

2019-2020 Proposed Budget

Board of Directors
August 12, 2019



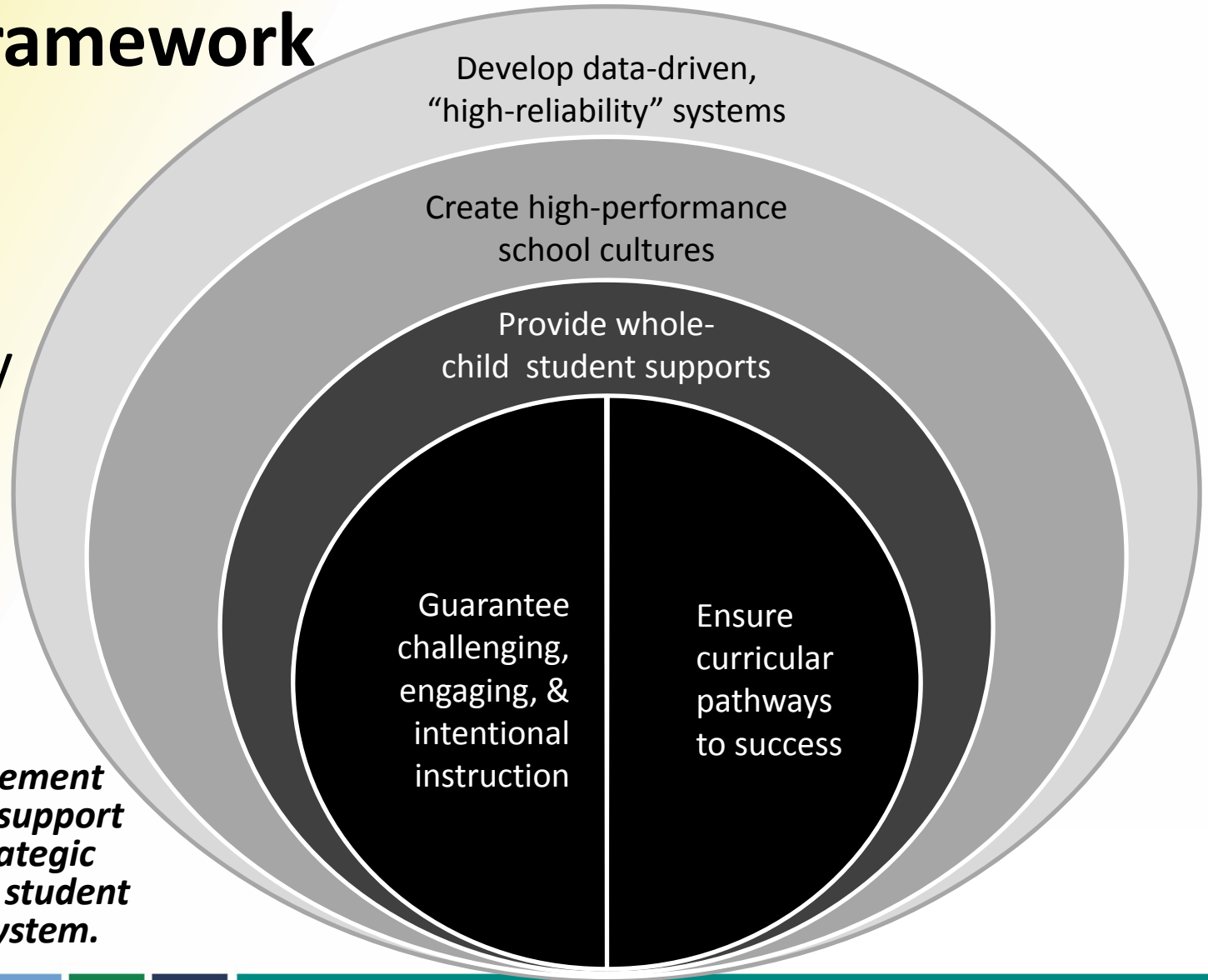
Mission Statement

Inspiring and empowering learners to be contributing citizens in our changing world.



What Matters Most Framework

High
Reliability
District
Systems



Resource management is an underlying support for the entire strategic plan, supporting student learning in our system.



Steps in Budget Process

- Enrollment projections – January/February
- **Legislative action**
- Labor contracts
- Board updates / work sessions / decisions
- Budget presentation
- Public Hearing / Board adoption – August



Looking Back to 2018-2019 Budget

- Legislative fix to McCleary – EHB 2242 was broken
- ESSB 6362 provided only technical fixes to EHB 2242
- Budget shortfall for school districts across state

For Central Valley

- Employee contracts in place – past timeline to make staffing adjustments
- Bargaining commitments made
- Budget plan/budget extension trimmed areas of budget and transferred reimbursements from the Capital Projects Fund to reduce magnitude of deficit
- Reduction in reserves \$4.7 million



Setting the Stage for 2019-2020

- Hopes for relief from Legislature in 2019
 - Only minor adjustments in State Funding
 - Special Education
 - Hold Harmless
 - Increase in levy authority from \$1.50 tax rate to \$2.50
 - Requires voter approval of supplemental levy



Implications for CVSD

- Special Education funding increased by approximately \$500,000
 - Levy support of program in excess of \$5 million
- Hold Harmless – actual decrease in State and Local Funding
 - Eligible for \$686,000 in hold harmless funding
 - One year only
 - No net IPD or inflationary adjustment received
- Authority to put supplemental levy on ballot



2019-2020 Budget Planning

- Budget deficit carried forward from 2018-2019 operations
- Compounded by
 - Further reduction in local levy
 - Bargaining commitments/costs
 - Ongoing inflation
- Need for significant budget reductions



Modified Educational Program

- Guiding Principle
 - Maintain as many direct services and engagement opportunities for students as possible
- Guided by Strategic Plan and community and staff engagement activities
- Prioritized student safety
 - Social emotional learning
 - Safe and orderly learning environments
- Overall reductions - \$12 million
- Approved by Board 5/28/19



Modified Educational Program

- Administrative Restructure
 - Maintaining focus on teacher evaluation, completion of bond projects, student safety, etc
- Building and department budgets - \$1 million
- Redefine categorical programs to strategically serve students
- Eliminate technology refresh and related spending
- Restructure classified positions to create more full-time positions / SEBB implementation
- Staffing closer to prototypical funding model
 - Maximize K-3 staffing
- Curriculum adoption budget – adjust timeline to maximize resources
- Eliminate district funded Dean of Students positions
- Reduce 12 custodial positions

- Interims – one year bridges for director position retirements



The Budget Story

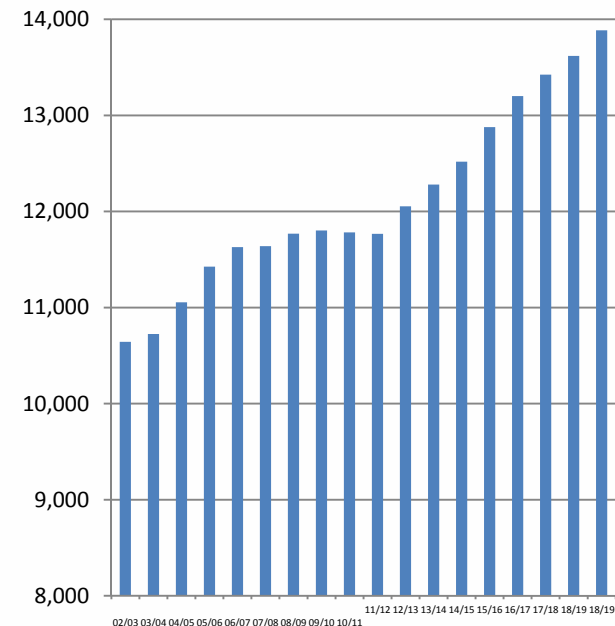
- Increase in enrollment 265 student FTE
- Increase in budget – revenues and expenditures
 - Enrollment growth
 - Bargaining commitments
 - Implementation of SEBB
 - Slight increase in employer pension rates – certificated staff
 - General inflation
- Implementation of budget reductions
- Opening of Selkirk Middle School
- Sustaining programs for student learning



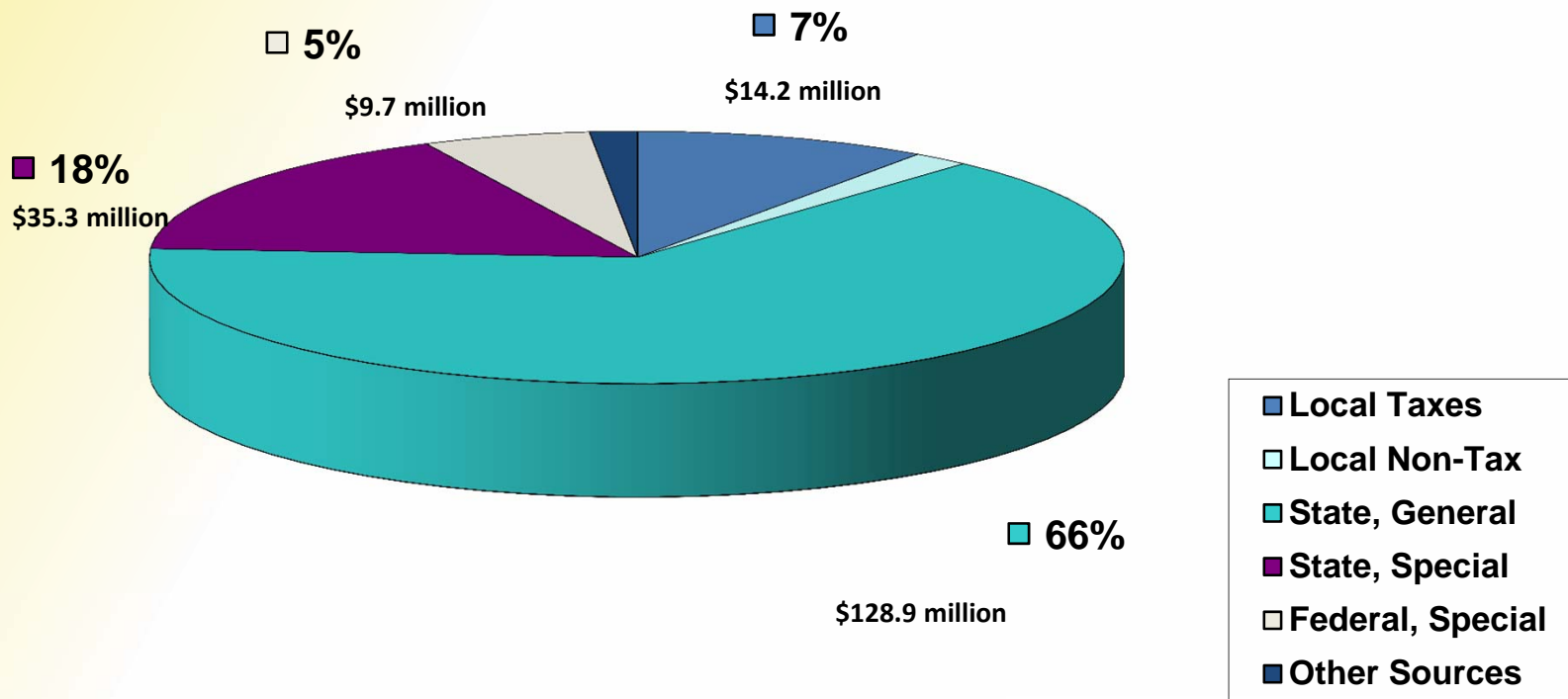
Enrollment

- Growth in enrollment

– 2002/2003	10,644	<i>High schools opened</i>
– 2003/2004	10,725	
– 2004/2005	11,055	
– 2005/2006	11,426	
– 2006/2007	11,629	
– 2007/2008	11,640	
– 2008/2009	11,770	
– 2009/2010	11,803	
– 2010/2011	11,782	
– 2011/2012	11,767	
– 2012/2013	12,054	
– 2013/2014	12,280	←
– 2014/2015	12,518	
– 2015/2016	12,879	
– 2016/2017	13,201	
– 2017/2018	13,424	
– 2018/2019	13,620	<i>Projected</i>
– 2019/2020	13,885	<i>Budgeted</i>



General Fund Revenues \$194,452,765

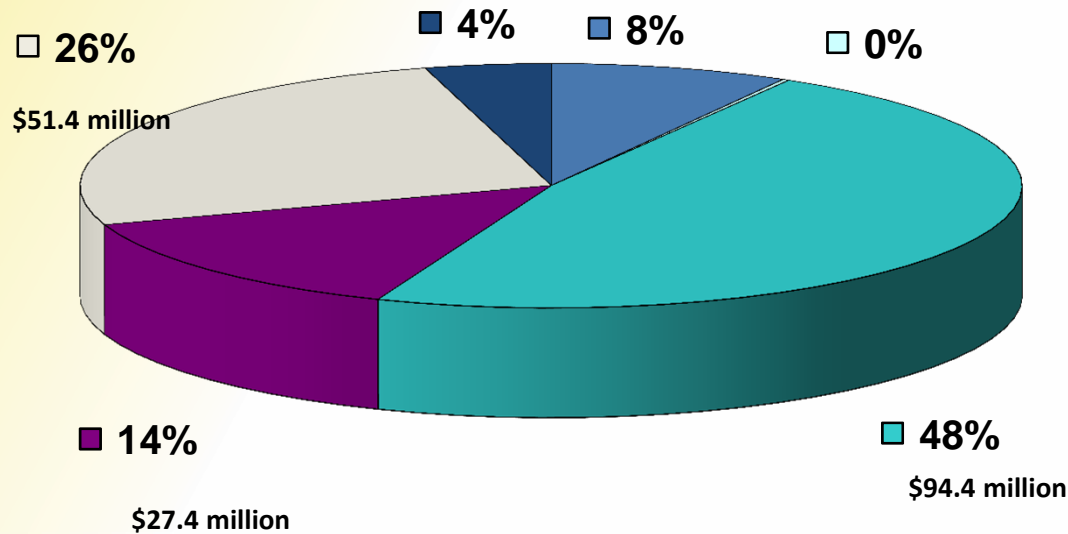


84.5% State Funds



General Fund Expenditures by Object

\$198,462,134



- Purchased Services/Travel
- Capital Outlay
- Certificated Salary
- Classified Salary
- Benefits
- Supplies/Materials

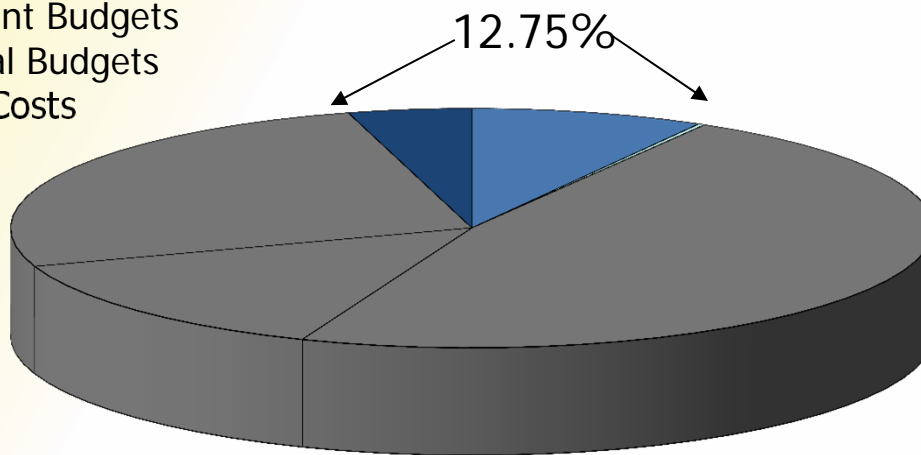
87.25% Salary/Benefits



General Fund Expenditures by Object

\$198,462,134

Utilities	\$2.8 M
Insurance	\$1.7 M
Fuel	\$.7 M
Food/Supplies	\$2.8 M
Building Budgets	
Curriculum Adoptions	
Program/Grant Budgets	
Departmental Budgets	
Legal/Audit Costs	



- Purchased Services/Travel
- Capital Outlay
- Certificated Salary
- Classified Salary
- Benefits
- Supplies/Materials



MSOCs Funded vs Budgeted

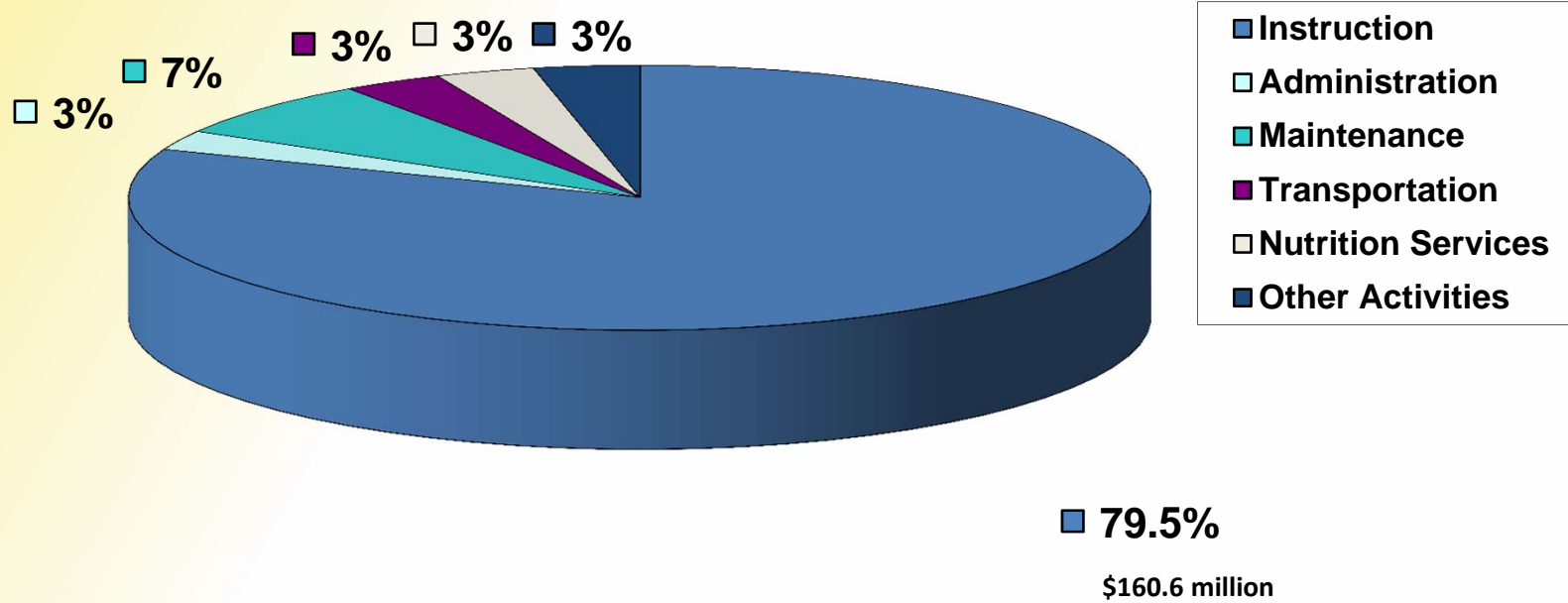
- State requirement
- Budget presentation must disclose State funded Basic Education Maintenance Supplies & Operating Costs (MSOCs) vs budgeted Basic Education MSOCs

State Funded MSOCs	Budgeted MSOCs	Balance
\$17,801,282	\$17,249,657	\$551,625



General Fund Expenditures by Activity

\$198,462,134



Fund Balance

What should the District Fund Balance be?

- Balance – financial stability and educational program
- State average (17/18) 11.22%

Board committed to a minimum fund balance of 4%

- Maintain 4% fund balance
 - Financial stability
 - Reserves for emergencies
 - Bond rating
 - Cash flow



Fund Balance

- Budget as Proposed
 - \$5,685,631 ending fund balance
 - \$4 million reduction
 - 3% of revenues



Four Year Budget Plan



**Four Year Budget Plan
With No Further Reductions**

	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
Revenues:				
Local Taxes	14,157,187	14,652,689	15,165,533	15,696,326
Local Non-Tax	3,315,000	3,431,025	3,551,111	3,675,400
State, General	128,916,708	133,428,793	138,098,801	142,932,259
State, Special	35,337,129	36,573,929	37,854,016	39,178,907
Federal, Special	9,666,741	10,005,077	10,355,255	10,717,689
Other Districts				
Other Entities	60,000	60,000	60,000	60,000
Other Sources	3,000,000	500,000		
Total Revenues	194,452,765	198,651,512	205,084,715	212,260,580
Expenditures:				
Regular Instr	113,094,113	116,052,407	122,234,241	126,512,440
Special Education Instru	32,395,464	33,529,305	34,702,831	35,917,430
CTE Instr	4,448,630	4,604,332	4,765,484	4,932,276
Skills Ctr Instr	809,413	837,742	867,063	897,411
Compensatory Instr	9,335,673	9,662,422	10,000,606	10,350,628
Other Instr Programs	590,974	611,658	633,066	655,223
Community Services	3,492,518	3,614,756	3,741,273	3,872,217
Support Services	34,295,349	35,495,686	36,738,035	38,023,866
Total Expenditures	198,462,134	204,408,309	213,682,599	221,161,490
Excess of Revenues Over (Under) Expenditures	(4,009,369)	(5,756,797)	(8,597,885)	(8,900,911)
Beginning Fund Balance	9,695,000	5,685,631	(71,166)	(8,669,051)
Ending Fund Balance	5,685,631	(71,166)	(8,669,051)	(17,569,961)
2021-22 Ridgeline HS				
No restoration of \$12 million budget cuts included in this four year budget plan				

**Four Year Budget Plan
With Additional Cuts to Balance**

	2019-20	2020-21	2021-22	2022-23
Revenues:				
Local Taxes	14,157,187	14,652,689	15,165,533	15,696,326
Local Non-Tax	3,315,000	3,431,025	3,551,111	3,675,400
State, General	128,916,708	133,428,793	138,098,801	142,932,259
State, Special	35,337,129	36,573,929	37,854,016	39,178,907
Federal, Special	9,666,741	10,005,077	10,355,255	10,717,689
Other Districts				
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Other Sources	3,000,000	500,000		
Total Revenues	194,452,765	198,651,512	205,084,715	212,260,580
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Regular Instr	113,094,113	116,052,407	122,234,241	126,512,440
Special Education Instru	32,395,464	33,529,305	34,702,831	35,917,430
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Skills Ctr Instr	809,413	837,742	867,063	897,411
Compensatory Instr	9,335,673	9,662,422	10,000,606	10,350,628
Other Instr Programs	590,974	611,658	633,066	655,223
Community Services	3,492,518	3,614,756	3,741,273	3,872,217
Support Services	34,295,349	35,495,686	36,738,035	38,023,866
2020-21 cuts to balance		(5,756,797)	(5,756,797)	(5,756,797)
2021-22 addl cuts			(2,841,088)	(2,841,088)
2022-23 addl cuts				(303,026)
Total Expenditures	198,462,134	198,651,512	205,084,714	212,260,579
Excess of Revenues Over (Under) Expenditures	(4,009,369)	0	0	0
Beginning Fund Balance	9,695,000	5,685,631	5,685,631	5,685,631
Ending Fund Balance	<u>5,685,631</u>	<u>5,685,631</u>	<u>5,685,631</u>	<u>5,685,632</u>
2021-22 Ridgeline HS				
No restoration of \$12 million budget cuts included in this four year budget plan				

**Four Year Budget Plan
With Supplemental Levy**

	2019-20	2020-21	2021-22	2022-23
Revenues:				
Local Taxes	14,157,187	14,652,689	15,165,533	15,696,326
Local Non-Tax	3,315,000	3,431,025	3,551,111	3,675,400
State, General	128,916,708	133,428,793	138,098,801	142,932,259
State, Special	35,337,129	36,573,929	37,854,016	39,178,907
Federal, Special	9,666,741	10,005,077	10,355,255	10,717,689
Other Districts				
Other Entities	60,000	60,000	60,000	60,000
Other Sources	3,000,000	500,000		
Supplemental Levy		5,524,887	10,107,604	10,916,212
Total Revenues	194,452,765	204,176,399	215,192,319	223,176,792
Expenditures:				
Regular Instr	113,094,113	116,052,407	122,234,241	126,512,440
Special Education Instru	32,395,464	33,529,305	34,702,831	35,917,430
CTE Instr	4,448,630	4,604,332	4,765,484	4,932,276
Skills Ctr Instr	809,413	837,742	867,063	897,411
Compensatory Instr	9,335,673	9,662,422	10,000,606	10,350,628
Other Instr Programs	590,974	611,658	633,066	655,223
Community Services	3,492,518	3,614,756	3,741,273	3,872,217
Support Services	34,295,349	35,495,686	36,738,035	38,023,866
Total Expenditures	198,462,134	204,408,309	213,682,599	221,161,490
Excess of Revenues Over (Under) Expenditures	(4,009,369)	(231,910)	1,509,719	2,015,301
Beginning Fund Balance	9,695,000	5,685,631	5,453,721	6,963,440
Ending Fund Balance	5,685,631	5,453,721	6,963,440	8,978,742
2021-22 Ridgeline HS				
No restoration of \$12 million budget cuts included in this four year budget plan				

Looking Forward to 2020-2021

- Decisions to be made
 - Further budget cuts to bring revenues and expenditures into balance
 - Supplemental levy
 - Or combination of cuts and supplemental levy
- 2020 Legislative Session and its impacts



Other District Funds

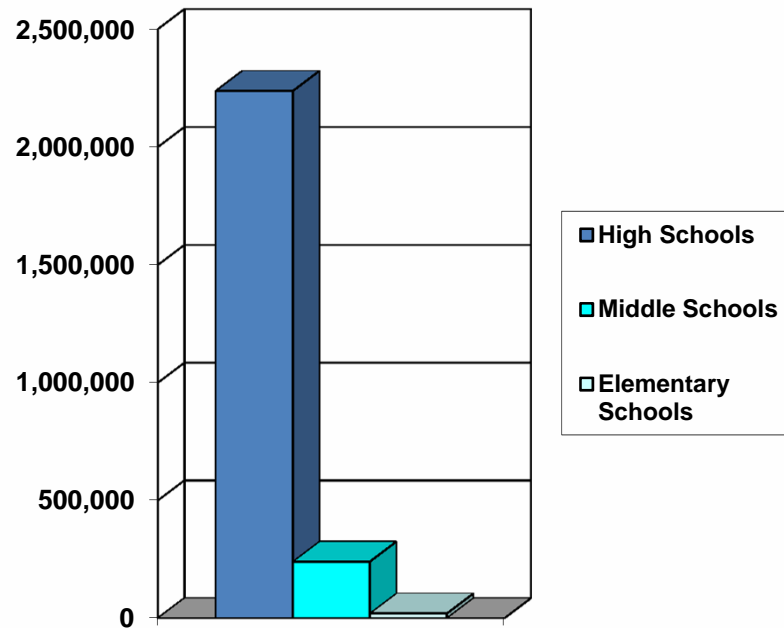


ASB Fund - \$2,496,123

High Schools
\$2,237,243

Middle Schools
\$239,590

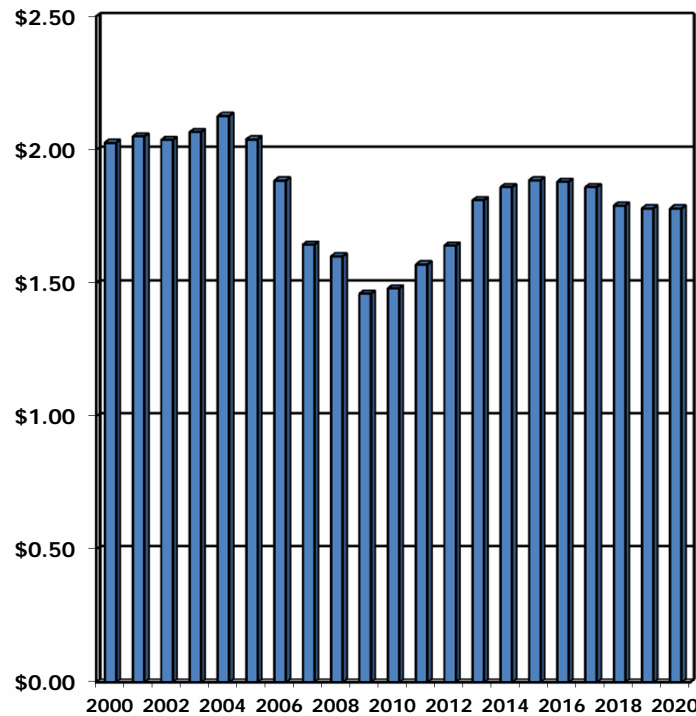
Elementary Schools
\$19,290



Debt Service Fund - \$15,029,061

2020 Tax Rolls
\$17,600,000

Estimated Tax Rate
\$1.78/1,000



Capital Projects Fund - \$71,449,212

- Selkirk Middle School – completion of new construction
 - Opening fall 2019
- Horizon Middle School – complete renovation
 - Opening fall 2020
- Ridgeline High School – new construction
 - Opening fall 2021
- HVAC Projects
 - Broadway, Progress, Summit, University Elementary
 - CVHS



Transportation Vehicle Fund - \$562,000

- Continued updating of fleet
- Purchase of 4-5 school buses
- State payment received in August
 - Buses put into service for 2020-21



2019-2020 Proposed District Budget

General Fund	\$198,462,134
ASB Fund	\$ 2,496,123
Debt Service Fund	\$ 15,029,061
Capital Projects Fund	\$ 71,449,212
Transportation Vehicle Fund	<u>\$ 562,000</u>
Total Budgets	\$287,998,530



Communication and Transparency with our Stakeholders

- [OSPI](#)
- [Central Valley School District](#) website
- Printed budget document



Questions?

