



Financial Framework:

Path to Financial Stability and Future Fiscal Responsibility

Purpose of the Framework

- Restore the district's overall fund balance to 8% by August 31, 2030
- Formalize sustainable financial practices
- Align with OSPI Financial Health Indicators
- Reinforce public trust and transparency



Guiding Principles



Stewardship

- Public resources will be managed responsibly through disciplined budgeting, ethical decision-making, and continuous evaluation of financial performance.

Sustainability

- Expenditures and revenues will remain structurally balanced to support long-term fiscal health.

Equity

- Fiscal decisions will prioritize student-facing programs and services while maintaining solvency.

Transparency

- Financial data will be accurate, accessible, and clearly communicated to stakeholders.

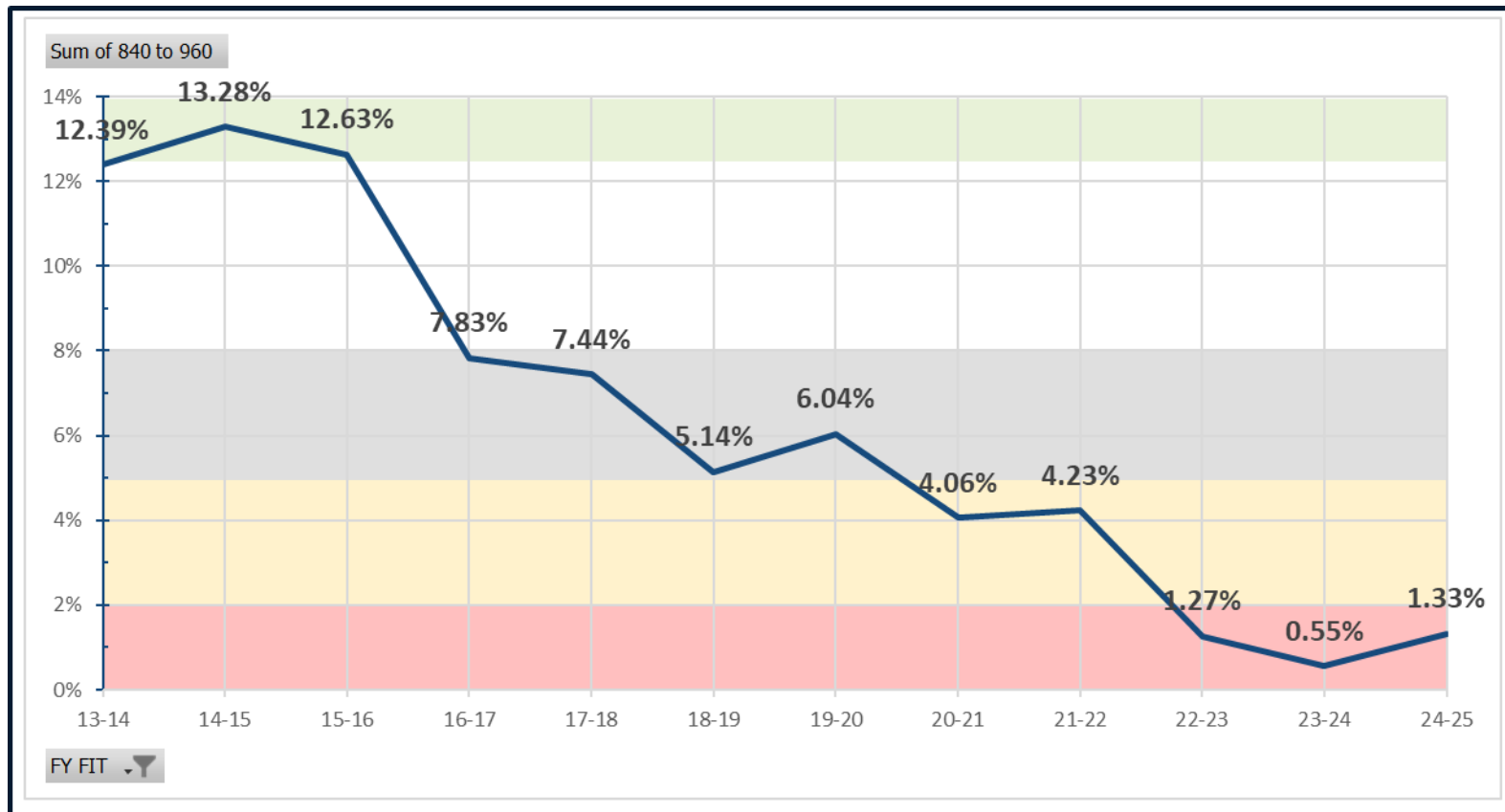
Accountability

- Fiscal outcomes will be regularly monitored, evaluated, and reported through OSPI FIT aligned indicators to ensure progress toward district goals.

OSPI Financial Health Indicators



- Fund Balance to Revenue (Weight: 45%)

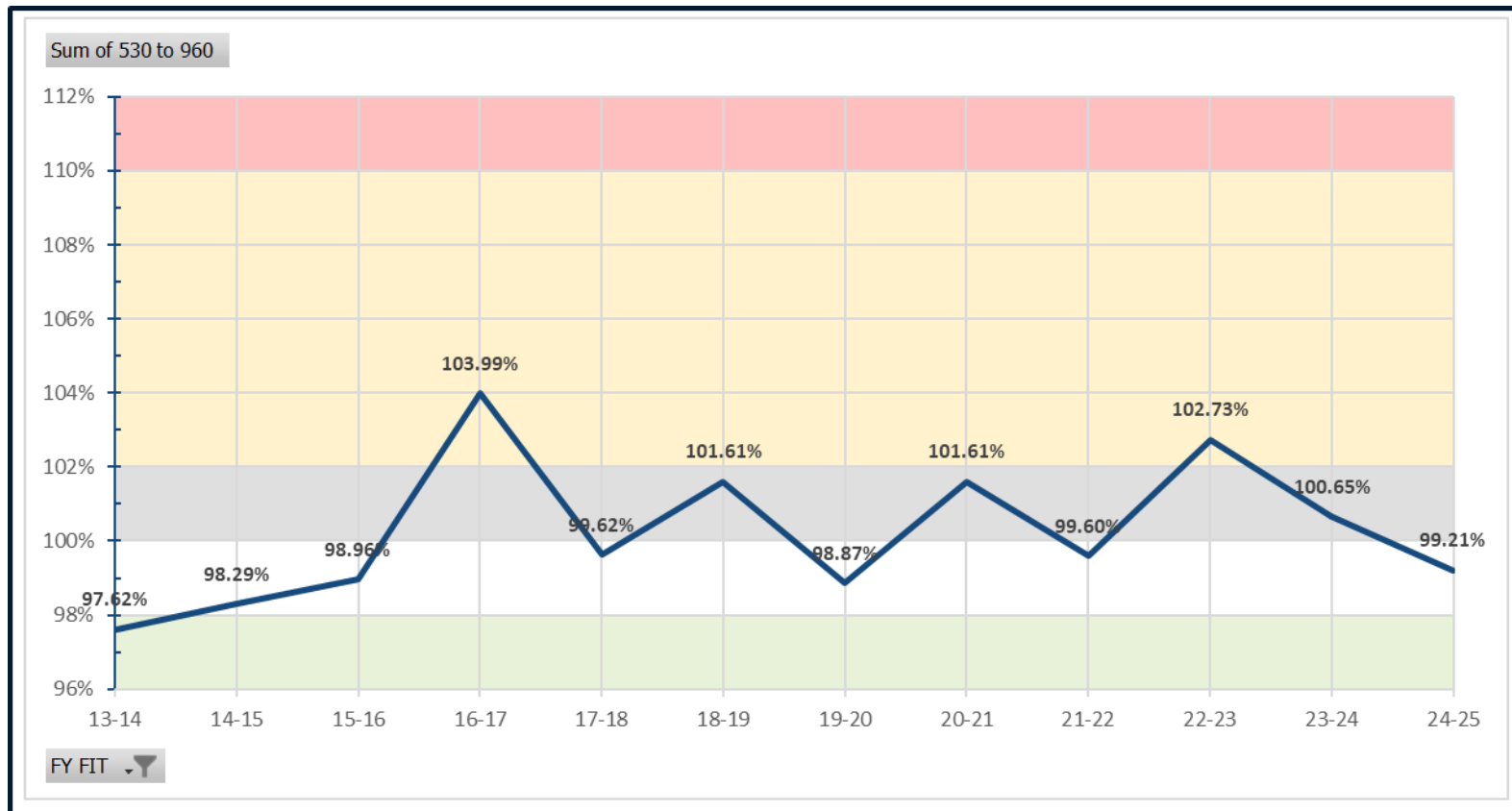


A = >12.5%
B = <12.49%
C = <7.99%
D = 4.99%
F = < 2%

OSPI Financial Health Indicators



- Expenditure to Revenue Ratio (Weight: 40%)

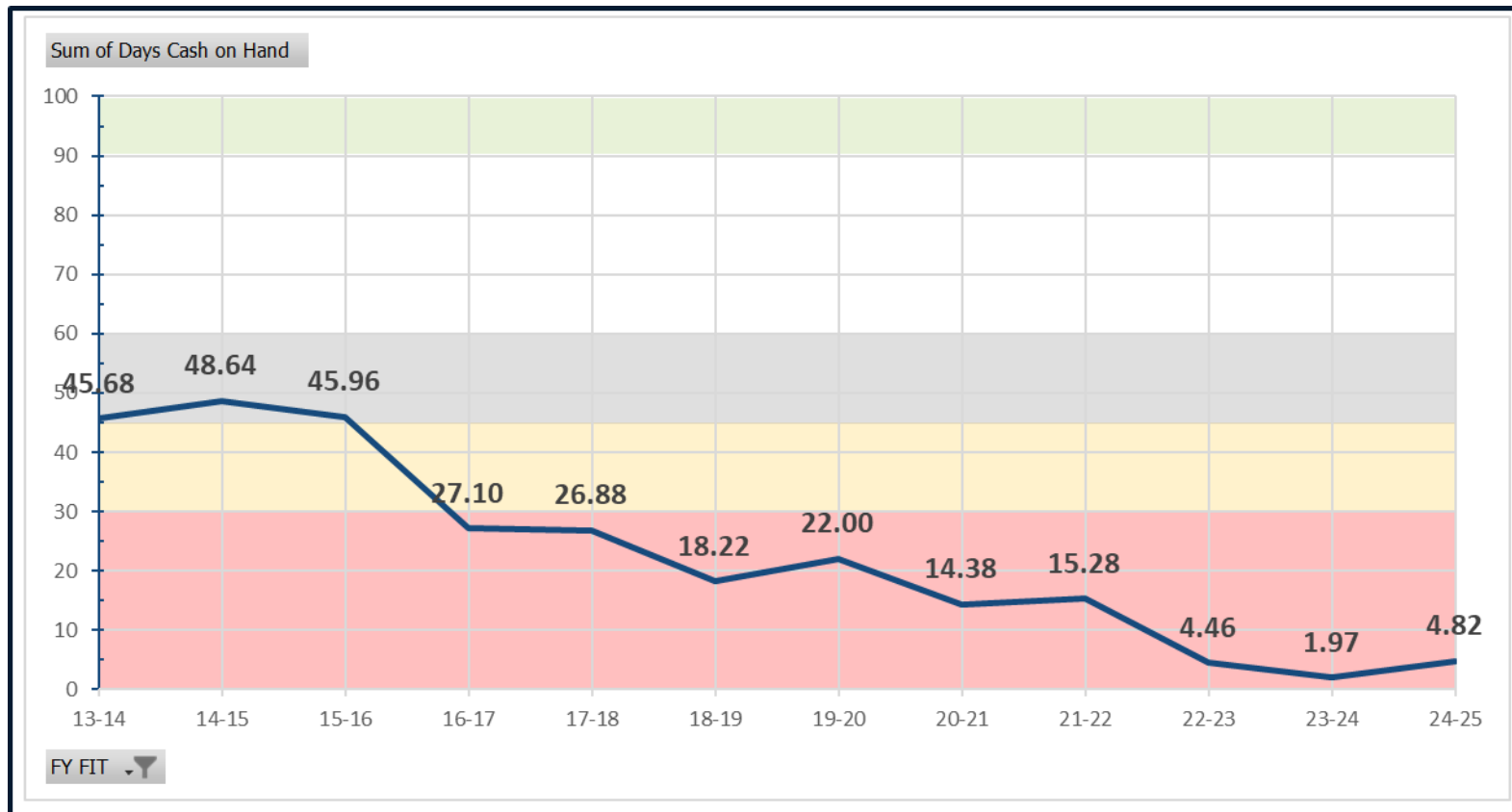


A = <98%
B = <100%
C = <102%
D = <110%
F = ≥110%

OSPI Financial Health Indicators



- Days Cash on Hand (Weight: 10%)



A = ≥ 90 days
B = < 90 days
C = < 60 days
D = < 45 days
F = < 30 days

OSPI Financial Health Indicators



- Four Year Budget – Negative Years (Weight: 5%)

A = 0 Years

B = 1 Year

C = 2 Years

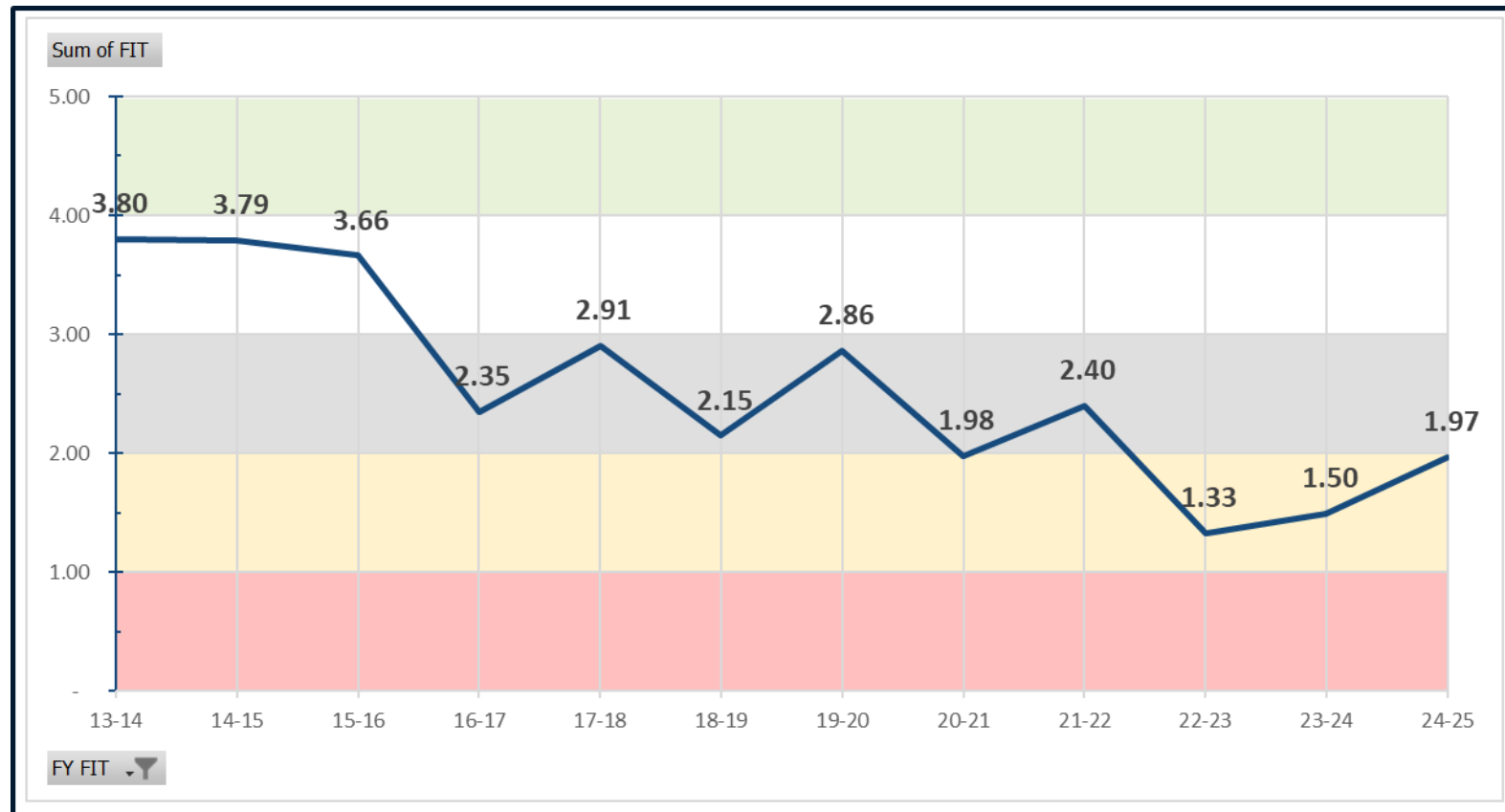
D = 3 Years

F = 4 Years

OSPI Financial Health Indicators



- Overall Financial Health – Richland School District’s “GPA”





**Expenditure-to-
Revenue Ratio**

**Enrollment
Budgeting
Standard**

**Key
Components**

**Staffing
Efficiency and
Cost Alignment**

**Enrollment
Based Set-Aside**

Monitoring and Continuous Improvement



Monthly Reviews

Finance will produce Monthly OSPI FIT-aligned financial reports for the Board that will project:
The Ending Fund Balance,
Expenditure-to-Revenue Ratio, and
Days Cash on Hand

Annual Evaluation

During budget creation, Finance will facilitate a joint review with Cabinet to evaluate framework performance, identify emerging risks, and adjust targets or assumptions for the next fiscal year.

Cross Department Collaboration



- The Finance Department will work collaboratively with all departments to ensure fiscal accountability is integrated into every major decision-making process :

Human Resources

Coordinate on staffing projections, compensation modeling, and analysis of personnel cost growth to maintain alignment with enrollment and revenue trends.

Teaching & Learning

Partner on enrollment forecasting, program budgeting, and expenditure prioritization to ensure instructional needs are met within fiscal parameters.

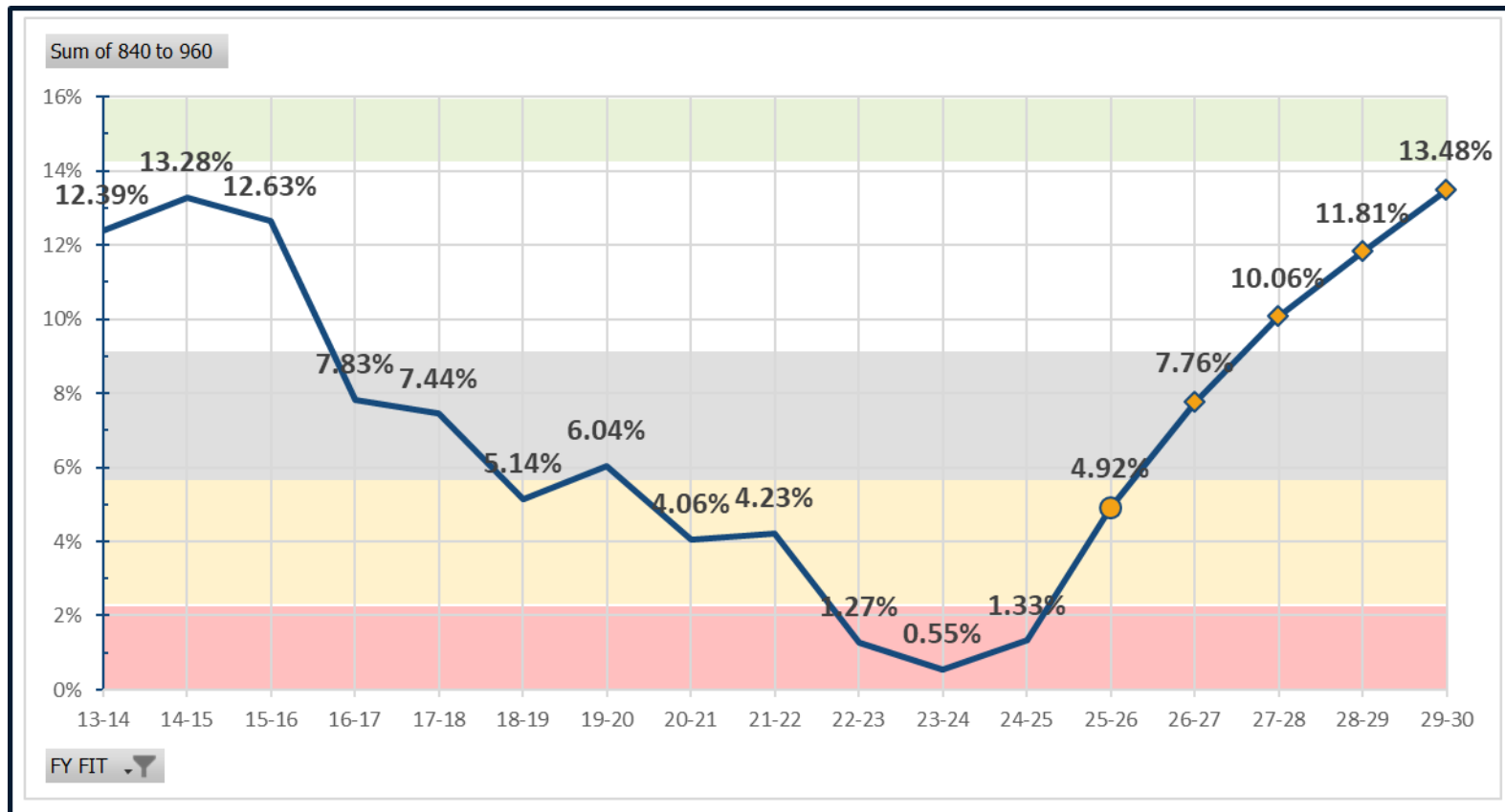
Superintendent & Cabinet

Present and review quarterly financial indicators, monitor adherence to framework standards, and recommend adjustments based on evolving financial or operational conditions.

Financial Projections



- Fund Balance to Revenue (Weight: 45%)

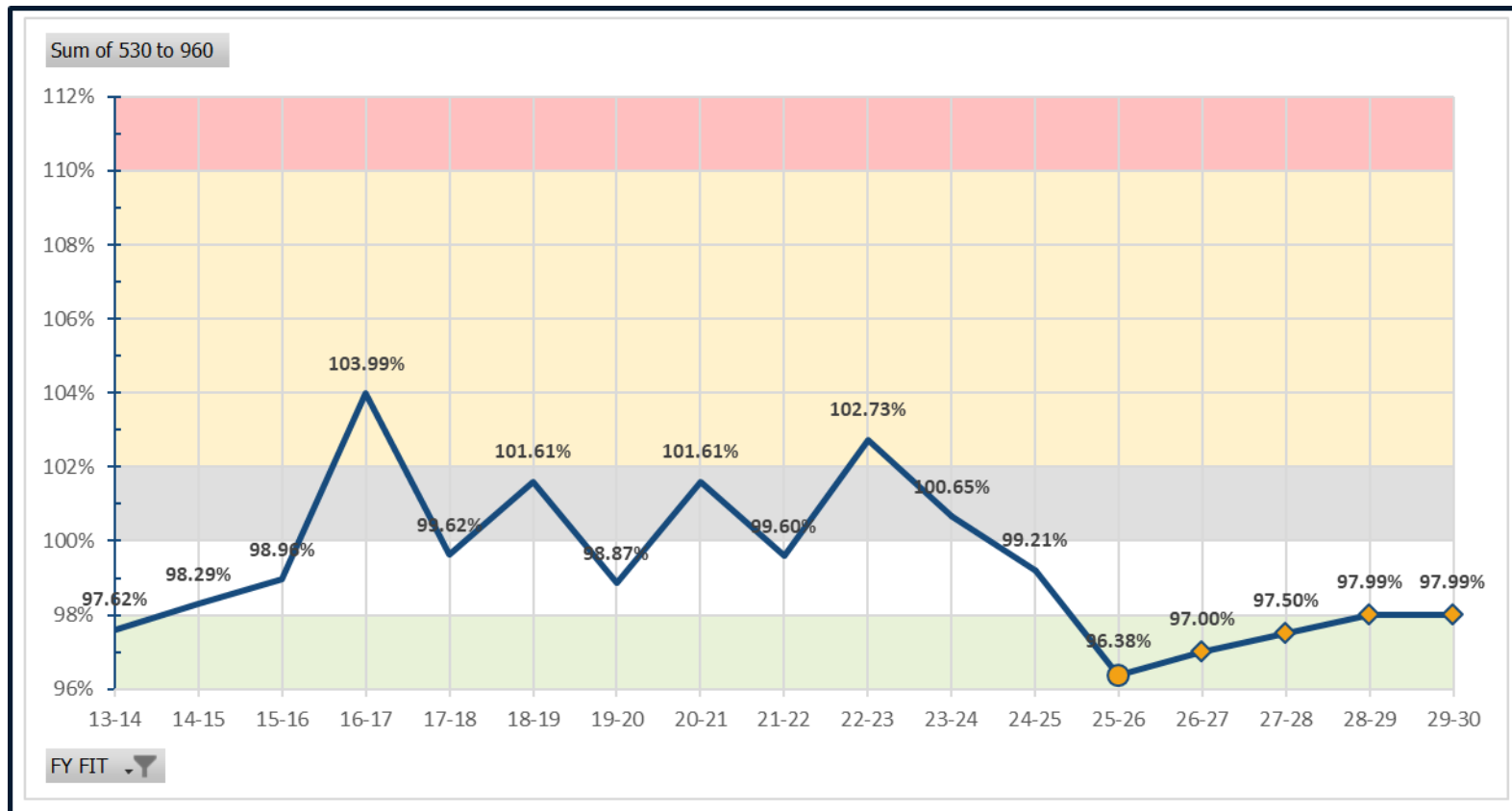


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OSPI Financial Health Indicators



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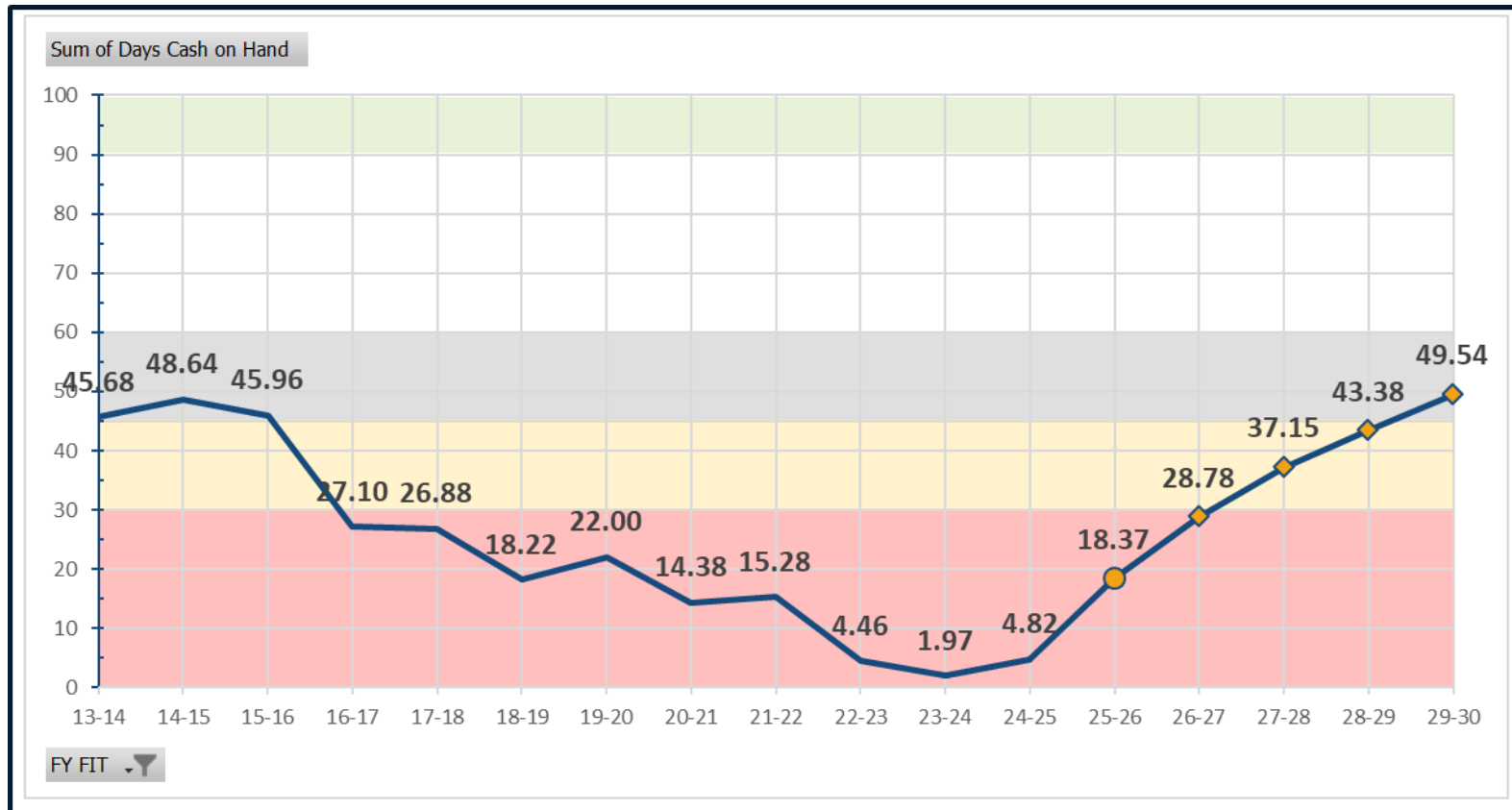


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OSPI Financial Health Indicators



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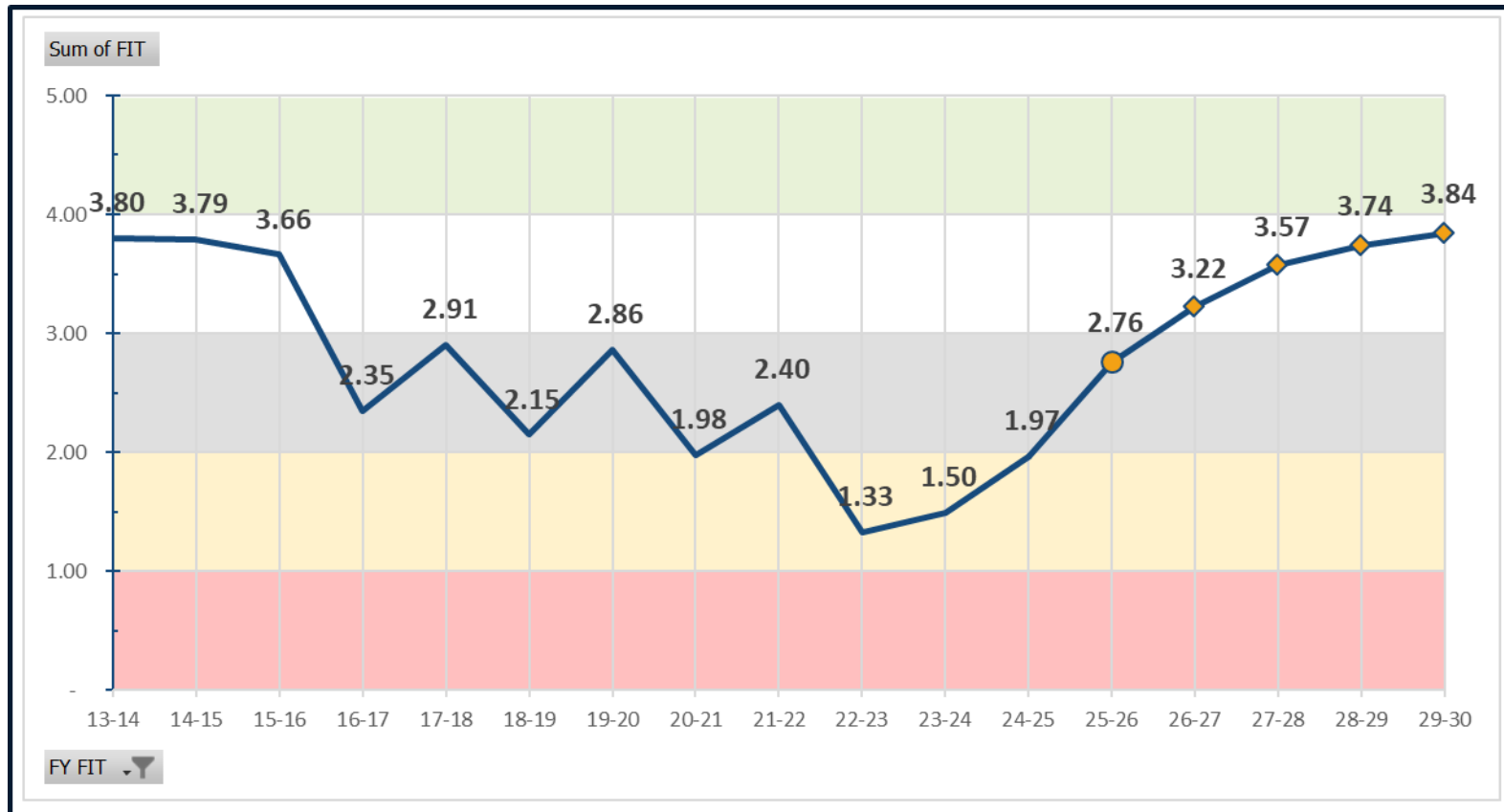
D = < 45 days

F = < 30 days

OSPI Financial Health Indicators



- Overall Financial Health – Richland’s GPA



Challenges



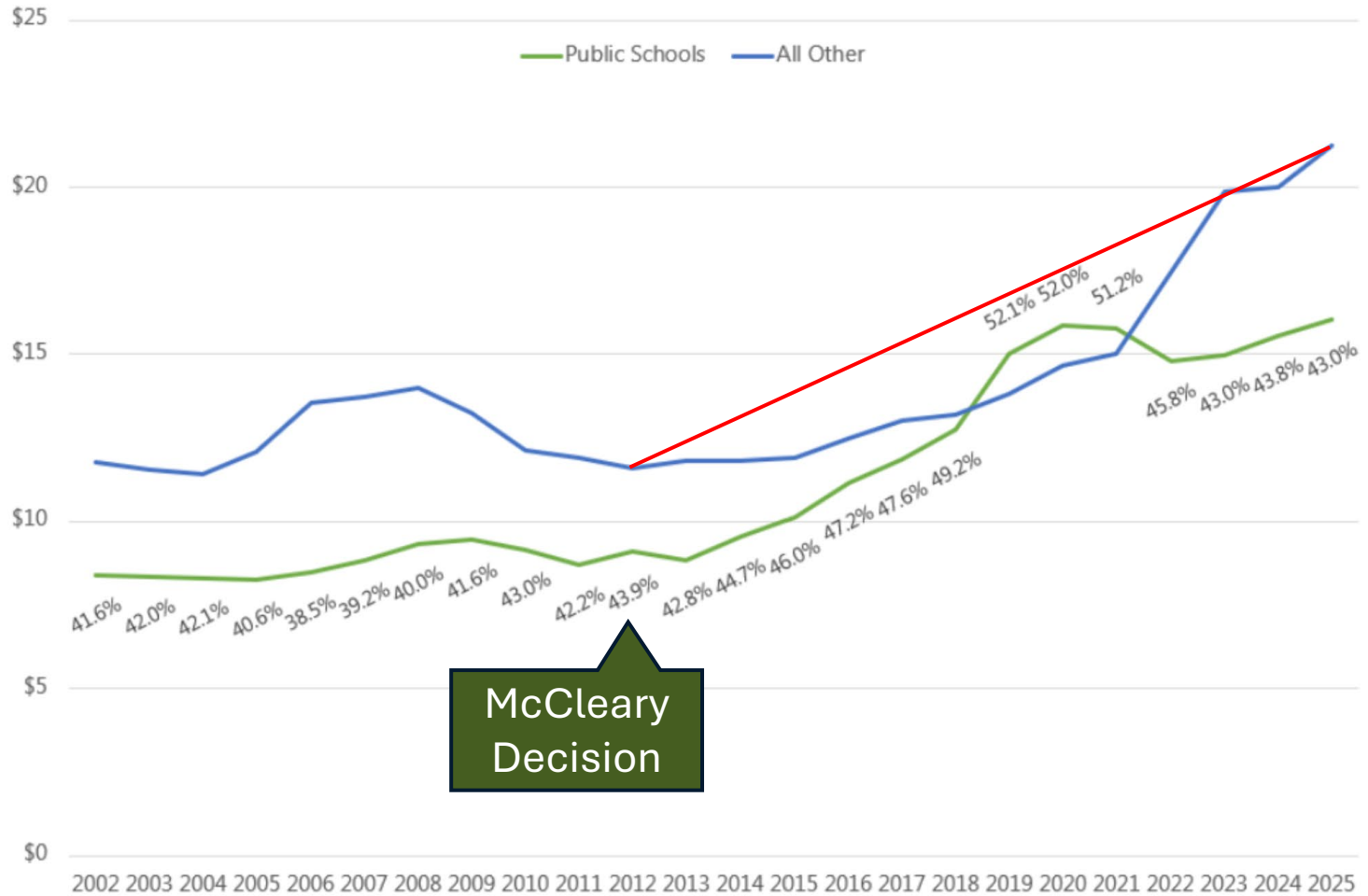
- High Quality Educational Experience
- Food Service
 - Breakfast and Lunch for 13,800 students
- Transportation
 - To and From transportation in an area spanning 102.1 Square Miles
- Facilities & Grounds
 - 1.97 Million Square Feet

Challenges



Legislative Spending—Funds Subject to Outlook

(Dollars in Billions, Adjusted for Inflation. Percentages Are K-12's Share of NGFO Budget)



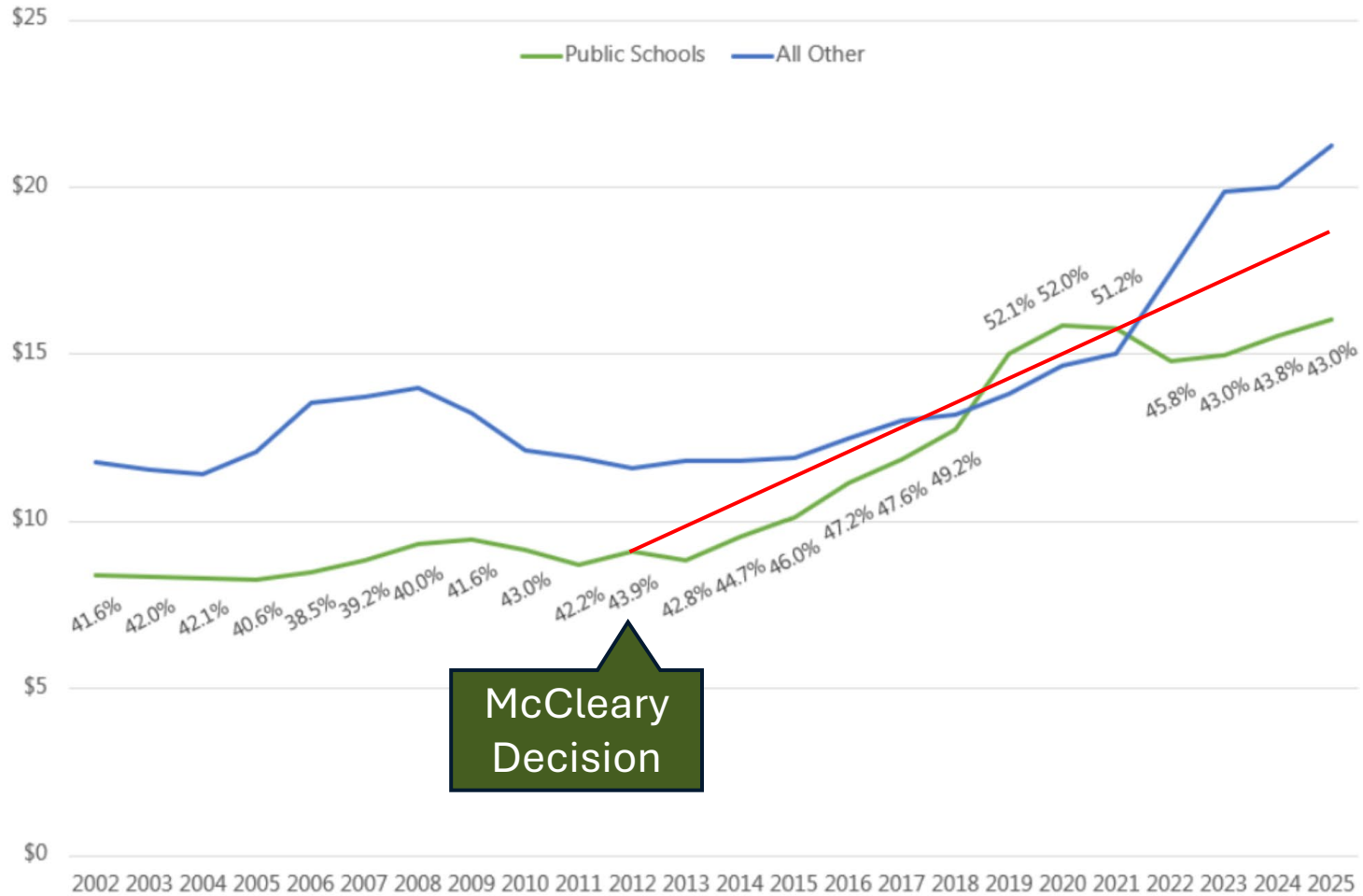
McCleary Decision

Challenges



Legislative Spending—Funds Subject to Outlook

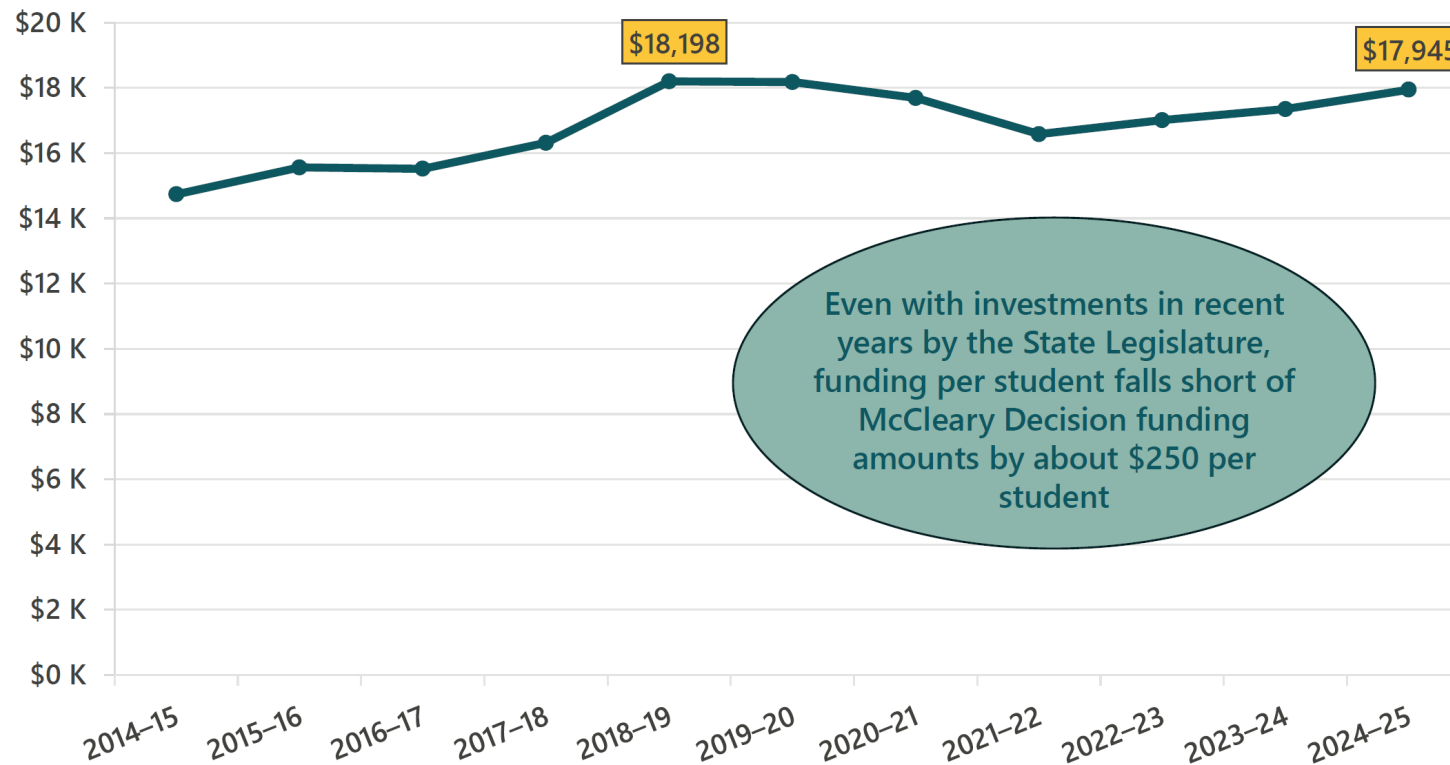
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McCleary Decision

Challenges

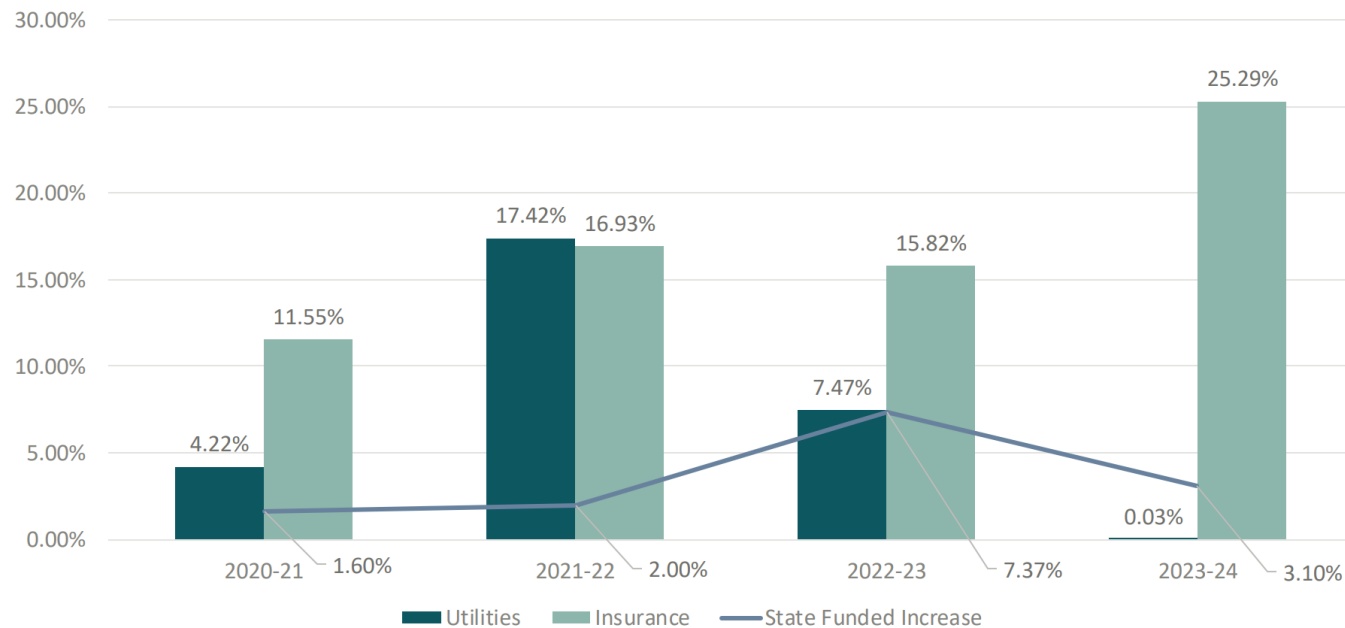
Inflation-Adjusted State & Local K–12 Funding Per Student Over Time



Source: Office of Superintendent of Public Instruction

Challenges

Inflation: Revenue vs. Expenditures



In 2023-24, the 3.1% increase in state funding for all MSOC only just covered the cost increase for insurance alone (\$44 million)

Challenges



Average increase in the cost of milk since 2018



Average increase in the cost of diesel fuel since 2018



Average increase in electricity costs since 2018



Average increase in the cost of insurance since 2020



Average salary increase for teachers since 2018

Challenges

Making the Grade 2025

Washington

STATE PROFILE

Washington



Enrollment: 1,090,227
School-aged Poverty: 11%
Percent Asian/PI: 9%
Percent Black: 5%
Percent Hawaiian/PI: 1%
Percent Hispanic/Latino: 26%
Percent Native American: 1%
Percent White: 49%

NAVIGATION

State Profile

Funding Level

Funding Distribution

Funding Effort

FUNDING LEVEL

State and local revenue per pupil, adjusted for regional cost differences.

Washington ranked 22 out of 51 on funding level with 17,888 in cost-adjusted revenue per pupil — **\$35 above** the national average (\$17,853).

GRADE: **C**

RANK: 22 OF 51

FUNDING DISTRIBUTION

Describes the allocation of funds to school districts relative to the concentration of student poverty.

Washington's funding distribution is **regressive**: on average, high-poverty districts receive 8% or \$1,379 less per-pupil than low-poverty districts.

GRADE: **F**

RANK: 37 OF 48

FUNDING EFFORT

PK-12 education revenue as a percentage of the state's economic activity (GDP).

Washington makes a **lower than average** effort to fund its schools. Its fiscal capacity (GDP per capita) is higher than average.

GRADE: **F**

RANK: 40 OF 50