



Northshore  
School District

# Proposed 2022-2023 FY Budget and Financial Plan



*June 27, 2022*



# Agenda

## 1. Policy Context

- A. Strategic Plan
- B. Board Policies

## 2. Operational Context

- A. Delivering on the Goals
- B. Operational Impacts / Proposals

## 3. 2022 K-12 Supplemental Budget Overview

## 4. Financial Context

- A. Fiscal Year 2022-23
- B. Four Year Financial Plan

## 5. Communications Element

- A. GFOA feedback and response



Student Summit - 2022



Hollywood Hill Elementary Visit

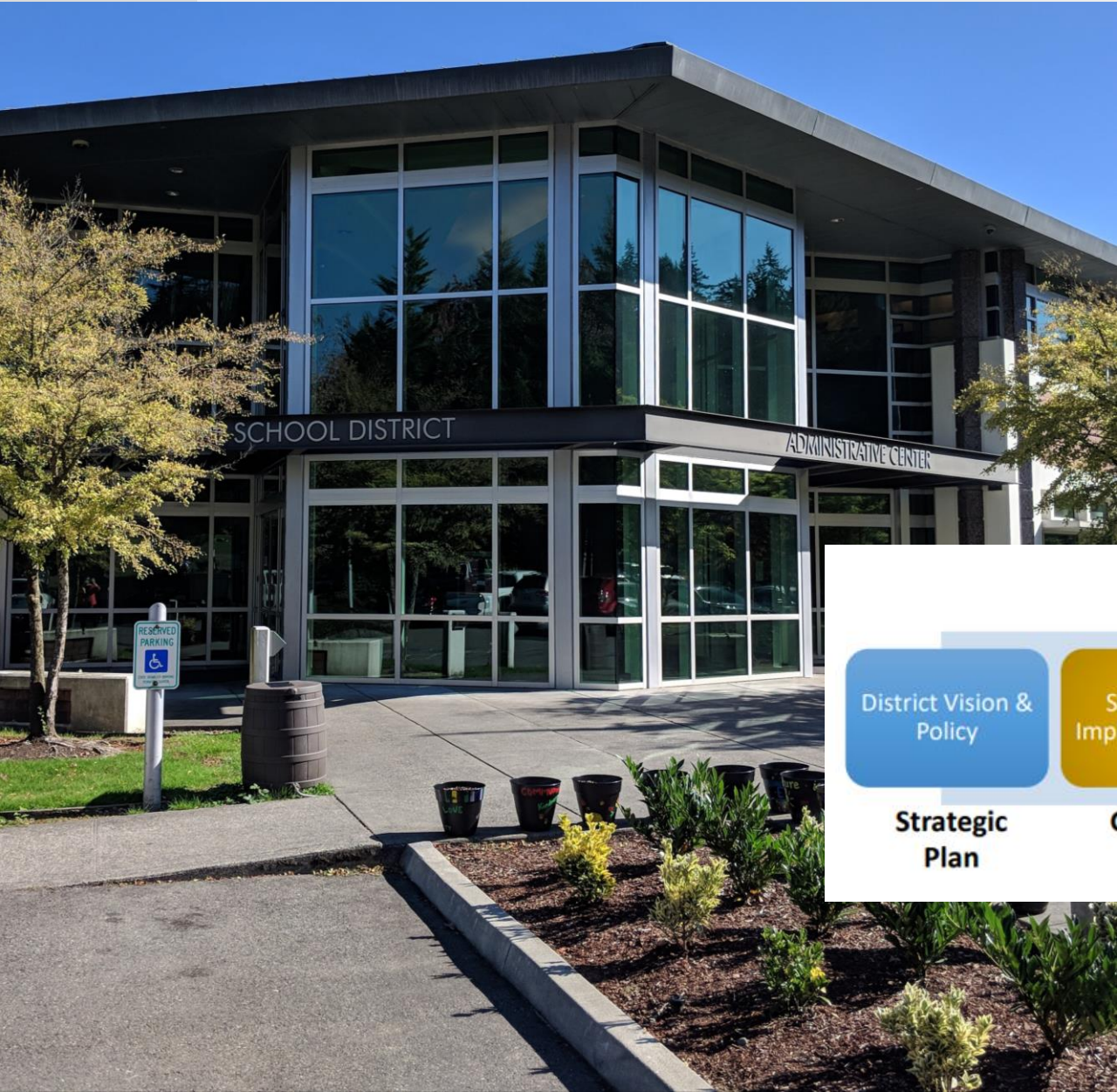


# Policy Context

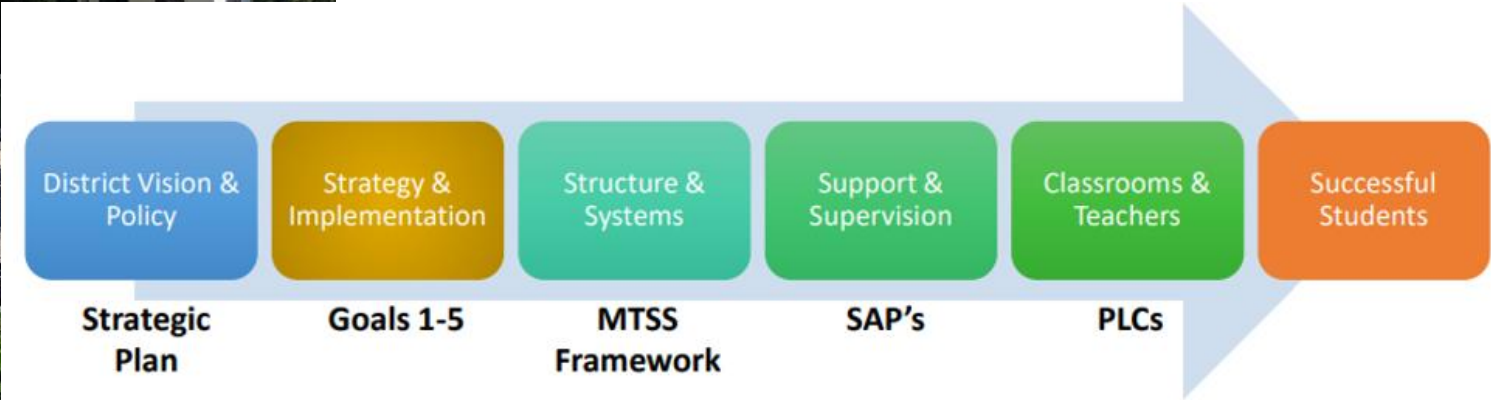
*District Policy provides  
the focus for resource  
allocation*





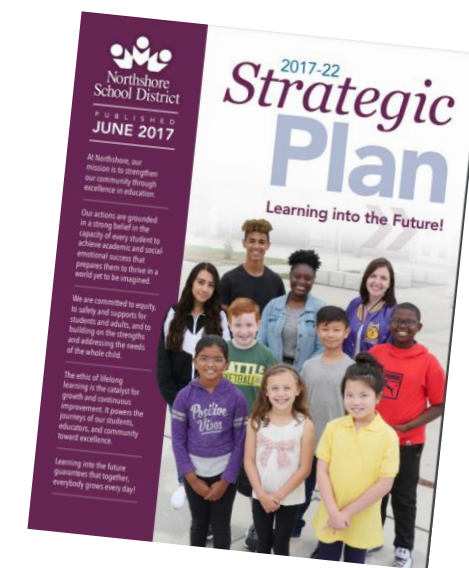


- **Strategic Plan remains the focus**
  - Connecting strategies to goals
  - Leveraging outcome measures
  - Evaluating results and learning





- **Strategic Plan elements**
  - Two years ago, described plan goals and measures
  - Last year included student outcome results analyzed by staff and Board
  - This year we've included an illustration of the overall framework for performance management (the “through-line”)
- **Strategic Action Plans element (SAPs)**
  - School Strategic Action Plan goals included past three years
    - Continue to provide latest SBAC<sup>1</sup> results for District schools
  - This year – included elements from District department SAPs



SBAC = Smarter Balance Assessment Consortium

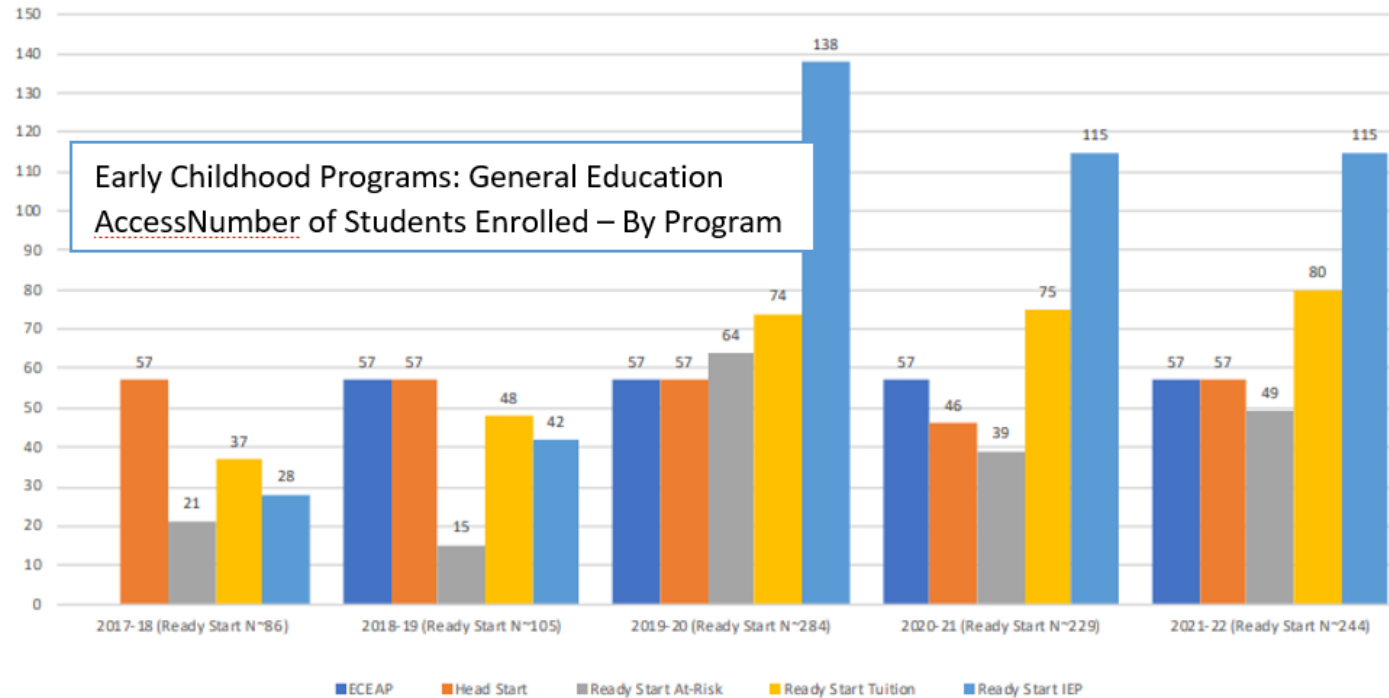
## Goals and Measures of Student Success

**Goal 1: Success in the Early Years** (link to [board review of goal 1 outcomes](#) – March 28, 2022)

Each student will develop intellectual curiosity, persistence, social-emotional awareness, and academic skills to be positioned for success by the end of grade 3.

### Measures

- Increased percentage of students who have equitable access to developmentally appropriate teaching



Example from page 19 of proposed budget



- **Board Policies**

- Financial Policies (Series 7000)

- A. Incorporate the best possible techniques for budget development and management.
    - B. Utilize all possible sources of authorized revenue to support the educational program and facilities.
    - C. Control the expenditure of funds in a manner that results in the greatest support for the educational program.
    - D. Ensure an adequate funding source identified for the life of the program.
    - E. Provide the best accounting and reporting procedures available.
    - F. Report the district's financial conditions to the board.
    - G. Incorporate appropriate risk management standards and procedures that protect the district's assets as well as the students, staff, and community

- Other Board Financial Policies

- A. Fund balance policies (minimum fund balance of 3% of expenditures is maintained throughout 4-year plan)

The Proposed Budget Complies with all Northshore School District Board Policies



# Operational Context

*Operations are where policies get implemented*







## Operational Context

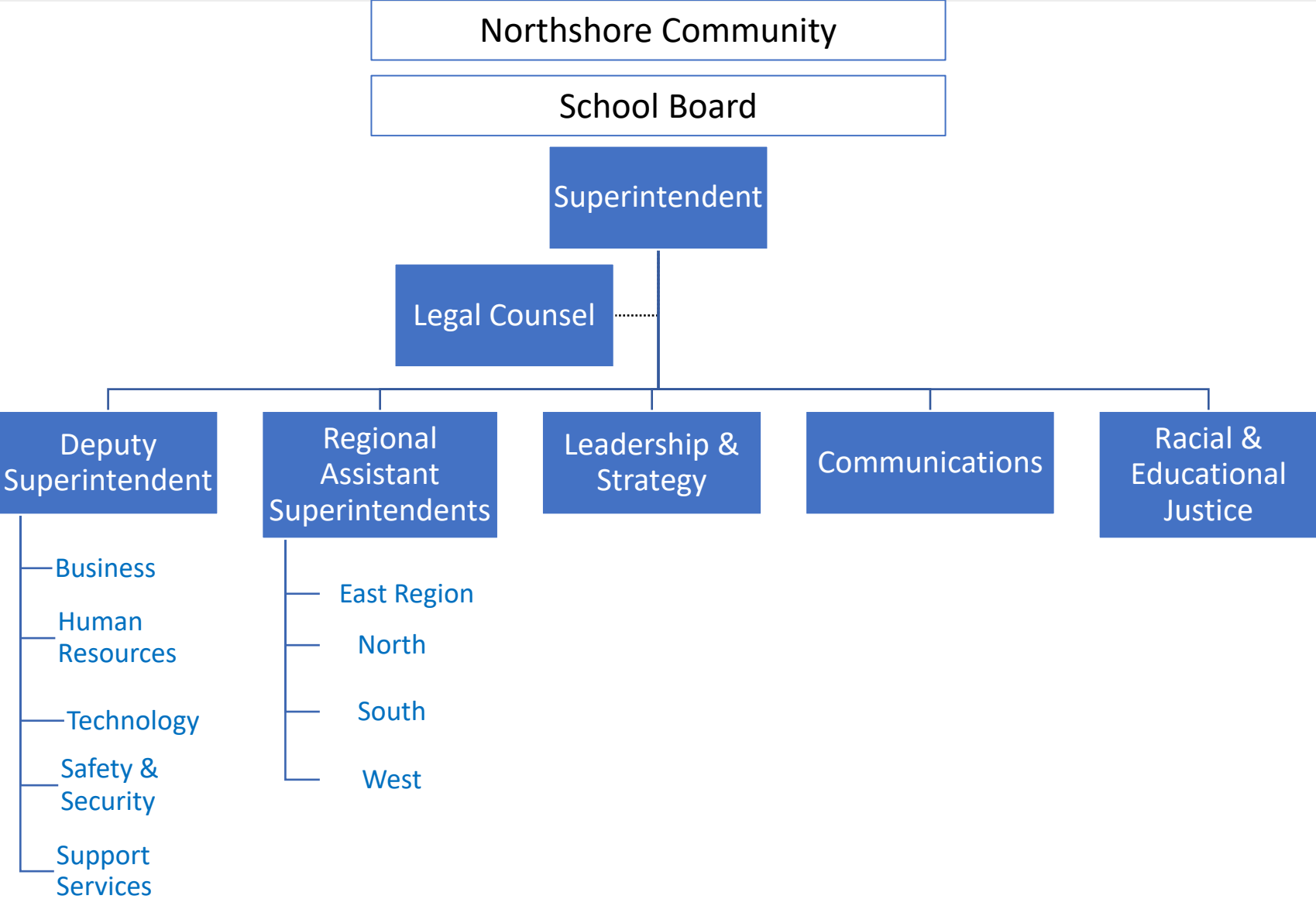
### **Operations are where policy implementation occurs**

- Organizational structure
- Roles and numbers of staff
- Operational goals
- Performance evaluation
  - Both personnel and
  - Operational performance





# Operational Context      Organizational Approach





### FY 2022-23 Budget Highlights

#### **Healthy Start Times**

Phase II of the healthy start times initiative takes effect in September and is fully compliant with policy direction

#### **English Language Arts**

New curriculum for English language arts.  
Included in current budget, implemented in SY22-23

#### **Safe and healthy facilities**

Still some funding for COVID related costs (though less than current)

#### **Business Systems Review**

Next steps on recommendations following a business systems review project.



# 2022 K-12 Supplemental Budget Overview

*Office of the Superintendent of Public Instruction*



# Child Nutrition Services

- Supply Chain Assistance (SCA) Funds
  - USDA funding to support schools meet the unprecedented supply chain challenges
  - Funds are specific to the purchase of “domestic, minimally processed foods for school meal programs.
  - Funding will be based on student enrollment
- USDA did not extend waivers – return to “normal” operations for SY 2022-23
  - National School Lunch Program operations (including meal counting/claiming)
  - Free & Reduced eligibility
  - USDA did not extend waivers – return to “normal” operations for SY 2022-23



# Enrollment Stabilization and Inflationary Increase

- One-time payment received in May 2022 Apportionment during the 2021-22 school year
- The State budget calculated an inflationary increase of 5.5% for school year 2022-23; Applies to:
  - The State Average District Salaries
  - Materials, Supplies, and Operating Costs per pupil
  - National Board Teacher Bonus





### Physical, Social, and Emotional Support (PSES) Staff

- State allocations increased in the prototypical funding model for counselors, nurses, social workers, and psychologists
  - Phased-in over three years – beginning with School Year 2022-23
- As part of state allocation, compliance language passed encompassing above allocations as well as classified staff providing student and staff safety and family engagement

# Financial Context

*Funding the operations that implement and pursue the policies*



## Fiscal Sustainability

- A key focus for this budget
- Transitioning from pandemic
- Focus on one-time expenditures

## Capital Projects

- Large number of projects
  - To be managed simultaneously
- Combination of in-house and contracted project management





## “Contingency” contrasted with “Capacity”

### Contingency

Undesignated budget expenditures.

Included in appropriation

Funded with existing:

Revenue or

Fund Balance

Purpose – to make space of unanticipated costs where no additional, related revenue is anticipated.

*Example – additional secondary staffing over staffing formula for specific mastery*

### Capacity

Undesignated budget expenditures.

Included in appropriation

Funded with additional:

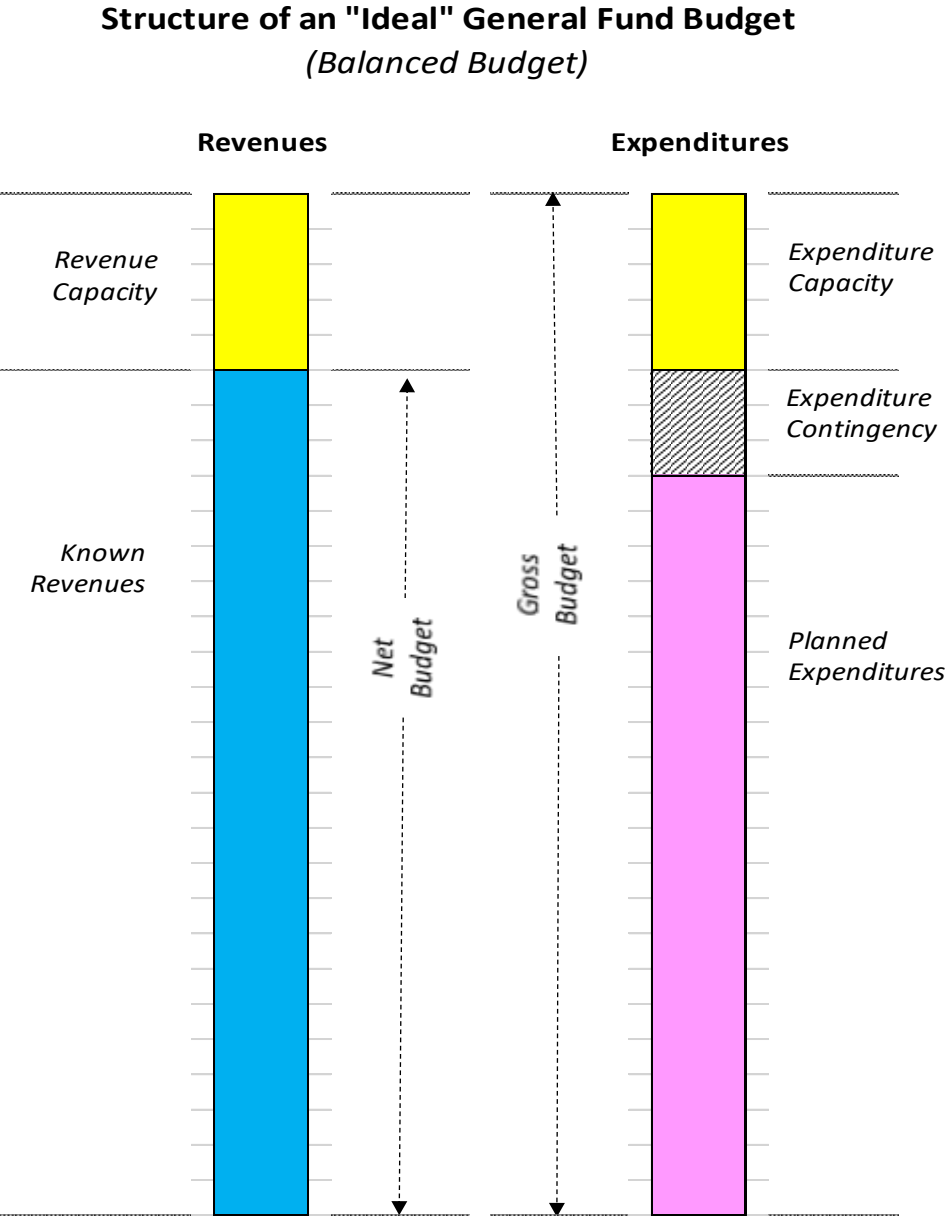
Revenue

Purpose – to make space for unanticipated costs where additional, related revenue is anticipated.

*Example – increased funding and costs to address the effects of COVID*



# “Contingency” contrasted with “Capacity” – an Illustration



Blue shade = revenue we currently expect

Pink shade = expected expenditures

Cross hatch = cushion above expected expenditures

Yellow shade = potential additional revenues and potential additional / related expenditures



# Voter Approved Funding Measures

## Education Programs and Operations Levy

Approved by voters (60.3%)

Revenues limited by state law to lower of \$2,879 per student or \$2.50 per \$1,000 of AV

## Capital Bond Levy- \$425m

Approved by voters (61.2%)

**•Prepare for continued growth.**

- Add additional classroom and program space to overcrowded schools
- Reduce the need for portable classrooms

**•Make necessary repairs to improve and modernize aging school buildings.**

- Make repairs or updates to roofing, HVAC, and heating systems where needed in our schools
- Implementing energy efficient systems where possible, to reduce our carbon footprint

**•Make safety and security updates.**

## Technology Levy - \$80m over 4 years

Approved by voters (61.9%)

The technology levy renewal funds:

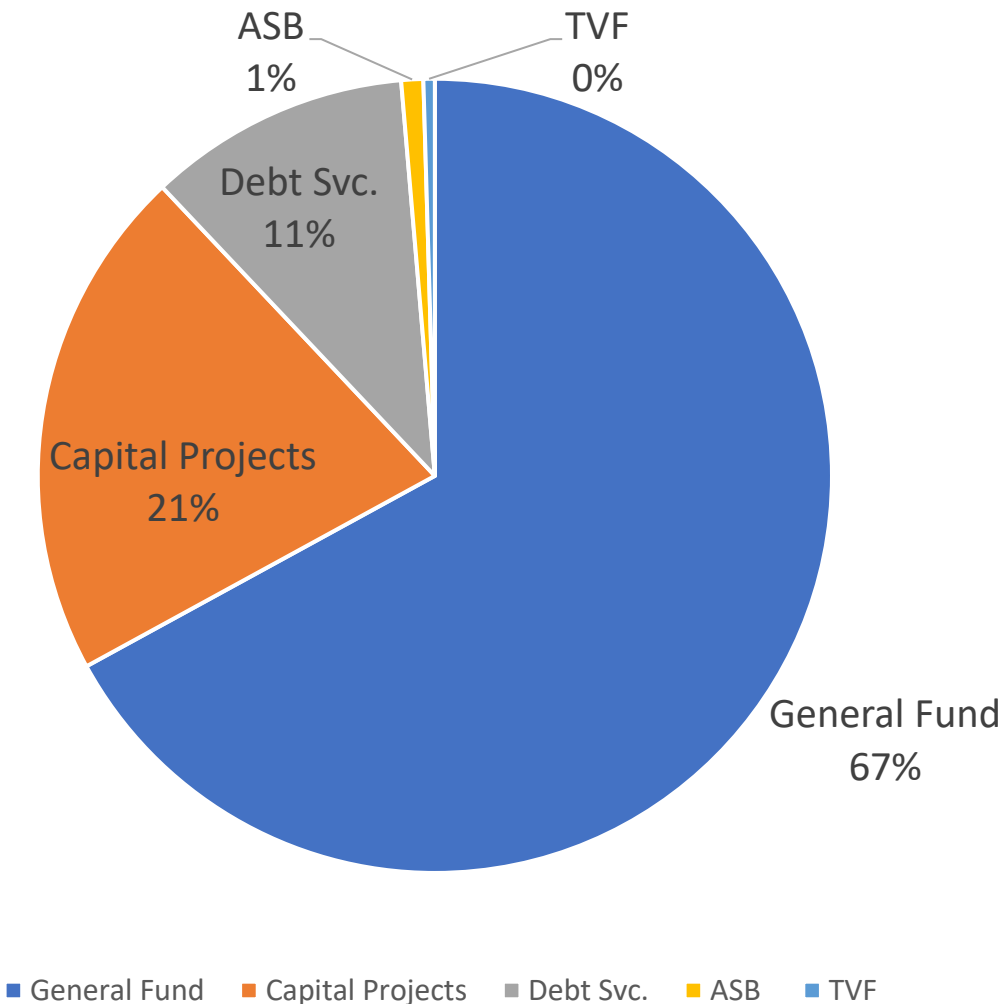
- Classroom technology to enable and support innovative learning
- Computers, software systems, and applications for all students and staff
- Training and technology support for students, staff, and families
- Adaptive technologies providing opportunities for individualized learning and improved accessibility for students





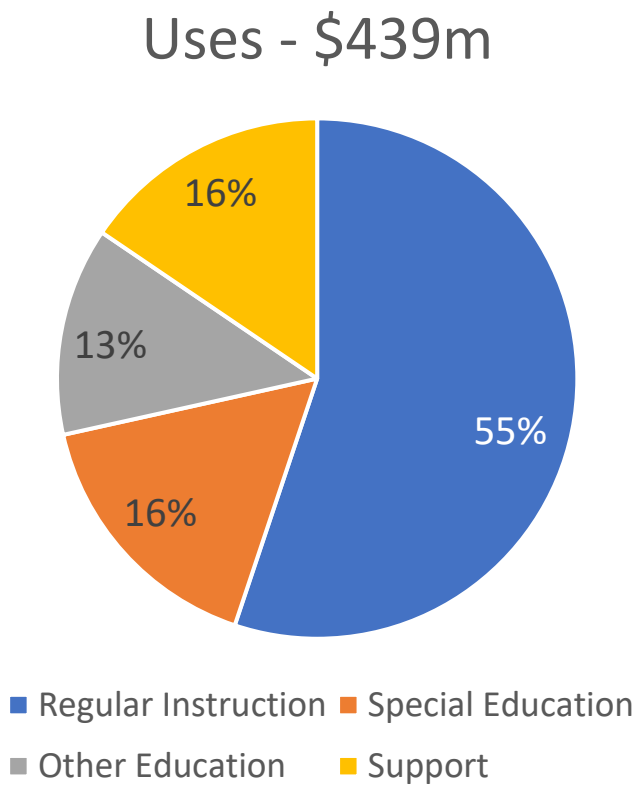
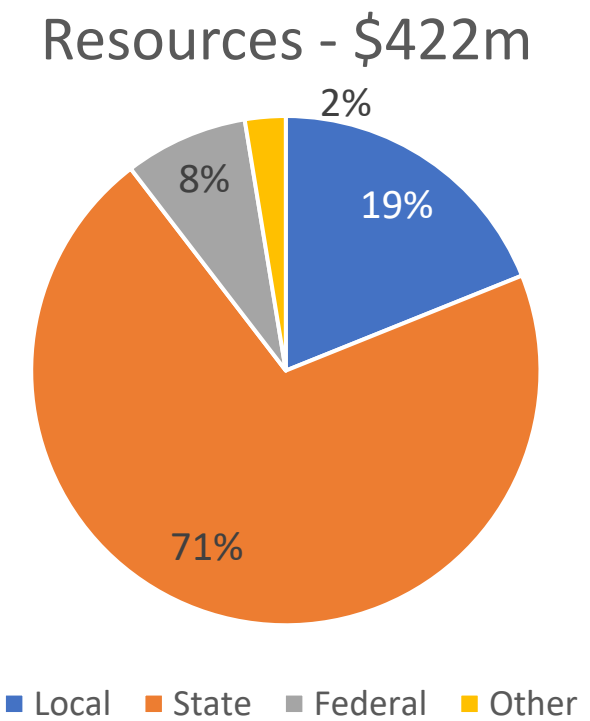
# Financial: Summary by Fund

	(thousands)
General	\$439,120
Capital Projects	138,723
Debt Service	70,000
Associated Student Body	5,856
Transportation Vehicle	<u>3,035</u>
Total All Funds	\$656,734





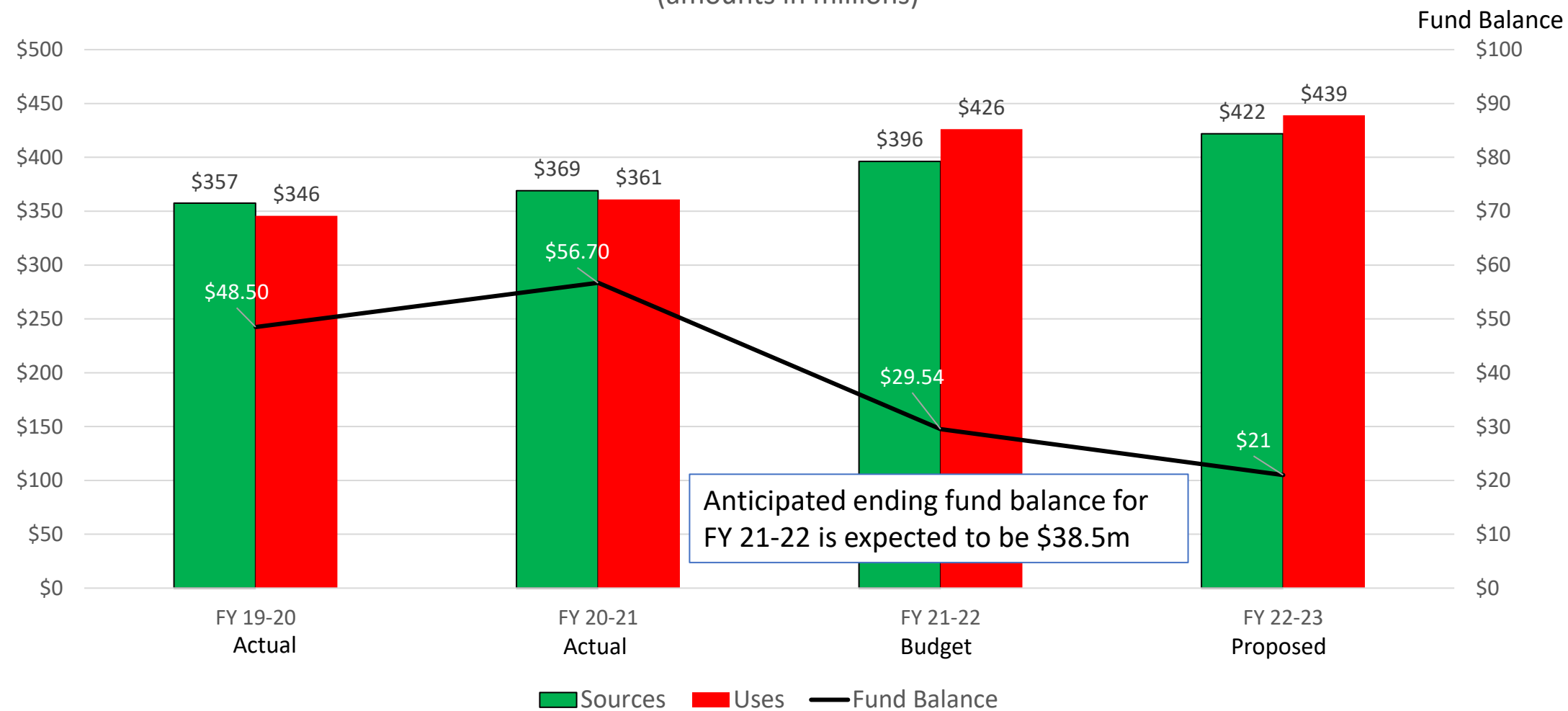
Sources and Uses – General Fund Only  
FY 2022-23





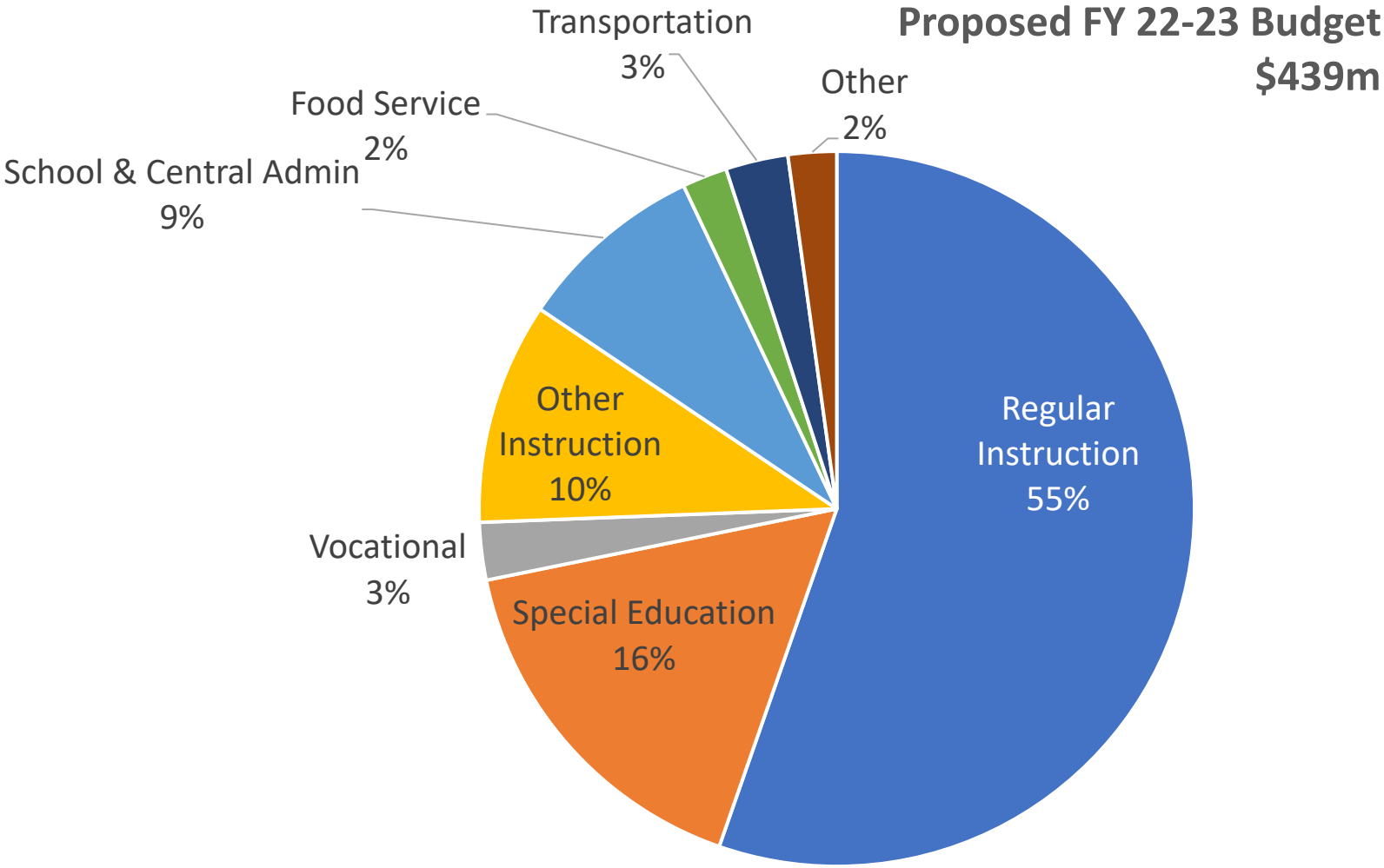
# Financial Context

General Fund - Sources and Uses Comparisons– without Fund Balance  
(amounts in millions)





# Financial: General Fund Expenditures by Program

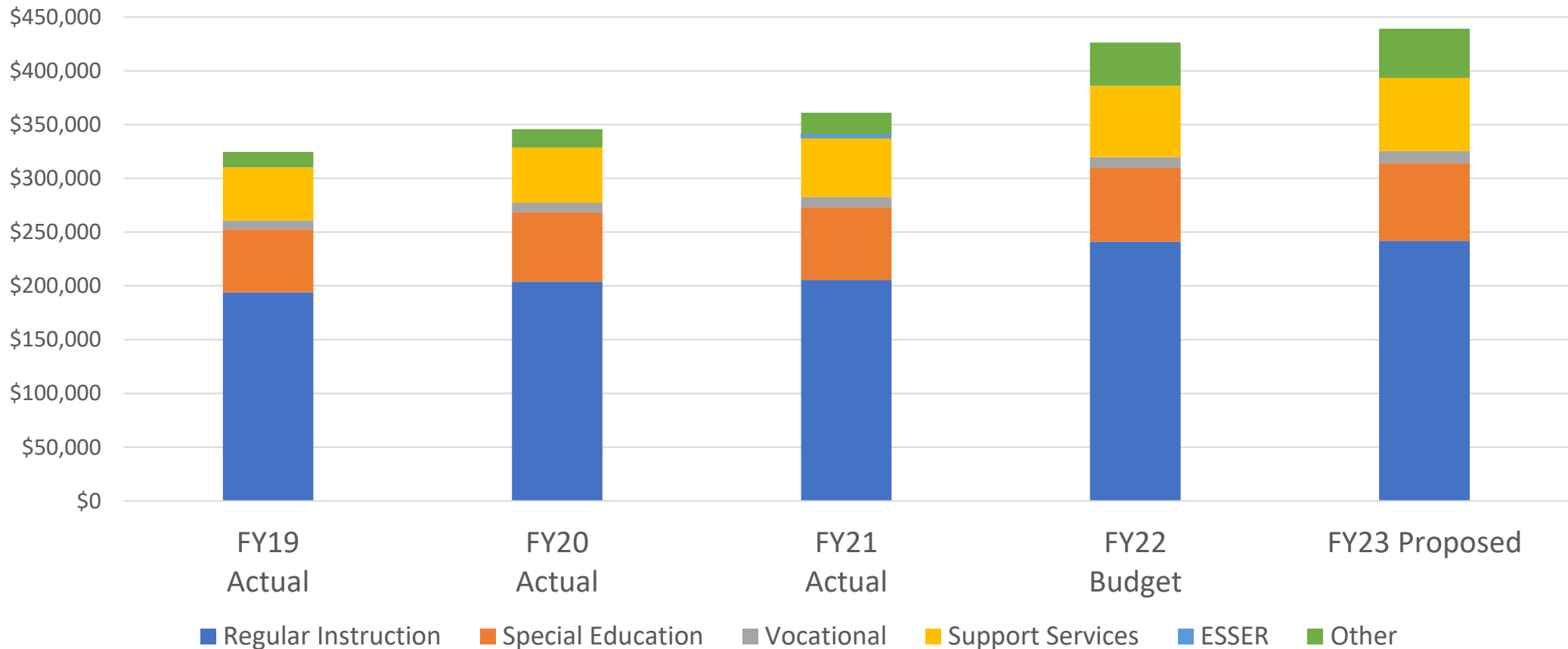






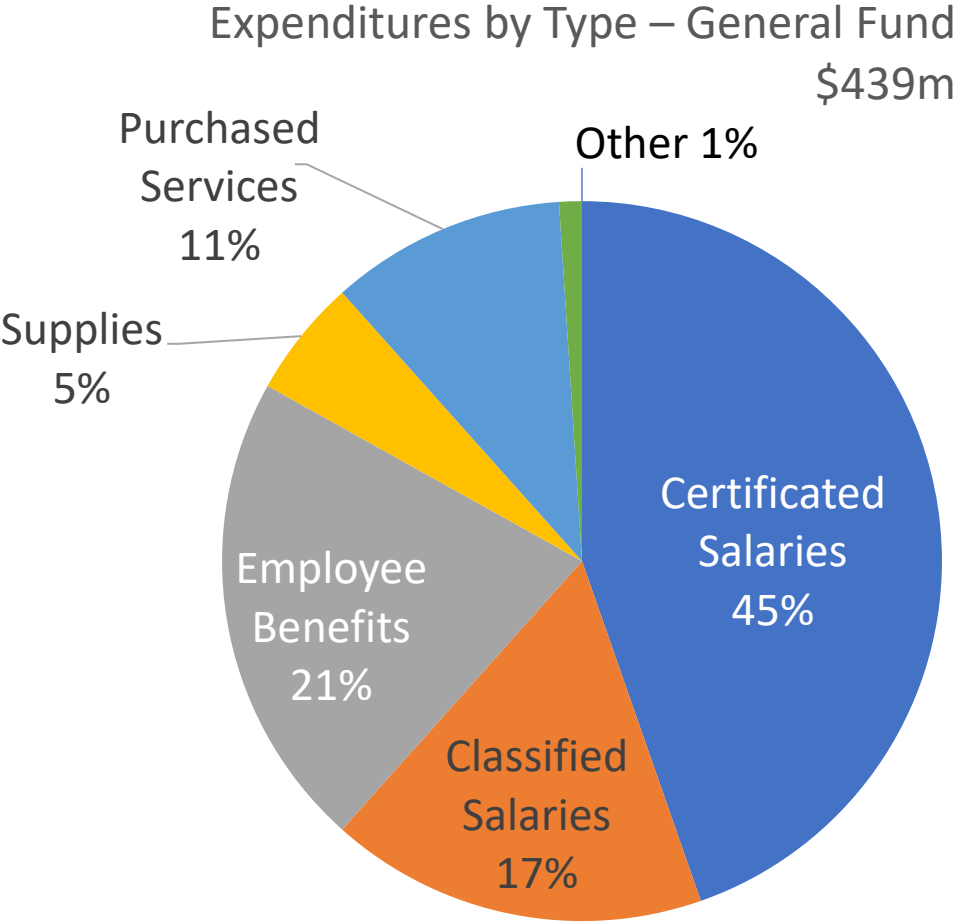
# Financial: Uses of Funds – by Program

Expenditures by Program – General Fund  
Amounts in thousands





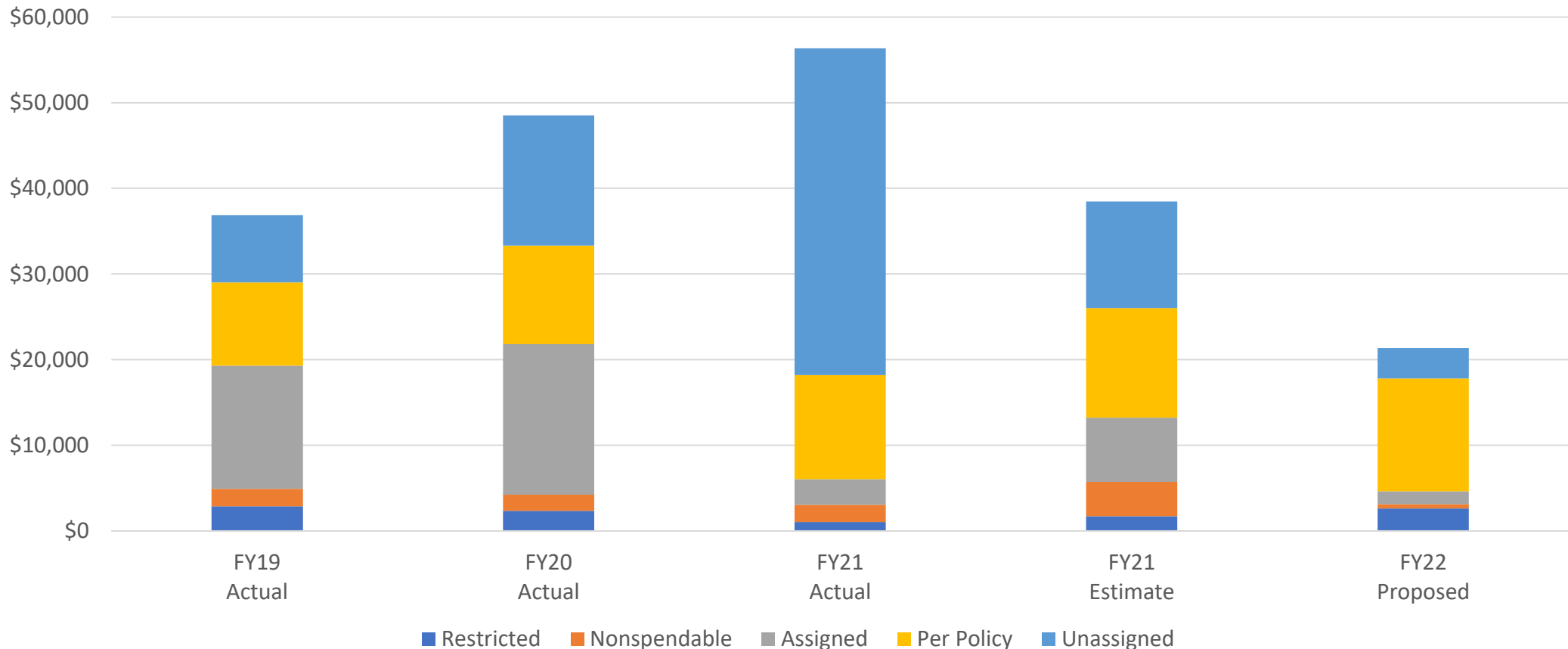
# Financial: Uses of Funds by Type of Expenditure





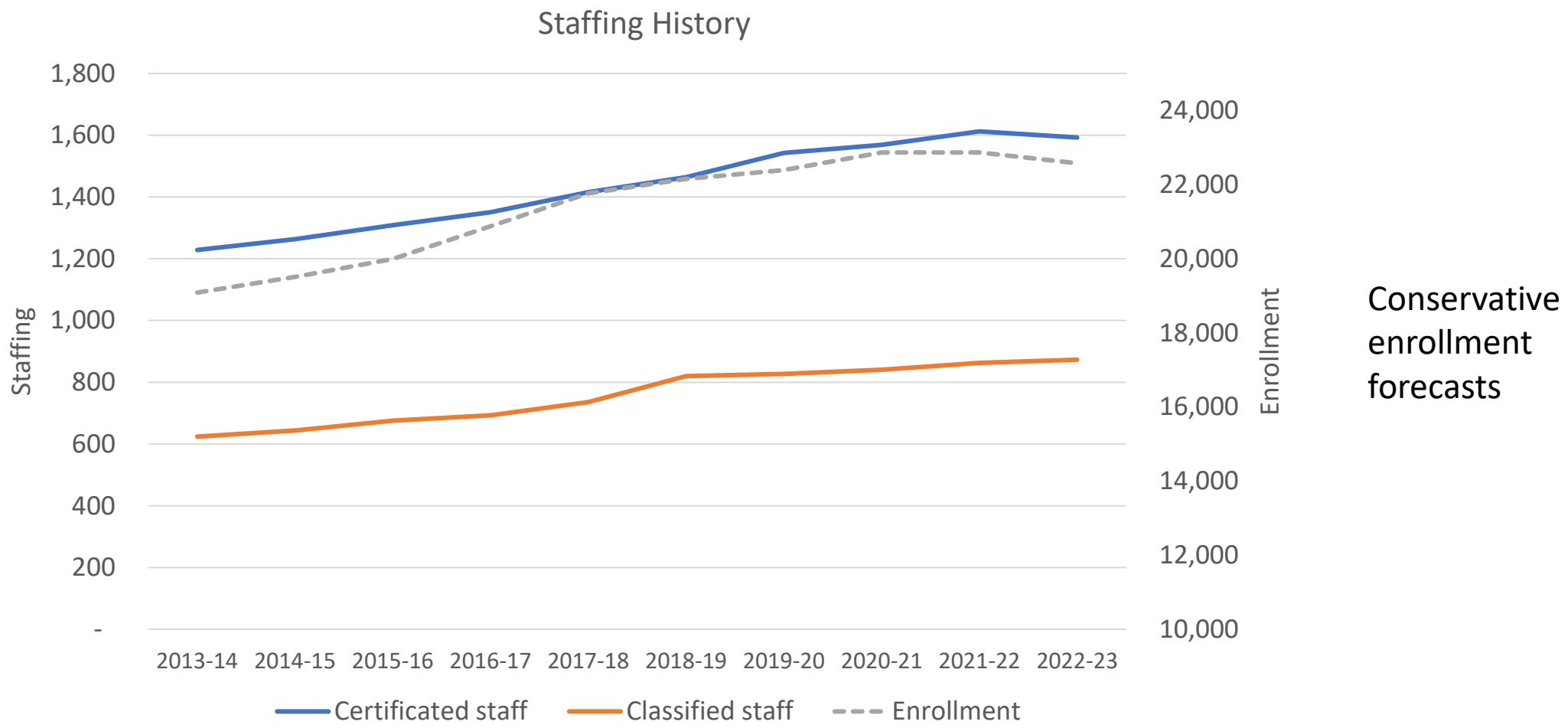
# Financial: Fund Balances

Ending Fund Balances by Type – General Fund  
Amounts in thousands





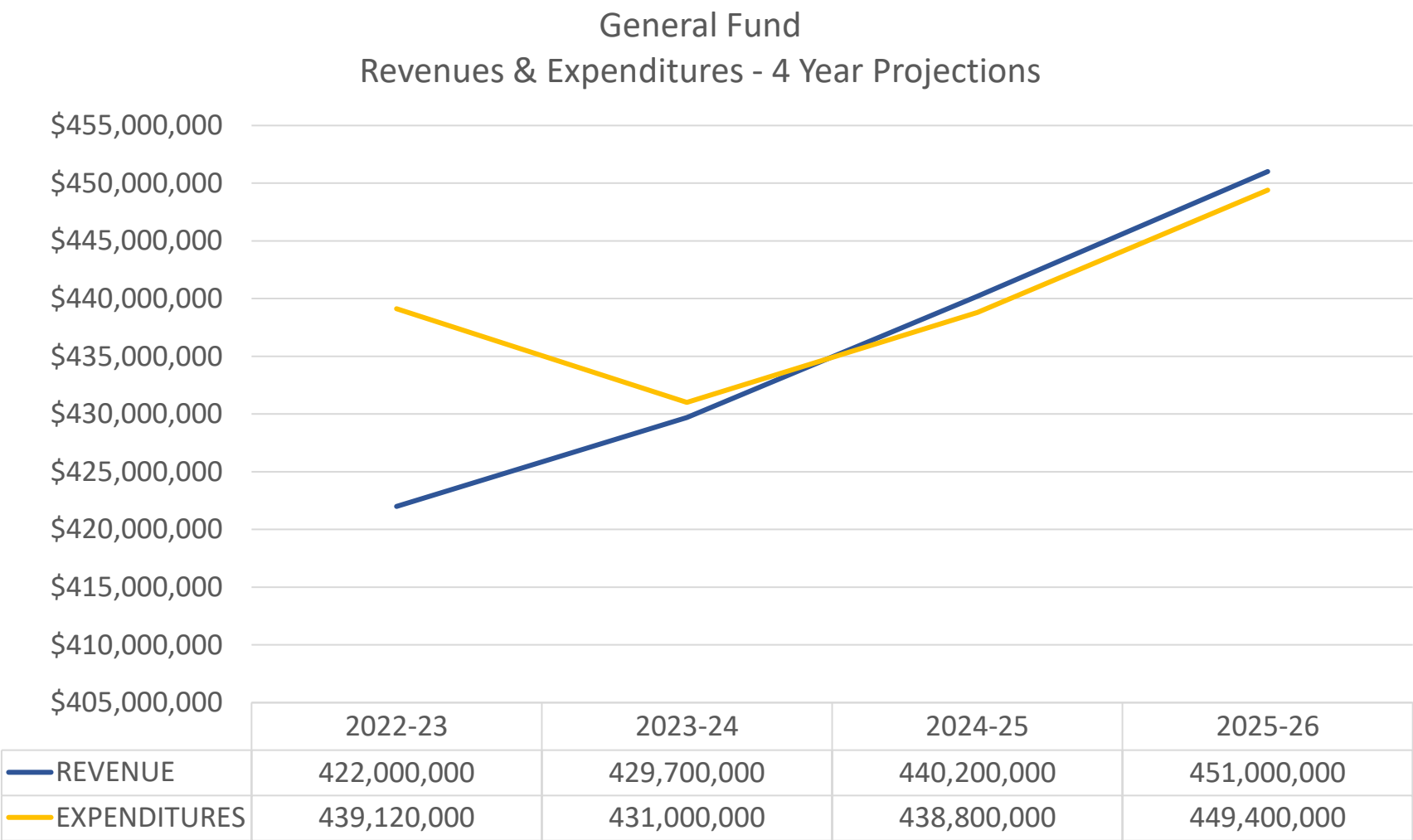
# Financial: Fund Balances





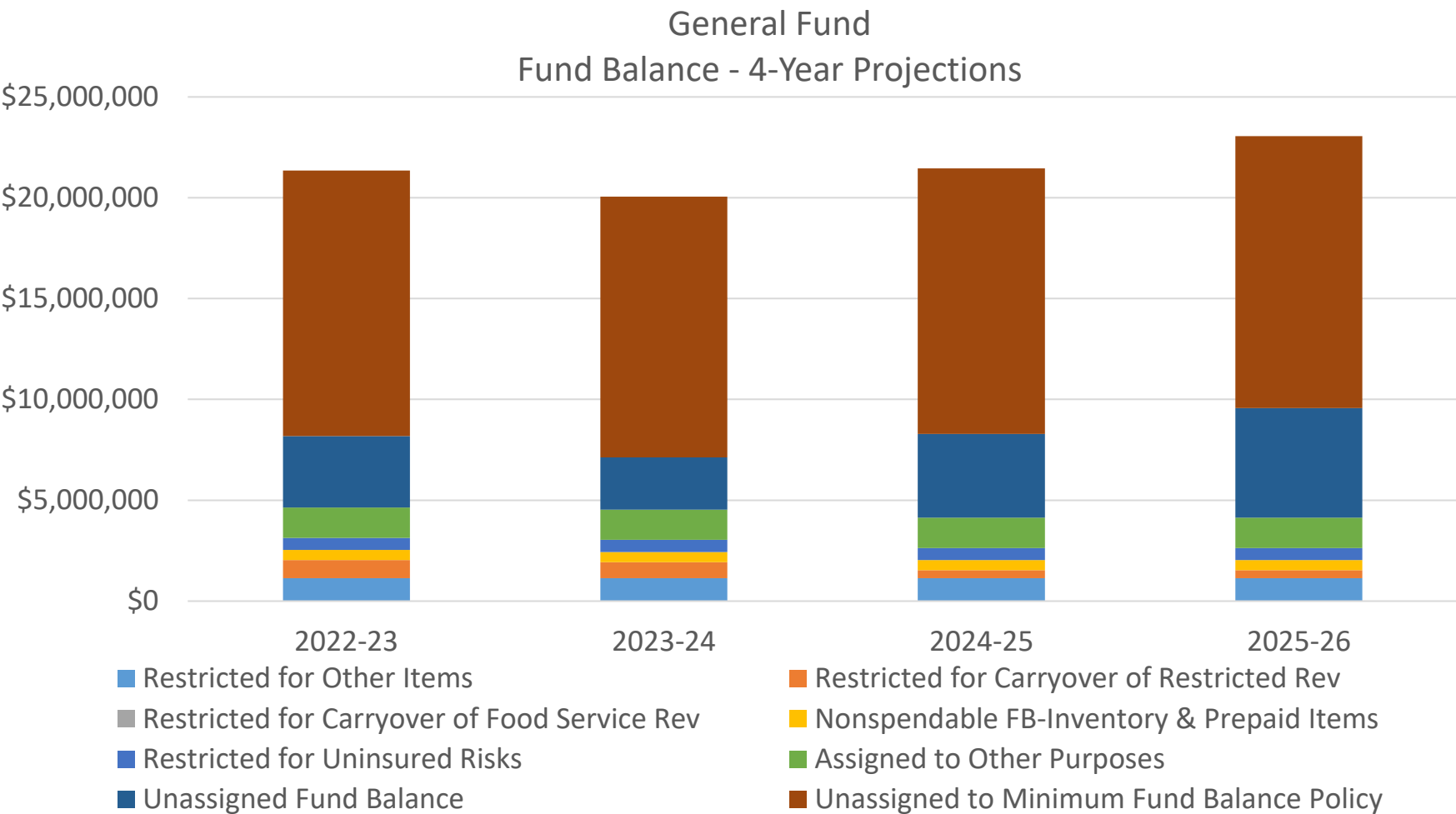


# Financial: Four Year Budgets





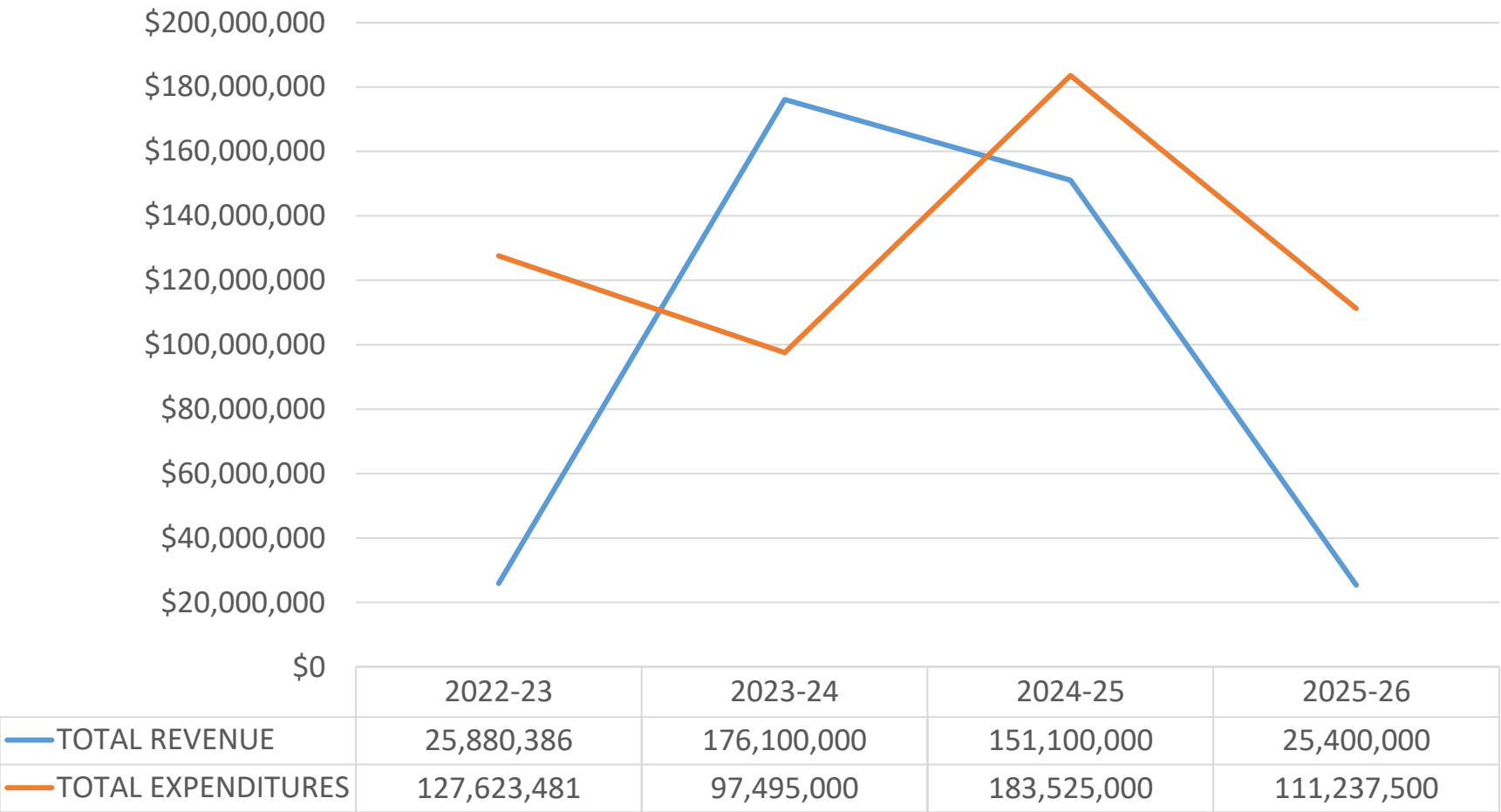
# Financial: Four Year Budgets





# Financial: Four Year Budgets

Capital Projects Fund 4-Year Budget Summary

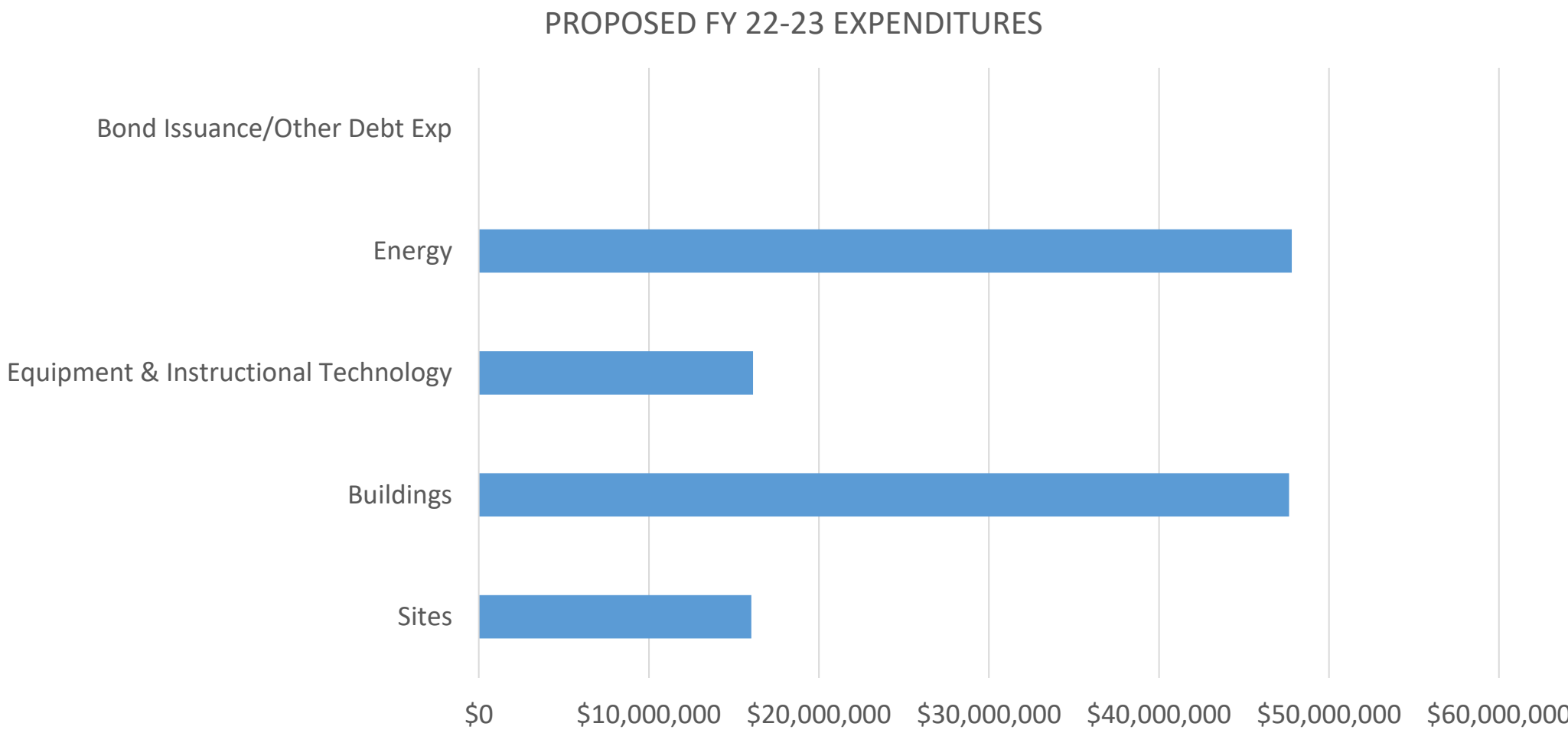


Bond sales anticipated  
in FY:

- 21-22
- 23-24
- 24-25



# Capital Projects: Highlights

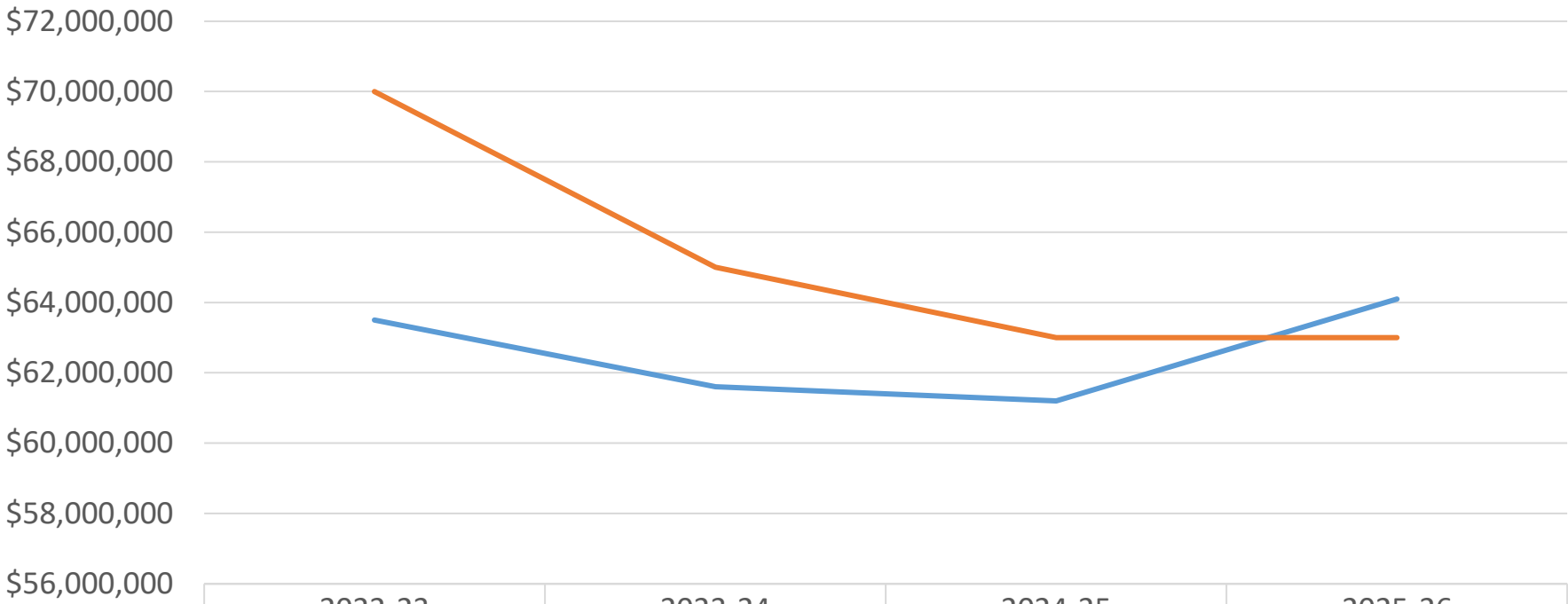






# Financial: Four Year Budgets

Debt Services Fund 4-Year Budget Summary



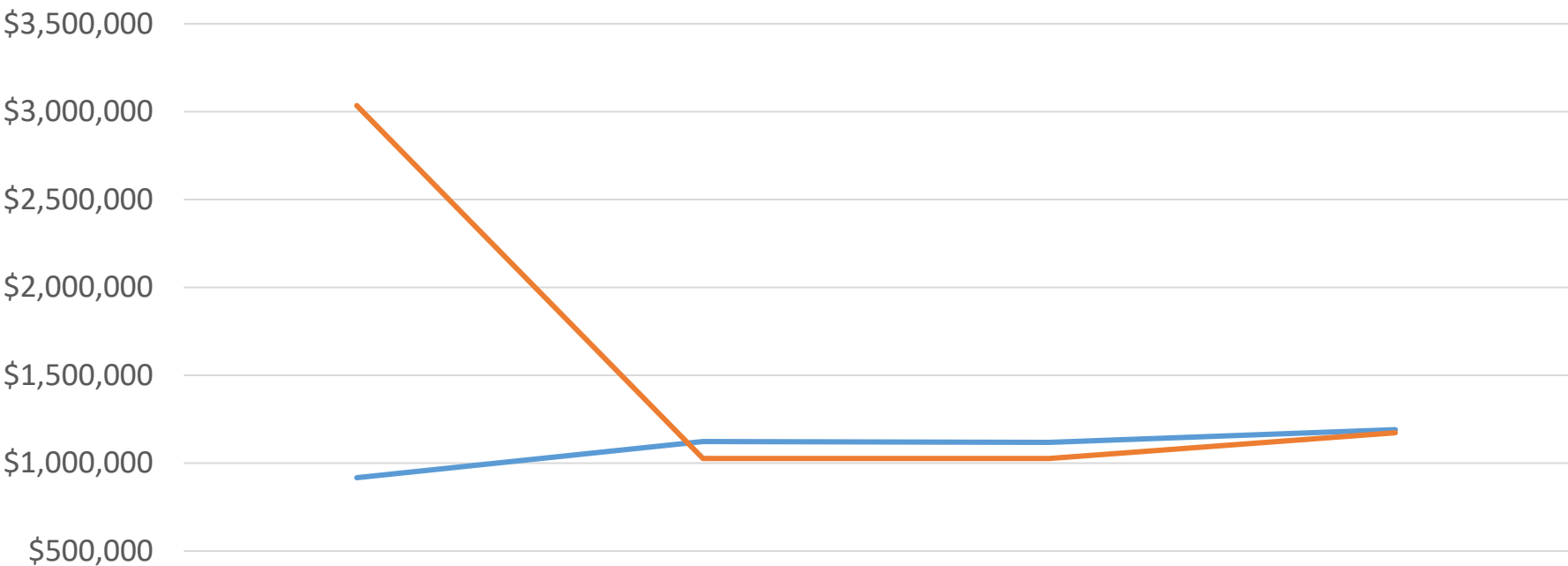
Utilizes fund  
balance in  
FY 22-23

	2022-23	2023-24	2024-25	2025-26
REVENUE	63,500,000	61,600,000	61,200,000	64,100,000
EXPENDITURES	70,000,000	65,000,000	63,000,000	63,000,000



# Financial: Four Year Budgets

Transportation Vehicle Fund 4-Year Budget Summary



Utilizes fund  
balance in  
FY 22-23

	2022-23	2023-24	2024-25	2025-26
REVENUE	916,508	1,122,089	1,118,156	1,189,710
EXPENDITURES	3,035,173	1,025,434	1,025,434	1,171,924



## Transportation Vehicle Fund: Highlights



Propane Bus \$107K/Each

The \$3M of TVF budgeted expenditures is estimated to purchase buses.



Electric Buses \$390K/Each

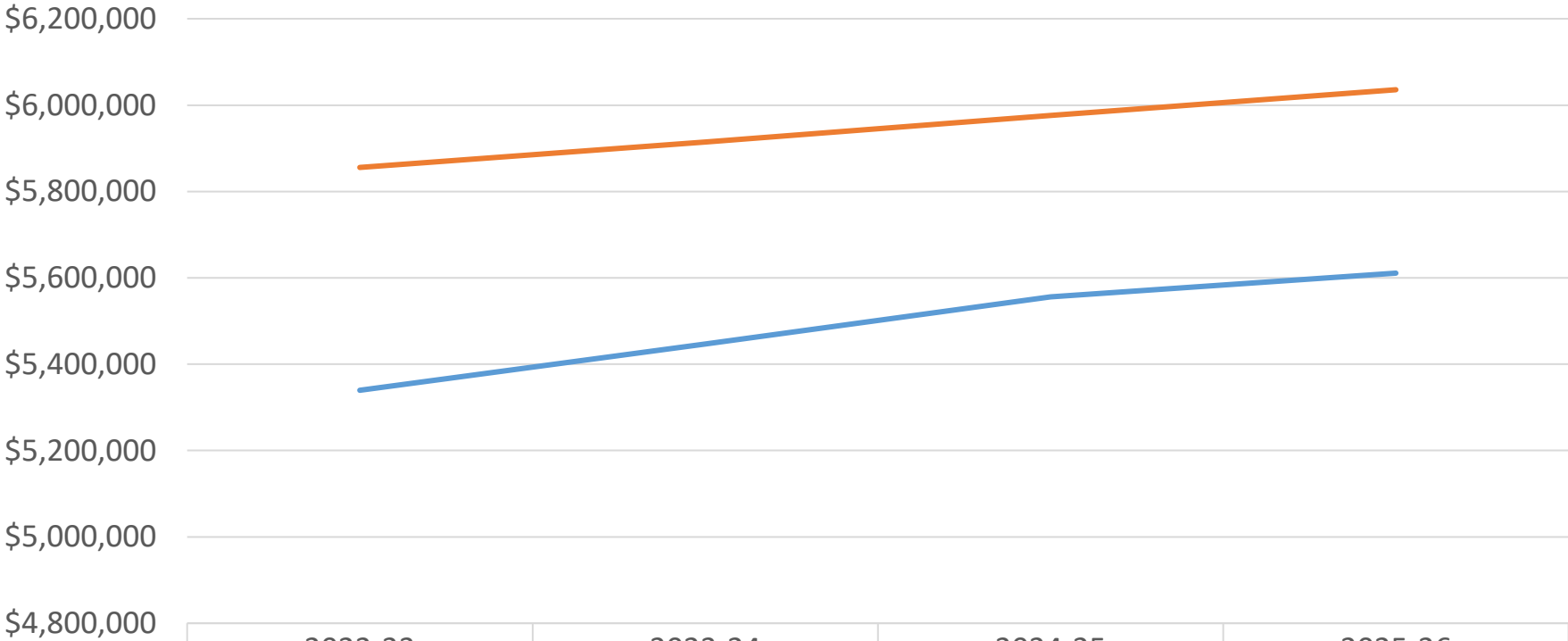


Diesel Bus \$148K/Each



# Financial: Four Year Budgets

ASB 4-Year Budget Summary



Utilizes fund balance in each year’s forecast

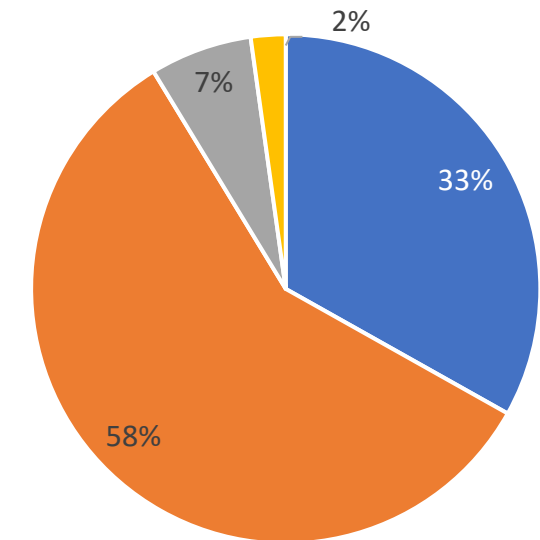
	2022-23	2023-24	2024-25	2025-26
REVENUE	5,339,860	5,447,000	5,556,000	5,611,000
EXPENDITURES	5,855,836	5,915,000	5,976,000	6,036,000





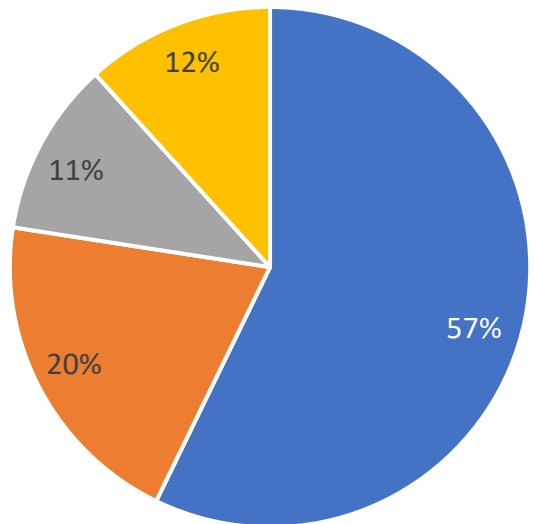
Sources and Uses – All District Funds Combined  
FY 2022-23

Resources - All Funds \$518m



■ Local ■ State ■ Federal ■ Other

Uses - All Funds \$657m



■ Instruction ■ Capital ■ Debt ■ Other

Note:  
Difference in  
resources and  
uses largely  
represents timing  
in the Capital  
Projects Fund



Communications is an objective of the GFOA budget peer review program

Their feedback was very positive overall. Some suggestions include:

1. Improve information on the selection process for capital improvements
2. Improve the illustration of measurement of results against stated goals
3. Date the budget messages – make it clear they are “official”
4. Clarify the budget amendment (extension) process

We’ve worked to address these comments





# Required Materials, Supplies, and Operation Costs Disclosure

**MSOC BUDGET PROVISIO LANGUAGE**  
**Supplemental Budget, Section 502(8)(a)(ii) states:**

"As part of the budget development, hearing, and review process required under RCW 28A.505, each school district must disclose; (A) the amount of state funding to be received by the district under (a) and (d) of this subsection (8); (B) the amount the district proposes to spend for materials, supplies and operation costs, (C ) the difference between these two amounts; and (D) if (A) of this subsection (8)(a)(ii) exceeds (B) of this subsection (8)(a)(ii), any proposed use of this difference and how this use will improve student achievement."

Northshore School District No. 17417		
2022-23 Materials, Supplies, and Operation Costs (MSOC) Disclosure		
<b>F-203 State Revenue for MSOCs:</b>		
Regular Education MSOC	\$ 29,605,572	subsection (a) of Section 502(8)
Grades 9-12 Additional MSOC	\$ 1,248,188	subsection (d) of Section 502(8)
<b>(A) MSOC Allocation</b>	<b>\$ 30,853,760</b>	
<b>(B) F-195 Budgeted Expenditures for MSOCs:</b>	<b>\$ 39,248,795</b>	
<b>(C ) Difference</b>	<b>\$ (8,395,035)</b>	
<b>(D) Not applicable</b>		

In the previous year the difference was \$(17,380,403). The difference has decreased due to the removal of one-time only MSOC expenditures that were largely due to COVID.

“The school budget document may be the most important single publication that any school system presents to the local citizens. It is the instrument that sets forth a financial plan for the achievement of the goals and objectives of each school district. It is also the community’s educational plan expressed in dollars.”

# Questions and Discussion

