



Budget Development Update

Board of Directors Meeting



Overview

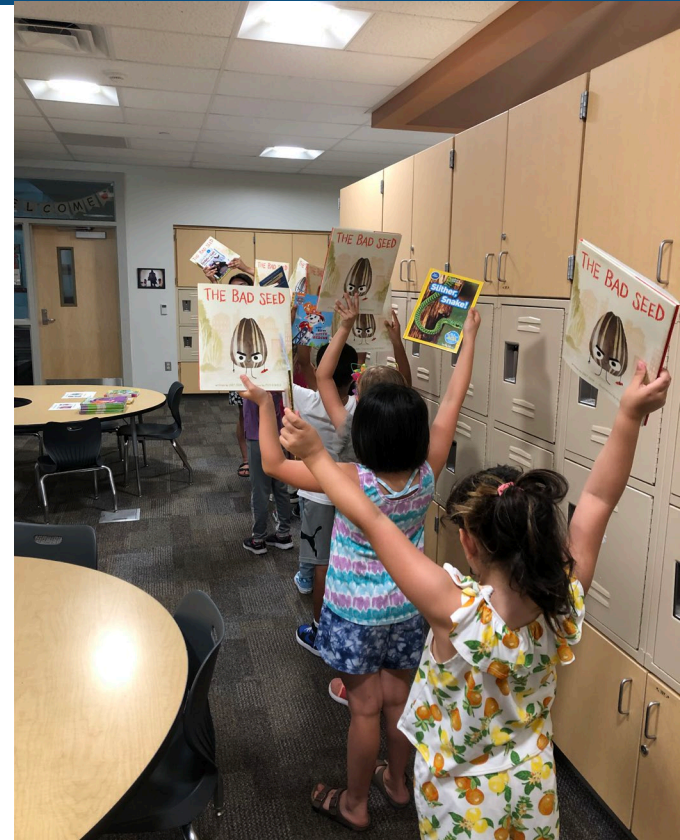
- Budget Update
- Budget Outlook
- Budget Development Timeline
- Pending Legislative Outcomes
- Next Steps



2022-23 Budget Update



- Current fund balance projection - 5.9%
- Increased from November projections of 5.3%
 - Increased projected transportation revenues, enrollment of students who are multi-lingual learners
 - Carryover of ESSER – through 2024
- Special education Safety Net application of \$4.4 Million
 - Awarded in June 2023
 - Revenues would support current expected special education expenditures



2023-24 Budget Outlook



2023-24 projections

- Revenue forecast (FY24) **\$382.3 million**
- Expenditures projected (FY23) \$382.5 million
- Cost est. to pay salary increases + \$27.7 million
- Expenditures projected (FY24) **\$410.2 million**

Spending will exceed revenue by at least \$27.9 million

As of Feb 22, 2023

2023-24 Budget Outlook – 4% IPD



2023-24 projections

- Revenue forecast (FY24) **\$378.9 million**
- Expenditures projected (FY23) \$383.9 million
- Cost est. to pay salary increases + \$21.6 million
- Expenditures projected (FY24) **\$404.1 million**

Spending will exceed revenue by at least \$26.2 million

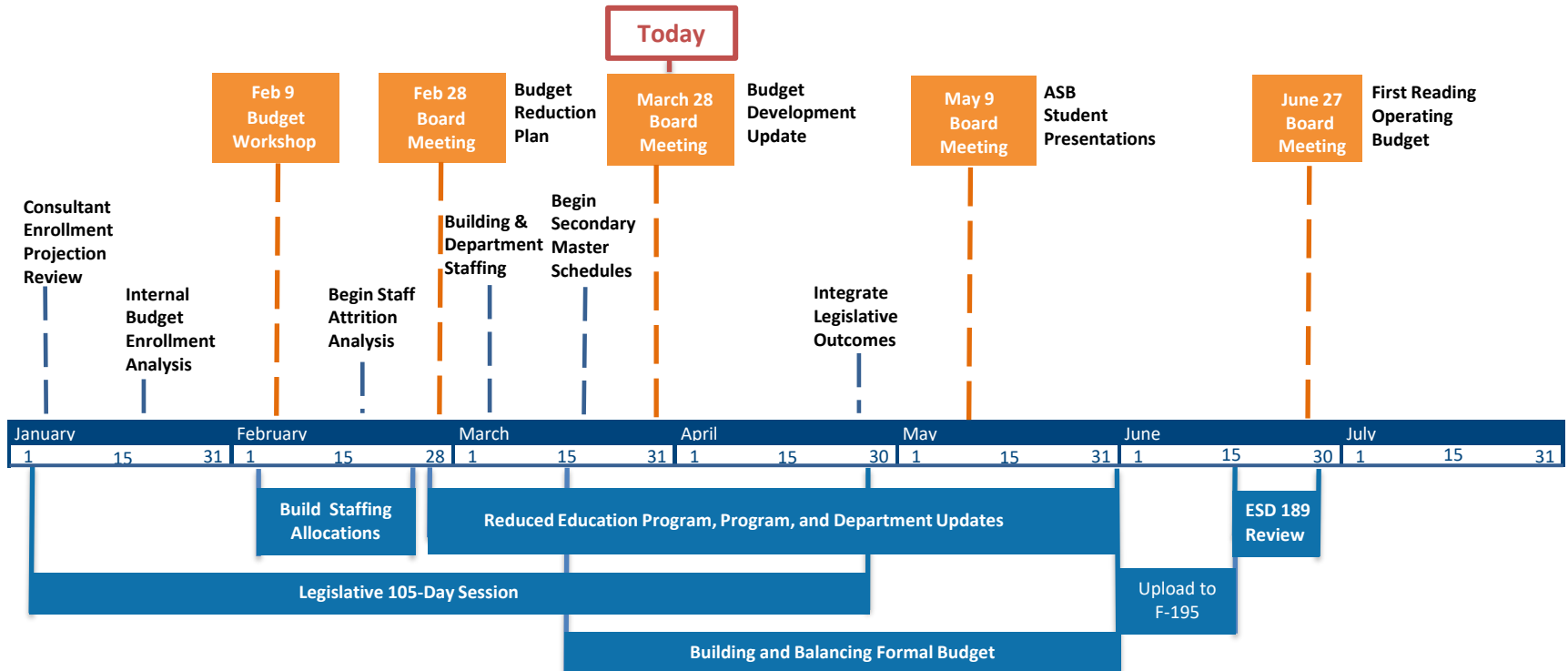
As of Feb 22, 2023

2023-24 Budget Outlook



- Minor legislative impacts are projected for the 2023-24 budget
- State economy and forecast – economic / revenue concerns
- Legislature may slightly increase funding special education
- Legislature may potentially change the inflation factor to use prior year inflation rather than projected inflation to add predictability and certainty
- Legislature may provide Safety Net funds for pupil transportation

Budget Development Timeline





Pending Legislative Outcomes



Pending Legislative Outcomes



ESHB 1436 / E2SSB 5311 – Proposed funding changes for special education

- Special education funding multipliers are estimated to increase

ESHB 1732 / SSB 5650- Purposed changes in the inflationary factor

- Changes the inflation factor to use prior year inflation rather than projected inflation; adds predictability and certainty to school district planning and budgets
- Inflationary factor - Implicit Price Deflator (IPD) potentially 3.7% for the 2023-24 fiscal year



Pending Legislative Outcomes



2SHB 1550 - Establishing the transition to kindergarten program

- Decrease current funding from \$10,619 to \$7,567 per pupil
- Treats funding like grant
- No guaranteed increases of funding through the inflationary factor (IPD)

E2SSB 5174 - Pupil Transportation

- Creates special passenger Safety Net program
- Requires OSPI to analyze school district transportation costs and allocations; report to the Legislature by June 1, 2026





Next Steps





Budget development next steps

- Continued implementation of the reduced education program
- Expenditure and revenue patterns
- Implementation of legislative outcomes
 - Evaluation of local costs and expected revenues from IPD
- May 9 - ASB budget presentation
- Final development of budgets for all other funds (Capital, Debt Service, Transportation)



Thank You!

Questions?

