Fiscal Advisory Council

2023-24

Meeting 2

Enrollment projections, budget assumptions and potential legislative outcomes

EVERETT PUBLIC SCHOOLS®

Welcome and overview

- Welcome!
- 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: Preliminary enrollment projections, budget assumptions and potential legislative outcomes

Welcome, introductions, overview

Members

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

Schedule

• October 12	Meeting 1	Introductions, overview, school budget basics
• January 11	Meeting 2	Enrollment projections, budget assumptions
• February 22	Meeting 3	Legislative updates and community engagement
• April 11	Meeting 4	Legislative outcomes, budget development
• May 23	Meeting 5	Review budget prior to board adoption

School board updates throughout the year

Enrollment Projections

Enrollment Implications

Staffing and budgeting

Enrollment drives over 60% of total general fund revenues and directly affects staffing levels

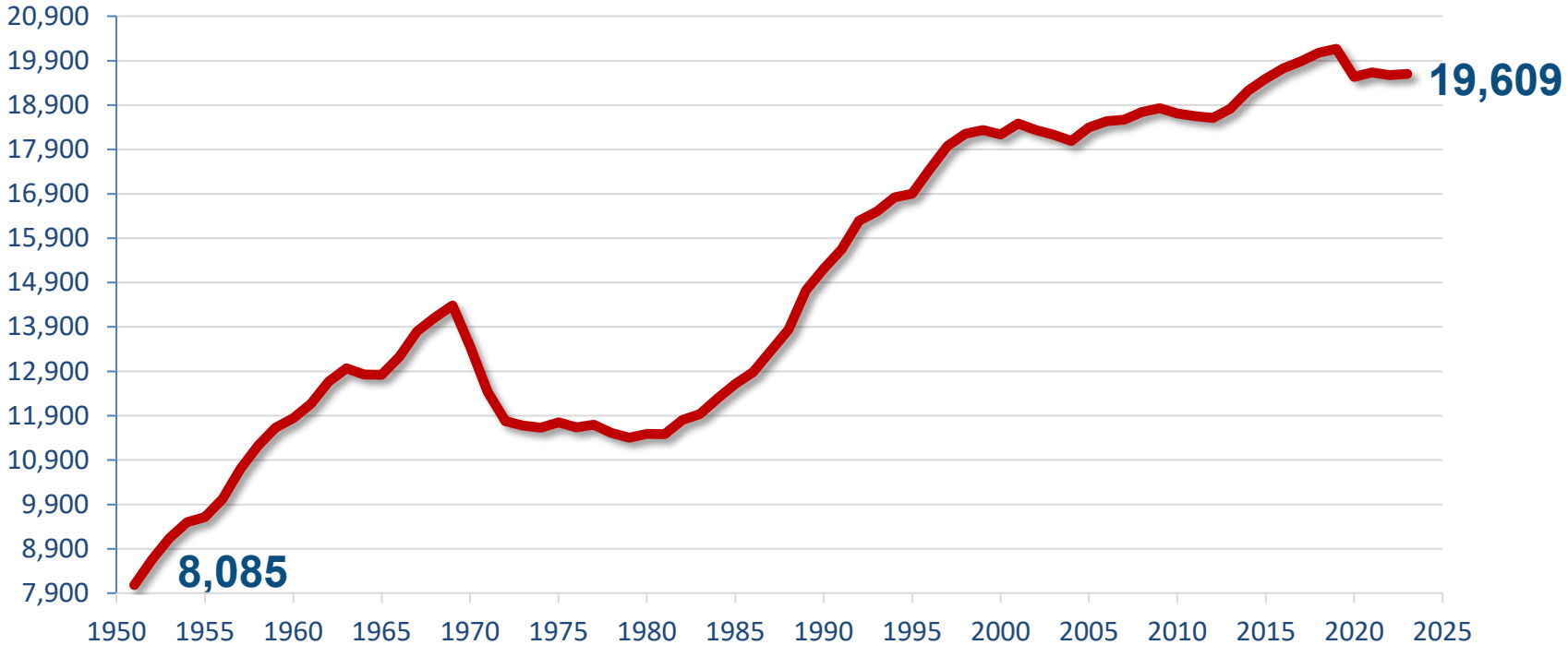
Facilities and planning

- Capital bond and levy planning
- Boundary revisions
- Portable classrooms
- Property management and acquisition
- Capital Facilities Plan (impact fees)

Decisions about program locations and school transfers

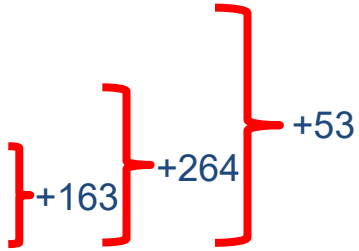
Enrollment History

Actual enrollment from 1951-2023



Where We Ended Up – October 1, 2023

Kendrick	High Projection	19,767
Kendrick	Medium Projection	19,556
Kendrick	Low Projection	19,345
OSPI		19,446
Actual Preliminary October 1, 2023 Enrollment		19,609



Note: This is a preliminary enrollment count developed in early October. The final October 1, 2023 enrollment count of 19,602 was developed by the district and provided to OSPI in late October.

Where We Ended Up – October 1, 2023

Student Headcount Summary				Preliminary October 1, 2023 Over/(Under)	
	October 1, 2022 Actual	October 1, 2023 Medium-Range Projection	October 1, 2023 Preliminary	Difference from October 1, 2022 Actual	Difference from October 1, 2023 Medium-Range Projection
Elementary	9,499	9,477	9,555	56	78
Middle School	4,524	4,485	4,518	(6)	33
High School	5,556	5,594	5,536	(20)	(58)
Total	**19,579**	**19,556**	**19,609**	**30**	**53**

Short Range Projections

One-year enrollment projections (Preliminary)

		Kendrick - Low		Kendrick - Medium		Kendrick- High	
	Actual 2023	Projected 2024	One-Year Change	Projected 2024	One-Year Change	Projected 2024	One-Year Change
Elementary	9,555	9,434	-117	9,545	-6	9,656	105
Middle	4,518	4,619	105	4,666	152	4,713	199
High	5,536	5,380	-157	5,434	-103	5,489	-48
Total	19,609	19,434	-175	19,645	43	19,857	255

Mid Range Projections

Six-year enrollment projections (Preliminary)

		Kendrick - Low		Kendrick - Medium		Kendrick- High	
	Actual 2023	Projected 2029	Six-Year Change	Projected 2029	Six-Year Change	Projected 2029	Six-Year Change
Elementary	9,555	*9,271*	*-280*	*9,699*	*148*	*10,142*	*591*
Middle	4,518	*4,648*	*134*	*4,937*	*423*	*5,241*	*727*
High	5,536	*5,584*	*47*	*5,932*	*395*	*6,296*	*759*
Total	19,609	*19,504*	*-98*	*20,567*	*965*	*21,680*	*2,078*

Long Range Projections

Ten-year enrollment projections (Preliminary)

		Kendrick - Low		Kendrick - Medium		Kendrick- High	
	Actual 2023	Projected 2033	Ten-Year Change	Projected 2033	Ten-Year Change	Projected 2033	Ten-Year Change
Elementary	9,555	*9,530*	*-21*	*9,975*	*424*	*10,437*	*886*
Middle	4,518	*4,532*	*18*	*4,960*	*446*	*5,423*	*909*
High	5,536	*5,568*	*31*	*6,173*	*636*	*6,836*	*1,299*
Total	19,609	*19,629*	*27*	*21,108*	*1,506*	*22,696*	*3,094*

New Housing Developments

Park District

- Formerly Baker Heights Legacy in North Everett's Delta neighborhood
- 5 phases of 1500 units to be completed by 2031
- Phase 1 of 105 units was completed (Madrona Square)
- 67 of the 105 were reserved for families with EPS students

Riverfront

- Located along the east side of I-5 in Everett
- 6 phases of development for mixed use
- Studios and 1-2 bedroom market rate units
- Approximately 350 units were completed, and leasing began in Fall 2023
- Approximately 35 students anticipated once all the units are leased

New Housing Developments

Four Corners

- Evergreen Way and 526 (prior K-Mart site)
- 430 units to be completed Winter 2023 through Spring 2024
- Leasing of one building is underway
- 1-to-5-bedroom affordable housing units
- Approximately 400 students anticipated

Downtown developments in planning stages:

- Mixed use with 166 units on Smith & Pacific Avenue
- Mixed use with 227 units on Rockefeller & Pacific Avenue
- Mixed use with 223 units on Rucker & Pacific Avenue
- 104 unit apartment building on Rucker & Hewitt
- Mixed use with condo & apartment units on the waterfront (Millwright District & Wharfs Edge)

Budget Assumptions

Enrollment Projections

- Current forecast uses medium enrollment projections
- Medium projection assumes small amount of growth

October 1 Headcount	Actual 2022-23	Actual 2023-24	Low Projections 2024-25	Medium Projections 2024 -25	High Projections 2024 -25
Elementary (K-5)	9,526	9,555	9,434	9,545	9,656
Middle (6-8)	4,523	4,518	4,619	4,666	4,713
High (9-12)	5,556	5,536	5,380	5,434	5,489
Total	**19,605**	**19,609**	**19,433**	**19,645**	**19,858**

Four-Year Forecast

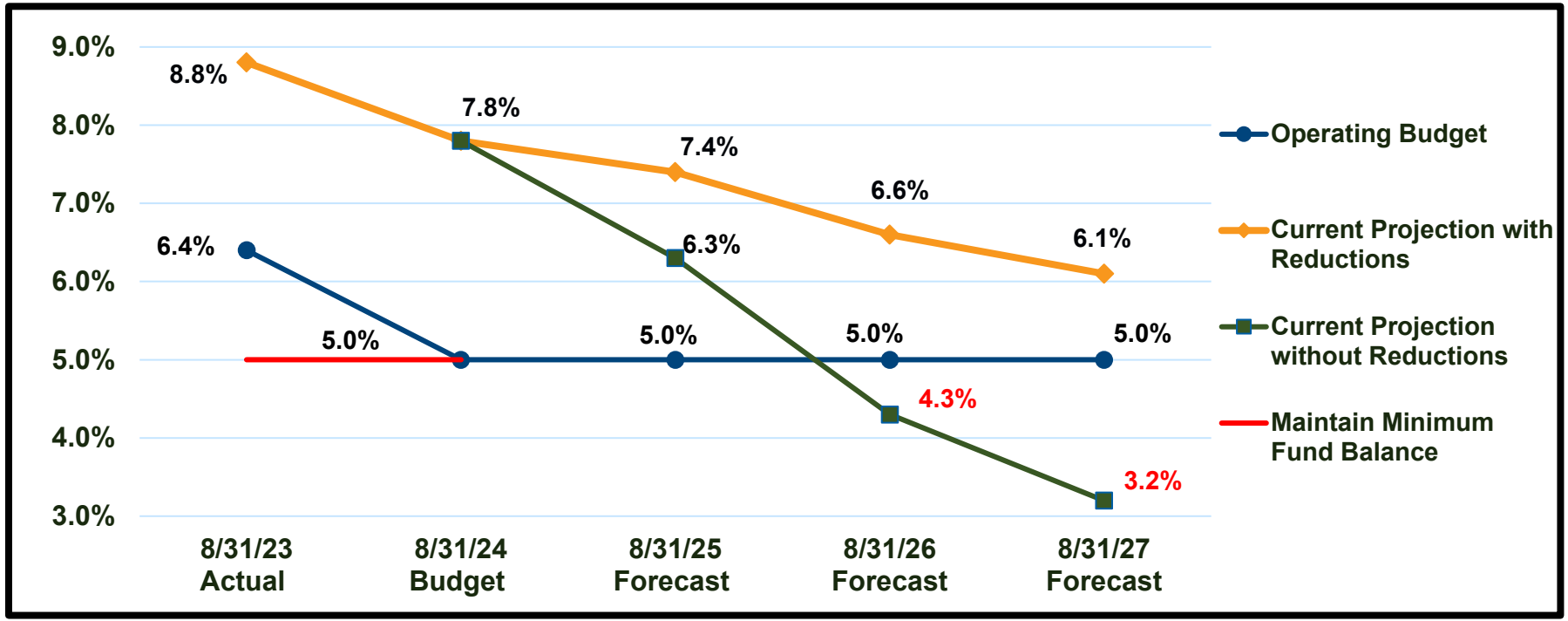
Assumptions

- Slightly increasing enrollment
- No legislative changes to funding
- $3 – 5 Million in reductions for the 2024-25 fiscal year
- Implicit Price Deflator (IPD) for staffing cost increases

General Fund	Estimated Actuals 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27
IPD	3.7%	3.9%	2.4%	1.9%
Beginning Fund Balance	33,314,215	30,147,885	29,354,474	26,979,354
Revenues	382,043,146	394,814,922	403,509,856	413,420,739
Expenditures	385,209,476	395,608,333	405,884,976	414,893,644
Total Estimated Use of Resources	(3,166,330)	(793,411)	(2,375,120)	(1,472,905)
Ending Fund Balance	30,147,885	29,354,474	26,979,354	25,506,450

Budget vs Updated Forecast

Improved fiscal outlook, however reductions still needed



Enrollment projections & budget assumptions

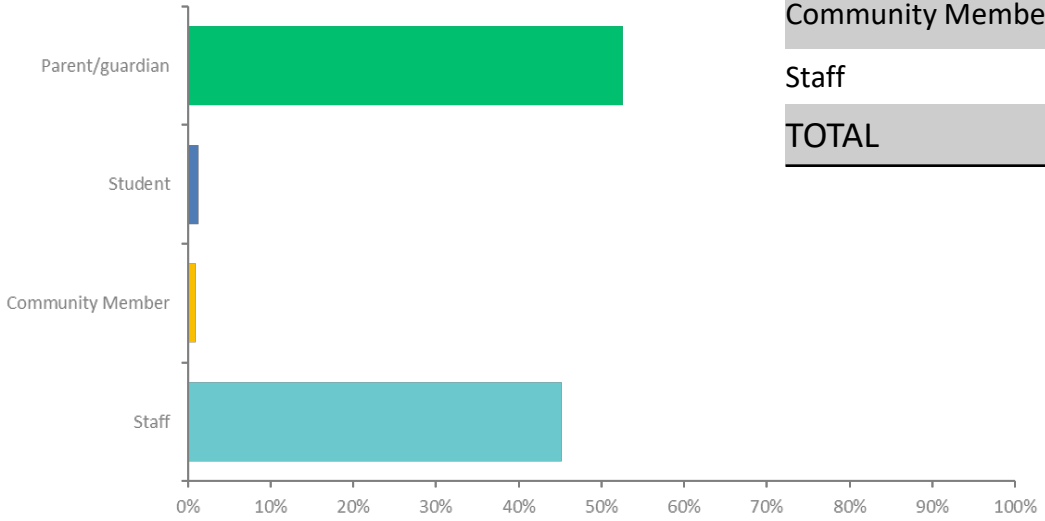
- What surprised you?
- What would you like to hear more about?
- What guidance or advice would you like to offer?

Survey Results for 2023-24 Budget Development

Survey Results for 2023-24 Budget Development

Family and staff survey on budget

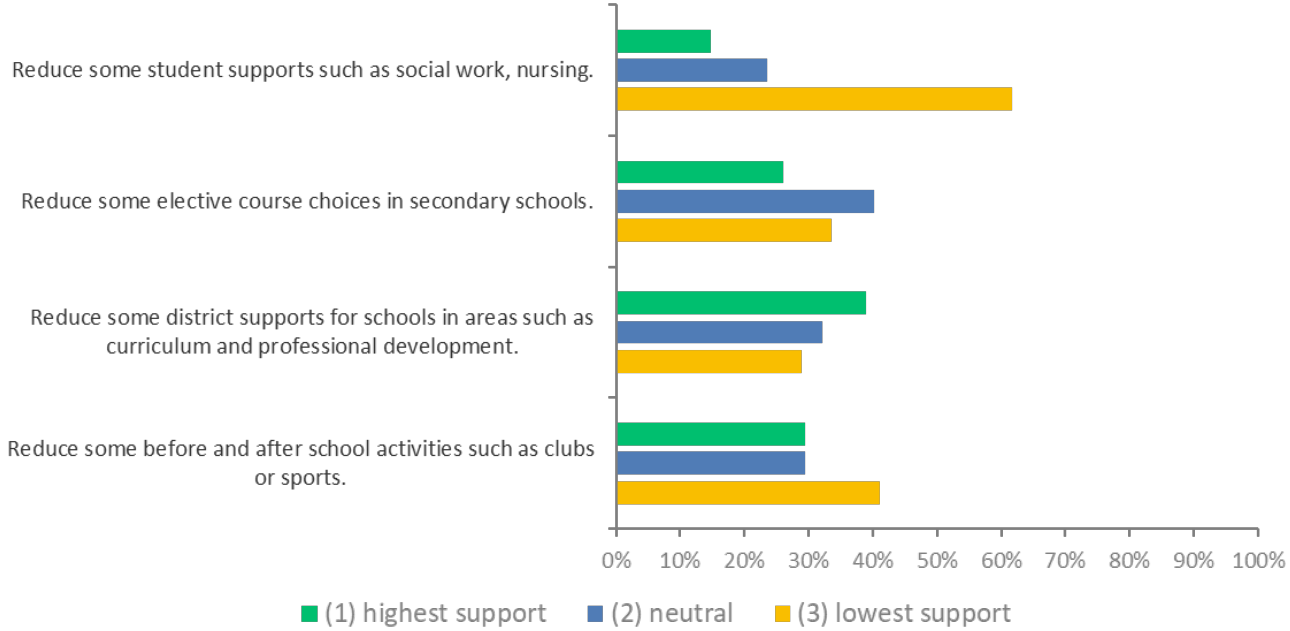
- January 10 – 18, 2023
- Total responses: 1,880



Parent/guardian	52.59%	984
Student	1.23%	23
Community Member	0.96%	18
Staff	45.22%	846
TOTAL		1871

Survey Results for 2023-24 Budget Development

In order to reduce costs, how likely are you to support the following (1= highest support, 2= neutral, 3= lowest support)



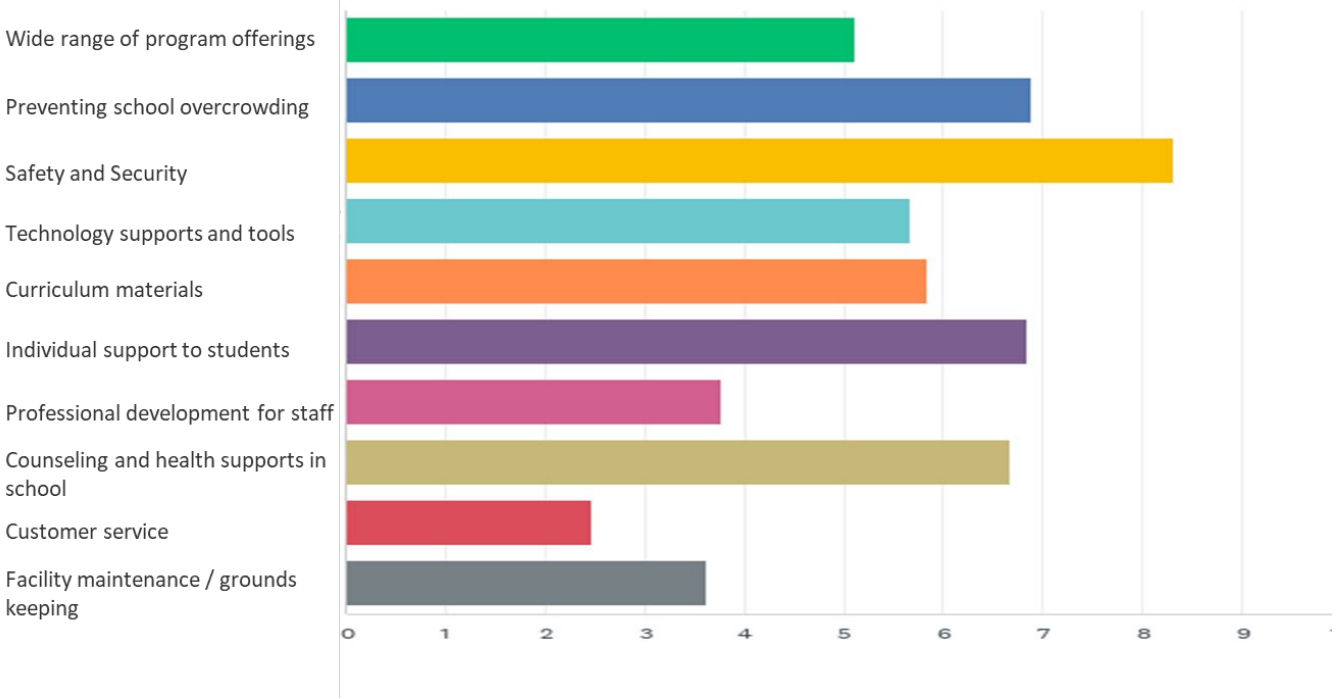
Survey Results for 2023-24 Budget Development

In order to reduce costs, how likely are you to support the following (1= highest support, 2= neutral, 3= lowest support)

	(1) HIGHEST SUPPORT	(2) NEUTRAL	(3) LOWEST SUPPORT	TOTAL	WEIGHTED AVERAGE
4 Reduce some student supports such as social work, nursing.	14.72% 272	23.54% 435	61.74% 1141	1848	2.47
2 Reduce some elective course choices in secondary schools.	26.10% 481	40.26% 742	33.64% 620	1843	2.08
1 Reduce some district supports for schools in areas such as curriculum and professional development.	38.94% 722	32.15% 596	28.91% 536	1854	1.90
3 Reduce some before and after school activities such as clubs or sports.	29.50% 546	29.39% 544	41.11% 761	1851	2.12

Survey Results for 2023-24 Budget Development

Rank the following in order of importance to you.



Survey Results for 2023-24 Budget Development

Rank the following in order of importance to you.
1 is the most important that you do not want reduced.
10 would be of least importance to you.

1	Safety and Security
2	Preventing school overcrowding
3	Individual support to students
4	Counseling and health supports in school
5	Curriculum materials
6	Technology supports and tools
7	Wide range of program offerings
8	Professional development for staff
9	Facility maintenance / grounds keeping
10	Customer service

Survey Results for 2023-24 Budget Development

Suggestions and comments for increasing revenue

	Staff	Parent/Community
Grant funding, fundraisers, donations from families	15	60
Families pay technology repairs	5	4
Ask parents to pay for what they can for lunches, supplies, books	2	15
Charge more for clubs, sports, lunches	5	12
Increase taxes	-	26
Have state pay more	4	18

Survey Results for 2023-24 Budget Development

Suggestions and comments for decreasing expenses

	Staff	Parent/Community
District/Administration costs	529	166
Focus on learning, cut extras, define “need”	55	87
Curriculum/Assessment	33	18
Eliminate waste, energy consumption, printing, etc.	43	44
Professional Development	54	36
Use more volunteers	6	45
Staffing and salaries in general	32	39
Class structure	4	14
Remove ESSER funded positions	16	2
Technology	18	25
Facilities	5	17
Reduce or eliminate sports	10	15
Transportation	13	9
4-day week / hybrid options	7	8

Budget Development Engagement

- Board of Directors budget workshop
- Discussions with union leadership
- Staff engagement
- Community budget meeting
- Considering an updated family and staff survey

Potential Legislative Outcomes

2024 State Legislative Session

Upcoming events

- Board approved EPS legislative priorities - November 14
- 60-day legislative session - January 8 to March 7
- WSSDA legislative conference in Olympia – January 28
- Day on the Hill - January 29

Washington State's 2024 budget process

- Three supplemental budgets (operating, capital and transportation) updating the July 1, 2023 to June 30, 2025 biennial budget will be considered during this session

EPS 2024 Legislative Priorities

EPS
Everett Public Schools
(2024 Legislative Priorities)

- Ample, equitable and stable funding
- Safe, healthy and contemporary schools
- Equity, diversity and opportunity

Governor's Budget Priorities

Governor Inslee's Supplemental Operating Budget Proposals

- Establish a living wage for paraeducators by increasing the state's allocation ($64 million for $3/hour increase)
- Fully fund the Community Eligibility Provision (CEP) to align with actual costs ($30 million)
- Increase special education funding cap to 17.25% ($17 million)
- Establish a special education teacher residency program ($7.3 million)
- Additional investments in the state's ClimeTime work ($4 million)
- Invest in the College Success Foundation's Rally for College initiative ($3 million)
- Behavioral health system investments ($464 million)
- Combat opioid and fentanyl epidemic ($64 million)
- Affordable housing and homelessness ($140 million)

Stakeholder Engagement & Potential Legislative Outcomes

- What surprised you?
- What would you like to hear more about?
- What guidance or advice would you like to offer?

Thank you!

See you on February 22!