



Olympia School District

2019-20 School Year Budget

Enacted June 24, 2019

Budget Consideration Overview

- Following budgets must be approved by the Board by August 31, 2019.
- Budgets identified for 1st reading on June 3 must be submitted to the Educational Service District for review.

Type of Budget	Detailed Presentation	1 st Reading	2 nd Reading
Operating 2019-20	May 20	June 3	June 24*
Operating 2020-21, 21-22, 22-23	June 3	---	July 15*
Capital 2019-20	June 3	June 3	June 24*
Debt Services 2019-20	June 3	June 3	June 24*
Transportation Vehicle 2019-20	June 3	June 3	June 24*
Associated Student Body 2019-20	June 3	June 3	June 24*

* Public hearing



What do we submit?

- About 160 pages of F195 is submitted to the ESD and then OSPI, each review and approve.
- F195 identifies expenditures for each budget, about \$250 million, by program and by object.
 - Examples of Program: Basic education, highly capable education, transportation, food services, administration.
 - Examples of Object: Certificated salaries, classified salaries, benefits, contracts, goods/services, equipment.
- Behind the F195 1,600 FTE staff members are each budgeted by fund source, duty and location.
- Each non-staff budget is identified by fund source, location and purpose.
- We must predict and budget our August 31, 2020 ending fund balance by type of balance.



Overview of Operating Budget Presentation

- Revenue Assumptions
 - M&O Levy and Other
- Major Operating Budget Assumptions
 - Deficit
 - Reductions to Balance
 - Class Size, K-3 Class Size
 - Major Funding Assumptions
 - New Costs
- Preliminary Operating Budget Ending Fund Balance



LEVY REVENUE ASSUMPTIONS



Current Law (before 2019 Session) vs. New Law (after 2019 Session)

- Assessed Value based.
 - \$1.50 per \$1,000 assessed value or \$2,500 per students, which ever is less.
 - Districts with high assessed value are limited once they reach \$2,500 per student.
 - Property poor districts, levy equalization up to \$1,500 per student.
 - Adjusts for inflation.
- Assessed Value based.
 - \$2.50 per \$1,000 assessed value or \$2,500 per students, which ever is less.
 - \$2,570 after inflation of per pupil amount.
 - Districts with high assessed value are limited once they reach \$2,570 per student.
 - Property poor districts, levy equalization up to \$1,550 per student.
 - \$1,593 after inflation.



Now that OSD Can Collect More of Voter Approved Levy

Senate Overview (SB 5313)

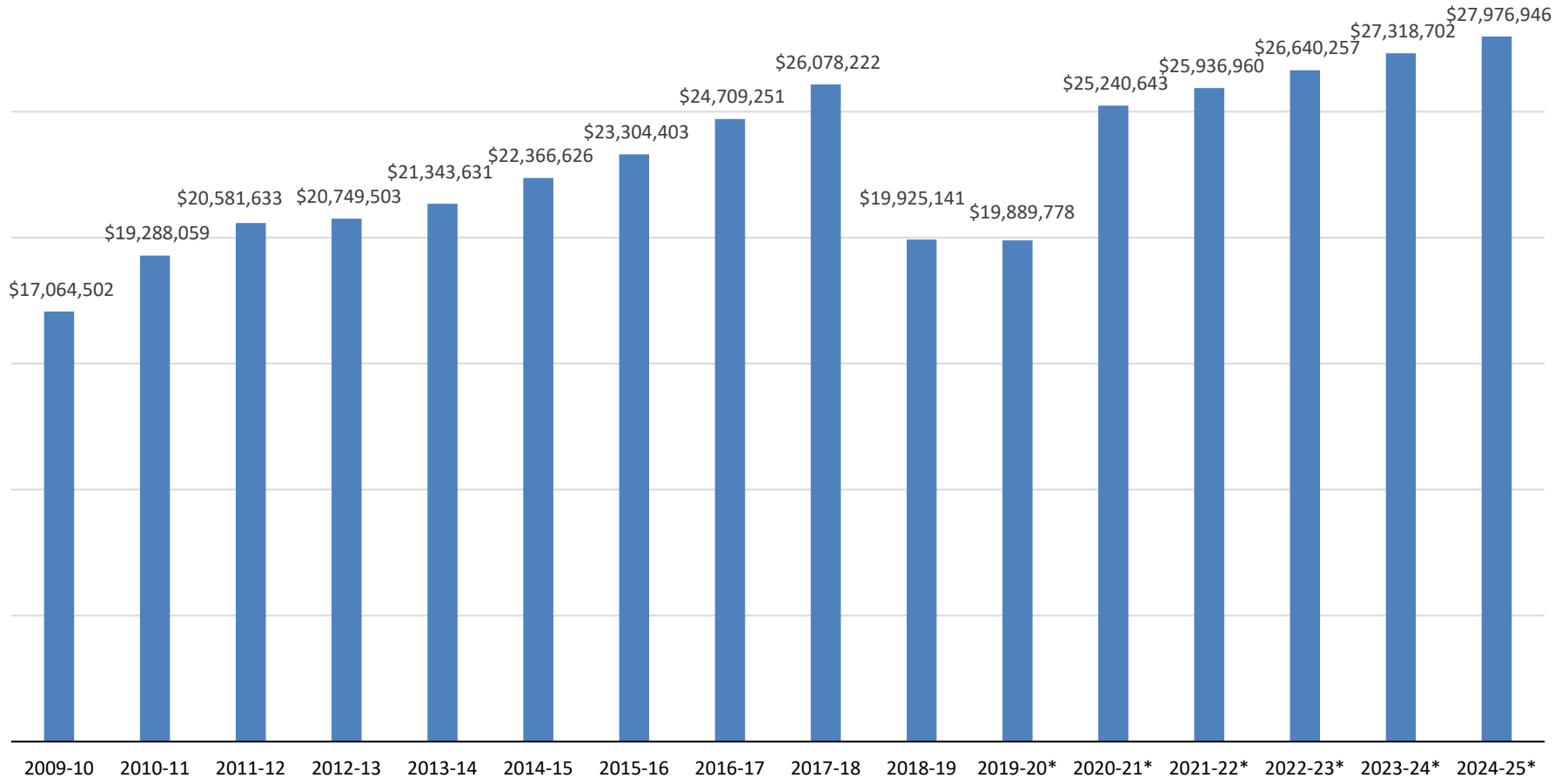
1. Permits collection of the lesser of \$2.50/\$1,000 AV or \$2,500 per student. (\$2,570 after inflation.)
2. Redefines inflation of the per pupil factor to be based on the Implicit Price Deflator instead of Consumer Price Index.
3. Funds levy equalization up to \$1,550 per student. (\$1,593 after inflation.)

Year: 2020	\$2.50/ \$1,000 AV	\$2,500 / Student	\$1.50 / \$1,000 AV	Levy Equali- zation	Impact on 2019-20 SY	Impact on 2020-21 SY
Current Law	---	---	\$14,935,441	\$64,000		
Senate 5313	\$25,586,358	\$24,869,376	---	\$287,016	\$5,282,866	\$9,248,688



Collection History and Projection Under New Law

Historical and Projected Maintenance and Operations Levy Collection, by School Year



*Projected based on new law; presumes similar voter approved levy beginning in 2021.



Tax Rates for Olympia School District Property Owners, 6.15% Projected AV Growth

Calendar Year	Historical State Tax	New State Tax	M&O	Technology	Bond	Total	Change from 2019	Change from 2017
2009	\$1.92	\$0.00	\$1.99	\$0.26	\$1.76	\$5.94		
2010	\$2.06	\$0.00	\$2.18	\$1.29	\$1.79	\$7.33		
2011	\$2.26	\$0.00	\$2.78	\$1.32	\$0.99	\$7.35		
2012	\$2.45	\$0.00	\$2.87	\$1.52	\$0.98	\$7.83		
2013	\$2.51	\$0.00	\$3.16	\$0.36	\$2.20	\$8.22		
2014	\$2.38	\$0.00	\$3.07	\$0.33	\$1.81	\$7.60		
2015	\$2.28	\$0.00	\$3.07	\$0.60	\$1.56	\$7.50		
2016	\$2.12	\$0.00	\$3.04	\$0.43	\$1.55	\$7.14		
2017	\$1.99	\$0.00	\$3.07	\$0.33	\$1.86	\$7.25		
2018	\$1.99	\$0.99	\$2.97	\$0.31	\$1.83	\$8.09		\$0.85
2019	\$1.85	\$0.69	\$1.50	\$0.89	\$1.94	\$6.87		(\$0.38)
2020	\$1.85	\$0.99	\$2.47	\$0.86	\$1.87	\$8.04	\$1.18	\$0.80
2021	\$1.85	\$0.99	\$2.39	\$0.85	\$1.83	\$7.91	\$1.05	\$0.67
2022	\$1.85	\$0.96	\$2.31	\$0.89	\$1.73	\$7.75	\$0.88	\$0.50
2023	\$1.85	\$0.94	\$2.24	\$0.89	\$1.71	\$7.63	\$0.76	\$0.38
2024	\$1.85	\$0.93	\$2.16	\$0.89	\$1.68	\$7.51	\$0.64	\$0.26
2025	\$1.85	\$0.92	\$2.08	\$0.89	\$1.64	\$7.39	\$0.52	\$0.14

State Taxes are approximate, and represent what home owners pay, not the rate in the law, due to Indicated Ratio.

*projected, or partial data.



Tax Rate Range for Upcoming 4 year Levy Period

Calendar Year	Voter Approved Levy	New Law Projection	Resulting Total Tax Rate	Change from 2017
2017	\$25,500,000	\$25,500,000	\$7.25	
2018	\$26,300,000	\$26,300,000	\$8.09	\$0.85
2019	\$27,100,000	\$14,935,544	\$6.87	(\$0.38)
2020	\$27,900,000	\$24,869,376	\$8.04	\$0.80
2021	None Approved	\$25,567,508	\$7.91	\$0.67
2022	None Approved	\$26,262,227	\$7.75	\$0.50
2023	None Approved	\$26,973,076	\$7.63	\$0.38
2024	None Approved	\$27,622,992	\$7.51	\$0.26



Tax Rate Impact Calculator, Increase over 2017 Tax Rate

2020 Tax Rate Impact Calculator

\$ 0.80 Tax Rate
\$ 1,000 Per \$ of Assessed Value
\$ 300,000 House Value

\$ 240 Per Year Taxes
\$ 20 Per Month Taxes

Assumes 6.15% Assessed Value Growth

2021 Tax Rate Impact Calculator

\$ 0.67 Tax Rate
\$ 1,000 Per \$ of Assessed Value
\$ 318,450 House Value

\$ 213 Per Year Taxes
\$ 18 Per Month Taxes

2022 Tax Rate Impact Calculator

\$ 0.50 Tax Rate
\$ 1,000 Per \$ of Assessed Value
\$ 338,035 House Value

\$ 169 Per Year Taxes
\$ 14 Per Month Taxes



Summary

- Budget assumes the maximum allowable collection of Maintenance and Operations levy funds in 2020.
- Total tax rate will increase above 2017 levels by \$0.80 in 2020.
- Superintendent is considering what from Technology Levy can be changed, in order to reduce the tax rate increase.



Separately Budget for State Revenue and Levy Revenue

- Historically state accounting rules have mixed state revenue and levy revenue in the operating budget.
- Now we must separately expend each of these revenue types...which means that we must either budget this upfront or do journal voucher expenditures to the other code after the expenditure.
- Split coding is assumed in the budget detail. Therefore, our budget declares the specific expenses that are charged to the levy.



Example: Basic Education Para-Educators

- State allocates about 16 6-hour basic education para-educators for Olympia School District.
 - 100% of Health Room para-educators and Crossing Guards are coded to the levy.
 - 100% of Behavior Technicians are coded to the levy.
 - Basic Education:

Levels	District Deployed Para-Educators	State Allocated Para-Educators	State Allocation Covers	Levy Covers of FTE Allocation	State \$ Cover 55%	Levy \$ Cover 45%
Elementary	38.33	9.20	23.99%	76.01%	---	---
Middle	12.00	3.43	28.55%	71.45%	---	---
High School	12.00	3.38	28.16%	71.84%	---	---
Total	62.33	16.00	25.67%	74.33%	\$900k	\$800k

→ Split code all basic education para-educators 55% state and 45% levy.



ALL OTHER REVENUE UPDATES



Revenue Reconciliation

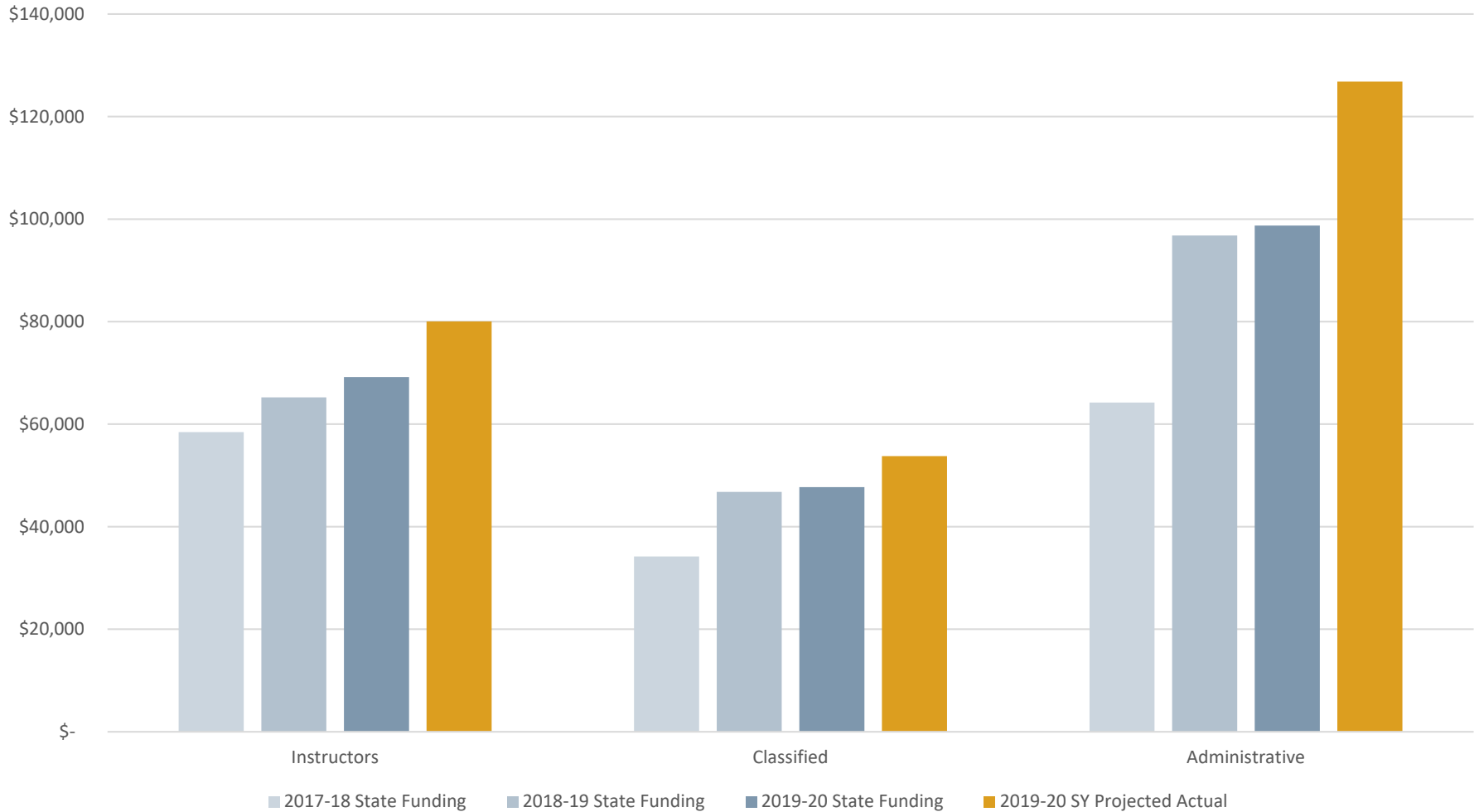
1	Revenue Summary: 2018-19 SY Revenue Compared to 2019-20 SY Revenue		
2	Basic Education Property Tax		(82,182)
3	General Apportionment and Hold Harmless		7,429,321
4	Levy Equalization		(83,713)
5	Non-High Fees		(200,000)
6	Reimbursed Payroll		595,418
7	E-Rate		(110,000)
8	All Other Basic Education		(35,897)
9	Subtotal Basic Education		7,512,948
10	Special Education K-21, State		1,381,972
11	Special Education, Federal		43,383
12	Subtotal SpEd Education		1,425,355
13	Career and Technical Education		1,142,120
14	McKenny Vento		(13,500)
15	Title IV, ELL, Hi Cap, and Migrant Education		121,910
16	Learning Assistance Program		171,250
17	Traffic Safety, Other Grants		(291,600)
18	Transportation, State		119,134
19	Total	\$	10,187,616
20		Fund Balance 6.0%→3.71%*	\$ 2,790,455
21	Total Including Restricted Spend Down	\$	12,978,071

*Assumes we spend down all restricted accounts 100%. For example, spend down all inventory so that we have no carryover of inventory into 2020-21.



Salary Funding Growth and Levy Subsidy

State Funding by Staff Category Compared to 2019-20 SY Projected Actual Cost



Resolution 596

Fund	Appropriation Amount
General Fund Appropriation (prior to amendments)	\$150,467,811
Capital Projects Fund Appropriation	\$93,464,278
Transportation Vehicle Fund Appropriation	\$1,500,000
Debt Service Fund Appropriation (including interest)	\$17,668,638
Associated Student Body Appropriation	\$1,148,308
Total Budget	\$ 264,249,035



Capital Budget Sources

Type of Capital Revenue Source	<u>2017-18 SY</u>	<u>2018-19 SY</u>	<u>2019-20 SY</u>
Local Property Tax	2,675,088	5,559,707	8,324,719
Timber Excise Tax	6,440	10,900	16,931
Rebates	---	---	---
Investment Earnings	37,000	37,000	37,000
Interest Earnings	150,000	150,000	150,000
SEPA/Impact/Mitigation Fees	352,000	352,000	352,000
Griffin Reimbursements	250,000	250,000	250,000
Sale of Bonds	---	72,000,000	35,000,000
Grants or State Match	---	---	7,000,000
Total	\$ 3,470,528	\$78,359,607	\$51,130,650



Capital Budget Expenditures

Type of Expenditure	<u>2019-20 SY</u>	Notes
Secondary Schools	\$48,900,000	Largely expenditures for CHS and OHS
Elementary Schools	\$14,225,274	Tail of expenditures for 3 elementary remodels
Emerging Projects	\$20,450,000	Progress on Bond Small Projects List across district
Technology	\$ 7,583,004	Expenditures per Technology Levy Plan
Misc project & HVAC	\$ 2,306,000	---
Total	\$93,464,278	---



GENERAL FUND (OPERATING)



How do we build the budget?

- Enrollment and dozens of student assumptions
- Project beginning balance based on 2018-19 expenditure to date and projected ending balance
- Roll forward current budget and staffing design
 - Roughly 2018-19 class size adjusted for enrollment reduction/increase
 - Continuation of current program design
 - Vacant positions budgeted as if will be filled
 - Salary levels based on current contracts and policy
 - Update budget for new costs
- Keep re-projecting Ending Fund Balance and Deficit
 - Multiple plans for reductions and add backs.
- Build Superintendent's proposal



Enrollment Highlights

Boundary-based Schools	ORLA
Elementary: +22 (BH + 7; Brown +16)	Montessori: +2
Middle: +3 (Jeff + 22; WA -2)	MAST: 0 Change
High School: -18 (OHS NC; CHS -18)	H-Connect: 0 Change
Total: 8 Increase over 2018-19 SY	Total: +2



ORLA Budget

- ORLA budget is struggling based on historical ALE and BEA combination.
 - Salary increases are not commensurate with revenue increases.
 - K-3 class size applies to Montessori program, but is inconsistent with that design and budget capacity.
 - No historical levy subsidy is now a pointed absence.
 - Planning underway for future, requires immediate adjustment to program architecture.



Cost of Living Increases

- State funded COLA is about 2%. (“Inflationary increase”)
- Open contracts for 2019-20 SY:
 - School administrators
 - Technology
 - Food Services
 - Para-educators



Other Major Assumptions

- Contingency for fall start-up of \$300,000 in general education.
 - Plus about \$368,000 in Special Education staffing contingency.
- GRuB stipend built into base for summer 2020, assume \$1,000 per student for 55 students. (District pays its payroll tax on top of this, \$110 per student.)
- Insurance cost increase is 8%.
- Utilities cost increase is 3% going forward. (plus budgeted more for where we over expended this year)



Curriculum Adoptions

- Budget is typically \$450,000 each year. But with reductions, budgeting only \$225,000.
- Also, in 2018-19 SY, will under-spend this and carry some resources into 2019-20 SY.
 - \$230,000 carry over is budgeted into reserve 888 and will likely be dedicated to high school math.
- 2019-20 SY will be devoted to research and resources for multiple student outcomes.



Changes for 2019-20 Operating

- Implementation of SEBB system on January 1, 2020 for all staff who work or are expected to work 630 hours, not including substitute teachers.
- COLA is built into all collective bargaining agreements that were a 2 year agreement covering the 2019-20 SY and all other salaries also.
- Newly funded 4% salary allocation instead of staff mix (covers about half of staff mix).



New Health Benefits System

- **Health Care for All**

- Work or expected to work 630 hours; eligible for full benefits
- 128 employees eligible for full instead of partial benefits; about \$1.6 million for full year

Food Services Employees Benefiting from SEBB

Approx. Benefit per Hour	Approx. % per Hour	Number of Individuals
\$1.70 / Hour	12% Increase	10
\$0.41 / Hour	2.9% Increase	8
\$0.21 / Hour	1.5% Increase	10
\$0.12 / Hour	0.8% Increase	7

37 out of 49 individuals will experience an increased health benefit

Para-educator Employees Benefiting from SEBB

Approx. Benefit per Hour	Approx. % per Hour	Number of Individuals
\$1.40 / Hour	9% Increase	14
\$0.42 / Hour	7.9% Increase	43
\$0.17 / Hour	3.2% Increase	210
\$0.03 / Hour	0.5% Increase	23

284 out of 324 individuals will experience an increased health benefit



New Health Benefits System Revenue

- New State Revenue beginning January 1
 - Each state-allocated basic education certificated employee * 1.02 * \$11,964 (formerly 1.0)
 - Each state-allocated basic education classified employee * 1.433 * \$11,964 (formerly 1.152)
 - Special education, funded indirectly
 - Transportation, funded on 1 year lag
- No state revenue for levy-paid staff
- No state revenue for food services staff
- \$834,744 in new revenue for 12 month period;
\$433,626 in new revenue for 2019-20 SY.



Net Change in Costs and Revenue (Best Case Scenario)

Fiscal Impact	Health Benefits Cost in 2019-20 SY, with No SEBB	2019-20 SY, 8-Month Implementation of SEBB	Full 12-Month Implementation of SEBB (Theoretical)
Cost of SEBB Benefits	\$16,358,658	\$17,404,356	\$17,927,205
Revenue of SEBB Benefits	\$10,580,723	\$11,004,659	\$11,396,813
Balance of Revenue and Cost	\$(5,777,935)	\$(6,399,697)	\$(6,530,392)
Comparison to No SEBB	---	\$(621,762)	\$(752,457)



Enhancements

- Changes to program are funded w/in the program or reflect higher cost to same design.
- 5 exceptions:
 - Funding for continuation of strategic planning and diversity improvement investments.
 - Receptionist at Knox 111. Expanded coverage area.
 - Cost increases and programmatic re-design of summer school for 2020. (Piloting changes in 2019.)
 - Music, Art, PE Pilot at Garfield, Brown, Hansen.
 - New School Discipline Rules: 3.5 secondary positions.
 - Small Behavior Technician expansion.
- 15.1 FTE staff to come into K-3 compliance.
- \$32,000 for Community Eligibility Program at Hansen, Garfield and LP Brown.



Music, Art, PE Expansion

- In 2019-20 SY, use the implementation of the K-3 class size reduction so that specialist teachers provide the planning time for classroom teachers.
- Reduce recess minutes.
- Ensure opportunities for grade level teams to collaborate.
- Offer art.
- Expands music, PE and art to grades 4-5 also.

Teacher Allocation	Brown	Garfield	Hansen
Music	1.0	1.0	1.125
PE	1.0	1.0	1.125
Art	0.5	0.5	0.6
Total Needed	2.5	2.5	2.85
Current Allocation	0.8	0.8	0.76
New Teachers Needed	1.8	1.8	2.09
K-3 Portion	1.849	1.849	2.07
4-5 Portion	0.651	0.651	.780
New Budget Impact	\$48,000	\$48,000	\$62,000



New Secondary Teacher Allocation

- Allocation of 3.50 FTE to secondary schools to implement the new state discipline requirements.
- Principals can a) create a restorative justice center, b) add more class sections, or c) a combination.
- Allocation distribution is based on enrollment.

School	FTE Allocation
Avanti	0.1
Capital	1.0
Olympia	1.0
Jefferson	0.3
Marshall	0.3
Reeves	0.3
Washington	0.5
Total	3.5



Behavior Technician

- Behavior Technician hours are about 10% more expensive than typical para-educator hours.
- 3 of 11 schools have a full day Behavior Technician.
- Allocate full day BT to 8 schools; 24 hours.
- Deduct 24 hours from typical allocation.
- \$25,000 cost.



Operating Budget Balance Sheet

Row	Balance of Revenue and Expenditures	Before Reductions	After Reductions	Difference
1	Beginning Balance (6% Carryforward)	\$8,368,250	\$8,368,250	\$0
2	Change in Assumed Under-expenditure	No, same as 2018-19 SY	No, same as 2018-19 SY	
3	Revenue	\$147,677,357	\$147,677,357	\$0
4	Total Resources	\$156,045,607	\$156,045,607	\$0
5	Planned Reserve	5,998,522	\$5,577,795	(\$420,727)
6	Resources After Reserve Funded	\$150,047,085	\$150,467,812	\$420,727
7	Expenditures as Described Above	\$151,670,585	\$150,467,812	(\$1,202,773)
8	Difference	\$1,623,500	\$0	(\$1,623,500)

1.07% reduction



Cuts Implemented

- **\$1,623,500**
 - 10% reduction in general supplies in school and central office
 - 1.0 TOSA, vacant
 - \$100,000 safety manager and SIS manager
 - \$35,000 SIS assistant
 - \$110,000 resource conservation manager
 - 1 vacant custodial position, 1 vacant electrician, and 1 vacant summer grounds
 - \$15,000 food services
 - \$225,000 in curriculum
 - \$176,000 in para-educator allocations (5.0 FTE)
 - \$100,000 in indirects
 - See written detail.



Reduction in Para Allocations

Level of Schools	Tier 1 Allocation	Tier 2 Reduction About 5%	Final Hours
Elementary Schools	259 hours	11 hours	248 hours
Middle Schools	95 hours	3 hours	92 hours
High Schools	59 hours	2 hours	57 hours
Special Programs	424 hours	17 hours	407 hours

- Not reduced:
 - 900 1:1 para hours.
 - Lifeskills program.
 - Transitions program.
- Reduction of 5 full time equivalent para-educator positions, from about 300.
- Vacancies are 30 to 60 per year.



Elementary Staffing Ratio Overview

Does Not Include Music/PE/Art Specialists

	Weighted	Tier 2(b) Class Size	Tier 3 Class Size
1	Boston Harbor K-3	17.22	18.86
2	Boston Harbor 4-5	24.40	26.50
3	McLane K-3	18.89	22.10
4	McLane 4-5	23.60	24.80
5	Lincoln K-3	19.38	23.50
6	Lincoln 4-5	27.00	27.00
7	Centennial K-3	19.65	22.73
8	Centennial 4-5	25.86	25.86
9	McKenny K-3	18.31	19.64
10	McKenny 4-5	23.40	23.40
11	Pioneer K-3	18.27	21.92
12	Pioneer 4-5	27.50	27.50
13	Madison K-3	18.44	20.75
14	Madison 4-5	23.13	26.00
15	Hansen K-3	18.96	21.72
16	Hansen 4-5	27.50	27.50
17	Roosevelt K-3	18.52	21.75
18	Roosevelt 4-5	23.39	23.39
19	Garfield K-3	19.08	20.20
20	Garfield 4-5	23.52	28.25
21	LP Brown K-3	18.37	20.03
22	LP Brown 4-5	23.20	23.00

Notes

Class Sizes displayed at left do not include music, art, and PE staff, which improve/reduce toward the state compliance ratios of 1:17.

LAP and Title I resources are in addition to the class sizes displayed on left.

Garfield and LP Brown can bring down teacher / student ratios, grades K-5, further.



Elementary Staffing Ratio Overview

Does Not Include Music/PE/Art Specialists

Row	Weighted Average	Tier 2(b) Class Size	Tier 3 Class Size	Diff from Lowest Poverty Group
Grades K-3				
1	Avg Lowest Tier Poverty	18.78	21.61	
2	Avg Lowest Tier Poverty w/o BH	18.91	21.95	
3	Avg Madison, Hansen, Roosevelt	18.69	21.51	1.2%
4	Avg Garfield, LP Brown	18.71	20.11	1.1%
Grades 4-5				
1	Avg Lowest Tier Poverty	25.42	25.79	
2	Avg Lowest Tier Poverty w/o BH	25.52	25.74	
3	Avg Madison, Hansen, Roosevelt	24.94	25.53	2.3%
4	Avg Garfield, LP Brown	23.37	25.33	8.4%



Secondary Teacher Student Ratio

Secondary Schools	Change in Teacher Deployment from Spring 2019 for Enrollment	Change in Teachers Deployed Base for Class Size Increase	Change in Teachers for New Discipline Rules	Combined Enrollment Change, Budget Change and Discipline Change	Class Size Outcome of Budget Reduction
Marshall	1.50	1.40	0.30	0.6	27.30
Jefferson	0.40	0.30	0.30	1.70	27.40
Reeves	-1.30	-1.50	0.30	-1.20	27.45
Washington	-0.20	-0.50	0.50	0	27.47
Avanti	0.10	0	0.10	0.10	25.09
Capital	-2.70	-3.30	1.0	-2.30	27.78
Olympia	-5.10	-5.80	1.0	-4.80	27.90
Total Change	-7.30	-9.40	3.50	-5.90	---



BALANCE SHEETS



Expenditure Reconciliation

	<u>Salary Only</u>	<u>Salary + Pension</u>	<u>Total</u>
1			
2	Teacher Salary Increase	\$2,752,257	\$3,522,889
3	TOPA and Administrators Salary Increase	486,979	623,333
4	Teamsters' Salary Increase	309,350	395,968
5	Secretary's' Salary Increase	456,380	584,166
6	Para-educator Salary Increase	340,952	436,419
7	All Other Salary Increases	220,490	282,227
8	Insurance and Utilities		94,545
9	Salary Schedule Movement (Yrs and Credits)		535,000
10	SEBB Health Benefit Costs		1,045,698
11	Cost of 15.1 Teachers for K-3 Ratio Reduction		1,537,225
12	Portion of EFB Above 3%		707,198
13	Increase in SpEd Contingency	31,595	40,442
14	Increase in Sped Contracting Costs		170,050
15	Increase Child Care Subsidy		10,681
16	Assumed Spending of Restricted Revenue		2,790,455
17	All Other Adjustments		<u>201,775</u>
18	Total		\$ 12,978,071



2018-19 SY Ending Fund Balance

2019-20 SY Beginning Balance

Account Codes	Formal Extension- April 2019	May Estimate	Difference
821 Categorical Programs (LAP, CTE, Title I)	\$0	\$0	\$0
840 Inventory	\$274,157 (0.20%)	\$274,157	\$0
870 School Carry Over of Private Grants	\$211,225 (0.15%)	\$211,225	\$0
888 School and Department Carry Over	\$1,841,465 (1.33%)	\$1,841,465	\$0
890 Unassigned Fund Balance (FB Above Minimum)	\$1,353,666 (0.97%)	\$1,872,754	\$519,088
891 Unassigned to Minimum Fund Balance Policy	\$4,168,649 (3.00%)	\$4,168,649	\$0
Total of All Reserve Accounts	\$7,849,162 (5.65%)	\$8,368,250	\$0
Subtotal Unrestricted (Accounts 890 and 891)	\$5,522,315	\$6,041,403	\$519,088



2019-20 SY Ending Fund Balance

Type of Reserve Account	May 2018 Maintain Prior Year EFB	Assumed AFTER Implement Reduced Ed Plan	Difference	June 2019	Account as Percentage of Total
821 Categorical Programs (LAP, CTE, Title I)	No Assumption	No Assumption	---	---	---
840 Inventory	No Assumption	No Assumption	---	---	---
870 School Carry Over of Private Grants	No Assumption	No Assumption	---	---	---
888 School and Department Carry Over	No Assumption	No Assumption	---	---	---
890 Unassigned Fund Balance (FB Above Minimum)	\$1,465,633	\$1,063,761	(\$420,727)	0.71%	20%
891 Unassigned to Minimum Fund Balance Policy	\$4,532,888	\$4,514,034	\$0	3.00%	80%
Total of All Reserve Accounts	\$5,998,522	\$5,577,795	(\$420,727)	3.71%	100%
Subtotal Unrestricted (Accounts 890 and 891)	\$5,998,522	\$5,577,795	(\$420,727)	3.71%	---
	Requires \$2.1 Million in Cuts	Requires \$1.6 Million in Cuts			



2019-20 SY Ending Fund Balance

- A 3.71% unrestricted EFB is 2nd lowest budget of past several years.
 - *Very low compared to OSPI target (8.5%); low compared to neighbors.*
 - *Lower assumption than in prior year (3.97 – 4.25%).*



Goal Ending Fund Balance

- Within this 3.71% goal, want to control fluctuations, and give Board as much as possible to spend:
 - Assume underspending in 2019-20 SY of \$3,200,000.
 - Mechanism is to build this into Revenue and thus provide more expenditure capacity.
 - About 6th year continuation of this assumption at some level.
 - Same level as 2018-19 SY.
 - If underspending is greater than \$3.2 M will know by spring and will build higher amount into May 2020 budget planning for 2020-21 SY.



Operating Budget Balance Sheet

Row	Balance of Revenue and Expenditures	Before Reductions	After Reductions	Difference
1	Beginning Balance (6% Carryforward)	\$8,368,250	\$8,368,250	\$0
2	Change in Assumed Under-expenditure	No, same as 2018-19 SY	No, same as 2018-19 SY	
3	Revenue	\$147,677,357	\$147,677,357	\$0
4	Total Resources	\$156,045,607	\$156,045,607	\$0
5	Planned Reserve	5,998,522	\$5,577,795	(\$420,727)
6	Resources After Reserve Funded	\$150,047,085	\$150,467,812	\$420,727
7	Expenditures as Described Above	\$151,670,585	\$150,467,812	(\$1,202,773)
8	Difference	\$1,623,500	\$0	(\$1,623,500)

1.07% reduction

