

Budget Advisory Team Meeting

Financial and Enrollment Update

February 12, 2024



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.

Land Acknowledgement Resources: <https://usdac.us/nativeland> <https://native-land.ca/>



[Understanding Coast Salish Design](#)

Norms

1. Start and end on time
2. Listen carefully and participate in discussions
3. Do not interrupt others
4. Consider the thoughts and ideas of those who are not represented/present
5. Assume positive intent
6. Be respectful of others
7. Encourage all voices, especially those who do not speak up
8. Treat all others as peers

Race & Equity Decision Tool



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?

Budget Advisory Team - Agenda

Outcome for this evening: To understand the current financial position of the District and potential financial impacts for the 2024-25 school year

Agenda:

1. Review of 2022-23 Financial Efforts
2. 2023-24 Financial Update
3. 2024-25 Projected Enrollment
4. 2024-25 Potential Financial Impacts
5. Fund Balance Overview
6. Wrap Up and Next Steps

Review of 2022-23 Financial Efforts

- Reduction of 33 non-classroom positions (including custodians, family advocates, maintenance)
- Reduction of 11 central office staff and administrators (over the last two years)
- Furlough days and contract suspensions for administrators and other central office staff
- Pause on instructional licenses and curriculum costs
- Reduction to school budgets
- Hold on curriculum adoptions and professional development
- Reallocated some technology costs to Tech Levy
- No vehicle replacement purchases

August 31, 2023:

Actual **unreserved** Fund Balance was \$2M higher than budgeted

This means a 2.6% **unreserved** fund balance was achieved (Policy 7130 requires 4-5%)

\$2.3M (budgeted) to \$4.4M (actual)

The **budget is an estimate** made early in the previous year, and it will change.

Why was the actual amount higher than budgeted amount?

1. Surface water fees due to City of Shoreline were reduced and deferred
2. Cash out of vacation and sick leave were lower than expected
3. Certain staffing was reallocated to a federal grant
4. Over-estimated contractual services
5. Overall utilities came in under budget

Wonderings

Discuss at your table the following questions (10 minutes):

- 1) What is your perception of our current financial situation?
- 2) What are you hearing in the community?

A representative from each table will share their findings.

2023-24 Financial Update

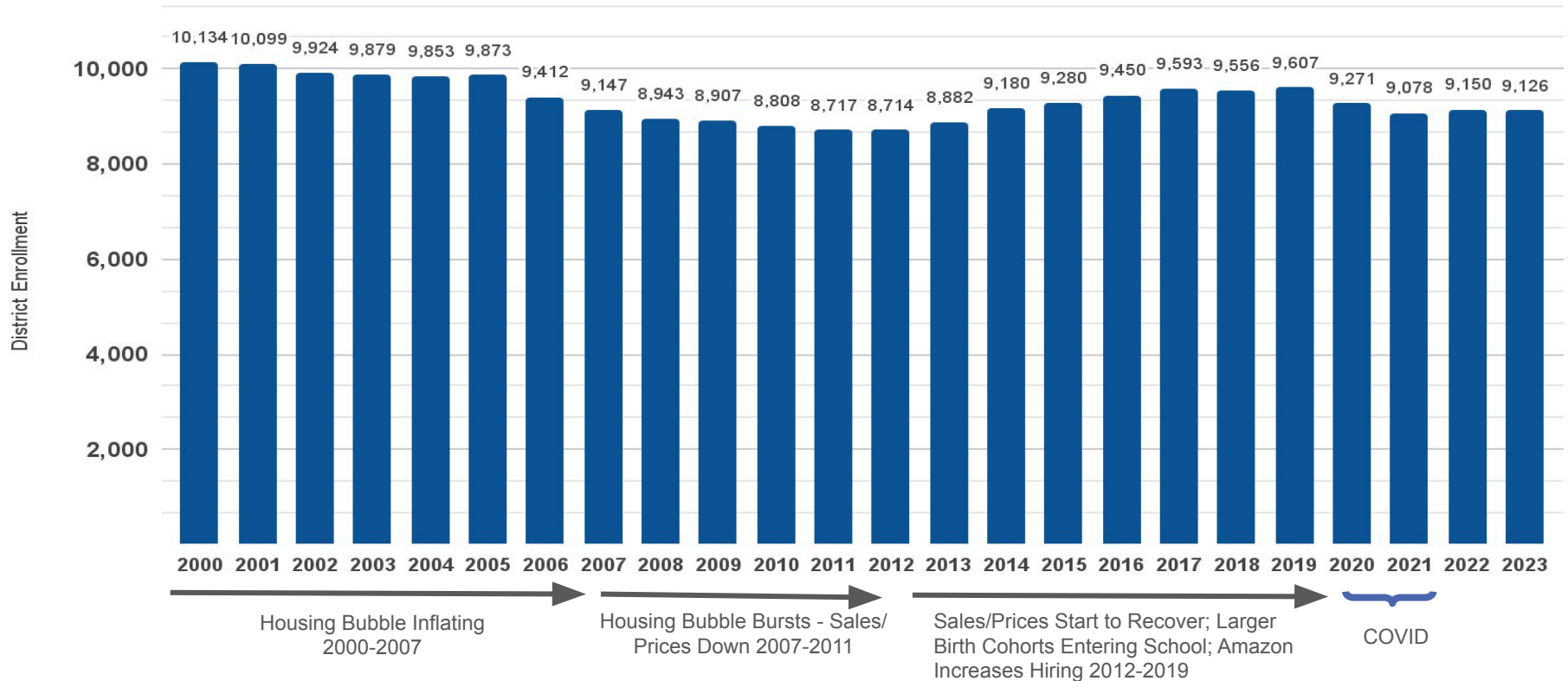
	Additional Revenue	Unbudgeted Costs
Total	\$611,145 (enrollment)	\$1,700,000

	Ending <u>Unreserved</u> Fund Balance
September 1, 2023	\$4,429,567
Additional Revenue (enrollment)	\$ 611,145
Unbudgeted Costs (above)	-\$1,700,000
Projected, August 31, 2024	\$3,971,567
% Unreserved Fund Balance	2.4%

Unbudgeted Costs:

- Contractual agreements with various employee groups from summer and fall collective bargaining process
- Extended Learning Opportunities (ELO) restorations to the Shoreline Education Association (SEA) Collective Bargaining Agreement (CBA)

District Enrollment Trends



2024-25 Projected Enrollment

- 2024-25 projected enrollment is based on **four-year average cohort**
- Anticipate **106 fewer students** in the 2024-25 school year
- Budget (plan for) 9,056 FTE students for 2024-25 (includes Running Start)
- **Point of Information:** enrollment generates revenue (100 students = \$1M)

2024-25 Potential Financial Impacts

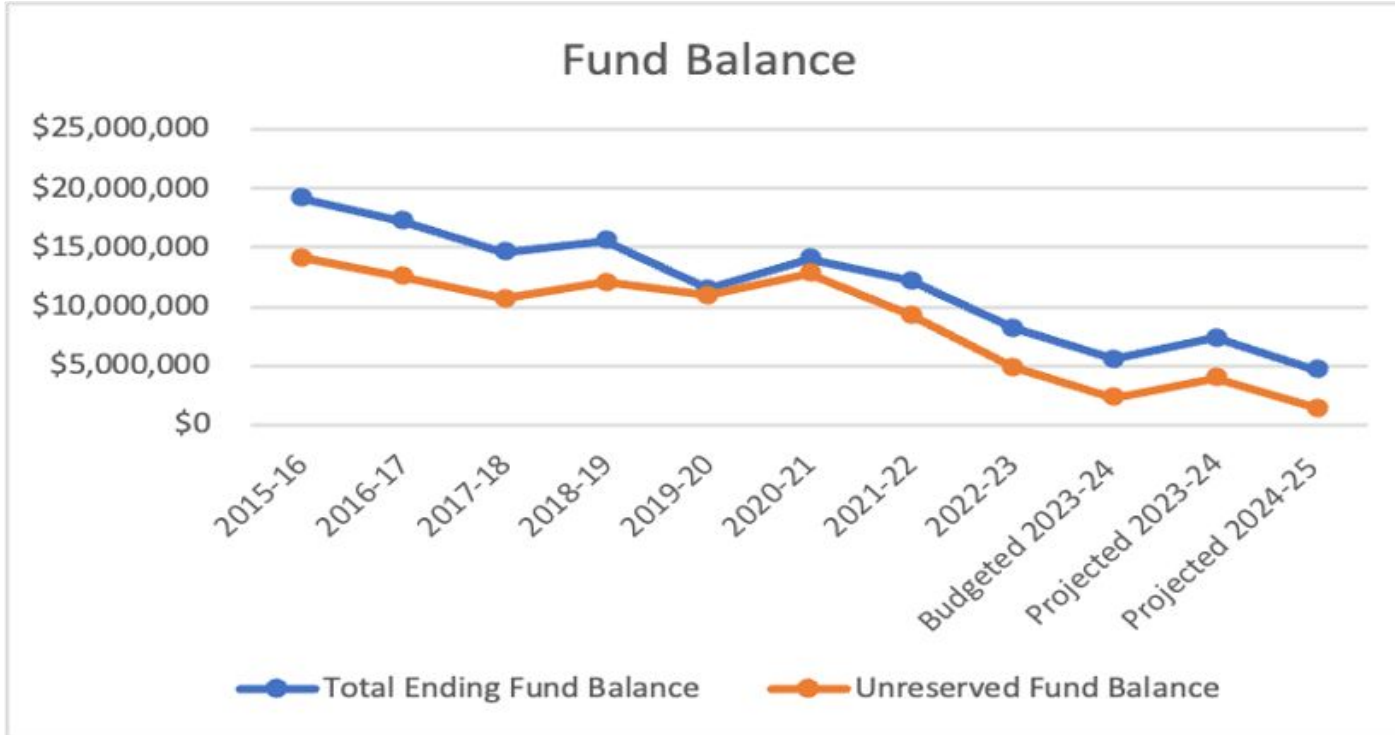
	Potential Increase in Revenue	Additional Salaries and Operational Costs
Total	\$3,900,000	\$6,700,000

	Ending <u>Unreserved</u> Fund Balance
Projected, September 1, 2024	\$3,971,567
Potential Revenue (state allocation/grants)	\$3,900,000
Additional Costs (above)	-\$6,700,000
Projected August 31, 2025	\$1,100,000
% Unreserved Fund Balance	.6%

Increased Costs:

- 1% + Implicit Price Deflator (IPD) (cost of living increase) for salaries and benefits
- Other contractual salaries restored
- Retirement rates
- Health insurance
- Risk management
- Special Ed contractual services
- Fuel and utilities

Fund Balance Overview



Board Policy #7130 requires at least a 4% **unreserved** fund balance = \$6.7M

\$1.1M (0.6%) **unreserved** projected fund balance for August 31, 2025



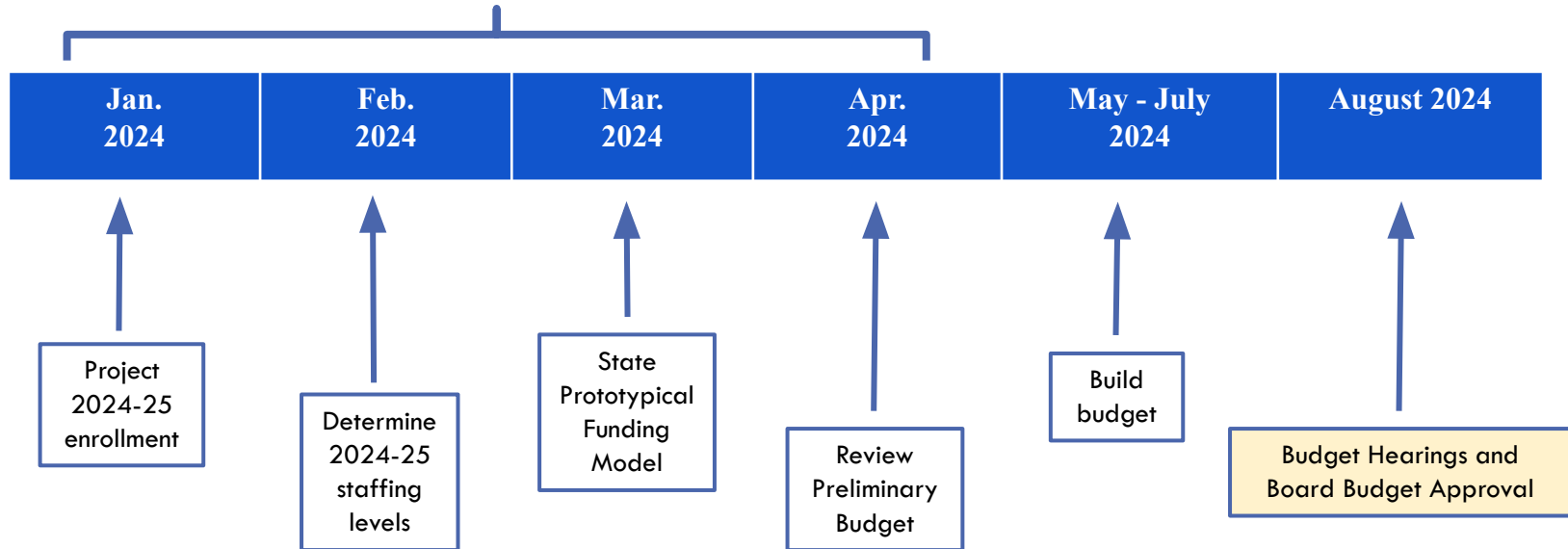
Critical Points to Emphasize

- Shoreline and other districts in our area **need additional revenues** to improve their financial situation (fund balance).
- Voters approved the current 4-year levy in February 2022, so three of the four years are remaining (2023-24, 2024-25, and 2025-26). The District is eligible to run the next levy in February 2026, but not collect the funds until March 2027. Shoreline will be able to **increase its local levy support** should voters approve the next levy.
- The legislature **may** provide **additional state revenues** over the next three years (2024 for 2024-25), (2025 for 2025-26), and (2026 for 2026-27). This is always an unknown until after the close of each legislative session. Unfunded mandates are always possible and most likely will occur.
- Due to the time it will take for revenues to improve, **reductions will be considered as necessary**. If fund balance reaches \$0 or is negative, binding conditions will be imposed on us by the State. The ESD and OSPI will direct Shoreline's financial decisions, but it does not come with new or additional revenues.

Process and Timeline

BAT:

1. Overview of school district finance
2. Update on financial status, enrollment, and potential future implications
3. Review of prototypical school funding model, legislative impacts, and materials, supplies, and operating costs (MSOCs)
4. Review of strategic plan and priorities, and 2024-25 budget planning



Initial Information and Data

Gather in groups of 5 and discuss the following questions (15 minutes):

1. If you had an “ah ha” moment tonight, what stood out to you?
2. What additional data and information we should consider?
3. What paints a picture for you?

A representative from each group will share their findings.



BAT Meetings and Tentative Topics:

Dates	Topics
December 18, 2023	Budget 101
January 8, 2024	2022-23 Financial Reports (Board presentation December 19)
February 12, 2024	2023-24 Enrollment and Financial Update 2023-24 Post Budget Adoption Changes 2024-25 Considerations Review of 2024-25 Enrollment Projections
March 11, 2024	Review of Materials, Supplies, and Operating Costs (MSOCs) Review of Prototypical School Funding Model Legislative Overview 2024-25
April 8, 2024	Review of Strategic Plan and Priorities 2024-25 Budget Planning

Wrap-Up

On the notecard provided, please take a few minutes to respond to one or both of the following prompts:

- I'm eager to learn more about...
- A question or questions I have is/are...



Thank you!

