

# LAKE WASHINGTON SCHOOL DISTRICT

## Budget Advisory Committee (BAC)

November 9, 2023

# AGENDA

Enrollment  
Update

Budget Update  
and Multi-Year  
Assumptions

Group  
Work/Discussion

# AGENDA

5:00 – 5:10 p.m. – Welcome, Introductions

5:10 – 6:00 p.m. – Enrollment and Budget Update

6:00 – 6:05 p.m. – Break

6:05 – 6:50 p.m. – Group Work/Discussion

6:50 – 7:00 p.m. – Questions, Wrap up, Next Steps



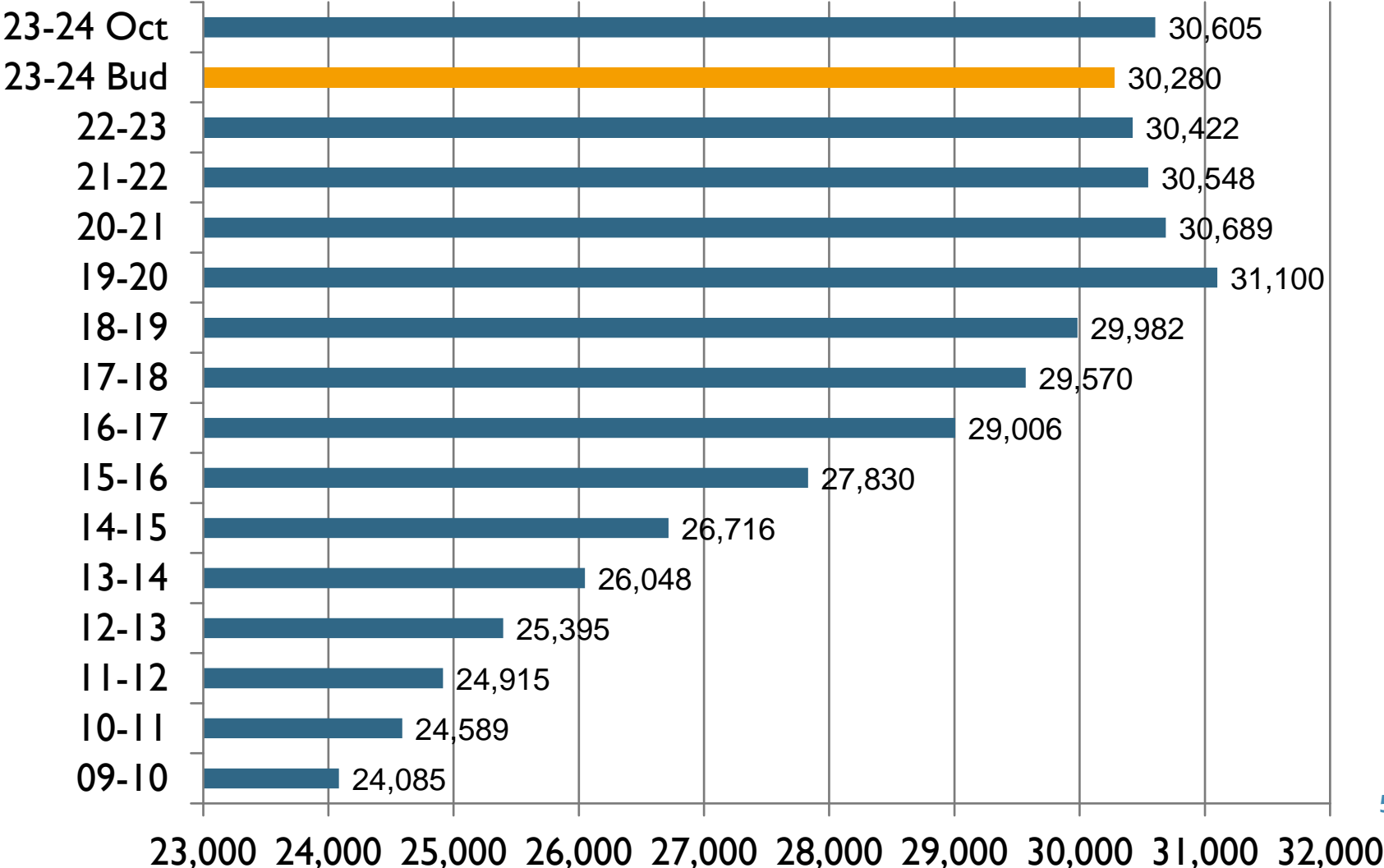
# ENROLLMENT UPDATE



# Historical and 2023-24 Projected Enrollment

Headcount Enrollment  
**30,605**

325 above budget



# ENROLLMENT BUDGET VS. ACTUAL HEADCOUNT

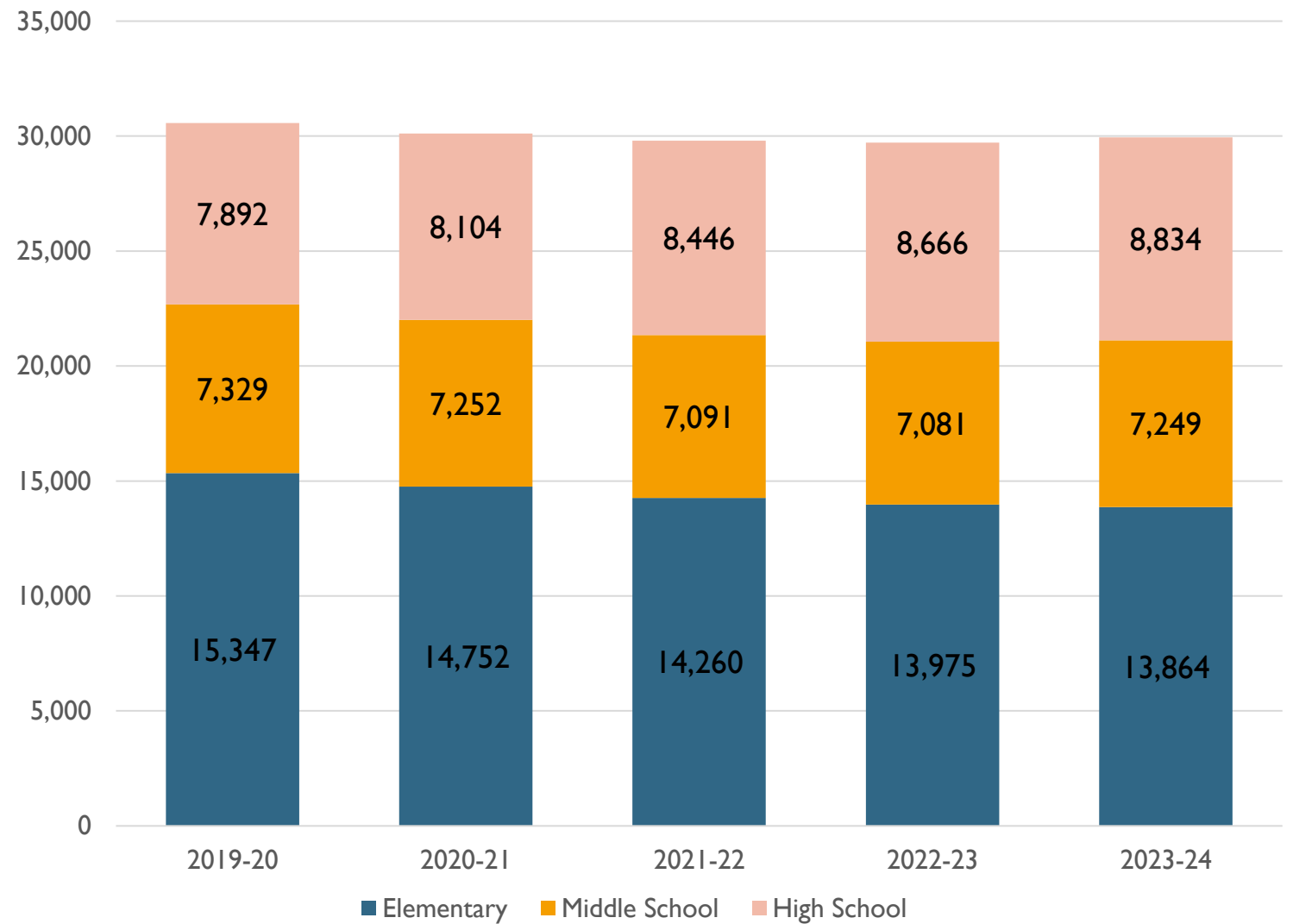
	2023-24 Budgeted Enrollment	2023-24 October Headcount	Difference
Elementary	13,800	13,864	64
Middle	7,208	7,249	41
Sr. High	8,677	8,834	157
Subtotal	29,685	29,947	262
Skill Center	530	590	60
ALE (EMK12)	65	68	3
Total Enrollment	30,280	30,605	325

Reminder – district is funded on Average Annual FTE – **estimated increase 240 FTE**

# ENROLLMENT HISTORY – OCTOBER I HEADCOUNT

Change since Pandemic:

- High School 11.9%
- Middle School 1.1%
- Elementary (9.7%)



## ENROLLMENT HISTORY – OCTOBER | HEADCOUNT

	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	4-Year Change
Elementary	15,347	14,752	14,260	13,975	<b>13,864</b>	(9.7%)
Middle	7,329	7,252	7,091	7,081	<b>7,249</b>	1.1%
Sr. High	7,892	8,104	8,446	8,666	<b>8,834</b>	11.9%
Subtotal	30,568	30,108	29,797	29,722	<b>29,947</b>	(2.0%)
Skill Center	474	532	451	525	<b>590</b>	24.5%
ALE	58	49	300*	175*	<b>68</b>	17.2%
Total Enrollment	31,100	30,689	30,548	30,422	<b>30,605</b>	(1.6%)
Increase	1,118	(411)	(141)	(126)	<b>183</b>	
% Increase	3.7%	(1.3%)	(0.4%)	(0.4%)	<b>0.1%</b>	

\*Includes SRV Online School



Grade	2022-23	2023-24	Difference	By Level
K	2,007	1,894	(113)	
1	2,341	2,237	(104)	
2	2,360	2,435	75	
3	2,357	2,404	47	
4	2,504	2,377	(127)	
5	2,406	2,517	111	(111)
6	2,363	2,438	75	
7	2,410	2,372	(38)	
8	2,308	2,439	131	168
9	2,387	2,324	(63)	
10	2,326	2,383	57	
11	2,002	2,138	136	
12	1,951	1,989	38	168
<b>Subtotal</b>	<b>29,722</b>	<b>29,947</b>	<b>225</b>	<b>225</b>
Skill Center	525	590	65	
ALE ( <u>SRV,EMK12</u> )	175	68	(107)	
<b>Total P223</b>	<b>30,422</b>	<b>30,605</b>	<b>183</b>	

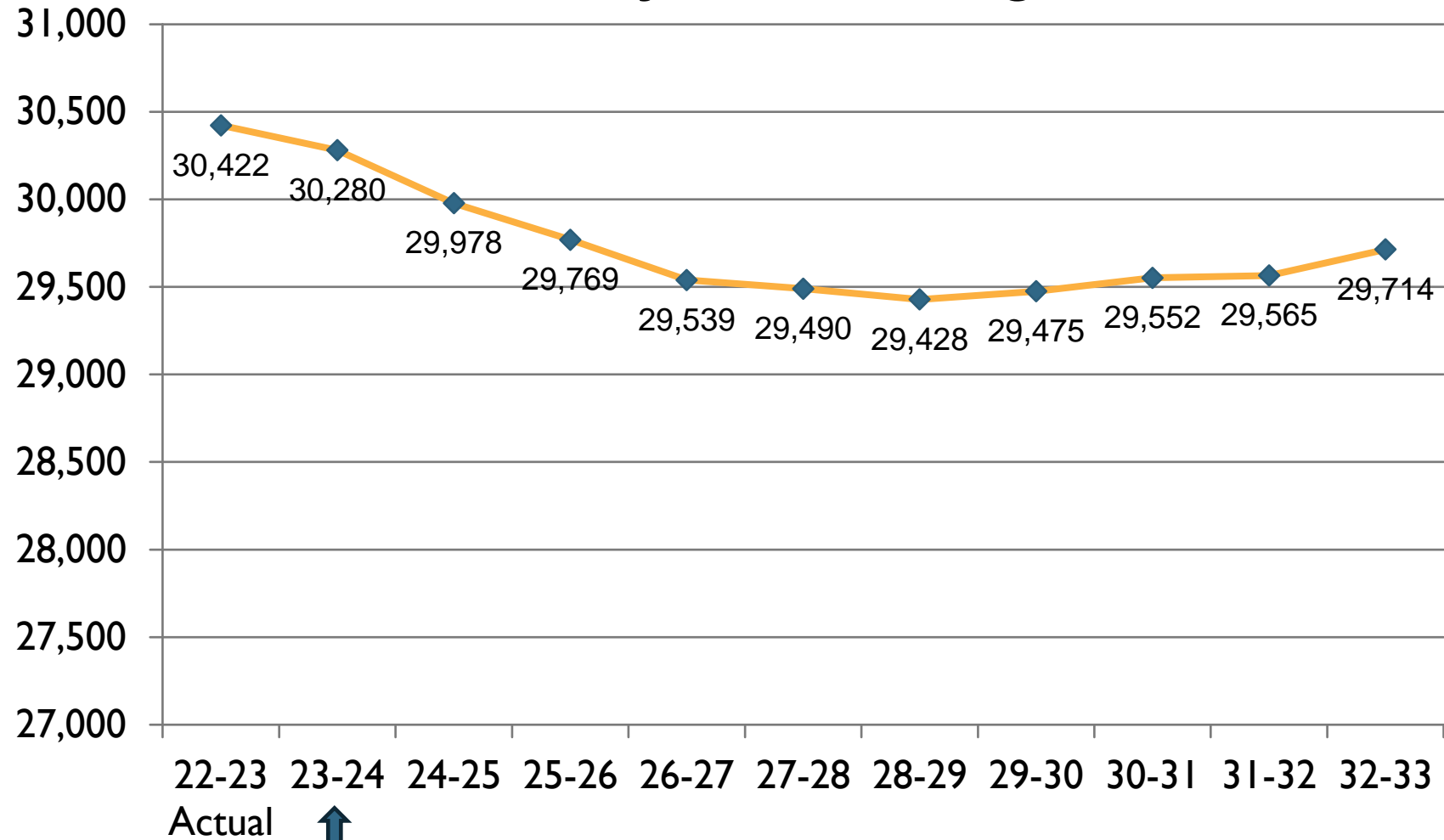
Enrollment by  
Grade

Prior Year  
Comparison

# Headcount Enrollment Projections

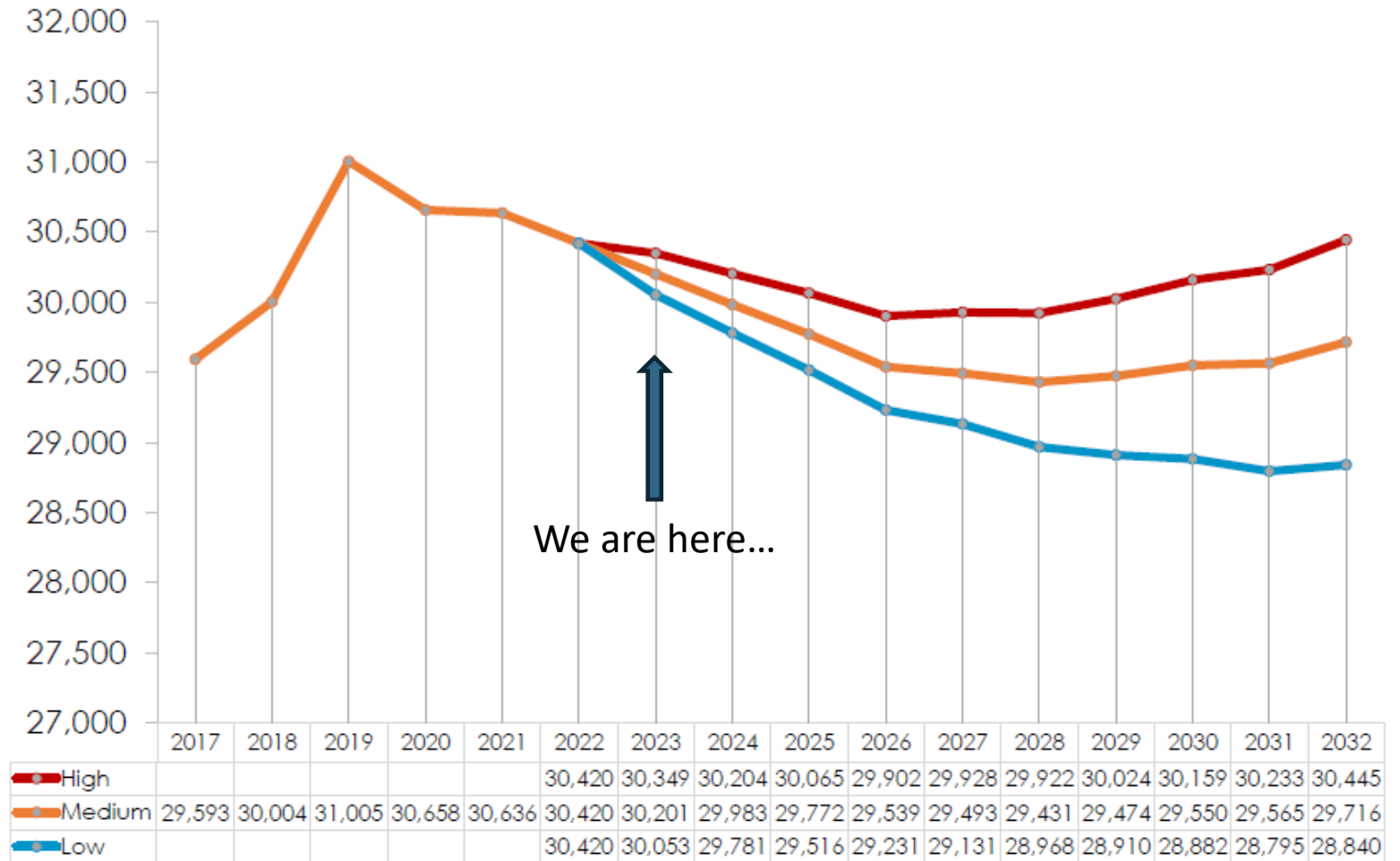
708 student loss over 10 years

## Enrollment Projections through 2032



We are here...

# 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.

# KINDERGARTEN PROJECTIONS BASED ON KING COUNTY BIRTH DATA

- FloAnalytics Projections
- February 2023

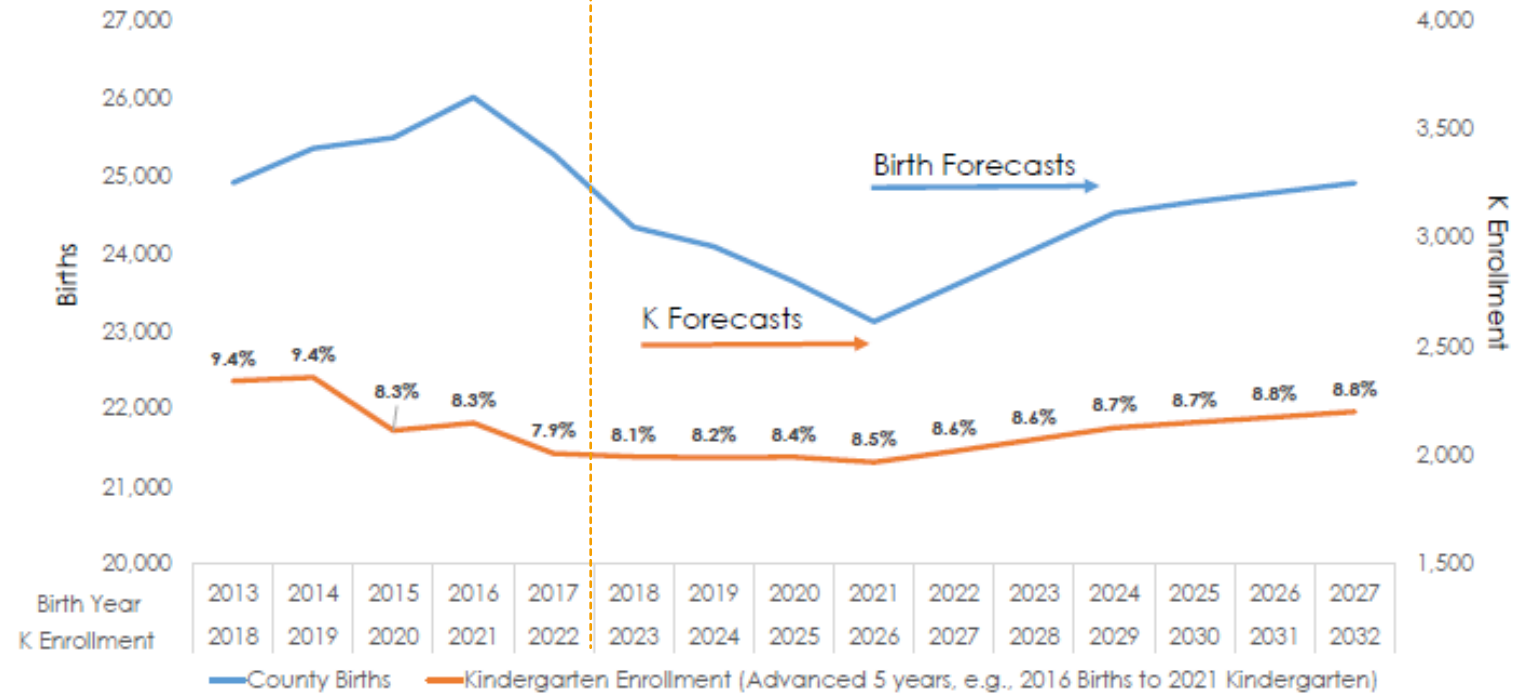
Birth Data from Department of Health

Figure 9: County Birth Rates

Birth Year	2013	2014	2015	2016	2017	2018	2019	2020	Forecasts						
County Births	24,910	25,348	25,487	26,011	25,274	24,337	24,090	23,638	23,122	23,584	24,049	24,517	24,661	24,784	24,905

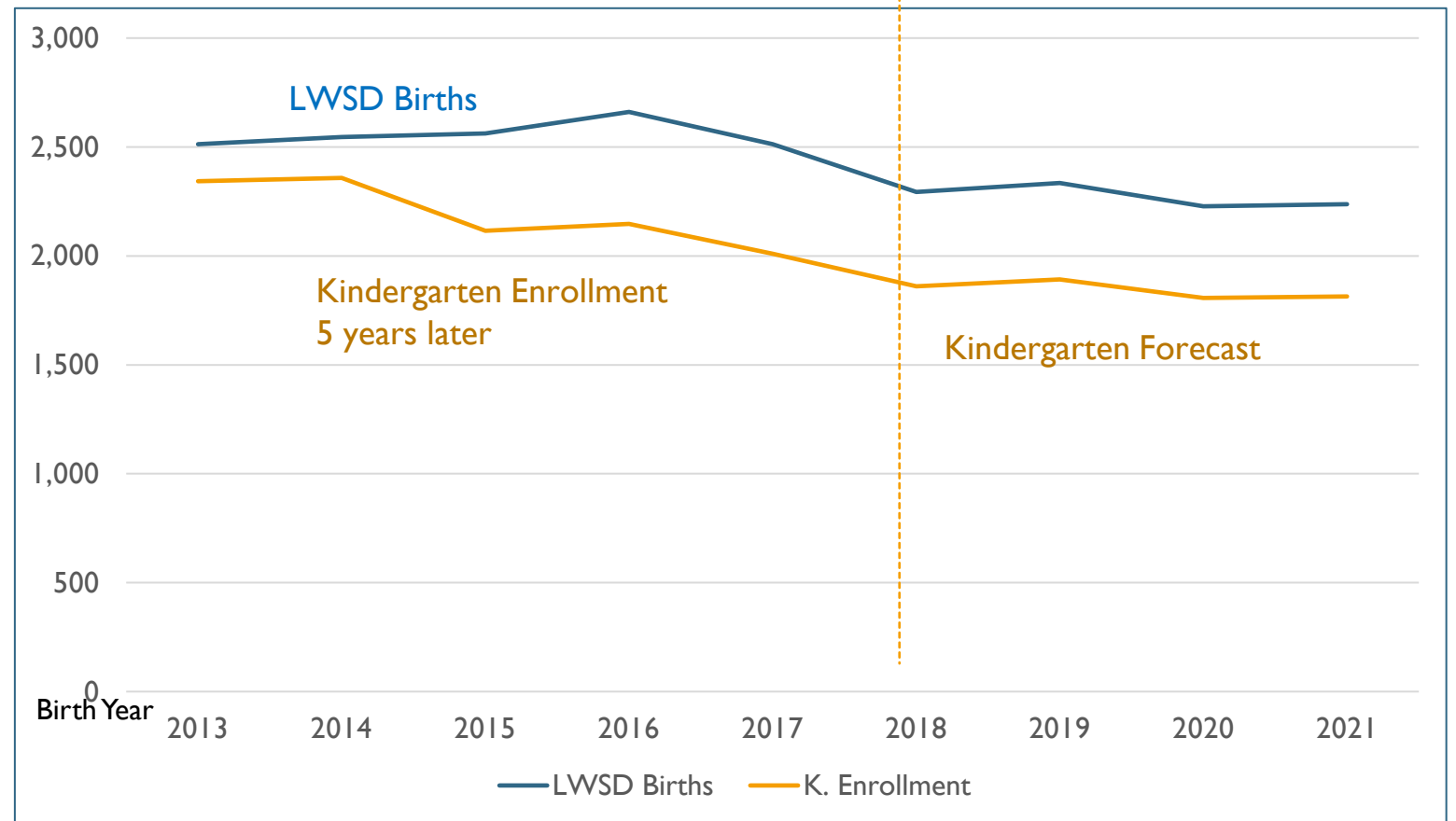
K Year	2018	2019	2020	2021	2022	Forecasts									
K Total	2,343	2,360	2,115	2,149	2,009	1,995	1,991	1,993	1,970	2,021	2,074	2,127	2,153	2,177	2,201
K % of Births	9.4%	9.3%	8.3%	8.3%	7.9%	8.2%	8.3%	8.4%	8.5%	8.6%	8.6%	8.7%	8.7%	8.8%	8.8%



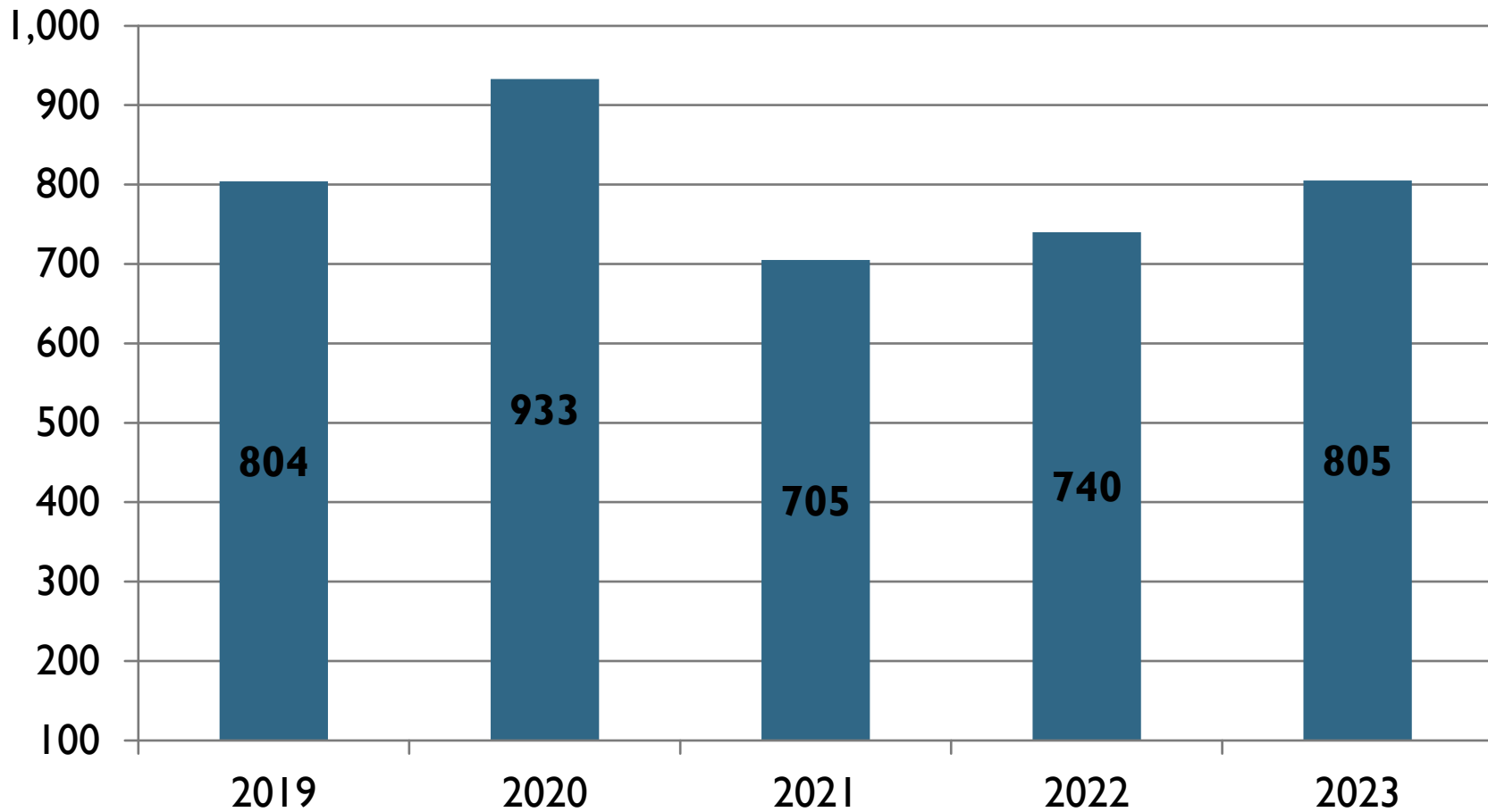
# KINDERGARTEN PROJECTIONS BASED ON LWSD BIRTH DATA

Birth Data from Department of Health

Birth Year	2013	2014	2015	2016	2017	2018	2019	2020	2021
LWSD Births	2,512	2,545	2,562	2,661	2,512	2,294	2,334	2,228	2,237
						Kindergarten Forecast			
K Year	2018	2019	2020	2021	2022	2023	2024	2025	2026
K Total	2,343	2,358	2,115	2,147	2,010	1,860	1,892	1,806	1,814
K% of Births	93.27%	92.65%	82.55%	80.68%	80.02%	81.08%	81.08%	81.08%	81.08%



# RUNNING START ENROLLMENT



# MULTILINGUAL LEARNER PROGRAM

Year	Enrollment	% of Total Enrollment
<b>2023-24</b>	<b>3,631</b>	<b>11.9%</b>
2022-23	3,429	11.3%
2021-22	3,548	11.6%
2020-21	3,489	11.4%
2019-20	3,174	10.2%

October P223 data.

# SPECIAL EDUCATION PROGRAM

Year	Preschool	K-21	Total Enrollment	% of Total Enrollment*
2023-24	203	2,600	2,803	9.2%
2022-23	201	2,642	2,843	9.3%
2021-22	191	2,739	2,930	9.0%
2020-21	207	2,914	3,121	9.5%
2019-20	230	3,032	3,262	9.7%

October P223 data. \*K-21 Special Education to Total K-12 enrollment



## FREE AND REDUCED ELIGIBILITY

Year	Eligibility	% of Total Enrollment
<b>2023-24</b>	<b>3,837</b>	<b>12.5%</b>
2022-23	3,763	12.6%
2021-22	2,925	9.6%
2020-21	3,017	9.8%
2019-20	3,259	10.5%

October 2023 data is preliminary



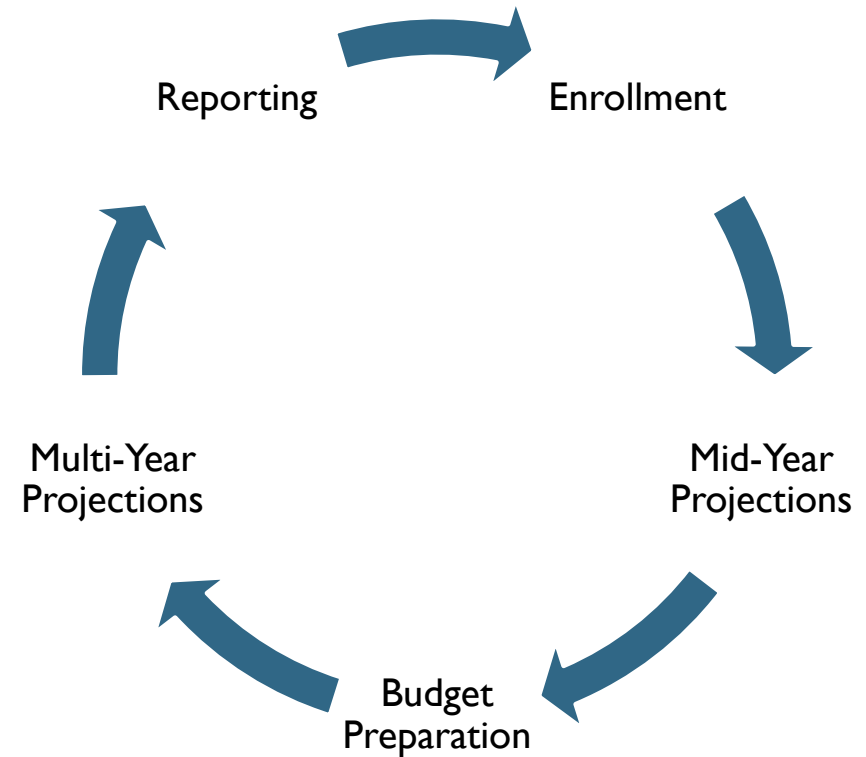
# BUDGET OUTLOOK AND ASSUMPTIONS

GENERAL FUND



# BUDGET CYCLE

- Enrollment
- Mid-Year Projections (Fund Balance)
- Legislative Impact
- Budget Preparation
- Multi-year Budget Projection
- Monitoring and Reporting

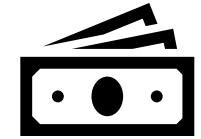


# ENROLLMENT IMPACT



240 Students Basic Education

Impact



31 Students Special Education

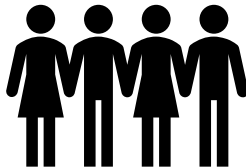
\$0.1 Million Gain



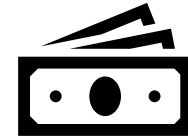
# OTHER KNOWN IMPACTS

Audiologist Services moved  
from contractual

Risk and Safety

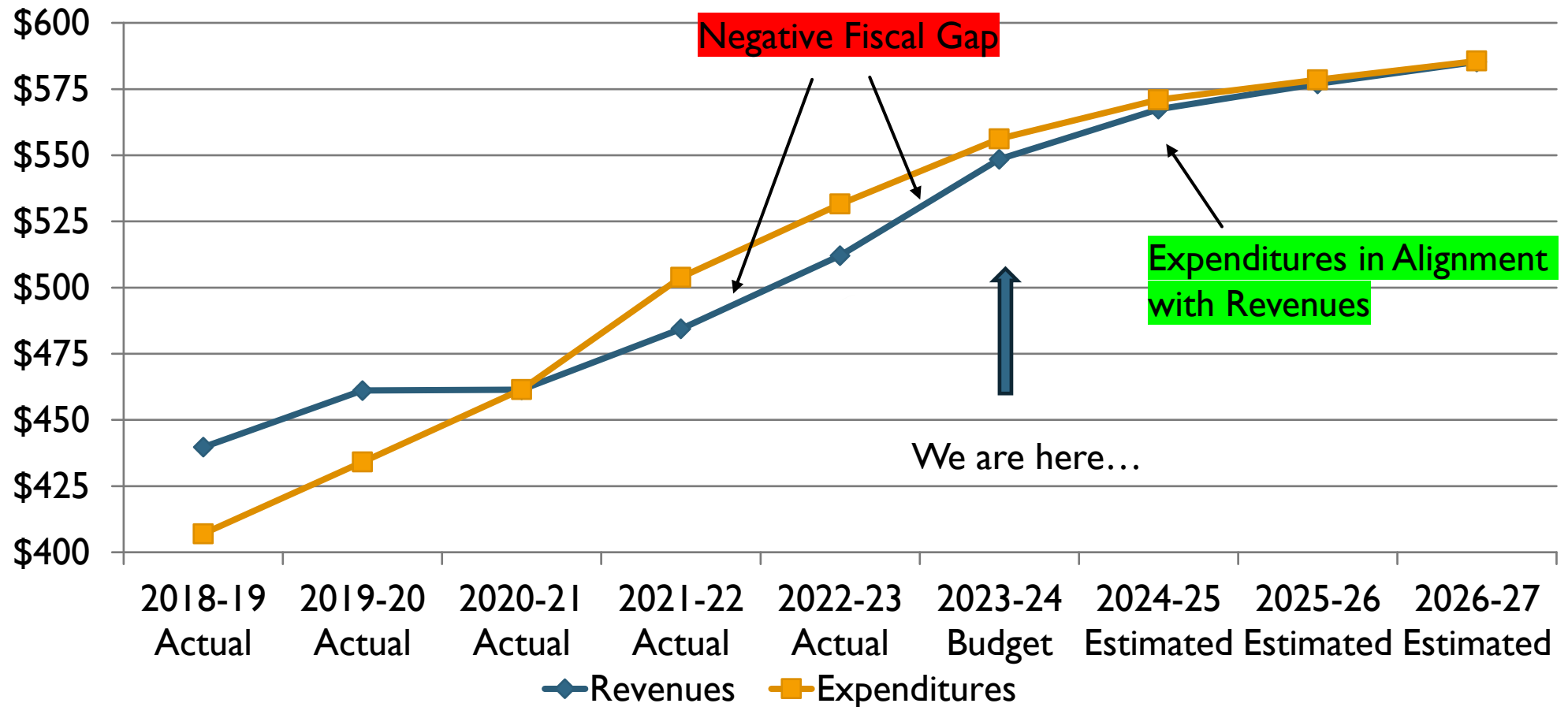


Impact



\$0.3 Million Cost

# PROJECTED REVENUES AND EXPENDITURES



# FUND BALANCE DEFINITION

## Fund Balance

- Represents cash reserves
- Board policy requires 5% minimum fund balance which is \$27-\$29 million
- Funds are not ongoing – can only be spent once

## Fund Balance Categories

- **Restricted for carryover**
- Non-spendable for inventory/prepaid items
- Restricted for Uninsured Risks
- **Reserved for 5% minimum fund balance requirement**
- Unreserved

# GENERAL FUND BUDGET - PRELIMINARY FOUR-YEAR OUTLOOK

	<b>2022-23 Actual</b>
Beginning Fund Balance	<b>\$87.4</b>
Revenues	\$512.2
Expenditures	\$531.7
Ending Fund Balance	\$67.9
Planned Use of Fund Balance	<b>(\$19.5)</b>

## 2022-23

- Planned use of fund balance
- Expenditures exceeded revenues
- Ending Fund Balance includes funds that were not spent but need to be carried over into next year (e.g. grants, building budgets)



# GENERAL FUND BUDGET - PRELIMINARY FOUR-YEAR OUTLOOK

	2022-23 Actual	2023-24 Budget	2023-24 Estimated
Beginning Fund Balance	\$87.4	\$49.2	\$57.3
Reserve for Carryover		\$0.0	\$10.6
Revenues	\$512.2	\$548.5	\$524.8
Expenditures	\$531.7	\$556.2	\$541.9
Ending Fund Balance	\$67.9	\$41.5	\$50.8
Planned Use of Fund Balance	(\$19.5)	(\$7.7)	(\$17.1)
Required Reductions		(\$4.8)	(\$4.8)

## 2023-24 Budget

- Revenue Impacts – Lower enrollment, full levy impact, prototypical model, state COLA
- Expenditure Impacts – Lower enrollment, local costs of COLA, fixed costs
- Expenditures are more than revenues – results in spending down fund balance

## 2023-24 Estimated

- Beginning Fund Balance includes \$10.6 million due to one-time carryover of grants, building budgets, program allocations. Creates increase in planned expenditures.
- Removed contingency revenue and expenditures
- Higher enrollment than budgeted
- Expenditure adjustments

# BUDGET OUTLOOK

- District enrollment is higher than estimated. Negligible impact after increased costs.
- District planned use of fund balance of \$7.7 Million
- District beginning fund balance will be approximately \$68.0 Million, which is slightly higher than planned. Fund balance is typically higher than estimated due to required carryover (building budgets, grants/donations, Skills Center, CTE, LAP).
- Required Carryover/reserve of \$10.6 Million
- Estimating will end the year at total fund balance of \$45-\$50 Million

# FOUR-YEAR REQUIRED OUTLOOK: ASSUMPTIONS

## Revenue Assumptions

- Enrollment projections reflect FloAnaytics long-term forecast (Feb 2023) – decline of 0.7% per year or 880 students over 4 years
- Prototypical model change phased in through 2024-25
- State IPD of 3.9% for 2024-25, 2.4% for 2025-26 and 1.9% for 2026-27
- No other significant changes in state funding
- Levy amount based on voter approval

# FOUR-YEAR REQUIRED OUTLOOK: ASSUMPTIONS

## Expenditure Assumptions

- Certificated, classified, and administrative staffing is aligned with enrollment growth/loss and staffing ratios
- Ongoing local costs needs over state funding for salaries/benefits/retirement
- Ongoing fixed cost increases, strategic adds/reductions needed
  - Future expenditure reductions needed estimated at \$11-15 million

## Impact of State COLA

- Each 1% of COLA, it cost the district \$1.25-\$1.5 million in local dollars
- A 3.9% COLA will cost the district \$5-\$6 million.

# GENERAL FUND BUDGET - PRELIMINARY FOUR-YEAR OUTLOOK

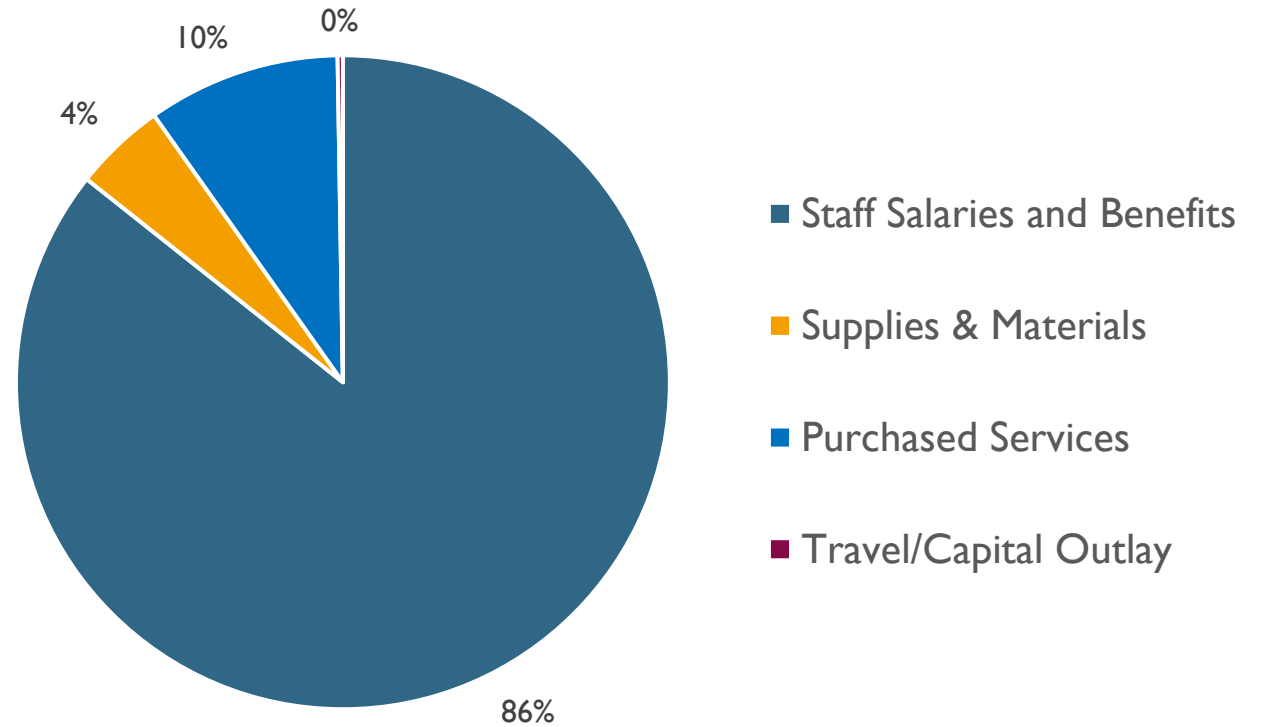
	2022-23 Actual	2023-24 Budget	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated
Beginning Fund Balance	\$87.4	\$49.2	\$57.3	\$50.8	\$47.3	\$45.8
Reserve for Carryover		\$0.0	\$10.6	\$0.0	\$0.0	\$0.0
Revenues	\$512.2	\$548.5	\$524.8	\$567.4	\$577.0	\$585.3
Expenditures	\$531.7	\$556.2	\$541.9	\$571.0	\$578.5	\$585.6
Ending Fund Balance	\$67.9	\$41.5	\$50.8	\$47.3	\$45.8	\$45.5
Planned Use of Fund Balance	(\$19.5)	(\$7.7)	(\$17.1)	(\$3.6)	(\$1.5)	(\$0.3)
Required Reductions		(\$4.8)	(\$4.8)	(\$6.0)	(\$5.0)	(\$0.3)

Assumes expenditures reductions to align with Revenues to meet fund balance requirement

# 2023-24 BUDGET

**86% of the Budget is committed to staff salaries and benefits**

Expenditures



CHALLENGES/KEY  
MESSAGES  
ENROLLMENT

Enrollment is declining throughout the region which impacts finances

When enrollment drops, funding declines immediately but expenses decline at a slower rate. Fixed costs continue to increase.

Smaller schools reduce efficiency in staffing, programs.

## CHALLENGES/KEY MESSAGES

## EXPENDITURES

District will need to reduce expenditures

86% of expenses are salaries and benefits. Labor costs continue to increase.

State funding has not kept up with actual costs. State continues to implement new requirements without requisite funding.

Inflation erodes purchasing power

District are responsible for spending taxpayer dollars effectively and efficiently





# GROUP WORK



# SMALL GROUP DISCUSSION



Review Draft Survey



In your table groups, discuss.



What advice or other considerations do you have?



