

BOARD UPDATE

Budget Status

Kate Davis

November 9, 2023

Note: This is a brief presentation as the district was in the process of closing the fiscal year end at the time the presentation was developed. More detail will be available in coming months.



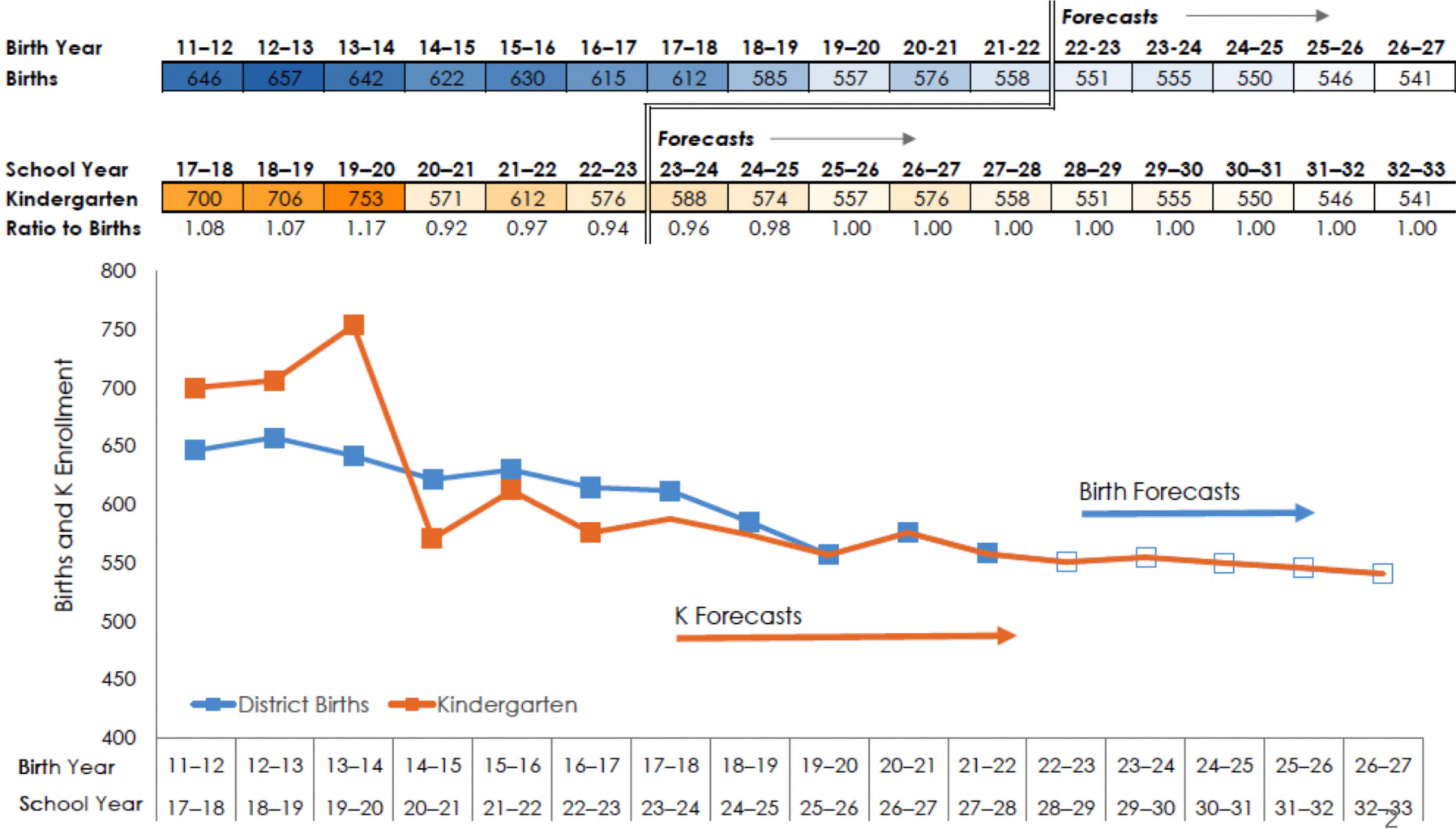
District Birth Rates as a Predictor of Slowing Enrollment

Figure 11: District Births and Kindergarten Enrollment

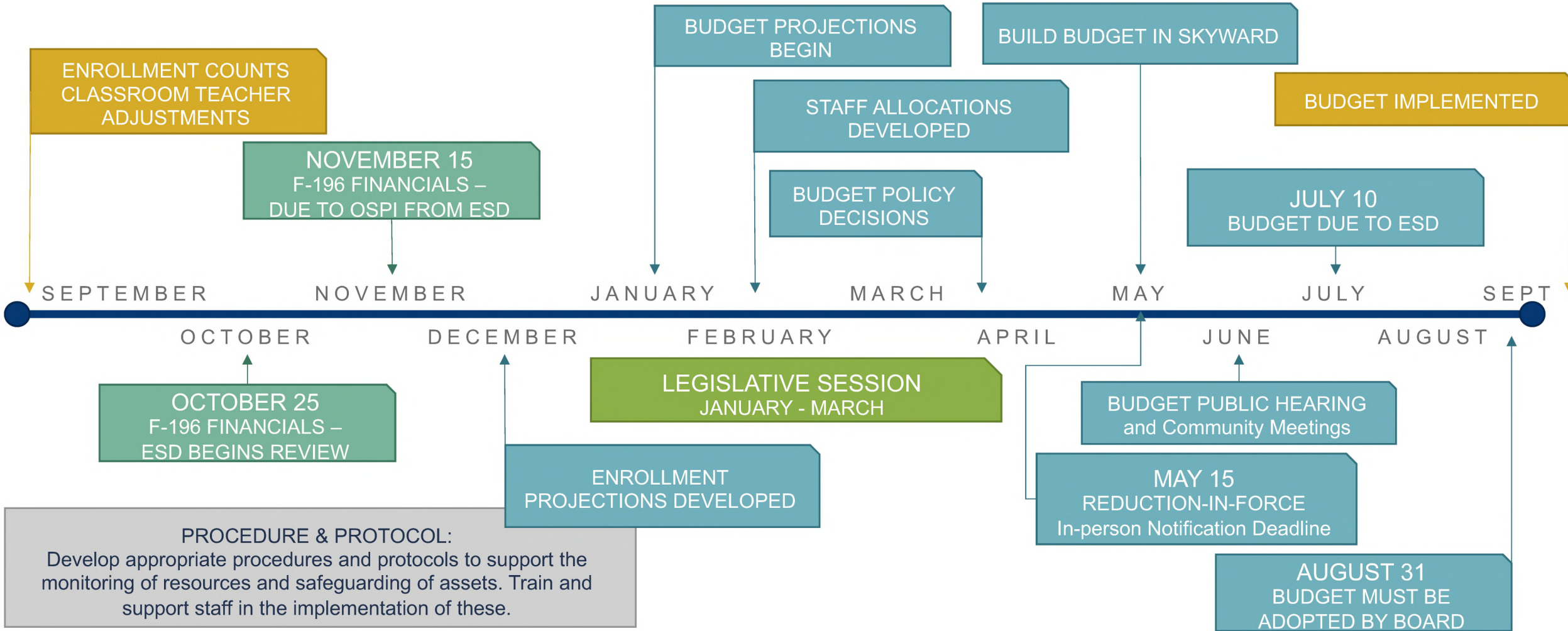
District Update for 2023-24

Kindergarten enrollment in October 2023 was headcount 567 and FTE 550.26. A ratio of enrollment to births of .926.

The district continues to see fewer of local births enroll in our district kindergarten.



Timeline



Monthly budget status reports are generally available by second board meeting of the month. Monthly status reports begin after the year-end financial reports are submitted to OSPI.

4-year Operating Budget

presented June 22, 2023

	2023-24	2024-25	2025-26	2026-27
Beginning Balance	\$7,741,550	\$5,892,975	\$5,873,306	\$5,955,905
+ Revenue	176,191,270	180,497,754	183,258,920	185,389,636
- Expenditure	178,039,845	184,611,704	183,276,321	185,304,520
- Expenditure Cuts		(4,094,281)	(100,000)	
Ending Balance	5,892,975	5,873,306	5,955,905	6,041,021
Minimum Fund Balance	5,341,195	5,415,523	5,495,290	5,559,136
Non-Spendable & Assigned to Other Purposes	551,780	457,783	460,615	481,885

4-year projections estimate ending balance at 3.3%

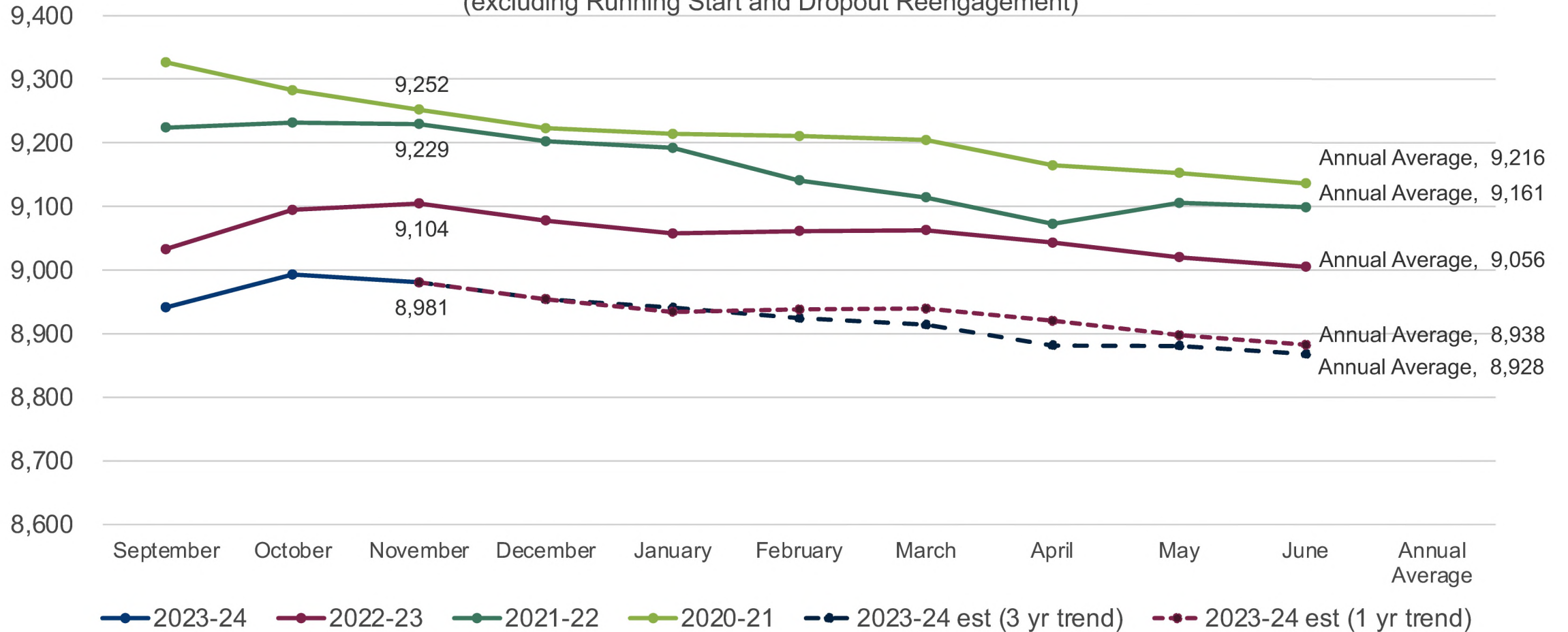
Revenues and Expenditures in out years are expected to grow by IPD as specified in RCW 28A.400.205 (revised 2023) and adjusted for a simple annual aging of each grade level.

Fiscal Year Closing Processes & Ending Balance

- The fiscal year end closing process has many procedures driven by accounting standards set by OSPI and GASB. The impact of these procedures on the ending fund balance can vary each fiscal year, making it challenging to predict the exact outcome. Here are some examples:
 - Declaring a cutoff date at which point no expenditures or revenues will be recorded for the prior year
 - Year-end accruals for revenues and expenditures (to include credit card activity)
 - Journal vouchers to clean up where expenditures or revenues are recorded
 - Accounting for commodities, interfund transfers and interfund reimbursements
 - New GASB pronouncements (leases and subscriptions)
 - New reporting changes prescribed by the OSPI Accounting Manual (Dept of Health test kits)

Enrollment Estimates to Project Revenue

Total K-12 Basic Education Enrollment including ALE
(excluding Running Start and Dropout Reengagement)



Note: 2023-24 Budget Enrollment was 9,031.47



Enrollment by School

	Budget	September	November	Difference (Budget to November)
Boston Harbor	165.8	171.0	169.0	3.2
LP Brown	288.9	296.0	315.0	26.1
Centennial	470.0	446.5	447.5	-22.5
Garfield	285.0	305.0	302.0	17.0
Hansen	440.9	409.1	397.1	-43.8
Lincoln	282.5	281.1	283.6	1.0
Madison	194.3	185.0	193.0	-1.3
McKenny	260.3	271.0	274.0	13.7
McLane	412.1	389.0	390.0	-22.1
Pioneer	345.9	363.1	363.8	17.9
Roosevelt	371.0	354.0	364.0	-6.9
Elementary	3,516.8	3,470.7	3,499.1	-17.7

	Budget	September	November	Difference (Budget to November)
Jefferson	454.3	439.9	430.6	-23.7
Thurgood Marshall	465.6	488.4	487.3	21.7
Reeves	401.3	394.7	394.2	-7.2
Washington	728.1	736.4	740.4	12.3
Middle	2,049.3	2,059.3	2,052.4	3.0
Avanti	185.2	187.1	187.3	2.1
Capital	1,163.2	1,161.2	1,131.5	-31.7
Olympia	1,639.4	1,632.8	1,624.2	-15.2
High	2,987.8	2,981.1	2,942.9	-44.9
ORLA	477.6	442.8	486.4	8.8
TOTAL	9,031.5	8,953.9	8,980.8	-50.8

Budget Cuts Excerpt

presented June 22, 2023

>>Work in Progress<< Savings are Estimates Based on Avg. Salary; Actual Implementation is More or Less based on Specific Staff Member Salary Placement

		Add-Back Tracking			
		Position FTE Associated with Proposed Reductions and Enrollment Alignment			
		\$6,945,721	39.50	51.98	4.00
		Amended by Board	CIS FTE	CLS FTE	CAS FTE
1					
2					
3	Reductions for Enrollment and 1-time ESSER		17.20	1.50	3.00
4	Central Office Reductions	\$3,275,200	15.60	9.60	1.00
5	Eliminate Printed 12 Month Wall Calendar	\$12,000	0.00	0.00	0.00
6	Reduce Facilities Rental position	\$26,000	0.00	0.30	0.00
7	Reduce Grounds positions	\$35,000	0.00	0.40	0.00
8	Reduce Transportation Office positions	\$40,000	0.00	0.40	0.00
9	Eliminate Accessibility Assurance Specialist position	\$65,000	0.00	1.00	0.00
10	Reduce Human Resources Office position	\$90,000	0.00	1.00	0.00
11	Eliminate Central Office travel; Only online Professional Development	\$95,000	0.00	0.00	0.00
12	Reduce T&L Dept, Reduce 3.0 & Reconfigure/Restore 2.0 positions	\$106,000	0.00	0.00	1.00
13	Reduce Maintenance Department positons	\$145,000	0.00	1.60	0.00
14	Reduce Business & Payroll Office positions	\$150,000	0.00	1.50	0.00
15	Reduce Custodial positions (3.4 of 5.4)	\$265,200	0.00	3.40	0.00
16	Reduce historical Instructional Coach positions (3.6 of 5.6)	\$518,000	3.60	0.00	0.00
17	Eliminate ESSER Instructional Coach positions (12 of 12)	\$1,728,000	12.00	0.00	0.00
18	Physical, Social, Emotional, Safety Staffing Reductions	\$600,000	4.20	4.13	0.00
19	Eliminate Graduation Specialist positions	\$144,000	2.00	0.00	0.00
20	Reduce Hall Monitor positions at Middle Schools	\$70,200	0.00	1.56	0.00
21	Health Room Assistants to Pre-Pandemic Level	\$113,000	0.00	2.57	0.00
22	Replace 2 Nurse positions w/ 2 Hlth Room Assistants	\$100,000	1.00	0.00	0.00
23	Reduce Counselor Allocations to Small Elementary Schools	\$172,800	1.20	0.00	0.00

Adjustments to 2023-24 Projections

- Beginning Balance
 - + \$1,852,260 increase in beginning fund balance
- Revenue
 - \$507,839 enrollment driven apportionment
- Expenditures
 - + \$440,000 Bus Monitors (cut not implementable)
 - + \$105,000 Nursing Staff (cut partially implemented)
 - +\$208,500 Special Ed Staff (restore cuts that went too far)

estimated net increase in resources
\$590,921

F-196 financials not yet approved by ESD or OSPI. All projections on slide are estimates to the best of our knowledge as of 11/3/2023



4-year Operating Budget

updated November 3, 2023

	2023-24 Year 1	2024-25 Year 2	2025-26 Year 3	2026-27 Year 4
Beginning Balance	\$9,593,810	\$6,483,896	\$5,900,180	\$5,975,688
+ Revenue	175,683,431	180,497,754	183,258,920	185,389,636
- Expenditure	178,793,345	184,611,704	183,276,321	185,304,520
- Expenditure Cuts		-3,530,235	-92,909	
Ending Balance	6,483,896	5,900,180	5,975,688	6,060,804
	3.6%	3.3%	3.3%	3.3%
Minimum Fund Balance	5,341,195	5,900,180	5,975,688	6,045,053
Non-Spendable & Assigned to Other Purposes	551,780	457,783	460,615	481,885

No changes made to revenue or expenditure estimates in Years 2 thru 4

New Projection of cuts needed in next school year are about \$3.5 million

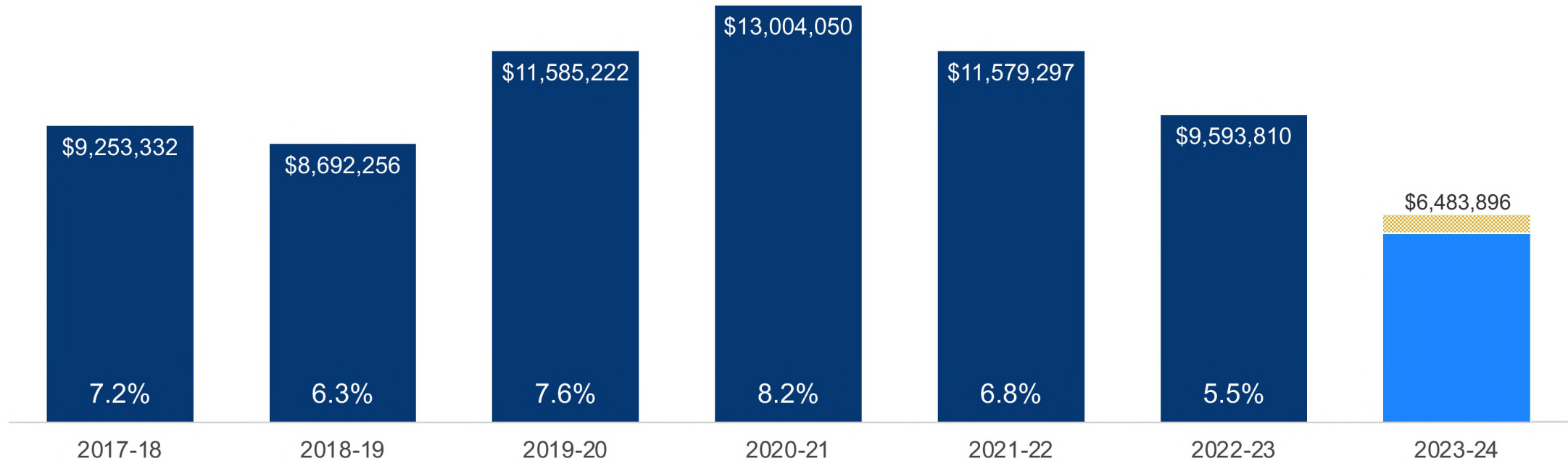
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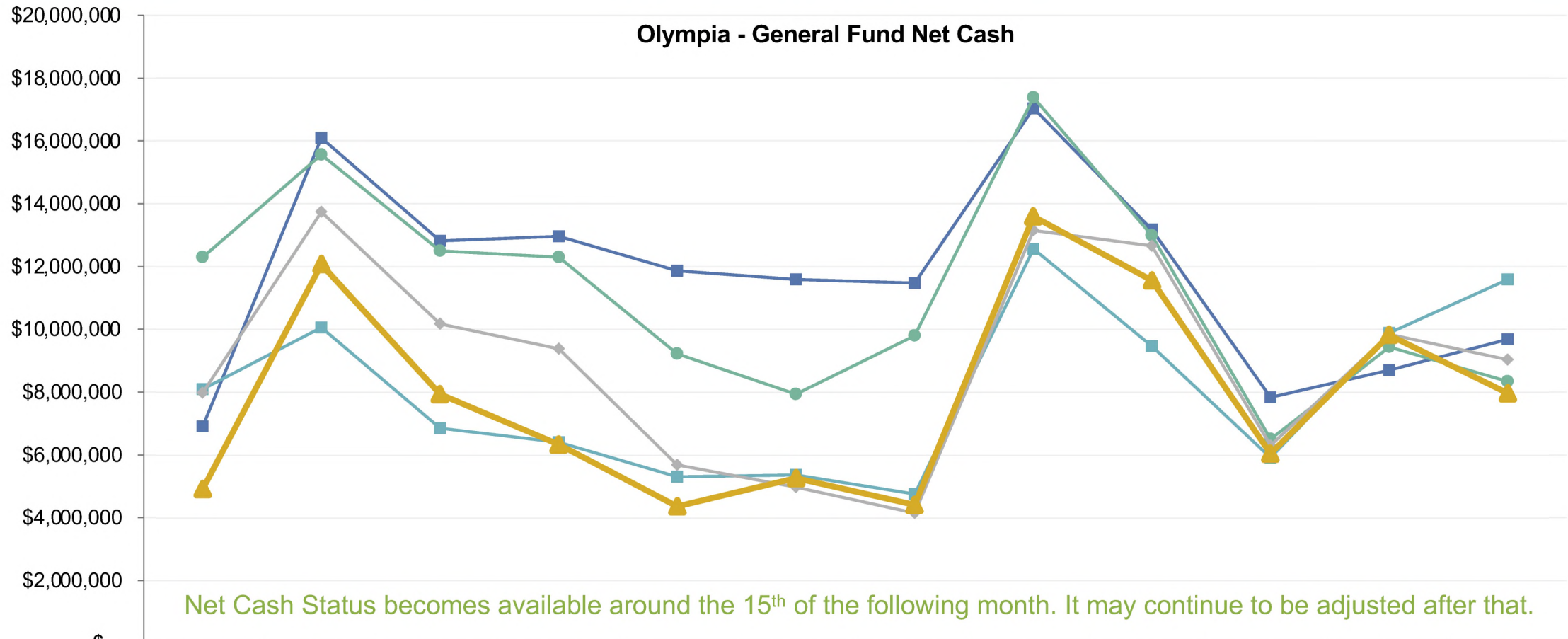
Ending Fund Balance Trend

General Fund Ending Fund Balance



Ending Balance	2018-19	2019-20	2020-21	2021-22	2022-23
Change from Prior Year	-\$561,076	\$2,892,966	\$1,418,828	-\$1,424,753	-\$1,985,487

Cash Flow: month-to-month



	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
2018-19 34111 Olympia	\$6,919,271	\$16,084,34	\$12,811,31	\$12,962,80	\$11,857,72	\$11,591,57	\$11,472,46	\$17,035,20	\$13,179,71	\$7,845,988	\$8,702,931	\$9,685,389
2019-20 34111 Olympia	\$8,096,530	\$10,056,30	\$6,853,894	\$6,417,062	\$5,309,083	\$5,371,557	\$4,766,081	\$12,562,85	\$9,476,870	\$5,917,211	\$9,889,133	\$11,588,07
2020-21 34111 Olympia	\$12,296,83	\$15,559,55	\$12,497,07	\$12,293,40	\$9,228,699	\$7,947,907	\$9,801,937	\$17,376,91	\$12,991,05	\$6,513,351	\$9,435,599	\$8,349,616
2021-22 34111 Olympia	\$7,983,547	\$13,736,73	\$10,181,58	\$9,385,395	\$5,697,697	\$4,987,048	\$4,161,545	\$13,153,51	\$12,651,19	\$6,317,600	\$9,851,765	\$9,035,155
2022-23 34111 Olympia	\$4,924,457	\$12,069,33	\$7,936,483	\$6,337,261	\$4,373,095	\$5,266,111	\$4,414,455	\$13,592,05	\$11,559,81	\$6,049,163	\$9,818,603	\$7,966,834

What the Cash Flow is telling us

- The district is spending cash more quickly than in prior years.
- This means that we are starting to see months where we have to operate with less than 3% minimum fund balance.
- Payroll varies each month, but averages 7% of budgeted expenditures.



OSD Board Policy 6022

GENERAL FUND ENDING FUND BALANCE

The District will maintain an Ending Fund Balance in the General Fund at a level sufficient to provide financing for needs of an emergency nature such as adverse changes in the economic environment and unexpected fluctuations in student enrollment. A sufficient Ending Fund Balance may also be necessary to facilitate an orderly adjustment to changes resulting from the reduction and/or termination of revenue sources through the actions of the federal and state governments, and failures of local maintenance and operations levies, capital project levies, or bond measures.

The Board of Directors recognizes the value of sufficient funds to address issues such as positive cash flow, program improvements, interest revenue generation, and bond rating. Furthermore, the Board acknowledges and supports the value of allowing schools and departments to carry forward funds from one budget year to the next.

The Ending Fund Balance is intended to provide for unanticipated expenditures or revenue shortfalls of a non-recurring nature. Recurring problems require permanent solutions that reflect a basic reallocation of the District's available resources.

The amount of the Ending Fund Balance of the General Fund should ordinarily be no less than three and no more than seven percent of budgeted General Fund expenditures for the current fiscal year. If the projected Ending Fund Balance falls under three percent or goes above seven percent of the current fiscal year budget, the Superintendent will notify the Board of Directors.

For more information:

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