenarios. Includes all schools and students living both within and outside the District. Excludes Preschool. Includes WANIC.

# PROJECTED REVENUES AND EXPENDITURES





# GENERAL FUND BUDGET

## PRELIMINARY FOUR-YEAR REQUIRED OUTLOOK

	2023-24 Budget	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated
Beginning Fund Balance	<b>\$49.2</b>	\$41.5	\$38.5	\$37.6
Revenues	<b>\$548.5</b>	\$565.7	\$575.3	\$583.6
Expenditures	<b>\$556.2</b>	\$568.7	\$576.2	\$583.3
Ending Fund Balance	<b>\$41.5</b>	\$38.5	\$37.6	\$37.9
Planned Use of Fund Balance	<b>(\$7.7)</b>	<b>(\$3.0)</b>	<b>(\$0.9)</b>	\$0.3
Required Reductions	<b>(\$4.8)</b>	<b>(\$6.0)</b>	<b>(\$5.0)</b>	



Next Steps

Agendas and  
presentations  
will be posted on  
Committee  
website

[HOME](#) > [GET INVOLVED](#) > [COMMITTEES & WORKGROUPS](#) > [BUDGET ADVISORY COMMITTEE](#)

## Budget Advisory Committee

### Committee Purpose/Charge

A district-led volunteer citizens advisory group designed to inform the public on education funding policies and practices and to solicit participation and feedback in the District' budgeting process.

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### Budget history

# Committee Meeting Dates

- Outlook invites will be sent for the rest of the year
- All meeting held from 5:00-7:00 p.m.

Date	Location
October 12, 2023	Resource Center
November 9, 2023	Resource Center
December 14, 2023	Resource Center
January 11, 2024	Resource Center
February 8, 2024	Resource Center
March 14, 2024	Resource Center
April 18, 2024	Resource Center
May 2, 2024	Resource Center
June 13, 2024	Resource Center

# Homework

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- As we think about designing future engagement activities what information would be helpful?





# Additional School Funding Resources

- Organization and Financing of Washington Public Schools
  - <https://www.k12.wa.us/sites/default/files/public/safs/pub/org/20/2020OrganizationandFinancingofSchools.pdf>
- A Citizen's Guide to WA State K-12 Finance
  - <https://leg.wa.gov/LIC/Documents/EducationAndInformation/2022%20K-12%20Booklet.pdf>
- “A Brief History of Education Funding in WA State” This is a one-page pictorial timeline of funding
  - <https://www.k12.wa.us/sites/default/files/public/workgroups/staffingenrichments/pubdocs/EdFundingChart-2.pdf>
- Lake Washington School District school funding and budget documents
  - <https://www.lwsd.org/util-community/school-funding>
  - <https://www.lwsd.org/programs-and-services/business-services/budgets-and-financial-reports>



Thank you!