



Northshore
School District

Budget Study Session

March 11, 2024



Agenda

1. Outcomes
2. Budget guiding principles
3. Budget Development timeline
4. Fund Balance and Cash Flow projections
5. Legislative budget impact
6. (\$26m) Budget Package - recommendation
7. Updated 4-year outlook
8. Outcomes



Outcomes

1. Budget development timeline updates
2. Fund balance, cash flow and 4-year outlook updates
3. Understanding of impact from 2024 Legislative session
4. (\$26m) Budget Recommendation - questions, thoughts



Budget Guiding Principles

1. Honor the District Strategic Plan as the foundational policy guidance (including its focus on Racial and Educational Justice as well as student outcomes).
2. Minimize the impact on students both in the classroom and in their educational experiences.
3. Keep schools open.
4. Comply with negotiated agreements.
5. Minimize reduction in force (RIF).
6. Preserve consistent and predictable operations and services to the extent possible while working to avoid any additional burdens on the work within classrooms.
7. Comply with state mandates (whether funded or not).
8. Conform with adopted, existing school board policies.



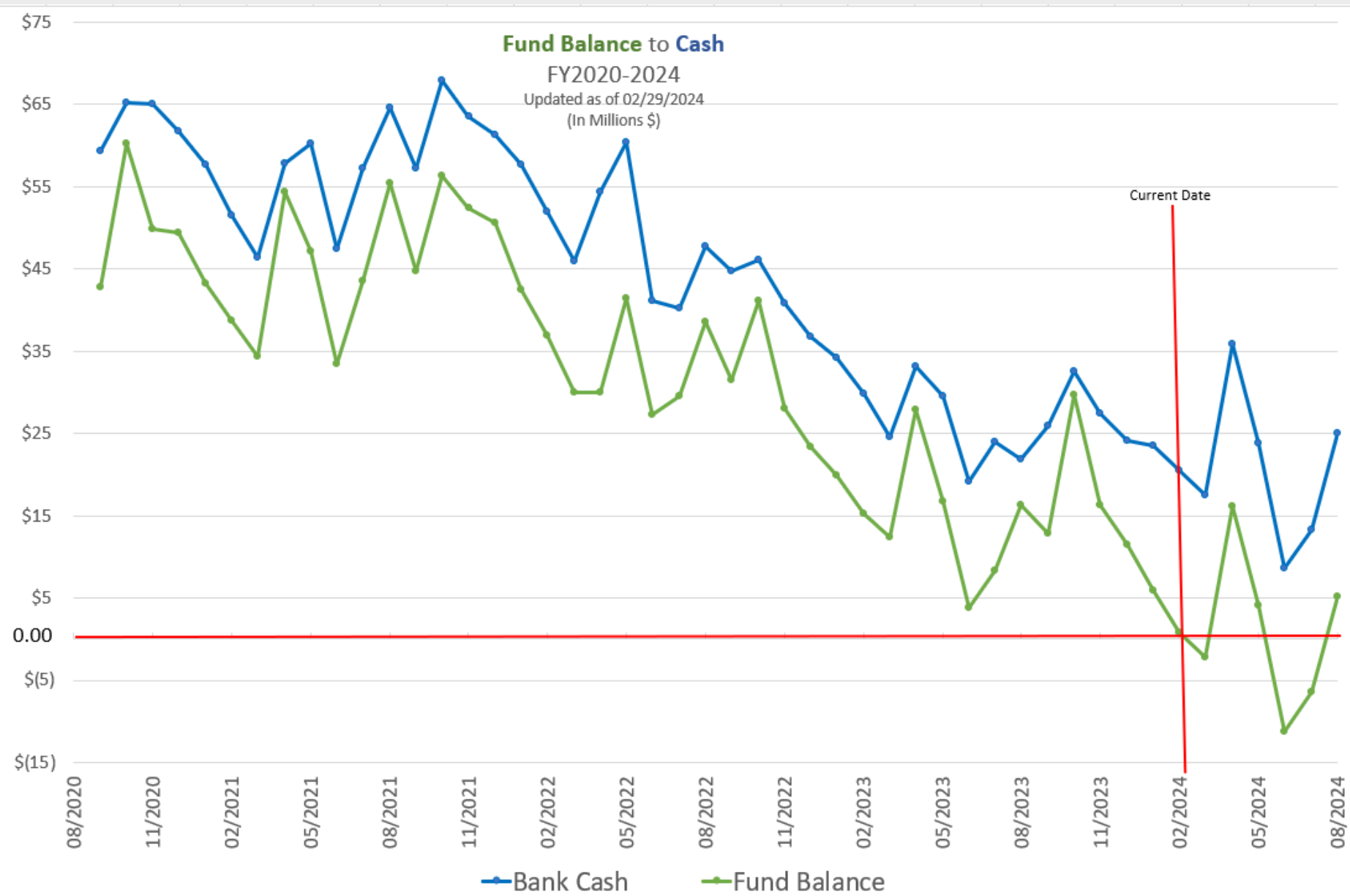
FY 2024-25 Budget Development Calendar

- **September 26, 2023** - Budget Study Session
- **November 13, 2023** - Budget Study Session
 - Review 2022-23 final numbers
- **December 11, 2023** – Budget Study Session, *recommendations from Superintendent*
- ~~January 16, 2024 – Budget Study Session to review and finalize recommendations~~
 - ~~— Review allocation changes~~
 - ~~— Review overall major budget changes~~
- **January 15 to February 1** - Central budgets developed
- **February 29, 2024** - Budget Allocations to Schools
- **March 11, 2024** - Budget Study Session
- **May 2024** - Final General Fund Balancing
- **May 13, 2024** - Budget Study Session
- **June 24, 2024** - Introduce Budget to Board and Required Public Hearing
- **July 8, 2024** - Board Action to adopt school year 2024-25 budget

2023-24 Fund Balance and Cash Flow Projections

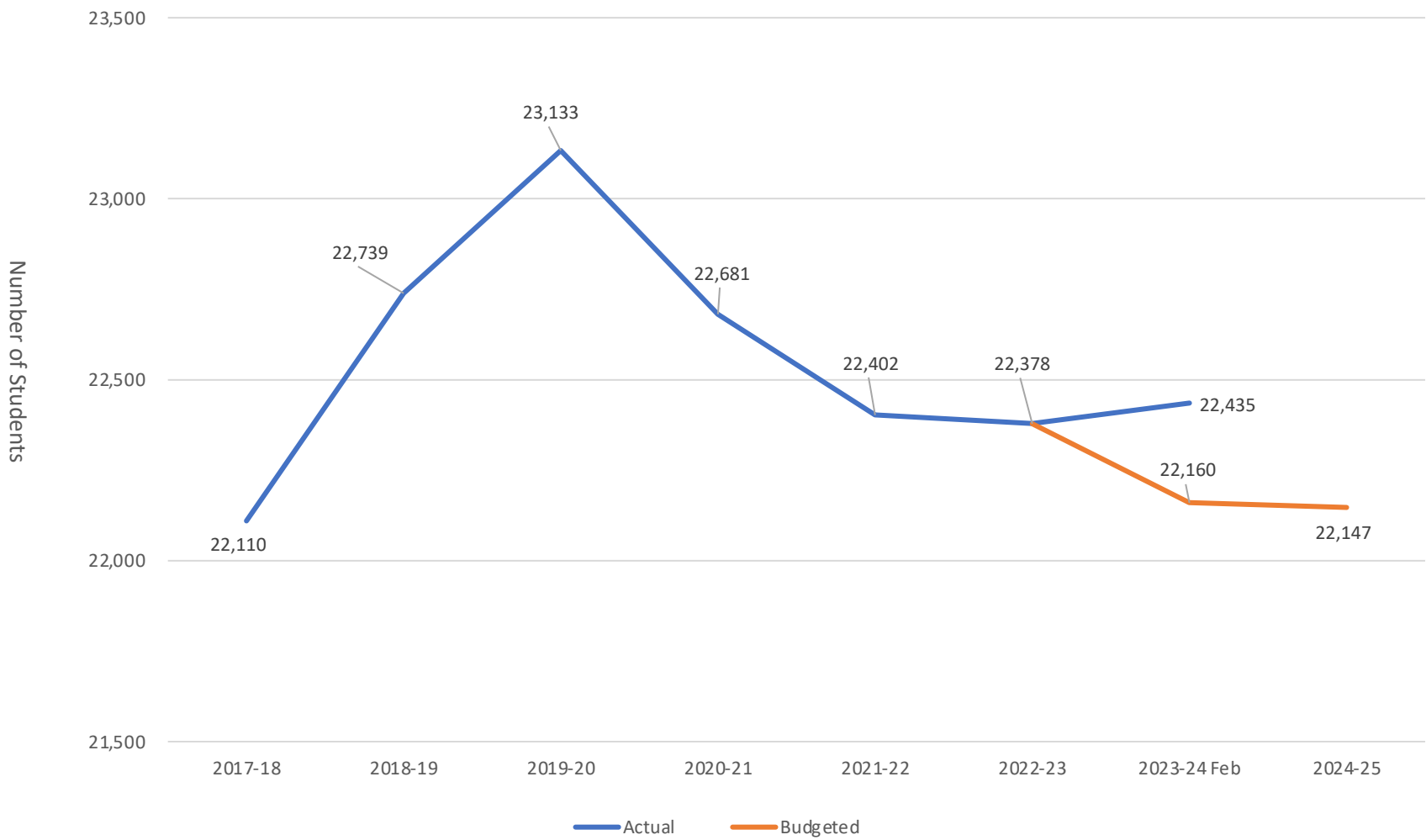


Fund Balance to Cash





Enrollment – 2024-25 Annual Average FTE (AAFTE) Projection





Enrollment by Grade

Grade Level	2019-20	2020-21	2021-22	2022-23	2023-24 Estimate	2024-25 Budget
K	1,724	1,525	1,619	1,531	1,492	1,428
First	1,814	1,725	1,605	1,724	1,586	1,533
Second	1,810	1,786	1,734	1,658	1,747	1,584
Third	1,787	1,761	1,764	1,749	1,656	1,747
Fourth	1,889	1,747	1,717	1,750	1,786	1,662
Fifth	1,812	1,837	1,727	1,710	1,749	1,780
ELEMENTARY	10,836	10,380	10,167	10,121	10,016	9,733
Sixth	1,895	1,757	1,781	1,731	1,728	1,751
Seventh	1,778	1,839	1,731	1,750	1,760	1,728
Eighth	1,833	1,744	1,775	1,709	1,762	1,748
MIDDLE SCHOOL	5,505	5,339	5,287	5,190	5,250	5,227
Ninth	1,789	1,850	1,800	1,858	1,777	1,834
Tenth	1,720	1,753	1,829	1,782	1,875	1,776
Eleventh	1,503	1,449	1,547	1,629	1,570	1,658
Twelfth	1,269	1,384	1,376	1,417	1,464	1,434
HIGH SCHOOL	6,281	6,436	6,550	6,685	6,686	6,702
TOTAL	22,623	22,155	22,004	21,997	21,952	21,662

Running Start
numbers are
excluded.

Totals may
appear slightly
off due to
rounding.

2024 Legislative Session Impacts



Additional Revenue (estimated)

- Increase in MSOCs rates of \$21 per student (ESHB 2494)
 - \$423,992 additional revenue
- Increase in prototypical staffing for paraeducators and office support by .076 (2SSB 5882)
 - \$1,230,380 additional revenue
- Total of \$1,654,372, which will begin in this school year 2023-24

(\$26m) Budget Reduction Package -
recommendation



Recommendation

\$26m Budget Reduction Package	
Goal for reductions	\$ 26,000,000
NSEA	\$ (15,103,374)
NSEA IPD only	\$ (4,800,000)
NEOPA	\$ (596,000)
Non-bargained list	\$ (5,782,939)
Remaining amount	\$ (282,313)
Add back from NSEA	\$ 329,423
Balance	\$ 47,110

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2024-25 Budget Survey Results: Families

Table 1: Support Ratings by Parents and Guardians
<u>Supports with Highest Ratings</u>
Small class sizes; teacher-student ratio
Clean and well-maintained buildings
School safety and support
Additional classroom staff support
Teacher training, development
<u>Supports with Lowest Ratings</u>
Secondary Advisory
GR5 orchestra/band opportunities
Transportation-after school programs
Alternatives to neighborhood schools
Dual Language Program





2024-25 Budget Survey Results: Students

Table 2: Support Ratings by Students	
Supports with Highest Ratings	
Student clubs	
Clean and well-maintained buildings	
Teacher training, development	
Later start time-high school students	
CTE courses and opportunities	
Supports with Lowest Ratings	
GR5 orchestra/band opportunities	
Fifth grade camp	
Elementary athletics	
Alternatives to neighborhood schools	
Secondary Advisory	





Summary of \$26m in Reductions

- Honoring our collective bargaining agreements
- Retaining 7 period day
- Kept small class sizes for PreK-3, raised others by two
- Student supports— reduce by 2.5 FTE Assistant Principals, no other changes



Items from Non-Bargained List

Budget Recommendation - Items from non-bargained list	
Item	As of March 11
Reduce MS sports - includes transportation costs and accounts for revenue	\$ 660,000
Eliminate activity buses at high schools	\$ 40,000
Eliminate elementary sports	\$ 27,000
Field and Facility Fee increase	\$ 450,000
Theatre Fee increase	\$ 50,000
Staff pay for fingerprinting	\$ 20,000
Preschool cost , increase tuition	\$ 150,000
Additional central office reductions	\$ 1,332,882
Innovation Lab costs - enrollment increases reduce cost of staffing	\$ 174,000
Closing the Woodmoor pool	\$ 169,000
Stop printing calendars	\$ 20,000
AP reduction at elementary level, 2.5 AP's	\$ 437,834
Reduce school office staffing to CBA levels	\$ 175,682
Food service hour restructuring	\$ 324,594
No 45 day special ed paras	\$ 425,685
No 45 day gen ed paras	\$ 40,685
10% MSOC reduction to school budgets	\$ 223,877
STS costs being charged to the General Fund moved to Tech levy	\$ 1,061,700
Total	\$ 5,782,939
Goal	\$ (5,830,049)
Balance	\$ (47,110)



Class Size Ratios

2023-24 Ratios

Elementary Schools

2023-24	Grade	Class Size
	K-2	22
	3-4	23
	5	27

Middle Schools

- Class size - 31
- Caseload - 155
- Staffing Factor - over 6 periods

High Schools

- Class size - 31
- Caseload - 155
- Staffing Factor - over 7 periods

2024-25 Ratios

Elementary Schools

2024-25	Grade	Class Size
	K-2	22
	3	23
	4	25
	5	29

Middle Schools

- Class size - 33
- Caseload - 165
- Staffing Factor - over 6 periods

High Schools

- Class size - 33
- Caseload - 165
- Staffing Factor - over 7 periods



Adjust Fund Balance Four Year Outlook – from December Study Session – as updated on November 23, 2023

Four Year Outlook							
General Fund Position over three years		2023-24	2024-25		2025-26		2026-27
Revenues		\$ 431,300,000	\$ 439,900,000		\$ 448,700,000		\$ 457,700,000
Expenditures		\$ 444,530,000	\$ 457,900,000		\$ 471,600,000		\$ 485,700,000
Resource Gap		\$ (13,230,000)	\$ (18,000,000)		\$ (22,900,000)		\$ (28,000,000)
Restore Minimum Fund Balance		\$ -	\$ (4,579,000)		\$ (4,716,000)		\$ (4,857,000)
Updated Projection as of Nov 13							
Ending FB less than budgeted		\$ (700,000)	\$ (300,000)				
Revenue increased by \$2.9m - enrollment		\$ 2,900,000	\$ 3,000,000		\$ 3,000,000		\$ 3,100,000
Expenditure increase - special ed, EL, support services		\$ (6,700,000)	\$ (6,900,000)		\$ (7,100,000)		\$ (7,300,000)
Updated Projection as of Nov 13		\$ (17,730,000)	\$ (26,479,000)		\$ (31,716,000)		\$ (37,057,000)
Current Potential Solutions							
Solutions		Current Plan	Current Plan	Available resources - at end of 24-25	Potential	Available resources - at end of 25-26	Potential
Fund Balance		\$ 17,430,000	\$ -	\$ -	\$ -	\$ -	\$ -
Minimum Fund Balance Reserve		\$ -	\$ -	\$ 4,579,000	\$ -	\$ 9,295,000	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total remaining gap		\$ (300,000)	\$ (26,479,000)		\$ (31,716,000)		\$ (37,057,000)
Reduction		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IPD only <i>estimated as of 9/25/23</i>			\$ 5,000,000				
Reductions in prior years		\$ -	\$ -	\$ -	\$ 26,479,000	\$ -	\$ 31,716,000
Total remaining gap		\$ (300,000)	\$ (21,479,000)		\$ (5,237,000)		\$ (5,341,000)
Fund balance reserve 3% of budgeted expenditures			\$ 13,737,000.00		\$ 14,148,000.00		\$ 14,571,000.00



Adjusted Fund Balance Four Year Outlook – as updated March 11

Four Year Outlook					
General Fund Position over three years		2023-24	2024-25	2025-26	2026-27
Revenues		\$ 431,300,000	\$ 439,900,000	\$ 448,700,000	\$ 457,700,000
Expenditures		\$ 444,530,000	\$ 457,900,000	\$ 471,600,000	\$ 485,700,000
Resource Gap		\$ (13,230,000)	\$ (18,000,000)	\$ (22,900,000)	\$ (28,000,000)
Restore Minimum Fund Balance		\$ -	\$ (4,579,000)	\$ (5,242,110)	\$ (5,276,000)
Previous Projection as of Nov 13					
Ending FB less than budgeted		\$ (700,000)	\$ (300,000)		
Revenue increased by \$2.9m - enrollment		\$ 2,900,000	\$ 3,000,000	\$ 3,000,000	\$ 3,100,000
Expenditure increase - special ed, EL, support services		\$ (6,700,000)	\$ (6,900,000)	\$ (7,100,000)	\$ (7,300,000)
Updated Projection as of Nov 13		\$ (17,730,000)	\$ (26,479,000)	\$ (32,242,110)	\$ (37,476,000)
Current Potential Solutions					
Solutions as of March 11, 2024		Current Plan	Current Plan	Potential	Potential
Fund Balance		\$ 17,430,000	\$ -	\$ -	\$ -
Minimum Fund Balance Reserve		\$ -	\$ -	\$ -	\$ -
2024 Legislative action	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -
Total remaining gap		\$ (300,000)	\$ (26,479,000)	\$ (30,742,110)	\$ (37,476,000)
\$26m plan - actual amount of reductions	\$ -	\$ -	\$ 25,952,890	\$ -	\$ -
Reductions in prior years	\$ -	\$ -	\$ -	\$ 25,952,890	\$ 32,242,110
Total remaining gap		\$ (300,000)	\$ (526,110)	\$ (4,789,220)	\$ (5,233,890)
Fund balance reserve 3% of budgeted expenditures			\$ 13,737,000.00	\$ 14,148,000.00	\$ 14,571,000.00
Estimated to be available at year end			\$ 4,052,890	\$ 9,295,000	\$ 14,571,000



Next Fund Balance and Projection Update

- 2024-25 Revenues and Expenditures will be updated as part of the May study session. These will be our actual budget numbers after all 2024-25 budget work has been completed.
- A new 4-year projection will be provided as part of this update.



Outcomes

1. Budget development timeline updates
2. Fund balance, cash flow and 4-year outlook updates
3. Understanding of impact from 2024 Legislative session
4. (\$26m) Budget Recommendation - questions, thoughts

Questions and Discussion



Appendix



Middle School Sports – estimated savings of \$923,263, net of revenue and including transportation costs of \$229,000

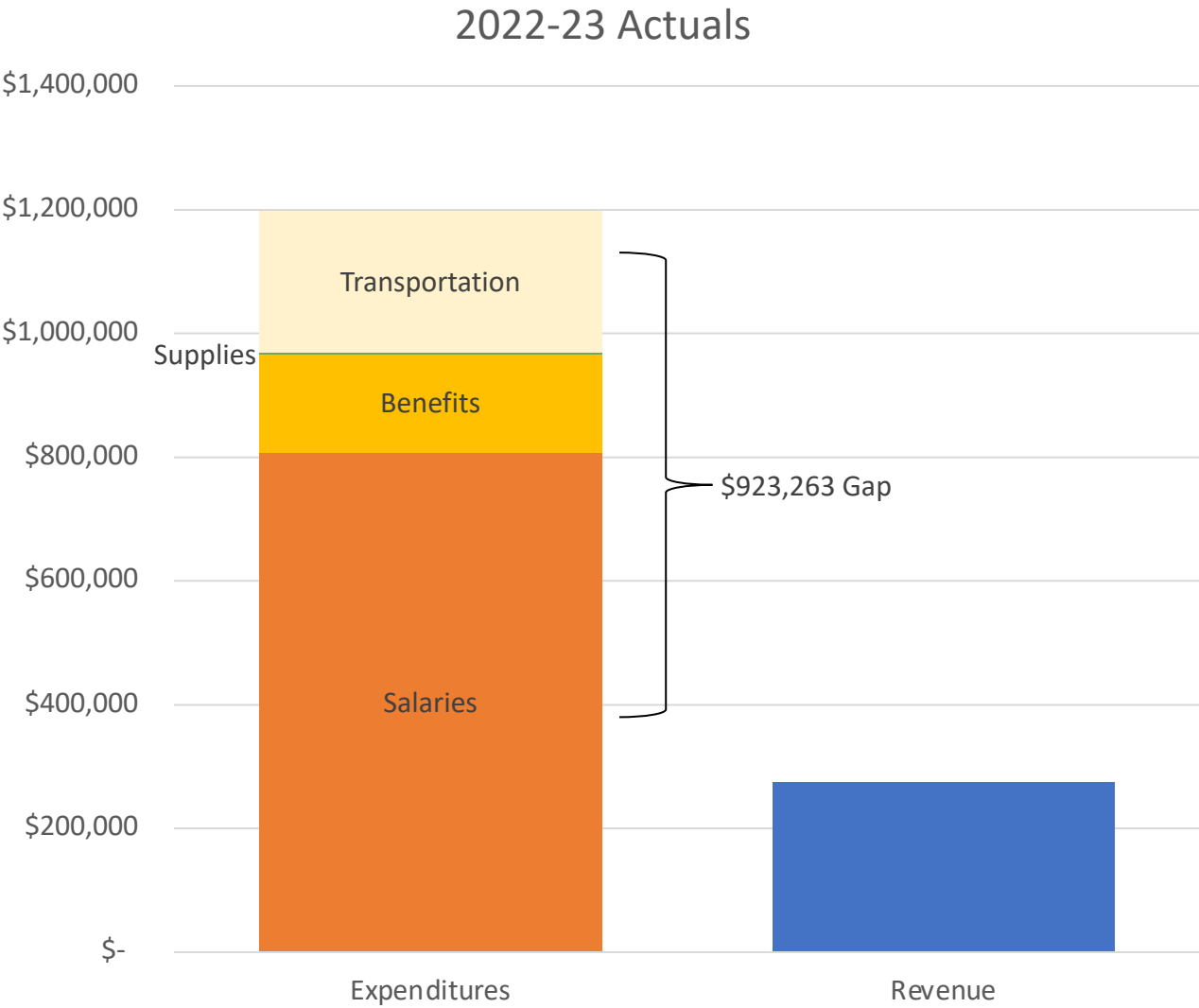
Sport	Number of Participants in 2022-23	Number of HB1660 Students*
Boys Tennis	91	0
Girls Tennis	132	6
Boys Soccer	308	35
Girls Soccer	201	11
Girls Volleyball	409	30
Cross Country	346	6
Boys Basketball	422	18
Girls Basketball	350	26
Wrestling	226	31
Track & Field	487	25

*HB1660 students are those that qualify for free or reduced meal prices. They have a signed waiver on file and are able to participate for free.



Middle School Sports

- Non-transportation costs: \$968,766
- Transportation costs: \$229,000
- Revenue (Pay to Play) (\$274,503)
- Total savings: \$923,263





No High School Activity Bus

- Average 72 Kids - 4 days a week
 - 3 High Schools –
 - Bothell High School – 3 days a week – 3 to 10 kids
 - North Creek High School – 3 days a week– 3 to 10 kids
 - Inglemoor High School – 5 days a week – 3 to 10 kids
 - 3 Buses – 11 Trips per week
 - Annual Miles: 7,162 (\$ 5.60 per mile)
 - Annual Hours: 300 (\$ 133.30 per hour)
 - Cost per Trip: \$101
 - Cost per Pupil: \$1.40 per Trip
- Total Savings: \$40,000



No Transportation for Middle School Sports

- Average 490 Kids - 4 days a week
 - 6 Middle Schools
 - 14 Buses – 56 Trips per week
 - Annual Miles: 34,559 (\$6.60 per mile)
 - Annual Hours: 1,540 (\$148.70 per hour)
 - Cost per Trip: \$113.59
 - Cost per Pupil: \$0.23 per Trip
- Total MS Kids in Athletics – 2,347
 - MS Free and Reduced – 16.30%
- Total Savings: \$229,000



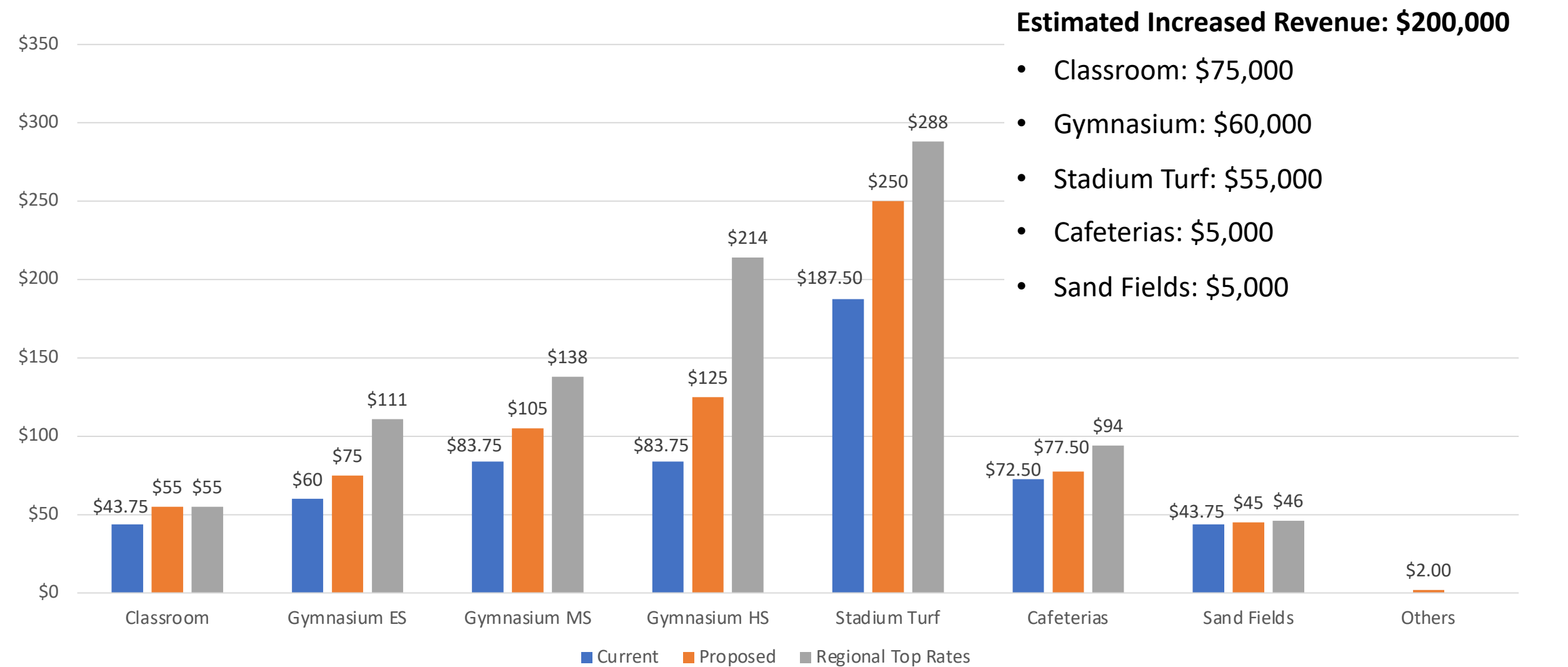
No Elementary School Sports

Sport	Number of Participants in 2022-23	Number of HB1660 Students*
Cross Country	1,333	35
Track & Field	1,376	74

*HB1660 students are those that qualify for free or reduced meal prices. They have a signed waiver on file and are able to participate for free.



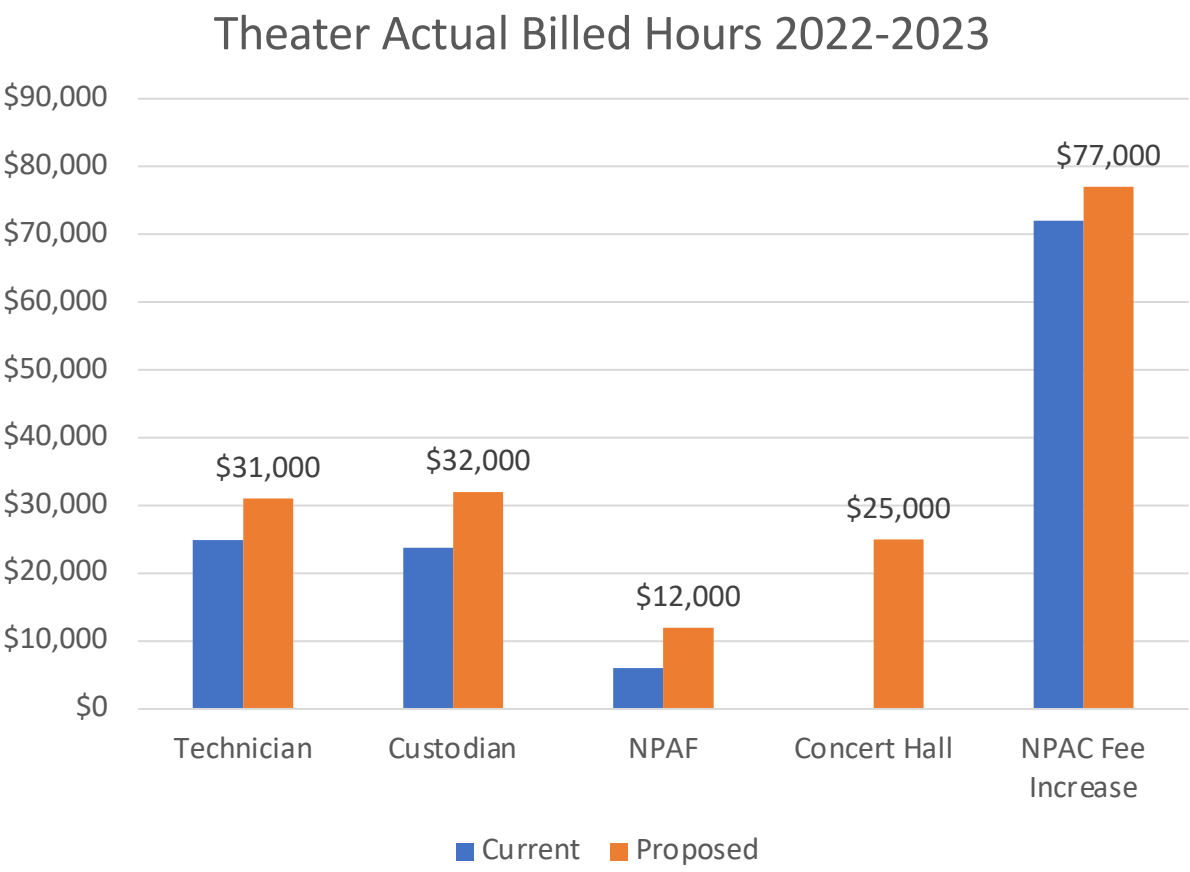
Increase Facility and Field Rental Rates





Increase Theater Rental Fees

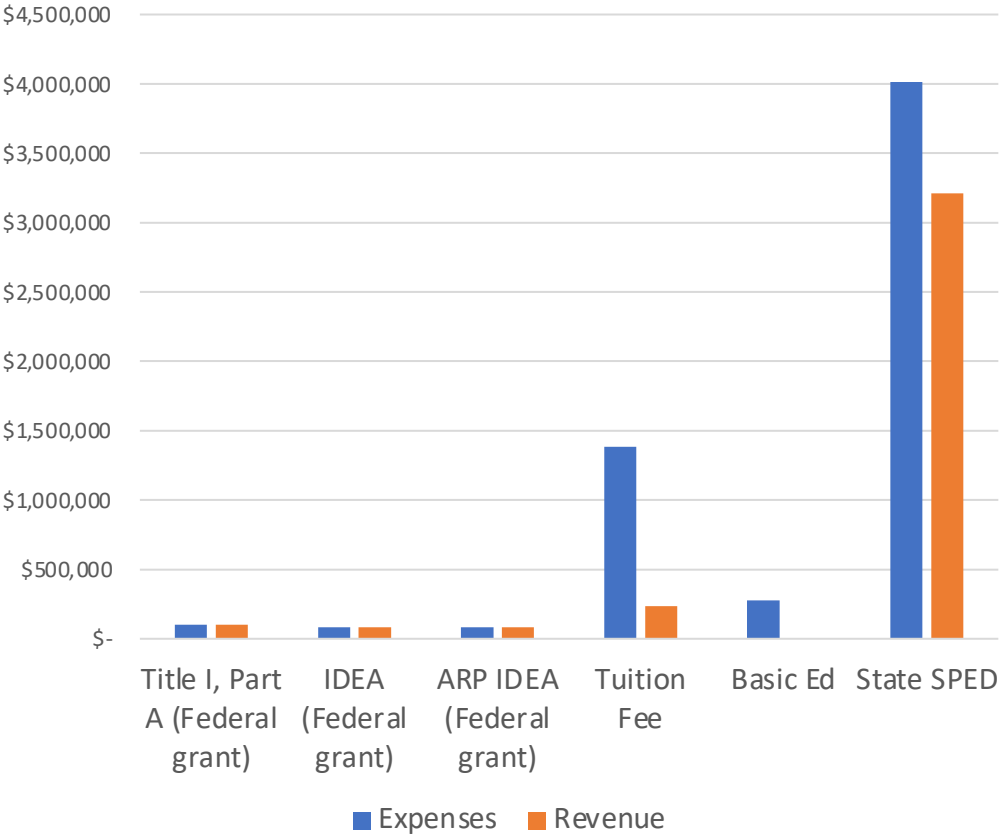
- Increase in Fees & Revenue
 - Technician fee - \$17,000
 - Custodial fee - \$8,500
 - Northshore Performing Arts Foundation (NPAF) revenue - \$6,000
 - Northshore Performing Arts Center (NPAC) fee - \$5,000
 - Concert Hall - \$25,000
- Total Revenue: \$50,000





Increase Preschool Tuition

2022-23 Preschool Expenses vs. Revenues



2022-23 Preschool	Expenses	Revenue	Variance
Title I, Part A (Federal grant)	\$ 99,934	\$ 99,934	\$ -
IDEA (Federal grant)	\$ 81,117	\$ 81,117	\$ -
ARP IDEA (Federal grant)	\$ 82,048	\$ 82,048	\$ -
Tuition Fee	\$ 1,383,673	\$ 235,775	\$ (1,147,898)
Basic Ed	\$ 277,238	\$ -	\$ (277,238)
State SPED	\$ 4,011,232	\$ 3,208,544	\$ (802,688)
Total	\$ 5,935,242	\$ 3,707,418	\$ (2,227,824)



Increase Preschool Tuition

FY 23-24 Preschool	Current rate	Proposed rate	Increased by
Monthly tuition fee rate	\$ 300	\$ 425	\$ 125
Non-refundable deposit	\$ 175	\$ 225	\$ 50
Total Revenue	\$ 368,000	\$ 518,400	\$ 150,400



Central Office Reductions

Positions
3 Director positions
3 Assistant Director positions
1 Assistant Superintendent level position
1 Other .5 FTE Central Admin position
(1.5) positions added back with reorg

Total Savings:
\$1,300,000



Innovation Lab High School 2022-23 Expenditures

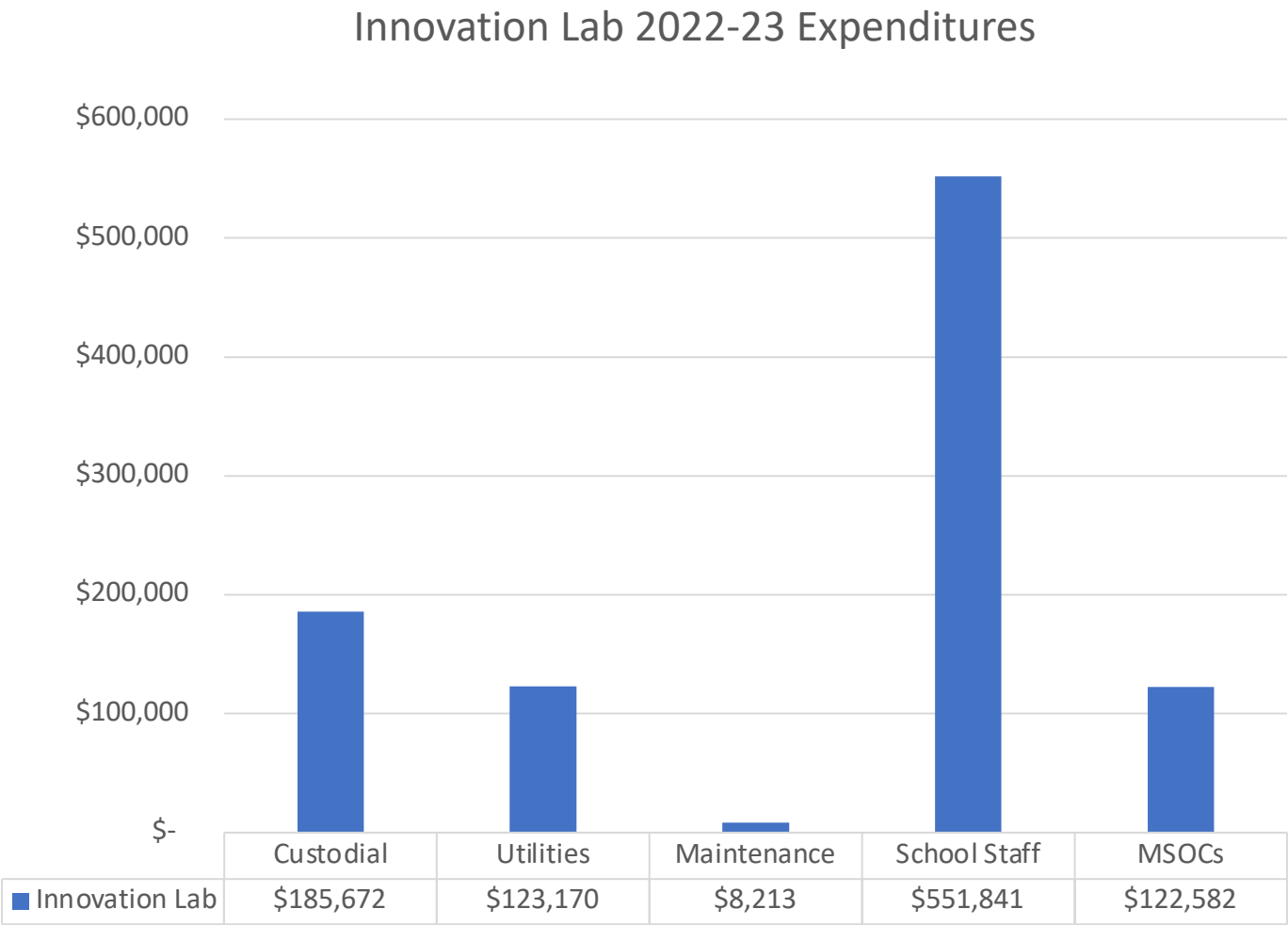
Enrollment

- 210 Students - 2022-23 Headcount
- 247 Students - September 2023-24 Headcount
- 55 more Students would bring in funding to cover costs.

Savings Using 2022-23 Costs

- Custodial (2 staff) \$ 185,672
- Maintenance \$ 8,213
- Utilities (increase 8% each year) \$ 123,170
- School Staff \$ 551,481
- Supplies, etc \$ 121,582
- Costs moved to other schools (\$ 469,323)

- Total Savings: \$522,156

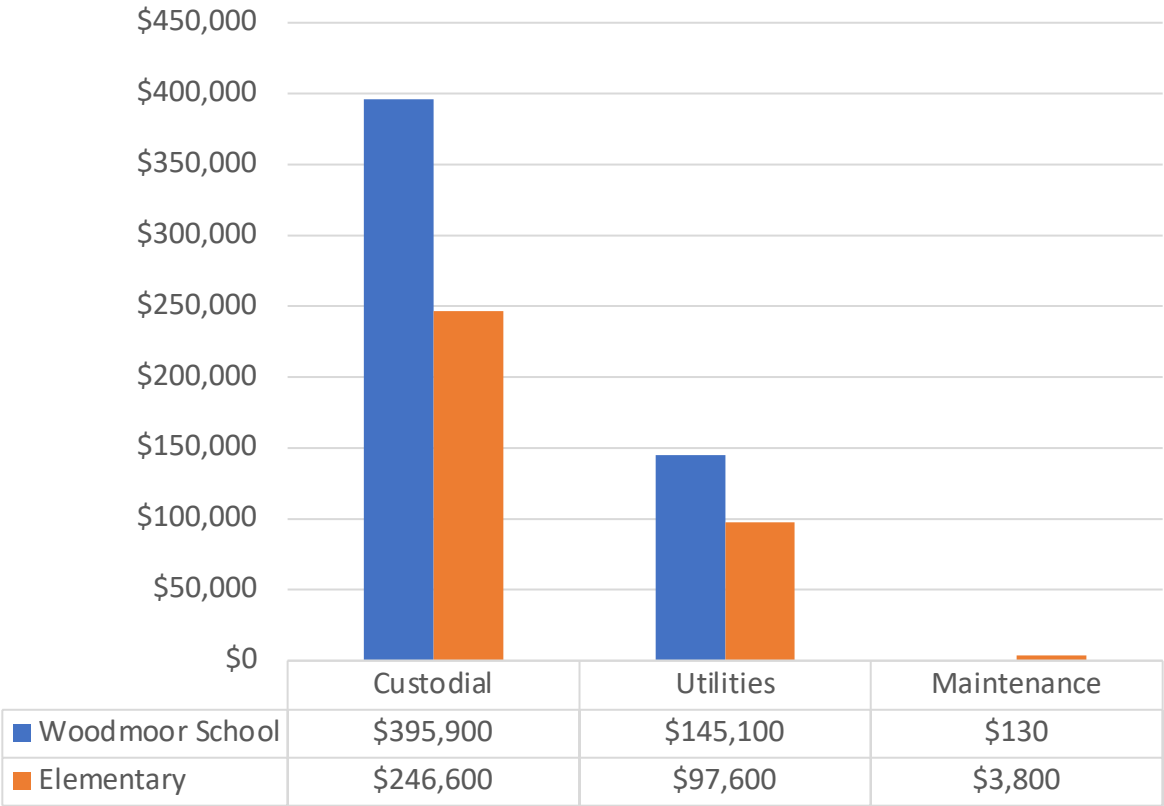




Close Woodmoor Elementary Pool

- Operations \$541,000
 - Utilities Increase 8% each Year
- Current Woodmoor Students
 - 27 Students
- Capital Improvement – Life Safety
 - \$2.7M for Construction
- Revenue: \$24,000
 - 7C’s Swim School
 - 5 Public Pools within 6 miles
- Total Savings: \$169,000

2022 - 2023 Expenditures





Reduce Elementary Office Staff to CBA Levels

- Scenario: Reduce Office Staff at Elementary from Enrollment Driven basis to 1 Office Manager and 1 Secretary
- Assumptions:
 - Using 23-24 Current Actuals for Costing
 - Elementary Office Staff only
 - 5 schools would lose 11 additional days for Secretary
 - Canyon Creek, Fernwood, Kokanee, Lockwood, Moorlands
 - 1 school would lose 4 hours of additional Secretary time
 - Fernwood
 - 1 school would lose 6.5 hours of additional Secretary time
 - Canyon Creek
- Estimate: \$175,682



Reduce Materials/Supply Allocation to Schools by 10%

- Reduce Per Pupil allocation by additional 10% for 2024-25

	2022-23 @100%	2023-24 @90%	2024-25 @80%
	Per Pupil		
Elementary	110.60	99.54	88.48
Middle	87.00	78.30	69.60
High	101.55	91.40	81.24

- Based on projected 2023-24 enrollment
 - 2023-24 MSOCs at 90% - \$2,027,837
 - 2023-24 MSOCs at 80% - \$1,803,960
 - Savings of \$223,887



Eliminate STS Costs Charged to the General Fund

- STS is a School Technology Specialist
- Using 2023-24 Budget Model as basis for cost
- 2023-24 Budget split is 50% paid by Tech Levy and 50% paid by General Fund
- Number of positions – 33
- Moving 100% of costs to Tech Levy would save \$1,023,817 in General Fund salaries and benefits