

**BUDGET ADVISORY TASK FORCE MEETING**



February 27, 2024 – On Zoom  
Dr. Chrys Sweeting, Superintendent  
Gina Zeutenhorst, Executive Director of Financial Services

# Agenda

- 6:00-6:05 Welcome
- 6:05-6:15 Celebration Levies, Next Steps on Bond
- 6:15-6:45 Budget Planning 2024-25
- 6:45-7:00 Wrap-Up





# Levies Celebration! Next Steps on Bond

County	School Districts	Educational Programs & Operations		Capital & Transportation		School Bonds				
		Yes %	Passed	Yes %	Passed	Yes %	Passed	Validation		
Snohomish	Arlington	54.44%	✓	Capital	56.55%	✓	Bond	53.89%	X	✓
	Edmonds			Capital	65.12%	✓	Bond	65.33%	✓	✓
	Lakewood	48.34%	X	Capital	48.85%	X				
	Stanwood Camano	59.80%	✓							
	Sultan						Bond	46.67%	X	✓

**Arlington School District No. 16 Proposition No. 1 (Vote for 1)**  
**8318 ballots (0 over voted ballots, 0 overvotes, 85 undervotes), 23513 registered voters, turnout 35.38%**

Levy Yes	4482	54.44%
Levy No	3751	45.56%
Total	8233	100.00%
Overvotes	0	
Undervotes	85	

**Arlington School District No. 16 Proposition No. 2 (Vote for 1)**  
**8318 ballots (0 over voted ballots, 0 overvotes, 68 undervotes), 23513 registered voters, turnout 35.38%**

Levy Yes	4665	56.55%
Levy No	3585	43.45%
Total	8250	100.00%
Overvotes	0	
Undervotes	68	

**Arlington School District No. 16 Proposition No. 3 (Vote for 1)**  
**8318 ballots (0 over voted ballots, 0 overvotes, 172 undervotes), 23513 registered voters, turnout 35.38%**

Approved	4390	53.89%
Rejected	3756	46.11%
Total	8146	100.00%
Overvotes	0	
Undervotes	172	

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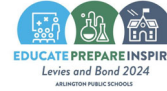
## BUDGET STATUS FOR CURRENT YEAR (AS OF JANUARY 2024) AND BUDGET PLANNING FOR 2024-25



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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 for both of these expiring levies. Both have been renewed by voters in the February 2024 ballot
  - Enrollment has increased this year 2023-24
    - Over 100 more student FTE than estimated in budget
  - Transportation Safety Net Funding \$64,000

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## Financial Health of the District

- **2023-24 Financial Challenges:** **CHALLENGE**
  - State funding gaps
  - Budget reductions made for 2023-24
  - Fund balance is at a dangerous low point
  - Difficult planning **\$2.5 million** combination of savings, increased revenues, and reductions for 2024-25 budget

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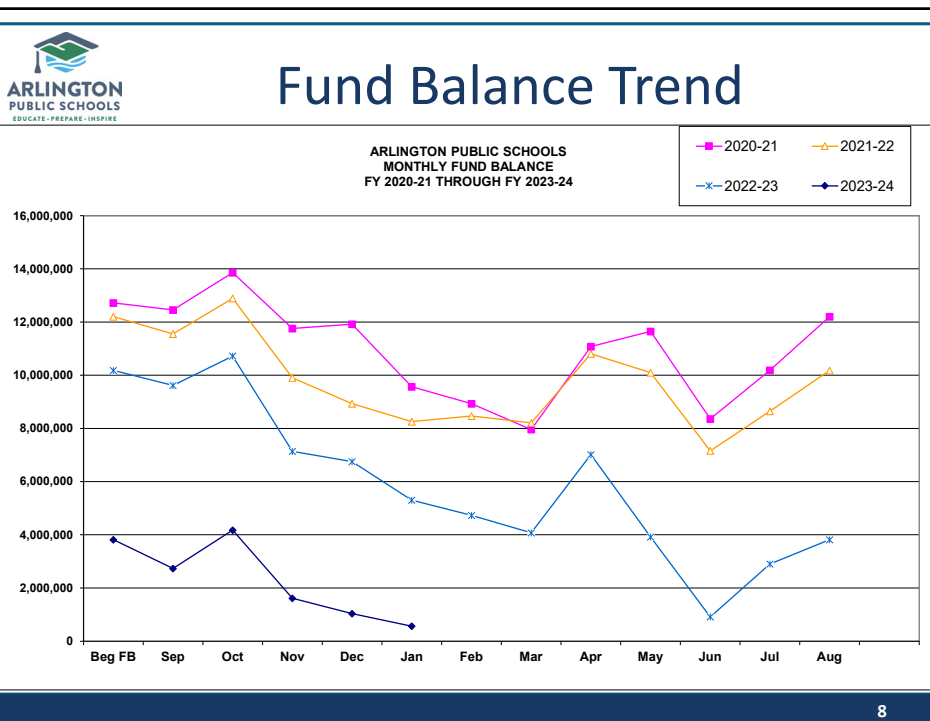
## Conditions Around Fund Balance Trend



- 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

- Low points in Jan/Feb/Mar & June
  - Board authorized Resolution 24-02 interfund loan from Capital Projects Fund for \$600,000 as needed Jan/Feb/Mar (have not had to utilize yet)
  - Larger loan from Capital Projects to be proposed for June
- Resources will be received through end of fiscal year sufficient to reimburse the Capital Projects Fund
- Still have critically low fund balance at end of 2023-24
- Need to find an estimated **\$2.5** million for 2024-25

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## 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

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## What more can we do?

- Furlough days at leadership levels
- Continue pause on admin professional development allocations and annual vacation cashout options
- Reduce building budgets 5% (saves \$45,000)
- Work with unions for potential solutions
- Tighten staffing ratios both certificated and classified
- Remove personal space heaters, fridges, microwaves (clarify district-wide expectations) \$50,000
- Don't print in color, consider publications that can move to gray scale \$2,000 - \$30,000?

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## What more can we do?

- Decrease program subsidies, redesign grant funded services:
  - LAP funds to support summer school credit retrieval
  - Continue to refine svc/supports SPED, LAP/Title (how?)
  - Salaries: shift into grant or other funding sources, change how support is provided
  - Speakers and consultants are expensive, decrease Middle school athletics, reduce Junior Varsity, go to intramural model \$15,000-\$30,000

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## What more can we do?

- **Increase revenues:**
  - Increase: summer school tuition, athletic participation fees, tech-device protection fee, facility/field use rentals more than 10%, estimate \$50,000-\$75,000
  - Increase meal prices, \$100,000 (can we?)
  - New revenue source – cell phone tower lease at stadium? \$20,000 (not till future years if at all) naming rights, field advertising
  - Increase enrollment? (30 students = approx \$315,000)
  - Look for more grants, be sure that what can be charged to the grants IS charged to the grants (maximize the grants)

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## What more can we do?

What are your thoughts?



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## Legislative Update



- Short Session – Mar 7
- Bills of Interest
  - Implicit Price Deflator 3.7%
  - Special Education cap increase
  - MSOC (Materials, Supplies Other Costs) funding
  - Contemplating minor increases in the prototypical funding formula

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## Budget Development Timelines

- Board Adopted Enrollment – Jan 22
- Leadership Team Staffing Work Sessions – Jan/Feb/Mar
- Certificated Retirement Notices – Feb 15
- Legislative Session Ends – March 7 (if on time)
- 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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## Next Meetings for BATF

- Mar 19, 2024
- April 18, 2024



## Questions?

