

# Budget Outlook

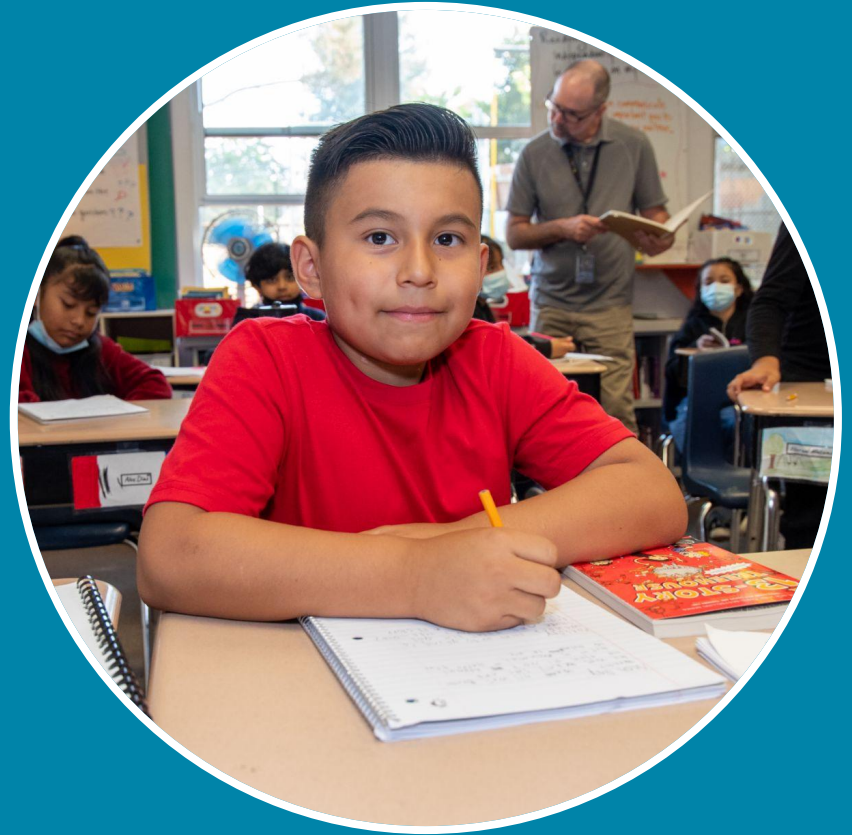
## School Board Work Session



Jackie Bryan  
March 6, 2024

# OUR PROMISE

Every student in Highline Public Schools is known by **name**, **strength** and **need**, and graduates prepared for the **future they choose**.

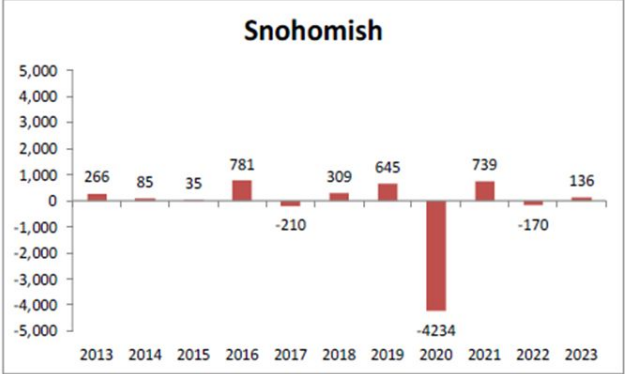
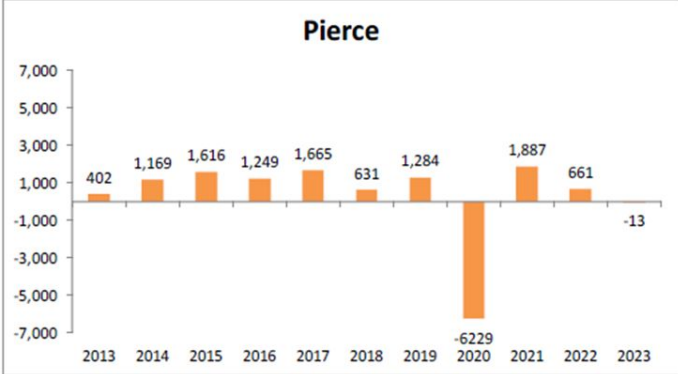
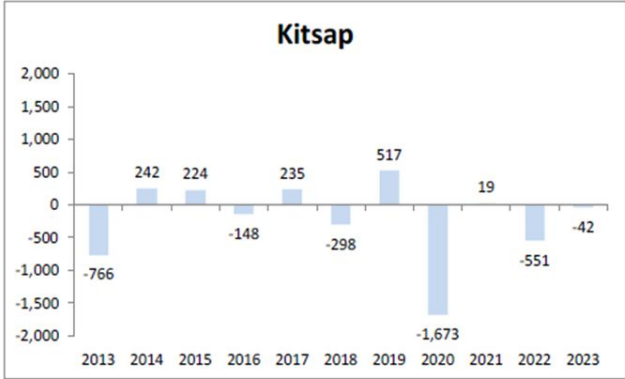
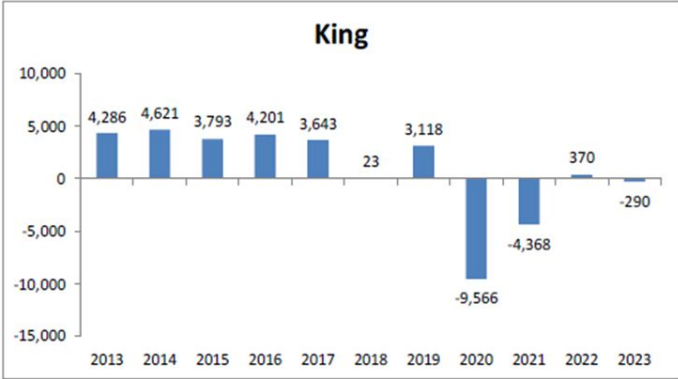


# Outline

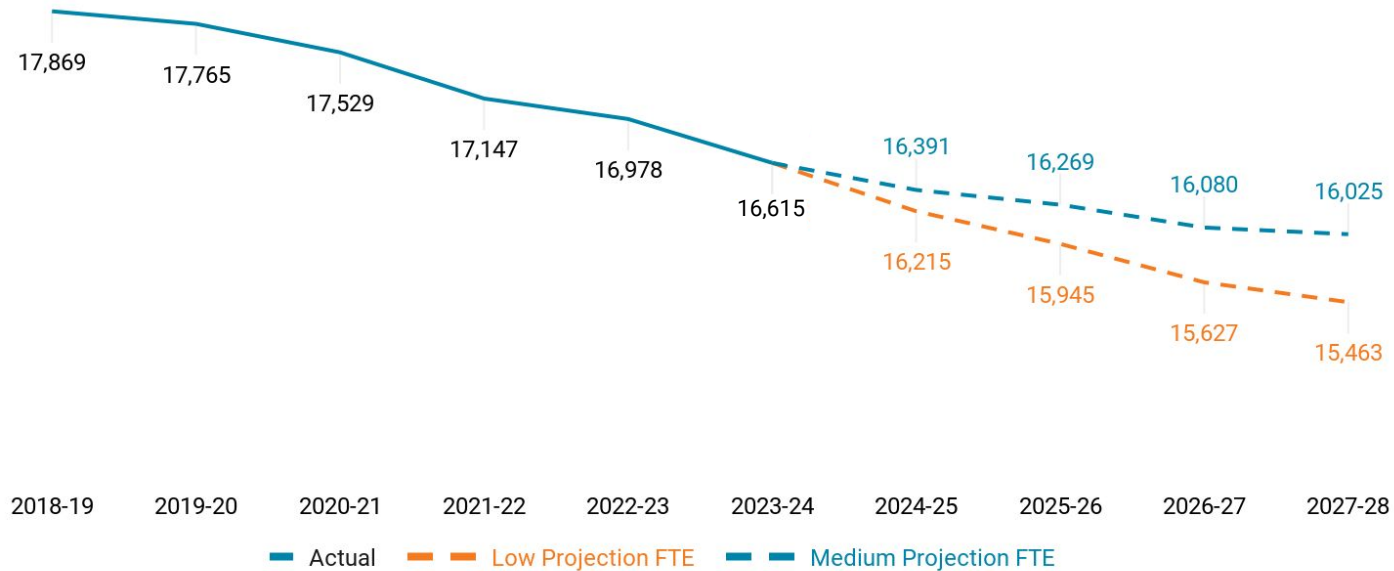
- 2024-25 Enrollment Projections
  - ESSER close out
- Five Year Outlook
  - Initial Projections
  - Long Term Plan
  - 2024-25 Budget Development
  - 2024-25 Reductions
  - Updated Projections
- Legislative Update
- Next Steps

# 2024-25 Enrollment Projections

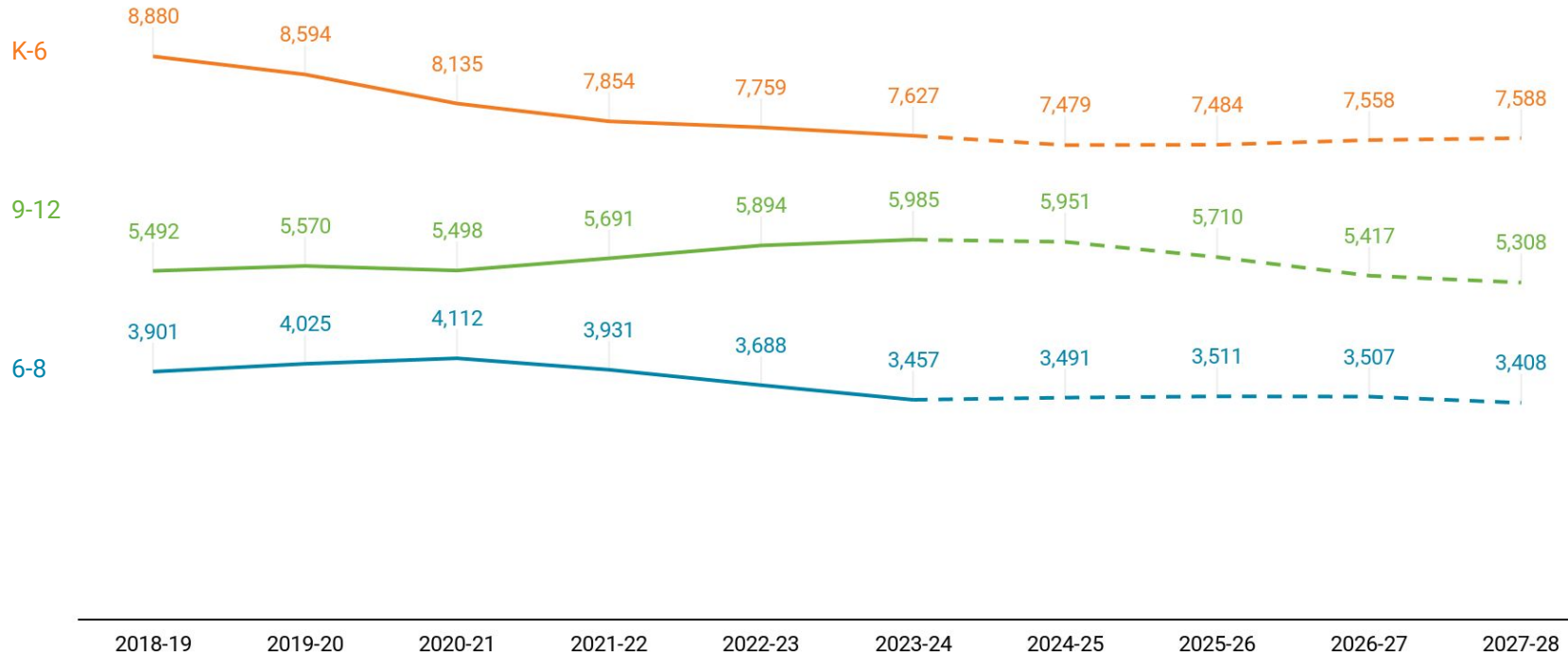
# Puget Sound Region



# 2024-25 Enrollment Projections (FTE)



# Grade Span Projections (Headcount)



# Five Year Outlook



# District Outlook

How did we get here?

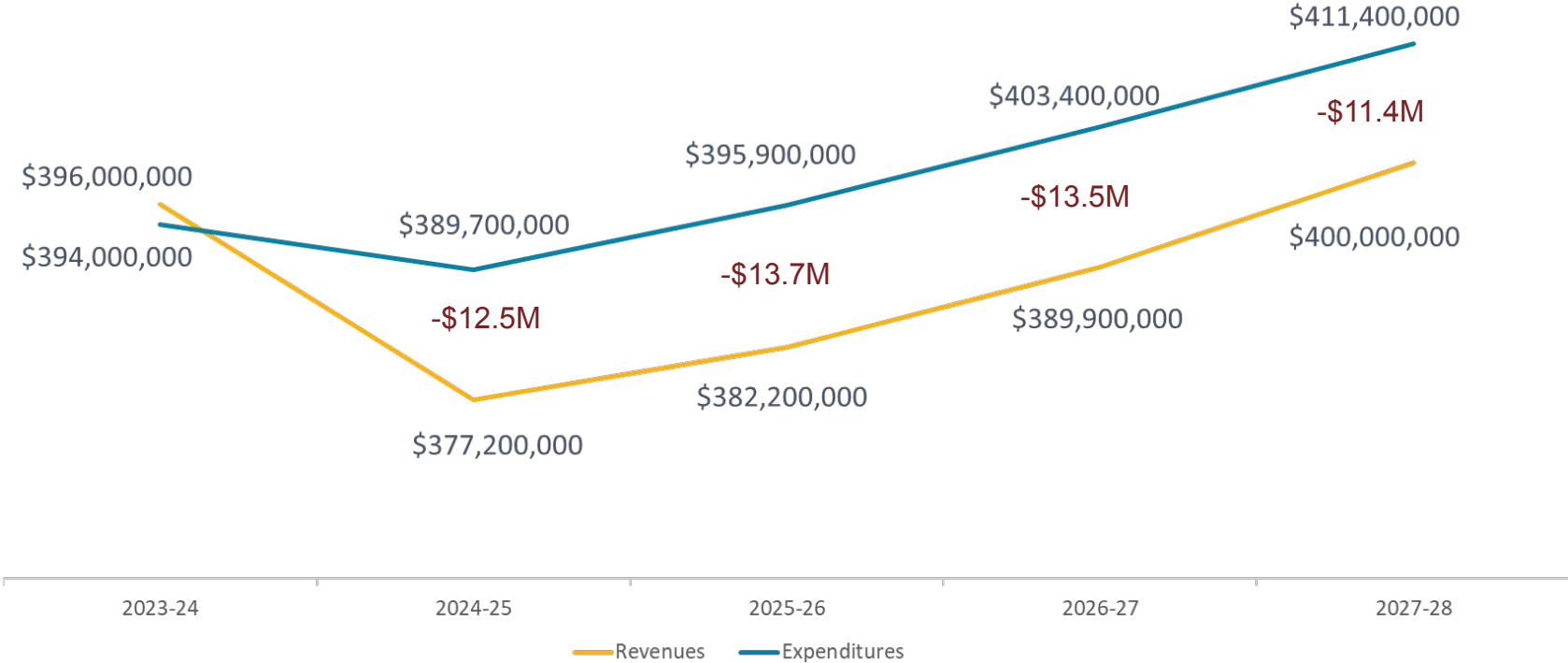
- Regional enrollment decline since 2017
- Overall population decline and lower birth rates
- Increased cost of goods, services and salaries
- Loss of Covid-relief dollars, aka ESSER funds
- WA legislature continues to underfund public education, specifically special education

# Five Year Plan Assumptions

- New legislation *not* included
- Bargaining impacts *not* included
- IPD projections included
- Enrollment decline based on projections
- ESSER costs moved to general fund
  - Highline Virtual Academy/Highline Virtual Elementary
  - Ongoing curriculum costs
  - Technology applications

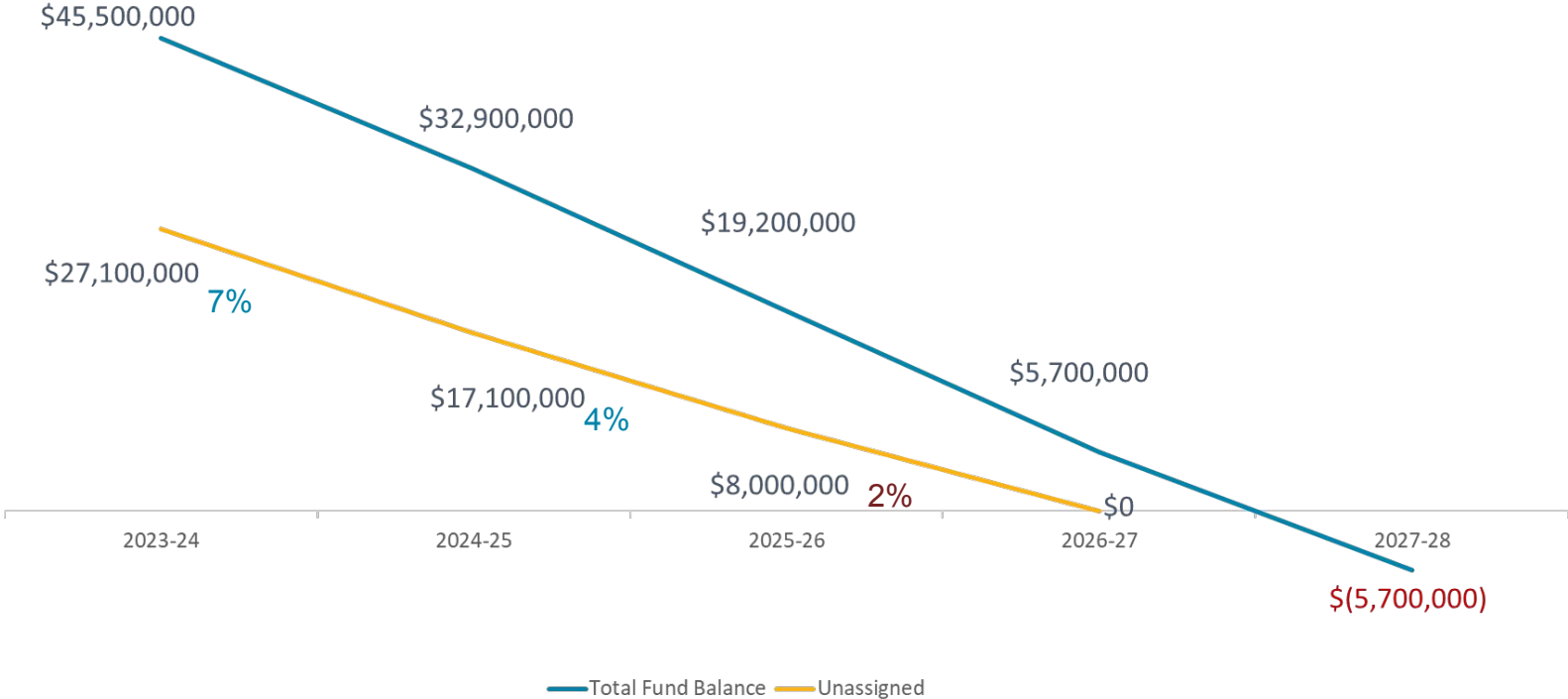
# Initial Five Year Outlook

Estimate based on October enrollment. Prior to reductions.



# Initial Fund Balance Projections

Estimate based on October enrollment. Prior to reductions.





## **CULTURE OF BELONGING**

A culture where all are welcome, valued, and safe.



## **INNOVATIVE LEARNING**

Academic experiences that engage, empower, and challenge every student.



## **BILINGUAL & BILITERATE**

Multicultural skills that enable students to live, work, and communicate across cultures.



## **FUTURE READY**

Students explore possibilities and develop mindsets that prepare them for a changing future.

*Our Promise: Every student is known by name, strength and need, and graduates prepared for the future they choose.*

# Long-Term Plan

- **\$8M** reduction for 2024-25
  - Reductions focused on Central office
  - Any investments need to be offset with additional reductions
- Continued reductions until budget is balanced
  - Balanced budget:
    - Revenues and expenditures are equal
    - Minimum 3% unassigned fund balance
  - Unknowns:
    - Bargaining impact
    - Ongoing Legislative impact

# 2024-25 Budget Development

**Prioritized Initiatives**

**Foundational Budget**

**Baseline Budget**

# Baseline Budget

## Baseline Budget

- Legally required
- CBA required
- Required operational costs

Can we create efficiencies?

Starting point for budget development and financial decision-making. Ensures all mandatory costs are allocated appropriately and reviewed annually.

Examples:

- Staffing ratios per contract
- Insurance/Utilities
- Required staff



# Foundational Budget

## Foundational Budget

- Current operational costs
- Title/LAP funds

Continued investment?  
Remove/reduce/re-engineer/replace?

Costs not included in baseline budget or strategic initiatives but crucial to the operations of the district.

Examples:

- Class size reduction over contract agreement
- Community Partnerships
- Technology applications

# Prioritized Initiatives

## 2024-25 Prioritized Initiatives

- New/ongoing costs
- Directly tied to strategic plan

Investment amount?  
Length of initiative?

A systems investment with a clearly defined scope and purpose, with a specific intended outcome and alignment across plans. Initiatives require the work of multiple departments and schools and may include either one-time or ongoing costs.

Examples:

- Secondary school redesign
- Leadership Pathways
- Cybersecurity/Information security

# Central Office Reductions

2024-25 School Year:

- 27 centrally funded positions eliminated
- Realignment of current positions and funding
- Reductions in contracts and services
- Districtwide reduction in travel

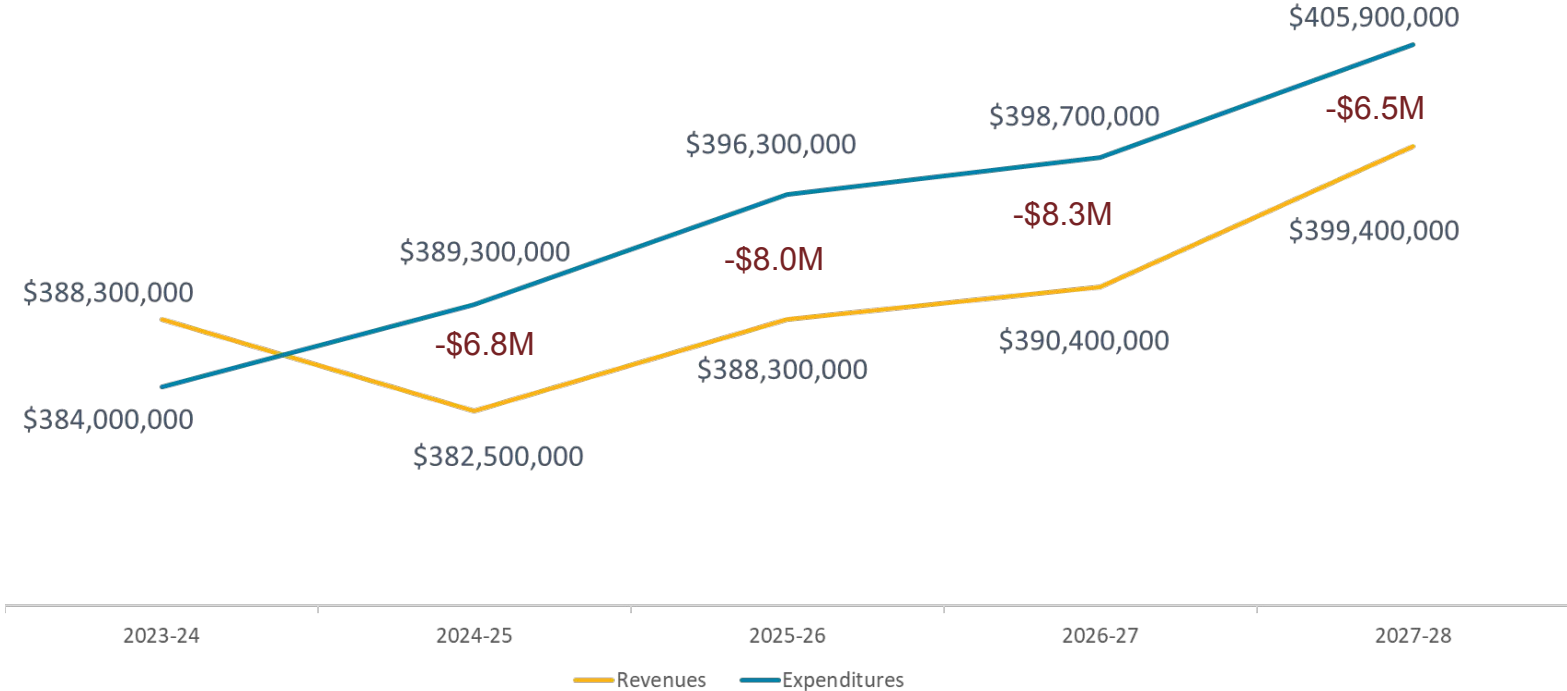
# Impact to Schools

2024-25 School Year:

- No school based positions included in the \$8M reductions
  - Continued adjustments of categorical funds and staffing allocations based on enrollment and poverty %
- No reductions to current assistant principal or counselor allocations
- Schools will experience impact from central office reductions

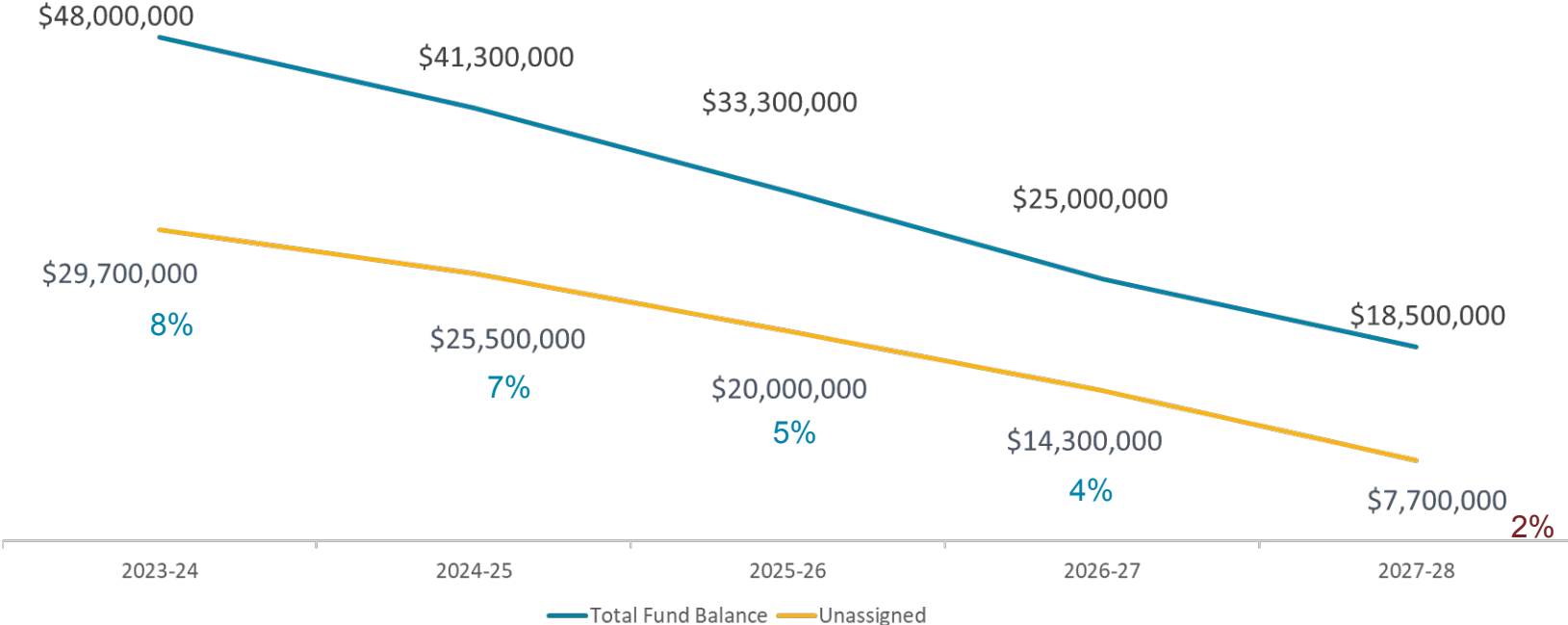
# Updated Five Year Outlook

Estimate based on February projections. Subject to change.



# Updated Fund Balance Projections

Estimate based on February projections. Subject to change.



# Legislative Update

# Legislative Update

- Levy Regionalization
  - Additional local revenue up to \$10M/year
    - Did not move forward
- Paraeducators and office staff
  - Variety of bills with increased funding for paraeducators and office staff
    - Prototypical model bill moved forward, minimal increase



# Legislative Update

- Materials, Supplies, Operating Costs (MSOCs)
  - Increase for utilities, supplies, security
    - Moved forward, minimal increase
- Special Education
  - Increase cap from 15% to 17.25%
    - Moved forward, minimal to no increase (currently at 14.5%)

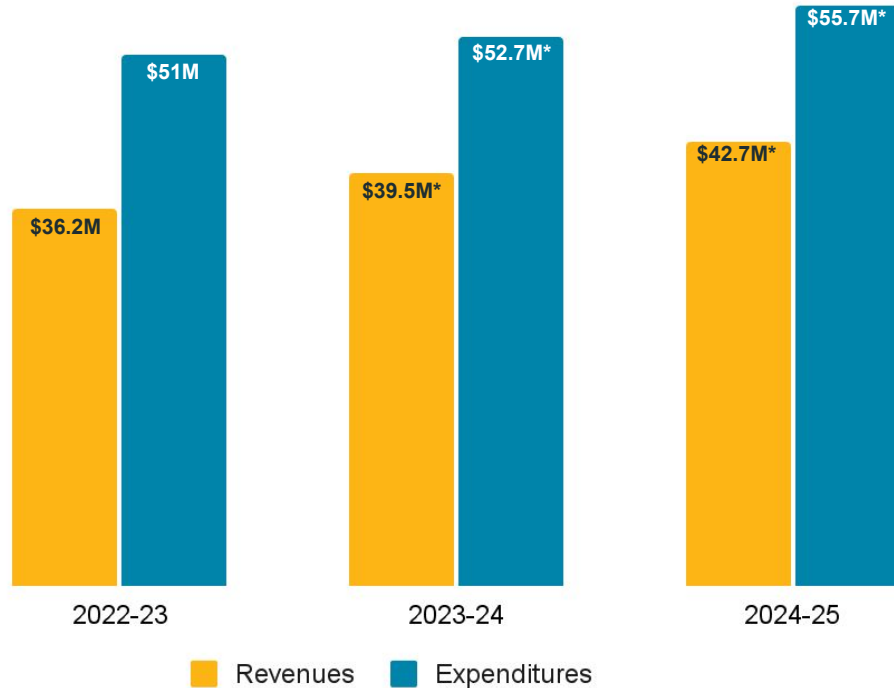
# Special Education Funding

The legislature has not fulfilled their paramount duty to fully fund basic education, specifically special education.

**2022-23: Underfunded \$14.8M**

**2023-24: Underfunded \$13.2M**

**2024-25: Underfunded \$13M**



\* estimate, subject to change

# Next Steps

- March 7: End of Legislative Session
- March-June: Bargaining
  - ◆ Highline Education Association (HEA)
  - ◆ Teamsters 1: Security
  - ◆ Teamsters 2: Transportation, Operations, Facilities, Nutrition Services
- June 5: Budget Public Hearing and Intro
- June 17: Budget Action
- 2024-25 and Beyond:
  - ◆ Continue to work with Legislators to fully fund basic education
  - ◆ Reductions to ensure a balanced budget

# Questions