



Seattle Public Schools

Budget Work Session

www.seattleschools.org | March 23, 2022



Agenda

1. Alignment with Student Focused Outcomes (AJ Crabill)
2. FY22-23 Budget Development Calendar
3. Legislative Update
4. Three-year outlook
5. Next Steps

FY22-23 Draft Budget Development Calendar

- **October 27, 2021** - Budget Work Session
- **October 18 thru December 3rd** Participatory Budget Work sessions
- **November 10, 2021** - Budget Work Session
- **December 9, 2021** – Final WSS Changes determined
- **December 15, 2021** – Budget Work Session
- **January 5, 2022** – Budget Work Session to review recommendations
 - Review WSS Changes
 - PB recommendations
 - Review Overall major budget changes/agreement on budget (move to Jan 19)

- **January 10, 2022** – Legislative session begins
- **January 12 to February 2nd**- Central budgets technical process of staffing/line-item budgeting
- **January 19, 2022** – Budget Work Session
- **February 28, 2022** - Budget Allocations to Schools
- **March 14, 2022** - Regular Legislative session ends
- **March 23, 2022** - Budget Work Session
- **April 27, 2022** – Budget Work Session

- **May 2, 2022** - Final General Fund Balancing, Budget Book development
- **May 25, 2022** - Budget Work Session
- **June 6, 2022** - Board Action Report and Budget Resolution to A&F
- **June 15, 2022** - Introduce Budget to Board
- **June 22, 2022** - Budget Work Session
- **July 6, 2022** – Required Public Hearing
- **July 6, 2022** - Board Action to adopt school year 2022-23 budget

Budget Work Session March 23, 2022

Legislative Session

2022 Legislative Session

Enrollment Stabilization for 2021-22 at 50% of 2019-20 vs 2021-22	\$ 22.6
Levy Enrollment Hold Harmless using 2019-20 enrollment for 2023	
Operating Levy	\$ 7.0
Social Emotional staffing funding allocations increased. Net of district staffing	\$ 5.3
5.5% Cost of Living Increase for staff	\$ (7.6)
Other Miscellaneous adjustments	\$ 2.7
Net Revenue increase (available for 22-23 deficit)	\$ 30.0

2022 Legislative Session

Enrollment Stabilization - \$22.6M

- Funded at 50% of the difference between 2019-20 enrollment vs 2021-22 enrollment
- 50% of about 4,000 student FTE

Levy Enrollment Hold Harmless \$7M

- Uses higher 2019-20 enrollment for 2023 Operating Levy

Social Emotional staffing - \$5.3M

- Continued increased staffing funded from ESSER
- 23 additional nurse and social worker/counselor for 22-23 funded

5.5% Cost of Living Increase for staff -~~\$7.6M~~

- State allocations for classified and admin salaries are far below our actual costs
- We hire more staff than the state allocates

Other Miscellaneous adjustments - \$2.7M

- Net increase from MSOC, pension and medical

Net Revenue increase **\$30.0M** (available for 22-23 deficit)

Prototypical model increases per HB1664

	State FY21-22 funding	Additional State FY22-23	Additional State FY23-24	Additional State FY24-25	Three year funding increase	Total State FY24-25
Guidance Counselors*	103.5	26.8	17.3	7.7	51.8	155.3
Social Workers	3.2	7.2	7.2	7.2	21.6	24.8
Nurses	8.0	20.8	20.8	20.8	62.4	70.4
Psychologists	1.3	2.3	2.3	2.3	6.9	8.2
Parent Involvement Coordinators	5.6	0.0	0.0	0.0	0.0	5.6
Security Specialists	9.6	0.0	0.0	0.0	0.0	9.6
Totals	131.2	57.1	47.6	38.0	142.7	273.9

*High Poverty counselors are front loaded in FY22-23

2022 Legislative Session

HB 1664 - Physical and Social Emotional allocations

	State FY21-22 funding	Increase in State funds	State FY22-23 funding	Non-grant Staffing FY22-23	All District Staffing FY22-23
Guidance Counselors	103.5	26.8	130.3	104.2	133.1
Social Workers	3.2	7.2	10.4	25.6	21.4
Nurses	8.0	20.8	28.8	76.0	87.9
Psychologists	1.3	2.3	3.6	59.6	62.0
Parent Involvement Coordinators	5.6	0	5.6	16.5	57.1
Security Specialists	9.6	0	9.6	45.4	45.4
Totals	131.2	57.1	188.3	327.3	406.9

Note: Numbers are based on FY22-23 planned district enrollment

Budget Development FY22-23

FY22-23 Potential Solutions –

From the January work session

selected

Estimated Gap of \$78m	Estimated Amount	Scenario A		Scenario B	
		State Relief		No State Relief	
Ending Fund Balance FY20-21	\$ 55,034,483	\$ 55,034,483		\$ 55,034,483	
ESSER backfill for School/Program stability from FY20-21	\$ 10,600,000	\$ 10,600,000		\$ 10,600,000	
Enrollment loss	\$ (28,100,000)	\$ (28,100,000)		\$ (28,100,000)	
Economic Stabilization Fund	\$ 39,000,000	\$ 9,750,000	Amount available to maintain 3% minimum	\$ 9,750,000	Amount available to maintain 3% minimum
Use Capital Funding	\$ 10,000,000	\$ 10,000,000		\$ 10,000,000	
Reductions to Central Admin and District Programs	\$ 6,000,000	\$ 2,000,000		\$ 2,000,000	
Added costs for new priorities/work	\$ (3,000,000)	\$ (5,000,000)		\$ (5,000,000)	
Transportation - return to three tiers	\$ 5,000,000	\$ 5,000,000		\$ 5,000,000	
Total	\$ 94,534,483	\$ 59,284,483		\$ 59,284,483	
	Balance to find to make \$78m	\$ (18,335,815)		\$ (18,335,815)	no state relief
	Possible Enrollment Funding From Legislature	\$ 28,100,000	State relief		
	Add to Reserve for future years	\$ 9,764,185			
<i>Note: These examples are provided for discussion purposes only.</i>					

FY22-23 Potential Solution –

as of March 23, 2022

Estimated Gap of \$78m	Estimated Amount	Estimated Scenario A	Actual Scenario A
		State Relief	State Relief
Ending Fund Balance FY20-21	\$ 55,034,483	\$ 55,034,483	\$ 55,034,483
ESSER backfill for School/Program stability from FY20-21	\$ 10,600,000	\$ 10,600,000	\$ 10,600,000
Enrollment loss	\$ (28,100,000)	\$ (28,100,000)	\$ (28,100,000)
Economic Stabilization Fund	\$ 39,000,000	\$ 9,750,000	\$ -
Use Capital Funding	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Reductions to Central Admin and District Programs	\$ 6,000,000	\$ 2,000,000	\$ 2,000,000
Added costs for new priorities/work	\$ (3,000,000)	\$ (5,000,000)	\$ (5,000,000)
Transportation - return to three tiers	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Total	\$ 94,534,483	\$ 59,284,483	\$ 49,534,483
Balance to find to make \$78m		\$ (18,335,815)	\$ (28,085,815)
Enrollment Stabilization		\$ 28,100,000	\$ 29,600,000
Other Legislative Changes			\$ 400,000
Add to Reserve for FY23-24		\$ 9,764,185	\$ 1,914,185



Adjusted Fund Balance

Three Year Outlook – as of Dec 8, 2021

Three Year Outlook	Scenario A			Scenario B		
	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
General Fund Position over three years						
Revenues	\$ 1,020,887,401	\$ 1,033,629,045	\$ 1,050,867,193	\$ 1,020,887,401	\$ 1,033,629,045	\$ 1,050,867,193
Expenditures	\$ 1,098,507,699	\$ 1,131,462,930	\$ 1,165,406,818	\$ 1,098,507,699	\$ 1,131,462,930	\$ 1,165,406,818
Resource Gap	\$ (77,620,298)	\$ (97,833,885)	\$ (114,539,625)	\$ (77,620,298)	\$ (97,833,885)	\$ (114,539,625)
Current Potential Solutions						
General Fund Position over three years						
Revenues	\$ 1,020,887,401	\$ 1,033,629,045	\$ 1,050,867,193	\$ 1,020,887,401	\$ 1,033,629,045	\$ 1,050,867,193
Expenditures	\$ 1,098,507,699	\$ 1,129,462,930	\$ 1,163,406,818	\$ 1,098,507,699	\$ 1,129,462,930	\$ 1,163,406,818
Resource Gap	\$ (77,620,298)	\$ (95,833,885)	\$ (112,539,625)	\$ (77,620,298)	\$ (95,833,885)	\$ (112,539,625)
Solutions/(Enrollment change)						
Ending Fund Balance	\$ 55,034,483	\$ 20,000,000	\$ 20,000,000	\$ 55,034,483	\$ 20,000,000	\$ 20,000,000
ESSER backfill for School/Program stability from FY20-21	\$ 10,600,000	\$ -	\$ -	\$ 10,600,000	\$ -	\$ -
FY21-22 Enrollment drop below budget of 2,073 AAFTE	\$ (28,100,000)	\$ -	\$ -	\$ (28,100,000)	\$ -	\$ -
Economic Stabilization Fund - one time	\$ 9,750,000	\$ 39,014,185	\$ -	\$ 9,750,000	\$ 29,250,000	\$ -
Capital Funds - one time extended	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ -	\$ -
Total remaining gap	\$ (20,335,815)	\$ (36,819,700)	\$ (92,539,625)	\$ (20,335,815)	\$ (46,583,885)	\$ (92,539,625)
Reduction to District Programs	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -
State Relief	\$ 28,100,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total remaining gap	\$ 9,764,185	\$ (36,819,700)	\$ (92,539,625)	\$ (18,335,815)	\$ (46,583,885)	\$ (92,539,625)

Adjusted Fund Balance

Three Year Outlook – as of March 23, 2022

Three Year Outlook	Estimated Scenario A			Actual Scenario A		
General Fund Position over three years	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
Revenues	\$ 1,020,887,401	\$ 1,033,629,045	\$ 1,050,867,193	\$ 1,020,887,401	\$ 1,033,629,045	\$ 1,050,867,193
Expenditures	\$ 1,098,507,699	\$ 1,131,462,930	\$ 1,165,406,818	\$ 1,098,507,699	\$ 1,131,462,930	\$ 1,165,406,818
Resource Gap	\$ (77,620,298)	\$ (97,833,885)	\$ (114,539,625)	\$ (77,620,298)	\$ (97,833,885)	\$ (114,539,625)
Current Potential Solutions						
General Fund Position over three years	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
Revenues	\$ 1,020,887,401	\$ 1,033,629,045	\$ 1,050,867,193	\$ 1,020,887,401	\$ 1,034,029,045	\$ 1,051,267,193
Expenditures	\$ 1,098,507,699	\$ 1,129,462,930	\$ 1,163,406,818	\$ 1,098,507,699	\$ 1,129,462,930	\$ 1,163,346,818
Resource Gap	\$ (77,620,298)	\$ (95,833,885)	\$ (112,539,625)	\$ (77,620,298)	\$ (95,433,885)	\$ (112,079,625)
Solutions/(Enrollment change)						
Ending Fund Balance	\$ 55,034,483	\$ 20,000,000	\$ 20,000,000	\$ 55,034,483	\$ 20,000,000	\$ 20,000,000
ESSER backfill for School/Program stability from FY20-21	\$ 10,600,000			\$ 10,600,000		
FY21-22 Enrollment drop below budget of 2,073 AAFTE	\$ (28,100,000)			\$ (28,100,000)		
Economic Stabilization Fund - one time	\$ 9,750,000	\$ 39,014,185	\$ -	\$ -	\$ 39,000,000	\$ -
Surplus from FY22-23 planning					\$ 1,914,185	
Capital Funds - one time extended	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ -	\$ -
Total remaining gap	\$ (20,335,815)	\$ (36,819,700)	\$ (92,539,625)	\$ (30,085,815)	\$ (34,519,700)	\$ (92,079,625)
Reduction to District Programs	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -
One time State Relief	\$ 28,100,000			\$ 29,600,000		
On-going State Relief		\$ -	\$ -	\$ 400,000	\$ -	\$ -
Total remaining gap	\$ 9,764,185	\$ (36,819,700)	\$ (92,539,625)	\$ 1,914,185	\$ (34,519,700)	\$ (92,079,625)

Student Focused Outcome - Transportation

We aim to provide safe, predictable and consistent transportation services to all eligible students so they can arrive to school safe, on time and ready to learn.

Challenges:

- There is still a national bus driver shortage, and the hours for a 2-tiered bell schedule are not competitive.
- We have not and will not be able to provide transportation to all eligible families this school year.
- We suspended 138 routes in Oct 2021 and still have 50 routes that are not running.



Transportation – 3 tiers

- Moving to 3 tiers would allow SPS to provide service to all eligible families in a predictable manner and provide drivers with more hours.
- A review of our nine neighboring districts showed that all run a 3-tiered bell schedule or some slight variation with start times as early as 7:20am for high school students in Edmonds and Renton and end times as late as 3:50pm for elementary school students in Edmonds, Lake Washington, and Kent.
- A 3-tiered bell schedule in Seattle would require 1-hour between tiers to ensure on time service.
- The start times and which schools are in which tier would be developed with input from families, before and after school providers, the city, Seattle Children's, and other district partners.



Budgeting for Student Focused Outcomes

- On-time reliable transportation creates the condition for positive student outcomes
 - Two tiers with 50 fewer routes to provide consistent, reliable service **or**
 - Three tiers with consistent, reliable service for all eligible students
- Increased resources are needed for our goals/guardrails

Next Work Session

- Enrollment outlook
- Budget outlook
- Well resourced schools
- Special ed
- SFOG – goals/guardrails



Questions?

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