



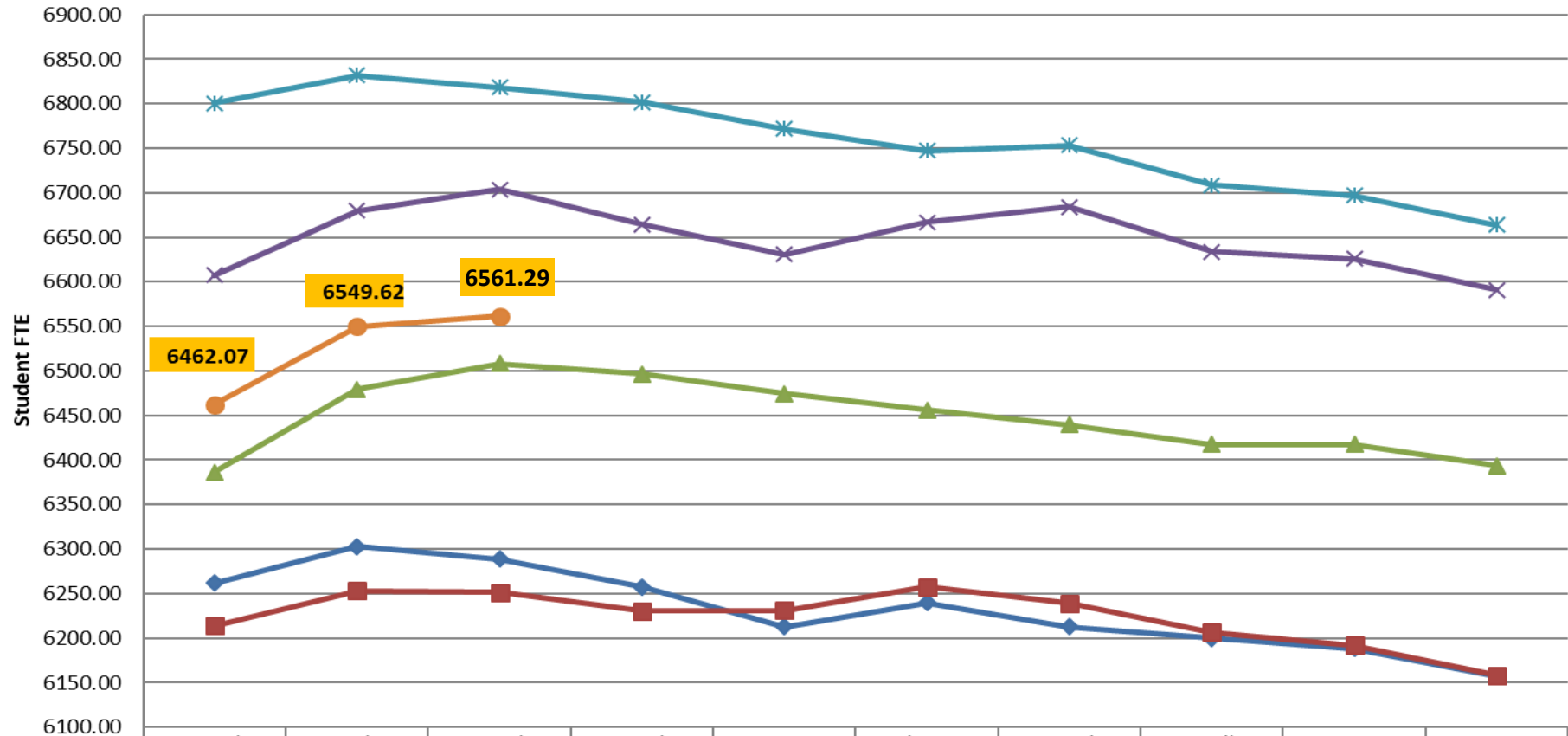
# **Tumwater School District**

## **Financial Update**

November 8, 2018

# Enrollment

## Tumwater School District Enrollment By FTE Comparison (excluding Running Start and Open Doors/Includes New Market (HS/SC))



	September	October	November	December	January	February	March	April	May	June
◆ 2013-14	6261.80	6302.65	6288.95	6257.52	6212.44	6239.54	6212.59	6199.77	6188.35	6157.48
■ 2014-15	6214.07	6253.23	6251.28	6230.42	6231.15	6257.68	6239.26	6206.55	6192.05	6158.28
▲ 2015-16	6386.00	6479.28	6507.96	6496.45	6474.42	6456.19	6439.54	6417.69	6417.56	6393.52
✕ 2016-17	6607.34	6679.94	6703.52	6664.38	6630.70	6667.11	6683.92	6633.55	6625.90	6590.62
★ 2017-18	6800.66	6832.01	6818.41	6801.56	6771.44	6747.37	6753.15	6708.30	6696.69	6663.84
● 2018-19	6462.07	6549.62	6561.29							

# Enrollment Decline Funding Impact

	2018-2019 Budget F-203	October 2018 Actual Enrollment F-203	Variance
<b>Enrollment</b>	<b>7,049.22</b>	<b>6,928.34</b>	<b>-120.88</b>
<b>Apportionment</b>	<b>\$ 56,212,178</b>	<b>\$ 55,106,928</b>	<b>\$ (1,105,250)</b>
<b>SPED, Gen Apportionment</b>	<b>\$ 1,554,278</b>	<b>\$ 1,549,744</b>	<b>\$ (4,534)</b>
<b>Special Education</b>	<b>\$ 6,793,952</b>	<b>\$ 6,776,388</b>	<b>\$ (17,564)</b>
<b>Special Education - Infant</b>	<b>\$ 313,814</b>	<b>\$ 312,899</b>	<b>\$ (915)</b>
<b>LAP</b>	<b>\$ 1,171,355</b>	<b>\$ 1,171,355</b>	<b>\$ -</b>
<b>Transitional Bilingual</b>	<b>\$ 200,363</b>	<b>\$ 200,363</b>	<b>\$ -</b>
<b>Highly Capable</b>	<b>\$ 184,956</b>	<b>\$ 181,765</b>	<b>\$ (3,190)</b>
<b>Total</b>	<b>\$ 66,430,895</b>	<b>\$ 65,299,442</b>	<b>\$ (1,131,453)</b>

# **Apportionment/Levy/Other Revenue Sources to Expenditures**

<b>Apportionment/Levy/Other Revenue Sources to Expenditures</b>									
<b>Month</b>	<b>Monthly Apportionment Allocation Percentage</b>	<b>Annual Apportionment</b>		<b>Monthly Apportionment</b>	<b>Monthly Levy Collection</b>	<b>Other Revenue</b>	<b>Total Monthly Revenues</b>	<b>Total Monthly Expenditures</b>	<b>Variance (Impact to Fund Balance)</b>
<b>2018-2019</b>									
September	9.0%	\$ 56,235,951		\$ 5,061,236	\$ 131,580	\$ 1,354,396	\$ 6,547,212	\$ 8,122,939	\$ (1,575,727)
October	9.0%	\$ 56,235,951		\$ 5,061,236	\$6,372,380	\$ 1,873,851	\$ 13,307,467	\$ 7,367,824	\$ 5,939,643
<b>2017-2018</b>									
September	9.0%	\$ 48,619,588		\$ 4,375,763	\$ 348,745	\$ 1,246,264	\$ 5,970,772	\$ 7,479,597	\$ (1,508,825)
October	9.0%	\$ 48,696,763		\$ 4,382,709	\$5,848,150	\$ 1,567,148	\$ 11,798,007	\$ 6,460,111	\$ 5,337,896
November	5.5%	\$ 48,696,763		\$ 2,678,322	\$ 711,793	\$ 1,521,896	\$ 4,912,011	\$ 6,664,282	\$ (1,752,271)
December	9.0%	\$ 48,696,763		\$ 4,382,709	\$ 41,067	\$ 1,519,420	\$ 5,943,196	\$ 6,334,126	\$ (390,930)
January	9.0%	\$ 48,649,656		\$ 4,378,469	\$ 33,917	\$ 1,626,230	\$ 6,038,616	\$ 6,319,497	\$ (280,881)
February	9.0%	\$ 48,574,219		\$ 4,371,680	\$ 245,860	\$ 1,703,818	\$ 6,321,358	\$ 6,560,916	\$ (239,558)
March	9.0%	\$ 48,534,223		\$ 4,368,080	\$ 647,650	\$ 1,699,044	\$ 6,714,774	\$ 6,684,567	\$ 30,207
April	9.0%	\$ 48,449,897		\$ 4,360,491	\$6,696,805	\$ 2,565,638	\$ 13,622,934	\$ 6,318,111	\$ 7,304,823
May	5.5%	\$ 48,364,081		\$ 2,660,024	\$ 931,033	\$ 1,722,526	\$ 5,313,583	\$ 6,605,269	\$ (1,291,686)
June	6.0%	\$ 48,270,890		\$ 2,896,253	\$ 50,611	\$ 1,411,688	\$ 4,358,552	\$ 6,853,814	\$ (2,495,262)
July	10%	\$ 48,268,859		\$ 4,826,886	\$ 18,260	\$ 1,905,079	\$ 6,750,225	\$ 8,170,801	\$ (1,420,576)
August	10%	\$ 48,950,949		\$ 4,895,095	\$ 51,154	\$ 2,987,965	\$ 7,934,214	\$ 9,896,635	\$ (1,962,421)

Tumwater School District Levy funding for the 2018-2019 school year is estimated to be \$4 million less than 2017-2018

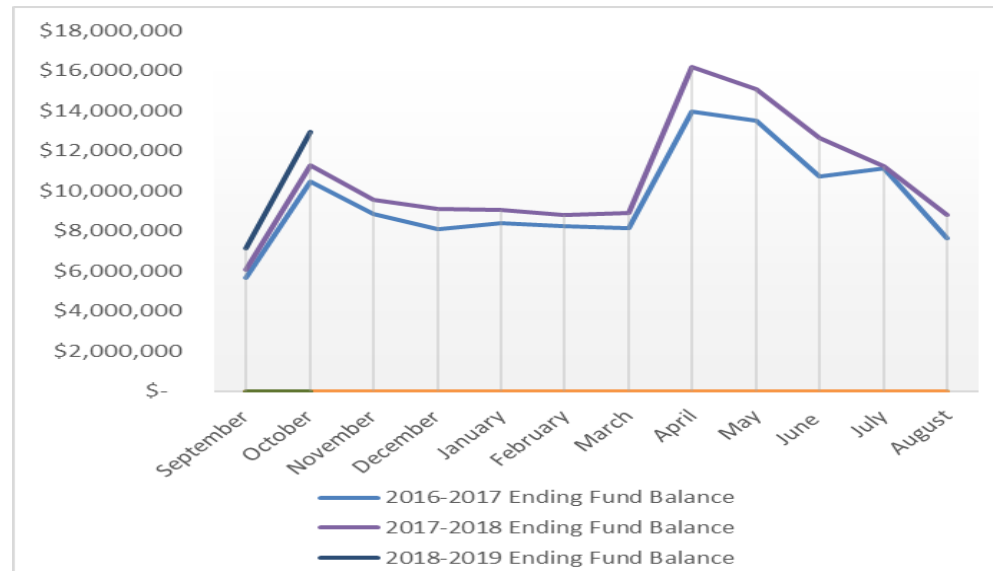
Apportionment/Levy/Other Revenue Sources to Expenditures								
Month	Monthly Apportionment Allocation Percentage	Annual Apportionment	Monthly Apportionment	Monthly Levy Collection	Other Revenue	Total Monthly Revenues	Total Monthly Expenditures	Variance (Impact to Fund Balance)
<b>2016-2017</b>								
September	9.0%	\$ 42,217,012	\$ 3,799,531	\$ 314,894	\$ 1,034,227	\$ 5,148,652	\$ 6,612,365	\$ (1,463,713)
October	9.0%	\$ 42,217,012	\$ 3,799,531	\$5,550,225	\$ 1,501,700	\$ 10,851,456	\$ 5,957,049	\$ 4,894,407
November	5.5%	\$ 42,217,012	\$ 2,321,936	\$ 742,184	\$ 1,279,620	\$ 4,343,740	\$ 6,185,355	\$ (1,841,615)
December	9.0%	\$ 42,225,438	\$ 3,800,289	\$ 40,581	\$ 502,600	\$ 4,343,470	\$ 5,802,853	\$ (1,459,383)
January	9.0%	\$ 43,490,170	\$ 3,914,115	\$ 30,904	\$ 1,749,999	\$ 5,695,018	\$ 5,689,543	\$ 5,475
February	9.0%	\$ 43,496,654	\$ 3,914,699	\$ 216,195	\$ 1,705,337	\$ 5,836,231	\$ 6,043,295	\$ (207,064)
March	9.0%	\$ 43,408,612	\$ 3,906,775	\$ 535,529	\$ 3,405,123	\$ 7,847,427	\$ 6,386,924	\$ 1,460,503
April	9.0%	\$ 43,337,549	\$ 3,900,379	\$5,678,564	\$ 1,989,111	\$ 11,568,054	\$ 5,789,635	\$ 5,778,419
May	5.5%	\$ 43,300,342	\$ 2,381,519	\$1,666,093	\$ 1,444,578	\$ 5,492,190	\$ 6,005,311	\$ (513,121)
June	6.0%	\$ 43,250,582	\$ 2,595,035	\$ 47,460	\$ 1,203,560	\$ 3,846,055	\$ 6,803,404	\$ (2,957,349)
July	10%	\$ 43,258,235	\$ 4,325,824	\$ 70,854	\$ 1,882,651	\$ 6,279,329	\$ 5,928,117	\$ 351,212
August	10%	\$ 43,952,492	\$ 4,395,249	\$ 51,031	\$ 2,993,332	\$ 7,439,612	\$ 10,585,822	\$ (3,146,210)

# **General Fund Balance Analysis**



# General Fund – Fund Balance Analysis

	2016-2017		2017-2018		2018-2019	
	Ending Fund Balance	% Change from Prior Month	Ending Fund Balance	% Change from Prior Month	Ending Fund Balance	% Change from Prior Month
September	\$ 5,683,160	-24%	\$ 6,042,995	-21%	\$ 7,134,041	-19%
October	\$ 10,465,312	84%	\$ 11,273,092	87%	\$ 12,950,785	82%
November	\$ 8,834,077	-16%	\$ 9,557,078	-15%		
December	\$ 8,083,527	-8%	\$ 9,085,509	-5%		
January	\$ 8,383,563	4%	\$ 9,035,662	-1%		
February	\$ 8,237,401	-2%	\$ 8,801,651	-3%		
March	\$ 8,149,326	-1%	\$ 8,919,268	1%		
April	\$ 13,953,015	71%	\$ 16,182,485	81%		
May	\$ 13,528,464	-3%	\$ 15,069,747	-7%		
June	\$ 10,731,465	-21%	\$ 12,663,766	-16%		
July	\$ 11,139,698	4%	\$ 11,207,055	-12%		
August	\$ 7,657,731	-31%	\$ 8,797,115	-22%		



**Voter Approved Levy**

**Adjusted Levy for Updated Assessed Valuation**

**Updated 4 Year Forecast**

**OSPI Proposed Levy Solution**

# 2017-2020 Voter Approved Levy

2017 - \$15,298,000

2018 - \$15,910,000

2019 - \$16,547,000

2020 - \$17,209,000

## Levy Supports

Teachers & Para-educators

Smaller Class Sizes

Special Education

Advanced Placement

Athletics

Band, Orchestra, Choir & the Arts

Career & Technical Education

Instructional Materials

Transportation

Staff Development

Building Maintenance & Equipment Repairs

<b>Voter Approved Levy</b>			
<b>Voter Approved Levy (tax year)</b>	<b>Levy Amount</b>	<b>Rate Per Thousand</b>	<b>Collection Rate - 98%</b>
2017	\$ 15,298,000	\$ 3.35	\$ 14,992,040
2018	\$ 15,910,000	\$ 3.38	\$ 15,591,800
2019	\$ 16,547,000	\$ 3.41	\$ 16,216,060
2020	\$ 17,209,000	\$ 3.45	\$ 16,864,820

<b>New Enrichment Levy Model</b>				
<b>Calendar Year</b>	<b>Levy Amount</b>	<b>Rate Per Thousand</b>	<b>Collection Rate - 98%</b>	<b>Variance between Voter Approved</b>
2018	\$ 15,910,000	\$ 3.09	\$ 15,591,800	
2019	\$ 8,308,358	\$ 1.50	\$ 8,142,191	\$ (8,238,642)
2020	\$ 8,640,693	\$ 1.50	\$ 8,467,879	\$ (8,568,307)
2021**	\$ 8,986,321	\$ 1.50	\$ 8,806,595	
2022**	\$ 9,345,773	\$ 1.50	\$ 9,158,858	

<b>Estimated Enrichment Levy Revenue by Fiscal Year</b>				
<b>School District Fiscal Year</b>	<b>1st half (44.43%)</b>	<b>2nd half (53.57%)</b>	<b>Total</b>	<b>Variance between Fiscal Years</b>
2017-2018 (Budget)	\$ 6,868,118	\$ 8,467,613	\$ 15,335,731	
2018-2019	\$ 7,068,813	\$ 4,361,772	\$ 11,430,585	\$ (3,905,146)
2019-2020	\$ 3,617,575	\$ 4,532,856	\$ 8,150,431	\$ (3,280,154)
2020-2021	\$ 3,762,279	\$ 4,717,693	\$ 8,479,971	\$ 329,540
2021-2022	\$ 3,912,770	\$ 4,906,400	\$ 8,819,170	\$ 339,199

Levy was adjusted to reflect Thurston County Assessor's new preliminary property assessed valuations

**SUMMARY OF GENERAL FUND BUDGET  
4-Year Forecast**

	<b>2018-2019 New Projection</b>	<b>2019-2020 Forecast</b>	<b>2020-2021 Forecast</b>	<b>2021-2022 Forecast</b>	
<b>REVENUES AND OTHER FINANCING SOURCES</b>					<b>ASSUMPTIONS</b>
Local Taxes	\$11,430,585	\$8,150,431	\$8,479,971	\$8,819,170	<b>4% growth @ 98% Collection</b>
Local Support Nontax	\$3,845,497	\$3,883,952	\$3,922,791	\$3,962,019	<b>1% INCREASE</b>
State, General Purpose	\$57,267,710	\$59,873,276	\$62,495,900	\$65,254,194	<b>1.9% INCREASE + Enrollment</b>
State, Special Purpose	\$12,914,843	\$13,478,959	\$14,046,979	\$14,643,820	<b>1.9% INCREASE + Enrollment</b>
Federal, General Purpose	\$0	\$0	\$0	\$0	<b>1% INCREASE</b>
Federal, Special Purpose	\$3,870,381	\$3,909,085	\$3,948,176	\$3,987,657	<b>1% INCREASE</b>
Revenues from Other School Districts	\$30,000	\$30,300	\$30,603	\$30,909	<b>1% INCREASE</b>
Revenues from Other Entities	\$500,000	\$505,000	\$510,050	\$515,151	<b>1% INCREASE</b>
Other Financing Sources					
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>\$89,859,016</b>	<b>\$89,831,003</b>	<b>\$93,434,470</b>	<b>\$97,212,921</b>	
<b>EXPENDITURES</b>					
Regular Instruction	\$49,884,800	\$52,156,862	\$53,486,862	\$54,850,777	<b>2.5% INCR + 9 K3 Teachers</b>
Federal Stimulus					
Special Education Instruction	\$9,548,938	\$9,792,436	\$10,042,143	\$10,298,218	<b>2.5% INCREASE</b>
Vocational Instruction	\$2,347,580	\$2,407,443	\$2,468,833	\$2,531,788	<b>1% INCREASE</b>
Skills Center Instruction	\$3,735,182	\$3,830,429	\$3,928,105	\$4,028,272	<b>1% INCREASE</b>
Compensatory Education	\$3,328,023	\$3,412,888	\$3,499,916	\$3,589,164	<b>1% INCREASE</b>
Other Instructional Programs	\$342,449	\$351,181	\$360,137	\$369,320	<b>1% INCREASE</b>
Community Services	\$369,144	\$372,835	\$376,564	\$380,329	<b>1% INCREASE</b>
Support Services	\$17,557,624	\$18,084,353	\$18,626,883	\$19,185,690	<b>3% INCREASE</b>
Subtotal	\$87,113,740	\$90,408,428	\$92,789,443	\$95,233,559	
TEA Compensation Package not part of approved budget	\$3,980,511	\$4,082,014	\$4,186,105	\$4,292,851	
Other Unit Compensation Packages not part of budget	\$528,858	\$538,906	\$549,146	\$559,579	
Benefits of 22%	\$992,061	\$1,016,602	\$1,041,755	\$1,067,535	
SEBB ??					
<b>TOTAL EXPENDITURES</b>	<b>\$92,615,170</b>	<b>\$96,045,951</b>	<b>\$98,566,450</b>	<b>\$101,153,524</b>	
<b>EXCESS OF REVENUES/OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES &amp; OTHER FINANCING USES (A-B-C-D)</b>	<b>(\$2,756,154)</b>	<b>(\$6,214,948)</b>	<b>(\$5,131,980)</b>	<b>(\$3,940,603)</b>	

**SUMMARY OF GENERAL FUND BALANCE  
4-Year Forecast**

	<b>2018-2019 New Projection</b>	<b>2019-2020 Forecast</b>	<b>2020-2021 Forecast</b>	<b>2021-2022 Forecast</b>
<b>BEGINNING FUND BALANCE</b>				
Restricted for Other Items	\$4,930	\$4,930	\$4,930	\$4,930
Restricted for Carryover of Restricted Revenues	\$37,049	\$27,500	\$25,000	\$25,000
Restricted for Skill Center	\$655,028	\$900,000	\$900,000	\$900,000
Nonspendable Fund Balance—Inventory & Prepaid Items	\$1,423,309	\$1,100,000	\$1,000,000	\$1,000,000
Committed for Other Purposes (Curriculum/CBA Agree)	\$1,500,000	\$0	\$0	\$0
Assigned to Other Purposes	\$493,855	\$500,000	\$500,000	\$500,000
Unassigned Fund Balance *	\$1,188,919	(\$294,422)	(\$6,642,724)	(\$11,813,397)
Unassigned to Minimum Fund Balance Policy	\$4,149,052	\$4,707,980	\$5,093,834	\$5,282,527
<b>TOTAL BEGINNING FUND BALANCE</b>	<b>\$9,452,142</b>	<b>\$6,945,988</b>	<b>\$881,040</b>	<b>(\$4,100,940)</b>
<b>ENDING FUND BALANCE</b>				
Restricted for Other Items	\$4,930	\$4,930	\$4,930	\$4,930
Restricted for Carryover of Restricted Revenues	\$27,500	\$25,000	\$25,000	\$25,000
Restricted for Skill Center	\$750,000	\$750,000	\$750,000	\$750,000
Nonspendable Fund Balance—Inventory & Prepaid Items	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Committed for Other Purposes (Curriculum/CBA Agree)	\$0	\$0	\$0	\$0
Assigned to Other Purposes	\$500,000	\$500,000	\$500,000	\$500,000
Unassigned Fund Balance *	(\$294,422)	(\$6,642,724)	(\$11,813,397)	(\$15,742,627)
Unassigned to Minimum Fund Balance Policy	\$4,707,980	\$5,093,834	\$5,282,527	\$5,421,155
<b>TOTAL ENDING FUND BALANCE</b>	<b>\$6,695,988</b>	<b>\$731,040</b>	<b>(\$4,250,940)</b>	<b>(\$8,041,543)</b>
<b>Ending Fund Balance as a Percent of Expenditures</b>	<b>7.23%</b>	<b>0.76%</b>	<b>-4.31%</b>	<b>-7.95%</b>

\* - assumption is no reduction of expenditure through the 4 year forecast

## 4-Year Forecast As of 11/8/2018

	2018-2019	2019-2020	2020-2021	2021-2022
Revenues	\$89,859,016	\$89,831,003	\$93,434,470	\$97,212,921
Expenditures	\$87,113,740	\$90,408,428	\$92,789,443	\$95,233,559
Plus:				
Baragining (Above 3.1%/TEA/Other/22%)	\$5,501,430	\$5,637,523	\$5,777,006	\$5,919,965
SEBB New Costs				
Pension Increase				
Total Expenditures	\$92,615,170	\$96,045,951	\$98,566,450	\$101,153,524
Over/Under	(\$2,756,154)	(\$6,214,948)	(\$5,131,980)	(\$3,940,603)

Beginning Fund Balance	\$9,452,142	\$6,990,410	\$7,373,764	\$7,562,457
Projected Ending Fund Balance	\$6,695,988	\$775,462	\$2,241,785	\$3,621,855
Projected Ending Fund Balance % to Expenditures	7.69%	0.86%	2.42%	3.80%

Required Spending Reductions *	(\$294,422)	(\$6,598,302)	(\$5,320,673)	(\$4,079,230)
Percent of Expenditures	-0.34%	-7.30%	-5.73%	-4.28%

Ending Fund Balance After Reduction	\$ 6,990,410	\$ 7,373,764	\$ 7,562,457	\$ 7,701,085
Percent of Expenditures	8.02%	8.16%	8.15%	8.09%

\* - Assumption: Spending reductions for 2019-2020 through 2021-2022 are based on prior year reduction occurring so district can meet Board Policy Minimum Fund Balance of 5.5 % and other committed fund balance requirements.

# OSPI Levy Solution to Current Law

Calendar Year:	Current Law			OSPI Solution		
	2018	2020	2021	2018	2020	2021
Levy Authority Percentage (if Applicable)	28.00%	NA	NA	28.00%	22.00%	22.00%
\$1.50 Levy Rate or \$2500 (*CPI) per pupil District (if Applicable)	NA	\$1.50 / \$1000 AV	\$1.50 / \$1000 AV	NA	NA	NA
<b>Estimated Total Levy Authority</b>	<b>\$ 18,333,615</b>	<b>\$ 8,953,153</b>	<b>\$ 9,819,808</b>	<b>\$ 18,333,615</b>	<b>\$ 17,995,522</b>	<b>\$ 17,651,482</b>
<b>Estimated Levy Revenue</b>	<b>\$ 15,910,000</b>	<b>\$ 8,953,153</b>	<b>\$ 9,819,808</b>	<b>\$ 15,910,000</b>	<b>\$ 17,209,000</b>	<b>\$ 17,209,000</b>
Estimated Levy Revenue Per Pupil	\$ 2,295	\$ 1,262.45	\$ 1,360.32	\$ 2,295	\$ 2,426.58	\$ 2,383.92
Estimated Levy Enrollment	6,932.0	7,091.9	7,218.8	6,932.0	7,091.9	7,218.8
Estimated Levy Authority Tax Rate	\$ 3.58	\$ 1.50	\$ 1.50	\$ 3.58	\$ 3.01	\$ 2.70
Estimated Levy Payable Tax Rate	\$ 3.11	\$ -	\$ -	\$ 3.11	\$ 2.88	\$ 2.63
Assumed Voter Approved Levy Amount <sup>1</sup>	\$ 15,910,000	\$ 17,209,000	\$ 17,209,000	\$ 15,910,000	\$ 17,209,000	\$ 17,209,000
<b>Estimated Local Effort Assistance (LEA) Revenue</b>	<b>\$ 2,389,561</b>	<b>\$ 1,939,944</b>	<b>\$ 1,501,072</b>	<b>\$ 2,389,561</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Estimated District Levy + LEA</b>	<b>\$ 18,299,561</b>	<b>\$ 10,893,097</b>	<b>\$ 11,320,879</b>	<b>\$ 18,299,561</b>	<b>\$ 17,209,000</b>	<b>\$ 17,209,000</b>

	2018	2020	2021
Estimated District Levy Gain / (Loss) with OSPI Solution	\$ -	\$ 8,255,847	\$ 7,389,192
Estimated District LEA Gain / (Loss) with OSPI Solution	\$ -	\$ (1,939,944)	\$ (1,501,072)
<b>Estimated District Levy + LEA Gain / (Loss)</b>	<b>\$ -</b>	<b>\$ 6,315,903</b>	<b>\$ 5,888,121</b>



# OSPI's Special Education Funding Proposal

- OSPI created a Special Education Workgroup to review and make recommendation regarding the state special education multiplier
- Currently funding is base on a multiplier set at BEA rate times .9609
- Work group recommends adopting a tiered multiplier but is cautious based on the type of setting or disability category
- Workgroup recommends a hybrid model combining hours of service and location of services
- Recommendation was approved by OSPI's Superintendent and is included in OSPI Multiplier Decision Package for 2020-2021