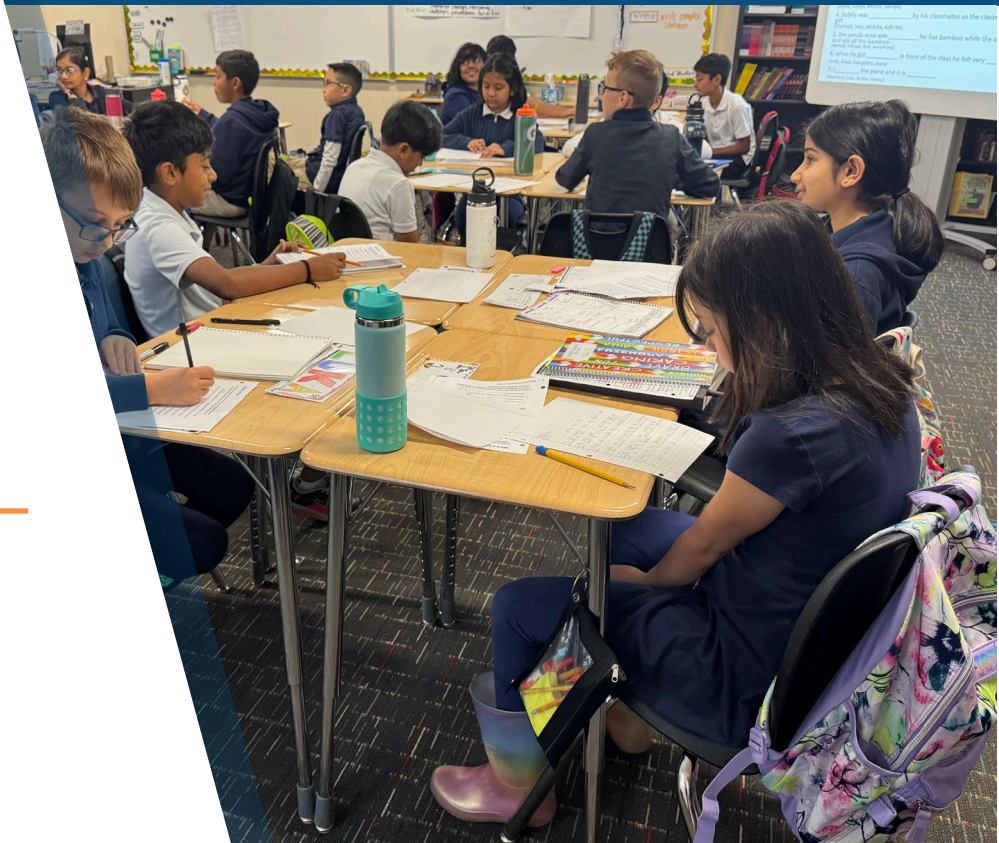




Fiscal Advisory Council 2024-2025

Meeting 1 Overview, School Budget Basics, Fiscal Outlook, Timeline





Welcome and overview

- Welcome and thank you for joining the Fiscal Advisory Council (FAC)!
- Role of FAC
 - Develop a shared understanding of the district's fiscal outlook
 - Provide guidance and advice to district staff regarding development of the district's operating budget for next year
- Agenda for tonight: School budget basics, EPS general fund budget overview, upcoming meetings





Members

- Students and staff
- Community members
- District administrative and support staff

Schedule

- | | | |
|---------------|-----------|---|
| • January 9 | Meeting 1 | Introductions, overview, school budget basics |
| • February 12 | Meeting 2 | Enrollment projections, budget assumptions, legislative updates |
| • April 16 | Meeting 3 | Legislative outcomes, budget development |
| • May 22 | Meeting 4 | Review budget prior to board adoption |



School board updates throughout the year



Self introductions

- Please introduce yourself and tell us a little bit about who you are and what brings you here
- Also, please share what are you hearing about our fiscal situation in your community/school/workplace, and whether this is concerning or encouraging to you





School districts have 5 major funds



**General
(Operating)
Fund**
(\$420.8M)



**Capital
Projects
Fund**
(\$66.5M)



**Debt
Service
Fund**
(\$5.6M)



**Associated
Student Body
Fund**
(\$3.5M)



**Transportation
Vehicle
Fund**
(\$0.5M)

Bonds and capital levy dollars cannot be used to pay for annual operating costs



State Funding



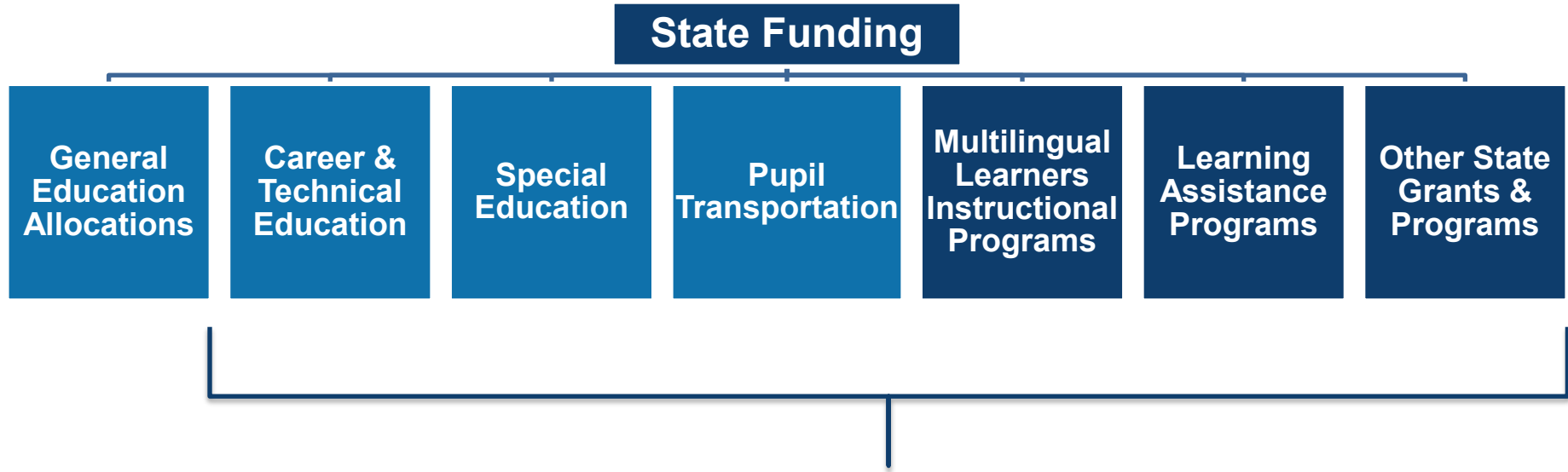
Funding Drivers

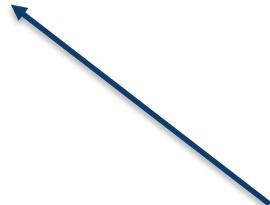
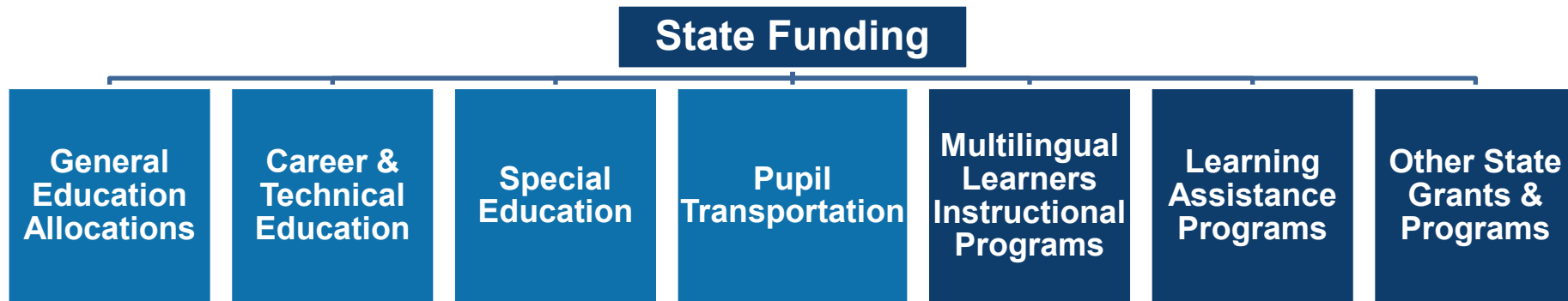




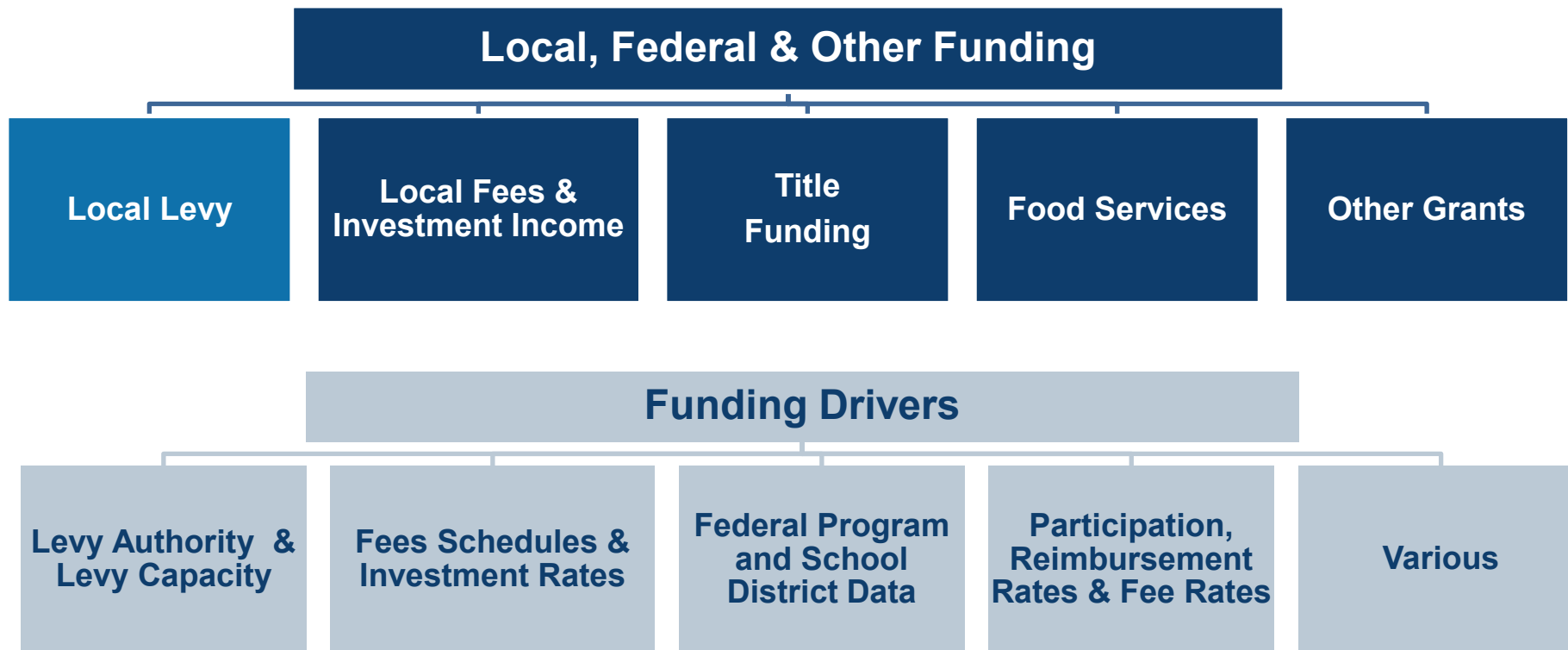
Prototypical Funding Model / General State Apportionment

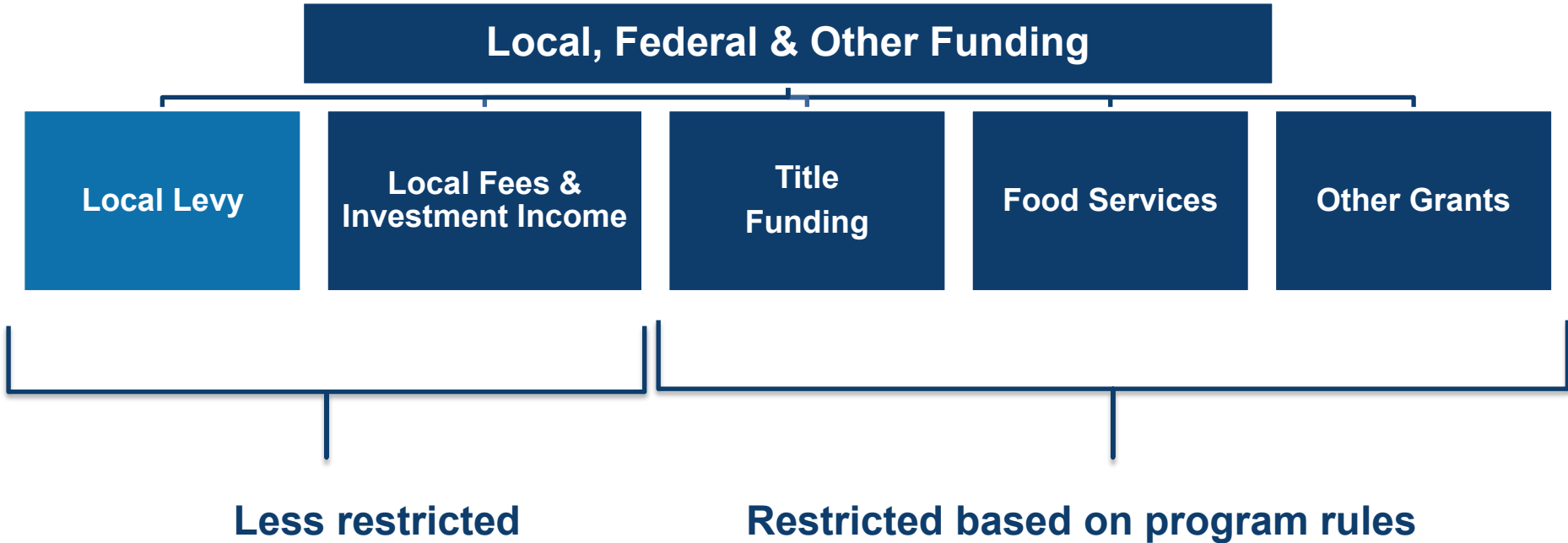




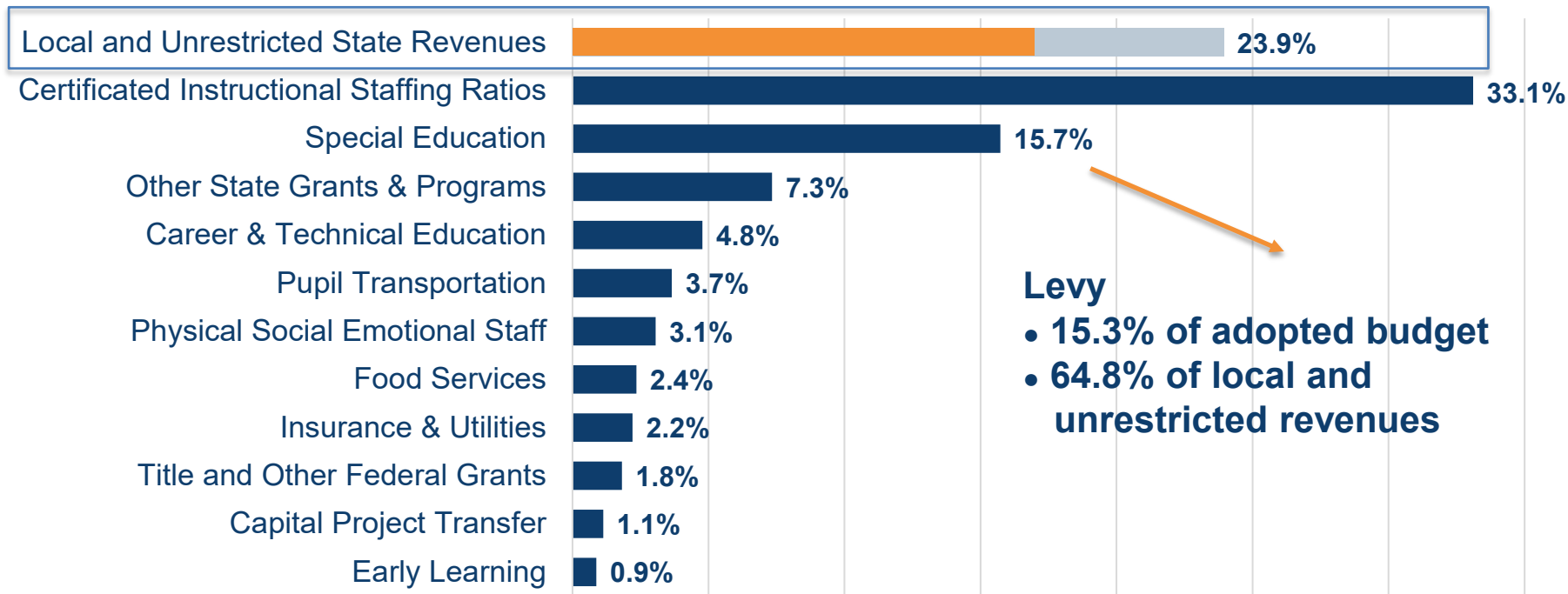


Has certain minimum staffing compliance and spending requirements





GENERAL FUND ALLOCATION DISTRIBUTION





Local and Unrestricted State Revenues



23.9%

- **School-based costs**

- Elementary planning time drives specialists (e.g. Music, PE, Reading)
- Elementary reading specialists
- Before school, lunch, and after-school supervision
- Lower class sizes for grades 4 - 12
- Principals and Assistant Principals
- School building office supports
- School MSOCs
- Unfunded Special Education
- Unfunded substitutes

- **Operational necessities**

- Custodial and security
- Building maintenance
- Grounds maintenance
- Fiscal, HR, and LITS operations
- Instructional support and supervision
- Unfunded transportation costs

- **Non-curricular supports/community expectations**

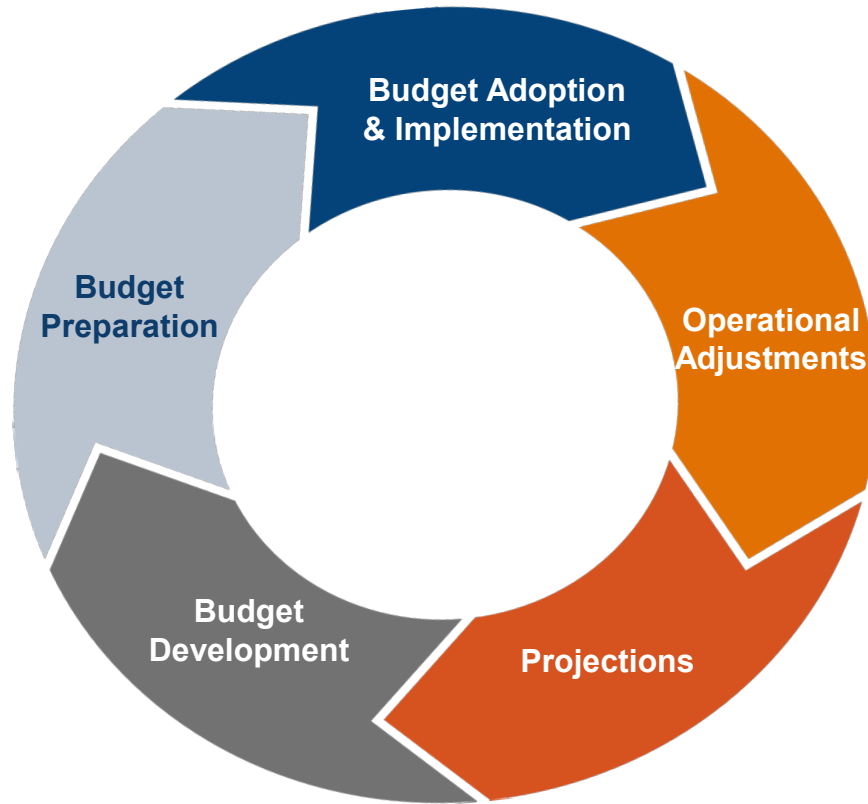
- Athletics and clubs
- Community facility use



Small group discussions, questions and share-outs

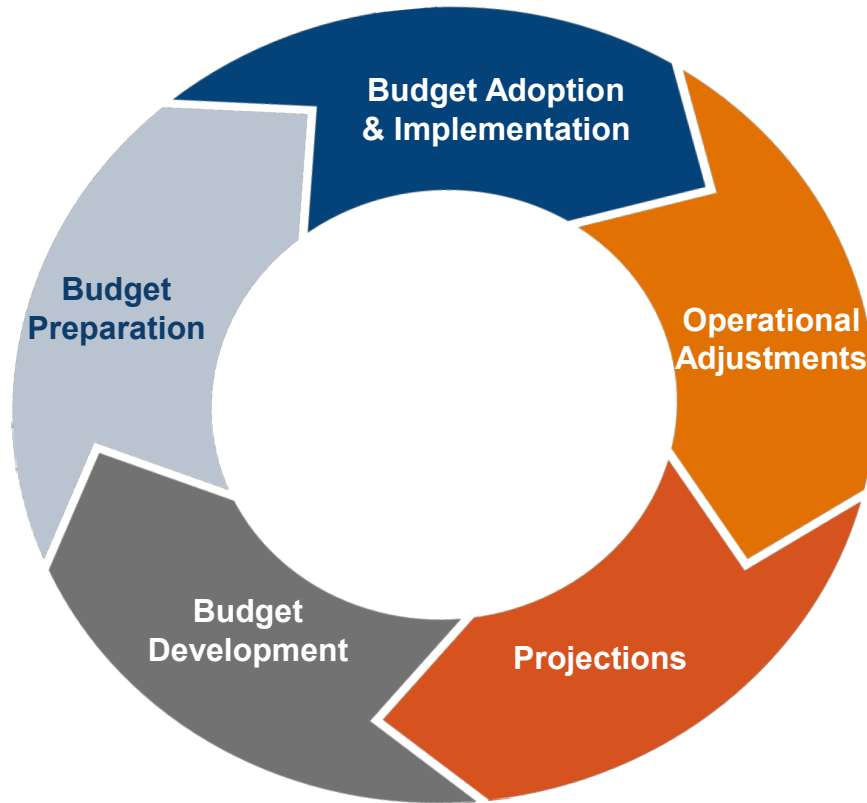
- What is one thing you learned or that surprised you about how school districts are funded?





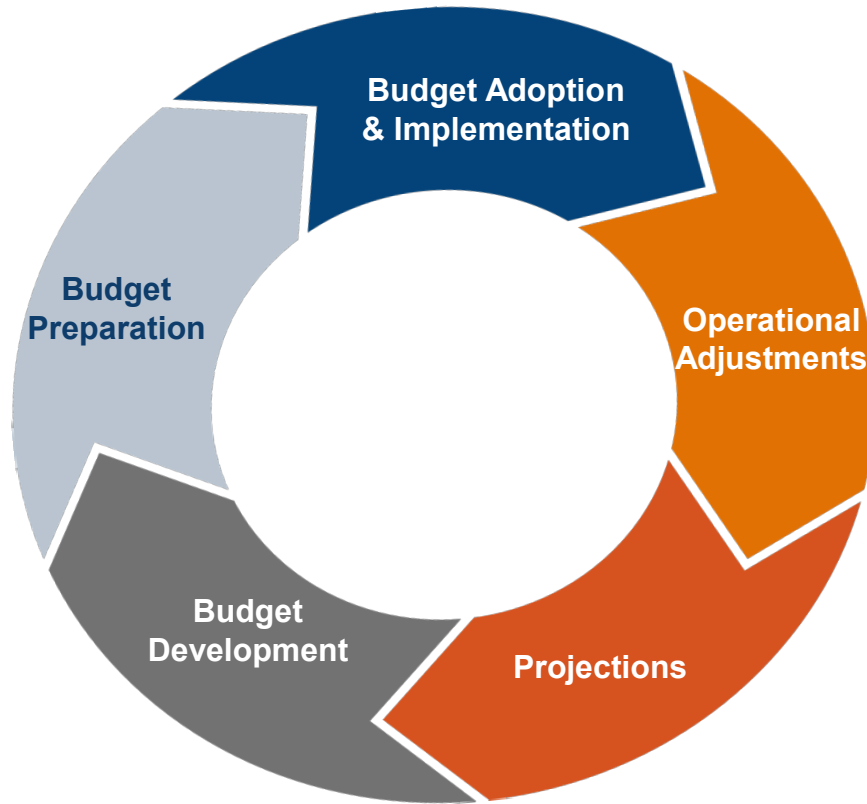
Adoption & Implementation (*Spring/Summer*)

- Budget adoption hearing and the final adoption sets expenditure capacity by fund
- Summer implementation for school year



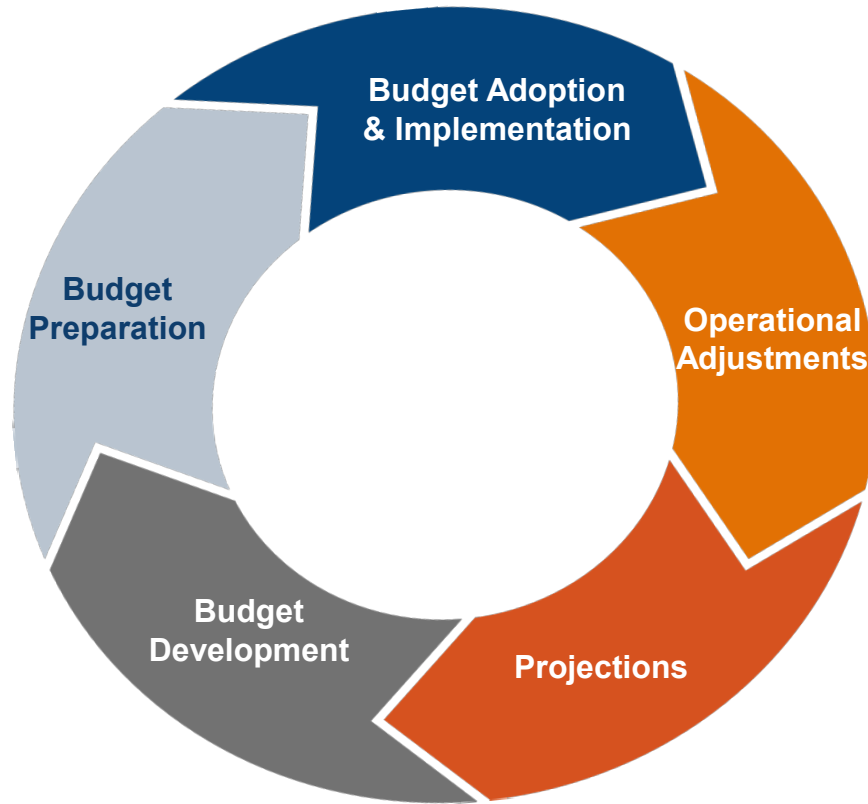
Operational Adjustments (Fall)

- Actual student enrollment
- Actual staffing alignment
- State and federal updates
- Local commitments



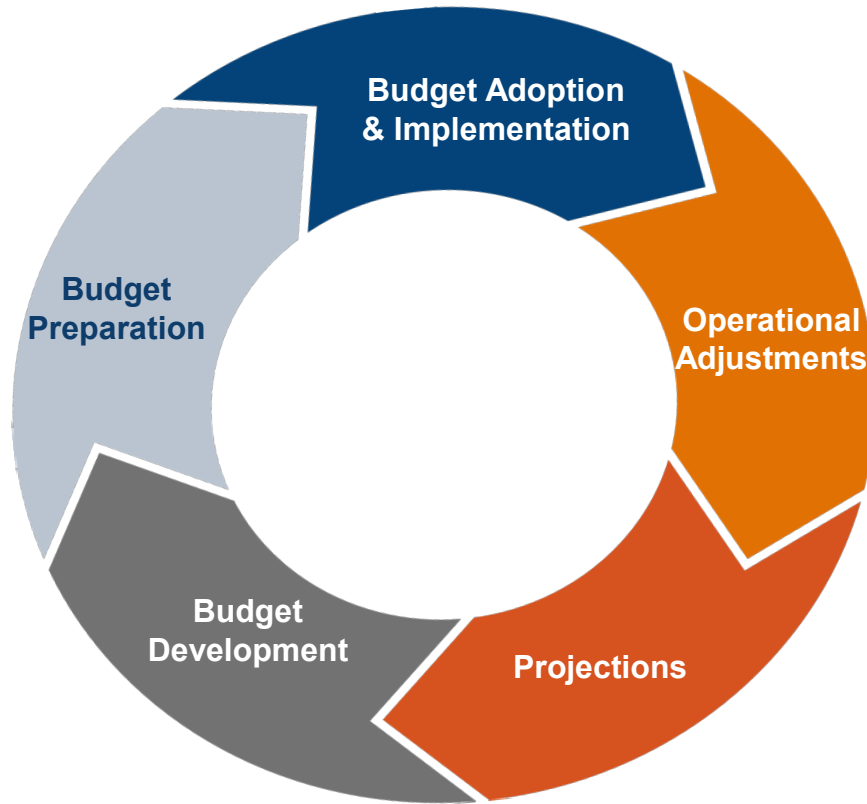
Projections (*Winter*)

- Local revenue changes
- Local expenditure changes
- State & federal program changes
- Governor's budget guides FAC target



Budget Development (*Winter/Spring*)

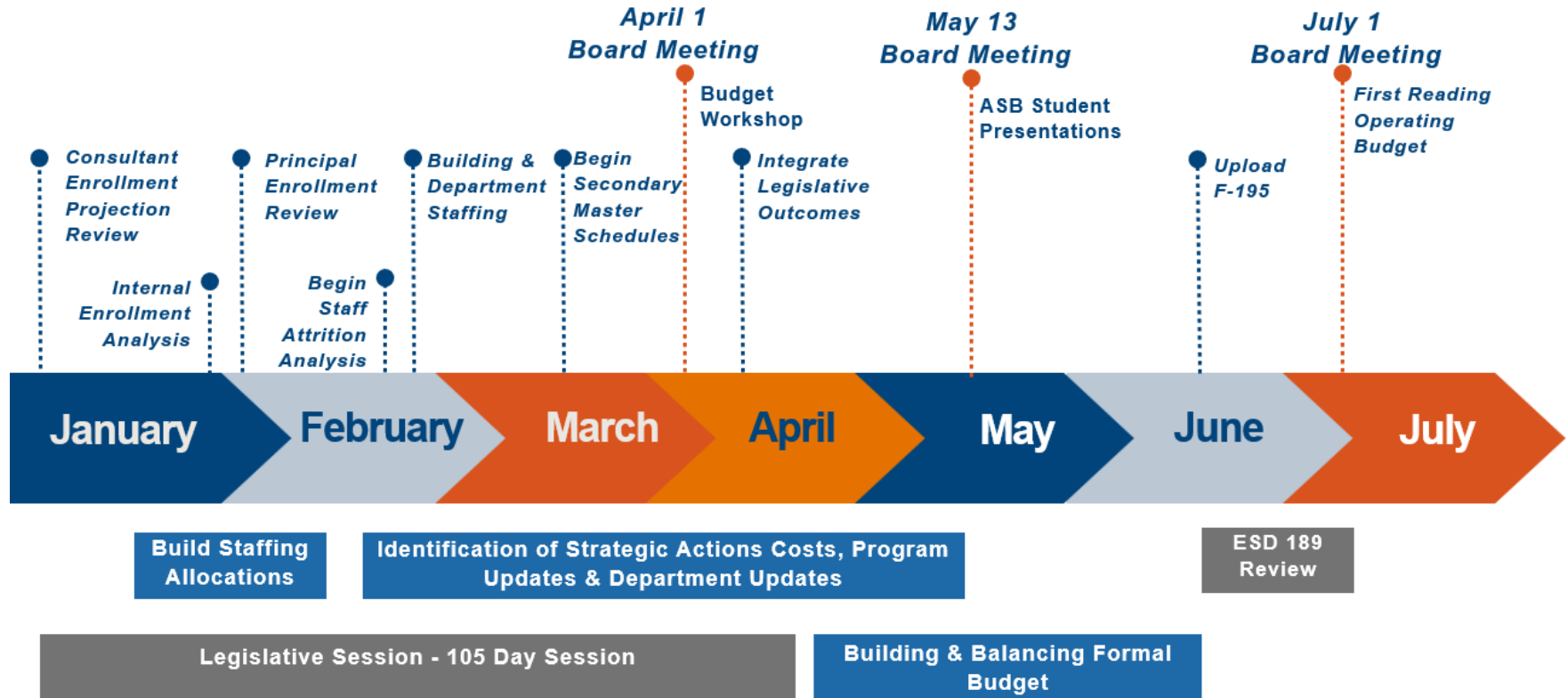
- Fiscal Advisory Council process
- Budget parameters defined
- Reduced Educational Program
(Formal process, if necessary)



Budget Preparation (*Spring*)

- Incorporate defined reductions/additions
- State Form F-195 formatting adjustments

BUDGET DEVELOPMENT TIMELINE





Board Policy 6000

Establishes a target minimum ending fund balance in the General Fund of 5 percent of total expenditures

What is Fund Balance?

$$\begin{array}{l} \text{Revenues} \\ \text{(Funding)} \end{array} - \begin{array}{l} \text{Expenditures} \\ \text{(Staffing \& MSOCs)} \end{array} = \text{Fund Balance}$$



BOARD APPROVED EXPENDITURES



General Fund = general district operations

\$420,841,069

Capital Fund = construction and technology

\$ 66,480,663

Debt Service Fund = bond payments for construction

\$ 5,629,706

ASB Fund = student activities and athletic programs

\$ 3,503,891

Transportation Fund = bus purchases

\$ 450,000



Most state funding is based on annual average FTE enrollment

- Headcount is a strong predictor of annual average FTE (full-time equivalent)
- Budget to actual student headcount is 80 greater

October 1 Headcount	Budget 2024-25	Actual 2024-25	Difference Budget to Actual	% Change Budget to Actual
Elementary (K-5)	9,547	9,569	22	0.2
Middle (6-8)	4,666	4,665	(1)	(0.0)
High (9-12)	5,435	5,494	59	1.1
Total	19,648	19,728	80	0.4



Slight staffing increase

- Staffing increases due to increase in projected enrollment and grant funding

Group	Budget 2023-24	Budget 2024-25	Difference	% Change
Certificated staff FTE	1,354.2	1,379.6	25.4	1.9
Classified staff FTE	800.6	806.3	5.7	0.7
Total	2,154.8	2,185.9	31.1	2.6



2024-25 actual beginning balance was \$38,918,523

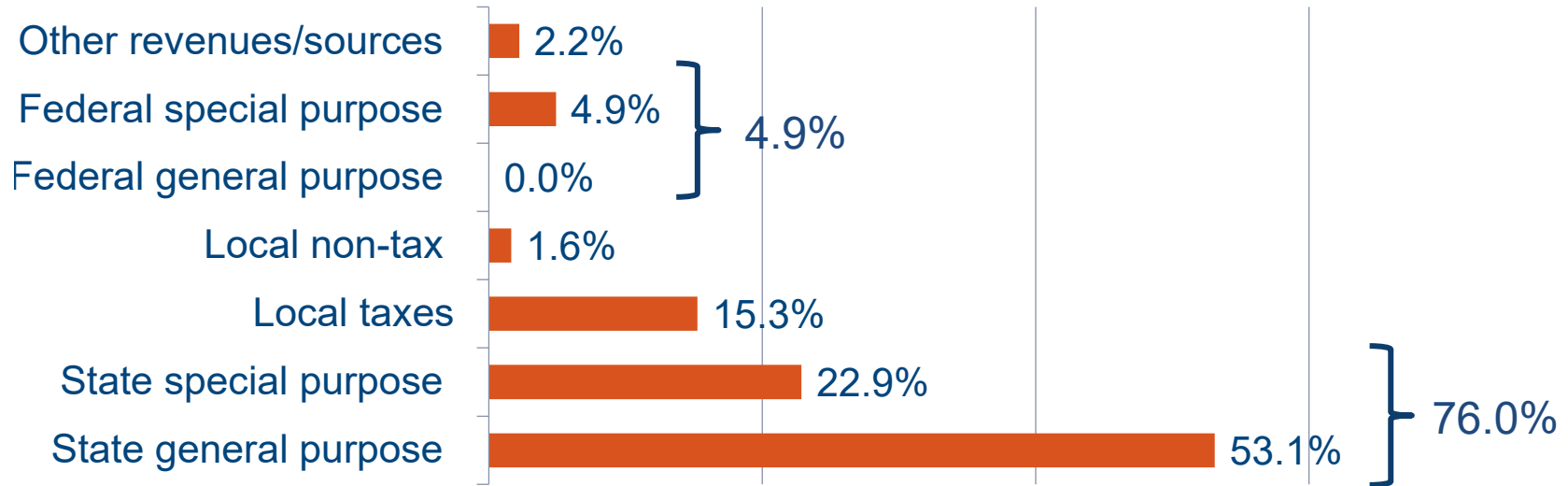
- 2022-23 reductions, 2024 State Legislative outcomes, interest income, and vacancies savings aided in 2023-24 fund balance capacity

General Fund	Budget 2023-24	Budget 2024-25	Difference	% Change
Beginning Fund Balance	23,850,000	37,500,000	13,650,000	57.2
Revenues	385,234,866	414,975,869	29,741,003	7.7
Expenditures	389,525,105	420,841,069	31,315,964	8.0
Ending Fund Balance	19,559,761	31,634,800	12,075,039	61.7



Budgeted revenues

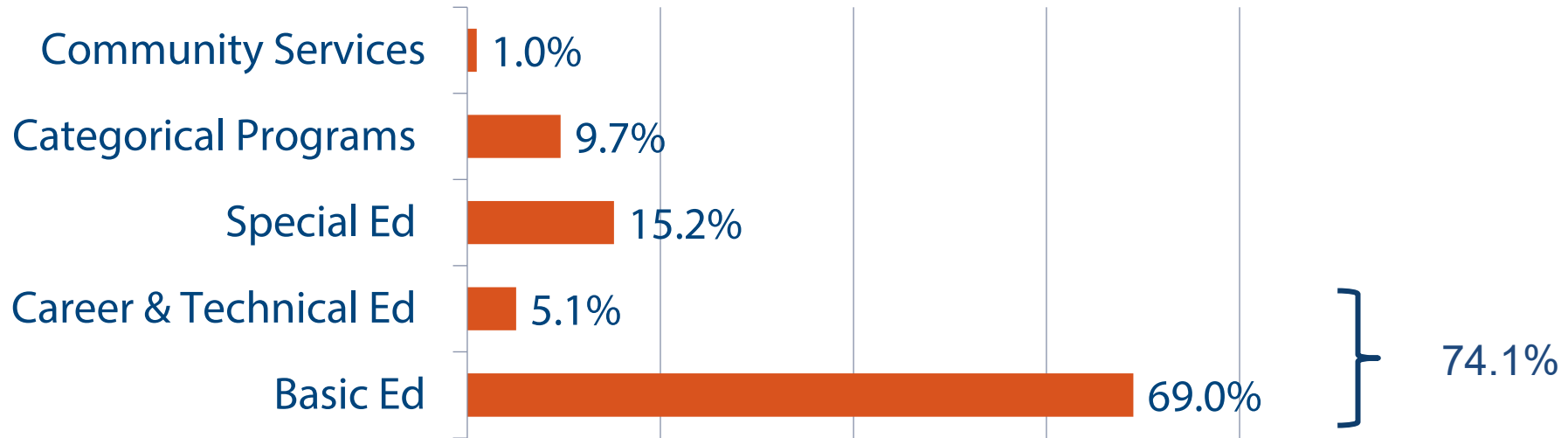
- State dollars fund 76.0% of district programs
- Federal dollars fund 4.9% percent of district programs
- Local levy funds 15.3% of district programs





Budgeted expenditures by program

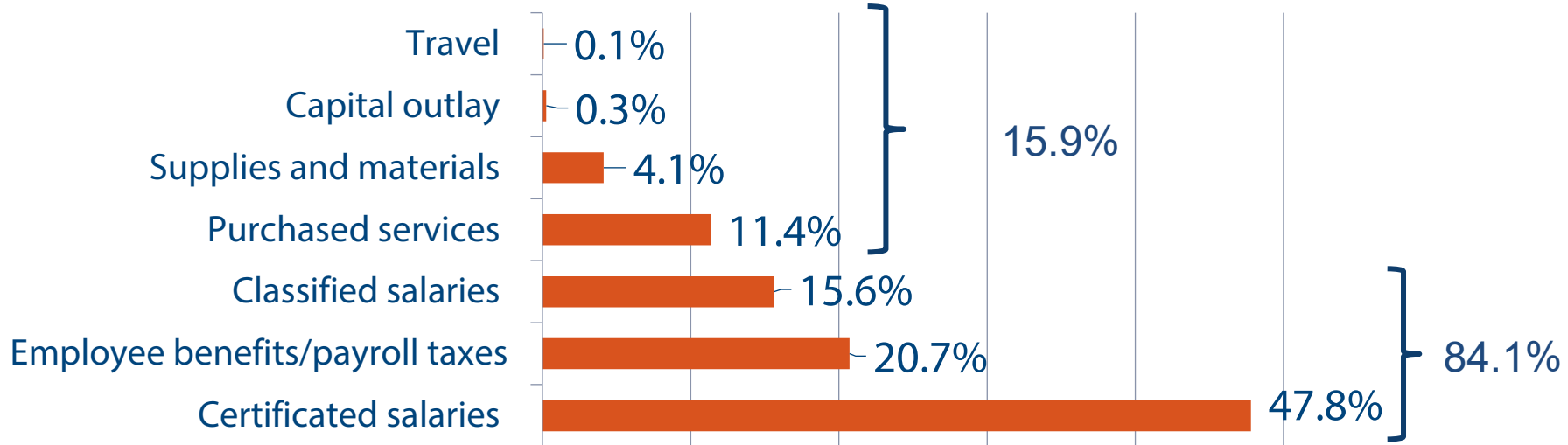
- Basic education and CTE total 74.1 percent
- Special education totals 15.2 percent
- Federal special purpose and categorical total 9.7 percent



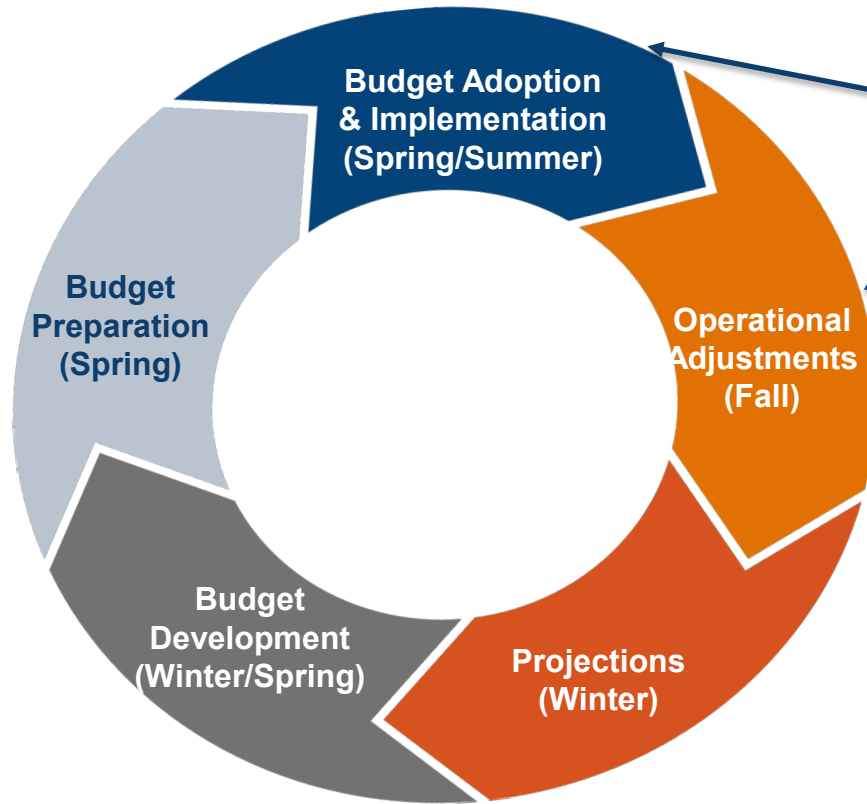


Budgeted expenditures by object

- 84.1 percent of budgeted expenditures are salaries and benefits
- Remainder are Materials, Supplies and Operating Costs (MSOC)



BUDGET DEVELOPMENT CYCLE



Completed

- Adopted the 2024-25 budget
- Aligned staffing with actual enrollment
- Updated grant and revenue expectations for the 2024-25 fiscal year
- Board set 2025 legislative priorities

Next Steps

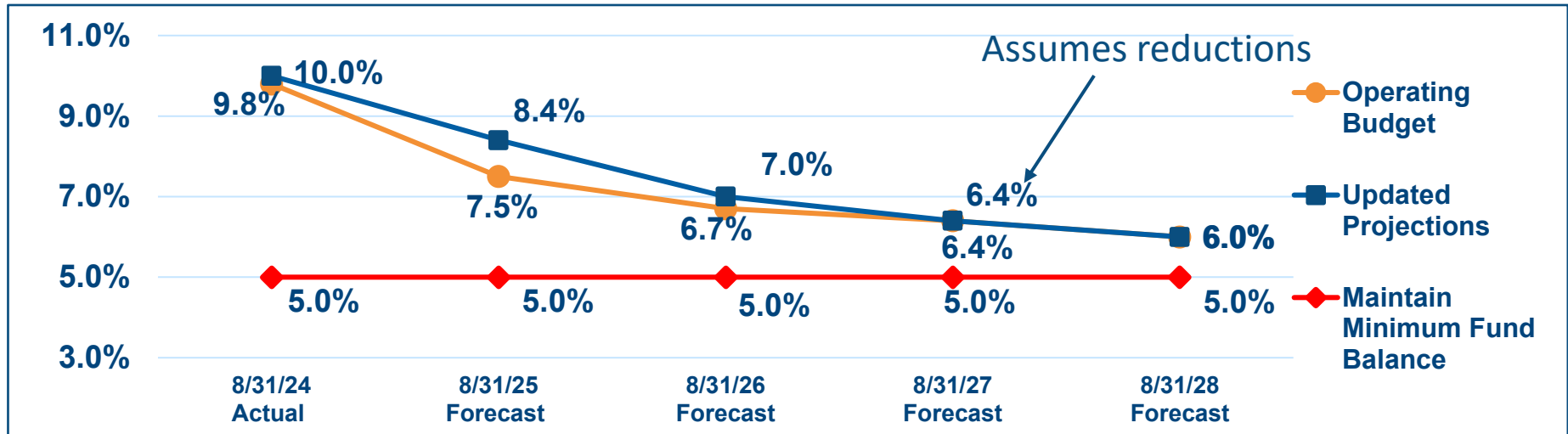
- Development 2025-26 assumptions
- Budget parameters defined

GENERAL FUND FISCAL OUTLOOK



Updated Fiscal Outlook, changes in IPD

- 2022-23 reductions, 2024 State Legislative outcomes, interest income, and vacancies savings aided in 2023-24 fund balance capacity
- Continue management of expenditures as structural inequities remain in state and local funding and reductions will be needed in future years
- Updated the Implicit Price Deflator (cost of living factor) from 1.9 to 2.6 percent in 2025-26





Small group discussions, questions and share-outs

- What questions do you still have regarding how school districts are funded and the budget development process?





Schedule

- January 9 Meeting 1 Introductions, overview, school budget basics
- February 12 Meeting 2 Enrollment projections, budget assumptions, legislative updates
- April 16 Meeting 3 Legislative outcomes, budget development
- May 22 Meeting 4 Review budget prior to board adoption





Thank you!

