



Northshore
School District

Budget Study Session

November 13, 2023





Agenda

1. Outcomes
2. Budget guiding principles
3. Budget Development timeline
4. Enrollment and other updates
5. Fiscal update and review of 4-year projections
6. First look at potential savings list
7. Communication plan/timeline
8. Outcomes



Outcomes

1. Finalize guiding principles
2. Feedback on budget timeline
3. Informed on October 1 enrollment information
4. Informed on 2022-23 year-end close and updated projections
5. Initial look and feedback on potential savings items
6. Information on district budget survey



Budget Guiding Principles – Second Look

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



FY 2024-25 Budget Development Calendar - Proposed

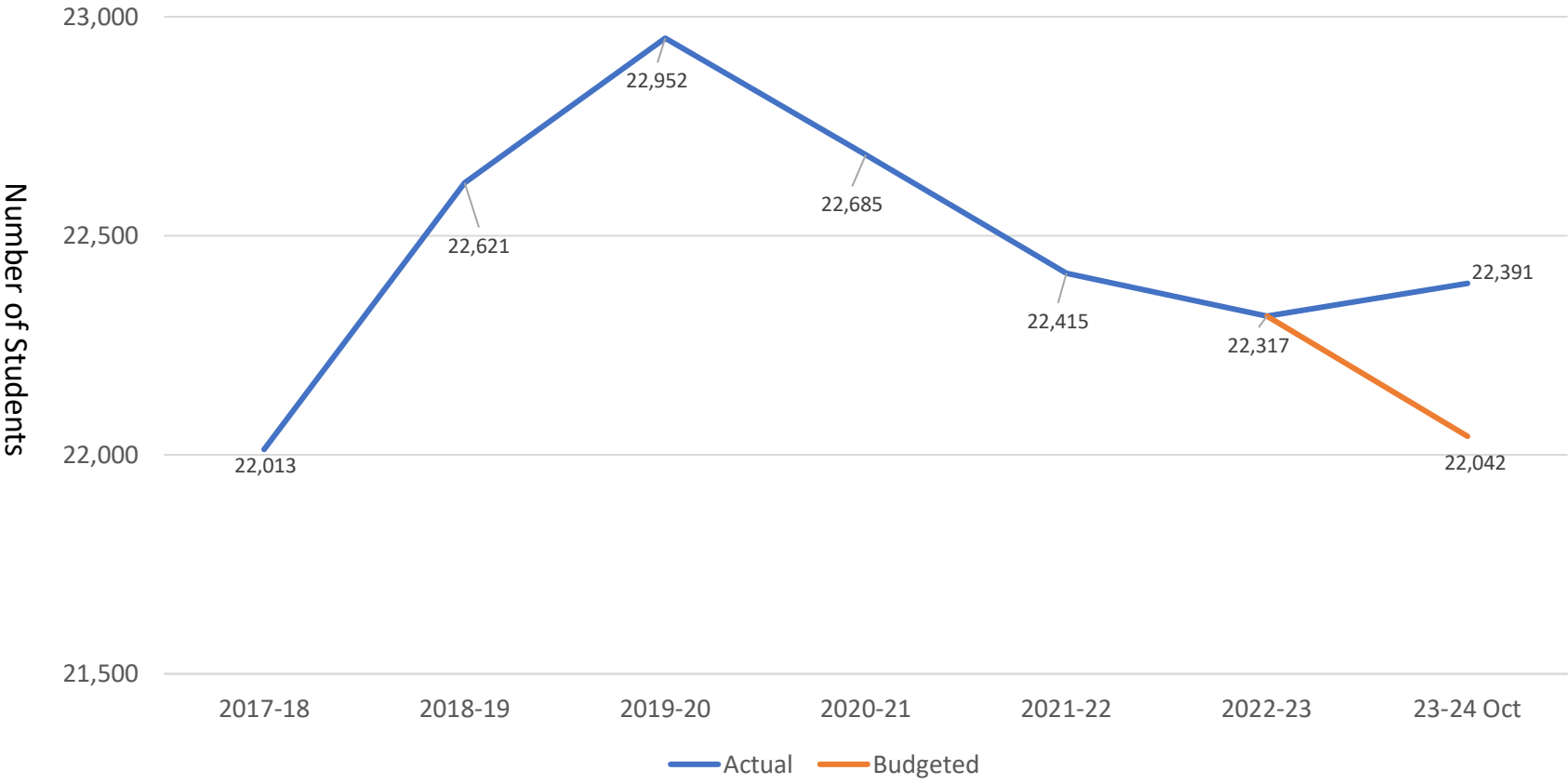
- **September 26, 2023** - Budget Study Session
- **November 13, 2023** - Budget Study Session
 - Review 2022-23 final numbers
- **December 11, 2023** – Budget Study Session, recommendations from Superintendent
- **January 16, 2024** - Budget Study Session to review and finalize recommendations
 - Review 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 with October 1 update



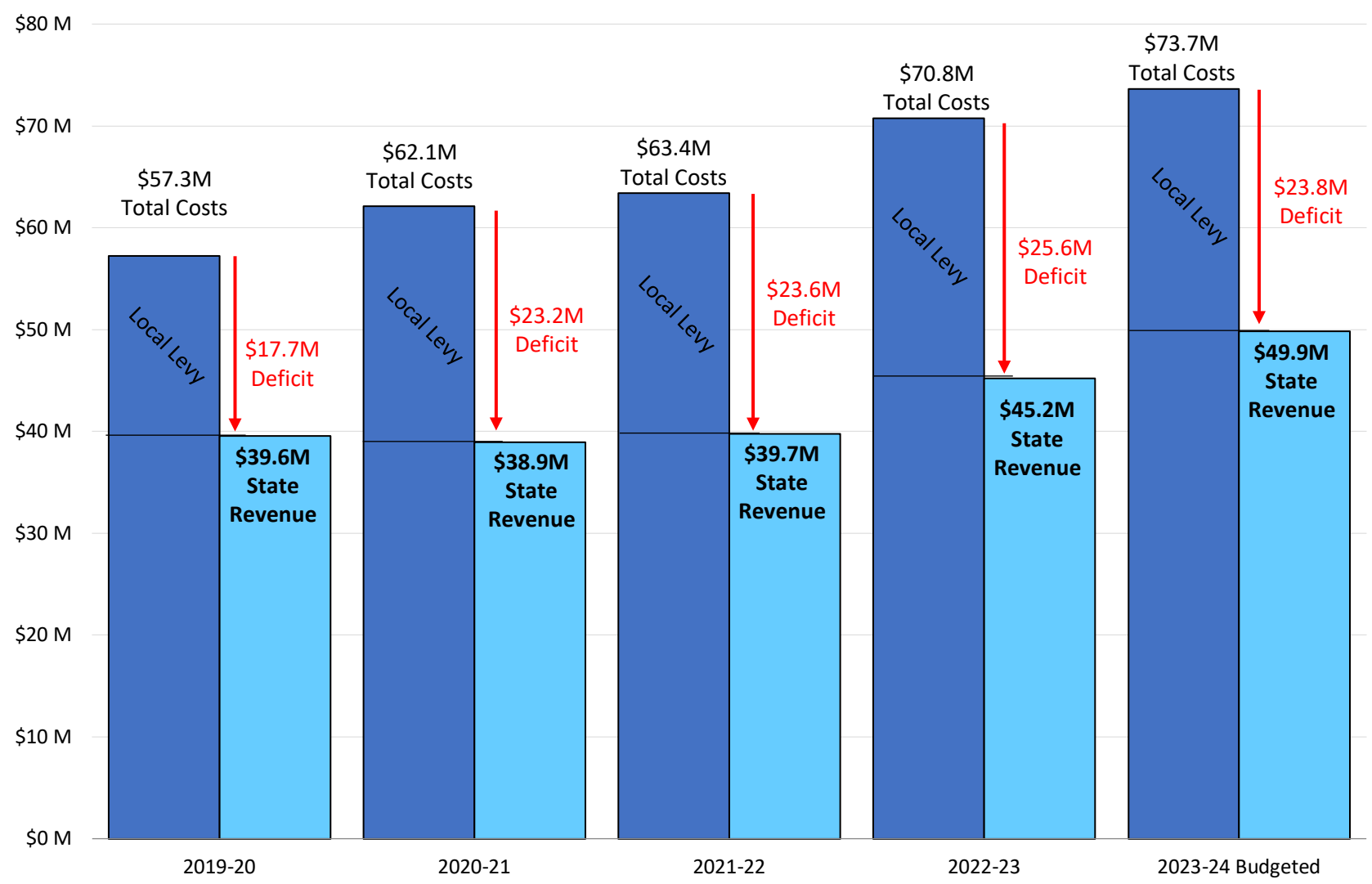
Source: Actual October 1 Headcount for 2017-18 thru 2022-23, per OSPI report 1251H.
2023-24 reflects headcount enrollment as of October 2nd, not including Running Start or Open Doors program enrollment.



Fiscal update and review of 4-year projections



Special Ed – Remaining Gap in State Basic Ed Funding – with year end 22-23



22/23 Budget was for a \$22.1m deficit

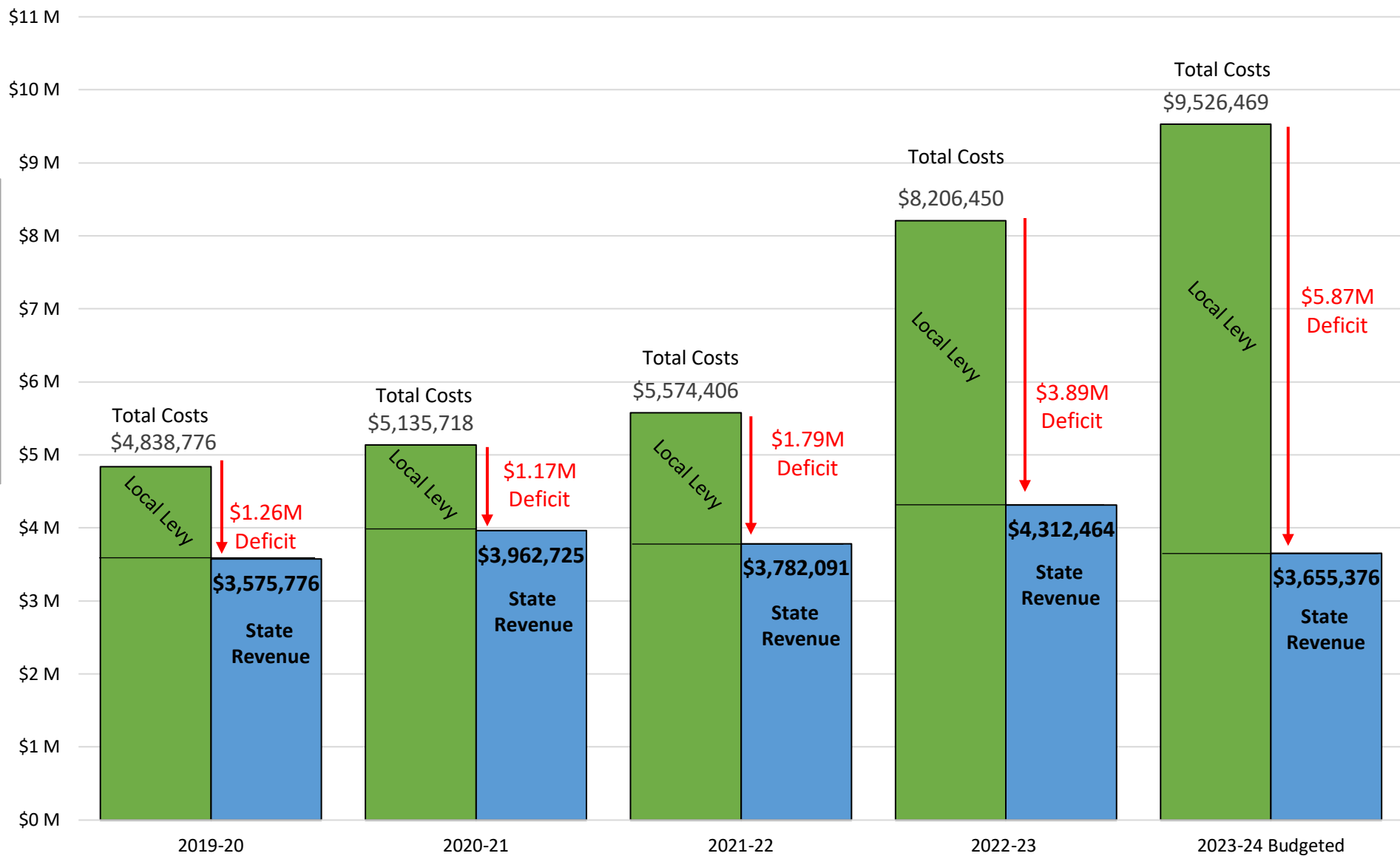
As of September, estimated deficit was \$26.2m



TBIP - Gap in State Basic Ed Funding – with year end 22-23

22/23 Budget was for a \$2.98m deficit

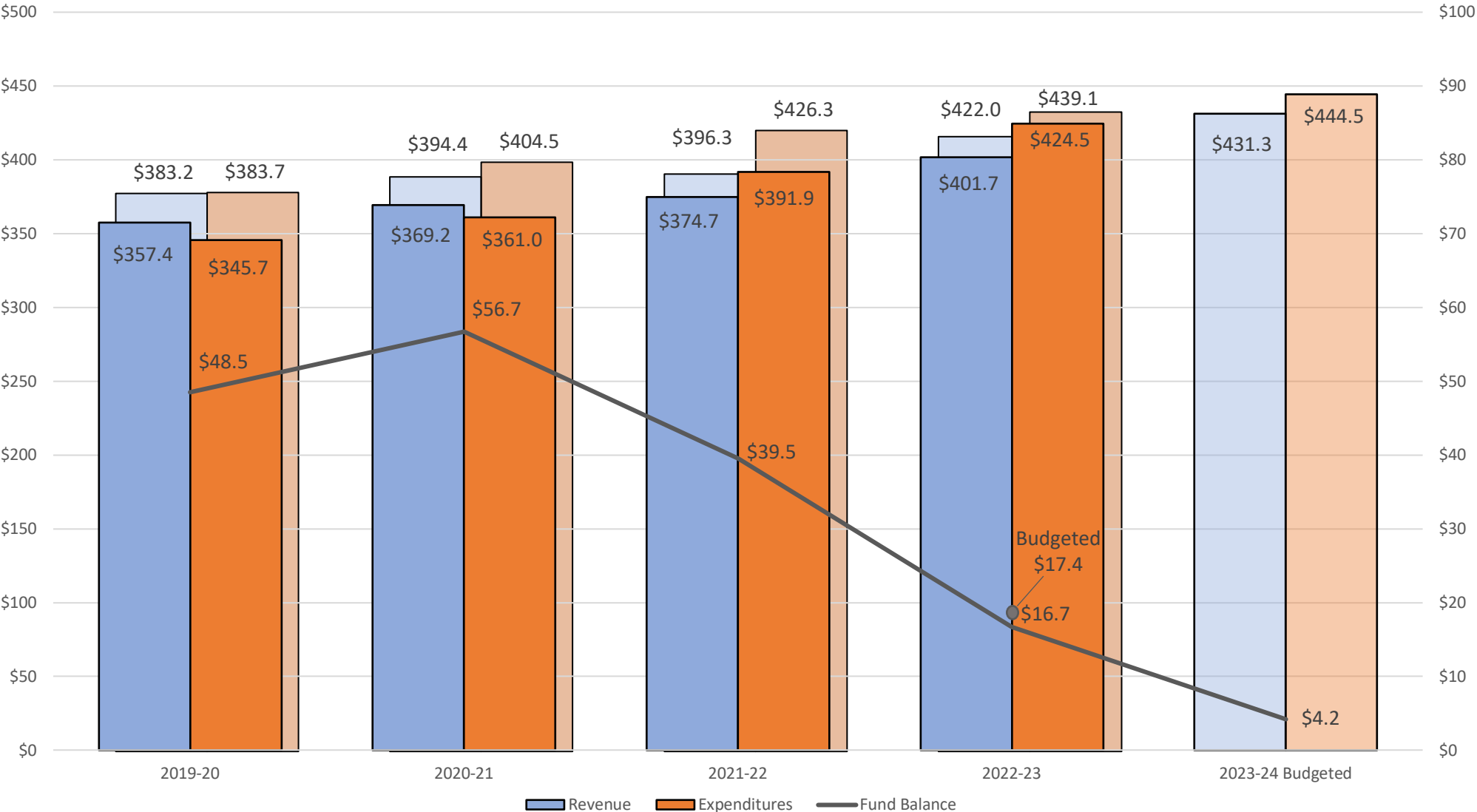
As of September, estimated deficit was \$3.9m





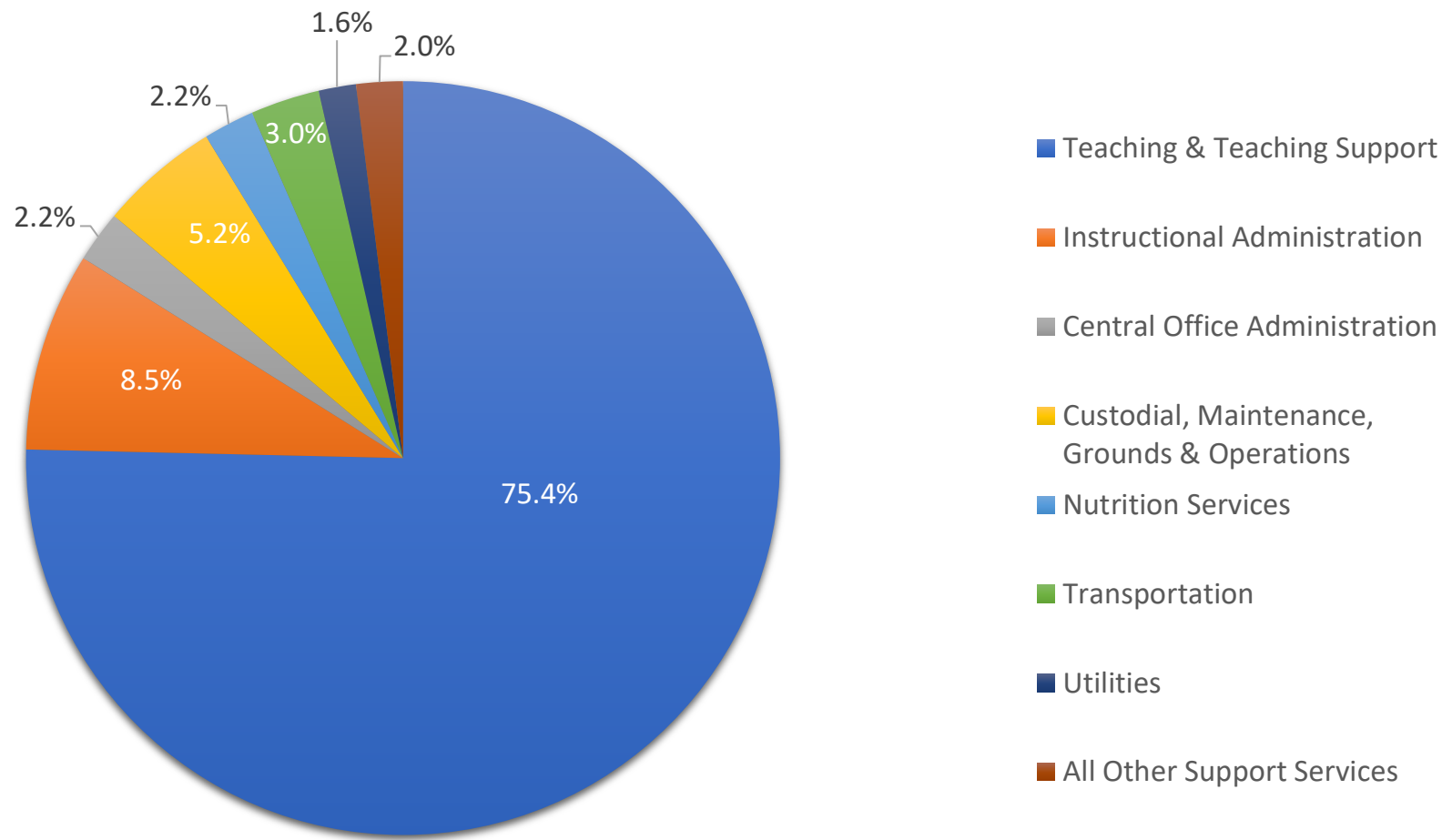
Financial Context

Transparent bars(in the background) represent budget, which includes \$25M of capacity in both the revenue and expenditure amounts.





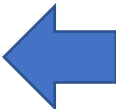
2022-23 Expenditures by Activity





Central Office Administrators Comparison

	2023-24 Budget	Percent of Budget
Lake Washington	\$ 25.9M	4.65%
Issaquah	\$ 19.2M	4.96%
Edmonds	\$ 21.6M	5.41%
Everett	\$ 21.9M	5.63%
Federal Way	\$ 24.4M	5.70%
Northshore	\$ 25.4M	5.72%
Shoreline	\$ 10.2M	6.07%
Tacoma	\$ 33.7M	6.09%
Kent	\$ 35.7M	6.74%
Bellevue	\$ 29.4M	7.67%



24-25 Goal Percentage of Budget of 5.25%
This will shift NSD to #3



Analysis After 2022-23 Year-End

	2022-23 Budget	2022-23 Actual	Variance
Beginning Fund Balance	\$ 38.5	\$ 39.5	\$ 1.0
Revenue	\$ 422.0	\$ 401.7	\$ (20.3)
Expenditures	\$ 439.1	\$ 424.5	\$ (14.6)
Difference Revenues v Expenditures	\$ (17.1)	\$ (22.8)	\$ (5.7)
Ending Fund Balance	\$ 21.4	\$ 16.7	\$ (4.7)

	2023-24 Budget	2023-24 Updated Projection	Variance
Beginning Fund Balance	\$ 17.4	\$ 16.7	\$ (0.7)
Revenue	\$ 431.3	\$ 434.2	\$ 2.9
Expenditures	\$ 444.5	\$ 451.2	\$ 6.7
Difference Revenues v Expenditures	\$ (13.2)	\$ (17.0)	\$ (3.8)
Ending Fund Balance	\$ 4.2	\$ (.3)	\$ (4.5)



Four Year Budget

General Fund

	2023-24	2024-25	2025-26	2026-27
Beginning Fund Balance	\$ 16.7	\$ (.3)	\$ (22.2)	\$ (49.2)
Revenue	\$ 431.3	\$ 439.9	\$ 448.7	\$ 457.7
Additional Revenue due to Enrollment	\$ 2.9	\$ 3.0	\$ 3.0	\$ 3.1
Expenditures	\$ 444.5	\$ 457.9	\$ 471.6	\$ 485.7
Additional Expenditures for Support Services, SpEd, & EL	\$ 6.7	\$ 6.9	\$ 7.1	\$ 7.3
Difference Revenues v Expenditures	\$ (17.0)	\$ (21.9)	\$ (27.0)	\$ (32.2)
Ending Fund Balance	\$ (.3)	\$ (22.2)	\$ (49.2)	\$ (81.5)

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



Projected Fund Balance by Month – in Millions

	Sept Actual	Oct Proj	Nov Proj	Dec Proj	Jan Proj	Feb Proj	Mar Proj	Apr Proj	May Proj	June Proj	July Proj	Aug Proj	Total
Beginning Fund Balance	\$ 16.7	\$ 12.9	\$ 28.6	\$ 15.5	\$ 12.3	\$ 6.1	\$ 2.0	\$ (0.3)	\$ 19.2	\$ 6.6	\$ (6.7)	\$ (.0.5)	\$ 16.7
Total Revenue	\$ 31.2	\$ 51.3	\$ 22.5	\$ 32.4	\$ 29.4	\$ 31.5	\$ 33.3	\$ 55.1	\$ 23.0	\$ 22.3	\$ 41.8	\$ 35.7	\$ 409.5
Total Expenditures	\$ 35.0	\$ 35.6	\$ 35.6	\$ 35.6	\$ 35.6	\$ 35.6	\$ 35.6	\$ 35.6	\$ 35.6	\$ 35.6	\$ 35.6	\$ 35.6	\$ 426.6
Projected Ending Fund Balance	\$ 12.9	\$ 28.6	\$ 15.5	\$ 12.3	\$ 6.1	\$ 2.0	\$ (0.3)	\$ 19.2	\$ 6.6	\$ (6.7)	\$ (0.5)	\$ (0.4)	\$ (0.4)

Projection as of Nov 2, 2023
Excludes capacity

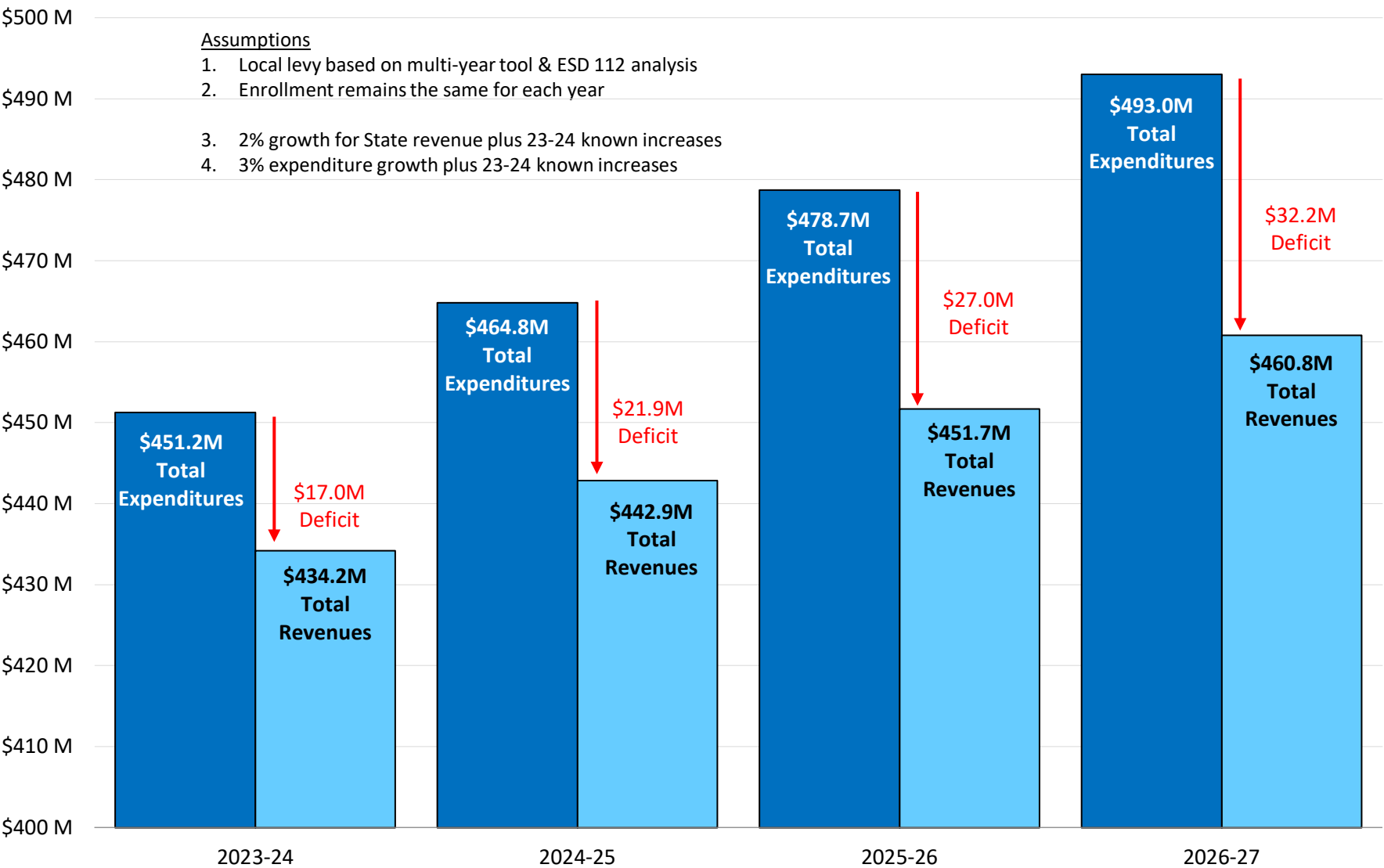
*Rounding accounts for
differences between this
slide and previous slides.



Budget Outlook

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

All numbers are estimates as of November 2023





Adjusted Fund Balance Four Year Outlook – as updated November 13

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		\$ -	\$ (4,579,000)		\$ (4,716,000)		\$ (4,857,000)
Updated Projection as of Nov 13							
Ending FB less than budgeted		\$ (700,000)	\$ (300,000)				
Revenue increased by \$2.9m - enrollment		\$ 2,900,000	\$ 3,000,000		\$ 3,000,000		\$ 3,100,000
Expenditure increase - special ed, EL, support services		\$ (6,700,000)	\$ (6,900,000)		\$ (7,100,000)		\$ (7,300,000)
Updated Projection as of Nov 13		\$ (17,730,000)	\$ (26,479,000)		\$ (31,716,000)		\$ (37,057,000)
Current Potential Solutions							
Solutions		Current Plan	Current Plan	Available resources - at end of 24-25	Potential	Available resources - at end of 25-26	Potential
Fund Balance		\$ 17,430,000	\$ -	\$ -	\$ -	\$ -	\$ -
Minimum Fund Balance Reserve		\$ -	\$ -	\$ 4,579,000	\$ -	\$ 9,295,000	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total remaining gap		\$ (300,000)	\$ (26,479,000)		\$ (31,716,000)		\$ (37,057,000)
Reduction		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IPD only <i>estimated as of 9/25/23</i>			\$ 5,000,000				
Reductions in prior years		\$ -	\$ -	\$ -	\$ 26,479,000	\$ -	\$ 31,716,000
Total remaining gap		\$ (300,000)	\$ (21,479,000)		\$ (5,237,000)		\$ (5,341,000)
Fund balance reserve 3% of budgeted expenditures			\$ 13,737,000.00		\$ 14,148,000.00		\$ 14,571,000.00



Potential Solutions



Capital Funds – uses and restrictions

- Capital levy and bonds funds, include those for buildings and technology are restricted by law on how they may be used.
- Only staff who are working on qualified capital/levy projects may be charged to those dollars and funds may only be used for what was promised to taxpayers.
- Proceeds from building sales must go into the capital fund, the general fund cannot benefit from that transaction.



Potential Solutions

	Item	Estimate	Labor partner agreement needed
Athletics	No MS sports - includes transportation costs and accounts for revenue	\$ 923,263	No
	No admin support for AD's	\$ 329,423	Yes
	No activity coordinators	\$ 348,740	Yes
	No ADs	\$ 687,450	Yes
	What is the total general fund contribution to athletics? \$4,704,021	\$ -	No
	Activity buses at secondary	\$ 40,000	No
	Athletic transportation, expand zone	TBD	No
	Option for MS sports, keep only sports that don't cut participants	\$ -	No
	No MS sport transportation	\$ 229,000	No
	Eliminate elementary sports	\$ 27,000	No
Fee Increases	Field and Facility Fee increase	\$ 250,000	No
	Theatre Fee increase	\$ 50,000	No
	Staff pay for fingerprinting	\$ 20,000	No
	District covered portion of summer school transportation)	\$ -	No
	Preschool cost , increase tuition	\$ 150,000	No
Central Office/Districtwide	Additional central office reductions	\$ 1,000,000	No
	Admin Center furlough (not NEOPA or NASA)	\$ 65,000	No
	PD cost, suspend one year for central admin	\$ 10,000	Yes
	NLO program break even	\$ 694,000	Yes
	Close Bear Creek Campus - move programs	\$ 230,571	No
	Reduce \$50 cell phone stipend	\$ 65,550	Yes
	Reduce part time staff, save on benefits	TBD	No
	Every other day school cleaning for all schools with a cafeteria	\$ 421,222	No
	Innovation Lab costs	\$ 348,000	No
	Closing the Woodmoor pool	\$ 169,000	No
	Stop printing calendars	\$ 20,000	No

The potential solutions list should not be viewed as recommendations or decisions, these are options for consideration. Other options will likely also be considered.



Potential Solutions

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School Staffing			
	No campus supervisors	\$ 686,600	Yes
	Eliminate gen ed IA's at middle schools	\$ 800,302	Yes
	Reduce school assistant staffing to CBA levels Elem to only split class (\$2,578,330)	\$ -	No
	Reduce school assistant staffing to CBA levels Elem cut hours in half	\$ 1,711,730	No
	Remove Elem Library Techs	\$ 170,075	Yes
	Remove MS Library Techs	\$ 385,148	Yes
	Remove HS Library Techs	\$ 283,305	Yes
	Librarian assistants to the CBA level	\$ -	Yes
	Counselor/Librarian/Nurse reallocation at elementary level	TBD	Yes
	Eliminate all elementary deans	\$ 698,732	No
	Eliminate all deans	\$ 1,169,359	No
	Cert extra days reduced (counselors/AD's/librarians, psychs) - per day cost	\$ 67,000	Yes
	ESP professional pool hours	\$ 25,000	Yes
	Classified/school assistant help support OT?	\$ 42,942	Yes
	Cert inservice - no funds allocated per year	\$ 439,000	Yes
	Cert inservice - sweep carry over	\$ 881,000	Yes
	Extra hour - new flat pay amount of max \$50/hour to replace C-7 schedule	\$ 140,778	Yes
	NSEA college class tuition reimbursement	\$ -	Yes
	Eliminate travel stipend of .1 FTE for going between schools	\$ 122,338	Yes
	Remove Theme Readers Budgets	\$ 127,382	Yes
	ESP scholarship \$20K; rollover fund	\$ 20,000	Yes
	Music only at elementary, no band/orchestra	\$ 780,241	Yes
	Reduce school assistant staffing to CBA levels MS Cut in half	\$ 277,332	No
Principals/AP's			
	AP reallocation at elementary level, 5 AP's	\$ 1,094,585	No
	Reduce 1 AP from every high school	\$ 969,761	No
	NASA salary study and related compression costs	\$ 721,088	Yes
	PD cost, suspend one year for principals	\$ 96,119	Yes
Office staffing			
	Reduce Elem office staff to 220 days, leave HS at 260	\$ 249,040	Yes
	Reduce MS office staff days to 220 days, leave HS at 260	\$ 188,490	Yes
	Remove MS Support Secretaries	\$ 818,828	Yes
	Remove HS Support Secretaries	\$ 256,228	Yes
	No overtime for office staff	\$ 184,000	Yes
	Peak load hours for office staff	\$ 403,800	Yes
	Reduce school office staffing to CBA levels	\$ 175,682	No



Potential Solutions

Food/Transportation			
	Choice Transportation - ILHS, CTE and EAP	\$ 479,000	No
	Start times, change to save on transportation costs	\$ 75,000	No
	Preschool, no transportation	\$ -	No
	Food service hour restructuring	\$ 324,594	No
Spec Ed			
	Restructure SpEd staffing to adjust for 1:1 paras	\$ 775,292	Yes
	Adjust AAFTE at secondary for sped time not spent in a gen ed classroom	\$ 1,680,000	No
	No 45 day special ed paras	\$ 425,685	No
	45 day gen ed paras	\$ 40,685	No
	Eliminate SpEd overload costs	\$ 81,725	Yes
Other Costs			
	No EL/sped weighting for overload (ask Danese to help)	\$ 964,000	Yes
	Eliminate overload costs - excluding SpEd	\$ 1,578,275	Yes
	10% MSOC reduction to school budgets	\$ 223,877	No
	Reduce stipends by 10%	\$ 965,638	Yes
	No personal leave buy out at year end	\$ 187,333	Yes
7 period to 6 period			
	Return to 6 period day at HS	\$ 5,800,000	Yes
	Reduce HS Paras from 7 to 6.5 hours	\$ 334,208	Yes
	12% reduction in HS SpEd Cert FTE	\$ 627,955	No
IT/Tech Support in Schools			
	Eliminate STS costs being charged to the General Fund	\$ 1,061,700	No
	Change ELE STS Allocation based on enrollment	\$ 304,332	Yes
	Change MS STS Allocation to .5	\$ 107,587	Yes
Subs			
	Eliminate \$25 subs premiums		Yes
	Friday	\$ 158,306	Yes
	Assignment change	\$ 3,167	Yes
	Subs give up the prep period of their original sub assignment to sub in another classroom	\$ 33,758	Yes
	Worked prep period	\$ 33,758	Yes
	Total of above	\$ 36,384,032	

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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

Student Advisory Board – November 15

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)



FY 2024-25 Budget Communication Plan – Community and Family Survey

As of Nov. 7, at 3:30 p.m. we have 2,145 responses.

It closed **Nov. 8 at 11:59 p.m.** We sent out a reminder to attend the Nov. 14 engagement meeting with the Superintendent

Of the responses:

- 81% are parents/guardians
- 12% are students
- 6 % are "community members" which could include staff

The survey was intentionally constructed so we could analyze responses by race, home language, income level, services, etc.

Next steps will include:

- ❑ Will download the raw data, analyze the data
- ❑ Findings will be presented to Cabinet and communicated to the board
- ❑ Findings will also be communicated to school leaders, all staff, and families via regular communication channels (Monday Message, Connections, Budget Development webpage)



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1. Finalize guiding principles
2. Feedback on budget timeline
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Questions and Discussion

