



Northshore  
School District

# Conversations with the Board

March 12, 2024

# AGENDA

Time	Topic/Activity
6 p.m.	Welcome and Purpose, President Cast
6:10-6:20 p.m.	2024-25 Budget Development Guiding Principles, President Cast
6:20-6:40 p.m. p.m.	Budget Development Update, Deputy Superintendent Berge
6:40- 6:55 p.m.	Advocacy Overview, Director McGourty
6:55 -7:28 p.m.	Small Group/Partner Conversations and Report Out
7:28 p.m.	Thank You, Next Steps, and Exit Ticket

# Welcome and Purpose



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# NORTHSHORE SCHOOL DISTRICT



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# 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.



# Northshore Mission and Commitments

**At Northshore, our mission is to strengthen our community through excellence in education.**

Our actions are grounded in a strong belief in the capacity of every student to achieve academic and social-emotional success that prepares them to thrive in a world yet to be imagined.

We are committed to equity, to safety and supports for students and adults, and to building on the strengths and addressing the needs of the whole child.

The ethic of lifelong learning is the catalyst for growth and continuous improvement. It powers the journeys of our students, educators and community toward excellence.

Learning into the future guarantees that together, everybody grows every day.

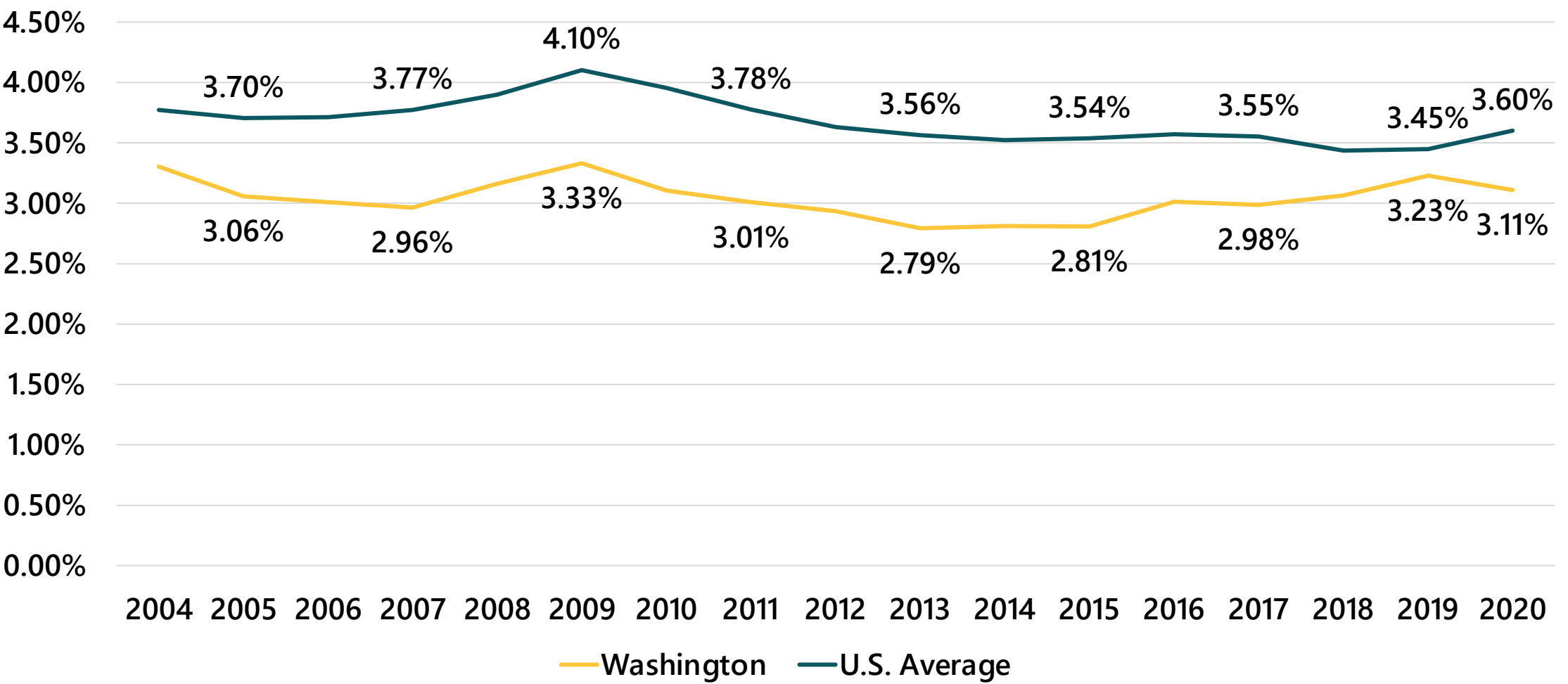
# Background on K-12 Funding



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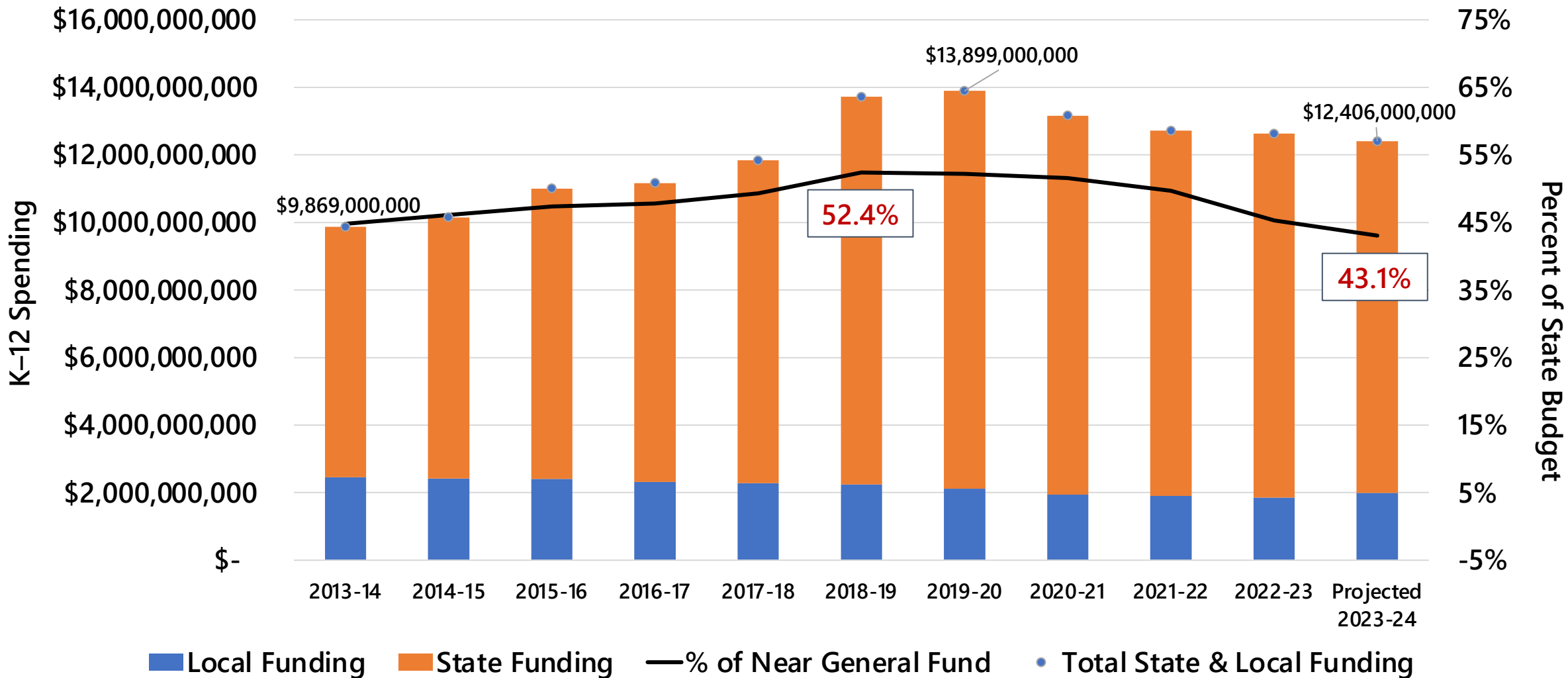
# Investment in K–12 Education as a Percentage of Gross State Product





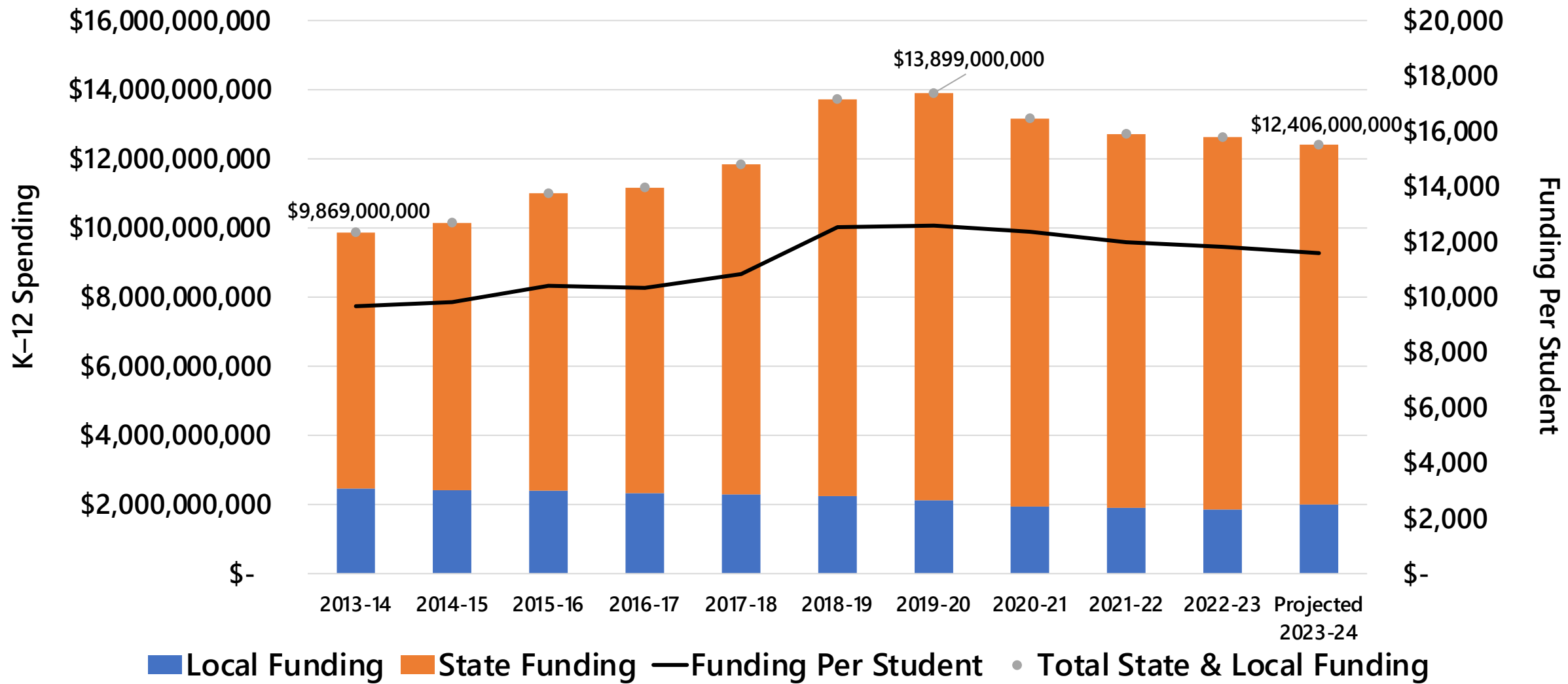


# Inflation Adjusted K-12 Spending & Share of State Budget





# Inflation Adjusted K-12 Spending & Funding Per Student



## K12 Funding Summary

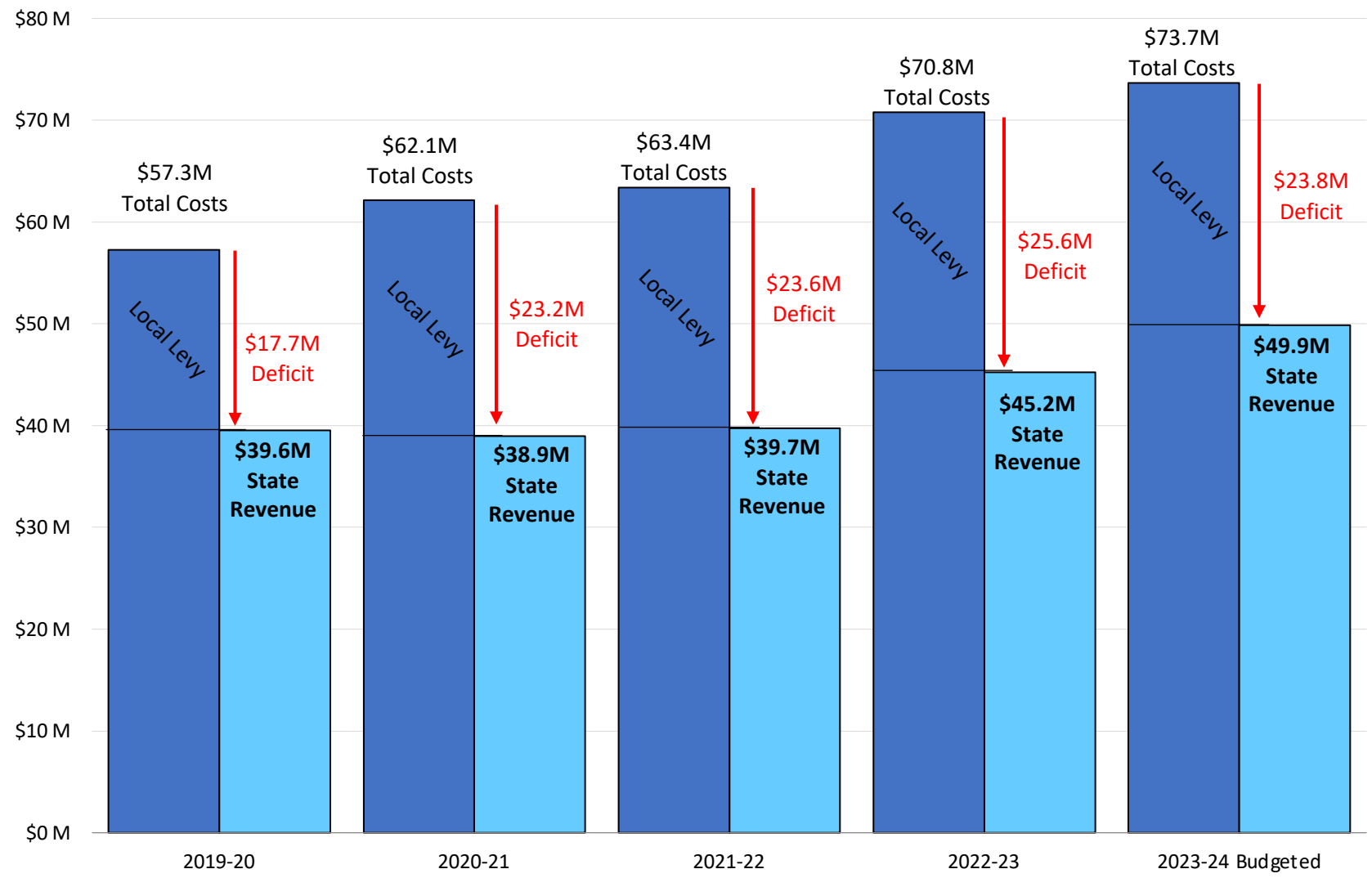
- McCleary significantly changed how funding is received from the state.
- Levy cuts were not ordered by the Supreme Court, they were never regionalized, and there is now a two-tiered system of inequity.
- Under current funding levels, there is no real way to give IPD+ without cuts after fund balance is spent down.
- Washington taxes at a lower rate than the national average (*Tax Foundation*).
- K–12 Spending as a share of state GDP is lower than the national average (*Rutgers Research*).
- K–12 Spending in Washington peaked in 2019, it is now falling adjusted for inflation, adjusted for inflation per pupil (even with a 3.5% enrollment decline), and it is declining as a share of our state NGF budget.
- WA State is ending this year with reserves that could have improved K12 funding.

# Salary Amounts – From State Budget for School Year 2023-2024

Certificated Staff (Teachers, counselors, nurses, etc)	\$88,994
Classified Staff (food service, custodians, maintenance, budget analysts, deputy superintendent)	\$63,842
Certificated Admin Staff (Superintendent, principals, all admin required to have a certificate)	\$132,101



# Special Ed – Remaining Gap in State Basic Ed Funding – with year end 22-23



22/23 Budget was for a \$22.1m deficit

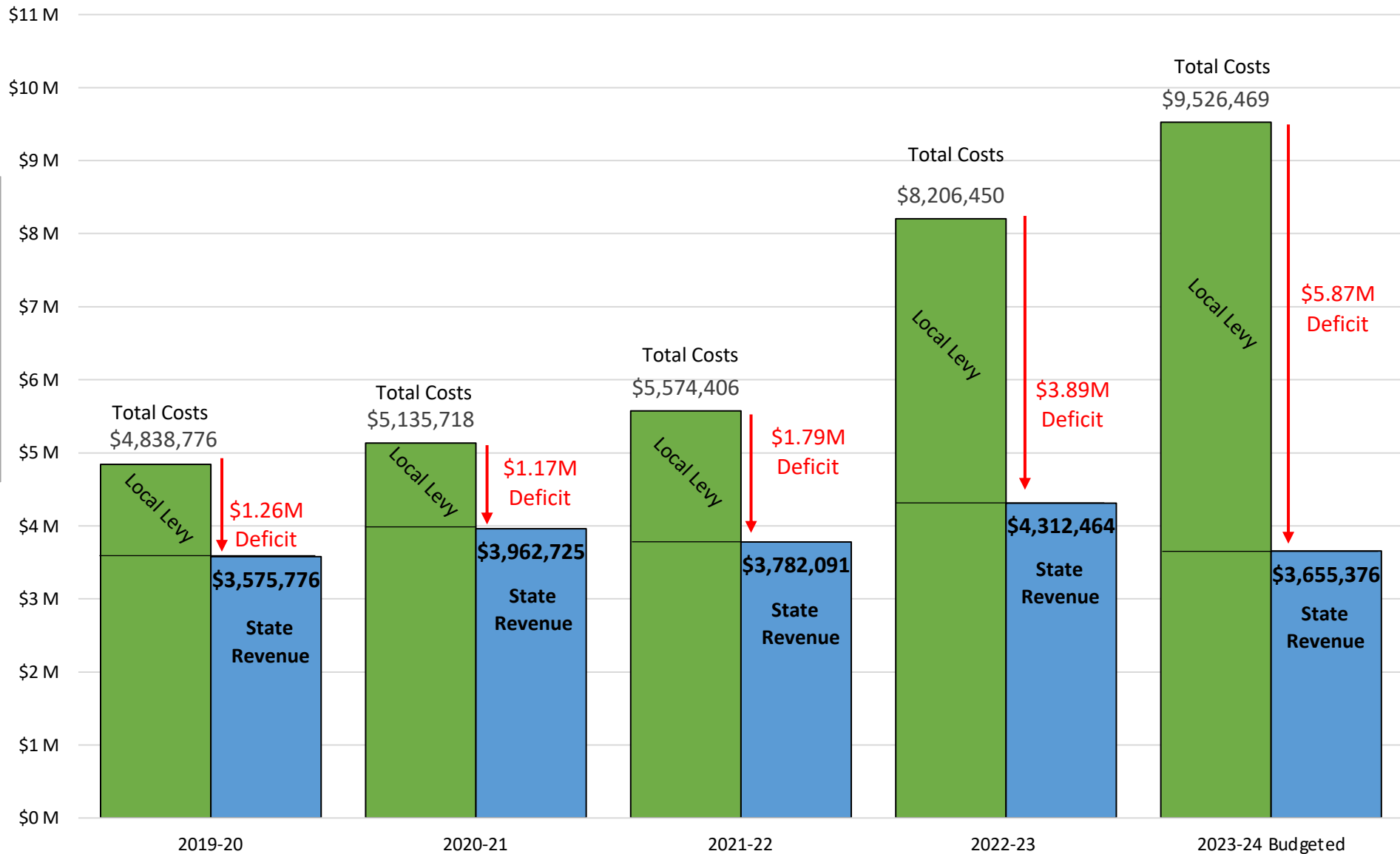
As of September, estimated deficit was \$26.2m



# TBIP - Gap in State Basic Ed Funding – with year end 22-23

22/23 Budget was for a \$2.98m deficit

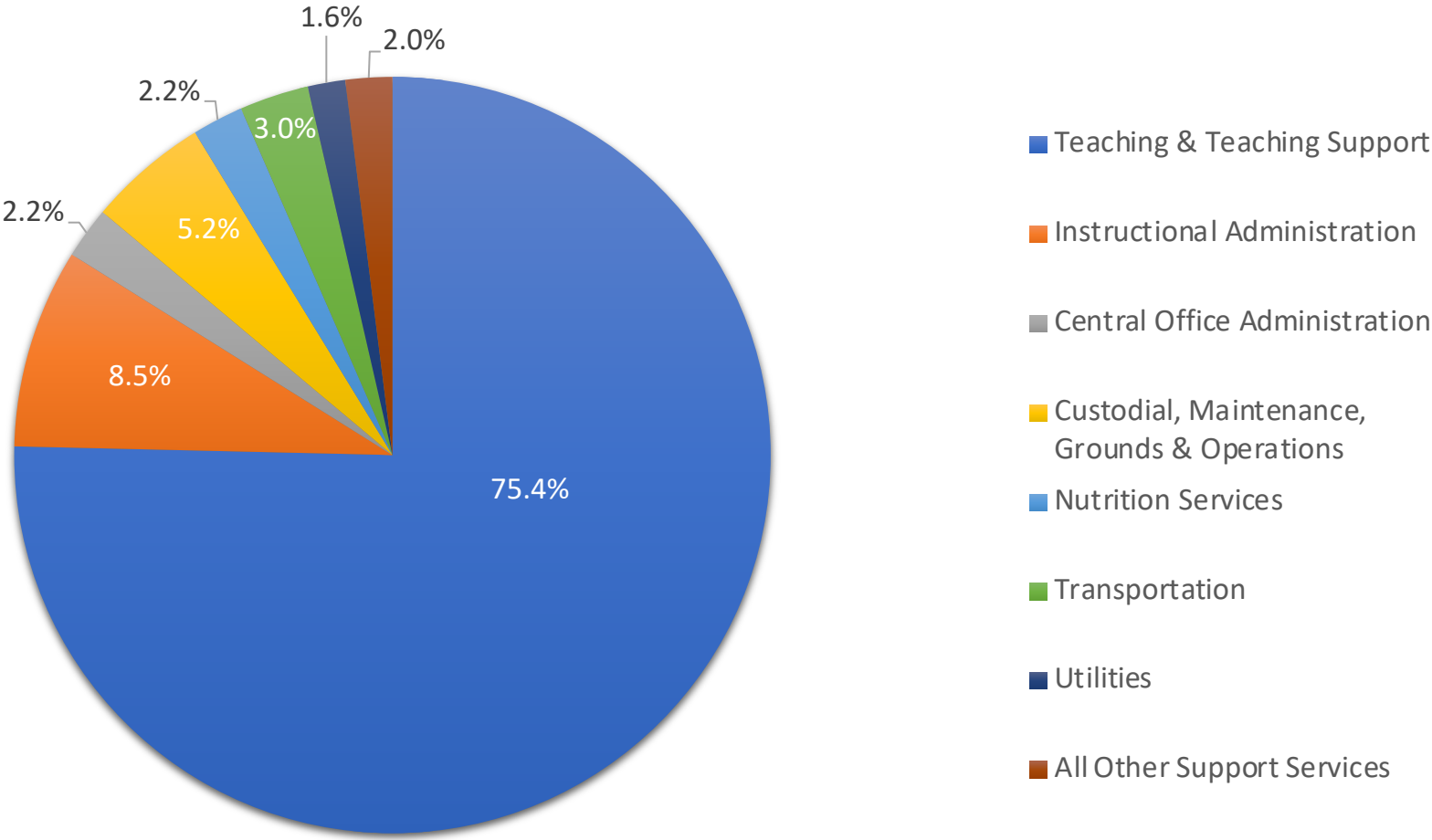
As of September, estimated deficit was \$3.9m







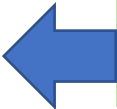
# 2022-23 Expenditures by Activity





# Central Office Administrators Comparison

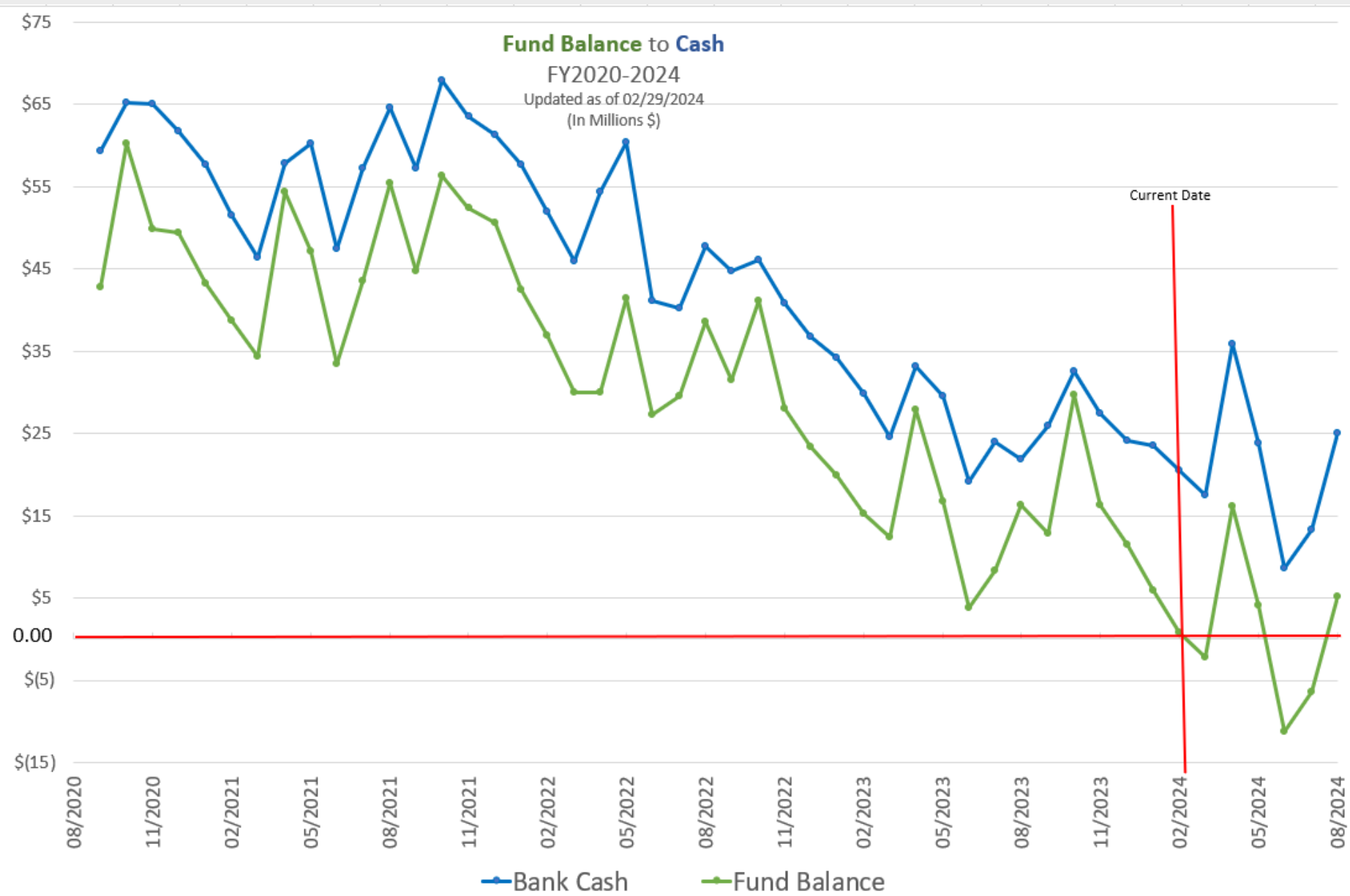
	2023-24 Budget	Percent of Budget
Lake Washington	\$ 25.9M	4.65%
Issaquah	\$ 19.2M	4.96%
Edmonds	\$ 21.6M	5.41%
Everett	\$ 21.9M	5.63%
Federal Way	\$ 24.4M	5.70%
<b>Northshore</b>	<b>\$ 25.4M</b>	<b>5.72%</b>
Shoreline	\$ 10.2M	6.07%
Tacoma	\$ 33.7M	6.09%
Kent	\$ 35.7M	6.74%
Bellevue	\$ 29.4M	7.67%



24-25 Goal Percentage of Budget of 5.25%  
This will shift NSD to #3

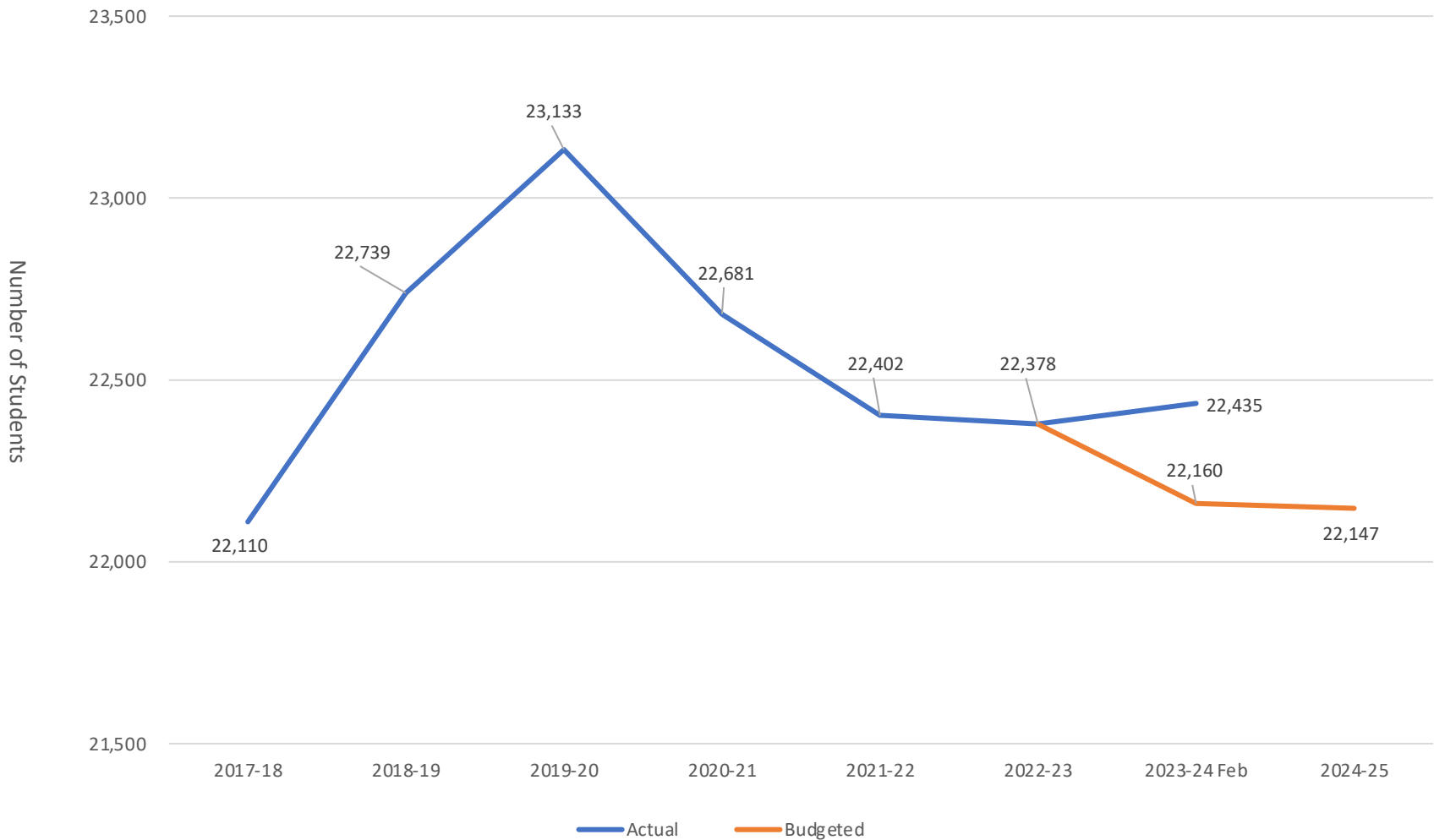


# Fund Balance to Cash





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





# 2024 Legislative Session Impact Additional Revenue (estimated)

- Increase in MSOCs rates of \$21 per student (ESHB 2494)
  - \$423,992 additional revenue
  - Our insurance costs are going up by over \$600k next year
- Increase in prototypical staffing for paraeducators and office support of \$1,230,380 additional revenue
- Total of \$1,654,372, which will begin in this school year 2023-24 and **are planned to be used to reduce cuts for the following year**

# (\$26m) Budget Reduction Package - recommendation







# Budget Guiding Principles

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# Recommendation

\$26m Budget Reduction Package	
Goal for reductions	\$ 26,000,000
Changes to contracts	\$ (20,169,951)
Non-bargained list	\$ (5,607,257)
Balance	\$ 222,792



## 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
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
<b>Total</b>	<b>\$ 5,607,257</b>
<b>Goal</b>	<b>\$ (5,830,049)</b>
<b>Balance</b>	<b>\$ (222,792)</b>



# 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



# 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
<b>Resource Gap</b>		\$ (13,230,000)	\$ (18,000,000)	\$ (22,900,000)	\$ (28,000,000)
<b>Restore Minimum Fund Balance</b>		\$ -	\$ (4,579,000)	\$ (5,346,896)	\$ (5,346,896)
<b>Previous Projection as of Nov 13</b>					
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)
<b>Updated Projection as of Nov 13</b>		\$ (17,730,000)	\$ (26,479,000)	\$ (32,346,896)	\$ (37,546,896)
<b>Current Potential Solutions</b>					
<b>Solutions as of March 11, 2024</b>		Current Plan	Current Plan	Potential	Potential
Fund Balance		\$ 17,430,000	\$ -	\$ -	\$ -
Minimum Fund Balance Reserve		\$ -	\$ -	\$ -	\$ -
2024 Legislative action	\$ -	\$ -	\$ -	\$ 1,654,372	\$ -
<b>Total remaining gap</b>		\$ (300,000)	\$ (26,479,000)	\$ (30,692,524)	\$ (37,546,896)
\$26m plan - actual amount of reductions	\$ -	\$ -	\$ 25,777,208	\$ -	\$ -
Reductions in prior years	\$ -	\$ -	\$ -	\$ 25,777,208	\$ 30,692,524
<b>Total remaining gap</b>		\$ (300,000)	\$ (701,792)	\$ (4,915,316)	\$ (6,854,372)
<b>Fund balance reserve 3% of budgeted expenditures</b>			\$ 13,737,000.00	\$ 14,148,000.00	\$ 14,571,000.00
<b>Estimated to be available at year end</b>			\$ 3,877,208	\$ 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.

# Questions and Discussion



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# Advocacy Overview



# Northshore Community Conversation

## **Guiding Questions:**

- As we seek to bring more thought partners and community partners into the conversation of building sustainable school funding, who do you suggest we engage with?
- What additional questions do you still have?

# Close and Next Steps

Thank you!

Exit Ticket

2024-25 Budget Development Webpage:

[www.nsd.org/our-district/overview/2024-25-budget-development](http://www.nsd.org/our-district/overview/2024-25-budget-development)