

# LAKE WASHINGTON SCHOOL DISTRICT

## Budget Advisory Committee (BAC)

April 18, 2024

# AGENDA

5:00 – 5:05 p.m. – Welcome, Check-In

5:05 – 5:45 p.m. – Legislative and Budget Update

5:45 – 6:00 p.m. – BAC member Q&A

6:05 – 6:30 p.m. – Financial Reports

6:30 – 6:45 p.m. – Public Engagement



**Check-in: Preparing for Spring...**



**Lemonade**

*or*



**Iced Tea?**

# LEGISLATIVE SESSION OUTCOMES



## Lake Washington School District

### 2024 Legislative Priorities

*Supporting Every Student  
and the Whole Child*



### Diversity, Equity & Inclusion

- Fully fund special education programs and staffing to align with inclusionary practices
- Update the transportation funding formula to provide clarity and predictability for districts ensuring equitable access to schools
- Authorize alternative teacher training and certification programs to attract, recruit, and retain high-quality, diverse staff

### Student Support & Achievement

- Continue to increase staffing allocations in the prototypical model to reflect the actual staff required for student learning and student social-emotional health without impacting local levy funds
- Increase funding for necessary substitutes to reflect the actual cost
- Require a detailed fiscal note on all proposed legislation that affect school districts and corresponding funding

### Sustainability

- Develop new funding models to transition transportation systems and infrastructure to zero-emissions vehicles by 2030
- Incentivize funding for sustainable design and construction of school buildings that ensure optimal health and productivity for students and staff

### Modern Learning Facilities

- Advance a constitutional amendment that authorizes simple majority for school bond passage
- Change non-voted debt rules to be consistent with other capital funding rules

### Future-Ready Schools

- Create a funding mechanism to support school-based health and wellness centers providing basic physical and mental health services
- Direct OSPI to develop guidance on innovative, equitable and responsible use of AI technologies throughout the K-12 education system



**LWSD Board of Directors:**  
 Leah Choi, President  
 Eric Laliberte, Vice President  
 Mark Stuart, Legislative Representative  
 Siri Bliesner, Director  
 Lisa Guthrie, Director  
[boardmembers@lwsd.org](mailto:boardmembers@lwsd.org)

**LWSD Superintendent:**  
 Dr. Jon Holmen  
[superintendent@lwsd.org](mailto:superintendent@lwsd.org)





# 2024 LEGISLATIVE SESSION

- Short session of the biennium, began January 8, ended March 7
- LVSD provided testimony on 21 bills



# DIVERSITY, EQUITY & INCLUSION

- ✗ Fully fund special education programs and staffing to align with inclusionary practices
  - Legislation increased the enrollment cap to calculate excess cost allocation from 15% to 16%
  - Legislation modifies safety net award provisions by clarifying the review process
- ✗ Update the transportation funding formula to provide clarity and predictability for districts ensuring equitable access to schools
  - A Senate proposal directing OSPI to study transportation costs and propose a formula by 2025 failed
- ✓ ✗ Authorize alternative teacher training and certification programs to attract, recruit, and retain high-quality diverse staff
  - Legislators authorized an interstate teacher mobility compact and teacher residency pilots

# SPECIAL EDUCATION BILLS

Pass/Fail	Bill No.	Description
Fail	HB 1109	Providing funding for summer (July-September) special education initial evaluations and IEP writing.
Fail	HB 1479/ SB 5966	Eliminates restraint and isolation practices.
Fail	HB 1914	Improving the education of students with varying abilities by enhancing special education services. Requires additional reporting by teachers, providers; due process burden of proof.
Fail	HB 2130	Extending special education services through the school year that student turns 22.
<b>PASS</b>	SB 5852	Modifies safety net award eligibility and award adjustment provisions <i>Impact: TBD</i>
<b>PASS</b>	SB 5883	Burden of proof for special education due process hearings. <i>Impact: TBD</i>



## OTHER BILLS

Pass/Fail	Bill No.	Impact
FAIL	SB 5873	Providing adequate and predictable student transportation. Requires OSPI to develop new funding formula, provides additional McKinney-Vento funding, creates new reporting requirements.
FAIL	SB 5964/ HB 2058	Increasing student access to free meals at public schools. Would include breakfast and lunch.

# STUDENT SUPPORT & ACHIEVEMENT

- ✓ ✕ Continue to increase staffing allocations in the prototypical model to reflect the actual staff required for student learning and student social emotional health without impacting local levy funds
  - Legislation increases the prototypical staffing model allocations to reduce the spending gap for classified staff.
- ✕ Increase funding for necessary substitutes to reflect the actual cost
- ✕ Require a detailed fiscal note on all proposed legislation that affect districts and corresponding funding

## STAFFING BILLS

Bill No.	Bill No.	Description
<b>PASS</b>	HB 1277	Establishing rules to improve the consistency and quality of the implementation of the fundamental courses of study for paraeducators <i>Impact: Estimated cost starting at \$42,000</i>
<b>PASS</b>	SB 5882 (HB 1960)	Increasing prototypical school staffing allocations for classified staff <i>Impact: Estimated \$1.0 million for 2024-25 to reduce the spending gap</i>
<b>FAIL</b>	SB 6082/ HB 2380	Increasing compensation for Washington paraeducators



# CURRICULUM/GRADUATION REQUIREMENTS

Pass/Fail	Bill No.	Description
FAIL	HB 1915/ SB 5819	Mandating financial education into grades 3-5, 6-8 and 9-12; requires a half credit of financial education for all high school grads beginning with Class of 2029
<b>PASS</b>	SB 5462	Mandates districts adopt inclusive curriculum to include histories, contributions and perspective of historically marginalized and underrepresented groups. Requires screening for biased content. Requires WSSDA to develop model policy by June 2025. Districts adopt administrative policy by October 2025
FAIL	SB 5813	Mandating agricultural literacy instruction in grades 7-12
FAIL	SB 5849	Computer science graduation requirement
FAIL	SB 5851/ HB 2037	Incorporating age-appropriate Holocaust and genocide education into social studies, European History and World History where possible, encourages stand-alone courses

# SUSTAINABILITY

- ✓ ✕ Develop new funding models to transition transportation systems and infrastructure to zero-emission vehicles by 2030
  - Legislation requiring districts to transition electric vehicles when the cost of ownership is equal to or lower than the cost of diesel ownership.
  - Established a zero-emissions grant program to be administered by the Department of Ecology
- ✕ Incentivize funding for sustainable design and construction of school buildings that ensure optimal health and productivity for students and faculty
  - Capital Budget included grant funding for school districts to conduct energy assessments of district buildings

## SUSTAINABILITY BILLS

Pass/Fail	Bill No.	Impact
<b>PASS</b>	HB 1368	Mandates purchase of electric school buses when cost of ownership is equal to diesel cost of ownership. Establishes clean school bus grant program administered by Department of Ecology. <i>Impact: possible grant funding for buses and infrastructure</i>



# MODERN LEARNING FACILITIES

- ✕ Advance a constitutional amendment that authorizes simple majority for school bond passage
  - Two voter approval threshold bills received hearings this year but did not advance
- ✕ Change non-voted debt rules to be consistent with other capital funding rules
  - Committees in both chambers considered the LGO bill and SB 241 I was approved by the full House. The Senate did not take up the House version.

## FACILITIES BILLS

Pass/Fail	Bill No.	Description
FAIL	HB 1353/ HJR 4207	Concerning school district elections (55% approval)/Amending the constitution to allow 55% voter approval to authorize school bonds
FAIL	SB 5789	Concerning the sales and use tax for school construction assistance program capital projects
FAIL	SB 5823/ SJR 8207	Concerning school district elections (simple majority)/Amending the constitution simple majority approval to authorize school bonds
FAIL	SB 5969/ HB 2411	Adjusting school districts' authority to contract indebtedness for school construction

# FUTURE-READY SCHOOLS

- ✗ Create a funding mechanism to support school-based health and wellness centers providing basic physical and mental health services
- ✓ Direct OSPI to develop guidance on innovative, equitable and responsible use of AI technologies throughout the K-12 education system
  - OSPI released an “initial guide” AI handbook with plans to provide additional related guidance
  - Legislation established an AI task force to assess current uses and trends by private and public sector entities and make regulation to the legislature regarding standards for use and regulation.

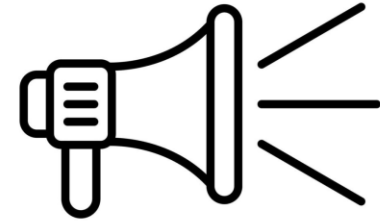


## OPERATIONS BILLS

Pass/Fail	Bill No.	Description
<b>PASS</b>	HB 1248	Concerning pupil transportation (contractor benefits) <i>Impact: Impacts districts that contract for yellow bus service</i>
<b>PASS</b>	HB 2494	Increasing state funding for MSOC allocations <i>Impact: Estimated \$0.6 million of one-time funds for 2023-24 to reduce the spending gap</i>
FAIL	SB 5059	Concerning prejudgment interest
FAIL	SB 5956/ HB 2215	Concerning the maximum per-pupil limit for enrichment levies. Would apply regionalization to levy limits.

# LAKE WASHINGTON SCHOOL DISTRICT ACTIONS

- Meet with LWSD legislators before and after sessions with additional meetings at the request of Representatives
- Monitor bills and hearings
- Administrators provide testimony during 24 hearings this session; signed in “Pro” for another 10 hearings
- Provided follow up as needed via email or additional meetings
- Direct outreach to individual legislators on bills of interest
- Legislative Conference in Olympia
- Day on the Hill meetings with House and Senate education committee members





# Part 2

## April 1 Update





Significant increases or decreases in enrollment

Increased State funding

Unfunded legislative mandates

Unanticipated increase in fixed costs or inflationary impacts

# What could change our situation and planning?

Variables at play in projecting future revenues and expenditures



2024

# Legislative Session



## For the Session Ending March 7, 2024

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- Funding

Typically adjusted for future year

Provided funding for current fiscal year

- Additional Funding

2023-2024 and 2024-2025

- Budgeting

Mid-year review of revenue and expenditure

- Budget Outlook

Positive impact to budget outlook

# 2023-2024 Revenue Additions

## Revenue Impacts



**Enrollment**  
(240) Students  
\$2.2 Million



**Investment Earnings**  
\$1.0 Million



**Legislative**  
\$1.6 Million



**Transportation**  
\$3.4 Million

**Revenue Increases Totaling \$8.2 Million** *(One-Time and Ongoing)*

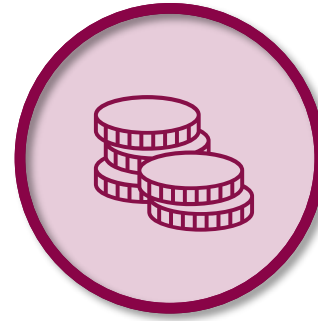


# 2023-2024 Expenditure Changes

Revenue Impacts



**Enrollment Staffing Cost**  
-\$2.1 Million



**Risk Management /  
SPED / Other Costs**  
-\$0.8 Million



**Transportation**  
-\$1.0 Million



**Expenditure Increases Totaling \$3.9 Million** *(One-Time and Ongoing)*

# Revised Budgetary Summary for Lake Washington

Previous target was \$11 to \$15 Million in reductions by 2025-26

## Revised Budget Summary 2024 and beyond





# Revised Budgetary Summary for Lake Washington

Previous target was \$11 to \$15 Million in reductions by 2025-26

## Enrollment Impact

Projected decline in enrollment of 0.7% over 4 years or 809 students.

Impacts both revenue and expenditure.

## Legislative Impact

Transportation Funding  
+\$3.0 Million

Prototypical Allocation  
+\$2.5 Million  
(MSOC and staffing)

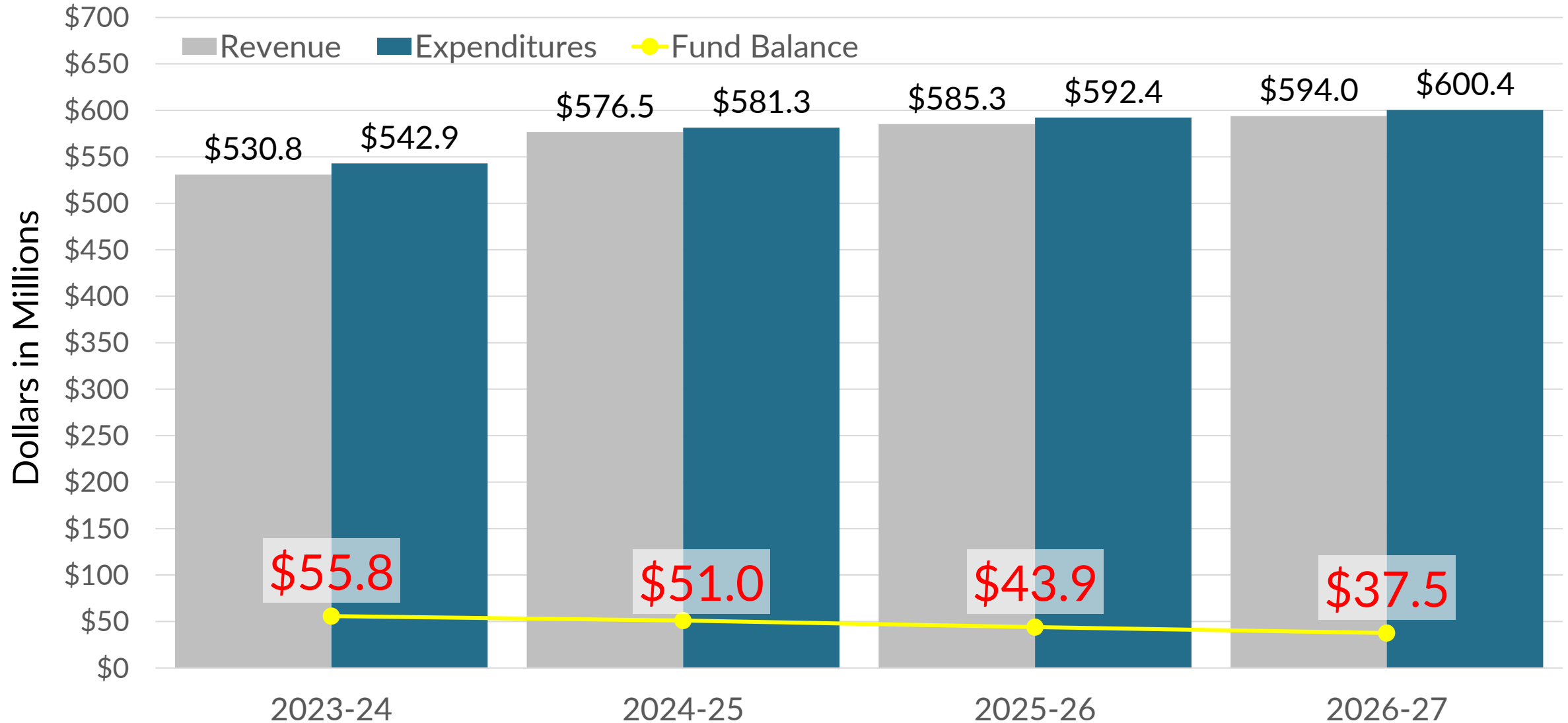
COLA Adjustment  
3.9% down to 3.7%  
\$100,000 savings

## Reductions Needed

\$6 - \$10 Million by 2025-2026 school year.



# Revenue & Expenditure Projections



Fiscal Gap

**\$12.1**

**\$4.8**

**\$7.1**

**\$6.4**

# Key Takeaways

Validates decision to delay reductions, gap has narrowed.





# Key Takeaways

Expenditures still need to be aligned with revenues and priorities.



# Key Takeaways

Fixed cost increases (insurance, utilities) continue to be impactful.





# Key Takeaways

Important to have adequate fund balance beyond the minimum.



# Key Takeaways

Will continue to right size budgets and align staffing levels.





# Revised Budgetary Outlook for Lake Washington

Previous target was \$11 to \$15 Million in reductions by 2025-26



*Revised* Estimate Required  
Reductions to Balance Budget

**\$6 to \$10**

Million Dollars



# The Summary

Total Adjustment  
Needed:

\$6-\$10 million (1.7%)



## Spring 2024

Limited and targeted adjustments for this year.

## Spring 2025

More significant adjustments based on one more year's enrollment and revenue outlook.

## 25-26 School Year

Budget that has expenditures aligned with revenue.





# BAC Member Questions and Answers

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- What is the definition of homeless/McKinney Vento?

# WHAT IS THE MCKINNEY VENTO ACT

- The McKinney-Vento Act is Title IX, Part A of the Every Student Succeeds Act of 2015 (ESSA)(42 U.S.C. § 11431).
- Provides a legislative framework for how states, school districts, and schools must remove educational barriers for students experiencing homelessness.
- Requires states, local educational agencies (LEAs) or school districts, and schools to comply or risk losing funds.
- Requires a local homeless liaison in every school district and a state coordinator for the homeless education program in every state.

# WHO IS CONSIDERED HOMELESS?

As defined in the McKinney-Vento Act (42 U.S.C. § 11434a(2)):

- Children or youth who lack a fixed, regular, and adequate nighttime residence
  - Fixed (Stationary, permanent, not subject to change)
  - Regular (Used on a predictable, routine, consistent basis)
  - Adequate (Lawfully and reasonably sufficient to meet physical and psychological needs typically met in a home environment)
- Unaccompanied youth also fall in this category as many times they are displaced from their homes due to an extreme situation.
  - An unaccompanied youth is a child or youth not in the physical custody of (not living with) a parent or guardian.

# MCKINNEY-VENTO EDUCATIONAL RIGHTS AND SUPPORTS FOR STUDENTS:

- Continue at their school of origin or enroll in the local attendance area school.
- Get help with immediate enrollment, even if they lack required documents, such as immunization records or proof of residence. When transferring schools, records **must be released** regardless of outstanding fees/fines.
- Get transportation to and from their school of origin, if it is in the best interest of the student.
- Free school meals. (Liaison will notify nutrition when students qualify)
- Get help with school fees including field trips, physical education fees, lab fees and other school fees.
- Get help obtaining extra academic supports and school supplies.
- Get help connecting to social service agencies in the community.

# RESOURCES

- Homeless education student data from OSPI  
<https://www.k12.wa.us/student-success/access-opportunityeducation/homeless-education/homeless-education-studentdata>
- National Center for Homeless Education  
<https://nche.ed.gov/>
- School House Connection  
<https://www.schoolhouseconnection.org/>

All information presented here today was adapted from original materials provided by the Office of Superintendent of Public Instruction. Original materials may be accessed at Resources for Homeless Children and Youth | OSPI  
([www.k12.wa.us](http://www.k12.wa.us))





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- Can you explain EP&O Levy Limits?

# EDUCATIONAL PROGRAMS AND OPERATIONS LEVY (EP&O)

- School districts must renew EP&O levies every 4 years
- Levies fill the gap between state basic education funding and the current education program
- Currently provides 16% of Lake Washington School District's operating budget
- In 2018 McCleary legislation placed new limits on what school districts can collect through the EP&O levy
- Set a formula that determines the maximum amount or “**Levy Authority**” a district can collect from their voters

# EDUCATIONAL PROGRAMS AND OPERATIONS LEVY (EP&O)

## Levy Authority:

Limited by statute to the lessor of:

- Tax Rate – \$2.50/\$1,000 of Assessed Value OR
- Per Student - \$2,500 per student originally
  - *Amount is adjusted by Inflation each year*
  - **\$3,149.69 per student in 2024**

# EDUCATIONAL PROGRAMS AND OPERATIONS LEVY (EP&O)

## Levy Authority:

Lake Washington School District is an amount per student district

For Example:

- 2.50/\$1,000 of Assessed Value in 2024 would be **\$273.5 Million**
- Per Student - \$3,149.69 per student in 2024 is **\$96.3 Million**
  - *Prior year Enrollment* X \$3,149.69
  - Equivalent to \$0.98/\$1,000 of Assessed Valuation in 2024

# EDUCATIONAL PROGRAMS AND OPERATIONS LEVY (EP&O)

## Levy Authority:

Districts cannot collect more than what their voters approved

For Example:

	Voter Approved	Levy Authority Formula	Collection Amount
Example A	\$89.9 Million	\$96.3 Million	\$89.9 Million
Example B	\$89.9 Million	\$60.0 Million	\$60.0 Million

← Rollback required

Districts have to estimate four years of Levy Authority in advance for Levy Election.  
Inflation factors and Enrollment changes will impact final amounts



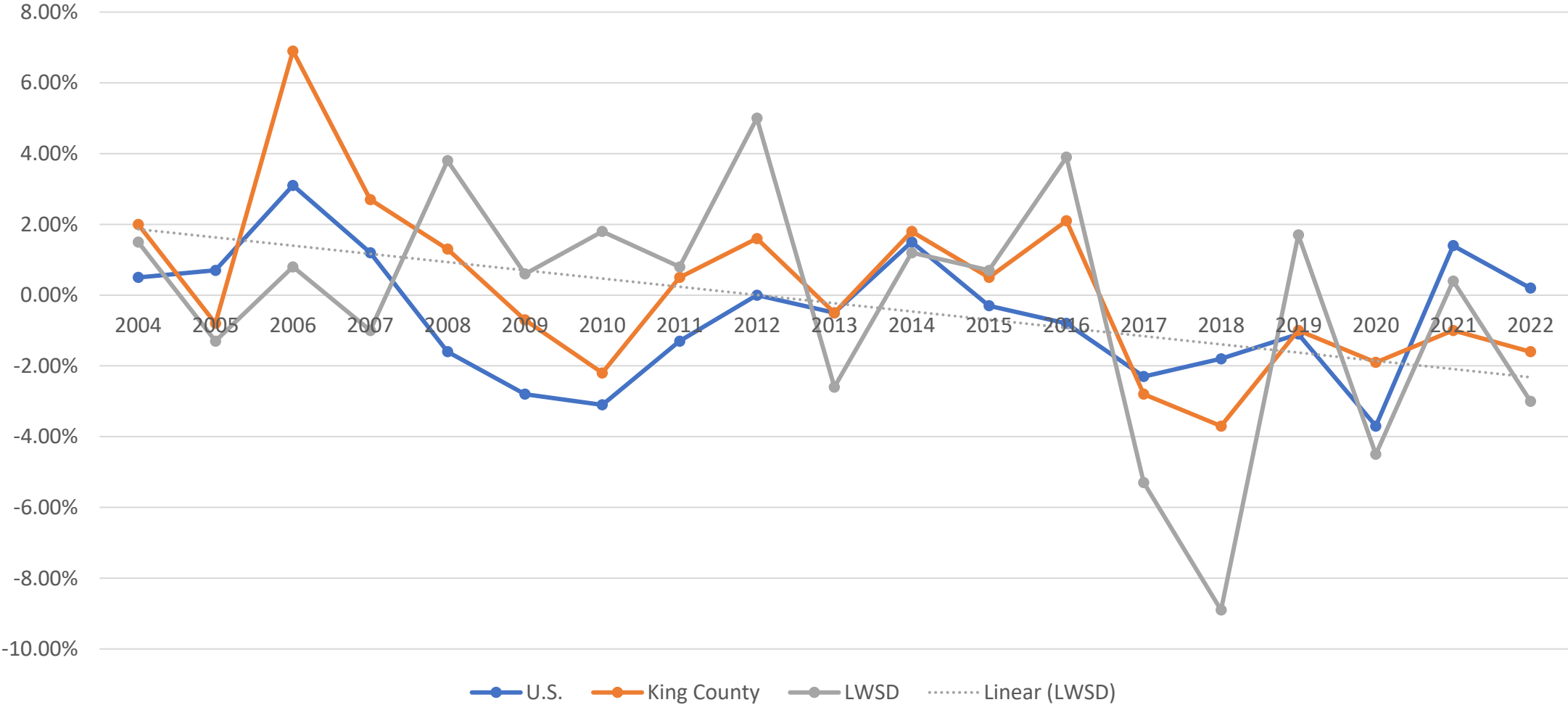
- How do births trends in King County compare to national trends?



# U.S. Births compared to King County Births

Calendar Year	US Births	% change	King County Births	% change	LWSD Births	% change	School Year
2003	4,090,000		22,431		2,295		2009-10
2004	4,110,000	0.5%	22,874	2.0%	2,329	1.5%	2010-11
2005	4,140,000	0.7%	22,680	-0.8%	2,298	-1.3%	2011-12
2006	4,270,000	3.1%	24,244	6.9%	2,317	0.8%	2012-13
2007	4,320,000	1.2%	24,899	2.7%	2,294	-1.0%	2013-14
2008	4,250,000	-1.6%	25,222	1.3%	2,382	3.8%	2014-15
2009	4,130,000	-2.8%	25,057	-0.7%	2,397	0.6%	2015-16
2010	4,000,000	-3.1%	24,514	-2.2%	2,439	1.8%	2016-17
2011	3,950,000	-1.3%	24,630	0.5%	2,459	0.8%	2017-18
2012	3,950,000	0.0%	25,032	1.6%	2,582	5.0%	2018-19
2013	3,930,000	-0.5%	24,910	-0.5%	2,514	-2.6%	2019-20
2014	3,990,000	1.5%	25,348	1.8%	2,545	1.2%	2020-21
2015	3,980,000	-0.3%	25,487	0.5%	2,562	0.7%	2021-22
2016	3,950,000	-0.8%	26,011	2.1%	2,661	3.9%	2022-23
2017	3,860,000	-2.3%	25,274	-2.8%	2,519	-5.3%	2023-24
2018	3,790,000	-1.8%	24,337	-3.7%	2,294	-8.9%	2024-25
2019	3,750,000	-1.1%	24,090	-1.0%	2,334	1.7%	2025-26
2020	3,610,000	-3.7%	23,638	-1.9%	2,229	-4.5%	2026-27
2021	3,660,000	1.4%	23,390	-1.0%	2,238	0.4%	2027-28
2022	3,667,758	0.2%	23,012	-1.6%	2,170	-3.0%	2028-29
US Source							
<a href="https://www.statista.com/statistics/195908/number-of-births-in-the-united-states-since-1990/">https://www.statista.com/statistics/195908/number-of-births-in-the-united-states-since-1990/</a>							
2022 US data source							
<a href="https://www.cdc.gov/nchs/data/nvsr/nvsr73/nvsr73-02.pdf">https://www.cdc.gov/nchs/data/nvsr/nvsr73/nvsr73-02.pdf</a>							

% Change in Number of Births





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- Can you share more information on class size?

# CLASS SIZE RATIOS

## Elementary

Grade	Ratio
K-1	20:1
2-3	23:1
4-5	26.75:1

## Secondary

Grade	Ratio	Average Class Size*
6-8	24.5:1	29.4
9-12	21:1	29.4

\*Average class size is higher than staffing ratio because teachers teach 5 periods and students attend 6 periods at Middle School and 7 periods at High School

- Staffing is determined at a district level and then allocated to the building based on student enrollment numbers
- Class size ratios are averages. Differences in school size and groupings of students lead to variation in class sizes. Class sizes will be below, at and above class size target averages.

# CLASS SIZE RATIOS

## Elementary Example

Grade	First Grade Enrollment	Teachers	Class Size
School A	60	3	20,20,20
School B	66	3	22,22,22
School C	54	3	18, 18, 18

- Staffing is determined at a district level and then allocated to the building based on student enrollment numbers
- Class size ratios are averages. Differences in school size and groupings of students lead to variation in class sizes. Class sizes will be below, at and above class size target averages.





## FINANCIAL REPORTS

# Budget Development

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- What advice do you have to increase involvement in our budget process?



# LOOKING AHEAD

Date	Potential Topics
May 2, 2024	Review key budget issues for preliminary budget
June 13, 2024	Review preliminary budget and related financial forecast