



2021-22 PROPOSED BUDGET

Lake Washington School District
June 28, 2021 Board Meeting

Budget Presentation Outline

- ❑ 2021-22 Proposed Budget Document Presentation
 - ❑ *Budget Policies, Process & Timeline*
 - ❑ *Overview of All Funds*
 - ❑ *General Fund Revenues & Expenditures*
 - ❑ *Strategic Work and Resource Alignment*
 - ❑ *Next Steps*

The background features a light beige surface with a faint grid pattern. Overlaid on this are several translucent blue rectangular bars of varying heights, creating a bar chart effect. A silver pen with a clear barrel is positioned diagonally across the lower-left portion of the grid. The text is centered in a dark blue, bold, sans-serif font.

BUDGET POLICIES, PROCESS & TIMELINE

Budget Hearings, Review & Adoptions Policy: 6000

Annual Budget

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.

Budget Hearings, Review & Adoptions

Policy: 6000

Budget Adoption

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.

Budget Hearings and Reviews

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.

Operational Expectations

OE-5 Financial Planning

The Superintendent shall develop and present to the Board a multi-year financial plan that is related directly to the Board's **Results** priorities and **Operational Expectations** goals, and that avoids long-term fiscal jeopardy to the district.

The Superintendent will develop a budget that:

- 5.1 Is in a summary format understandable to the Board and community, presented in a manner that allows the Board to understand the relationship between the budget and the **Results** priorities and any **Operational Expectations** goals for the year.
- 5.2 Clearly describes revenues and expenditures with adequate supporting detail.
- 5.3. Shows the amount spent in each budget category for the most recently completed fiscal year, the amount budgeted for the current fiscal year, and the amount budgeted for the next fiscal year.
- 5.4. Discloses budget-planning assumptions.
- 5.5 Assures fiscal soundness in future years that includes provisions for reasonable contingencies.

Operational Expectations

OE-5 Financial Planning (continued)

- 5.6 Provides necessary information to the Board on matters with a significant budgetary impact, allowing the Board adequate time to consider the information presented.
- 5.7 Reflects anticipated changes in employee compensation, including inflationary adjustments, step increases, performance increases and benefits.
- 5.8 Includes such amounts as the Board determines to be necessary for its own governing function.
- 5.9 Is based on reasonable consultation with appropriate constituent groups.

The Superintendent may not develop a budget that:

- 5.10 Plans for the expenditure in any fiscal year of more funds than are conservatively projected to be available during the year.
- 5.11 Provides for an anticipated year-end fund balance of less than five percent of the projected revenue.

Timeline

- ❑ June 28, 2021

- ❑ *Budget presentation*

- ❑ *Proposed budget will be available on district's website or copies can be obtained from the Budget office*

- ❑ *Public comment period - June 29 – August 8*

- ❑ August 9, 2021

- ❑ *Public Hearing*

- ❑ August 23, 2021

- ❑ *Formal Board action*

The background of the slide is a faded, high-angle photograph of a large group of graduates wearing white academic caps and gowns with gold tassels. The graduates are seated in rows, and the image is slightly out of focus, creating a sense of a large gathering.

2021-22 PROPOSED BUDGET OVERVIEW

All Funds

Expenditures By Fund



General Fund \$501.4



Associated Student Body \$6.7



Debt Service \$78.6



Capital Projects \$85.1



Transportation \$1.5

Total of all Funds: \$673.3



Associated Student Body Fund \$6.7 Million

- Expenditure Authority for \$6.7 million
- Each school prepares individual budget plan for the year
- Expenditures for student extra curricular activities in each school
- Revenues include fundraisers, sales, and sports



Debt Service Fund \$78.6 Million

- Expenditure Authority for \$78.6 million
- Expenditures are for the redemption of principal and payment of interest on bonds and includes \$4 million contingency
- Revenue is from levies to repay bonds and reflects estimated interest revenue
 - *Can only levy the amount we need for principal and interest payments*



Capital Projects Fund

\$85.1 Million

- Expenditure Authority for \$85.1 million
 - Includes completion of 2016 bond, 2019 levy projects, and 2018 capital technology and facility levy projects
- Revenues include 2018 Capital Facilities and Tech Levy, 2019 six-year capacity projects and safety levy, investment earning, impact fees, and state school construction assistance program

2021-22 Major Capital Projects

2016 Bond Construction Projects

- Close out of Juanita High School rebuild and enlarge Phase II – open Fall 2020

2019 Six-year Levy Projects - Capacity and Safety

- Lake Washington High School Gym Expansion
- Completion of Elementary Additions at Franklin, Rose Hill, Twain – Open Fall 2021
- Addition at Carson Elementary – to open Fall 2022

2018 Four-year Levy Projects – Facilities and Technology

- Building Systems & Improvements
- Code, Compliance, Health & Safety
- School and Program improvements
- Site Improvements, Athletics & Playfield Upgrades
- Technology Infrastructure, Equipment, & Business and Technology Systems



Transportation Vehicle Fund

\$1.5 Million

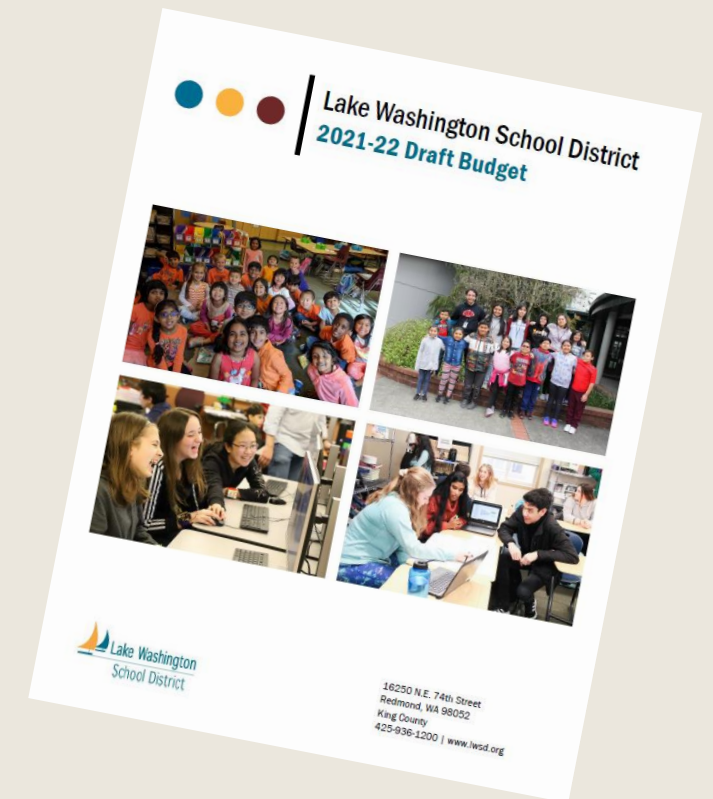
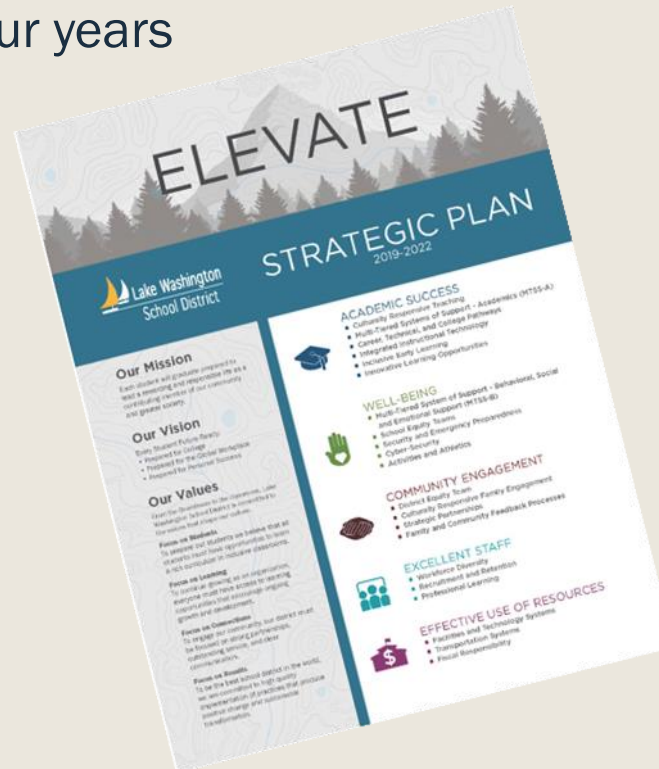
- Expenditure Authority for \$1.5 million
- Expenditure budget to replace 10 buses
- Revenue includes state depreciation funds for bus replacement and investment earnings
- Last Transportation Levy was in 2001. Still using these funds and state depreciation dollars to fund replacement of aging bus fleet.



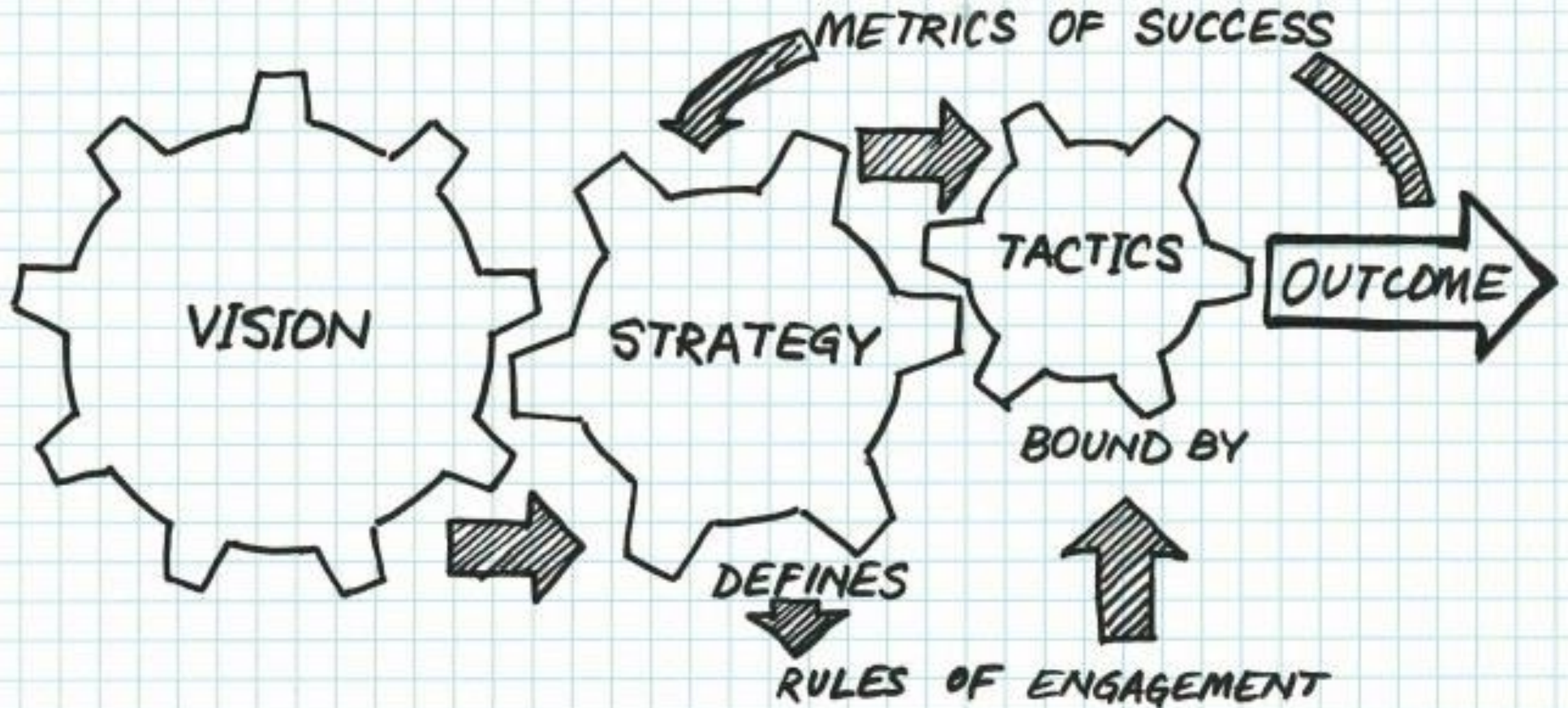
STRATEGIC WORK AND RESOURCE ALIGNMENT

Meritorious Budget Award Transparency and Accountability

Lake Washington School District has
been awarded the Meritorious Budget
Award for the last four years



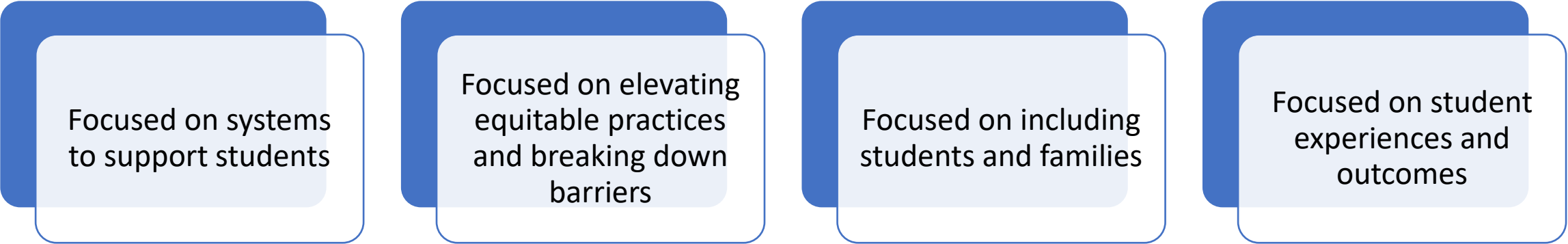
2021-22 Strategic Planning



Key Drivers in 2021-22 Budget Decision Making



Strategic Pillars



Focused on systems
to support students

Focused on elevating
equitable practices
and breaking down
barriers

Focused on including
students and families

Focused on student
experiences and
outcomes

Strategic Pillar #1: Multi-Tiered Systems of Support

MTSS Leadership
Team Support

K-2 Core
Foundational Literacy

Secondary
Curriculum and
Instructional
Professional Learning

Associate Principal
for Kamiakin

Strategic Pillar #2: Inclusive Practices

Behavioral Health
Specialist

ESSER III: Social and
Emotional
Professional Learning
and Resource/Tool Kit

ESSER III: BIPOC
Mental Health
Supports

Communication
Platform for Texting

Strategic Pillar #3: Equity

Community
Liaisons – Cultural
Brokers

Family Engagement
& Community
Outreach
Coordinator

Family Engagement
Facilitator:
Kamiakin

Specialist – Equity,
Opportunity and
Inclusion
Department

Administrator –
Equity, Opportunity
and Inclusion
Department

ESSER III: Internet
Connectivity
Support



Strategic Pillar Budget Supports

Strategic Pillar	One-Time	Ongoing	Total
Multi-tiered Systems of Support	\$874,000	\$250,000	\$1,124,000
Inclusive Practices	\$195,000	\$182,228	\$377,228
Equity	\$520,000	\$458,000	\$978,000
Total Expenses	\$1,589,000	\$890,228	\$2,479,228
Total Expenses (Less ESSER)	\$854,000	\$890,228	\$1,744,228



Organizational


Maintaining Organizational Effectiveness

One-Time Budget Supports

- Laptop Purchase for Classified Staff*
- Network and Infrastructure upgrades*
- Staffing to support F/R applications
- Accelerated Programs staffing
- District Radio Communication System upgrade
- Fee Waivers
- ESSER III: Nursing Support
- ESSER III: PPE/Cleaning
- ESSER III: Continuous Learning 2.0 Staffing & Supports

Ongoing Budget Supports

- Centralized Assessment staffing
- Data Warehouse staffing
- Technology staffing to support increased 1:1 ratio
- Payroll staffing



2021-22 Organizational Budget Supports

	One-Time	Ongoing	Total
Data, Research and Accountability	\$0	\$120,000	\$120,000
Technology Operations	\$0	\$499,392	\$499,392
Business Services	\$90,000	\$120,000	\$210,000
Support Services	\$1,050,000	\$0	\$1,050,000
Accelerated Programs	\$300,000	\$0	\$300,000
Special Services	\$585,335	\$0	\$585,335
School Support	\$1,300,000	\$0	\$1,300,000
Total Expenses	\$3,325,335	\$739,392	\$4,064,727
Total Expenses (Less ESSER)	\$940,000	\$739,392	\$1,673,392



2019-2022 Strategic Plan Goals



Academic Success



Well-Being



Community Engagement



Excellent Staff



Effective Use of Resource

Budget Final

Strategic Work – Summary

Strategic Goal Area	2019-20 (Millions)	2020-21 (Millions)	2021-22 (Millions)
Academic Success	\$2.6	\$7.9	\$3.3
Well-Being	\$1.2	\$0.9	\$2.3
Community Engagement	\$0.5	\$0.02	\$0.1
Excellent Staff	\$1.3	\$0.2	\$0.0
Effective Use of Resources	\$1.1	\$0.7	\$0.8
Total Strategic Work Expenditures	\$6.7	\$9.7	\$6.5
	Ongoing \$5.2 One-Time \$1.5	Ongoing \$3.6 One-time \$6.1	Ongoing \$1.9 One-Time \$4.6

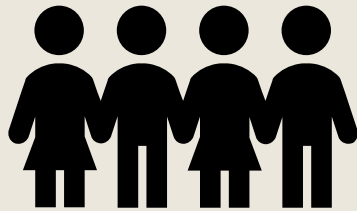
A group of graduates in caps and gowns, with a woman in the foreground smiling. The image is overlaid with a dark blue L-shaped graphic on the left and right sides.

GENERAL FUND

Budget Enrollment









1,077 Students Basic Education

210 Students Special Education



Budget Proposal

Key Changes - Revenues

- Local Impact – Reduction of \$11.1 million
 -  Reduction primarily due to Basic Ed and Special Ed enrollment decrease
 -  Levy collections based on voter approved amounts
 -  Categorical Programs (EL, Best grant)
- State Legislative Changes – Increase of \$2.2 million
 -  State Cost of Living Adjustment of 2%, Materials supplies and operating costs (MSOCS)
 -  State funded health benefits (SEBB) and pension rates
- Federal Grant Impact – Increase of \$3.8 million
 -  ESSER III
 -  Title I
 -  Title III
- Other Self-Support – Increase of \$0.2 million

Total Revenue Reduction of \$4.9 million

Revenue Summary

	2020-21	2021-22	%
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
State Apportionment	\$314,429,364	\$304,776,076	(3.1%)
State Categorical	56,457,299	54,561,436	(3.4%)
Federal	18,003,807	29,152,518	61.9%
Levy	63,548,980	66,248,571	4.2%
Fee Programs	19,912,688	12,495,425	(37.2%)
Other	8,846,829	9,021,242	2.0%
Total Revenue Budget	\$481,198,967	\$476,255,268	(1.0%)

Budget Proposal

Key Changes - Expenditures

	Millions	
Staffing due to Enrollment	(\$6.40)	↓
Compensation/Benefits/Pension	\$12.00	↑
Categorical/Grants/Self-Supporting Programs	\$2.20	↑
Fixed Costs	\$1.30	↑
Less one-time expenditures from prior year	(\$5.30)	↓
Strategic and Organizational Work	\$6.50	↑
Total Expenditure Changes	\$10.30	

Materials, Supplies and Operating Costs (MSOC)

- ❑ State Funded MSOC \$39.3 million
- ❑ District Budgeted MSOC Expenditures \$32.8 million
- ❑ Difference \$6.5 million

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

Expenditure Program Summary

	2020-21	2021-22	%
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
Regular Education	\$302,201,863	\$307,053,046	1.6%
Alternative Learning Exp.	\$883,054	\$896,532	1.5%
Federal Stimulus - ESSER III	\$0	\$4,093,780	New
Special Education	68,175,453	63,230,279	(7.3%)
CTE/Vocational Education	13,735,679	15,976,985	16.3%
Skill Center Instruction	3,709,579	3,856,941	4.0%
Compensatory Ed.	16,456,930	16,381,886	(0.5%)
Other Instruction	13,273,696	13,969,131	5.2%
Community Services	3,483,062	3,496,549	0.4%
District Wide Support	46,091,137	48,993,273	6.3%
Nutrition Serv./Transportation	23,077,749	23,413,805	1.5%
Total Expenditure Budget	\$491,088,202	\$501,362,207	2.1%

Four-year Required Outlook: Assumptions

Revenue Assumptions

- ☐ *Enrollment growth averages 0.5% per year*
- ☐ *No significant changes in state funding other than 2% cost of living*
- ☐ *Levy based on current voter approved amounts*

Expenditure Assumptions

- ☐ *Staffing is aligned with enrollment decline*
- ☐ *Ongoing local costs needs over state funding for salaries/benefits/retirement*
- ☐ *Ongoing fixed cost increases and strategic adds*
- ☐ *Reductions of 1-2% beginning in 2022-23 to bring expenditures in alignment with revenues*

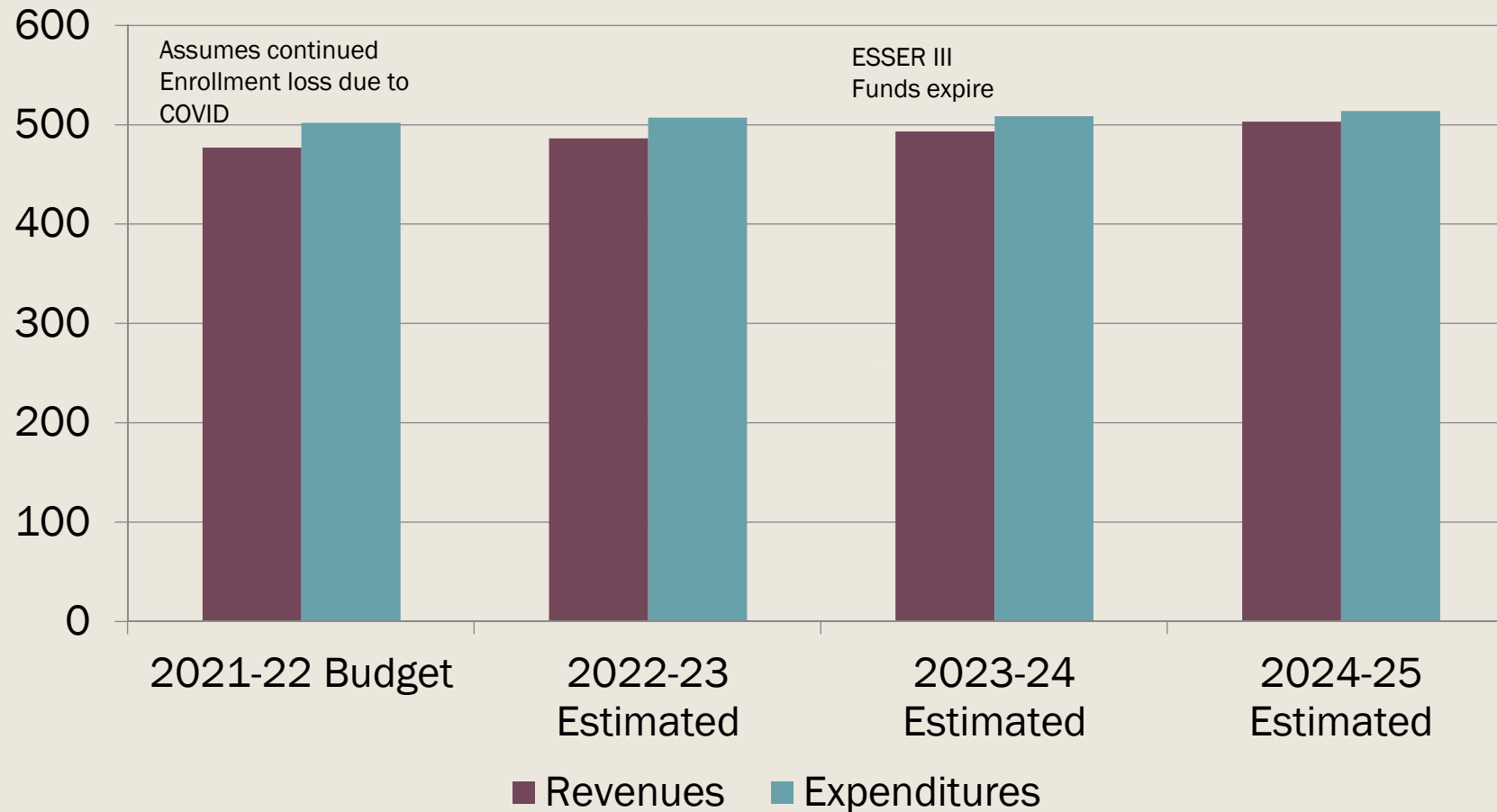
General Fund Budget

Preliminary Four-Year Required Outlook

	2021-22 Budget	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Beginning Fund Balance	\$61.3	\$46.2	\$55.4	\$39.8
Reserve Economic Impact	\$40.0	\$30.0		
Revenues	\$461.3	\$485.7	\$492.6	\$502.5
Expenditures	\$486.4	\$506.6	\$508.2	\$513.3
Ending Fund Balance	\$46.2	\$55.4	\$39.8	\$29.0
Reserve Economic Impact	\$30.0			
Planned Use of Fund Balance	(25.1)	(20.9)	(15.5)	(10.8)

Future Projections

Planned Use of Fund Balance – will need to bring Revenues and Expenditures in Alignment by 2025-26



Budget Proposal

Next Steps

- ☐ 2021-22 Proposed Budget document will be available on the district's website. Hard copies can be obtained from Budget office.
- ☐ Public comment period: June 29 – August 8
- ☐ Public Hearing: August 9
- ☐ Formal Board action: August 23