

2023-2024 School Year Budget Planning

**School Board Meeting
Budget Forum
June 7, 2023**



Budget Planning

- Budget Planning Principles and 2023-2024 Priorities
- Budget assumptions
- ESSER
- General Fund 4-year forecast
- Next Steps

Budget Planning Principles

- Protect basic needs for educating the whole child
- Provide equitable distribution of resources that recognize the diverse needs of students
- Implement academic programming focused on closing the opportunity gap
- Maintain essential support services
- Meet legal compliance and educational standards
- Support the implementation and sustainability of the district's strategic plan
- Budget for committed, assigned and unassigned fund balance to meet the minimum fund balance of 5% of expenditures as specified in Policy 6022

2023-2024 Budget Priorities

- Utilize strategies that support learning recovery and intervention supports for students impacted by the pandemic
- Allocate resources that maintain the provision of established low class size targets
- Invest in strategies that address workforce diversity and enhance recruitment and retention
- Provide anti-racism and social emotional learning programs and services as well as integrate trauma-informed practices within available resources
- Ensure that resources are allocated to support the district's equity resolution, which includes program offerings designed to increase access and opportunity
- Provide investments that support infrastructure for the expansion of early learning services
- Allocate resources and staffing to facilitate the adjustment of grade configurations and the opening of new schools
- Study and develop efficiencies for student transportation.
- Enhance student engagement through activities, athletics and workforce opportunities.

2023-2024 Revenue Assumptions

- Implicit Price Deflator (IPD) applied to State funding for salaries and materials, supplies, and other cost
 - 2023-2024: 3.7%
 - 2024-2025: 3.9%
 - 2025-2026: 2.4%
 - 2026-2027: 1.9%
- Regionalization Reduction
 - 2023-2024: 1.5%
 - 2024-2025: 1.5%
- Local Effort Assistance (LEA)
 - Held at current formula allocation
- Levy
 - Calendar year 2023: \$73,800,000
 - Calendar year 2024: \$82,100,000
 - Calendar year 2025: New levy amounts to be discussed
- Enrollment projection reflects gradual enrollment recovery
- Federal assistance –ESSER

2023-2024 Student Fees, Fine and Charges

- Various school-based fees – adjusted to reflect consistent fees across the district to support programmatic needs
- Student Meal Costs – revised as a result of CEP
- Express Child Care Fees – revised to align with DCYF reimbursement rates
- Facility Costs – revisions to align with software implementation will be brought forward before budget adoption
- Student fee procedure is on the consent agenda for approval

Levy Estimates

(in millions)

2022-2024 - Revised estimate for Calendar Year 2024

	Voter Approved			
	EP&O	Bond	Total	Est Rate
2022	\$65.7	\$57.3	\$123.0	\$4.52
2023	73.8	59.8	133.6	3.80
Est 2024	82.1	51.5	133.6	3.69

2025-2027 Preliminary Levy Estimates

	EP&O	Bond *	Total	Est Rate	\$ Change	% Change
2025	\$90.7	\$42.9	\$133.6	\$3.58	\$0.0	0.0%
2026	94.7	50.6	145.3	3.78	11.7	8.8%
2027	98.5	55.4	153.9	3.89	8.6	5.9%

* Assumes \$200M bond for 2024-2029

2023-2024 Preliminary Revenues

In millions

	2023-2024 Forecast		2024-2025 Forecast		2025-2026 Forecast		2026-2027 Forecast	
Local Tax (Levy)	\$	78.2	\$	86.6	\$	92.9	\$	96.8
Local Effort Assistance (LEA)		1.1		3.3		4.4		5.10
State General Purpose		281.0		289.2		296.1		301.7
State Special Purpose		102.9		107.1		109.2		111.2
Federal Grants		46.3		46.3		45.9		46.2
ESSER		27.5		-		-		-
Other Revenue		12.2		12.5		12.7		13.7
Total Revenue		549.2		545.0		561.2		574.7

2023-2024 Expenditure Assumptions

- Districtwide staffing and class sizes budgeted at:
 - Primary average class size of 18
 - Intermediate average class size of 22
 - Secondary average class size of 26
- IPD applied to subsequent budget years at:
 - 2023-2024: 3.7%
 - 2024-2025: 3.9%
 - 2025-2026: 2.4%
 - 2026-2027: 1.9%
- Steps per salary schedule
- ESSER expenditure plan
- Operating costs for Peperzak Middle School
 - Based on actual costs of new middle schools opened during the 2022-2023 school year

2023-2024 ESSER Plan

In millions

ESSER Award	\$ 124.2
2020-2021 Actual	(9.1)
2021-2022 Actual	(41.6)
2022-2023 Projected Expenditures	(46.0)
2023-2024 Prelim Budget	(27.5)
2024-2025 Prelim Budget	-
Available balance *	\$ -

*Must be spent by September 30, 2024

2023-2024 ESSER Plan – continuation of concepts scenario

In millions

Concept	Adopted FY23	Estimated FY23	Estimated FY24 to continue similar services at a reduced level
Staffing - class size	\$ 12.2	\$ 12.0	\$ 10.3
Staffing - equity	4.6	5.8	2.0
Staffing - student support	0.4	0.4	0.4
Spokane Virtual Academy	1.8	1.8	-
Transportation	2.5	-	-
Summer programs	0.2	0.1	0.1
School support	3.7	4.0	3.8
PPE, equipment and other COVID response	0.8	2.0	-
Student technology	3.9	4.8	4.8
Curriculum	5.6	12.6	1.5
Professional development	0.3	0.5	0.5
Grant contingency and administration	5.3	2.0	4.1
Total	41.3	46.0	27.5

General Fund Preliminary 4-year Forecast

In millions

	2023-2024 Forecast	2024-2025 Forecast	2025-2026 Forecast	2026-2027 Forecast
Local Tax (Levy)	\$ 78.2	\$ 86.6	\$ 92.9	\$ 96.8
Local Effort Assistance (LEA)	1.1	3.3	4.4	5.10
State General Purpose	281.0	289.2	296.1	301.7
State Special Purpose	102.9	107.1	109.2	111.2
Federal Grants	46.3	46.3	45.9	46.2
ESSER	27.5	-	-	-
Other Revenue	12.2	12.5	12.7	13.7
Total Revenue	549.2	545.0	561.2	574.7
Expenditures	528.8	565.5	576.7	589.9
ESSER	25.0	-	-	-
Planned reductions	-	(14.5)	(15.5)	(15.5)
Total Expenditures	553.8	551.0	561.2	574.4
Net Operations as % of Expenditures	-0.83%	-1.09%	0.00%	0.05%

2022-2023 Projection

In millions

Description	2022-2023 Adopted Budget	2022-2023 Forecast May 2023	Budget Variance
Revenue	\$ 541.6	\$ 546.6	\$ 5.0
Expenditures	549.4	543.4	6.0
Net Operations (Deficit)	\$ (7.8)	\$ 3.2	\$ 11.0

May 2023 Forecast Assumptions:

Revenues

- Increased Revenue for ECEAP
- Small increase in student enrollment
- LEA increase

Expenditures

- Experiencing inflation in costs



Budget Development Estimates

Fund Balance

In millions

Description	2022-2023 Adopted Budget	2022-2023 Projected May 2023	2023-2024 Preliminary Budget	2024-2025 Preliminary Forecast	2025-2026 Preliminary Forecast	2026-2027 Preliminary Forecast
Beginning Fund Balance, September 1	\$ 52.3	\$ 51.5	\$ 54.7	\$ 50.1	\$ 44.1	\$ 44.1
Revenue	541.6	546.6	549.2	545.0	561.2	574.7
Expenditures	(549.4)	(543.4)	(553.8)	(565.5)	(576.7)	(589.9)
Expenditure adjustments				14.5	15.5	15.5
Net Operations	(7.8)	3.2	(4.6)	(6.0)	-	0.3
Ending Fund Balance, August 31	44.5	54.7	50.1	44.1	44.1	44.4
Less: Restricted balances	(15.4)	(19.3)	(18.3)	(17.3)	(16.3)	(15.3)
Unrestricted Fund Balance						
Subject to Policy 6022 (CAU)	\$ 29.1	\$ 35.4	\$ 31.8	\$ 26.8	\$ 27.8	\$ 29.1
CAU as a percent of Expenditures *	5.46%	6.64%	5.96%	5.02%	5.21%	5.46%

* CAU as a percent of August 31, 2022 expenditures

Budget Development – Next Steps

- Balance all grants to expected revenue
- Review detail of individual budgets
- Monitor 2022-2023 activity
- Budget presentations and discussion
 - Superintendent's Recommended Budget – June 21
 - School Board Adopted Budget - August