



2024-25 Public Hearing & Budget Adoption

Dr. Dani Pfeiffer, Superintendent

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August 27, 2024



Purpose of Budget Presentation

- RCWs, Policy Governance & Board Role
- Review Superintendent's Focused Priorities
- Share Financial Highlights
 - Enrollment
 - Fund Balance
 - Four-Year Forecast
 - Looking Back & Looking Forward
- Provide Overview and Recap of the 2024-25 District Budgets



RCWs, Policy Governance & Board

RCW 28A.505.060

- Conducts public hearing
- Adopts budgets for the five funds
 - General
 - Associated Student Body
 - Debt Service
 - Capital Projects
 - Transportation Vehicle
- Includes a four-year budget forecast
- Sets the appropriation level for each fund
- Sets preliminary calendar year 2025 tax collections



RCWs, Policy Governance & Board

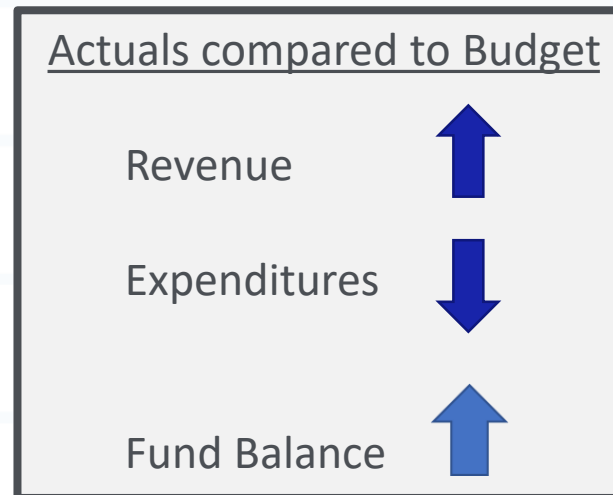
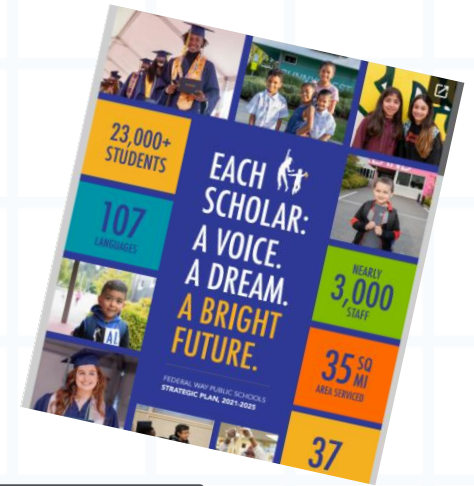
*Policy Governance
and EL-3*

- Executive Limitation 3 – Financial and Budget Planning
 - Comprehensive summary format to the Board and Community
 - Disclosure of major assumptions
 - Description of major funding sources and budget initiatives
 - Adequate resources for implementation of the strategic plan
 - Be fiscally sound
 - Include a plan for reductions should the fund balance fall below 3% of total expenditures
 - Accounts for anticipated changes in employee compensation
 - All funds presented in the State-required format

Budget Philosophy & Approach

- Supports Goals of the Strategic Plan and District Initiatives
- Fiscally Responsible and Sustainable
- Conservative Approach: Enrollment
- Conservative Approach: Staffing
- Categorical Programs Balanced to Revenues
- Fund Balance: Compliant with Administrative Policy 6024 and EL-3 (Financial and Asset Protection)

Creating a Budget





**2024-25 Recap
Superintendent's
General Fund
Budget Priorities**



FWPS Strategic Plan - Goals

1 The Early Years: BUILDING THE FOUNDATION

Every student scholar will enter kindergarten ready to learn with the social-emotional skills that will propel each student to meet or exceed grade level standards in English Language Arts (ELA) and Mathematics by the end of 3rd grade.

By 2024 80% of 3rd grade scholars will be meeting or exceeding grade-level standards in ELA.

- Percent of scholars enrolled in high-quality preschool programs
- Percent of scholars meeting state PreK standards in literacy and math
- **Percent of scholars ready for kindergarten, as measured by WAKIDS assessments**
- Percent of scholars meeting Social Emotional Learning (SEL) standards for the early learning years
- **Percent of scholars meeting or exceeding grade-level standards in English Language Arts (ELA) and Mathematics by the end of 3rd grade**

Each scholar acquires the academic and social-emotional skills to be successful beyond 3rd grade.



2 Whole Child: THRIVING, CONFIDENT, RESPONSIBLE INDIVIDUALS

Every student scholar will be empowered and prepared to develop personal responsibility in order to be positive, productive members of society.

By 2024 there will be no disproportionality evident in discipline data.

By 2024, 100% of scholars feel their school is safe and welcoming as measured by perception survey.

- **Percent of scholars participating in at least 90% of classroom instructional time**
- **Percent of scholars and families participating in student-led conferences**
- Percent of scholars meeting expectations on non-academic behaviors on standards-based report card
- **Percent of scholars who feel their school is safe and welcoming as measured by a perception survey**
- Percent of scholars who complete 24 hours of community service before graduation

Each scholar knows, understands, and embraces his/her own and others' cultural backgrounds and learning needs, in order to advocate for self and others.



3 Active Learners: ENGAGED, EMPOWERED CRITICAL THINKERS

Every student scholar will be empowered with ownership of their education and be fully engaged in becoming critical and creative thinkers.

By 2024, 100% of scholars are engaged and challenged as measured by perception survey.

- Percent of scholars engaged in at least one extracurricular activity
- Percent of scholars who successfully prepare and present capstone projects at the end of transition years
- **Percent of scholars that are engaged and challenged as measured by a perception survey**
- **Number of staff proficient or distinguished in student engagement practices, as measured by the Center for Educational Leadership's 5 Dimensions of Teaching and Learning™ (CEL's 5D) and the Association of Washington School Principals (AWSP) leadership framework**

Each scholar is actively engaged in critical and creative thinking, goal-setting and demonstration of cultural competence.



4 Content-Area Competence: MASTERY OF ALL SUBJECTS

Every student scholar will receive equitable opportunity for success, and will meet or exceed standards of performance in all subjects by the end of each grade.

By 2024, 80% of 8th grade scholars will be meeting or exceeding grade-level standards in ELA.

- **Percent of scholars meeting grade-level standards in core subjects, as measured by state assessments**
- **Percent of scholars demonstrating proficiency in a standards-based grading system (in each subject)**
- Percent of scholars enrolled in and completing Algebra by 8th grade with a 3.0 grade point average
- **Percent of scholars participating in advanced coursework and earning a passing grade**
- Percent of scholars who are biliterate
- Percent of scholars meeting standard on benchmark assessments

Each scholar develops cultural confidence as a learner and rigorously applies his/her knowledge and skills to new and different experiences.



5 Persistence To Graduation: HIGH SCHOOL GRADUATION THROUGH SUCCESSFUL TRANSITIONS

Every student scholar will successfully navigate the critical transitions in their schooling, and will graduate from high school ready for college, career, and post-secondary experiences.

By 2024, 95% of the senior class will graduate on time.

- Transition rates from Pre-Kindergarten to Elementary school, to Middle school, to High school, and to Post-secondary experiences
- **Percent of 9th grade scholars on track for on-time graduation**
- Increase in scholar scores on college entrance tests (ACT, PSAT, SAT) and ASVAB
- Percent of scholars who have STEAM (Science, Technology, Engineering, Arts & Mathematics) experiences
- **Percent of seniors with a Career Plan letter outlining at least one of these: college acceptance, military, trade/technical training, industry certification/apprenticeship**
- **Percent of scholars who complete applications for College Bound scholarships, FAFSA and WASFA**
- **Increase in high school graduation and decrease in dropout rates**
- Percent of graduating scholars who persist two or more years in college and acquire a college or post-secondary degree
- **Percent of scholars enrolled in academically**

Each scholar – starting early and with proactive support – creates/uses a flexible, individualized transition plan as a tool to promote accelerated academic performance, steady progress towards graduation, and career awareness and explorations.



Examples of Superintendent's Priorities

Goal 1

- Support of the K-2 ELA Adoption
- Focus on K-2 Math
- Expanding support for ECEAP full day programs
- Support for Transition to Kindergarten programming (Bright Futures K)
- Teacher & Admin PD on Science of Reading

Goal 2

- Continue MTSS support through additional counseling and social emotional supports
- Continue Attendance Support and Intervention
- Scholar/Family connections (Family Academy at the District and School Sites)
- Voice – Principal Scholar and Family Advisory
- 6-12 SEL curriculum implementation
- Building positive school communities in first 30 days
- Increase community-based connections

Goal 3

- Expand Extended Learning Opportunities (ELOs)
- Continue to Expand Extracurriculars and Intramurals
- Continue to Expand STEM opportunities at all grade levels
- Continue robust summer school programming

Examples of Superintendent's Priorities

Goal 4

- Support MTSS with data-based decision making
- Provide high quality Math resources and instruction
- Implementation of 3-8 ELA adoption
- Provide Tier 1 Culturally Responsive Standards Aligned Instruction inclusive of small group instruction
- Intentional recovery efforts through extended learning opportunities

Goal 5

- Comprehensive Secondary Counseling Model with supporting professional development
- Expansion of CTE and career readiness opportunities
- National Academy Foundation
- PreK-12 CCR/CTE Pathway
 - Grade level transitions
 - College and Career experiences
 - AVID



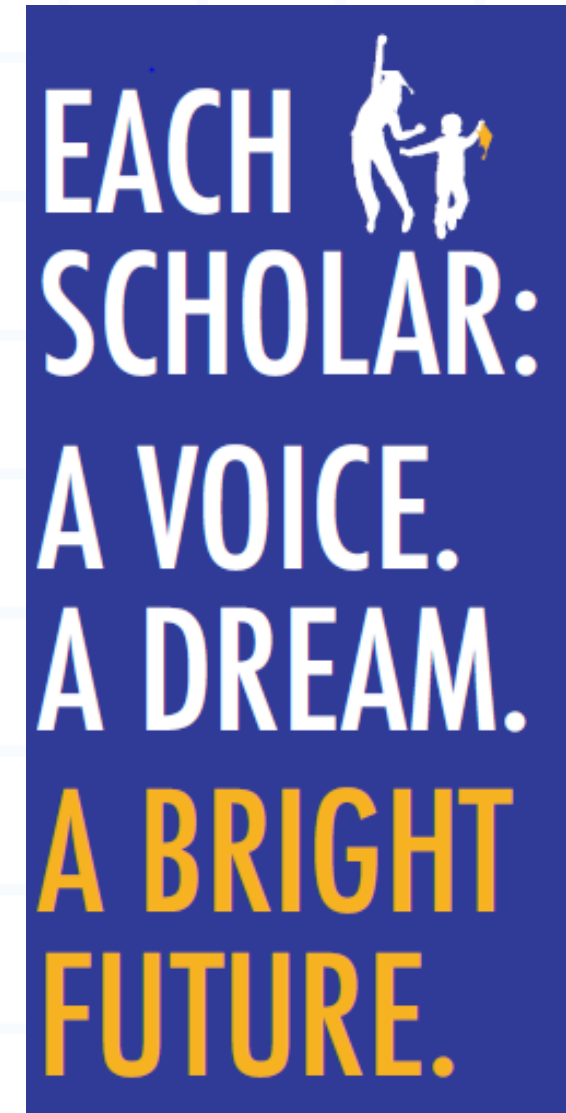
Superintendent's Priorities: Departmental Budgetary Needs

- Evaluation of attrition and open positions
- Central Office targeted budget reductions
- Identified sustainable cost saving measures
- Ongoing support of school supply initiative
- Continued efforts for Safety & Security
- Inflationary adjustments
 - Property & liability insurance premiums
 - Fuel
 - Custodial supplies
 - Utilities
 - Software licenses



Superintendent's Priorities: Financial Plan

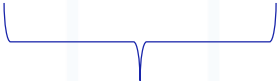
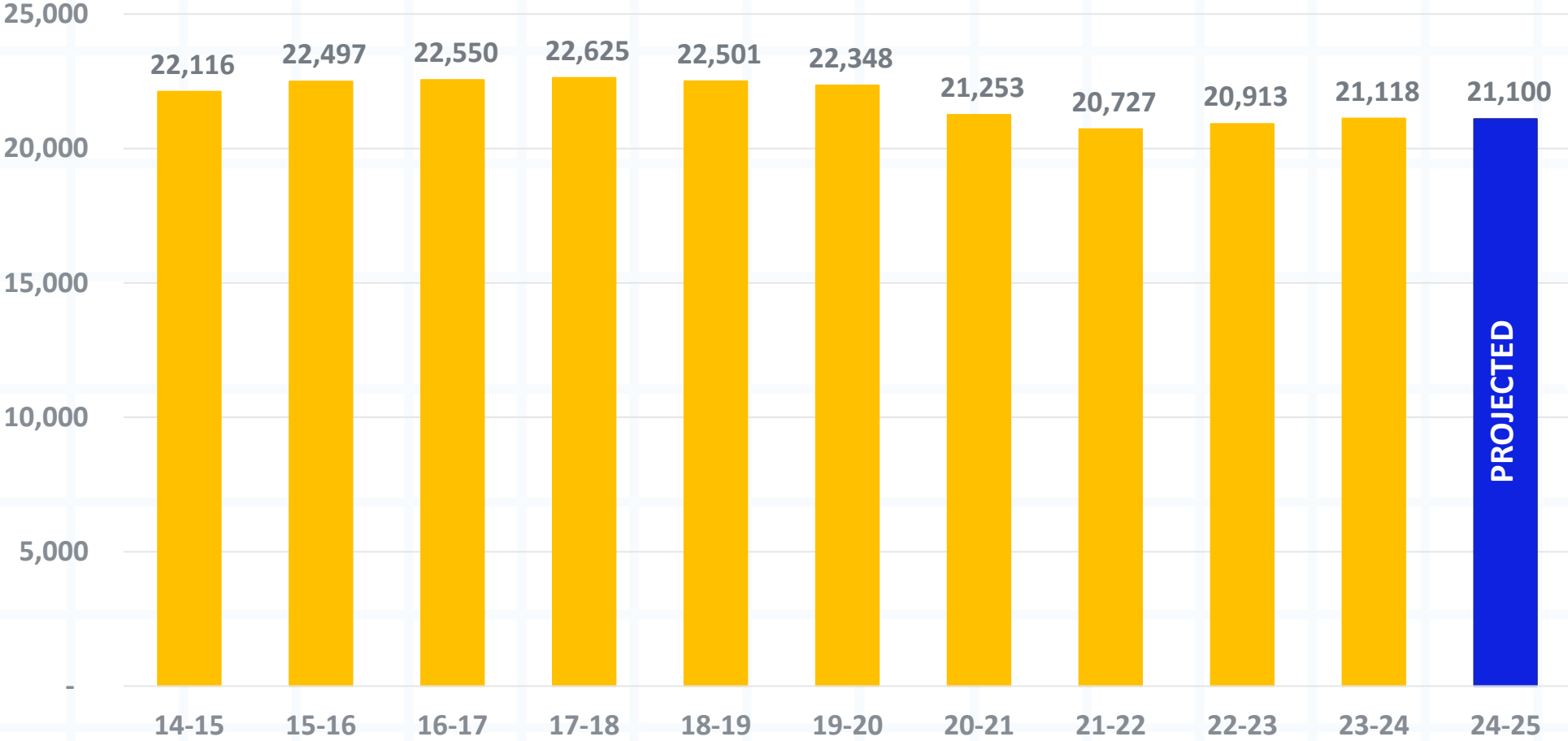
- Strategically maintain fund balance in alignment with Board policy
- Competitive compensation to attract and retain effective, caring, culturally competent teachers, leaders & staff
- Maintain fiscal responsibility through
 - Staffing aligned to enrollment (natural attrition)
 - Sustainable department budget reductions
 - Compliance with EL-3 (Financial and Asset Protection) and Administrative Policy 6024



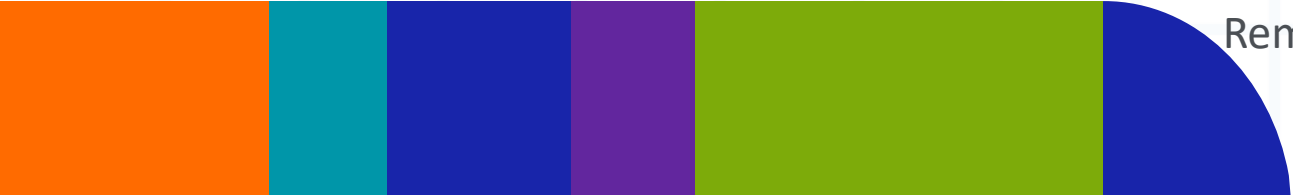


Financial Highlights

October 1 Headcount Enrollment

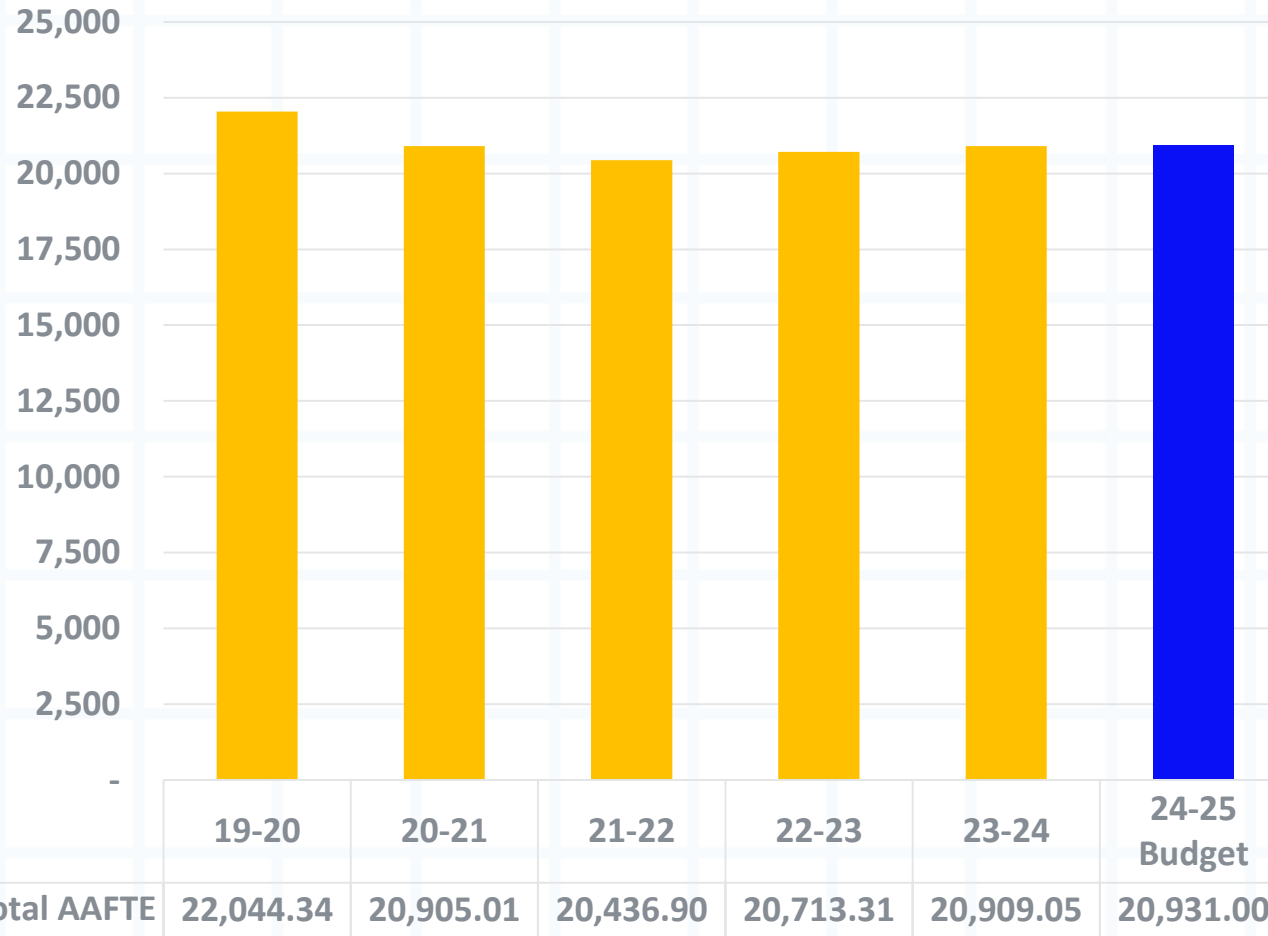


Remote Learning



Historical AAFTE (Avg Annual Full-Time Equivalent)

*23-24 Updated through July



Key Points

- AAFTE is the basis for state funding
- Every 100 aafte scholars ~ \$1 M in state funding
- This year actual enrollment compared to next year budgeted enrollment: +22

Fund Balance: EL-3 & Policy 6024

	2023-24 <u>Budget</u>	2023-24 <u>Est Actuals</u>
Revenues	\$401.0 M	\$411.4 M
Expenditures	<u>\$428.0 M</u>	<u>\$413.3 M</u>
Fund Balance Utilization	(\$27.0 M)	(\$1.9 M)
Beginning Fund Balance	\$44.2 M	\$45.9 M
Ending Fund Balance	\$17.2 M	\$44.0 M
<i>FB as a % of Expenditures</i>	4.0%	10.6%

- Conservative budgeting, a tight labor market, strategic belt tightening and rightsizing efforts yield lower expenditures and realized savings
- Actual expenditure estimates are 98% of budgeted (net of capacity contingency)
- The four-year forecast reflects this same pattern

Four-Year Forecast

High Level Model

- Revenues
- Expenditures
- Fund Balance

Key Variables/Assumptions

- Enrollment
- Compensation Costs
- Fund Balance Trends



Four-Year Forecast: Assumptions

- Flat enrollment
- Includes legislative and known bargained compensation costs, including IPD
- Includes some local effort assistance \$ *(due to recent drops in assessed valuation)*
- Passage of our EP&O renewal levy *(once the current levy expires at the end of calendar year 2026)*
- No legislative relief for regionalization disparity or other under funding
- Actual expenditures at 97.50% of budgeted
- Further expenditure reductions in 2025-26 and beyond in order to remain financially sound and compliant with Fund Balance Policy 6024



General Fund Four-Year Forecast

General Fund	2024-25 Budget	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast
Beginning Fund Balance (est. actuals)	\$44,000,000	\$28,900,000	\$17,971,000	\$9,742,000
Budgeted Revenues	\$418,000,000	\$428,159,000	\$443,229,000	\$459,466,000
Budgeted Expenditures & Transfers	\$444,000,000	\$450,142,000	\$462,829,000	\$476,022,000
Ending Fund Balance (“Savings Account”)	\$18,000,000	\$6,917,000	(\$1,629,000)	(\$6,814,000)

Only if NO Action is taken.



Strong Fiscal Stewardship

- Right-sizing of staffing levels to align with projected enrollment through natural attrition
- Central office budget reductions over the last 2 years
- Successfully navigated the sunseting of ESSER funds
- Covered funding shortfall in Special Education (\approx \$6.0 M)
- Covered increased costs of McKinney-Vento and the shortfall in school transportation funding (\approx \$3.3 M)
- Absorbed 21% increases in insurance premiums (\$1.1 M)
- Absorbed 6.2% expected increases in utility costs



Planning for 2024-25 and beyond

- Regular Financial Monitoring - including enrollment, staffing levels and open positions
- Fully maximizing all resources including carryovers
- Advocating for legislative relief –
 - **Equitable Regionalization,**
 - Prototypical Funding Model,
 - **Special Education Funding,**
 - Transportation Funding,
 - **Inflationary increases** for MSOC
- Lessening the budget gap between revenues & expenditures
 - This will require further budget reductions in 2025-26
 - Likely targeting \$5 to \$6 million dollars



**Financial
Stability**



**FEDERAL WAY
PUBLIC SCHOOLS**



2024-25 Recommended Budgets

- General Fund
- Associated Student Body (ASB) Fund
- Debt Service Fund
- Capital Projects Fund
- Transportation Vehicle Fund

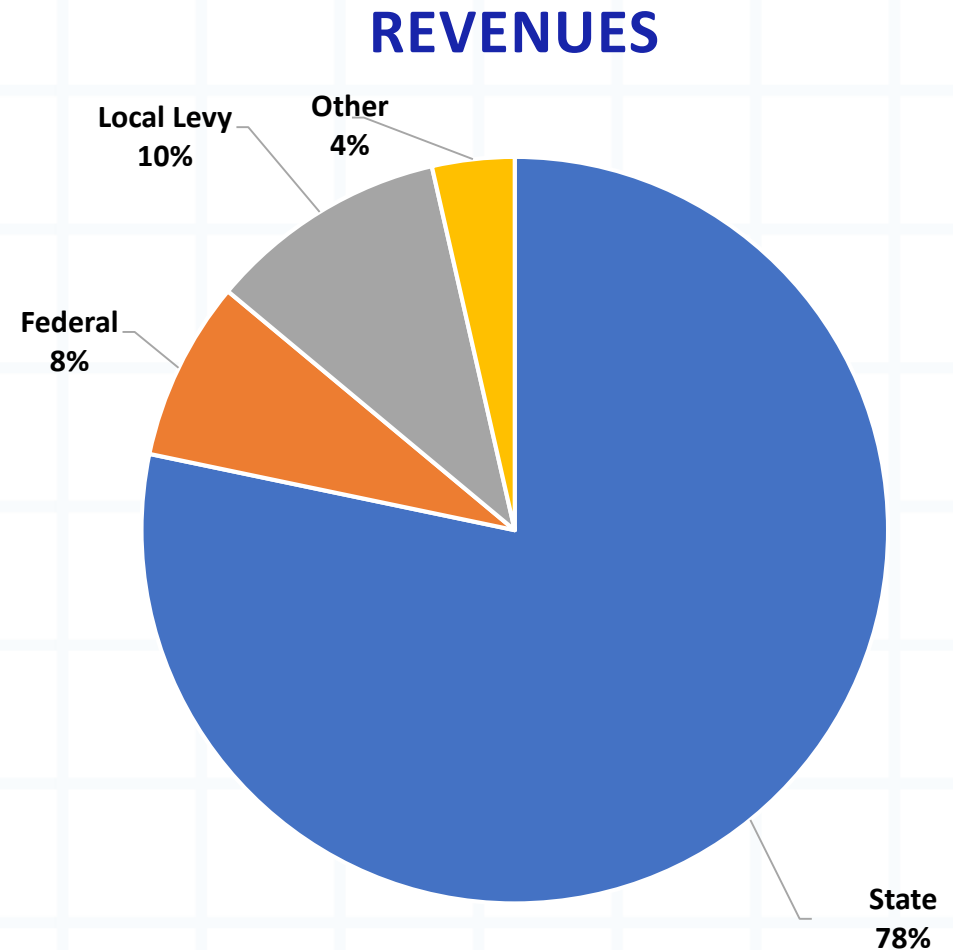
2024-25 General Fund

Services the basic education program, categorical programs, local/community programs and operational activity for the District

Budgeted Beginning Fund Balance	\$44,000,000
Budgeted Revenues	\$418,000,000
Budgeted Expenditures	<u>\$444,000,000</u>
Budgeted Expenditures > Revenues	(\$26,000,000)
Budgeted Total Ending Fund Balance	<u>\$18,000,000</u>
Total Ending Fund Balance as a % of Expenditures	4.05%
Unassigned to Minimum Fund Balance	3.09%
<i>Estimated Actual Ending Fund Balance (97.5%)</i>	<i>\$28,900,000</i>
	6.51%

Where Does Our Money Come From?

Source	2024-25 Budgeted Revenues
State	\$327,193,700
Federal	\$32,510,000
Local Levy	\$43,380,000
Other	\$14,916,300
Total	\$418,000,000

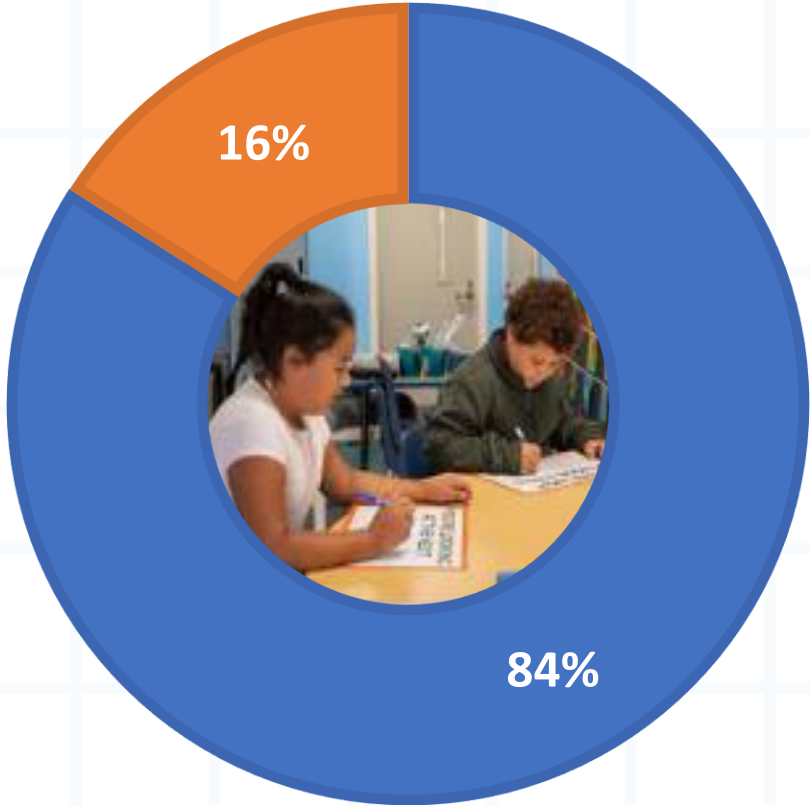


Where Does Our Money Go?

Description	2024-25 Budgeted Expenditures	% of Total
Certificated Salaries	\$198,254,291	44.7%
Classified Salaries	\$79,822,180	18.0%
Benefits	\$96,776,961	21.8%
Supplies & Materials	\$19,354,941	4.4%
Purchased Services	\$49,175,341	11.1%
Travel	\$446,086	0.1%
Capital Outlay	\$170,200	0.04%
Total	\$444,000,000	100.0%

EXPENDITURES

■ People ■ Things (MSOC)



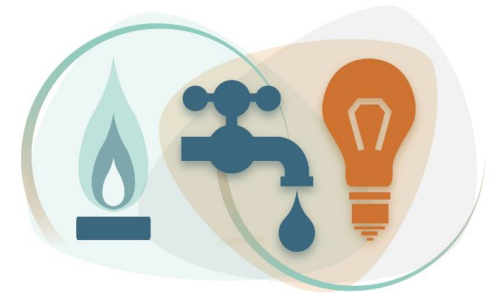
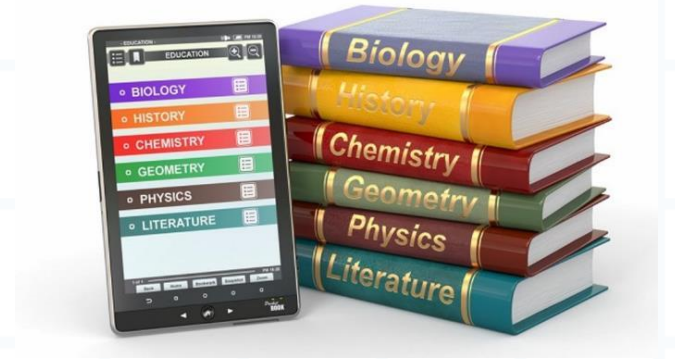
Required MSOC Disclosures

MSOC = Materials, Supplies & Operating Costs - Basic Education

2024-25 State Allocation	\$31,622,133
2024-25 Budgeted Expenditures	<u>\$41,206,172</u>

MSOC expenditures > than funding \$9,584,039

Note: Compliant with State requirements – spending more on MSOC's than allocated through the prototypical funding model



2024-25 Associated Student Body (ASB) Fund

The Associated Student Body Fund is considered a Special Revenue Fund. Its purpose is to account for the proceeds of student body revenue sources that are legally restricted to expenditures for the student body.

Budgeted Beginning Fund Balance	\$900,000
Budgeted Revenues	\$2,800,000
Budgeted Expenditures	\$3,200,000
Budgeted Ending Fund Balance	<u>\$500,000</u>



2024-25 Debt Service Fund

The Debt Service Fund is for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Budgeted Beginning Fund Balance		\$16,000,000
Budgeted Revenues & Transfers		\$35,684,000
<i>Voter Approved Local Levy</i>	<i>\$32,371,000</i>	
<i>Non-Voted Debt Transfers</i>	<i>\$2,913,000</i>	
<i>Investment Earnings</i>	<i>\$400,000</i>	
Budgeted Expenditures		\$40,668,000
Budgeted Ending Fund Balance		<u>\$11,016,000</u>

2024-25 Capital Projects Fund

Capital Projects Funds account for the financial resources to be used for the acquisition or construction/improvements of major capital facilities and implementation of technology systems.

Budgeted Beginning Fund Balance	\$ 75,062,000
Budgeted Revenues	\$36,244,000
Budgeted Expenditures	\$97,372,000
Budgeted Transfers to Debt Service Fund	\$2,913,000
Budgeted Total Ending Fund Balance	<u>\$ 11,021,000</u>



2024-25 Capital Projects Fund

Budgeted Revenues: **\$36,244,000**

- SCAP \$18,998,000
- Tech Levy \$4,600,000
- E-rate \$1,130,000
- Impact Fees \$108,000
- Interest Earnings \$408,000
- Contingency Capacity \$11,000,000



2024-25 Capital Projects Fund

Budgeted Expenditures & Transfers: \$100,285,000

- Technology Levy & E-rate \$9,659,000
- Non-voted Debt Payments for Land \$2,913,000
- Miscellaneous Grant Capacity \$1,000,000
- Portables \$178,000
- Solar & Decarbonization Grant \$10,000,000
- Phase 2 Construction \$43,237,000
- Phase 2 Project Contingency \$33,298,000



2024-25 Capital Projects Fund

Phase 2 Bond Construction: \$43,237,000

- Illahee Middle School \$40,797,000
- Major Maintenance Projects \$1,840,000
- Bond Management Costs \$600,000



2024-25 Transportation Vehicle Fund

The Transportation Vehicle Fund is used to account for the proceeds of bus depreciation revenue and the expenditures for the purchase and major repair of buses.

Budgeted Beginning Fund Balance		\$2,557,000
Budgeted Revenues		\$1,748,000
<i>State Depreciation</i>	<i>\$1,248,000</i>	
<i>Insurance Recoveries</i>	<i>\$450,000</i>	
<i>Interest Earnings</i>	<i>\$50,000</i>	
Budgeted Expenditures		\$3,057,000
<i>Bus Orders/Purchases</i>	<i>\$2,308,000</i>	
<i>Insurance Capacity</i>	<i>\$450,000</i>	
<i>Expenditure Capacity</i>	<i>\$299,000</i>	
Budgeted Ending Fund Balance		<u>\$1,248,000</u>



2024-25 Budget Adoption

Recess to public hearing for comments & reconvene Board action to adopt Resolution No. 2024-12,
As recommended by Superintendent Dr. Dani Pfeiffer

EXPENDITURE APPROPRIATION LEVELS:

General Fund	\$444,000,000
ASB Fund	\$3,200,000
Debt Service Fund	\$40,668,000
Capital Projects Fund	\$97,372,000
Transportation Vehicle Fund	\$3,057,000



2024-25 Budget Adoption

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Board action to adopt Resolution No. 2024-12,
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PRELIMINARY 2025 TAX COLLECTIONS:

Education Programs & Operation Levy*	\$45,000,000
Capital Projects Fund Levy	\$4,800,000
Debt Service Fund Levy*	\$28,000,000

**Final tax collections will be Board authorized in the Fall*



Questions?



Recess to Public Hearing

BUDGET

2024-2025