



# Budget Update



# Budget Update

- School Funding Basics
  - Prototypical School Model
  - GFSD as a Prototypical School
  - Mix Factor / Salary Allocations
  - GFSD Actual Staffing
  - Revenue Sources
- Current Projections
- Legislative Impacts
  - Salary Allocation / Regionalization Factor
  - K-3 Class Size
  - Special Education Multiplier
  - ALE Multiplier
  - Local Levy Reduction
- Looking Ahead



# Budget Update – Prototypical School Model

- Prototypical School Model Factors
  - Enrollment
  - Grade level
  - Allocated class sizes
- Classroom Teacher Allocations
  - K-3: 18.31 Teachers per 400 student FTE (25.23 class size)
  - 4-6: 17.11 Teachers per 400 student FTE (27 class size)
  - 7-8: 18.17 Teachers per 432 student FTE (28.53 class size)
  - 9-12: 25.05 Teachers per 600 student FTE (28.74 class size)
  - CTE: 4.52 Teachers per 100 student FTE (26.57 class size)
- Other Staffing Allocations
  - Staffing ratios for each category based on grade level enrollment
  - Separate allocation for school level support and district level support
  - Separate allocation for overhead



# Budget Update – Prototypical School Model

<i>Classroom Teachers based on designated class sizes</i>											
Grade level	Type	Students	Planning Time	General Education				High Poverty			
				CA	BEA	Class Size	Teachers	CA	BEA	Class Size	Teachers
Grades K-3	CIS	400	15.50%	×	×	25.23	18.31			Not Defined	0
Grade 4	CIS	400	15.50%	×	×	27	17.11			Not Defined	0
Grades 5-6	CIS	400	15.50%	×	×	27	17.11			Not Defined	0
Grades 7-8	CIS	432	20.00%	×	×	28.53	18.17			Not Defined	0
Grades 9-12	CIS	600	20.00%	×	×	28.74	25.05			Not Defined	0
CTE 7-8	CIS	100	20.00%			26.57	4.52				
CTE 9-12	CIS	100	20.00%			26.57	4.52				
Skills Centers	CIS	100	20.00%			22.76	5.27				
Lab Science	CIS		20.00%			Not Defined	0				
Advanced Placement	CIS		20.00%			Not Defined	0				
International Baccalaureate	CIS		20.00%			Not Defined	0				



# Budget Update – Prototypical School Model

School Level Staffing				Elementary (K-6)				Middle School (7-8)				High School (9-12)				
Category	Type	Include in		Staff Ratio	Student FTE			Staff Ratio	Student FTE			Staff Ratio	Student FTE			
		CA	BEA		K-3	4	5-6		7-8	CTE	Sci/Ap/IE		9-12	CTE	Skills	Sci/Ap/IE
Base Enrollment	Student			400				432				600				
Principals	CAS	x	x	1.253	x	x	x	1.353	x		x	1.880	x			x
Teacher Librarians	CIS	x	x	0.663	x	x	x	0.519	x		x	0.523	x			x
Guidance Counselors	CIS	x	x	0.493	x	x	x	1.116	x		x	1.909	x			x
<u>Health &amp; Social Services:</u>																
School Nurses	CIS	x	x	0.076	x	x	x	0.060	x		x	0.096	x			x
Social Workers	CIS	x	x	0.042	x	x	x	0.006	x		x	0.015	x			x
Psychologists	CIS	x	x	0.017	x	x	x	0.002	x		x	0.007	x			x
Teaching Assistance	CLS	x	x	0.936	x	x	x	0.700	x	x	x	0.652	x	x	x	x
Office Support	CLS	x	x	2.012	x	x	x	2.325	x	x	x	3.269	x	x	x	x
Custodians	CLS	x	x	1.657	x	x	x	1.942	x	x	x	2.965	x	x	x	x
Student & Staff Safety	CLS	x	x	0.079	x	x	x	0.092	x	x	x	0.141	x	x	x	x
Parent Involvement Coordinators	Not Defined	x	x	0	x	x	x	0	x	x	x	0	x	x	x	x



# Budget Update – Prototypical School Model

<b>Career &amp; Technical Education</b>				<b>Middle &amp; High (7-12)</b>		
Category	Type	Include in		Staff Ratio	Student FTE	
		CA	BEA		CTE 7-8	CTE 9-12
Base Enrollment	Student			100		
Certificated Admin	CAS			0.410	×	×
Teachers	CIS			4.520	×	×
Other Certificated Staff	CIS			0.202	×	×

<b>Skills Centers (9-12)</b>	
Staff Ratio	Skills 9-12
100	
0.490	×
5.270	×
0.236	×

<b>District Wide Support</b>				<b>All Grades (K-12)</b>												
Category	Type	Include in		Staff Ratio	Student FTE											
		CA	BEA		K-3	4	5-6	7-8	CTE	9-12	CTE	Skills	Sci/Ap/IB			
Base Enrollment	Student			1,000												
Technology	CLS	×	×	0.628	×	×	×	×	×	×	×	×	×	×	×	
Facilities/Maintenance/Ground	CLS	×	×	1.813	×	×	×	×	×	×	×	×	×	×	×	
Warehouse/Laborer/Mechanic	CLS	×	×	0.332	×	×	×	×	×	×	×	×	×	×	×	

Central Administration	Type	BEA	Percent
Total Central Admin Staff			5.30%
Percent Cert Administrator	CAS	×	25.0%
Percent Classified	CLS	×	75.0%



# Budget Update – Prototypical School Model

<b>Maintenance, supplies, operating costs (general education)</b>														
Category	Type	Include in		Staff Ratio	Student FTE									
		CA	BEA		K-3	4	5-6	7-8	CTE	9-12	CTE	Skills	Sci/Ap/IB	
Base Enrollment	Student			1										
Technology	MSOC		×	\$54.43	×	×	×	×		×				
Utilities/ Insurance	MSOC		×	\$147.90	×	×	×	×		×				
Curriculum	MSOC		×	\$58.44	×	×	×	×		×				
Library and Other Supplies	MSOC		×	\$124.07	×	×	×	×		×				
Professional Development	MSOC		×	\$9.04	×	×	×	×		×				
Facilities Maintenance	MSOC		×	\$73.27	×	×	×	×		×				
Central Districtwide Support	MSOC		×	\$50.76	×	×	×	×		×				
<b>Total Expended Per Student</b>	MSOC		×	<b>\$517.91</b>	×	×	×	×		×				

<b>Maintenance, supplies, operating costs (specialty)</b>					
Category	Type	Laboratory Science	CTE Exploratory	CTE Preparatory	Skills Centers
Base Enrollment	Student	1	1	1	1
Students Eligible		Lab Sci 9-12	CTE 7-12	CTE 9-12	Skills 9-12
Technology	MSOC	Not Defined	Not Defined	\$134.74	\$122.28
Utilities/ Insurance	MSOC	Not Defined	Not Defined	\$366.11	\$332.26
Curriculum	MSOC	Not Defined	Not Defined	\$144.65	\$131.28
Library and Other Supplies	MSOC	Not Defined	Not Defined	\$307.12	\$278.73
Professional Development	MSOC	Not Defined	Not Defined	\$22.37	\$20.30
Facilities Maintenance	MSOC	Not Defined	Not Defined	\$181.37	\$164.60
Central Districtwide Support	MSOC	Not Defined	Not Defined	\$125.65	\$114.03
<b>Total Expended Per Student</b>	MSOC	<b>Not Defined</b>	<b>Not Defined</b>	<b>\$1,282.00</b>	<b>\$1,163.47</b>



# Budget Update – Prototypical School Model

Prototypical School Model Applied to Granite Falls School District. Total Allocated Staffing for GFSD is 128.7 FTE:

- Allocated Teachers = 85.8
- Allocated Principals = 5.4
- Allocated Librarians = 2.3
- Allocated Counselors = 3.4
- Allocated Nurses = .30
- Allocated social Workers = .11
- Allocated Psychologist = .05
- Allocated TA's = 3.2
- Allocated Office Staff = 8.9
- Allocated Custodian = 7.6
- Allocated Safety = .36
- Allocated Technology = 1.1
- Allocated Maintenance = 3.1
- Allocated General Support = .6
- Allocated Central Administrators = 1.6
- Allocated Central Administrative Support = 4.9





# Budget Update – Mix Factor / Salary Allocation

How State Funding for Staff is Calculated:

- State per staffing unit salary allocations
  - CIS (Certificated Instructional Staff) = \$36,521
  - CAS (Certificated Administrative Staff) = \$62,320
  - CLS (Classified Staff) = \$34,180
- District generates a staff mix factor that represents an average district experience level and is used as a multiplier of the state salary allocation. This is applied to all three salary classifications.
  - GFSD mix factor = 1.54923
- Prototypical School Model generates staffing levels in 3 categories
  - Certificated Staff (CIS) = 93.5
  - Administrators (CAS) = 7
  - Support Staff (CLS) = 28.2
- GFSD funding results (calculations)
  - $CIS = 93.5 \times \$36,521 \times 1.54923 = \$5,290,177$
  - $CAS = 7 \times \$62,320 \times 1.54923 = \$675,836$
  - $CLS = 28.2 \times \$34,180 \times 1.54923 = \$1,493,266$



# Budget Update – GFSD Actual Staffing

- GFSD Actual Staffing Compared to Allocation
  - CIS: Allocated FTE = 93.5; Actual FTE = 125
  - CAS: Allocated FTE = 7; Actual FTE = 10
  - CLS: Allocated FTE = 28.2; Actual FTE = 81
- GFSD Average Salary Compared to Allocation
  - CIS: Allocated Salary = \$56,579; Actual Average Salary = \$77,000
  - CAS: Allocated Salary = \$96,548; Actual Average Salary = \$129,000
  - CLS: Allocated Salary = \$52,953; Actual Average Salary = \$45,000
- GFSD Variance to State Allocation Model (Double Whammy)
  - CIS: GFSD is Underfunded by \$20,000 per FUNDED Teacher and Has 31 More Teachers Than the Model Allows. We Receive No State Funding for Those 31 Teachers.
  - CAS: GFSD is Underfunded by \$32,000 per FUNDED Administrator and has 3 More Administrators Than the Model Allows. We Receive No State Funding for Those 3 Administrators.
  - CLS: GFSD Receives an Extra \$8,000 per FUNDED Employee but We Have 53 More FTE Than the Model Allows. We Receive No State Funding For Those 53 FTE.
- Funding Gap is Made Up For With Grants and Local Levy Money



# Budget Update – 17/18 Projection

## ENROLLMENT – YTD ACTUAL

Actual thru April, 2018

Grade	Budget FY	Avg YTD FTE	Sep '17 A	Oct '17 A	Nov '17 A	Dec '17 A	Jan '18 A	Feb'18 A	Mar '18 A	Apr '18 A
Kindergarten	128.30	117.25	115.00	114.00	117.00	120.00	121.00	117.00	118.00	116.00
1	143.10	117.75	117.00	115.00	117.00	116.00	118.00	121.00	120.00	118.00
2	143.30	137.43	135.00	136.00	136.00	137.00	136.40	137.00	141.00	141.00
3	136.04	151.93	152.00	152.00	152.40	151.40	151.40	151.40	152.40	152.40
4	155.52	137.18	136.80	135.80	136.80	135.80	135.80	138.80	138.80	138.80
5	133.40	155.71	154.18	156.36	155.36	154.36	156.36	157.36	157.36	154.36
6	122.09	132.97	135.24	130.00	132.00	133.00	132.00	134.00	133.00	134.48
7	161.24	123.51	124.51	124.00	124.16	124.20	123.20	123.04	122.00	123.00
8	128.12	156.05	151.68	158.00	157.64	157.94	158.94	156.22	154.96	153.00
9	144.92	126.78	123.00	127.00	129.00	128.00	127.00	125.80	127.60	126.80
10	136.12	125.70	130.00	130.00	127.80	124.60	124.60	122.00	123.80	122.80
11	137.20	108.58	111.80	111.80	112.80	107.20	107.20	105.60	105.60	106.60
12	126.02	123.08	123.60	125.60	124.60	124.40	123.40	122.20	120.40	120.40
<b>Sub Total</b>	<b>1,795.37</b>	<b>1,713.89</b>	<b>1,709.81</b>	<b>1,715.56</b>	<b>1,722.56</b>	<b>1,713.90</b>	<b>1,715.30</b>	<b>1,711.42</b>	<b>1,714.92</b>	<b>1,707.64</b>
CTE 7-8 Exploratory	19.71	33.98	17.44	36.96	29.92	30.24	34.56	42.24	40.60	39.84
CTE 9-12 Exploratory	96.46	126.53	116.80	131.60	120.20	125.20	126.20	124.80	133.80	133.60
Running Start	24.44	15.88	23.00	16.00	16.00	15.00	15.00	14.00	14.00	14.00
Dropout Reengagement Enrollment (Open Doors)	61.13	70.00	58.00	71.00	76.00	76.00	40.00	79.00	77.00	83.00
ALE Enrollment (Crossroads)	167.01	158.01	164.80	162.30	148.40	155.40	153.00	162.60	157.60	160.00
<b>Total K-12</b>	<b>2,047.95</b>	<b>1,957.78</b>	<b>1,955.61</b>	<b>1,964.86</b>	<b>1,962.96</b>	<b>1,960.30</b>	<b>1,923.30</b>	<b>1,967.02</b>	<b>1,963.52</b>	<b>1,964.64</b>
Bilingual Program	58.00	56.25	49.00	57.00	59.00	57.00	56.00	59.00	57.00	56.00
Eligible Exited Students	2.66	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
SpEd Age 0-2	14.44	15.13	16.00	17.00	16.00	16.00	17.00	16.00	12.00	11.00
SpEd Age 3-5 (not in Kindergarten)	31.36	24.00	16.00	18.00	25.00	25.00	25.00	27.00	27.00	29.00
SpEd K-21	353.88	345.88	315.00	337.00	346.00	349.00	354.00	348.00	355.00	363.00



# Budget Update – 17/18 Projection

<b>Current 17/18 Revenue</b>									
Salaries									
CIS	86.989	\$ 36,521	1.54923	\$ 4,921,788	Running Start			\$ 81,674.81	
CAS	4.956	\$ 62,320		\$ 308,858	Open doors	66.67	\$ 6,570.44	\$ 438,051.23	
CLS	18.685	\$ 34,180		\$ 638,653	ALE	157.75	\$ 6,570.44	\$ 1,036,486.91	
Subs	80.865	\$ 607.44		\$ 49,120.64					
<b>Total School Generated</b>				<b>\$ 5,918,420</b>	MSOCS			\$ 2,047,502.18	
Facilities	2.862	\$ 34,180		\$ 97,823.16	CTE Middle School			\$ 229,143.00	
WLM	0.524	\$ 34,180		\$ 17,910.32	CTE High School			\$ 748,115.00	
Tech	0.992	\$ 34,180		\$ 33,906.56	<b>Total Entitlement</b>			<b>\$ 13,615,839.16</b>	
Admin	4.543	\$ 34,180		\$ 155,279.74	Less State Forest			\$ (122,000.00)	
CAS	1.552	\$ 62,320		\$ 96,720.64	Less GAA for SpED			\$ (669,334.77)	
<b>Total District Generated</b>				<b>\$ 401,640.42</b>	Total Apportionment			<b>\$ 12,824,504.39</b>	
<b>Total Salaries</b>				<b>\$ 6,320,060.21</b>					
Benefits					Appor Special Ed			\$ 669,334.77	
Insurance					Local Ef 17			\$ 247,271.36	
CIS	86.989	\$ 9,840		\$ 855,971.76	Local Ef 18			\$ 644,639.76	
CAS	6.508	\$ 9,840		\$ 64,038.72	Special Ed			\$ 1,899,650.40	
CLS	27.606	\$ 11,336		\$ 312,932.78	SpED Infant			\$ 130,397.85	
Payroll Tax & Benefits					LAP			\$ 649,888.44	
CIS				\$ 1,250,485.62	Transportation			\$ 1,197,874.34	
CAS					Food Service			\$ 500,000.00	
CLS				\$ 231,376.93	Special Ed Suplimental			\$ 370,793.00	
<b>Total Benefits</b>				<b>\$ 2,714,805.81</b>				\$ 6,309,849.92	
					Grants / Misc.			\$ 1,000,000.00	
					Safety Net / Impact			\$ 700,000.00	
					Property Taxes			\$ 4,500,000.00	
					Total Revenue			<b>\$ 25,334,354.31</b>	



# Budget Update – 17/18 Projection

<b>Forecast Expenses 17/18</b>					
Object	17/18 Budget	17/18 YTD	17/18 Encumberances	17/18 Total	2016-17 Actual
Transfers	\$ 59,747	\$ 34,397	\$ -	\$ 34,397	\$ 79,766
Transfers	\$ (60,000)	\$ (32,291)	\$ -	\$ (32,291)	\$ (79,766)
Cert Salaries	\$ 10,651,010	\$ 5,380,440	\$ 5,037,488	\$ 10,417,929	\$ 10,197,624
Classified Salaries	\$ 4,315,674	\$ 2,125,589	\$ 2,005,117	\$ 4,130,706	\$ 4,049,261
Benefits	\$ 6,252,425	\$ 3,066,677	\$ 3,032,654	\$ 6,099,330	\$ 5,466,690
Supplies	\$ 784,538	\$ 421,159	\$ 275,087	\$ 696,246	\$ 1,022,996
Contracted Services	\$ 4,417,305	\$ 1,681,241	\$ 2,424,712	\$ 4,105,953	\$ 4,263,633
Travel	\$ 48,410	\$ 20,343	\$ -	\$ 20,343	\$ 71,749
Misc.	\$ -	\$ 1,167	\$ -	\$ 1,167	\$ 22,988
	\$ 26,469,110	\$ 12,698,722	\$ 12,775,058	\$ 25,473,780	\$ 25,094,940
Unencumbered Expenses:*				\$ 750,000	
<b>Total Projection:</b>				<b>\$ 26,223,780</b>	
*Unencumbered expenses include extra pay, post season pay, transportation costs, and misc. unforeseen items.					

17/18 Revenue Forecast: \$25,334,354

17/18 Expenditure Forecast: \$26,223,780

17/18 Shortfall: **\$(889,426)**

# Budget Update – Legislative Impacts

## EHB 2242 And Legislative “Fixes”

- Full Salary Allocation Implementation Moved Forward From 19/20 to 18/19
- K-3 Class Size Reduction Postponed Until 19/20
- Special Education Multiplier Increased
- ALE Allocation Increased
- Local Levy Reduction
- Inflationary Multiplier Changed From CPI to IPD
- 18/19 Salary Increase MAXIMUM Limited to CPI



# Budget Update – Legislative Impacts

## Salary Allocation / Regionalization Factor

- Mix factor has been eliminated
- School district salary allocation is now flat rate (plus regionalization factor)
  - CIS = \$64,000
  - CAS = \$95,000
  - CLS = \$45,912
- Regionalization factors range from 0 – 24% based on cost of living factors
  - Granite Falls (Yes, we are the lowest) = 12%
  - Lake Stevens = 24%
  - Everett = 24%
  - Marysville = 18%
  - Arlington = 18%
- Regionalization factor is applied to all salary allocations. Using teachers as an example, each district receives the following allocation for every FUNDED teacher:
  - Granite Falls =  $1.12 \times \$64,000 = \$71,680$
  - Lake Stevens / Everett =  $1.24 \times \$64,000 = \$79,360$
  - Arlington / Marysville =  $1.18 \times \$64,000 = \$75,520$
- Regionalization enables surrounding districts to pay staff more because they receive a much greater reimbursement from the state
- Allocations increase annually By IPD (Implicit Price Deflator)



# Budget Update – Legislative Impacts

## Local Levy Changes

- Beginning with 2019 calendar year, local Levy collections are limited to the LESSER of \$1.50 per \$1,000 in assessed value OR \$2,500 per student FTE.
- Schools are guaranteed a minimum of \$1,500 per student FTE as long as they actually pass a levy. The difference between actual levy and \$1,500 per student FTE is called LEA (Local Effort Assistance).
- How this impacts Granite Falls:
  - $\$2,500 \text{ per student FTE} = \$2,500 \times 2,000 = \$5,000,000$
  - $\$1.50 \text{ per } \$1,000 \text{ in assessed value} = \$2,600,000$
  - The LESSER of those two values =  $\$2,600,000$
  - Since  $\$1,500 \times 2,000 \text{ (student FTE)} = \$3,000,000$  we qualify for \$400,000 in LEA also.
  - BUT, our current levy =  $\$4,500,000$  and we also receive \$900,000 in LEA for a total of  $\$5,400,000$  in local money.
  - Therefore, the new levy rules result in a loss of  $\$2,400,000$  per year.
  - Impact won't be felt fully until 19/20 school year
    - 18/19 impact = loss of  $\$1,300,000$  due to timing



# Budget Update – Legislative Impacts

## Other Miscellaneous Legislative Changes

- ALE (Alternative Learning) funding increased from \$6,570 per student to \$8,100
  - Granite Falls impact = \$340,000 increase per year based on 17/18 enrollment
  - Used to fund Crossroads and Open Doors
- Special Education multiplier increased from .9309 to .9609
  - Granite Falls impact = \$56,000 increase per year based on 17/18 enrollment
  - Special Education cap remains 13.5% of total enrollment though. Granite falls is currently at 18% so 25% of our special education population receives NO special education funding
- Inflationary multiplier changed from Seattle annual CPI (Consumer Price Index) to IPD (Implicit Price Deflator)
  - Current CPI = 3.1
  - Current IPD = 2
  - All inflationary increases will be based on the lower IPD rather than CPI



# Budget Update – Looking Ahead

## Assumptions:

- Enrollment flat to 17/18
- Expenses flat to 17/18
- No local levy fix
- Special Education costs flat

## Forecast:

- 2017-18
  - Revenue: \$25,334,354
  - Expense: \$26,223,780
  - Variance: \$(889,426)
- 2018-19
  - Revenue: \$26,498,822
  - Expense: \$26,223,780
  - Variance: \$275,042
- 2019-20
  - Revenue: \$25,551,550
  - Expense: \$26,223,780
  - Variance: \$(672,229)



# Budget Update – Looking Ahead

## Bottom Line:

As a result of fully funding education, Granite Falls will only receive an extra \$217,000 per year in total revenue once fully implemented.



# Budget Update – What Can We Do

Take Action to Reduce Expenses by at least \$900,000:

- Reduce special education costs
  - We're only funded based on 13.5% of total K-12 enrollment (we have 18%)
  - Verify residency for new enrollment
  - Deny choice transfers
  - Implement behavior program to serve Discovery kids in district instead of paying for them to be served out of district
- Right size district staffing
  - Utilize retirements and RIF's to reduce number of teachers to align with reduction in enrollment
  - Identify opportunities to reduce classified staff
    - Custodians?
    - Para-professionals?
    - Student supervision?
    - Secretaries?
- Maximize transportation funding
  - Eliminate activity bus?
  - Review and redesign of walk area
  - Minimize unfunded trips within the walk area
- Listen and remain open to all ideas