



2020-2021 School Year Budget Planning

JUNE 24, 2020



Budget Information: www.spokaneschools.org/page/2190



- Budget Priorities
- 4 Year forecast
 - Revenue assumptions
 - Expenditure assumptions
 - Fund balance
 - OPSI required reporting assumptions
- Next steps

2020-2021 Budget Priorities

- The guiding Principles for 2020-2021 Budget Development are to:
 - Protect basic needs for educating the whole child
 - Provide equitable distribution of resources that recognize the diverse needs of students
 - Maximize in person education time and focus on relationship building and student engagement during periods of remote/distance learning
 - Maintain essential support services
 - Meet legal compliance and educational standards
- The School Board's Adopted Budget Priorities:
 - Focus on restoring contract workload provisions to support students in basic and special education programs
 - Provide for lower class sizes and staff-to-student ratios for K-3 students, while seeing some increase in combination classrooms and staff to student ratios in grades 4-12; prioritize equitable staffing
 - Provide anti-racism and social emotional learning programs educational programs and services within available resources
 - Authorize the use of unrestricted fund balance below the target range in 2020-2021 and designate unplanned savings to restore fund balance to a minimum of five percent (5.0%) over the next five years

4 Year Forecast Revenue Assumptions

- IPD applied to State funding for salaries & materials, supplies and other costs (MSOCs)
 - 2020-2021: 1.6%
 - 2021-2022: 2.0%
 - 2022-2023: 2.0%
 - 2023-2024: 2.0%
- 1.0% reduction of regionalization starting in 2020-2021
- Local Effort Assistance (LEA)
 - Held at current formula allocation
- Levy
 - Calendar year 2021: \$38 million (voter approved)
 - Calendar year 2022 and beyond: \$2.50 per \$1,000 assessed value Educational Programs and Operations (EP&O) levy approval
- Stable enrollment
- Federal assistance - CARES and FEMA
- State funding impacts will be monitored through the summer

General Fund Revenue Summary

(\$ In Millions)

Program Revenue	2019-20	2020-21	2021-22	2022-23	2023-24
	Adopted Budget	Recommended Budget	Preliminary Forecast	Preliminary Forecast	Preliminary Forecast
State	\$ 359.8	\$ 355.8	\$ 357.7	\$ 359.9	\$ 362.1
Local Levy	32.8	36.6	52.7	68.7	73.9
Local Effort Assistance (LEA)	16.6	13.4	11.9	12.3	12.7
Federal	36.7	42.7	38.6	38.9	39.1
Other Local Revenues	14.0	14.4	14.5	14.5	14.6
Total Revenue	\$ 459.9	\$ 462.9	\$ 475.4	\$ 494.3	\$ 502.4

4 Year Forecast Expenditure Assumptions

- Staffing and class sizes assumed at 2019-2020 level
 - Does not include adjustments for Safe School Reopening plan
- IPD applied to subsequent budget years
 - Salaries:
 - 2021-2022: 2.0%
 - 2022-2023 & 2023-2024: 1.0%
 - MSOCS:
 - 2021-2022, 2022-2023, 2023-2024: 1.0%
- Steps per salary schedule
- Expenditures for COVID response
 - Personal Protective Equipment (PPE), cleaning supplies, custodial support
 - Transportation
 - No provision for cost in excess of Federal funding
- Operating costs for new middle schools
 - Northwest: \$2.0 million annually beginning in 2022-2023
 - Northeast: \$2.0 million annually beginning in 2022-2023
 - South: \$2.0 million annually beginning in 2023-2024

General Fund Expenditure Summary

(\$ In Millions)

Expenditure Activity	2019-20 Adopted Budget	2020-21 Recommended Budget	2021-22 Preliminary Forecast	2022-23 Preliminary Forecast	2023-24 Preliminary Forecast
Teaching – Classroom instruction and paraeducators, extracurricular activities	\$ 281.0	\$ 292.1	\$ 306.8	\$ 312.4	\$ 318.9
Teaching Support – Counselors, libraries, nurses, curriculum, curriculum development, instructional professional development, student safety, etc.	61.0	55.5	56.7	57.6	58.7
Total Teaching Activities	342.0	347.6	363.5	370.0	377.6
Other Support Activities – Food service operations, pupil transportation, insurance, information systems, printing, facilities maintenance & operations, utilities, warehouse and Express childcare	71.9	77.9	75.2	76.0	76.9
Building Administration – Principal’s office: duties assigned to the principal, assistant or vice principal, and secretarial/clerical assistants, to coordinate and manage the operation of school building	27.7	28.7	29.6	33.9	36.1
Central Administration – Supervision of instruction, food service, facilities, and transportation; Board of Directors, superintendent’s office, governmental relations, business office, human resources, community relations, legal and audit fees, election costs	20.3	20.4	20.9	21.2	21.6
Total Expenditures	\$ 461.9	\$ 474.6	\$ 489.2	\$ 501.1	\$ 512.2

4 Year Fund Balance Projections

(\$ In Millions)

Description	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
	Projected May 2020	Recommended Budget	Preliminary Forecast	Preliminary Forecast	Preliminary Forecast
Beginning Fund Balance, September 1	\$ 36.5	\$ 42.1	\$ 30.4	\$ 16.6	\$ 9.8
Revenue	450.8	462.9	475.4	494.3	502.4
Expenditures	445.2	474.6	489.2	501.1	512.2
Net Operations	5.6	(11.7)	(13.8)	(6.8)	(9.8)
Ending Fund Balance, August 31	42.1	30.4	16.6	9.8	(0.0)
Less: Restricted balances	(14.4)	(14.5)	(14.5)	(14.5)	(14.5)
Unrestricted Fund Balance	\$ 27.7	\$ 15.9	\$ 2.1	\$ (4.7)	\$ (14.5)
Subject to Policy 6022 (CAU)					
CAU as a percent of Expenditures	6.06%	3.48%	0.46%	(1.03)%	(3.17)%
	*	*	*	*	*

* CAU as a percent of August 31, 2019 expenditures

4 Year Fund Balance Projections – OSPI required assumptions

(\$ In Millions)

Description	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
	Projected May 2020	Recommended Budget	Preliminary Forecast	Preliminary Forecast	Preliminary Forecast
Beginning Fund Balance, September 1	\$ 36.5	\$ 42.1	\$ 30.4	\$ 1.9	\$ (35.6)
Revenue	450.8	462.9	460.7	463.6	466.5
Expenditures	445.2	474.6	489.2	501.1	512.2
Net Operations	5.6	(11.7)	(28.5)	(37.5)	(45.7)
Ending Fund Balance, August 31	42.1	30.4	1.9	(35.6)	(81.3)
Less: Restricted balances	(14.4)	(14.5)	(14.5)	(14.5)	(14.5)
Unrestricted Fund Balance	\$ 27.7	\$ 15.9	\$ (12.6)	\$ (50.1)	\$ (95.8)
Subject to Policy 6022 (CAU)					
CAU as a percent of Expenditures	6.06%	3.48%	(2.76)%	(11.0)%	(21.0)%
	*	*	*	*	*

* CAU as a percent of August 31, 2019 expenditures

- **Preliminary Recommended Budget**
 - Supports on-going school operations
 - Maintains resources in alignment with adopted budget priorities
 - Establishes the initial 4-year budget outlook and the need for multi-year budget planning
- **2020-2021 Budget Presentation, Public Hearing and Budget Adoption**
 - School Board Meeting, August 26, 2020