



Aberdeen
School District

*Our Children,
Our Schools,
Our Future*

Budget Advisory Committee

September 25, 2019

Alicia Henderson, Ph.D., Superintendent
Elyssa Louderback, Executive Director of Finance and Operations

Agenda



Aberdeen
School District

*Our Children,
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1. Welcome
 - a. Purpose, Scope & Responsibilities
2. Introductions & Norms
3. Brief Review
 - a. Where does the money come from & where does it go?
 - b. Budget basics

10-minute Break

1. 2019-20 Budget

15-minute Break

1. Concerns / Ideas
2. Next Steps

Adjourn

Purpose & Scope

The ASD5 Budget Advisory Committee (BAC) provides a structure for the involvement by a variety of district and community members with unique knowledge and skills to offer in establishing budget priorities for ASD5. This committee is advisory, and supports the Superintendent in providing recommendations and key information to the board of directors regarding both short and long-term financial management that support the mission and priorities of the District.

ASD5 Mission & Priorities



Mission:

- Provide a general education program to all students ages 5 through high school graduation.
- Provide a special education program to students with eligible disabilities from birth to 22.

Priorities:

- Locally determined by community

BAC Responsibilities

- *Develop an understanding of the District's budget and financial issues*
- *Provide input on local priorities and, as needed, develop recommendations on fiscal and program priorities that ensure a balanced budget*
- *Contribute to improved communication to enhance understanding of the District's budget and financial condition*
- *Contribute to and support a transparent and collaborative budgeting process*

Norms



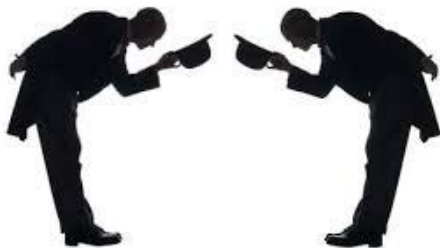
Committee Members:

- Attend meetings (~~Sept. 25~~, Nov. 6, Jan. 29, Mar. 25)
- Listen, refrain from sidebars
- Make sure you understand, ask clarifying questions
- Be open to new / innovative ideas, even “out-of-the-box” ideas
- Speak up, contribute ideas with a solution orientation
- All voices will be heard, silence does not mean acceptance
- Assume positive intent
- Respect & civility at all times
- *Say it here*

Members of the Public:

- Observe BAC meeting
- Submit comments / questions on index cards

Introductions



Where does the money come from & where does it go?

Big Idea: Revenues

Types

- Restricted - “Categorical”
- Unrestricted

Sources

- Local
- Federal
- State

Big Idea: Expenditures

- Salaries & Benefits
- Materials, Supplies & Operating Costs “MSOCs”

Special Programs

Transportation

Preschool

Capital Projects

Alternative Learning Environment (ALE)

Food Service

District Initiatives

Special Education

State Summary of Revenues

Local = 13.6%

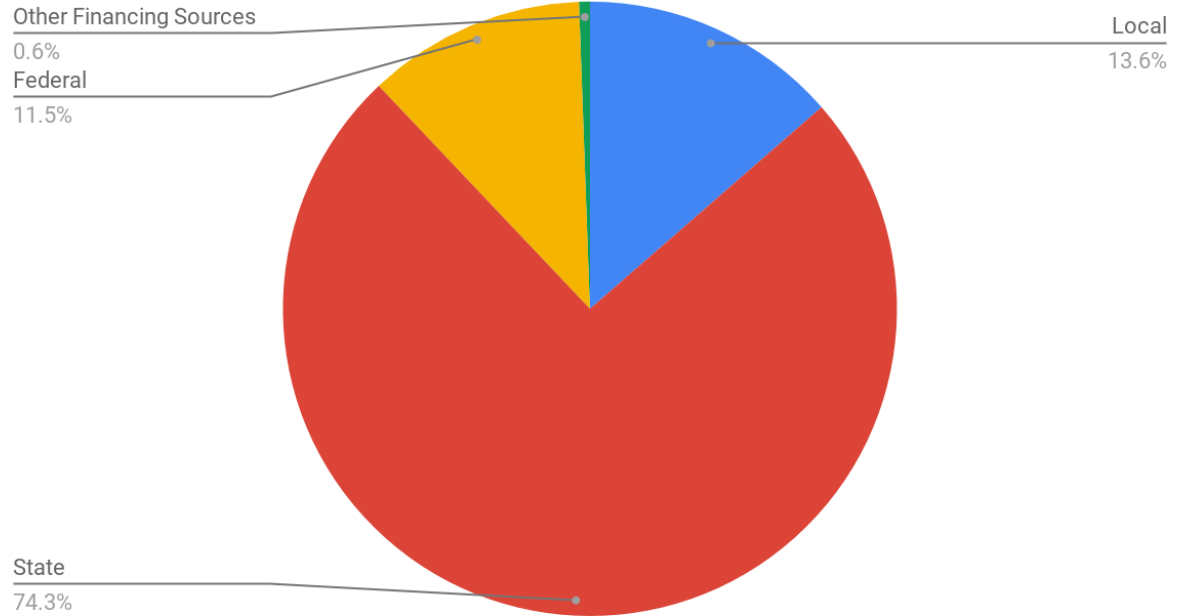
State = 74.3%

Federal = 11.5%

Other = .6%

* Includes General Long Term debt proceeds, proceeds from sales of fixed assets, Transfers in.

State Revenue Summary 2017-18



Revenues: Local

Tax:

Local Enrichment (formerly Local Levy)

State Timber Excise

State School Tax (new in 2018)

County Administered Timber
Forest Funds



Non-Tax:

- Donations
- Fees
- Fines/Damages
- Insurance recoveries
- Interest
- Sales of goods
- Endowments/Grants from local agencies

Local Tax: Enrichment Levy

“The Levy Cliff”

		Pre-McCleary 2017-18	Transition Year 2018-19	Post-McCleary 2019-20
Local	Tax: Levy	\$5,261,861	\$3,410,155	\$2,465,299
	Non-Tax: Local & Other	\$782,807	\$1,060,152	\$978,882
Federal		\$5,230,844	\$5,459,977	\$6,122,608
State		\$37,040,111	\$40,401,992	\$43,189,690
Total		\$48,315,623	\$50,332,276	\$52,756,479



Local Tax: Enrichment Levy		2018-19	2019-20
		\$ 3,410,155	\$ 2,465,299
Levy Expenses <i>*Note: All programs continue but some are no longer funded with levy revenue</i>	Athletics (inc. Transportation)	\$ 785,971 (includes swim team)	\$ 987,024 (includes swim team)
	Music/Drama/Chorus (iClubs, Activities, Transportation)	\$ 80,477	\$ 89,328
	K-2 Swimming (inc. Transportation)	\$ 72,325 (remove swim team)	\$ 75,000
	Preschool*	\$ 130,360	\$ 0
	Snug Harbor*	\$ 27,746	\$ 0
	Juvenile Detention*	\$ 50,484	\$ 0
	Food Service*	\$ 8,453	\$ 0
	Transportation (field trips)*	\$ 31,938	\$ 0
	Special Education*	\$ 1,454,976	\$ 0
	Technology, Materials & Other Staff *	\$ 767,425	\$ 1,313,947
Total		\$3,410,155	\$2,465,299

* Local Tax: Enrichment Levy
Staff: \$1,313,947

Certificated Staff	Classified Staff
Orchestra	Custodians
Elementary PE	Para-Educators (Supervision)
Elementary Music	School Resource Officer (SRO)
Elementary Band	Technology
Counselors	Nurses

Revenues: Federal

General:

- Federal Forests
- Impact Aid
- Federal In Lieu of Taxes
- FEMA grants

Special Purpose:

- **Title Programs**
- USDA Food Service
- Medicaid Admin Match
- Special Education
- Carl Perkins Voc.Ed grants
- Gear Up



Revenues: State

General: Apportionment

Enrollment, Levy Equalization (LEA), Career Technical Education (CTE), Alternative Learning Environment (ALE), Running Start, Inflation factor (IPD) 2.0%, Regionalization, Experience factor, Special Education, Class Size Reduction (CSR), Materials Supplies & Operating Costs (MSOC)

Special Purpose:

Special Education, Learning Assistance Program (LAP), Bilingual, Transportation, Highly Capable, School Lunch



Revenues - Other

- Cooperative Agreements
- Non-High Participation
- Specific Set-Asides:
 - Capital Projects
 - Debt Service Fund
 - ASB
 - Transportation
 - Trust



State Summary of Expenditures

Employee Costs

Salaries = 56.3%

Benefits = 26.5%

Total = 82.8%

MSOC's

Supplies = 4.7%

Services = 11.7%

Travel = 0.2%

Capital Outlay = 0.6%

Total = 17.2%

State Expenditures Summary 2017-18

Capital Outlay

0.6%

Purchased Services

11.7%

Supplies

4.7%

Benefits

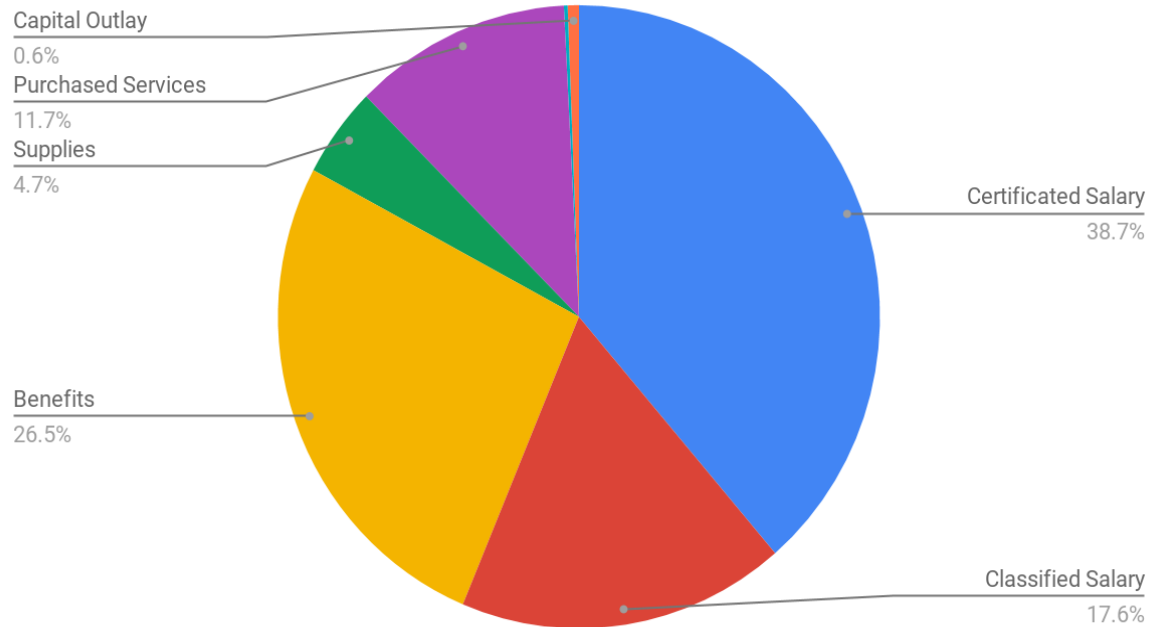
26.5%

Certificated Salary

38.7%

Classified Salary

17.6%



Expenditures: Salaries & Benefits

Employee Salaries

Salary schedules for each employee group

- Annual **Step** increase
- **Column** increase for education (certificated only)
- Annual cost of living increase
- Negotiated salary increases

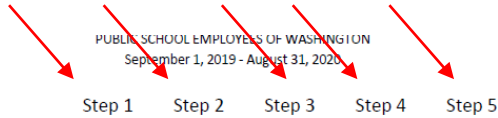
Employee Benefits

- Health (medical, vision, dental)
- Retirement contributions
- Unemployment contributions



Step & Column

Step increase each year



Step increase each year & **Column** for education

Lane	01-01	01-02	01-03	01-04	01-05	01-07	01-08	01-09
Service Yr	BA	BA +15	BA +30	BA +45	BA +90	MA	MA +45	MA +90
1	\$48,275	\$49,607	\$50,986	\$52,369	\$56,807	\$58,083	\$62,520	\$65,380
2	\$48,938	\$50,289	\$51,687	\$53,130	\$57,613	\$58,740	\$63,222	\$66,064
3	\$49,571	\$50,934	\$52,347	\$53,901	\$58,372	\$59,401	\$63,871	\$66,744
4	\$50,223	\$51,599	\$53,026	\$63,549	\$59,092	\$60,029	\$64,487	\$67,430
5	\$51,891	\$53,328	\$54,764	\$56,424	\$60,883	\$61,715	\$66,204	\$69,168
6	\$53,699	\$54,840	\$55,446	\$57,183	\$61,669	\$62,384	\$66,857	\$69,879
7	\$54,916	\$55,529	\$56,142	\$57,982	\$62,464	\$63,069	\$67,519	\$70,556
8	\$56,123	\$56,749	\$57,375	\$59,315	\$63,321	\$64,351	\$68,866	\$71,990
9	\$57,942	\$58,588	\$59,234	\$61,384	\$65,912	\$66,369	\$70,948	\$74,184
10		\$60,532	\$61,199	\$63,376	\$68,059	\$68,410	\$73,096	\$76,443
11			\$63,188	\$65,522	\$70,268	\$70,557	\$75,305	\$78,762
12				\$67,731	\$72,581	\$72,581	\$77,618	\$81,144
13				\$69,869	\$74,955	\$75,062	\$78,961	\$83,782
14					\$77,396	\$77,438	\$82,422	\$86,164
15					\$79,831	\$79,885	\$85,027	\$88,800
16					\$81,909	\$81,961	\$87,238	\$91,109
17					\$83,546	\$83,600	\$88,981	\$94,461

POSITION	Step 1	Step 2	Step 3	Step 4	Step 5
Teaching/Learning Office Coordinator	\$21.91	\$23.01	\$24.17	\$25.71	\$26.63
Special Services Office Coordinator					
School Office Coordinator					
CTE Office Coordinator					
High School Comptroller					
Preschool Secretary					
Purchasing/Maintenance Coordinator					
State/Federal Program Secretary	\$18.78	\$19.72	\$20.67	\$21.75	\$22.89
Technology Department Secretary					
Food Service Secretary					
Registrar					
Sub Coordinator/Reception					
Human Resources Assistant					
Assistant School Secretary	\$17.67	\$18.55	\$19.47	\$20.45	\$21.47
Attendance Secretary					
School Counselor Secretary					
Gear Up Secretary					
Accounts Payable Assistant					

Classified

Certificated

Expenditures: MSOCs

Materials, Supplies & Operating Costs

- Supplies: curriculum, classroom materials, office supplies, etc
- Contracted Services: insurance, utilities, specialists
- Travel: mileage, meals, hotel expenses
- Capital Outlay: building improvements, technology, purchases > \$5,000 that are nonexpendable, tangible items (e.g. playgrounds)



Transportation: Operations (Fund 1)

Revenues

- State Apportionment - ***Restricted***
 - Supports complete program for To/From school miles
- Levy funds - ***Unrestricted***
 - Supports athletics/activities transportation, swimming, etc
- Other funding ***Unrestricted***
 - Rentals
 - Grants



Expenditures

- Contracted Services
- Salary/Benefits
 - Bus drivers
- Fuel/Supplies
 - Fuel, oil, belts, etc
- Insurance
- Other Transportation Services
 - Bus tickets (Homeless)
 - Private use

Transportation: Vehicles (Fund 9)

Expenditures

Used for the purchase and major repair of pupil transportation equipment (defined as buses)



Revenues

Funded from State reimbursement to school districts for depreciation of buses. Although, other sources are available such as non-voted debt and special levies. - ***Restricted***

Preschool (Fund 1)

Revenues

- ECEAP (Early Childhood Education and Assistance Program) - **Restricted**
 - Funded through the Department of Early Learning
- Title I (set asides)- **Restricted**
- Special Education funds - **Restricted**
 - For students ages 3-5

Expenditures

- Salary/ Benefits
 - Teachers, Para-Educators, Family Service Workers, Coordinator
- Supplies (classroom, office)
- Contracted Services
 - Other School Districts
- Travel
- Capital Outlay



Food Service (Fund 1)



Revenue

- State Apportionment - *restricted*
- Federal Apportionment - *restricted*
 - USDA National School Lunch
 - USDA School Breakfast Programs
 - USDA Commodities
- Local funding
 - Catering services
 - Breakfast/lunch fees (students/staff)



Expenditures

- Salary & Benefits
 - Food Service Workers, Cooks, Director, Office support
- Supplies -
 - Food, paper products
 - Utensils
 - office supplies
- Contracted Services -
 - Professional membership/training
- Travel
 - Mileage, meals, hotel accommodations
- Capital Outlay
 - New/replacement equipment

Special Education (Fund 1)

Revenues

- State Apportionment - ***Restricted***
 - Birth to age 2
 - Age 3 to 5
 - Age K to 21 years
- Federal Grants - ***Restricted***
- Safety Net funds (State or Federal) - ***Restricted***
- Medicaid Admin Match - ***Unrestricted***



Expenditures

- Salary/ Benefits
 - Teachers, Para-Educators, Director, Support Staff (clerical), Specialists (SLP, OT, Psych)
- Supplies
 - Classroom, Office
- Contracted Services
 - Third Party Vendor
 - Specialists (not district employees)
- Travel
 - Mileage, meals
- Capital Outlay
 - Equipment/Improvements to facilities to care for students in Special Programs

Capital Projects (Fund 2)

Revenues

Funded by proceeds from the sale of voted or non-voted bonds, special levies, state funding assistance, impact/mitigation fees, lease or sale of surplus real property, grants, interest and insurance proceeds. -

Restricted

Expenditures

Used for the acquisition of land or existing facilities, construction of buildings, purchase of equipment, conducting energy audits & making cost effective improvements based on results of the energy audit.



Additional Special Programs

- Associated Student Body Funds (ASB)
- Alternative Learning Environment (ALE)
- Running Start



District Initiatives

School districts
identify areas to
focus
improvement



Multi-Tiered System of Supports

Incorporates the "Big 5"

1. FBLIS
2. AMD
3. Special Education
4. Technology
5. Curriculum

School District Budget Basics

Golden Rules

1. Avoid Deficit Spending

2. Plan for Sustainability

Required 4 year projections

3. Maintain Adequate Reserves


Economic uncertainty

Cash flow

5% (1 month salary)

Budgets are Built Upon Assumptions

- a. Enrollment
- b. Staffing (salaries & benefits)
- c. Inflationary factors
 - i. Implicit Price Deflator (IPD) - as designated by the State for revenue
- d. Salary increases
 - i. Step & Column
 - ii. Consumer Price Index (CPI)
 - iii. Negotiated increases
- e. Benefit increases
 - i. Health (SEBB)
 - ii. Retirement contributions
- f. Debt Service
- g. Anticipated capital expenses

A misty forest scene with a large yellow '10:00' overlay. The background shows a dense forest of tall, thin trees, possibly evergreens, with a thick layer of mist or fog hanging between them. Sunlight filters through the trees, creating a soft, ethereal glow. The ground is covered in moss and low-lying vegetation. The overall atmosphere is quiet and serene.

10:00



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2019-20 Budget

ESD approval - 8/5/2019

Submitted to OSPI - 8/20/2019

OSPI Approval - 9/4/2019



Aberdeen School District - General Fund - REVENUES

		Pre-McCleary 2017-18	Transition Year 2018-19	Post-McCleary 2019-20	Post-McCleary 2020-21
Local	Levy (and taxes)	\$5,261,861 Rate: \$4.31	\$3,410,155 Fall rate = \$4.31 Spring rate = \$1.50	\$2,465,299 Fall rate = \$1.50 Spring rate = \$2.50	\$3,038,593 Fall rate: \$2.50 Max Spring rate: \$2.50
	Other Local	\$782,807	\$909,074	\$978,882	\$943,917
State		\$37,040,111 (LEA = \$3,586,224)	\$41,538,643 (LEA = \$3,344,938)	\$43,189,690 (LEA = \$ 3,125,048) (HH = \$535,775)	\$43,953,279 (LEA = \$3,462,069)
Federal		\$5,230,844	\$5,059,495 (loss of 21st Century Grant)	\$6,122,608 (includes 21st Century Grant)	\$6,183,834
Total		\$48,315,623	\$50,917,367	\$52,756,479	\$ 54,119,623

HH = Hold Harmless: was originally an anticipated \$900,000 one time increase in 2019-20



Aberdeen School District - General Fund - EXPENDITURES

		Pre-McCleary 2017-18	Transition Year 2018-19	Post-McCleary 2019-20	Post-McCleary 2020-21
Salary	Certificated	\$ 17,691,794	\$ 21,046,960	\$ 20,586,502	\$ 21,204,098
	Classified	\$ 8,653,800	\$ 9,106,007	\$ 9,353,124	\$ 9,633,717
Benefits		\$ 11,242,009	\$ 12,501,950	\$ 14,068,916	\$ 15,475,805
MSOC's		\$ 9,472,483	\$ 8,895,006	\$ 9,142,388	\$ 9,233,742
Transfer		\$ 0	\$ 285,000	\$ 300,000	\$ 300,000
Total		\$48,315,623	\$50,917,367	\$53,150,880	\$ 55,547,362

2019 Legislative Session - *Impacts on Education Funding*

	ASD5		
K-3 Class Size Reduction: Requires ratio of 1:17 <i>district-wide average</i> to avoid significant penalty	Ready to implement in 2019-20 with 6th to Miller move which provided additional K-3 classrooms (Penalty avoided: \$720,000)		
Special Education: Additional funding for Students w/ Disabilities	Anticipated: \$125,000 (not confirmed by OSPI) <i>SpEd shortfall: \$1,500,000</i>		
Lifting of Local Levy Cap	2018: \$4.31	2019: \$1.50	2020: \$2.50
Hold Harmless: One-time payment to offset impact of “Levy Cliff” for districts severely impacted by new funding model. Increase is in “LEA”, which is a state match for property poor districts.	Originally anticipated: \$931,000 Currently anticipated: \$535,775 (not confirmed by OSPI) <i>Actual confirmation not until January, 2020!</i>		

Implementation of School Employee Benefits Board (SEBB) in January 2020

	ASD5
Provide full benefits for every employee working at least 630 hrs/yr. Includes substitutes	Anticipated cost: \$300,000 (for 25 eligible substitutes)
Pay health premium for employees who waive benefits	Anticipated cost: \$1,000,000 (currently no cost for 84 employees who waive benefits)
Pay unfunded premiums for employees. State pays <ul style="list-style-type: none">• Only for subset of district employees• Based on FTE% (but district must pay 100% for all employees)	Anticipated cost: \$ 1,300,000 (will be funded for 310 employees, but must pay for 416 employees)

4 Year Projection

School Year		2019-2020	2020-2021	2021-2022	2022-2023
Enrollment	w/ RS & GRAVITY	3,290	3,290	3,290	3,290
Beginning Fund Balance		3,368,014	2,673,613	960,852	(1,551,930)
Plus Revenue		52,756,479	54,119,623	55,110,864	56,311,046
Transfers	GL 536	(300,000)	(285,000)	(285,000)	(285,000)
Minus Expenditures		(53,150,880)	(55,547,384)	(57,338,646)	(58,539,141)
Ending/Projected Fund Balance (800's)		2,673,613	960,852	(1,551,930)	(4,065,025)
	Fund Balance Percentage	5.03%	1.73%	-2.71%	-6.94%
	Difference Rev to Expend	(694,401)	(1,712,761)	(2,512,782)	(2,513,095)
	5% Min FB =	2,657,544.00	2,777,369.19	2,866,932.31	2,926,957.04
	Amt needed to 5%=	Goal Met	1,816,517.00	4,418,861.89	6,991,981.81
	Salaries/Benefits Percentage	82.80%	83.38%	83.74%	83.91%
	MSOC Percentage	17.20%	16.62%	16.26%	16.09%



2019-20 Budget Highlights



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1. Balanced Budget
2. 5% ending fund balance met
3. Anticipated SEBB costs covered
4. Impact of “Levy Cliff” absorbed
 - a. Current levy expires December, 2020
 - b. Need to renew levy authorization
5. K - 3 Class size reduction requirements met
6. 4 year budget projection of concern in years 2-4
 - a. Legislative session in January, 2020
 - b. Continued monitoring for cost savings measures
7. Budget Advisory Committee continues

15 Minute Sunset Timer



Concerns

Ideas



Next Steps



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1. Legislative Advocacy
 - a. Gray/Pac Superintendents
2. Follow-up:
 - a. Feedback, questions, request for information (Google form)
3. November 9th
 - a. Updates on ASD5
 - b. Legislative Advocacy

