

BUDGET ADVISORY TASK FORCE MEETING



January 23, 2024 – On Zoom
Dr. Chrys Sweeting, Superintendent
Gina Zeutenhorst, Executive Director of Financial Services

Agenda



- 6:00-6:05 Welcome
- 6:05-6:15 Board Approved Enrollment & Implications
- 6:15-6:45 Budget Status for Current Year 2023-24 & Implications for 2024-25
- 6:45-6:55 Legislative Update
- 6:55-7:00 Wrap-Up



Enrollment & Implications

- Methodology
 - April Rollup
 - Current year projected April K-11 AAFTE rolled up to next grade with K enrollment based on birth data.
 - Does not take into account transitions between grades K-1 and grades 8-9 or changes in enrollment that occur across months.
 - Weighted Historical Average
 - Similar to cohort survival but looks at longer range trends in data to project changes in population as students transition between grades with K enrollment based on birth data.
 - OSPI Cohort Survival
 - Rollup of current students to next year grade level using prior year population changes to predict next year and future years' population.
 - Most sensitive to recent events, may misrepresent longer term trends.

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Enrollment 2024-2025 School Year


Arlington Public Schools
Enrollment Projection 2024-2025
As of: 1/22/2024

Board Approved

Grade	23-24 Budget	23-24 Projected AAFTE		Medium		High		Low	
		23-24 Projected AAFTE	Difference from 23-24 Budget	24-25 April Roll-up	Difference from 23-24 Projected	24-25 Weighted Average	Difference from 23-24 Projected	24-25 Cohort Survival	Difference from 23-24 Projected
K-5	2,274	2,405	131	2,365	(40)	2,393	(12)	2,197	(208)
6-8	1,246	1,271	25	1,255	(16)	1,283	13	1,243	(28)
9-12	1,753	1,686	(67)	1,759	74	1,812	126	1,836	150
Open Doors	41	48	7	55	14	48	7	48	7
K-12 Subtotal	5,314	5,410	96	5,434	24	5,536	126	5,324	(86)
Running Start	59	56	(3)	59	3	59	3	59	3
Total	5,373	5,466	93	5,493	27	5,595	129	5,383	(83)

- Elementary Enrollment decreases by 40 FTE compared to 2023-2024
- Middle School Enrollment decreases by 16 FTE compared to 2023-2024
- High School Enrollment increases by 74 FTE compared to 2023-2024
- Open Doors Enrollment decreases by 14 FTE compared to 2023-2024
- Net 27 FTE increase compared to 2023-2024

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Enrollment

2024-2025 School Year


Arlington Public Schools
Enrollment Projection 2024-2025
As of: 1/22/2024

Board Approved


Grade	23-24 Budget	23-24 Projected AAFTE	Difference from 23-24 Budget	Medium		High		Low	
				24-25 April Roll-up	Difference from 23-24 Projected	24-25 Weighted Average	Difference from 23-24 Projected	24-25 Cohort Survival	Difference from 23-24 Projected
K	333	375	42	376	1	383	8	301	(74)
1	337	369	32	378	8	401	32	331	(38)
2	396	412	16	369	(44)	369	(43)	355	(57)
3	372	385	13	414	29	412	27	405	20
4	423	441	18	387	(54)	385	(56)	379	(62)
5	413	422	9	442	20	442	20	426	4
K-5	2,274	2,405	131	2,365	(40)	2,393	(12)	2,197	(208)
6	398	412	14	423	25	452	39	426	14
7	411	419	8	412	1	412	(7)	408	(11)
8	437	439	2	420	(17)	419	(20)	409	(30)
6-8	1,246	1,271	25	1,255	(16)	1,283	13	1,243	(28)
9	456	466	10	440	(16)	470	14	458	(8)
10	438	430	(8)	465	27	466	28	473	43
11	502	445	(57)	424	(78)	430	(72)	418	(27)
12	357	344	(13)	431	74	445	88	487	143
9-12	1,753	1,686	(67)	1,759	74	1,812	126	1,836	150
Open Doors	41	48	7	55	14	48	7	48	7
K-12 Subtotal	5,314	5,410	96	5,434	24	5,536	126	5,324	(86)
Running Start	59	56	(3)	59	3	59	3	59	3
Total	5,373	5,466	93	5,493	27	5,595	129	5,383	(83)

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BUDGET STATUS FOR CURRENT YEAR (AS OF THE MONTH OF DECEMBER 2023) AND IMPLICATIONS FOR 2024-25



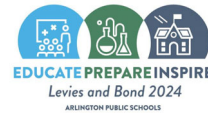
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Financial Health of the District

- **2023-24 Financial Positives:**
 - 4-year Educational Programs & Operations Levy
 - Capital Levy
 - 2023-24 is the fourth year of the four-year levies with both levies expiring at the end of 2024
 - Board approved February ballot measures
 - Enrollment is increasing
 - Over 100 more student FTE than estimated in budget, which will result in additional state funding, between \$1M to 1.5M



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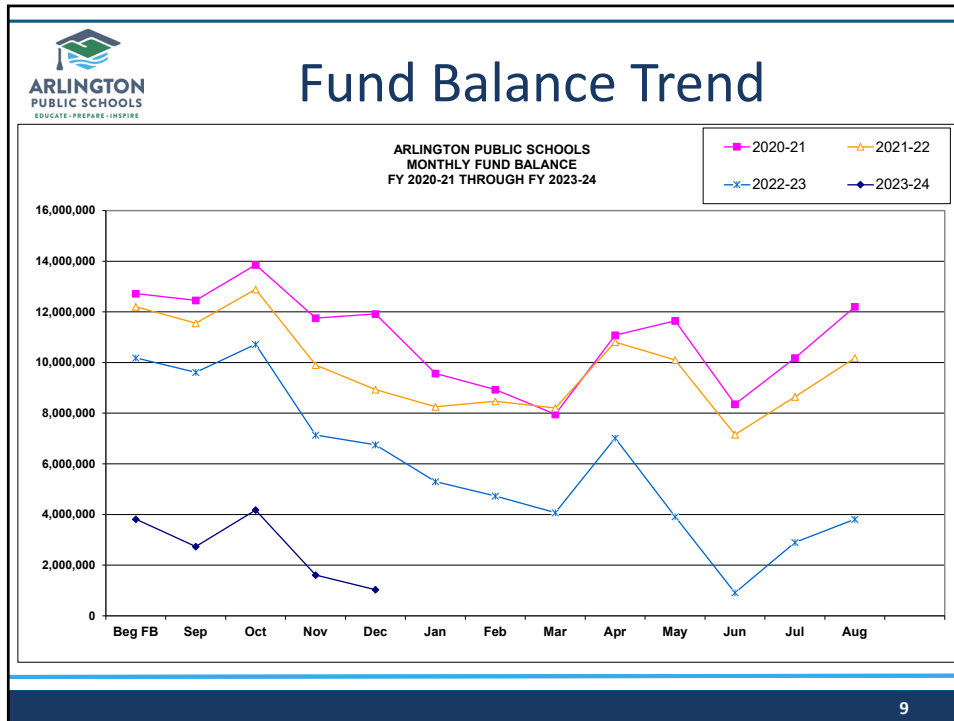


Financial Health of the District

- **2023-24 Financial Challenges:** **CHALLENGE**
 - Made budget reductions for 2023-24 and now living with those reductions is challenging as student needs increase
 - Working to recover from declining fund balance while needs and costs continue to increase and impacts of pandemic are still evident
 - Programs with unique needs, greater than revenues generated through state funding models (special education, food & nutrition services, student transportation/bus services)
 - State funding formula overall leads to funding gaps
 - Continued cost containment into 2024-25
 - Uncertainty: EP&O goes to ballot Feb 13, 2024

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Conditions Around Fund Balance Trend

- Pandemic induced federal and state aid were ceasing
- Enrollment was recovering more slowly than hoped
- The district continued providing high levels of services/staffing, many of which were previously bolstered by federal/state aid
- Board directed fund balance be used as 'rainy-day-one-time-funds' to continue mitigating impacts and accelerating learning, even as costs were rising, rather than reducing staff for 2022-23
- Estimated using roughly half of reserves by the end of 2022-23
- State funding models continue to lead to funding gaps
- Budget reductions were implemented for 2023-24

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Fund Balance Low Points

- **Solution for temporary low points**
 - Short-term interfund loan, transfer, from Capital Projects Fund
- **Interfund loans/transfers require advance approval by board resolution**
- **To be repaid with interest by fiscal year end**
- **Resources will be received Feb through Aug sufficient to reimburse the Capital Projects Fund**



Working Forecast

Forecast per budget adopted for 2023-24: multi-year budget summary

General Fund Summary Multi-Year	Adopted Budget 2023-24	Working Forecast 2024-25	Working Forecast 2025-26	Working Forecast 2026-27
Total K-12 FTE Enrollment (+RS & OD)	5373	5453	5454	5502
Regionalization Factor	16% & 13.5%	16% & 12%	16% & 12%	16% & 12%
Beginning Fund Balance	6,020,000	3,360,000	4,129,000	6,086,000
Revenues	96,708,000	102,953,000	108,291,000	109,769,000
Expenditures	99,368,000	102,184,000	106,334,000	109,585,000
Ending Fund Balance	3,360,000	4,129,000	6,086,000	6,270,000

- **Assumed starting fund balance \$6 million (actual starting is \$3.8M)**
- **Assumes renewal of 4-year levy with collections in 2025-thru-2028**



Already targeted \$5.9M in budget reductions for 2023-24:

- Reduced staffing, teachers, para-educators, grant funded health room assistants, counselor position, equity stipends, district office staff (admin/director FTE, non-rep FTE and more) & range of other things including non-employee cost reductions (materials, subscriptions, services, travel)
- Increased athletic fees, & summer school tuition
- Building budget rate reduced by 10%
- Discontinued school supply allocations
- Paused admin professional development allocations
- Paused vacation cash-outs admin/directors/cabinet




Working Forecast - Adjusted

General Fund Summary Multi-Year	Adjusted Working Forecast 2023-24	Working Forecast 2024-25	Working Forecast 2025-26	Working Forecast 2026-27
Total K-12 FTE Enrollment (+RS & OD)	5484	TBD	TBD	TBD
Regionalization Factor	16% & 13.5%	16% & 12%	16% & 12%	16% & 12%
Beginning Fund Balance	3,817,000	1,157,000	4,426,000	6,383,000
Revenues	96,708,000	102,953,000	108,291,000	109,769,000
Expenditures	99,368,000	102,184,000	106,334,000	109,585,000
Est for future reduction:		-2,500,000		
Ending Fund Balance	1,157,000	4,426,000	6,383,000	6,567,000

- Adjusted starting fund balance to actual for 2023-24
- Rough estimate: future exp reduction \$2.5 million potential for 2024-25
- No other adjustments represented here, pending further analysis (enrollment figures will drive future year revenue estimates, re-analyze expenditures)



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Levies and Bond 2024
ARLINGTON PUBLIC SCHOOLS
FEBRUARY 13, 2024 LEVIES & BOND

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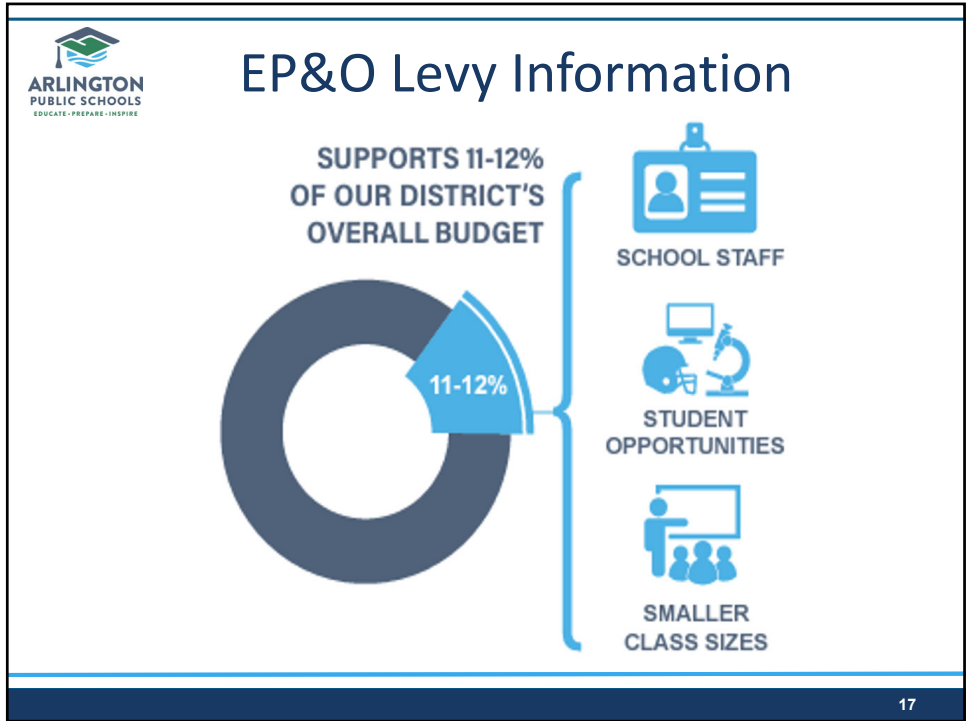


EP&O Levy Information

- Proposed 2025-2028 EP&O Levy
 - 2025 Levy \$13,460,000
 - 2026 Levy \$13,796,000
 - 2027 Levy \$14,141,000
 - 2028 Levy \$14,500,000
- Estimated tax rate of \$1.65/\$1,000 of AV
- Previous levy in 2020 passed with estimated rate of \$1.70*/\$1,000 AV (*Effective rate was less than \$1.70/\$1,000 AV)

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EP&O Levy Funds

- Continues funding for student support team, smaller class sizes, teachers, para-educators, counselors, nurses, custodians, food service, school resource officer, technology, robotics, instructional materials, a vast provision across many programs

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EP&O Levy Funds

There's a funding gap


Special Education

The state provides \$10 million in funding for Special Education. But due to rising costs, we spend over \$12 million to ensure students receive the necessary & required programs & services.



State funds: \$10 M
Current student needs cost: \$12 M

EP&O provides funds for future success by filling the gap between what the state funds and what we need to provide.



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EP&O Levy Funds



Funding for skill-building programs like athletics, music, drama, performing arts

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Ballot Timelines



Jan 26, 2024 – Approx date ballots are mailed/received



Feb 13, 2024 – Election date



Feb 23, 2024 – Snohomish County certifies election results



Feb 23, 2024 – Deadline to file ballot resolutions with Snohomish County for April 23, 2024 election, if ballot measures do not pass in Feb 13 election

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Budget Development Timelines

- Board Adopts Enrollment – Jan 22
- Leadership Team Begins Staffing Work Sessions – Jan/Feb/Mar
- Certificated Retirement Notices – Feb 15
- Board Resolution for Reduction-In-Force (if necessary) Mar 25
- Notifications for staff effected by RIF/Non-renewal Mar 26-May 15
- Staff on Leave Notify District of Intent – April 15
- Deadline for RIF/Non-renewal Notifications on or before May 15
- Budget DRAFT to Board Meeting – July 8
- Budget DRAFT posted to district's website – July 10
- Budget Hearing and Adoption – Aug 12

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Legislative Update

- Short Session – Mar 7
- Legislative Timelines
 - First cut-off for bills Jan 31
- Bills of Interest
 - Special Education
 - Simple Majority
- Legislative Conference



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Next Meetings for BATF

- Jan 23, 2024
- Feb 22, 2024
- Mar 19, 2024
- April 18, 2024



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Questions?

