



Lake Washington School District
School Board Study Session

Date: June 4, 2018

Topic: **Strategic Planning/Budget Process**

Purpose

The purpose of the study session is to provide the Board information including an update on the 2017-18 budget, an overview of 2018-19 budget implications based on future legislative changes, and a review of processes to align the 2018-19 budget to district strategic work and Board and organizational priorities. The Board will also provide feedback on budget considerations.

Background/Overview

The Business Office has completed a mid-year review of the 2017-18 budget. Through this process, revenues, expenditures and fund balances are projected for each fund. Legislative impacts, which will affect the 2018-19 budget and beyond are presented.

In addition, a budget process to align expenditure requests with strategic work and organization and priorities is underway. This process aims to provide appropriate resources for accomplishment of organizational priorities. Over the past three years, specific budget additions have been made based on organizational priorities. Organizational priorities and strategic work continue to inform the budget considerations for 2018-19.

Study Session Overview:

- Review of Budget Policies, Process and Timeline
- Update on 2017-18 budget pictures
- Review of 2018-19 Legislative budget
- Update on 2018-19 strategic planning and budget process

Update on 2017-18 budget picture

The Board receives monthly Budget Status Reports which show year to date expenditures and encumbrances for each fund. Comparison of key budget assumptions to actuals is provided to assist the Board in monitoring district financial status. In addition, staff complete a formal mid-year review to project ending fund balances. Budget highlights from each fund were provided.

Review of 2018-19 legislative actions

The 2018-19 school year is the second year of a biennial legislative session. The legislature provided McCleary enhancements to funding in order to reduce districts reliance on local levies. In addition, small increases were provided to employee health benefits and pension rates. Because the district provides enhancements beyond what the state funds, there is a local cost of providing state funded

COLA/benefits and pension increases. Enhancements are for items such as staffing for programs, safety and security, professional learning, athletics, early learning and additional course offerings.

The state is also beginning to implement new accounting requirements for General Fund. In 2018-19 all local revenue must be deposited into a subfund of the general fund. In 2019-20 OSPI must adopt rules requiring separate accounting of state and local revenues to expenditures. Expenditure objects are also being added in order to meet federal reporting requirements.

Update on 2018-19 strategic planning and budget process

Each year a comprehensive strategic planning and budget process occurs. Through staff and parent program surveys, the district seeks feedback that helps inform strategic planning and budget prioritization. District Leadership Team identifies budget additions aligned to strategic priority work. The Strategic Advisory Leadership Team completes a process to make budget recommendations to the superintendent, who in turn submits a budget recommendation to the Board for approval. The Board holds a series of study sessions throughout the spring focused on strategic planning and budget alignment and ultimately holds a public hearing to adopt the budget in August.

We have completed the strategic planning and budget process and will provide an overview of additional investments recommended to be included in the 2018-19 budget.