

BUDGET ADVISORY TASK FORCE



January 17, 2023

Dr. Chrys Sweeting, Superintendent

Gina Zeutenhorst, Executive Director of Financial Services

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Budget Advisory Task Force

- Rafael Carranza – Community Parent
- Erika Coghill – Community Parent
- Mike Cross – Community Parent
- Darlene Fulfs – APS Classified Staff – Bus Driver
- Angie Hansen – APS Principal Representative
- Mikaela Harrington – Student Haller MS
- Crystal Henderson – Community Parent
- Scott Hodgson - Community Parent
- Nanci Johnson – APS PSE President/Nurse Staff
- Matt Jurick – APS Director of Technology
- Michael Kingman – School Board Director
- Michelle Kinney – APS Classified Staff - Fiscal Secretary
- Jason Klein – APS AEA President/Teacher
- Alyson Kleinman – Student Haller MS
- Britt Kleinman – Community/ACE Chair, Parent
- Mariska Lebahn – Student Arlington High School
- Lamar Lindsay – Community Parent
- Mark McDougall – APS Classified Staff – Security
- Verlaine Meyers – APS Certificated Staff - Teacher
- Debbie Montgomery – APS District Office Support
- Virginia Muniz – APS Classified Staff - Librarian
- Courtney Normand – Community Parent
- Trent Olson – Community Parent
- Mike Ray – APS School Board Director
- Erica Rose – Community Parent
- Marc Rosson – Community Former School Board Member
- Rebecca Sahlin Lyons – Community Parent
- Chad Schmidt – Community Parent
- Kyle Schroeder – Student Arlington High School
- Chrys Sweeting – APS Superintendent
- Maegan Voorhies-Oestreich – Community Parent
- Jamie Wilson – APS AEA Representative/Teacher
- Gina Zeutenhorst – APS Executive Director of Financial Services

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Key Ideas from Last Meetings



- Nov 8
 - Introductions, charter, task force purpose, detailed learning about school district funding, & challenges
- Dec 6
 - Review of last meeting key take-aways, new information and more learning, reflection on historical enrollment levels compared to historical staffing levels

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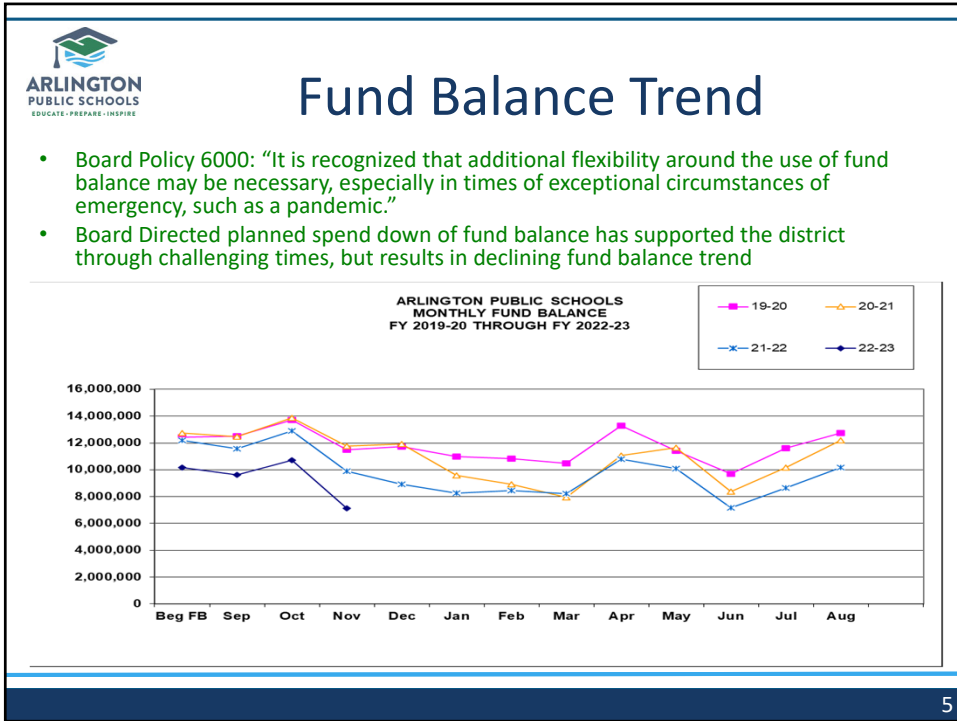


Challenging Circumstances

- Our district has strong financial management and has maintained a healthy fund balance
- Pandemic induced federal and state aid are ceasing
- Enrollment is recovering more slowly than hoped
- The district has continued to provide higher levels of services/staffing, many of which were previously bolstered by federal/state aide
- On the heels of this pandemic, the district has chosen to continue to mitigate the impacts and accelerate learning, even as costs are rising, rather than a formal reduction in staff for 2022-23
- The Board directed fund balance be used as a 'rainy-day-one-time-funds', we estimate dipping into minimum reserves by roughly half, by the end of 2022-23
- The district is working thoughtfully to make comprehensive future reductions across the district, to take effect for 2023-24 (the year after this one)
- The involvement of the budget advisory task force is an important part of stakeholder engagement to help the greater community understand the challenges, but also to provide feedback and input on values and priorities to help influence and inform the decision-making process
- Priorities of great magnitude and impact, difficult choices need to be made

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ARLINGTON PUBLIC SCHOOLS
EDUCATE · PREPARE · INSPIRE

Enrollment Recovery

- Enrollment is recovering more slowly than hoped

Student Full-Time-Equivalent & Increase or Decrease in Student FTE								
Student Enrollment	2016-17	2017-18	2018-19	2019-20	2020-21[a]	2021-22	*2022-23	Total Chg
Total Student FTE	5290	5402	5506	5585	5154	5263	5427	
Increase or decrease in FTE	1	112	104	79	-431	109	164	138

[a] 2020-21 school closures, hybrid, enrollment decreased by 8%
*Budgeted FTE

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Higher levels of services/staffing

Staff Full-Time-Equivalent (FTE)							
Staff FTE	2016-17	2017-18	2018-19	2019-20	2020-21[a]	2021-22	*2022-23
<i>Source: OSPI 1801 Reports</i>							
Cert Instructional Staff	310.629	314.403	332.918	341.874	344.402	350.167	354.770
Classified Staff	178.800	180.623	187.068	203.443	175.891	211.856	220.692
Administrators	27.938	27.654	27.173	25.200	25.988	26.915	29.000
Total Staff FTE	517.367	522.680	547.159	570.517	546.281	588.938	604.462

Staff Full-Time-Equivalent Increase or Decrease								
Staff FTE	2016-17	2017-18	2018-19	2019-20	2020-21[a]	2021-22	*2022-23	Total Chg
Certificated change in FTE	6.078	3.774	18.515	8.956	2.528	5.765	4.603	50.219
Classified change in FTE	15.819	1.823	6.445	16.375	-27.552	35.965	8.836	57.711
Administrator change in FTE	-0.062	-0.284	-0.481	-1.973	0.788	0.927	2.085	1.000
Total Staff FTE	21.835	5.313	24.479	23.358	-24.236	42.657	15.524	108.930

[a] 2020-21 school closures, hybrid, enrollment decreased by 8%, staff furloughs, decreased FTE but did not reduce jobs
 *22-23 Budgeted FTE



State Funding Issues & Rising Costs



- Regionalization decreasing
- McLeary model for funding salaries based on averages which is not aligned with actual salary costs
- Higher levels of services/staffing
- Programs with unique needs greater than the revenues generated by their associated funding models
 - Special education
 - McKinney Vento & Foster Care
 - 504 Plan costs
 - Behavioral and social emotional health needs



State Funding Issues & Rising Costs

- **Proto-typical School Funding Model** – *Formulas set by the state legislature.* based on annual average number of *students enrolled* which generates a certain level of *staffing units* multiplied by set average salaries for certificated and classified staff, plus a regionalization factor (for Arlington is 15%) and additional *formulas* to add allocations for employee benefits, materials, supplies and operating cost allocations.



Dipping into Fund Balance & Future Forecast

Potential forecast for November 28, 2022 Financial Highlights Presentation

General Fund Summary Multi-Year	Adopted Budget 2022-23	Working Forecast 2023-24	Working Forecast 2024-25	Working Forecast 2025-26
Total K-12 FTE Enrollment*	5500	5576	5672	5692
<small>*(includes RunStart & Open Doors)</small>	<small>Enrollment levels increasing at less than by 2 to 4%</small>			
Regionalization Factor	15%	14%	13%	12%
Beginning Fund Balance	10,200,000	6,021,000	4,116,000	4,387,000
Revenues	93,896,000	95,727,000	99,938,000	102,480,000
Expenditures	100,075,000	97,632,000	99,667,000	101,752,000
Ending Fund Balance	4,021,000	4,116,000	4,387,000	5,115,000
Assumes a reduction of :		(4,950,000)		

- Assumes 2023-24 beg FB + \$2M, and salary reductions of \$4.95M
- Assumes 2023-24 IPD 2.5% + 3% per CBA, 2024-25 IPD 2%, and 2025-26 IPD 2%
- Reduction target may be even greater



Revisiting our purpose



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Budget Advisory Task Force Charter

- **Purpose & Goals**
 - Focus on studying and understanding school district finances, and the challenges facing Arlington Public Schools funding
 - Review the current budget for 2022-23 and projected challenges for 2023-24.
 - Help provide feedback and input to develop and align priorities for balancing the 2023-24 budget.
- **Level of Authority**
 - Advisory to the Superintendent




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Process Overview




Learn about school district funds




Learn more about funding challenges




Learn about timing of budget development



Review enrollment and staffing projections




Help identify priorities



Provide feedback to superintendent to help inform decision making

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Links to helpful articles

- **Explaining the District's financial position and how we got to this point**
- https://www.northcountyoutlook.com/communities/asd-discusses-budget-potential-future-cuts/article_3088ac2e-0d02-11ed-9ed2-a762db470208.html?utm_campaign=blox&utm_source=twitter&utm_medium=social
- https://www.northcountyoutlook.com/communities/asd-discusses-budget-potential-future-cuts/article_3088ac2e-0d02-11ed-9ed2-a762db470208.html?utm_campaign=blox&utm_source=twitter&utm_medium=social
- [North County Article Arlington SD Financial Position](#)
- **We are not alone – One of many examples - Daily Record News 1/12/23**
- https://www.dailyrecordnews.com/townnews/finance/school-district-facing-1-million-budget-cut/article_8308f504-9050-11ed-8c78-ef78a62db8de.html
- [Daily Record SD Facing Budget Cuts](#)

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Funding Formula Article

- [Crosscut.com News - Breaking down WA's school funding formula by Venice Buhain / November 1, 2022](#)
- <https://crosscut.com/news/2022/11/breaking-down-was-school-funding-formula>
- [Breaking down WA's school funding formula](#)



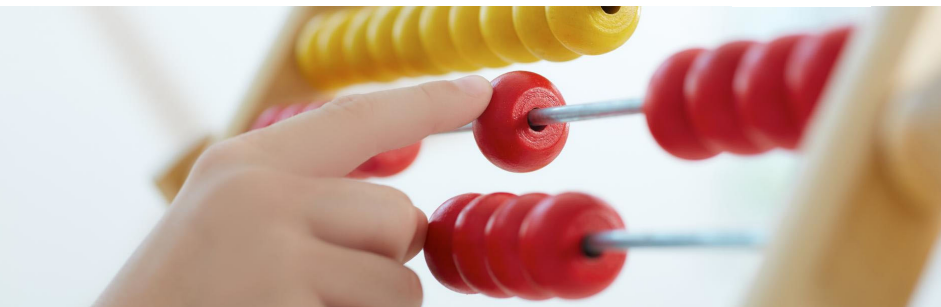
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Preliminary Enrollment Projections

- Brian Lewis, Executive Director of Operations



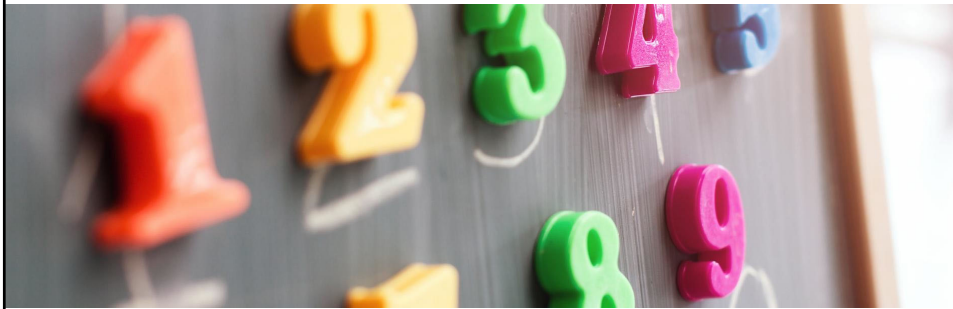
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Staffing Process Related to Enrollment

- How does enrollment drive staffing?



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Feedback Activity



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Identifying Priorities

- Many priorities of great magnitude and impact, difficult choices will need to be made
- Consider
 - Required
 - Essential
 - Discretionary
- Consider
 - Strategic Plan Goals
 - Vision Aligned Budgeting
 - Impact to student learning, safety, legal compliance, required, community expectations



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Vision Aligned Budgeting

Primary mission – educate, prepare, and inspire students to graduate and seek their full potential as life long learners

**Strategic Plan
Goal 3:
Resource
Stewardship**

We will secure quality resources (people, time, money and property) and align these resources to support equitable learning and achievement for students by making decisions using an equity lens and data

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Values that Guide Budget Decisions

- Align resources (people, time, money & property) to support the District's mission
- Remain student focused by using an equity lens and responding to areas of greatest need, using data, research and feedback
- Value smaller class-sizes, especially for our youngest learners, and protect classroom programs as much as possible in times of reductions
- Prioritize a safe learning and working environment for students and staff
- Foster a culture that supports academic, behavioral, social and emotional health
- Invest in appropriate internal controls over financial operations and maintain compliance with board policy for minimum fund balance, while also allowing for flexibility in times of emergency
- Honor taxpayers investment in District infrastructure: facilities, grounds, technology and other assets
- Utilize resources to promote student learning and efficient operations in ways that are timely, practical, and sustainable
- Maintain competitive salaries to attract and retain excellent staff
- Evaluate impacts of decisions over time and consider future year projections

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Feedback Activity

Reflection/Feedback and District Listening - Helping the District think about a challenging set of circumstances – Your input and feedback influences our decision-making process.

- What are your worries?
- What are your values/priorities?
- What are your hopes/ideas?

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What could change the picture?

- **Revenues:**
 - Enrollment uncertainty (Kindergarten? First grade?)
 - Legislative action (regionalization rebase? Increase for SPED funding? Increase to prototypical school funding model or compensation model?)
- **Expenditures:**
 - Outcomes of future salary negotiations
 - Cost inflator promulgated by the State Legislature
 - Careful spending in 2022-23 will help the District's financial position going into 2023-24



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Laying plans for the future...

- **Develop Reduced Educational Programs and Services for 2023-24**
 - Continual budget development updates, legislative potentials, enrollment projections, staffing plans, potential new revenue, prioritized needs, involvement of board, community, students, staff
 - Budget Advisory Task Force meetings underway
 - Budget Forum meetings coming up
 - Developing Budget Survey
 - Legislative session to conclude April 23
 - **Challenge:** Board action for reductions must occur by April 24 or May 8 to meet contractual obligations to notify staff regarding employment by May 15

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QUESTIONS?

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Thank you!

Gina Zeutenhorst,
Executive Director of Financial
Services

Next Meeting:

Tuesday
February 7, 2023
6-7:30pm

Budget Community Forum:

January 24, 2023
6-7:30pm
Byrnes Performing Art Center
(BPAC)



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