

# Budget Advisory Team (BAT)

December 18, 2023

# Welcome!

# Team Introductions

## District Members:

- Susana Reyes - Superintendent
- Angela Von Essen - Assistant Superintendent for Business and Operations
- Mark Spangenberg - Director of Finance and Business Services
- Rachel Belfield - Public Information Officer

## Community Members:

- Students
- Parents
- Staff

# Land Acknowledgement

The Shoreline School District acknowledges the Coast Salish peoples of this land, the land which touches the shared waters of all tribes and bands within the Duwamish, Puyallup, Suquamish, Tulalip, Snoqualmie and Muckleshoot nations.

# Logistics

- Breaks may be taken as needed; restrooms are across the lobby to the left
- Please feel free to step into the lobby if you need to answer a phone call
- Please be mindful of your wellness and self care
- Meeting agendas and information will be posted on the district website:  
<https://www.ssd412.org/departments/business-finance/budget/budget-advisory-team>
- We will record questions that arise. A Q&A will be posted on the district website and forwarded to the team.

# Team Norms

## Proposed norms for discussion:

- Start and end on time
- We will listen carefully and participate in discussions
- We will invite others in the group to express their thoughts/opinions
- All participants will be treated as peers
- Other suggestions?

Partner work.....

# Purpose of the Budget Advisory Team

- Serve as “budget ambassadors” to the community
- Learn about the state of Washington school funding
- Gain an understanding of the District’s financial status
- Provide feedback, questions, and share concerns
- Provide additional transparency regarding the District’s fiscal status
- Inform our budget work
- Be involved in tasks in support of the Strategic Planning Task Force

# Background

- The district has used **budget reserves** over the last several years, meaning district expenditures have exceeded what was received in funding.
- Over the next two years, we will need to ensure that the district **budget reflects revenues aligned with expenditures**, which is essential for the long-term health of our district.
- Chris Reykdal, our State Superintendent of Public Instruction has called the current budget situation for Washington school districts a "perfect storm." Many districts are facing **financial distress**, which is a result of the following factors:
  - Continued lack of "full funding" from the state
  - Declining enrollment
  - Rising costs (inflation) over the last six years as per OSPI
  - Limited local levy capacity (due to enrollment loss and not collecting maximum amount)
- We are **partnering with our community** as we work toward fiscal stability and development of a strategic plan over the next year with the goal of engaging with our staff, students, families and community in support of transparency and accountability regarding the District's financial picture and budgeting process





## Race & Equity Impact Decision-Making Tool

The purpose of this tool is to engage everyone involved in Shoreline Schools to learn, think, and address how race and equity impacts choices in instruction, programming, staffing, funding, and policy. All members of the Shoreline Schools community should strive to improve anti-racist practices and equity awareness through all of our activities and choices. We encourage the application of this tool in any decisions that impact students, staff, and families.

### A. Pause and examine YOU - Who are you?

- Who is involved in making a decision? (race, gender, class etc.)
- What inherent biases do you bring to the table?

### B. Who is affected?

- What dimensions of diversity (race, gender, class, sexuality, gender identity, culture, age, ability, immigrant status, etc.) are in the impacted group?
- In which ways is the impacted group involved in the decision-making?

### C. What are the impacts?

- How will the decision of this group advance equity in our system?
- What evaluation tools and measures do we need to determine the impacts of our decision?
- What are the potential challenges, structural barriers, or unexpected blind spots?

### D. What do you think happened?

- Did you succeed in advancing equity?
  - To what degree?
  - How do you know? (What evaluation tools and measures were used to determine the impacts of our decision?)
- If no, what steps are we taking to ensure equity is still achieved?

# Race and Equity Impact Decision-Making Tool

Our Value Statement:

*We value all diversity in our students and families and staff. Our hearts are with every group that has ever been targeted, been historically marginalized, been harassed, been abused, been publicly mocked and any other hurtful action. Shoreline students, families and staff should thrive and flourish. We aim to create the environment where that happens for us all.*

*—Shoreline School District Equity & Family Engagement Department*

# District Race and Equity Decision-Making Tool

- Utilized for discussions, learning, and decision-making with the intent to center our students who have historically been the most marginalized
- Language of the tool is in the Race & Equity Policy 0150
- Equity in Systems and Operations
- Shoreline Race & Equity Impact Decision-Making Tool:

*The purpose of this tool is to engage everyone involved in Shoreline Schools to learn, think and address how race and equity impacts choices in instruction, programming, staffing, funding, and policy. All members of the Shoreline Schools community should strive to improve their anti-racist practices and equity awareness through all of our activities and choices. To ensure equity is always considered this tool should be used for any major systems level decisions regardless of perception of personal values presented.*

# The Four Sections of the Tool

## Before the Decision

**Section 1:** Pause and examine YOU - Who are you? (as an individual and as a decision making team) Who is involved in making a decision? Who is at the table right now making this decision? What is your racial composition?

**Section 2:** Who is affected? What is the racial composition of the impacted groups? Who is affected?

**Section 3:** What are the impacts? How will the decision of this group advance equity in our system?

# Key questions to ask when considering a decision:

## After the implementation of the decision: Reflection

- **Section 4:** What do you think happened? Did you succeed in advancing equity? To what degree? How do you know? If no, what steps are we taking to ensure equity is still achieved?
- We know sometimes the outcomes will still not be ideal
- We strive to be true to an equitable process that increases the likelihood of a more equitable outcome

# Budget 101

# Budget 101

School funding may seem hard to understand in a district with a **\$169 million budget**, but our budget is similar in many ways to yours at home, with a few important differences.

We use the budget for multiple purposes:

- to track income and spending
- help manage priorities
- plan for the future
- measure financial performance
- and accountability

# Budget 101 - Funds

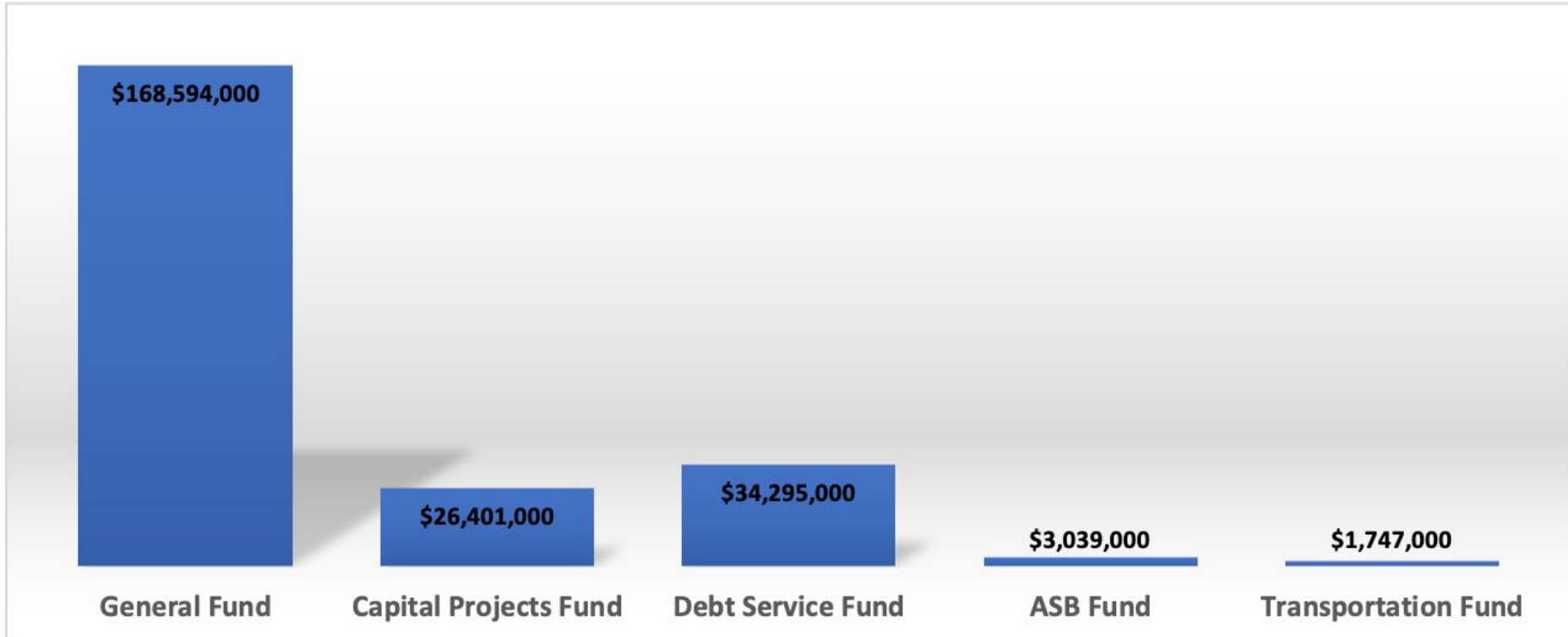
The District's budget has five parts:

<b>General Fund</b>	Operating budget which guides our day-to-day operations
<b>Capital Projects Fund</b>	Covers our long-term school construction and repair needs and cannot be spent on school operations
<b>Debt Service Fund</b>	Pay the principal and interest on bonds issued to finance school construction and renovation
<b>Associated Student Body Fund (ASB)</b>	Accounts for each middle and high school's extracurricular activities
<b>Transportation Vehicle Fund</b>	Used to buy or make major repairs to school buses

The Washington State Auditor's Office conducts an annual review of the District's budget to provide accountability and transparency in the stewardship of district dollars.



# Budget 101 - District Funds



# Budget 101

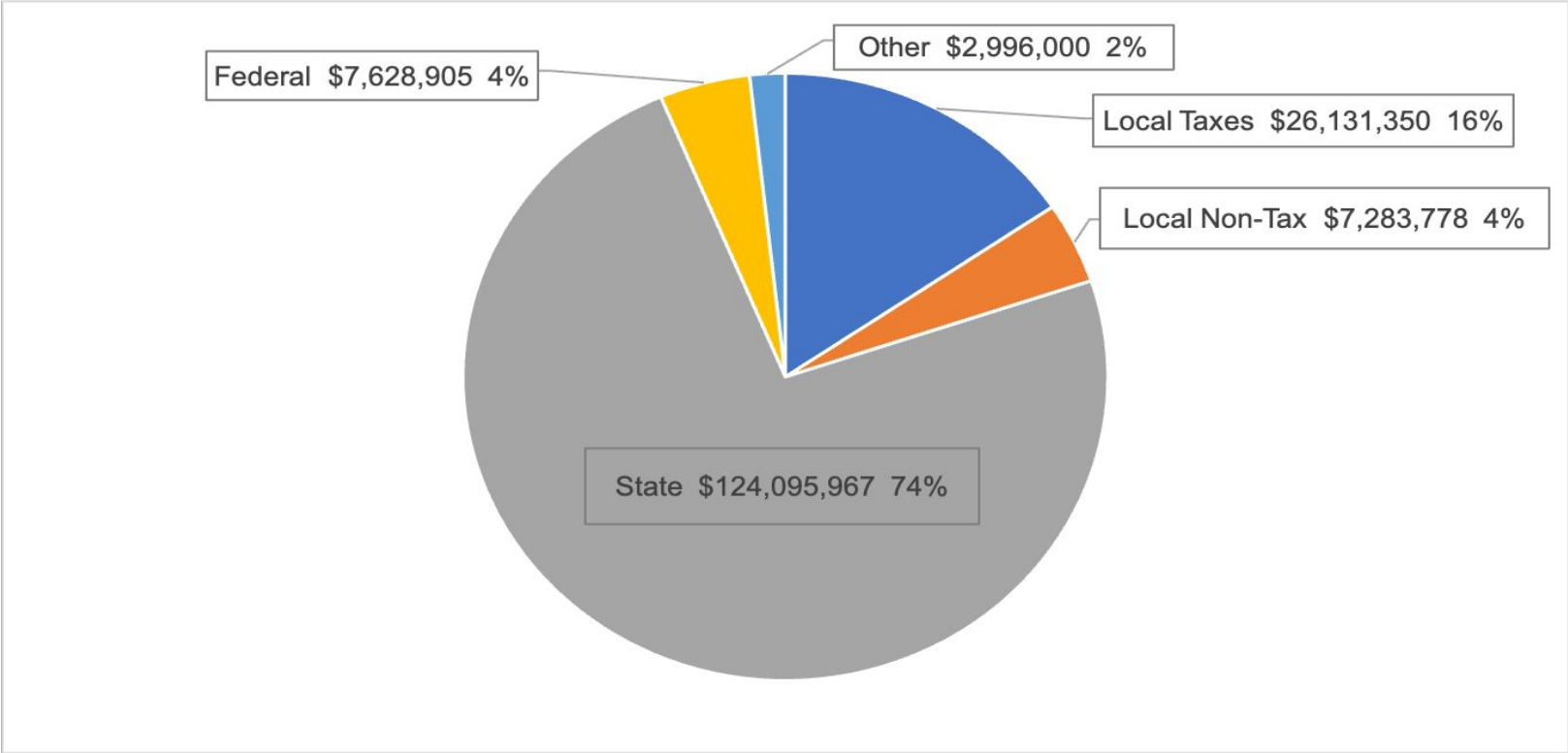
There are many ways to look at spending.

- Where our funding **comes from** (state funding, taxes, and grants)
- How the money is **distributed** (Schools, districtwide support, and central office); and
- What we **spend** money **on** (salaries and expenses)

# Budget 101 - Revenue Sources

<b>State</b>	<p>The largest source of revenue for the district, 74%, comes from the state in two areas: state general purpose funds, called “state apportionment,” and state special purpose funds, called “categorical program funding.” Most of this money is designated for specific programs and cannot be used for other purposes. The amount each district receives is based upon the annual average number of students enrolled in the district and a series of formulas that consider base salaries, employee benefits, supplies, materials, and operating cost allocations. These formulas are set by the state legislature. State special purpose funds support programs such as special education, student transportation, transitional bilingual, and learning assistance.</p>
<b>Local</b>	<p>Local revenues account for 20% of income for the general fund and are essential to funding a well-rounded education. The majority of these dollars are from local property taxes. Other local resources include non-taxes that come from various sources, including fees, fines, rental income, interest earnings, and donations. Local levy funds are the least restrictive of all our funding sources.</p>
<b>Federal</b>	<p>Federal funds are very restrictive and can only be used for specifically designated programs. Making up 4% of the district revenues, federal funds provide dollars for specialized programs that support school improvement (Title II), disadvantaged students (Title I), and students with limited English proficiency (Title III). In addition, federal funds provide free and reduced price lunch programs as well as supplemental funds for special education.</p>

# Budget 101 - District Revenues



# Budget 101 - Student Enrollment and Staffing

**Headcount** is the number of students enrolled, and **FTE** stands for Full Time Equivalency. A student who goes to school all day would be considered a 1.0 FTE. Districts are funded less for students with less than 1.0 FTE.

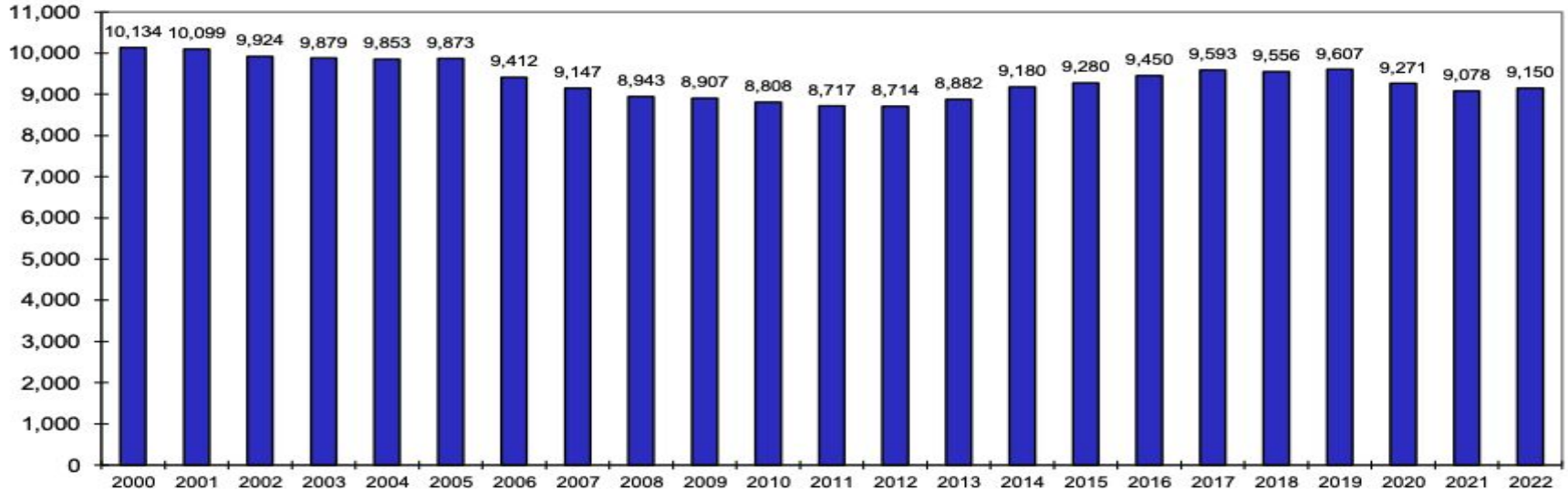
State basic education funding is driven by FTE, so if our enrollment decreases, so do our revenues.

The number of students projected to enroll in the fall determines the number of teachers and support staff that each school receives. School operating budgets are allocated on a per-pupil FTE.

# District Enrollment Trend

P223 Enrollment (October)

Does Not Include Full-Time Running Start Students  
or Students Enrolled in Open Doors



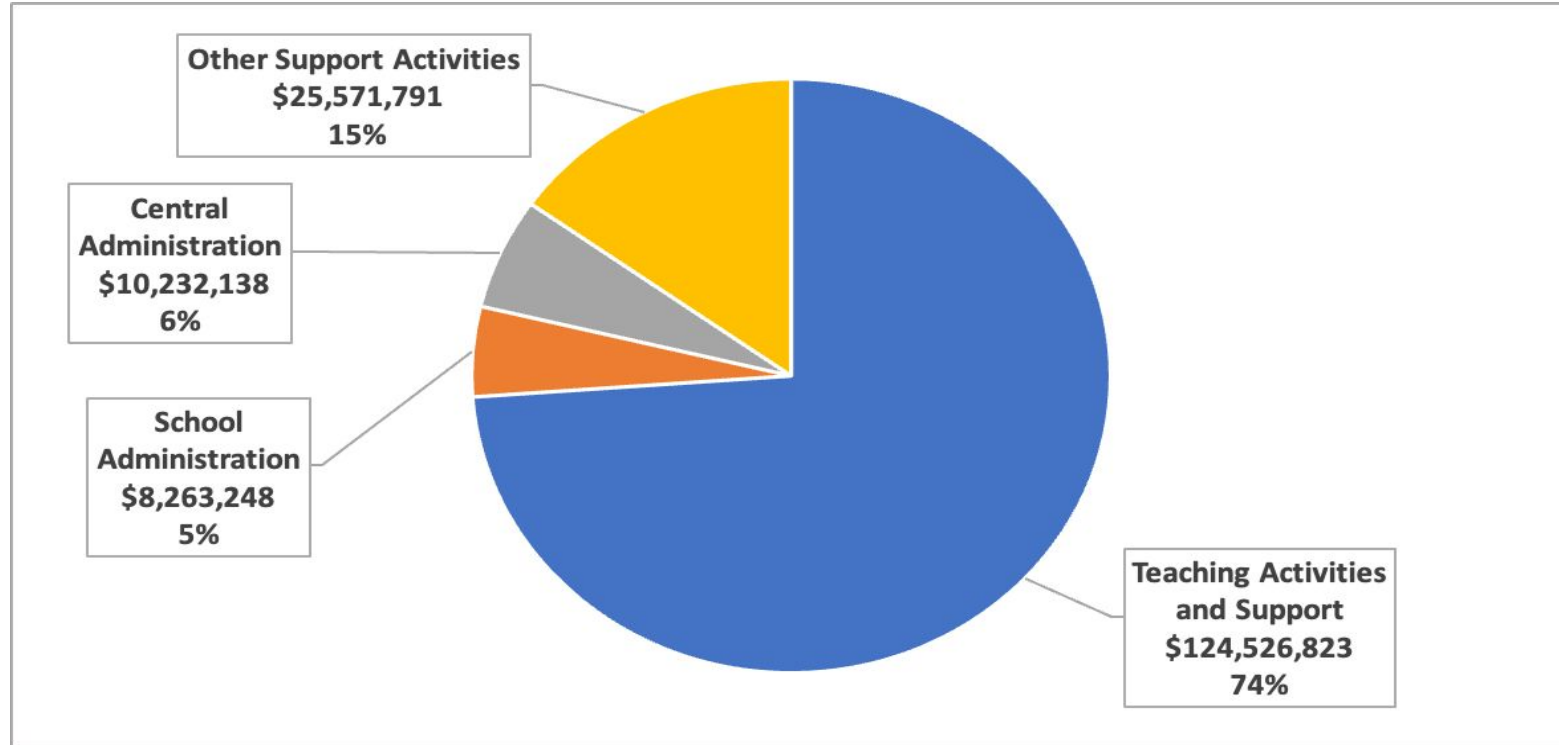
*Slide presented at March 2023 board meeting.*

# Budget 101 - Expenditures by Category

The general fund is used for staffing and other costs in four areas:

- **Teaching activities and support:** Includes teachers, para educators, librarians, counselors, psychologists, speech and health services, coaches, and activity advisors, as well as the things that support learning, like teaching supplies, textbooks, curriculum implementation, and professional development;
- **School administration:** Includes principals, assistant principals, and office staff, as well as school office supplies;
- **Central administration:** Includes the superintendent, district administrators, human resources, financial services, and other district support services; and
- **Other support activities:** The costs to keep school buildings running, including building maintenance, grounds-keeping, custodial services, food services, technology support, and data processing, as well as property and casualty insurance, utilities, transportation, and cleaning supplies

# Budget 101 - Expenditures by Category





# Budget 101 - Expenditures (Salaries and Benefits)

Approximately 88% of the District's budget consists of **salaries and benefits** for our employees who serve over 9,057 FTE students. That includes teachers and principals, as well as school support personnel such as paraeducators, counselors, and office staff. **Certificated staff** are those who hold a certificate. All other staff are considered **Classified staff**.

The state legislature and the outcome of collective bargaining work in partnership with employee groups determines **certificated and classified staff salaries**.

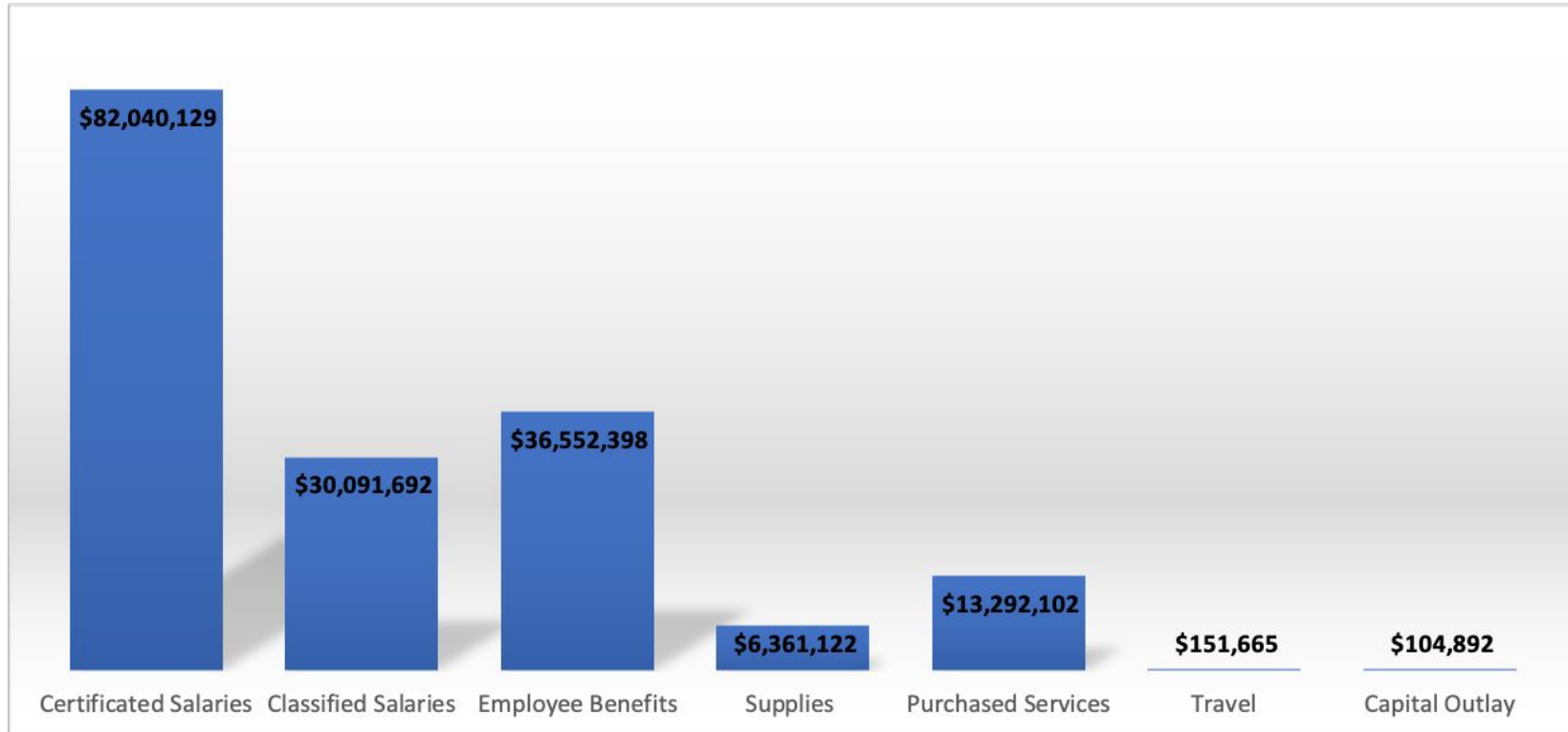
Shoreline employs over 981.48 FTE staff. The District also pays **benefits** such as Medicare and Social Security, pension, health care, and unemployment compensation. As you might expect, the cost of providing these benefits to our employees increase each year, just as it does in every other business.

# Budget 101 - Expenditures (Non-personnel Expenses)

Non-personnel costs make up the remaining 12% of the budget and includes costs required to keep our school buildings running. These costs are referred to as Materials, Supplies, and Other Operating Costs (MSOC).

- Utilities and fuel
- Insurance
- Supplies and materials (from paper and textbooks to cleaning supplies)
- Travel
- Equipment

# Budget 101 - Expenditure Categories



# Budget 101 - Summary of Revenue, Expenditures, and Fund Balance

Beginning Fund Balance, September 1, 2023	\$ 5,994,000
Add: 2023-24 Total Revenues	168,136,000
Subtract: 2023-24 Total Expenditures	168,594,000
<b>Ending Fund Balance, August 31, 2024</b>	<b>\$ 5,536,000</b>

# Budget 101 - Fund Balance

Restricted Revenues	\$1,307,000	
Non-Spendable	622,000	
District Carryovers	1,295,000	
Unreserved	2,312,000	1.4%
<b>Total Fund Balance, August 31, 2024</b>	<b>\$5,536,000</b>	<b>3.3%</b>

***Board Policy requires a 4% unreserved fund balance = \$6,743,760***

## Questions and Collaboration



Thank you!

# Agenda

- Welcome and Introductions
- Land Acknowledgement
- Logistics
- Team Norms
- Purpose of the Budget Advisory Team
- Background
- Race and Equity Impact Decision-Making Tool
- Budget 101
- Questions