

# Overview: 2024-25 Budget and 2025-26 Budget Projections

Budget Advisory Team Meeting  
January 27, 2025



# Welcome!

## Introductions:

**Superintendent:** Dr. Susana Reyes

**Assistant Superintendent:** Angela Von Essen

**Director of Finance and Business Services:** Art Clarke

# Land Acknowledgement

The Shoreline School District acknowledges the Coast Salish peoples of this land, the land which touches the shared waters of all tribes and bands within the Duwamish, Puyallup, Suquamish, Tulalip, Snoqualmie and Muckleshoot nations.

*Land Acknowledgement Resources: [#HonorNativeLand](#) & [Native Land](#)*

[Understanding Coast Salish Design](#)



# Race and Equity Decision-Making Tool

## Before a Decision:

### A. Pause and examine YOU - Who are you?

- Who is involved in making a decision? (race, gender, class etc.)
- What inherent biases do you bring to the table?

### B. Who is affected?

- What dimensions of diversity (race, gender, class, sexuality, gender identity, culture, age, ability, immigrant status, etc.) are in the impacted group?
- In which ways is the impacted group involved in the decision-making?

### C. What are the impacts?

- How will the decision of this group advance equity in our system?
- What evaluation tools and measures do we need to determine the impacts of our decision?
- What are the potential challenges, structural barriers, or unexpected blind spots?

### D. What do you think happened?

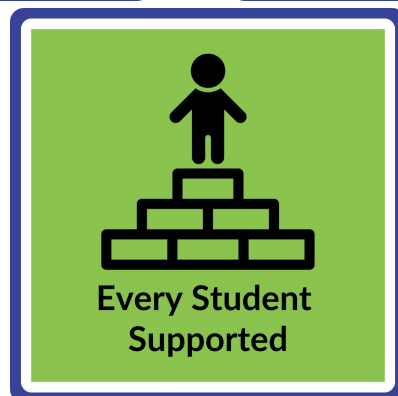
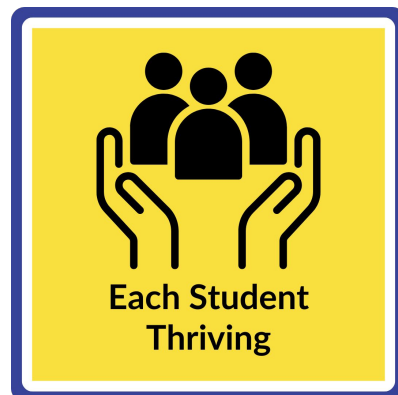
- Did you succeed in advancing equity?
  - To what degree?
  - How do you know? (What evaluation tools and measures were used to determine the impacts of our decision?)
- If no, what steps are we taking to ensure equity is still achieved?

The purpose of this tool is to engage everyone involved in Shoreline Schools to learn, think, and address how race and equity impacts choices in instruction, programming, staffing, funding, and policy. All members of the Shoreline Schools community should strive to improve anti-racist practices and equity awareness through all of our activities and choices. We encourage the application of this tool in decisions that impact students, staff, and families.



# Envision Shoreline: Engage. Inspire. Empower.

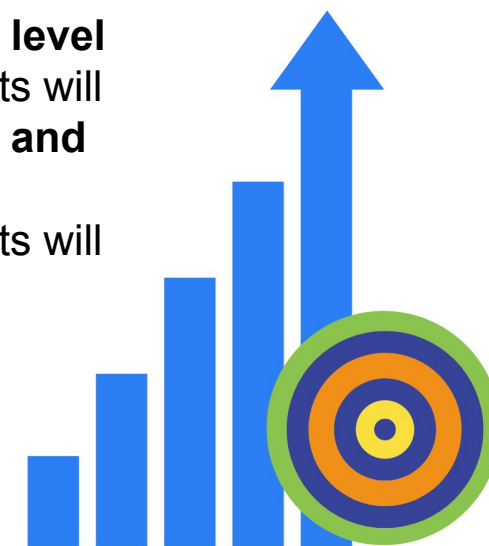
## Keep These Key Areas in Focus



## Work Toward Our Targets

### By Spring of 2029:

- 85% of Shoreline's 5th and 8th graders will **read at grade level**
- 95% of Shoreline's students will **report that they feel safe and welcome in school**
- 95% of Shoreline's students will **graduate on time**



# Committee Purpose and Meeting Target

**Committee Purpose:** The BAT is an advisory group of community members who receive detailed information about the school district's finances, provide feedback to district leadership from their perspectives, monitor the progress of our annual budget, ask questions, and serve as budget ambassadors within their schools and community networks.

**Meeting Outcomes:** Provide an overview of the District's 2024-25 budget and 2025-26 budget assumptions and projections, as well as the basis and guidance to inform a reduced educational program (REP). We will cover the following:

1. 2024-25 Budget
2. 2025-26 Budget Projections
3. Guidance and REP
4. Questions and Feedback
5. Future Meetings

# Committee Norms

We will...

- start and end on time
- listen carefully and participate in discussions
- not interrupt others
- consider the thoughts and ideas of those who are not represented/present
- assume positive intent
- be respectful of others
- encourage all voices, especially those who do not speak up
- all be treated as peers
- keep students at the center of our work

# 2024-25 Budget



# 2024-25 Budget - Revenue Assumptions

## Assumptions:

- Slight enrollment growth/increase
- 3.7% IPD salary funding increase for basic ed funded positions
- IPD funding increase on some Materials Supplies and Other Operating Costs (MSOC)
- Reduction of some federal funding (grants)
- Increase in state and federal funding for child nutrition program, but decrease in local revenue due to buildings eligible for free breakfast and lunch
- Before and after school program revenue reduced due to program closure

## Comparison of Budget to Actual Revenues

Fiscal Year	Budget	Actual	Difference
2021-22	156,847,000	160,832,270	3,985,270
2022-23	158,547,000	163,225,570	4,678,570
2023-24	168,136,000	171,715,997	3,579,997
<b>2024-25</b>	<b>178,145,000</b>	*	*

# 2024-25 Budget - Expenditure Assumptions

## Assumptions:

### Contract and Salary:

- 2nd year of the two-year labor partner contract pauses
- Salary Increase: 3.7% Implicit Price Index (IPD) + 1%

### Cost Increases:

- MSOC Increase: 3.7% IPD
- Risk Management Increase: \$600,000
- Substitute Costs Increase: \$600,000

## Comparison of Budget to Actual Expenditures

Fiscal Year	Budget	Actual	Difference
2021-22	167,040,000	162,704,199	4,335,801
2022-23	169,033,000	167,618,199	1,414,801
2023-24	168,594,000	169,927,237	-1,333,237
<b>2024-25</b>	<b>182,260,000</b>	*	*

# 2024-25 Budget - Fund Balance Adjustments and Projections

## Beginning Total Fund Balance

- June 2024 Projection: \$8,264,000
- November 2024 Actual: \$9,610,768
- Adjusted by: \$1,346,768

## Ending Unreserved Fund Balance

- Initial projection (budget): \$851,700 (0.5%)
- Adjusted to (actual): \$3,013,055 (1.7%)
- Expected to increase to \$5M (2.8%) based on historical trend (budget capacity)

## Comparison - Difference of Revenue Minus Expenditures

Fiscal Year	Revenues	Expenditures	Difference
2021-22	160,832,270	162,704,199	-1,871,929
2022-23	163,225,570	167,618,199	-4,392,629
2023-24	171,715,997	169,927,237	1,788,760
<b>2024-25 Budget</b>	<b>178,145,000</b>	<b>182,260,000</b>	<b>-4,115,000</b>

Projected 2024-25 budget deficit: **-\$4.1M**

# Current Budget Reduction Efforts

In addition to the expenditure reductions over the past two years, we've implemented the following measures for the 2024-25 school year and will continue to explore additional reductions throughout the school year.

- **Procurement and Supplies:**
  - Reduce building and departmental budgets by 25% for 2024-25 and 25% for 2025-26
  - Eliminate non-essential memberships and dues
  - Restrict food and beverage purchases for meetings, training, and events
  - Implement additional approval process for purchases over \$1,000
  - Continue strict monitoring of budget and purchasing
- **Personnel:**
  - Continue strategic hiring freeze
  - Restrict new stipends, additional time, and overtime
- **Technology and Equipment:**
  - Extend replacement cycles for various equipment
  - Reduce technology professional development
- **Travel, Transportation, and Professional Development:**
  - Restrict to mandatory, student-related, or grant-funded activities

These reductions are estimated to save \$597,000 in 2024-25 and \$420,000 in 2025-26, but they will not address the larger deficit we are facing and the fact that our expenses continue to outpace our revenues.

# 2025-26 Budget

# 2025-26 Budget - Revenue Assumptions

**Revenue** expected increase of \$2.4M:

- Existing levy
- Enrollment
- Materials, Supplies, and Operating Costs (MSOC) funding

**Other factors:**

- Conservative estimate approach maintained
- OSPI updates and availability of F203 and F195 pending legislative session
- IPD and other salary funding from the state is not included due to:
  - Possible SEBB and pension adjustment impacts
  - Limited IPD funding for staff

# 2025-26 Budget - Expenditure Assumptions

Operational factors expected to increase **expenditures** by \$6.9M:

- Return of labor partner contract pauses
- MSOC (utilities, food, fuel, etc) increases
- Salary IPD and step increases of 1.9% (could be as high as 2.4%)
- 2024-25 budget reductions

# Planning for the Future: 2025-26 Estimated Budget Deficit

## Potential Revenue: \$2.4M

- Increase of Existing Levy
- Enrollment Increase
- Materials, Supplies, & Operating Costs (MSOCs) Increase

## Additional Costs: **-\$6.9M**

- Return of Labor Partner Contract Pauses
- Rising MSOCs
- Salary Increases - 1.9% Implicit Price Deflator (IPD)
- Reduce: 2024-25 Budget Reduction Efforts

## Continued Annual Deficit (from 2024-25): **-\$4M**

**Estimated Budget Deficit:**

**\$8.5M**  
plus unknowns

Reduced to reflect potential  
\$2M in improvement of  
fund balance

**\$6.5M**  
plus  
unknowns

## Unknown Revenue and Costs

Impact from 2025 State Legislative Session

Open Bargaining Agreements:

- Shoreline Education Association (SEA)
- Professional-Technical Association
- SEIU-Grounds/Custodians/Warehouse
- SEIU-Food Service
- Mechanics

[Learn more about employee groups and who they support](#)



# 2025-26 Budget - Fund Balance Improvement and Projections

## Projected Beginning Unreserved Fund Balance

- Projected with possible \$2M improvement: \$5M (2.8%)

## Projected Ending Unreserved Fund Balance

- Projected including possible \$2M improvement: **-\$1.5M (-.8%)**
- However, as the budget becomes more aligned with actuals, a \$2M improvement in fund balance is unlikely.
- A negative ending unreserved fund balance requires budget reductions.

# Guidance and REP

# Why Continued Reductions are Necessary

- Our ending unreserved fund balance continues to be dangerously low
- Costs continue to outpace our revenues
- Our district has been operating without certain curriculum and resources necessary to provide the high standard of educational services we expect for our students
- There have been very limited professional development opportunities, which are critical to enhance and evolve professional practice
- Buildings have been operating with limited supplies, failing equipment that hasn't been replaced, and outdated systems
- The more we delay investments, the more expensive it will be to bring district materials and systems up to date
- We must get to a place of financial health so we are no longer in a financial crisis

# Board Guidance for REP

- Avoid binding conditions
- Seek to pass a budget that does not rely on borrowing against ourselves
- Center student outcome goals identified in the strategic plan
- To the extent possible, make reductions furthest away from students in need of the most support
- Maintain sufficient building and central administration that supports continued sustainable operations and student supports
- Work to rebuild our unreserved fund balance over 3-5 years, as conditions permit
- Continue engaging with the school community to provide budget information and opportunities for sharing priorities

# 2025-26 Budget Timeline

Board meeting dates are aligned with major budget milestones. The timeline for the development of the 2025-26 Budget does not include the following crucial work:

- Labor Partner Meetings and Collaboration
- Community Meetings and Presentations
- Staff Meetings and Presentations
- Student Meetings and Presentations
- Budget Advisory Team (BAT) Meetings
- District Leadership Team Meetings

Proposed Board Budget Timeline	
November 12, 2024	<ul style="list-style-type: none"> <li>● 2024-25 Financial Update and 2025-26 Budget Planning</li> <li>● Board Guidance for Budget Development Planning</li> </ul>
December 2, 2024	<ul style="list-style-type: none"> <li>● Updated Demographer Report - Study Session</li> </ul>
December 10, 2024	<ul style="list-style-type: none"> <li>● 2023-24 Year-End Fiscal Financial Report (F-196)</li> </ul>
January 14, 2025	<ul style="list-style-type: none"> <li>● Preliminary 2025-26 Enrollment Projections</li> </ul>
February 11, 2025	<ul style="list-style-type: none"> <li>● 2024-25 Financial Update</li> <li>● (Tentative) Preliminary Review of 2025-26 Reduced Educational Plan (REP)</li> </ul>
March 4, 2025	<ul style="list-style-type: none"> <li>● (Tentative) Resolution to Approve 2025-26 REP</li> </ul>
March 18, 2025	<ul style="list-style-type: none"> <li>● Review of 2025-26 Enrollment Projections, Prototypical School Funding and Staffing</li> </ul>
May 20, 2025	<ul style="list-style-type: none"> <li>● Legislative Update</li> <li>● 2024-25 Financial Update</li> </ul>
June 17, 2025	<ul style="list-style-type: none"> <li>● Review of 2025-26 Preliminary Budget</li> </ul>
July 22, 2025	<ul style="list-style-type: none"> <li>● 2025-26 Budget Hearing and Budget Adoption</li> </ul>

# Questions and Feedback

1. What questions or concerns do you have?
2. What information do you need as we move forward?
3. What are our challenges?

# Future Meetings

<b>2025 Meeting Dates and Tentative Topics</b>	
January 27	<ul style="list-style-type: none"><li>● Overview of 2024-25 Budget and 2025-26 Budget Projections</li></ul>
February 10	<ul style="list-style-type: none"><li>● (tentative) Proposed Reduced Educational Program (REP)</li></ul>
February 24	<ul style="list-style-type: none"><li>● 2024-25 Financial Update</li><li>● (tentative) Resolution Approving Reduced Educational Program</li></ul>
March 31	<ul style="list-style-type: none"><li>● Enrollment and Staffing Projections</li></ul>
April 28	<ul style="list-style-type: none"><li>● SAO, OSPI, and Moody's Financial Indicator Reports</li></ul>
May 19	<ul style="list-style-type: none"><li>● Legislative Update</li><li>● 2024-25 Financial Update</li></ul>

Thank you!

