



Northshore
School District

Budget Study Session

September 26, 2023





Agenda

1. Budget guiding principles
2. Budget Development timeline
3. Enrollment and other updates
4. Fiscal update and review of 4 year projections
5. Communication plan/timeline



Budget Guiding Principles - Proposed

1. Comply with state mandates (whether funded or not).
2. Honor the District Strategic Plan as the foundational policy guidance (including its focus on Racial and Educational Justice as well as student outcomes).
3. Conform with adopted, existing school board policies.
4. Minimize the impact on students both in the classroom and in their educational experiences.
5. Keep schools open.
6. Comply with negotiated agreements.
7. Minimize reduction in force (RIF).
8. Preserve consistent and predictable operations and services to the extent possible while working to avoid any additional burdens on the work within classrooms.



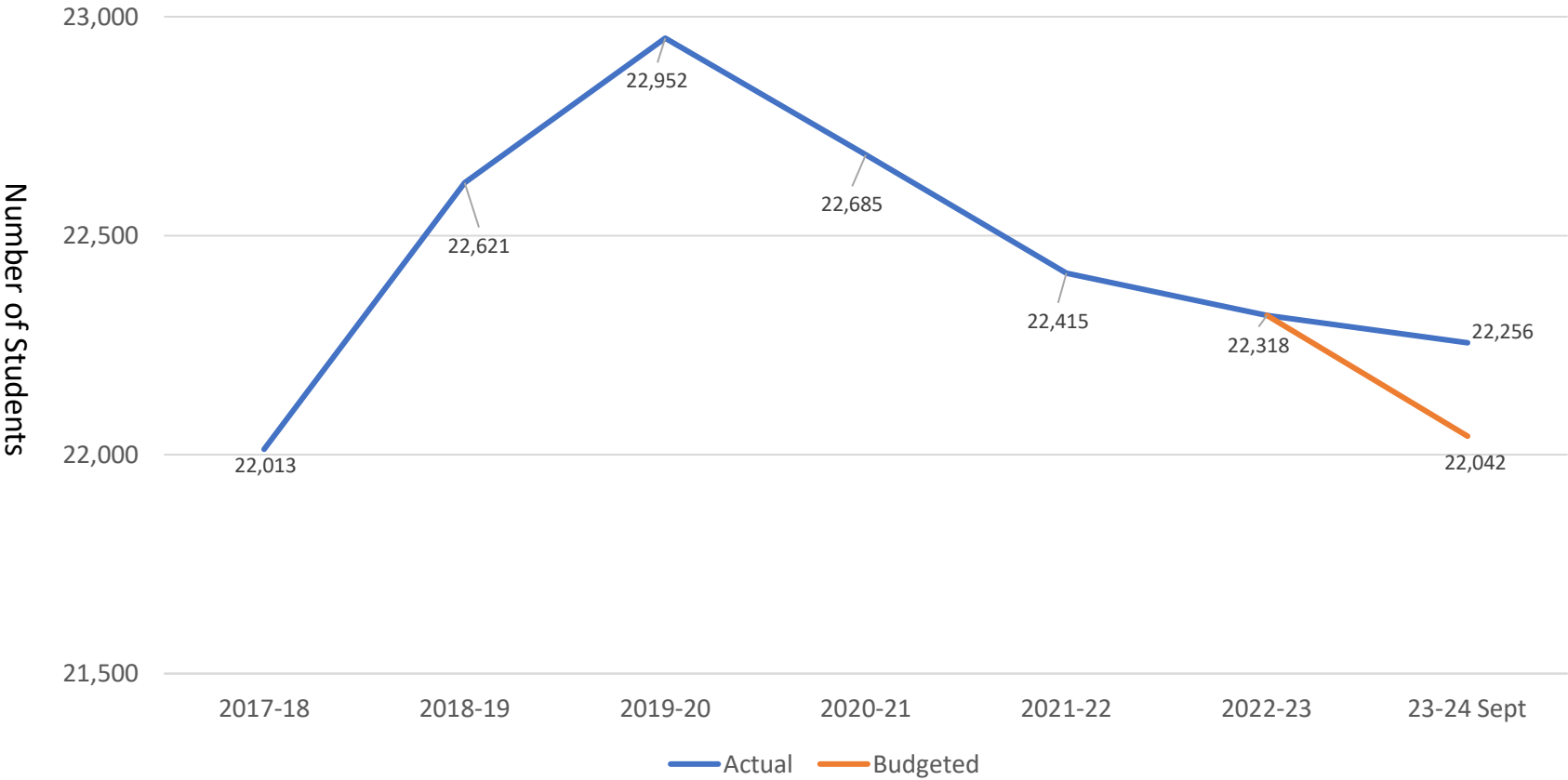
FY 2024-25 Budget Development Calendar - Proposed

- **September 26, 2023** - Budget Study Session
- **November 13, 2023** - Budget Study Session
 - Review 2022-23 final numbers
- **December 11, 2023** – Budget Study Session, recommendations from Superintendent
- **January 16, 2024** - Budget Study Session to review and finalize recommendations
 - Review allocation changes
 - Review overall major budget changes
- **January 15 to February 1** - Central budgets developed
- **February 29, 2024** - Budget Allocations to Schools
- **March 11, 2024** - Budget Study Session
- **May 2024** - Final General Fund Balancing
- **May 13, 2024** - Budget Study Session
- **June 24, 2024** - Introduce Budget to Board and Required Public Hearing
- **July 8, 2024** - Board Action to adopt school year 2024-25 budget

Enrollment and Other Updates



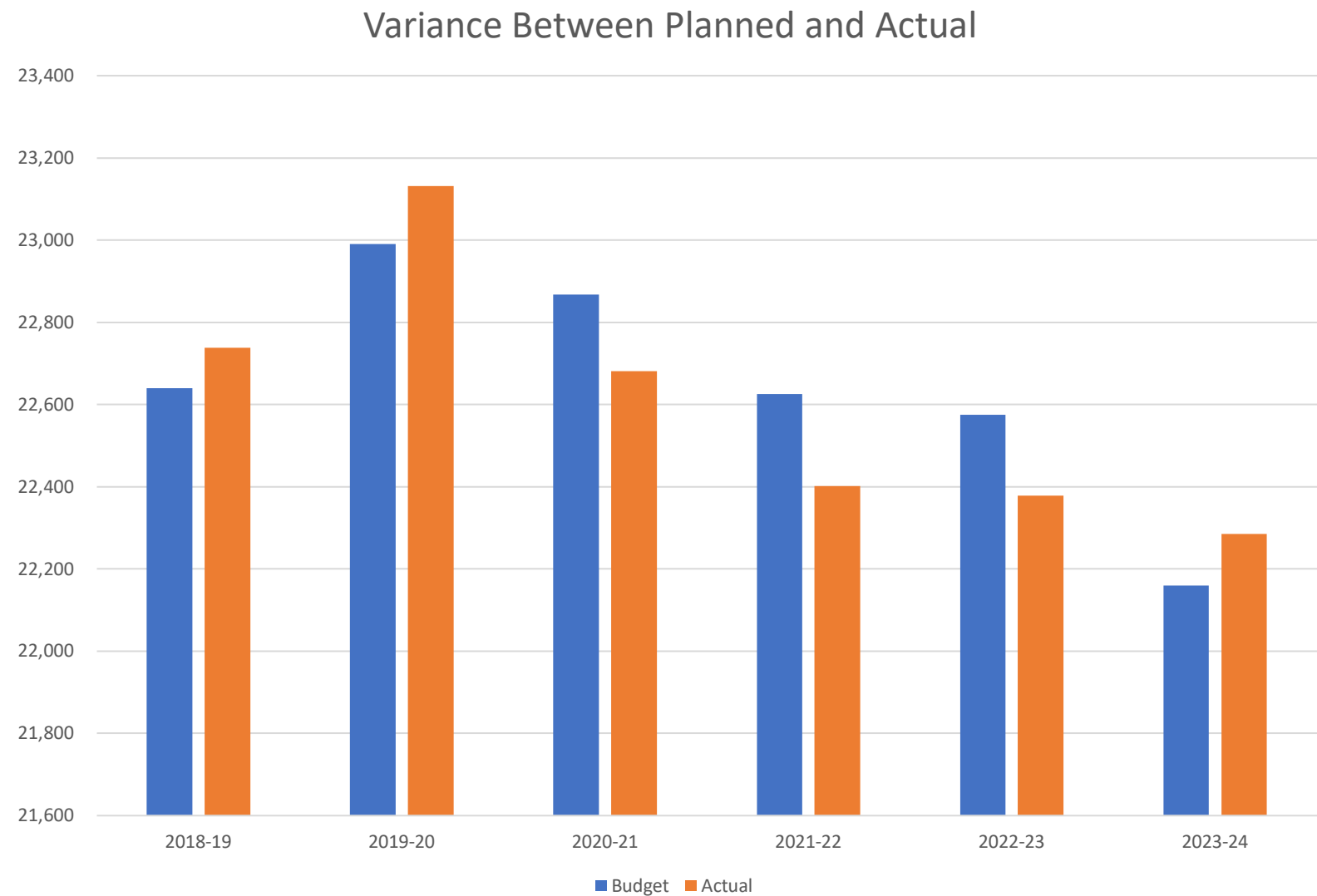
Enrollment - Headcount



Source: Actual October 1 Headcount for 2017-18 thru 2022-23, per OSPI report 1251H.
2023-24 reflects headcount enrollment as of September 14th, not including Running Start or Open Doors program enrollment.



Enrollment – Annual Average Full Time Equivalent (AAFTE)



Including Running Start and Open Doors Enrollment
2023-24 reflects FTE counts as of September 14th , and budgeted Running Start enrollment



Enrollment

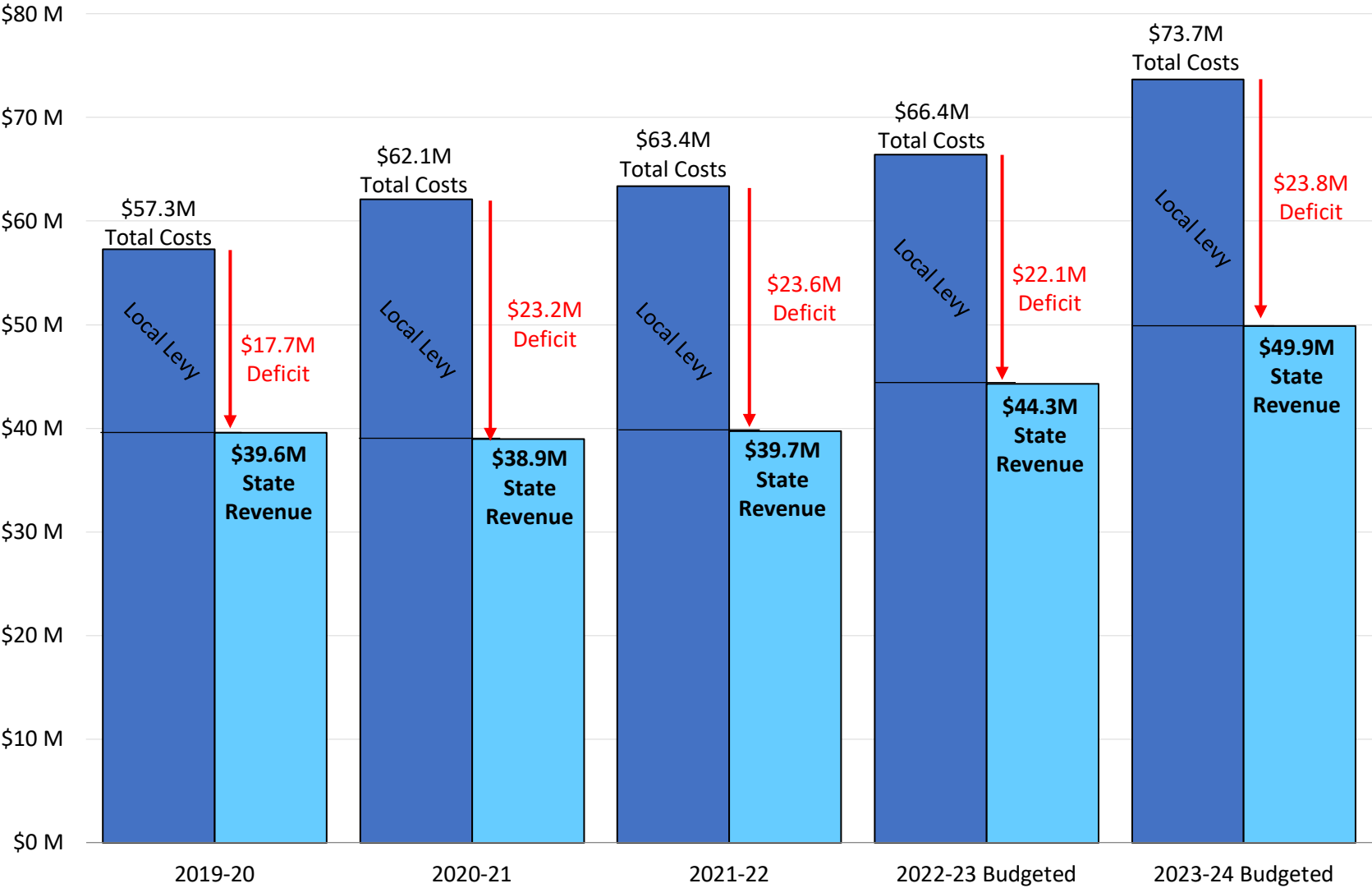
Grade	Head Count as of 09-14-23	Prior Year Average FTE 22-23	Budgeted FTE 23-24	Actual FTE as of 09-14-23	Difference
Kindergarten	1,457.00	1,530.93	1,487	1,453.25	-34.05
Grade 1	1,587.00	1,723.67	1,614	1,583.82	-30.08
Grade 2	1,738.00	1,657.82	1,750	1,735.18	-14.62
Grade 3	1,662.00	1,749.40	1,647	1,659.82	12.92
Grade 4	1,772.00	1,749.67	1,739	1,767.94	29.44
Grade 5	1,745.00	1,709.85	1,735	1,743.89	8.89
Grade 6	1,731.00	1,731.24	1,682	1,725.96	43.56
Grade 7	1,763.00	1,750.18	1,714	1,758.74	44.54
Grade 8	1,758.00	1,709.03	1,725	1,756.29	30.89
Grade 9	1,774.00	1,857.60	1,761	1,773.15	12.55
Grade 10	1,881.00	1,781.81	1,838	1,875.33	37.73
Grade 11	1,689.00	1,628.53	1,567	1,578.14	10.74
Grade 12	1,699.00	1,417.39	1,511	1,483.93	-26.67
Totals	22,256.00	21,997.12	21,770	21,895.44	125.84
Running Start					
		Prior Year Average FTE 22-23	Budgeted FTE	Actual FTE as of 09-14-23	Difference
Academic RS FTE		342.89	361.00	N/A ¹	N/A ¹
Vocational RS FTE		27.21	19.00	N/A ¹	N/A ¹
Total Running Start		370.10	380.00	N/A ¹	N/A ¹
Open Doors (1418)					
		Prior Year Average FTE 22-23	Budgeted FTE	Actual FTE as of 09-14-23	Difference
Open Doors FTE		10.8	10.00	10.00	0.00

(1) Running Start enrollment numbers are not yet available. Fall quarter begins October.

Fiscal update and review of 4-year projections



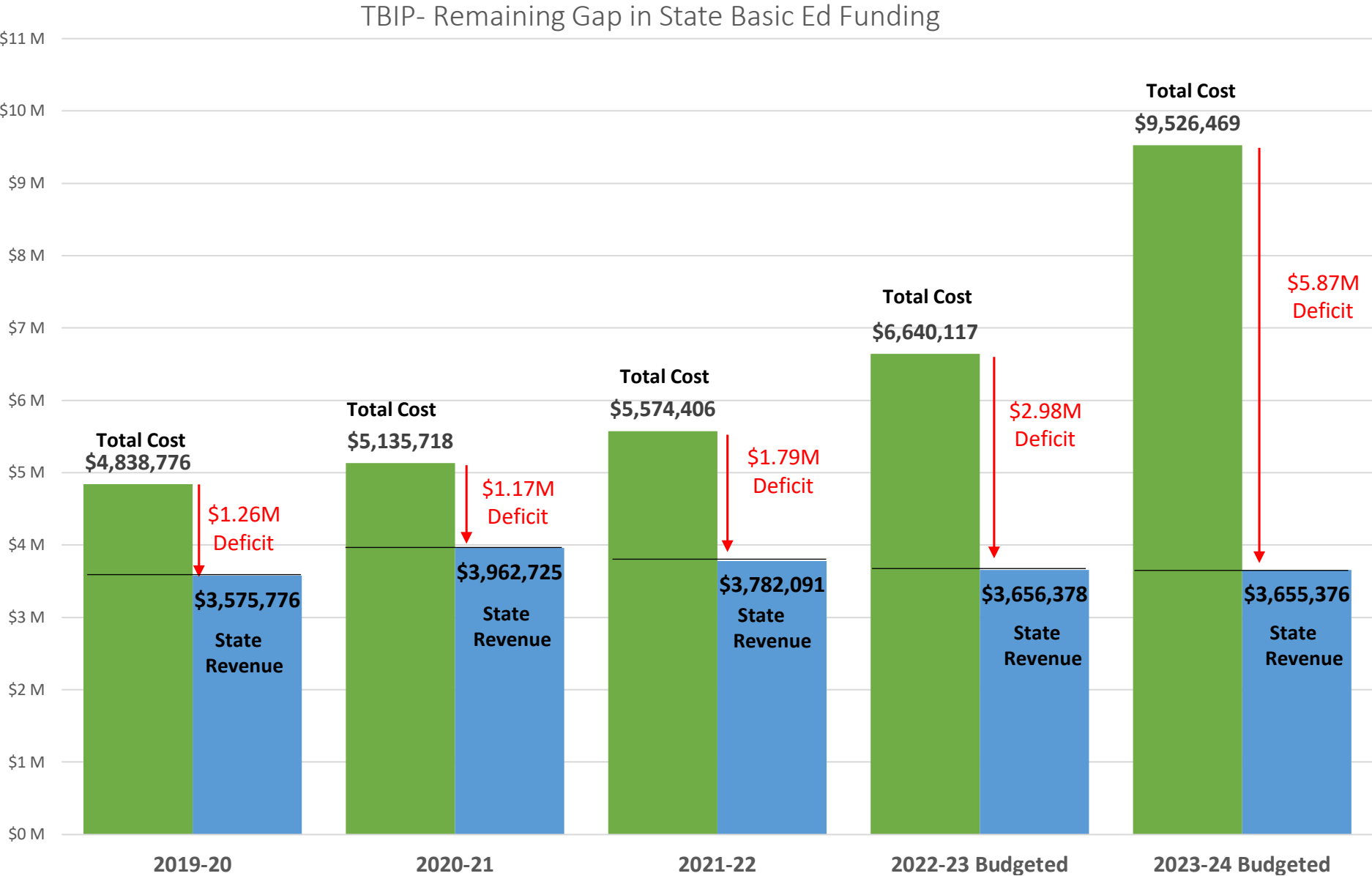
Special Ed – Remaining Gap in State Basic Ed Funding



Actuals as of 8/30/23
Costs \$71.4M
Revenue \$45.2M
Deficit \$26.2M



TBIP –Gap in State Basic Ed Funding



Actuals as of 8/30/23
Costs \$8.2M
Revenue \$4.3M
Deficit \$3.9M



State Prototypical Funding Compared to Allocations for 2023-24

Basic Ed ONLY

(FTE Staff Units)

<u>School-Based Funding</u>	<u>State Prototypical</u>	<u>NSD Allocation for Schools</u>	<u>Difference</u>
Teachers	1,001.23	1,055.30	54.28
Principals & Assistant Principals	61.65	63.75	2.04
Librarians/Media Specialists	27.21	36.00	9.04
Nurses	21.28	25.89	4.61
Counselors, Social Workers, Psychs	70.29	101.90	31.61
School Office Support	102.45	88.46	<13.99>
Parent Involvement, Teaching Assistance*	39.24	50.14	10.90
Custodians	87.04	87.00	<.04>
Student/Staff Security	<u>4.14</u>	<u>12.71</u>	<u>8.57</u>
TOTAL School-based	1,414.32	1,521.15	106.83
Central-based	<u>132.47</u>	<u>158.25</u>	<u>26.7</u>
TOTAL School-based & Central-based	1,546.79	1,679.40	132.61

* Note: the NSD formula does not allocate staff in FTE units; instead, we use discretionary allocation to hire hourly staff. This category includes Library Techs and School Tech Specialists (STS).



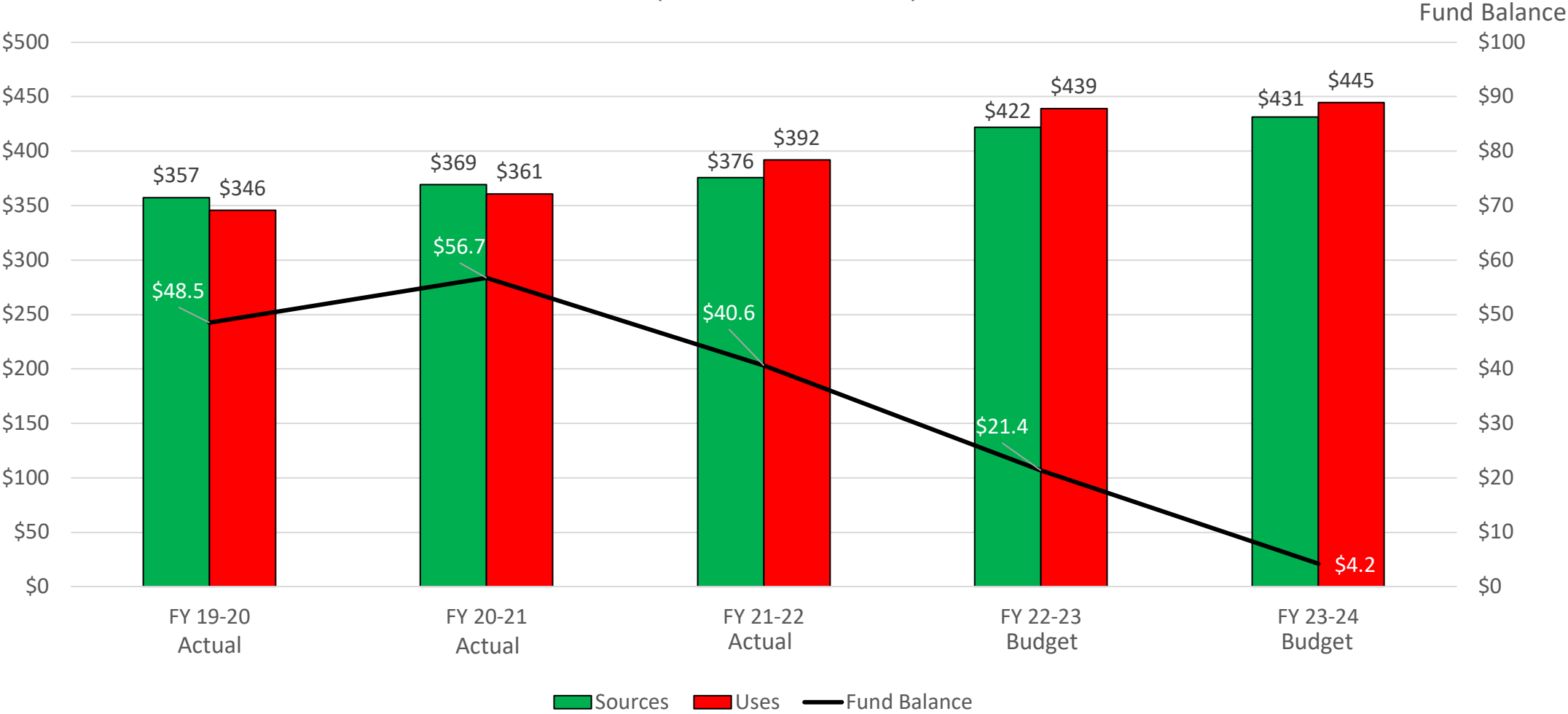
Total Resources per Student (excluding SpEd & ELL)

Elementary Schools		2023-24
Lowest		\$ 9,566
Average		\$ 10,545
Highest		\$ 12,060
Middle Schools		
Lowest		\$ 7,984
Average		\$ 8,453
Highest		\$ 8,943
High Schools		
Lowest		\$ 8,619
Average		\$ 9,024
Highest		\$ 9,476
Non Traditional		
Lowest		\$ 10,550
Average		\$ 14,575
Highest		\$ 21,651



Financial Context

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





Four Year Budget

General Fund

	2023-24	2024-25	2025-26	2026-27
Beginning Fund Balance	\$17.4	\$4.2	\$(13.8)	\$(36.7)
Revenue	\$431.3	\$439.9	\$448.7	\$457.7
Expenditures	\$444.5	\$457.9	\$471.6	\$485.7
Difference Revenues v Expenditures	\$(13.2)	\$(18.0)	\$(22.9)	\$(28.0)
Ending Fund Balance	\$4.2	\$(13.8)	\$(36.7)	\$(64.7)

Assumptions:

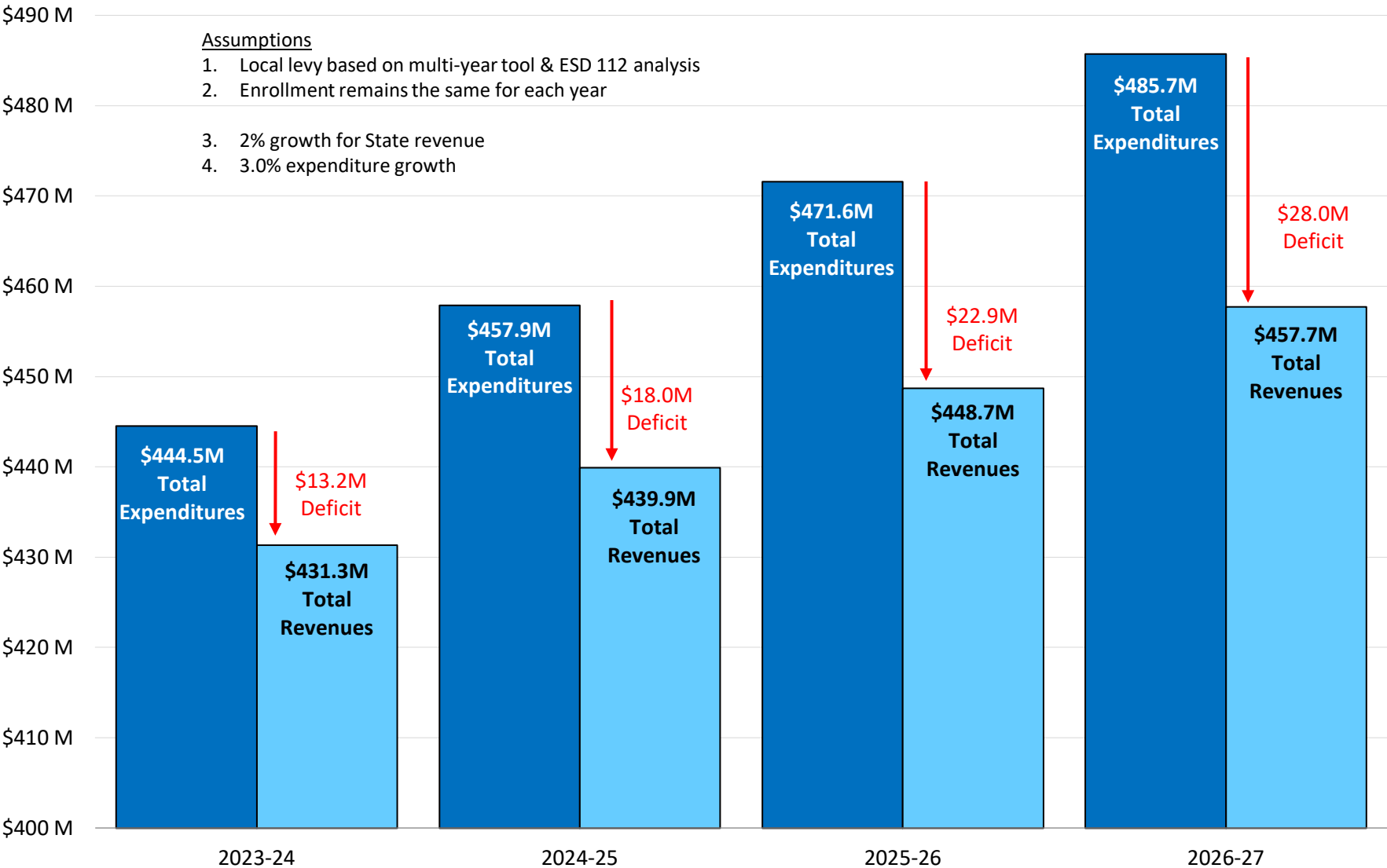
- Enrollment assumptions held “flat” (no change from year to year in forecast)
- Revenues grow two-percent annually (based on history and expectations)
- Expenditures grow three-percent annually (based on history) with current staff levels



Budget Outlook

Budget Outlook Summary For School Years 2023-24 through 2026-27

All numbers are estimates as of July 2023





Adjusted Fund Balance Four Year Outlook

Four Year Outlook							
General Fund Position over three years		2023-24	2024-25		2025-26		2026-27
Revenues		\$ 431,300,000	\$ 439,900,000		\$ 448,700,000		\$ 457,700,000
Expenditures		\$ 444,530,000	\$ 457,900,000		\$ 471,600,000		\$ 485,700,000
Resource Gap		\$ (13,230,000)	\$ (18,000,000)		\$ (22,900,000)		\$ (28,000,000)
Restore Minimum Fund Balance		\$ -	\$ (8,000,000)		\$ (8,000,000)		\$ (8,000,000)
Current Potential Solutions							
Solutions	Available resources -			Available resources -			Available resources -
	Zero at end of 23-24	Current Plan	Current Plan	at end of 24-25	Potential	at end of 25-26	Potential
Fund Balance	\$ 1,496,881	\$ 1,496,881	\$ -	\$ -	\$ -	\$ -	\$ -
Minimum Fund Balance Reserve	\$ 11,733,119	\$ 11,733,119	\$ -	\$ 8,000,000	\$ -	\$ 16,000,000	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total remaining gap		\$ -	\$ (26,000,000)		\$ (30,900,000)		\$ (36,000,000)
Reduction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IPD only <i>estimated as of 9/25/23</i>			\$ 5,000,000				
Reductions in prior years	\$ -	\$ -	\$ -	\$ -	\$ 26,000,000	\$ -	\$ 30,900,000
Total remaining gap		\$ -	\$ (21,000,000)		\$ (4,900,000)		\$ (5,100,000)
3% each year			\$ 13,737,000.00		\$ 14,148,000.00		\$ 14,571,000.00
3% Fund Balance/4% in 25-26/5% in 26-27			\$ 13,737,000.00		\$ 18,864,000.00		\$ 24,285,000.00

Communication plan/timeline



FY 2024-25 Budget Communication Plan

Financial Advisory Committee – 8 meetings

- Oct, Nov, Jan, Feb, Mar, April, May and June

School Leaders – coincide with board study sessions

Labor Partners - coincide with board study sessions

Family/Community/Stakeholder Survey

- Survey to launch in October to gather information and feedback on what is most important for your student and should be prioritized in the budget development process

Family/Community Budget Sessions - 6 meetings

- Three to provide background and understanding of NSD's current financial position (Fall 2023)
- Three to provide budget updates and information on the 2024-25 budget (Spring 2024)

Questions and Discussion

