



Seattle Public Schools

Budget Work Session

www.seattleschools.org | January 7, 2021



Outcomes

1. Update on Participatory Budgeting Process
2. Review 2021-22 projections and timeline
3. Review and provide feedback on 21-22 budget solutions by major category
4. Feedback on enrollment projections

Participatory Budgeting Update

Participatory Budgeting Next Steps

- Feedback from Directors
- Formulation of a recommendation for each area
- Continuation of participatory budget process

FY21-22 Draft Budget Development Calendar

- **October 28, 2020** - Budget Work Session
- **November 16** thru December 16 Community Meetings
- **November 17, 2020** - Budget Work Session
- **December 9, 2020** – Budget Work Session
- **December 13, 2020** – Final WSS Changes determined
- **January 7, 2021** - Budget Work Session to review recommendations
 - Review WSS Changes
 - Review Overall major budget changes/agreement on budget
- **January 11, 2021** – Legislative session begins
- **January 13 to January 29** - Central budgets developed
- **January 20, 2021** – Budget Work Session
- **February 23, 2021** - Budget Allocations to Schools
- **March 3, 2021** - Budget Work Session
- **April 26, 2021** - Regular Legislative session ends
- **April 28, 2021** – Budget Work Session
- **May 3, 2021** - Final General Fund Balancing, Budget Book development
- **May 25, 2021** - Budget Work Session
- **June 7, 2021** - Board Action Report and Budget Resolution to A&F
- **June 9, 2021** - Budget Work Session
- **June 23, 2021** - Introduce Budget to Board
- **July 7, 2021** – Required Public Hearing
- **July 7, 2021** - Board Action to adopt school year 2021-22 budget





Budget Work Session

January 7, 2020

Seattle Public Schools is committed to making its online information accessible and usable to all people, regardless of ability or technology. Meeting web accessibility guidelines and standards is an ongoing process that we are consistently working to improve.

While Seattle Public Schools endeavors to only post documents optimized for accessibility, due to the nature and complexity of some documents, an accessible version of the document may not be available. In these limited circumstances, the District will provide equally effective alternate access.

For questions and more information about this document, please contact the following:

JoLynn Berge
Chief Financial Officer
BudgetOffice@seattleschools.org

Update on Participatory Budgeting Process, review 2021-22 projections and timeline, review and provide feedback on 21-22 budget solutions by major category and feedback on enrollment projections.

FY21-22 Estimated Financial Gap

Revenue & Other Resources	\$ 1,030,525,426
Expenses	\$ (1,100,333,183)
Resource Gap	\$ (69,807,757)
Use of Prior year savings (unrestricted fund balance)	\$ 21,807,757
Anticipated funding Gap to solve	\$ (48,000,000)

Three Year Outlook and Options

FY21-22 Potential Solutions

Estimated Gap of \$48m	Option A	Option B	Option C	Option D
	No reduction to school allocations, use all savings	All areas have reductions	No reduction to economic stabilization	No reduction to capital funding
Economic Stabilization Fund	\$ 38,700,000	\$ 18,000,000	\$ -	\$ 15,000,000
Reductions to District Programs	\$ 4,300,000	\$ 10,000,000	\$ 15,000,000	\$ 15,000,000
Use Capital Funding	\$ 5,000,000	\$ 10,000,000	\$ 10,000,000	\$ -
Reductions to School Funding Allocations	\$ -	\$ 10,000,000	\$ 23,000,000	\$ 18,000,000
Total	\$ 48,000,000	\$48,000,000	\$48,000,000	\$ 48,000,000

Note: These examples are provided for discussion purposes only.

Three Year Outlook and Options

Three Year Outlook				
General Fund Position over three years	Available resources	2021-22	2022-23	2023-24
Revenues		\$ 1,030,525,426	\$ 1,049,618,050	\$ 1,066,551,553
Expenditures		\$ 1,100,333,183	\$ 1,133,152,318	\$ 1,167,146,887
Resource Gap		\$ (69,807,757)	\$ (83,534,268)	\$ (100,595,334)
*Assumption of revenues and expenditures being held constant is for illustration purposes only.				
Option A - minimize cuts, use savings and Capital				
General Fund Position over three years	Available resources	2021-22	2022-23	2023-24
Revenues		\$ 1,030,525,426	\$ 1,049,618,050	\$ 1,066,551,553
Expenditures		\$ 1,100,333,183	\$ 1,132,044,561	\$ 1,103,579,387
Resource Gap		\$ (69,807,757)	\$ (82,426,511)	\$ (37,027,834)
Solutions				
Annual underspend, which equals all of our available fund balance	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000
Economic Stabilization Fund - one time	\$ 38,700,000	\$ 38,700,000	Nothing available	Nothing available
Capital Funds - may be one time	\$ 10,000,000	\$ 10,000,000	Nothing available	Nothing available
Total remaining gap		\$ (1,107,757)	\$ (62,426,511)	\$ (17,027,834)
Reduction to District Programs	\$ 10,000,000	\$ 1,107,757	\$ 8,892,243	\$ -
Reduction to School Allocations	\$ 40,000,000		\$ 53,534,268	\$ 17,027,834
Total remaining gap		\$ -	\$ -	\$ -

Three Year Outlook and Options

Three Year Outlook				
General Fund Position over three years	Available resources	2021-22	2022-23	2023-24
Revenues		\$ 1,030,525,426	\$ 1,049,618,050	\$ 1,066,551,553
Expenditures		\$ 1,100,333,183	\$ 1,133,152,318	\$ 1,167,146,887
Resource Gap		\$ (69,807,757)	\$ (83,534,268)	\$ (100,595,334)
*Assumption of revenues and expenditures being held constant is for illustration purposes only.				
Option B - all areas have reductions				
General Fund Position over three years	Available resources	2021-22	2022-23	2023-24
Revenues		\$ 1,030,525,426	\$ 1,049,618,050	\$ 1,066,551,553
Expenditures		\$ 1,100,333,183	\$ 1,111,344,561	\$ 1,102,958,387
Resource Gap		\$ (69,807,757)	\$ (61,726,511)	\$ (36,406,834)
Solutions				
Annual underspend, which equals all of our available fund balance	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000
Economic Stabilization Fund - one time	\$ 38,700,000	\$ 18,000,000	\$ -	\$ -
Capital Funds - one time?	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -
Total remaining gap		\$ (21,807,757)	\$ (41,726,511)	\$ (16,406,834)
Reduction to District Programs	\$ 10,000,000	\$ 5,000,000	\$ 5,000,000	\$ -
Reduction to School Allocations	\$ 40,000,000	\$ 16,807,757	\$ 36,726,511	\$ 16,406,834
Total remaining gap		\$ -	\$ -	\$ -

How do we solve the rest?

		Percent of \$1.08m	Flexible	Percent of \$1,080m	
Total 2020-21 budget	\$ 1,080,904,739				
Deficit per pupil <small>est. 52,500 students</small>	\$ 1,330				
Total Deficit	\$ 69,807,757	6.5%		6.5%	
Central Office/Ops*	\$ 331,965,499	30.7%	\$ 112,291,648	10.4%	
Central Admin	\$ 60,508,767	5.6%	\$ 52,477,721	4.9%	
WSS/Schools**	\$ 567,645,564	52.5%	\$ 109,451,352	10.1%	
Total	\$ 960,119,830	88.8%	\$ 274,220,721	25.4%	
Reserves/Grants	\$ 120,784,909	11.2%			\$ 21,807,757
Unrestricted fund					\$ 21,807,757
Balance left to solve					\$ 48,000,000
Balance to 2020-21	\$ 1,080,904,739	100.00%			
*Includes grants					
**Only base allocation, no grants, self help, City or PTSA					

Potential Two-year Options

	Potential Solutions	Available	FTE	Recommended FY21-22	For Illustration only, TBD FY22-23
	Economic Stabilization Fund Ending FY19-20	\$ 38,700,000		\$ 19,400,000	
	Economic Stabilization Fund Ending FY20-21	\$ 19,300,000			\$ 19,300,000
	Use of Capital Funding				
	Capital Fund coverage of GF maintenance	\$ 10,037,000		\$ 10,037,000	
	Reductions to District Programs				
	Infrastructure improvement resources	\$ 2,000,000		\$ 2,000,000	\$ 2,000,000
	Fall enrollment reserve	\$ 4,000,000		\$ 2,800,000	\$ 2,800,000
	School mitigation reserve	\$ 2,000,000		\$ 1,400,000	\$ 1,400,000
	Curriculum Funds not yet committed	\$ 954,212		\$ 954,212	\$ 3,254,212
	Curriculum Funds - 6-8 ELA	\$ 2,300,000		\$ 2,300,000	
	Option School transportation	\$ 740,000		\$ 740,000	\$ 740,000
	Central Office reductions			\$ 2,128,293	\$ 3,000,000
	Strategic Plan reduction	\$ 6,234,071			\$ 3,000,000
	Reductions to School Funding Allocations				
	Grade 4-12 increase class size by one student	\$ 6,240,495	43.4	\$ 6,240,495	\$ 6,240,495
	Assistant Principals	\$ 17,637,046	92.50		\$ 5,879,015
	House Administrators	\$ 716,440	5.00		\$ 358,220
	High School Academic Intervention Specialist	\$ 1,447,270	11.00		\$ 723,635
	High School Activity Coordinators	\$ 1,549,680	11.00		\$ 774,840
	Clerical staff	\$ 19,665,110	211.50		\$ 4,916,278
	Cert Core	\$ 2,256,225	17.00		\$ 2,256,225
	School Supply dollars	\$ 7,645,068			\$ 1,911,267
	Equity Dollars	\$ 6,955,087			\$ 1,738,772
	Admin Funding for Sped Pre-school	\$ 851,525			\$ 851,525
	Credit Recovery funds	\$ 132,000			\$ 132,000
	Extra Funding for Head Start	\$ 83,550			\$ 83,550
	International Baccalaureate	\$ 465,560			\$ 465,560
	Above Model - Non-Traditional	\$ 1,077,111			\$ 538,556
				\$ 48,000,000	\$ 62,364,149
	Additional reductions needed (surplus)			\$ -	\$ 1,170,119

Other ideas	
Non-Traditional Schools - Rent	\$ 368,700
Above Model - Middle School	\$ 447,674
Reconfigure South Lake/Nova/Interagency	\$ 500,000
Curriculum not included above	\$ 2,104,186
Librarians	\$ 9,445,270
Switch bell times back and return to three tier busing	est in process
Special education reconfigure program	\$ 20,000,000
ELL reconfigure program	\$ 5,000,000
Surface Water Fees	\$ 3,000,000

Current Status of FY21-22 Recommendation

Identified Deficit		\$	69,807,757
Solutions			
	Use of Unrestricted Fund Balance	\$	(21,807,757)
	Balance to solve	\$	48,000,000
Options currently discussed			
	Use of Economic Stabilization Fund*	\$	(19,400,000)
	Capital Fund Transfer	\$	(10,037,000)
	Reductions to District Programs	\$	(12,322,505)
	Reductions to Schools	\$	(6,240,495)
		\$	-

*Will require a repayment plan being developed

2021-22 District Level Recommendation

Option School Transportation	\$ 740,000
Fall Enrollment Reserve	\$ 2,800,000
School mitigation Reserve	\$ 1,400,000
Infrastructure improvement resources	\$ 2,000,000
Curriculum Funds 6-8 ELA	\$ 2,300,000
Curriculum Funds not yet committed	\$ 954,212
Central Office Reductions	\$ 2,128,293
	\$ 12,322,505

2021-22 School Level Recommendation

For 2021-22:

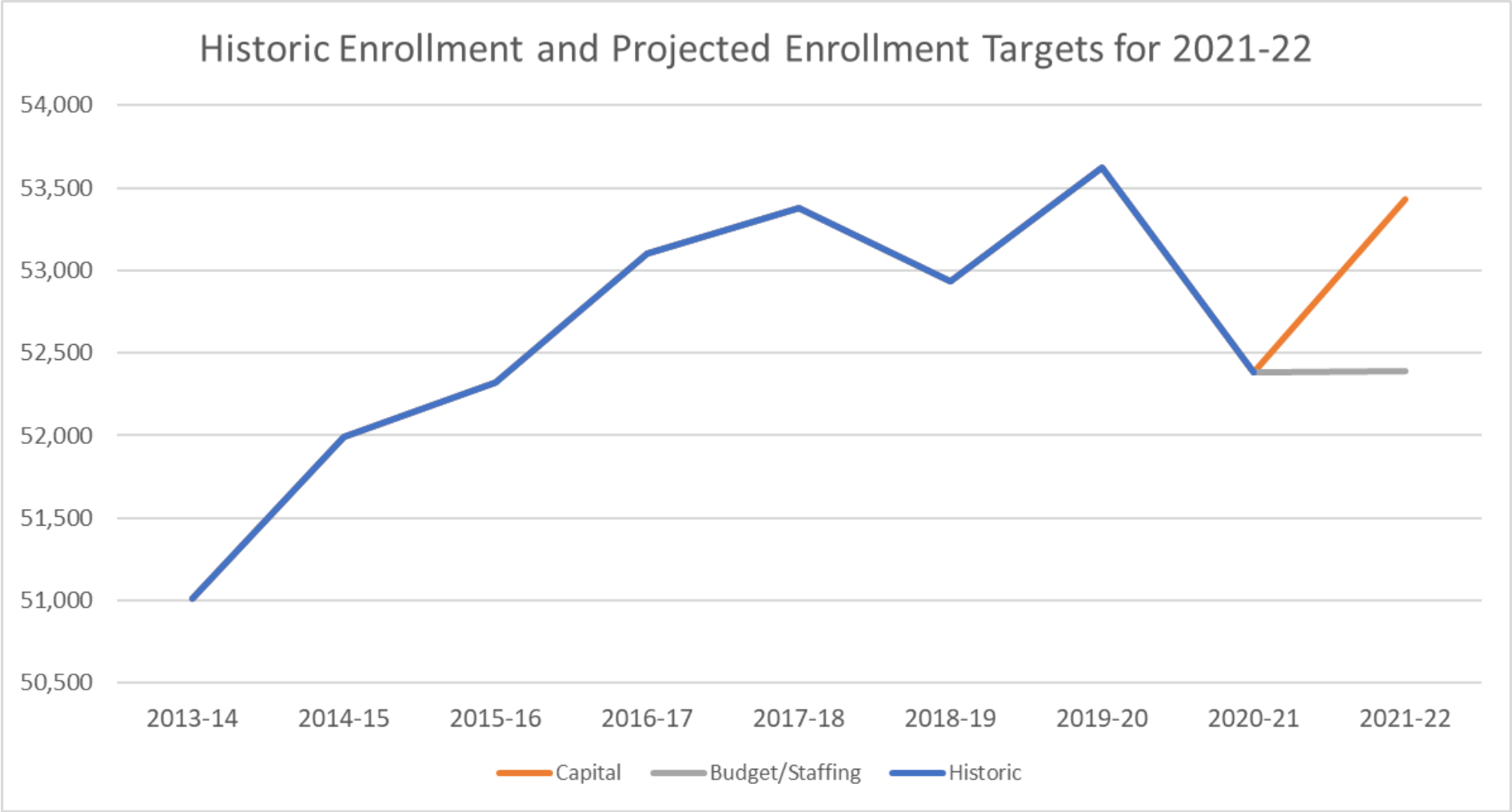
Increase class size by 1 student for Grades 4-12 - \$6,240,495

ENROLLMENT PROJECTIONS

2021-22 Projections Methodology

- 2020-21 enrollment data is expected to be an outlier due to the pandemic and remote learning.
- Enrollment Planning is using two models for 2021-22 projections given the uncertainty of whether all grades will return for in-person instruction in the fall.
- **In person instruction projection:** assumes return to in-person instruction and is mostly based on SPS Moderate projection model. This scenario assumes 350 additional Kindergartners are added who would have enrolled in 2020 but will enter 1 year late.
- **Remote instruction projection:** assumes continued virtual instruction to meet continued social distancing requirements and is based upon the 3-year average grade progression rates, two of which had net declines across the district. This scenario assumes 100 additional Kindergartners are added who would have enrolled in 2020 but will enter 1 year late.


Enrollment and Projection Trend



Enrollment and Projection Data

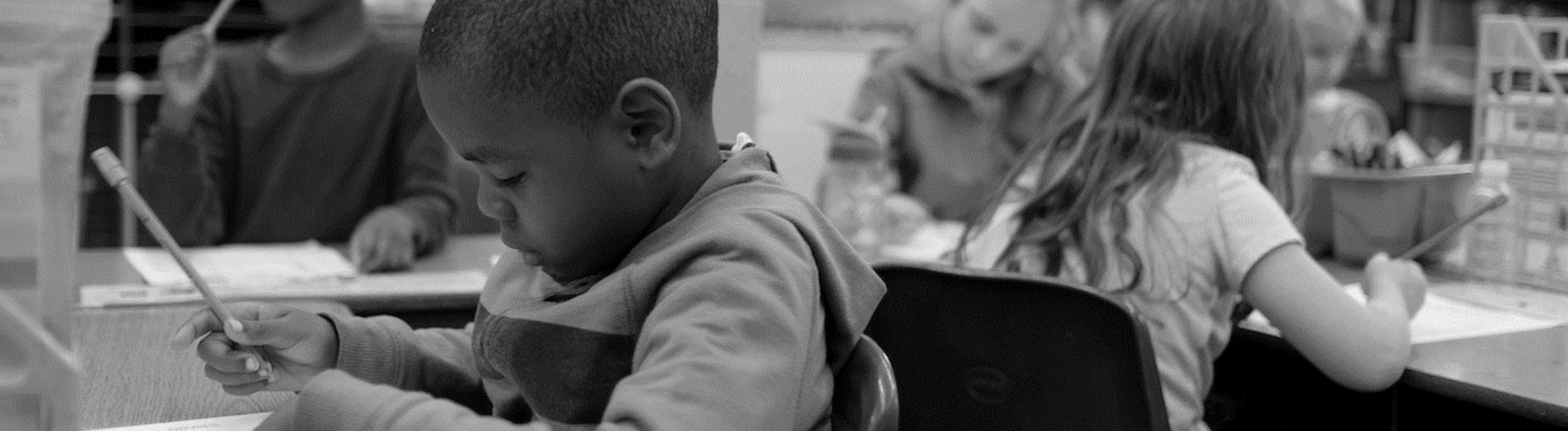
	Enrolled Headcount
2019-20 Actual	53,627
2020-21 Projected	54,027
2020-21 Actual	52,381
2021-22 In-Person Projected (Draft)	53,435
2021-22 Remote Learning Projected (Draft)	52,392

Recommendation

- Because of uncertainty with vaccination timelines, and no current vaccine for students, social distancing requirements are likely to continue in the Fall of 2021. This would require an A/B schedule and some learning to still be done remotely.
- Use the Remote Instruction model for February staffing. Reevaluate in June based on any new information.
-  Use the In Person model for capital planning purposes.

Outcomes

1. Update on Participatory Budgeting Process
2. Review 2021-22 projections and timeline
3. Review and provide feedback on 21-22 budget solutions by major category
4. Feedback on enrollment projections



Questions?

www.seattleschools.org | Business & Finance

