

Budget Advisory Team Meeting Q&A

January 8, 2024

<p>What is the <u>minimum</u> based on the Board policy we are under?</p>	<p>The minimum unreserved fund balance policy is 4% of budgeted expenditures, which is \$6.7M for 2023-24. Board Policy 7130P</p>																																																									
<p>What are the individual fund reserves of the other 17 districts?</p>	<p>The fund balance for each of the 17 districts is as follows:</p> <table border="1" data-bbox="824 373 1562 1518"> <thead> <tr> <th>District</th> <th>Unreserved Fund Balance %</th> <th>Total Fund Balance %</th> </tr> </thead> <tbody> <tr><td>Bellevue</td><td>4.6%</td><td>2.6%</td></tr> <tr><td>Edmonds</td><td>5.5%</td><td>2.5%</td></tr> <tr><td>Everett</td><td>8.8%</td><td>6.4%</td></tr> <tr><td>Highline</td><td>11.6%</td><td>8.7%</td></tr> <tr><td>Issaquah</td><td>13.0%</td><td>6.0%</td></tr> <tr><td>Lake Stevens</td><td>12.1%</td><td>8.2%</td></tr> <tr><td>Lake Washington</td><td>12.7%</td><td>9.6%</td></tr> <tr><td>Marysville</td><td>5.1%</td><td>4.1%</td></tr> <tr><td>Mercer Island</td><td>3.8%</td><td>3.2%</td></tr> <tr><td>Monroe</td><td>12.1%</td><td>6.3%</td></tr> <tr><td>Mukilteo</td><td>5.6%</td><td>3.5%</td></tr> <tr><td>Northshore</td><td>3.9%</td><td>2.4%</td></tr> <tr><td>Renton</td><td>7.3%</td><td>6.1%</td></tr> <tr><td>Seattle</td><td>11.9%</td><td>0.0%</td></tr> <tr><td>Shoreline</td><td>4.7%</td><td>2.6%</td></tr> <tr><td>Snohomish</td><td>9.7%</td><td>5.0%</td></tr> <tr><td>Tukwila</td><td>(1.1%)</td><td>(0.6%)</td></tr> <tr><td>Average</td><td>7.7%</td><td>4.5%</td></tr> </tbody> </table>	District	Unreserved Fund Balance %	Total Fund Balance %	Bellevue	4.6%	2.6%	Edmonds	5.5%	2.5%	Everett	8.8%	6.4%	Highline	11.6%	8.7%	Issaquah	13.0%	6.0%	Lake Stevens	12.1%	8.2%	Lake Washington	12.7%	9.6%	Marysville	5.1%	4.1%	Mercer Island	3.8%	3.2%	Monroe	12.1%	6.3%	Mukilteo	5.6%	3.5%	Northshore	3.9%	2.4%	Renton	7.3%	6.1%	Seattle	11.9%	0.0%	Shoreline	4.7%	2.6%	Snohomish	9.7%	5.0%	Tukwila	(1.1%)	(0.6%)	Average	7.7%	4.5%
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What is included in Risk Management?	The District's risk management costs include risk coverage, e.g., auto, building errors and omissions, training and loss control, and managing and litigation claims.																																																																											
If you had to point to 1-3 things that caused the budget to be below policy level, what are these?	<ol style="list-style-type: none"> 1) Increased costs associated with salaries and benefits, which are 89% of the budget 2) Declining enrollment, which impacts revenue 3) Inflation 																																																																											
Do we know why we spend less on teaching than our nearby/comparable districts? Do we have larger class sizes?	For the 22-23 school year, Shoreline spent 58.8% of its total expenditures on teaching, while comparable districts spent 58.3%. Class sizes vary by classroom, building, and district.																																																																											
I understand income has recently decreased due to decreased enrollment and the state funding model, but our fund drops occurred in 2015-2019, before the pandemic (slide 21). Can we explore the changes made to spend down the fund, then? We may have been okay without those changes.	Several factors from 2015 to 2019 created the decline in fund balance, such as McCleary restrictions on levy rates, mandated State health insurance for employees, decline in enrollment, and increase in salaries and benefits.																																																																											
How much of the teacher's salary goes to the normal daytime classroom teaching vs. extracurricular?	A teacher's base contract covers 100% of the "normal daytime classroom teaching." Extracurricular activities are outside of the regular school day, and the pay is covered through supplemental contracts,																																																																											
Do we have any future projections? For example, if we continue to spend at the current rate per student, do we go bankrupt in 1-2 years? Or do we stabilize at some point, and we are just trying to rebuild our buffer in the fund?	We can generate future projections utilizing the current spending practices, showing a continued decline in the general fund, leading to a negative balance. We are required to include a four-year budget projection in our annual budget report to OSPI, but this is hampered by the legislature adopting a two-year budget. The district has no impact on the direction of federal funding. If any district fails to balance its budget or year-end financial report, the state and local																																																																											

	ESD provide various levels of direction with no extra funding. The district is making efforts through budget reductions and constriction to become fiscally stable.
What costs have we already pushed forward (i.e., teacher raises) that we must deal with in the future?	The December 19, 2023, School Board report shows these deferrals in detail. Here is the link to the report presentation: December 19 Financial and Enrollment Update . See slides 111-112.
Can we see a general fund cash flow report for 2017-18, 2018-19, 2019-20, 2020-21, 2021-22? It was great knowing last year, but they were actively making changes.	The monthly cashflow reports are posted on the District's website: Budget Documents
What are the actual enrollment numbers reported for the 2023-2024 school year (if they've been released)?	Monthly enrollment reports are posted on the District's website: Budget Documents
What will you all do differently in the future to make the levy ask match what would be allowed? And can you clarify what could have been done differently in the past?	The most recent levy, passed in February 2022, did not allow for key factors to improve beyond OSPI's forecast in October 2021. The district utilized the OSPI formula template to collect funds based on OSPI's assumptions for enrollment and inflation at that time. There will be more options, clearer assumptions, and improved transparency when the next levy options (February 2026) are explored and presented for community feedback.
How does the layoff of the library tech position impact the tech fund?	No impact. The library tech positions have never been funded by the Tech Levy. These positions were funded by the General Fund.
Is there a way to track how and where the 'COVID/pandemic dollars' were spent?	The ESSER funding is illustrated in a board presentation that was held on December 6, 2022 Agenda Minutes Video Recording . See 2021-2022 Year-End Financial Report, pages 11-14.
I am interested in what Shoreline can do to impact revenue. 1) Since enrollment is down about 500 since before COVID, what community listings have been done to understand how to get at least 10% of departures back? 2) What % of evening and weekend space is rented out, and what community outreach is done to get more renters?	1) The District opened its boundaries to allow out-of-district student enrollment at the K-5 level in the spring of 2022. 2) The use of our athletic fields and facilities are at capacity. We charge for their use when possible.
1) Explain this data we're shown; need definitions or terms, e.g., what does surface water management entail? 2) We would like specific examples of how money is spent, e.g., why do we spend X amount on food services? 3) How does the budget relate to people in Shoreline? I.e., Shoreline residents want to know how budget cuts will affect them.	1) Future presentations will include descriptions and definitions. In response to the example in this question, the School Board meeting on September 26, 2023, included a presentation on the surface water management program and fees. Here is the link to the presentation: Board Meeting - Surface Water Fees . 2) We will discuss this through our presentation of the prototypical funding model. 3) This would be a great topic for the Budget Advisory Team to explore and discuss.