



Tumwater School District

Preliminary Budget Update 2018-2019 School Year July 26, 2018

General Fund, Debt Service Fund, Capital Projects Fund,
ASB Fund, Transportation Vehicle Fund

Legislative Changes Impacting 2018-2019 School Year Funding

Major K-12 funding model changes to address the McCleary decision:

- Staff mix factor no longer used to fund school districts
- LEAP salary schedule no longer exists – 295 school districts will need to create their own salary schedule
- Funding based on prototypical school model
- Local levy - loss of local control - restrictions
- Funding changes created winning/losing districts (regionalization/experience factor/levy changes)
- No K-3 class size compliance requirement for the 2018-19 school year but future years???

Budget Development Factors

OSPI Multi/WEA Tool – Tumwater Budget

Comparison to OSPI Multi-Year Tool/WEA to Tumwater SD Preliminary Budget

	OSPI Multi-Year Tool/WEA	Tumwater School District	
Funding Source	Student FTE 7,015.9	Student FTE 6,867.22	Variance
Basic Education Program Total			
Apportionment	\$ 57,357,449	\$ 52,631,242	\$ (4,726,207)
Bilingual (TBIP)	\$ 219,362	\$ 200,363	\$ (18,999)
Highly Capable (HiCap)	\$ 183,331	\$ 184,409	\$ 1,078
Learning Assistance Program (LAP)	\$ 1,197,915	\$ 1,171,355	\$ (26,560)
Special Education	\$ 6,787,885	\$ 6,797,705	\$ 9,820
Total Apportionment	\$ 65,745,942	\$ 60,985,073	\$ (4,760,869)

Comparison to OSPI Multi-Year Tool/WEA to Tumwater SD Levy Budget

	OSPI	WEA	Tumwater
Enrichment Levy (2018-19 School Year)	\$ 11,602,430	\$ 11,586,991	\$ 11,221,554
OSPI Variance			\$ (380,876)
WEA Variance			\$ (365,437)

OSPI Disclaimer - Due to the methods of calculation in the district-by-district estimate model and the fact that certain state funding cannot be projected at a district-by-district level at this time, the statewide totals of this model will not reconcile to the state budget documents. This model in no way represents a guarantee of future funding for any school district. It is intended to be a projection tool for budgeting and analysis purposes only.

Budget Development Factors Cont.

Student FTE Enrollment

Grade	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2018-19 Budget
K-12 BEA	5945.4	6010.92	6215.86	6432.82	6461.97	6498.47
Running Start	119.38	122.9	147.89	179.5	192.29	193.75
Open Door	17.3	31.6	27.06	21.76	14.92	15
ALE	84.09	134.23	128.19	159.25	170.66	160
Skill Center	427.43	483.59	470.26	431.22	314.39	373

2015-2016/2016-2017 – Enrollment Increase - Full day K

Funding based on a prototypical funding model which is driven by “Student FTE”:

- Elementary School (**Grades K-6 Base Enrollment 400 FTE**) – Principals 1.253, Librarian .663, Teacher Asst. .936, Teachers based on class size - K-3/17 - 4-6/27
- Middle School (**Grades 7-8 Base Enrollment 432 FTE**) – Principals 1.353, Librarian .519 Teacher Assist. .700, Teachers based on class size 7-8/28.53
- High School (**Grades 9-12 Base Enrollment 600 FTE**) – Principals 1.88, Librarian .523 Teacher Assist. .652, Teachers based on class size 9-12/28.74

Budget Development Factors Cont.

Funding Staffing Levels

Position Description	Prototypical School Model Funding	Tumwater 17-18 Staffing Levels	Variance	17-18 Average Salary	Unfunded Costs
Principals includes CTE allocation	18.668	19	-0.332	112,343	(37,298)
Total Certificated Teaching Staff	304.078	327.15	-23.072	68,627	(1,583,360)
Librarians	8.136	10	-1.864	67,373	(125,583)
Guidance Counselors	13.834	15.6	-1.766	67,339	(118,922)
School Nurse	1.032	3.8	-2.768	43,876	(121,449)
Social Worker/Occup-Behavioral Therapist	0.404	2.4	-1.996	59,985	(119,731)
Psychologists (contract services not included)	0.165	6	-5.835	48,529	(283,167)
Teach Assistance	11.173	38.7677	-27.5947	39,030	(1,077,021)
Office Support	31.01	30.09	0.92	46,313	42,608
LPN	0	0.7346	0.7346	36,061	36,061
Custodians	26.346	38.1547	-11.8087	42,152	(497,764)
Student & Staff Safety	1.254	3.21	-1.956	40,685	(79,579)
Family Involvement Coordinator	0.685		0.685		
Technology	3.742	6	-2.258	51,009	(115,179)
Facilities/Maintenance/Grounds	10.804	18	-7.196	50,025	(359,980)
Warehouse/Laborers/Mechanics	1.978	3	-1.022	53,026	(54,193)
Central Office Certificated Staff	5.849	7	-1.151	130,475	(150,177)
Central Office Classified Staff	17.116	32.77	-15.654	68,541	(1,072,934)
Total Generated Staffing Units	456.274	561.677	-103.9338		(5,717,667)
				Benefits 38%	(2,172,714)
				Levy funded Salary and Benefits	(7,890,381)

Budget Development Factors Cont.

Levy Funding Changes

Voter Approved Levy				
Voter Approved Levy (tax year)	Levy Amount	Rate Per Thousand	Collection Rate - 98%	
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	

New Enrichment Levy Model - Calendar Year				
Calendar Year	Levy Amount	Rate Per Thousand	Collection Rate - 98%	Variance between Voter Approved
2018	\$ 15,910,000	\$ 3.09	\$ 15,591,800	
2019	\$ 8,110,006	\$ 1.50	\$ 7,947,806	\$ (8,436,994)
2020	\$ 8,515,506	\$ 1.50	\$ 8,345,196	\$ (8,693,494)
2021**	\$ 8,941,282	\$ 1.50	TBD	
2022**	\$ 9,388,346	\$ 1.50	TBD	

** - No Voter Approved Levy

Estimated Enrichment Levy Revenue by Fiscal Year				
School District Fiscal Year	1st half	2nd half	Total	Variance between Fiscal Years
2017-2018 (Budget)	\$ 6,868,118	\$ 8,467,613	\$ 15,335,731	
2018-2019	\$ 7,068,813	\$ 4,257,640	\$ 11,326,453	\$ (4,009,278)
2019-2020	\$ 3,531,210	\$ 4,467,184	\$ 7,998,394	\$ (3,328,059)

Total levy loss from voter approved levy - \$9,793,151

Budget Development Factors Cont.

How a majority of Levy \$\$\$ spent
2017-2018 School Year

Teachers, Paraeducators & Other Staff	\$ 7,890,381
Special Education	\$ 213,435
Advanced Placement	\$ 879,504
Athletics, Band, Orchestra, Choir & Arts	\$ 1,300,502
Career & Technical Education	\$ 5,693
Instructional Materials	\$ 468,928
Transportation	\$ 354,950
Staff Development	\$ 1,397,079
Building Maintenance & Repair	\$ 2,157,370
Safety & Security	\$ 805,977
Total Levy Funding	\$ 15,473,818

Budget Development Factors Cont.

State Salary Funding

The prototypical school funding model will be used to determine staffing levels for districts. This will be multiplied by:

- Certificated Instructional Staff - \$65,216.05
- Certificated Administrative Staff - \$ 96,805
- Classified Staff - \$46,784.33

Tumwater - No Regionalization or Experience Factor Adjustments
 North Thurston with Regionalization of 6% - \$69,129 per Certificated Teacher

Estimated Statewide Weighted Average Salary Allocation

School Year:	2018-19	2019-20	2020-21
Certificated Instructional Staff	\$71,711	\$73,283	\$74,568
Certificated Administrative Staff	\$106,473	\$108,498	\$110,397
Classified Staff	\$51,437	\$52,415	\$53,333

Source: OSPI John Jenft Worksheet

Budget Development Factors Cont.

School District Comparison

School District	Enrollment	Average Staff Mix Ratio	Certificated Staff	Regionalization Factor	Approximate Average Salary After Increase	Aproximate Increases
Warden	959.60	1.37506	49.552	0%	\$66,000	13.0%
Bridgeport	846.51	1.43935	44.83	0%	\$64,200	15.0%
Lake Washington	29,192.03	1.444	1,536.96	18%		12.0%
Quincy	2,918.36	1.45067	148.396	0%	\$71,711	13.0%
Ocean Beach *	1,011.90	1.48129	50.683	0%		16.0%
Pateros *	300.19	1.51189	21.093	0%		14.5%
Cascade	1,271.65	1.54002	59.641	0%	\$68,000	10.0%
Eastmont *	5,914.44	1.54578	295.746	0%		11.9%
Dayton*	390.79	1.55539	24.38	0%		10.0%
Tumwater	6,759.54	1.57822	327.649	0%	\$71,711	3.1%
Ephrata **	2,490.28	1.58638	126.911	0%		7.0%
Okanogan *	1,077.11	1.61109	48.232	0%		11.6%
Yelm	5,508.65	1.47907	274.982	0%		Unknown
North Thurston	14,394.08	1.55468	743.082	6%		Unknown
Olympia ***	9,523.32	1.59392	459.98	4%		Unknown

Sources: OSPI 1251 Report, Apportionment Reports, Leap Doc 3, ERNN

* - Average Salary not available

** - Ephrata average salary is not available. Note: They will receive an additional 4% in 2019-20 - Experience

*** - Olympia receives 4% Experience Factor in 2019-20

Budget Development Factors Cont.

School District Comparison

School District	Enrollment	Average Staff Mix Ratio	Certificated Staff	Regionalization Factor	Total State & Local Funding Per Pupil Funding	Estimated Change in Funding Per Student	Per Pupil Estimated Change Current School Year
Warden	959.60	1.37506	49.552	0%	\$ 12,549	\$ 877	\$ 1,679
Tumwater	6,759.54	1.57822	327.649	0%	\$ 11,428	\$ 724	\$ 712

Warden School District

Starting Pay \$45,166 – MA+90 \$89,130

Average Salary \$66,000

13%

Tumwater School District

Preliminary Budget

Starting Pay \$44,659 – MA+90 - \$84,174

Average Salary \$71,711

3.1%

Budget Development Factors Cont.

Scattergram – Certificated Staff

2018-2019

Step	BA0	BA15	BA30	BA45	BA90	BA135	MA0	MA45	MA90	Grand Total
0	3.57	1.00					0.40	0.90	1.00	6.87
1	8.56						4.98	4.67		18.22
2	4.00			2.00			4.50	3.00	1.00	14.50
3	8.00		1.00					2.08		11.08
4	4.82	3.00		1.00			3.88	3.76		16.46
5	2.00	1.00	1.00		2.80		5.60	3.00	3.00	18.40
6	1.00	1.00	1.00				4.00	4.00	2.67	13.67
7				3.00			1.61	3.00	1.00	8.61
8			0.58				4.00	4.60	2.00	11.18
9			2.00		3.00		1.00	10.50	3.00	19.50
10			1.00	2.00	0.88		2.00	2.00	6.00	13.88
11				3.00	1.00			1.00	5.00	10.00
12				2.00	5.00			9.00	2.00	18.00
13				1.00	1.00		2.00	5.20	8.85	18.05
14					1.00			3.00	4.00	8.00
15				2.00			2.00	3.00	5.80	12.80
16				6.00	32.60	2.00	1.00	35.40	103.40	180.40
Grand Total	31.95	6.00	6.58	22.00	47.28	2.00	36.98	98.11	148.72	399.62

257.75 or 64.50% of Certificated Staff are above the State funding level of \$65,216

General Fund

2018-2019 Preliminary Budget

	Actual 2015-2016	Actual 2016-2017	Projection 2017-2018	Budget 2018-2019
Beginning Fund Balance	7,953,220	8,119,259	8,121,572	8,655,080
Revenues	73,174,957	77,791,988	84,199,599	91,980,668
Expenditures	73,008,918	77,789,674	83,666,091	92,251,869
Ending Fund Balance	8,119,259	8,121,572	8,655,080	8,383,879
Change in Fund Balance	166,038	2,314	533,508	(271,201)

Estimated 5.7% in new apportionment funding for 2018-2019 school year

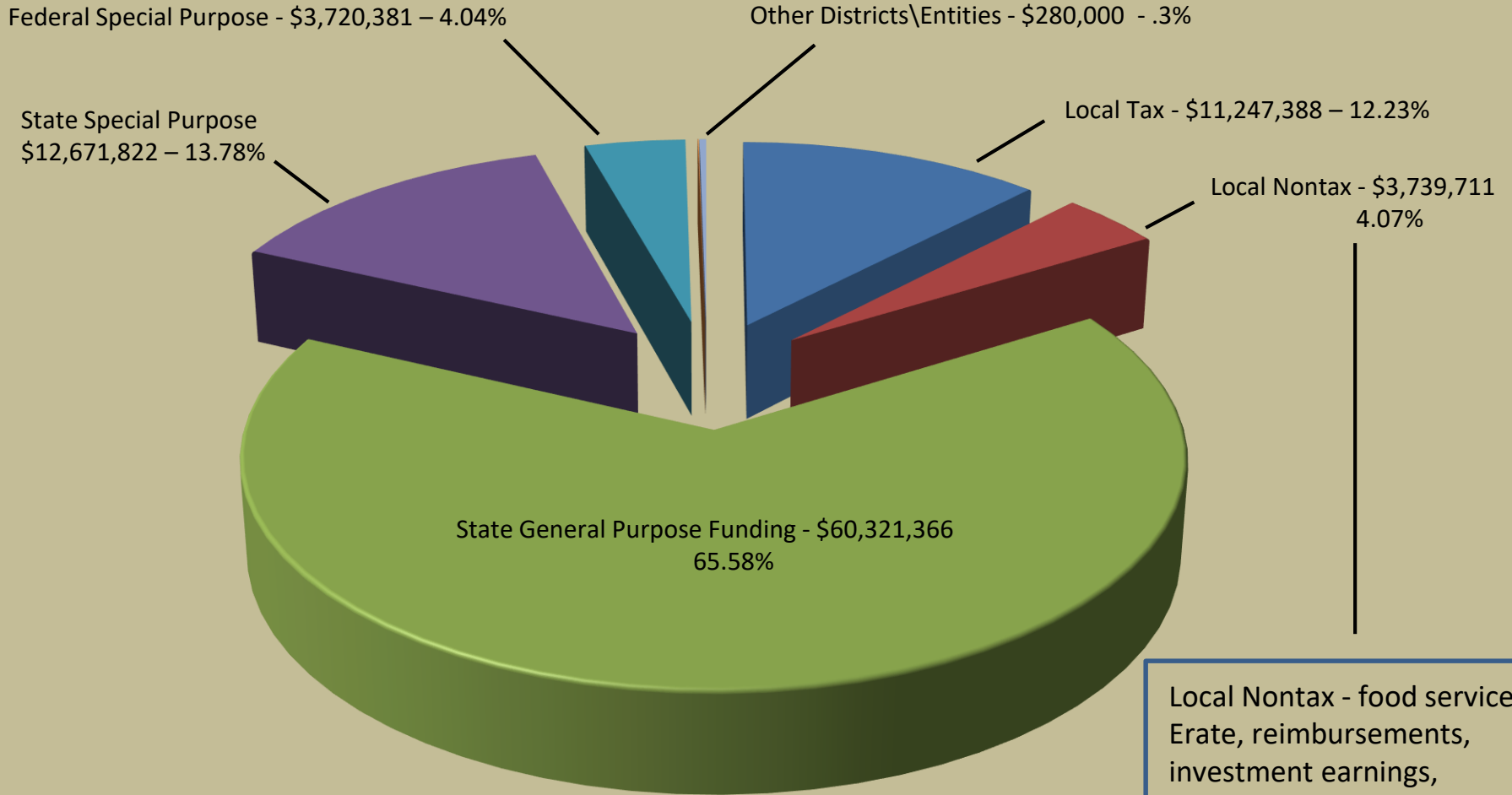
Budgeted Ending Fund Balance includes:

- Fund Balance 9% of budgeted expenditures
- Board policy 5.5% committed minimum fund balance
- Inventory and prepaid items required fund balance reserves
- Unassigned fund balance/other fund balance reserves

General Fund Budget Comparison

	Budget 2017-2018	Budget 2018-2019	Variance
REVENUES			
Local Taxes	15,382,837	11,247,388	(4,135,449)
Local Non-Tax	2,830,106	3,739,711	909,605
State, General Purpose	51,741,689	60,321,366	8,579,677
State, Special Purpose	10,452,637	12,671,822	2,219,185
Federal, General Purpose	-	-	-
Federal, Special Purpose	3,762,329	3,720,381	(41,948)
Revenues from Other Agencies	30,000	280,000	250,000
Total	84,199,598	91,980,668	7,781,070
EXPENDITURES			
Regular Instruction	49,736,893	53,773,013	4,036,120
Special Education Instruction	8,484,228	10,414,986	1,930,758
Vocational Education Instruction	2,185,895	2,528,138	342,243
Skill Center	3,934,860	4,148,217	213,357
Compensatory Education Instruction	3,027,655	3,269,028	241,373
Other Instructional	411,551	459,029	47,478
Community Services	665,650	825,968	160,318
Support Services	15,752,866	16,833,490	1,080,624
Total	84,199,598	92,251,869	8,052,271
Excess Revenues/Expenditures	\$0	(\$271,201)	

General Fund Revenues By Source 2018-2019



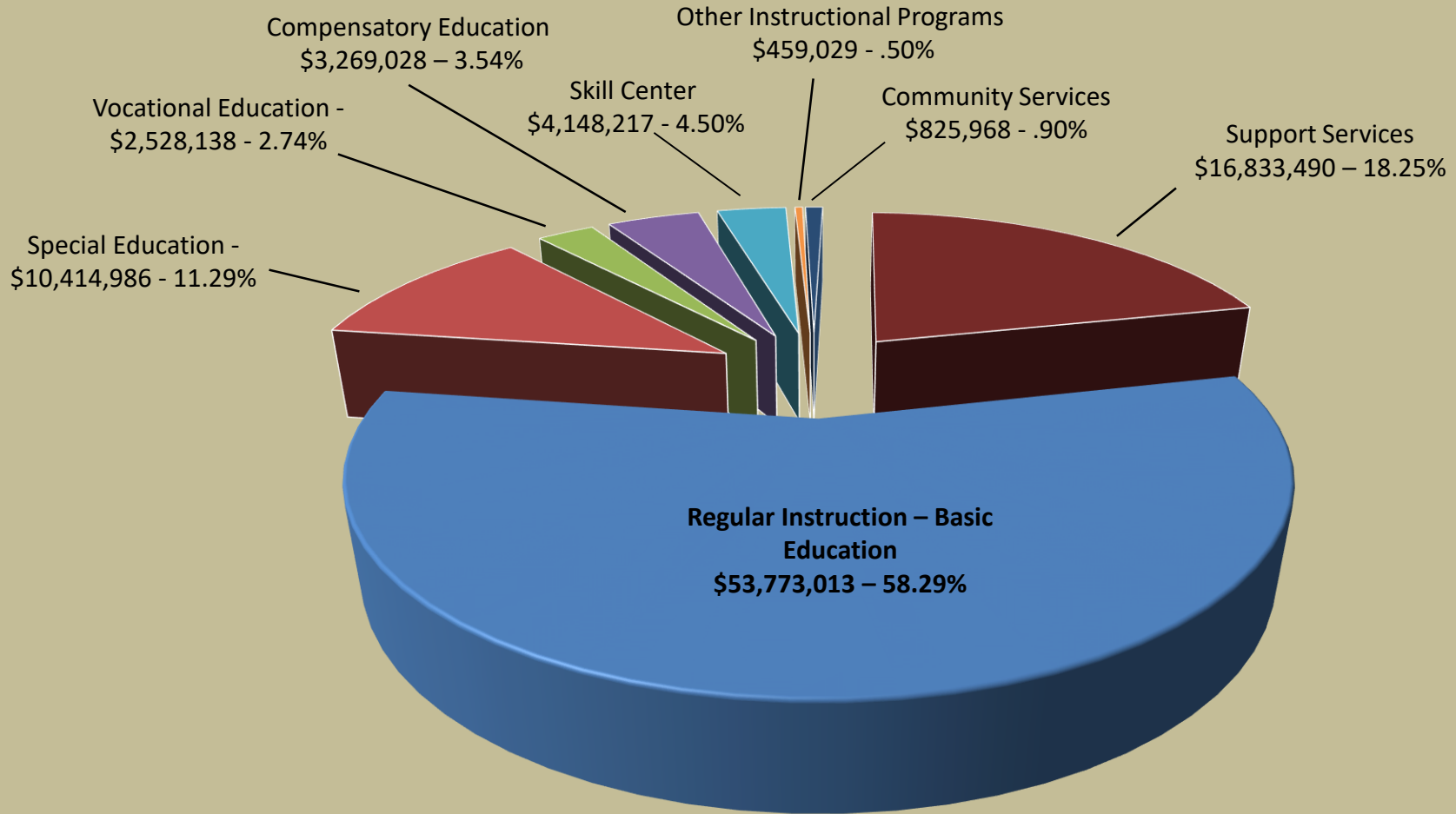
Total Budgeted Revenues - \$91,980,668

Local Nontax - food service, Erate, reimbursements, investment earnings, sale of goods, fines and fees

General Fund

Expenditures By Program

2018-2019



General Fund Budgeted Expenditures - \$92,251,869

General Fund

Required 4-Year Forecast

SUMMARY OF GENERAL FUND BUDGET				
	2018-2019	2019-2020	2020-2021	2021-2022
	Current Budget	Forecast	Forecast	Forecast
REVENUES AND OTHER FINANCING SOURCES				
Local Taxes	\$11,247,388	\$7,998,394	\$8,401,818	\$8,821,909
Local Support Nontax	\$3,739,711	\$3,777,108	\$3,814,879	\$3,853,028
State, General Purpose	\$60,321,366	\$62,800,138	\$65,469,789	\$68,293,171
State, Special Purpose	\$12,671,822	\$13,192,502	\$13,753,276	\$14,346,340
Federal, General Purpose	\$0	\$0	\$0	\$0
Federal, Special Purpose	\$3,720,381	\$3,757,585	\$3,795,161	\$3,833,112
Revenues from Other School Districts	\$30,000	\$30,300	\$30,603	\$30,909
Revenues from Other Entities	\$250,000	\$252,500	\$255,025	\$257,575
Other Financing Sources				
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$91,980,668	\$91,808,527	\$95,520,550	\$99,436,044
EXPENDITURES				
Regular Instruction	\$53,773,013	\$55,117,338	\$56,495,272	\$57,907,654
Special Education Instruction	\$10,414,986	\$10,519,136	\$10,624,327	\$10,730,570
Vocational Instruction	\$2,528,138	\$2,553,419	\$2,578,954	\$2,604,743
Skills Center Instruction	\$4,148,217	\$4,189,699	\$4,231,596	\$4,273,912
Compensatory Education	\$3,269,028	\$3,301,718	\$3,334,735	\$3,368,083
Other Instructional Programs	\$459,029	\$463,619	\$468,255	\$472,938
Community Services	\$825,968	\$834,228	\$842,570	\$850,996
Support Services	\$16,833,490	\$17,506,830	\$18,207,103	\$18,935,387
TOTAL EXPENDITURES	\$92,251,869	\$94,485,988	\$96,782,812	\$99,144,283
EXCESS OF REVENUES/OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES & OTHER FINANCING USES (A-B-C-D)	(\$271,201)	(\$2,677,460)	(\$1,262,262)	\$291,762

General Fund

Required 4-Year Forecast

SUMMARY OF GENERAL FUND BALANCE				
BEGINNING FUND BALANCE				
Restricted for Other Items	\$5,080	\$5,080	\$5,080	\$5,080
Restricted for Carryover of Restricted Revenues		\$98,812		
Restricted for Skill Center	\$500,000	\$10,322	\$25,000	\$35,000
Nonspendable Fund Balance—Inventory & Prepaid Items	\$1,250,000	\$1,250,000	\$750,000	\$500,000
Assigned to Other Purposes	\$750,000	\$819,123		
Unassigned Fund Balance	\$2,250,000	\$2,000,542	\$526,389	(\$610,822)
Unassigned to Minimum Fund Balance Policy	\$3,900,000	\$4,200,000	\$4,400,000	\$4,515,000
TOTAL BEGINNING FUND BALANCE	\$8,655,080	\$8,383,879	\$5,706,469	\$4,444,258
ENDING FUND BALANCE				
Restricted for Other Items	\$5,080	\$5,080	\$5,080	\$5,080
Restricted for Carryover of Restricted Revenues	\$98,812			
Restricted for Skill Center	\$10,322	\$25,000	\$35,000	\$35,000
Nonspendable Fund Balance—Inventory & Prepaid Items	\$1,250,000	\$750,000	\$500,000	\$500,000
Assigned to Other Purposes	\$819,123			
Unassigned Fund Balance	\$2,000,542	\$526,389	(\$610,822)	(\$429,009)
Unassigned to Minimum Fund Balance Policy	\$4,200,000	\$4,400,000	\$4,515,000	\$4,625,000
TOTAL ENDING FUND BALANCE	\$8,383,879	\$5,706,469	\$4,444,258	\$4,736,071

General Fund

Required 4-Year Forecast

Summary

	2018-2019	2019-2020	2020-2021	2021-2022
Revenues	\$ 91,980,618	\$ 91,808,527	\$ 95,520,550	\$ 99,436,044
Expenditures	92,251,869	\$ 94,485,988	\$ 96,782,812	\$ 99,144,283
Excess Revenues				
Over/Under	(271,251.00)	(\$2,677,461)	(\$1,262,262)	\$ 291,761
Ending Fund Balance	\$ 8,383,829	\$ 5,706,368	\$ 4,444,106	\$ 4,735,867
Percent of Expenditures	9.09%	6.04%	4.59%	4.78%

General Fund Summary

- Levy Funding Decrease
- State Funding Increase
- Net Revenue Gain 5.7% (Apportionment/Levy Funding)
- With 3.1% salary increase for all staff – **(\$271,201)**
budget deficit
- Any additional expenditure will require reduction
of fund balance and/or expenditure cuts

Debt Service, Capital Projects, ASB and Transportation Funds

Debt Service Fund

2018-2019

Beginning Fund Balance			\$ 3,669,949
Local Excess Levy			
Fall 2017	\$	4,229,674	
Spring 2018	\$	10,144,311	
State Forest	\$	120,000	
Timber Excise Tax	\$	63,448	
Investment Earnings	\$	50,000	
	Total		\$ 14,607,433
Bond and Interest 12/1/2017	\$	7,987,300	
Interest Payment 6/1/2018	\$	2,561,525	
Bond Transfer Fee	\$	50,000	
	Total		\$ 10,598,825
Ending Fund Balance			\$ 7,678,557

September 1, 2018 Outstanding Bond Debt = \$123,340,000

Capital Projects Fund

2018-2019

Beginning Fund Balance		\$ 29,965,000
Revenues and Other Financing Sources:		
Impact Fees/Investment Earnings	\$ 800,000	
State, Special Purpose	\$10,000,000	
	Total	\$ 10,800,000
Funds Available for Capital Projects		\$ 40,765,000
Expenditures for Capital Projects:		
Building Sites	\$ 2,450,000	
Building Projects	\$26,260,000	
Equipment	\$ 3,110,000	
Bond Issuance Expenditure	\$ 15,000	
	Total	\$ 31,835,000
Ending Fund Balance		\$ 8,930,000

ASB and Transportation Funds 2018-2019

	Associated Student Body	Transportation
Beginning Fund Balance	\$456,461	\$386,330
Revenues Budgeted	\$1,208,970	\$447,283
Expenditures Budgeted	\$1,439,325	\$400,000
Ending Fund Balance	\$226,106	\$433,613
Change in Fund Balance	\$230,355	\$47,283

Questions/Comments