

# 2017-18 PROPOSED BUDGET

Lake Washington School District  
August 14, 2017 Board Meeting

# Budget Presentation Outline

- ❑ 2017-18 Proposed Budget Document Presentation
  - ❑ Budget Policies
  - ❑ Budget Process
  - ❑ Legislative Recap
  - ❑ Overview of All Funds
  - ❑ General Fund Revenues & Expenditures
  - ❑ Next Steps

3

# Budget Policies

# Annual Budget *File: DB*

4

A district's annual budget is tangible evidence of the board's commitment toward fulfilling the aims and objectives of the instructional program. The budget expresses in specific terms the services to be provided, consistent with immediate and long-range goals and resources available and establishes priorities within broad program areas such as basic education, other separately funded programs and support services.

Prior to presentation of the proposed budget for adoption, the superintendent shall prepare for the board's study and consideration appropriate documentation supporting his/her recommendations, which shall be designed to meet the needs of students within the limits of anticipated revenues consistent with reasonable management practices.

Program planning and budget development shall provide for staff participation and the sharing of information with patrons prior to action by the board.

Current practice codified 1988

**Adopted:**  
5/7/90

# Budget Hearings & Review *File: DBG*

5

The board shall hold an annual budget meeting as prescribed by state law at which time the voters of the district are invited to a public hearing on the proposed budget for the coming year. Members of the board and the administration shall be present at this meeting to answer questions on any phase of the budget.

Established by law

# Budget Adoption *File: DBH*

6

The budget shall be presented in a public hearing no later than August 31. Following this formal presentation, the president shall invite any written or oral testimony for or against the budget. After sufficient opportunity to react, the budget shall be adopted by the board. Such action shall be recorded in the official minutes of the board. Copies of the budget as adopted shall be filed with the educational service district no later than September 3. Copies of the budget will be filed with the State Superintendent of Public Instruction.

Current practice codified 1988

**Adopted:**

5/7/90

Financial planning for any fiscal year shall align with Board's **End Results** policies, ensure the district's financial position is fiscally sound and be derived from a multi-year plan.

Accordingly, the CEO shall develop a budget which:

1. Is in a summary format understandable to the Board and community presented in a manner that allows the board to see the relationship between the budget and the **Ends** priorities for the year.
2. Adequately describe revenues and expenditures.
3. Shows the amount spent in each budget category for the most recently completed fiscal year, the amount budgeted for each category for the current fiscal year and the amount recommended for the next fiscal year.
4. Discloses budget planning assumptions.
5. Plans for the expenditures in any fiscal year to be equal or less than are conservatively projected to be available during the year.

6. Provides necessary information to the Board on matters with a significant budgetary impact, allowing the Board adequate time to consider the information presented.
7. Considers feedback from the Board.
8. Provides for reasonable contingencies.
9. Maintains the projected year-end fund balance is not less than five percent of the projected revenue.
10. Provides adequate and reasonable budget support for Board development and other governance priorities, including the costs of fiscal audits, Board and committee meetings, Board memberships and district legal fees.
11. Takes into consideration fiscal soundness in future years and builds on the organizational capabilities sufficient to achieve **End Results** in future years.
12. Reflects anticipated changes in employee compensation, including inflationary adjustments, step increases, performance increases and benefits.
13. Is based on reasonable consultation with appropriate constituent groups.



9

# Budget Process

# Budget & Strategic Planning Process and Timeline

10

February	March	April	May	June	August
<ul style="list-style-type: none"> <li>Staff program survey deploys</li> </ul>	<ul style="list-style-type: none"> <li>Board holds Extended Study Session</li> <li>Parent program survey deploys</li> <li>District receives legislative funding level and new mandates</li> <li>Strategic Planning Representative Group convenes</li> </ul>	<ul style="list-style-type: none"> <li>Departments receive budget information for review</li> <li>District Leadership Team identifies budget addition requests and submits to Business Office</li> </ul>	<ul style="list-style-type: none"> <li>Strategic Advisory Leadership Team reviews strategic plan and budget requests associated with strategic work</li> <li>Board holds Study Session</li> <li>Strategic Advisory Leadership Team completes recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Board holds Study Session</li> <li>Formal budget presentation</li> <li>Public feedback period begins</li> </ul>	<ul style="list-style-type: none"> <li>Board holds public hearing</li> <li>Board takes action on budget</li> </ul>

# Typical Year: Timeline

11

- June
  - Preliminary/proposed budget presentation
  - Preliminary budget is made available on district's website or copies can be obtained in Budget office
- Public comment period - June – August
- August
  - Budget presentation
  - Public hearing
  - Formal Board action

# 2017-18: Legislative Delayed Timeline

- Preliminary 2017-18 budget presented at June 26 Board meeting
- Preliminary budget document was made available on the district's website or copies could be obtained in Budget office
  - ▣ Public comment period began on June 26
- Legislature finalized biennial budget on June 30 (at the close of the third special session)
- Budget office began work to revise district budget on July 3
- Updated 2017-18 budget will be presented at August 14 Board meeting

13

# Legislative Recap

# Legislative Recap

14

- ❑ Legislature adopted biennial budget – June 30 (PSSB 5883)
- ❑ In addition, legislature passed the Education funding plan or “McCleary Solution” (EHB 1242) which outlines the long-term funding plan for schools

15

# Budget Overview

All Funds

# Expenditures By Fund

16

	<u>Millions</u>
□ General Fund	\$355.2
□ Associated Student Body Fund	\$4.7
□ Debt Service Fund	\$62.5
□ Capital Projects Fund	\$206.2
□ Transportation Vehicle Fund	\$0.6
<b>Total</b>	<b>\$621.3</b>



17

# General Fund

# Budget Proposal

## Key Changes - Revenues

18

<b>State Legislative Changes</b>	<b>Millions</b>	
	<b>June</b>	<b>Aug</b>
Compensation/Benefits	Unknown	\$7.2
K-3 Class Size Reductions	Unknown	11.8
Materials, Supplies, and Operating Costs (MSOC)	Unknown	0.7
Categorical Programs (ELL, CTE, Skills Center)	Unknown	1.9
<b>Total Legislative Changes</b>	<b>\$0.0</b>	<b>\$21.6</b>

# Budget Proposal

## Key Changes - Revenues

<b>Enrollment/Levy Changes</b>	<b>Millions</b>	
	<b>June</b>	<b>Aug</b>
Basic Ed/Special Ed Enrollment	\$6.0	\$6.0
Categorical/Self-Supporting Programs	\$1.8	\$1.8
Levy	\$2.0	\$2.0
Transportation	\$0.1	\$0.1
<b>Total Local Impact</b>	<b>\$9.9</b>	<b>\$9.9</b>

# Budget Proposal

## Key Changes - Revenues

	Millions	
<b>Federal Grants</b>	<b>June</b>	<b>Aug</b>
Title I	(\$0.4)	(\$0.4)
<b>Total Federal Grants</b>	<b>(\$0.4)</b>	<b>(\$0.4)</b>
<b>Other Self-Supporting Programs</b>	<b>June</b>	<b>Aug</b>
Grants/Self-Supporting Programs	\$0.7	\$0.7
Tech Training&Software Transfer from CPF	\$1.1	\$1.1
<b>Total Other</b>	<b>\$1.8</b>	<b>\$1.8</b>

# Budget Proposal

## Key Changes - Revenues

Revenue Impact Summary	Millions	
	June	Aug
Local Impact	\$9.9	\$9.9
State Legislative Impact	\$0.0	\$21.6
Federal Grant Impact	(\$0.4)	(\$0.4)
Other Self-Supporting	\$1.8	\$1.8
<b>Total Revenue Changes</b>	<b>\$11.3</b>	<b>\$32.9</b>

# Budget Proposal

## Key Changes - Expenditures

	Millions	Millions
	June	Aug
Staffing due to Enroll./Prog.&Staff. Changes	\$11.10	\$11.10
Compensation/Benefits	\$12.50	\$19.00
Categorical/Grants/Self-Supporting Programs	\$3.30	\$4.60
Fixed Costs	\$0.40	\$0.40
Less one-time expenditures from prior year	(\$1.00)	(\$1.00)
Strategic and Organizational Work	\$2.60	\$2.70
<b>Total Expenditure Changes</b>	<b>\$28.90</b>	<b>\$36.80</b>

# 2017-18 Compensation/Benefits

23

- ❑ Compensation (salary & benefits): \$7.2 million
  - ❑ 2.3% Cost-of-Living Adjustment (COLA)
  - ❑ 5.1% Health benefit increase
  - ❑ 2.0% Employer share of pension increase
  
- ❑ Local costs: \$2.7 million
  
- ❑ Expenditures required: \$9.9 million
  - ❑ Some assumed in LWEA/LWSD CBA

# 2017-18 Categorical/Grants/Self-Supporting Programs

24

- ❑ Highly Capable
  - ❑ Increased eligible student funding from 2.3% to 5% of total population
- ❑ ELL
  - ❑ Increased funding allocations for Grades 7-12
- ❑ CTE/Skills Center
  - ❑ Lowers CTE staffing ratios
  - ❑ Increased MSOC
  - ❑ Reduced allowable indirect charges from 15% to 5%



# 2017-18 Strategic Work

25

<b>Strategic Goal Area</b>	<b>Millions</b>
1-Ensure academic success for every student	\$2.10
2-Provide safe&innovative learning environments	\$0.20
3-Recruit, hire&retain highly effective personnel	\$0.20
4-Use resources effectively&be fiscally responsible	\$0.20
5-Engage our communities	\$0.00
<b>Total Strategic Work Expenditures</b>	<b>\$2.70</b>

## Strategic Goal: Ensure Academic Success for Every Student

**Objective: *Develop Specific Strategies and Programs to Ensure High Quality Learning for all Students***

### **Additional Resource Needs Identified for 2017-18: \$1,943,499**

- Emerson K-12 (Parent Partnership Program) Monitoring
- Highly Capable K-3 program Support
- Highly Capable Testing Support
- High School Credit Retrieval Support
- Athletics – High School Slow Pitch Softball
- Intervention - SIOP Training
- Special Education Preschool Assessment
- Special Education Assessment Kits
- Special Education Staffing and Program Enhancements
- Equity Efforts
- Dual Language
- Multi-Tiered Systems of Support (MTSS)
- Innovation

# Revenue Summary

27

	2016-17	2017-18	%
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
State Apportionment	\$181.1	\$207.9	14.8%
State Categorical	\$37.7	\$40.4	7.2%
Federal	\$16.2	\$15.7	(3.1%)
Levy	\$65.9	\$67.9	3.0%
Fee Programs	\$11.3	\$12.1	7.1%
Other	\$8.8	\$9.9	12.5%
<b>Total Revenue Budget</b>	<b>\$321.0</b>	<b>\$353.9</b>	<b>10.2%</b>

# Expenditure Program Summary

	2016-17	2017-18	%
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
Regular Education	\$200.3	\$223.1	11.4%
Alternative Learning Exp.	\$0.6	\$0.7	16.7%
Special Education	\$38.8	\$45.3	16.8%
Vocational Education	\$6.8	\$9.3	36.8%
Skills Center Instruction	\$1.9	\$2.8	47.4%
Compensatory Ed.	\$11.3	\$12.0	6.2%
Other Instruction	\$6.3	\$6.5	3.2%
Community Services	\$2.1	\$2.3	9.5%
District Wide Support	\$32.6	\$34.6	6.1%
Nutr. Serv./Transportation	\$17.7	\$18.6	5.1%
<b>Total Expenditure Budget</b>	<b>\$318.4</b>	<b>\$355.2</b>	<b>11.6%</b>

# Materials, Supplies and Operating Costs (MSOC)

29

- ❑ State Funded MSOC \$36.5
- ❑ District Budgeted MSOC Expenditures \$26.4
- ❑ Difference \$10.1

Difference used for special education, substitute costs, professional learning, compensation for curriculum work, meetings, and training.

# General Fund

30

		<u>Millions</u>
Beginning Fund Balance		\$49.279
Revenues		\$344.036
Transfer from Capital Projects Fund		<u>\$9.894</u>
Total Revenues		\$353.930
Expenditures		<u>\$355.230</u>
Ending Fund Balance		
Nonspendable Inventory	\$0.950	
Unassigned Minimum Fund Bal.	\$17.697	
Unassigned	<u>\$29.333</u>	
Total Ending Fund Balance		\$47.980

# Key Changes – Enrollment

	2016-17 Budgeted Enrollment	2017-18 Budgeted Enrollment	Change in Enrollment from Budget to Budget
Elementary	14,066	14,865	799
Middle	6,514	6,831	317
Sr. High	7,170	7,428	258
Subtotal	27,750	29,124	1,374
Skill Center	302	391	89
ALE (EMK12)	70	80	10
Total Enrollment	28,122	29,595	1,473

Figures represent Average Annual Full-time Equivalent (FTE) and excludes Running Start

32

# Budget Documents



# Meritorious Budget Award Criteria Used

33

In March 2017, District was awarded the Pathway to the Meritorious Budget Award for the 2016-17 Budget. Will continue work for full award.



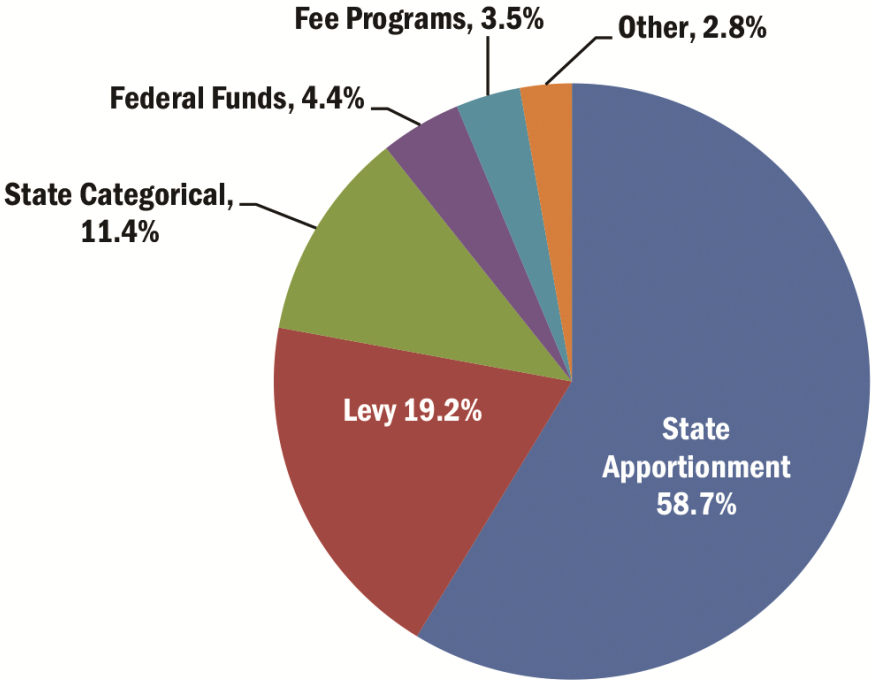
Lake Washington School District  
2016-17 Budget



16250 N.E. 74th Street  
Redmond, WA 98052  
King County  
425-936-1200 | www.lwsd.org

# Revenue Sources

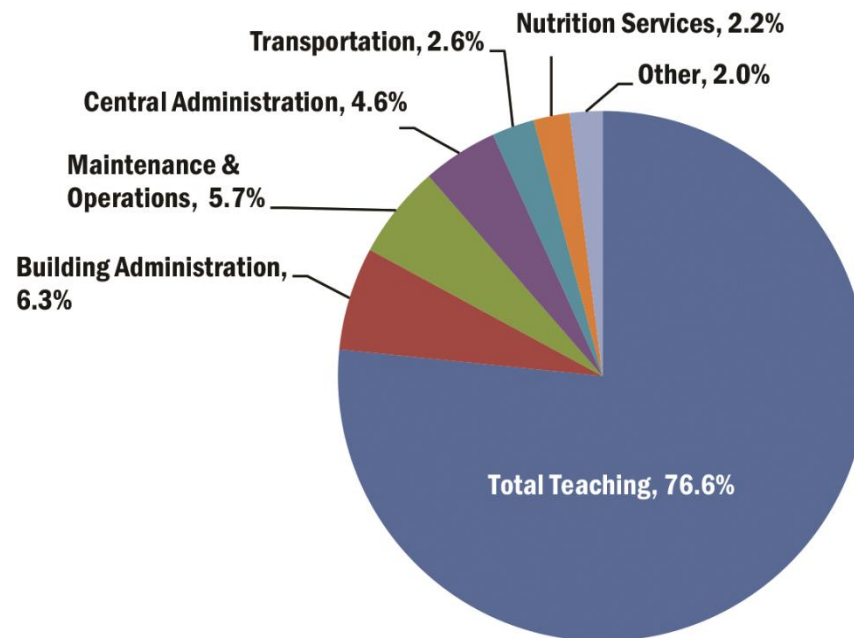
## Where does the money come from?



# Expenditures

35

## Where does the money go?



# Next Steps

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- 2017-18 proposed budget will be available on district's website or copies can be obtained in Budget office
- Public comment period will occur August 14 – 27
- Formal Board action will occur on August 28