



TO: Board of Directors

FROM: Deborah Rumbaugh, Superintendent
Ruth Floyd, Executive Director of Business Services

SUBJECT: 2024-25 Reduced Educational Program

DATE: April 16, 2024

TYPE: Action/Resolution No. 2023/2024-009

The Board will hear a plan for reducing the 2024-25 educational program, including proposed staff and non-staff reductions. The factors we considered to develop the reduced educational program are listed below.

- Prioritize the instructional core over other budget areas
- Honor current contractual obligations
- Meet state and federal legal requirements
- Maintain fund balance as required by board policy, and utilize unassigned funds beyond that amount if necessary
- Respond as needed to other unanticipated factors that may come to our attention as we develop the 2024-25 budget

The estimated 2024-25 budget impacts listed on the attached reflect the following:

1. Lack of state and federal COVID-19-related funding
2. Estimated cost increases in employee salaries and benefits
3. Continued state funding reductions in salary regionalization allocations and underfunding in other areas of basic education
4. Capital Projects/Technology levy failure in 2022 shifting costs to general fund

Recommendation: It is recommended that the board adopt Resolution No. 2023/2024-009.

STANWOOD-CAMANO SCHOOL DISTRICT NO. 401

REDUCED EDUCATIONAL PROGRAM AND REDUCTION OF STAFF

RESOLUTION NO. 2023/2024-009

WHEREAS, Stanwood-Camano School District does not have the presently assured financial resources to maintain its program and services at the present levels for the 2024-25 school year due to enrollment decline and loss of revenues and cost increases; and

WHEREAS, in order to maintain the level of School District expenditures within the level of reasonably anticipated revenues, it is necessary to make certain reductions in the District's educational program, including reductions in administrative, certificated, and classified positions for the 2024-25 school year; and

WHEREAS, it is necessary at this time for the Board of Directors to adopt a reduced educational program for the 2024-25 school year so that certificated employees who would be affected by said program reduction may be properly notified by May 15, as required by law; and

WHEREAS, the Board of Directors has considered the 2024-25 Reduced Educational Program recommended by the Superintendent, which is attached hereto and by this reference made a part hereof:

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Stanwood-Camano School District as follows:

1. The Board hereby adopts the 2024-25 Reduced Educational Program attached hereto;
2. The Superintendent is directed to take such action as may be required by law, collective bargaining agreements, or Board policy to implement the reduced program, including notifying employees who will be affected by the implementation of the 2024-25 Reduced Educational Program; and
3. The Superintendent will, prior to the initial presentation of the 2024-25 District operating budget, update the Board on any significantly different level of reduction for the District than the reduction reflected in this resolution.

Adopted at a regular open public meeting of the Board of Directors held April 16, 2024.

STANWOOD-CAMANO SCHOOL DISTRICT NO. 401,
A municipal corporation of the State of Washington

Board Director

Board Director

Board Director

Board Director

Board Director

Attest:

Secretary to the Board

STANWOOD-CAMANO SCHOOL DISTRICT NO. 401
 General Fund - Fund Balance (Reserves)
 2023-2024

GENERAL FUND	9/1/2023	8/31/2024	
Fund Balance Categories	Beginning Actual	Ending Estimate	Percent of Revenue*
Restricted for Carryover of Restricted Revenue	222,849	300,000	0.3%
Nonspendable Inventory and Prepaid Items	871,100	150,000	0.2%
Assigned to Other Purposes - Other Carryover	273,005	175,000	0.2%
Unassigned to Minimum Fund Balance Policy (5%)	4,120,953	4,290,965	5.0%
Unassigned Fund Balance	3,169,684	3,184,035	3.7%
Fund Balance (Reserves) - Total	8,657,591	8,100,000	9.4%

	Budget Impact Favorable (Unfavorable)
<u>Revenues and Other Sources (Estimated)</u>	
Total Actual Fund Balance - Beginning 9/1/23	8,657,591
Changes in Revenues and Other Sources:	
Basic Education enrollment decrease	(150,000)
Special Education revenue increases (net of costs)	300,000
State transportation allocation increase	35,000
2024 Legislative increases provided retroactively	245,000
Est. Levy collections due to Consumer Price Index (CPI)	180,000
Federal revenues (Sno Cty SSA, Food Services)	170,000
Net Changes in Revenues and Other Sources (Estimated)	780,000
<u>Expenditures and Other Uses (Estimated)</u>	
Changes in Expenditures and Other Uses:	
FY 2023-24 Budgeted Expenditures over Revenues	(1,553,358)
Current year cost savings (net of increases)	215,767
Net Changes in Expenditures and Other Uses (Estimated)	(1,337,591)
Total Estimated Fund Balance - Ending 8/31/24	8,100,000

*Fund balance percentage is based on fiscal year 2023-24 budgeted revenue less budget capacity
 (\$89,819,305 - \$4,000,000 = \$85,819,305)

STANWOOD-CAMANO SCHOOL DISTRICT NO. 401
 Projected General Fund Budget Deficit
 2024-2025

	Budget Impact Favorable (Unfavorable)
<u>Revenues and Other Sources (Estimated)</u>	
Changes in Revenues and Other Sources:	
Est. Levy collections due to Consumer Price Index (CPI)	350,000
State prototypical funding model increases	250,000
State salary regionalization decrease	(563,800)
Decrease in grant revenues (ESSER, Supply Chain Assist)	(1,240,000)
Net Changes in Revenues and Other Sources (Estimated)	(1,203,800)
<u>Expenditures and Other Uses (Estimated)</u>	
Changes in Expenditures and Other Uses:	
Carry forward 2023-24 est. expenditures over revenues	(557,600)
Salary and benefit increases (net of state IPD funding)	(1,405,950)
Positions unfilled or hired mid-year in 2023-24 (annualized)	(677,650)
Restore some previously reduced days/hours	(161,500)
Non-salary cost savings (net of cost increases)	564,000
Net Changes in Expenditures and Other Uses (Estimated)	(2,238,700)
Estimated 2024-25 general fund deficit	(3,442,500)
Planned Use of Fund Balance in 2024-25	1,230,000
Expenditure Reductions Recommended in 2024-25	(2,212,500)

STANWOOD-CAMANO SCHOOL DISTRICT NO. 401
 2024-25 Proposed Reduced Educational Program

General Description	Estimated Reduction Amount
<u>DISTRICT OFFICE ADMINISTRATION</u>	
Elimination of 1.0 district office administrator	\$ 187,500
Elimination of administrator stipend	2,600
Reduction of work days/hours of some district office staff	47,000
Reduction of department and operational budgets	203,000
	\$ 440,100
<u>SCHOOL ADMINISTRATION</u>	
Elimination of administrator stipend	3,400
Elimination of contracted principal support	20,000
Reduction of school building budgets	124,000
	\$ 147,400
<u>HUMAN RESOURCES</u>	
Reduction of classified positions, days, hours or other salary reductions	\$ 432,500
Reduction of up to 10 FTE certificated positions or other salary reductions	\$ 1,120,000
<u>TEACHING AND LEARNING</u>	
Realign categorical/grant programs costs	\$ 72,500
Total 2024-25 Proposed Reduced Educational Program	\$ 2,212,500