



# Fiscal Outlook And Budget Update

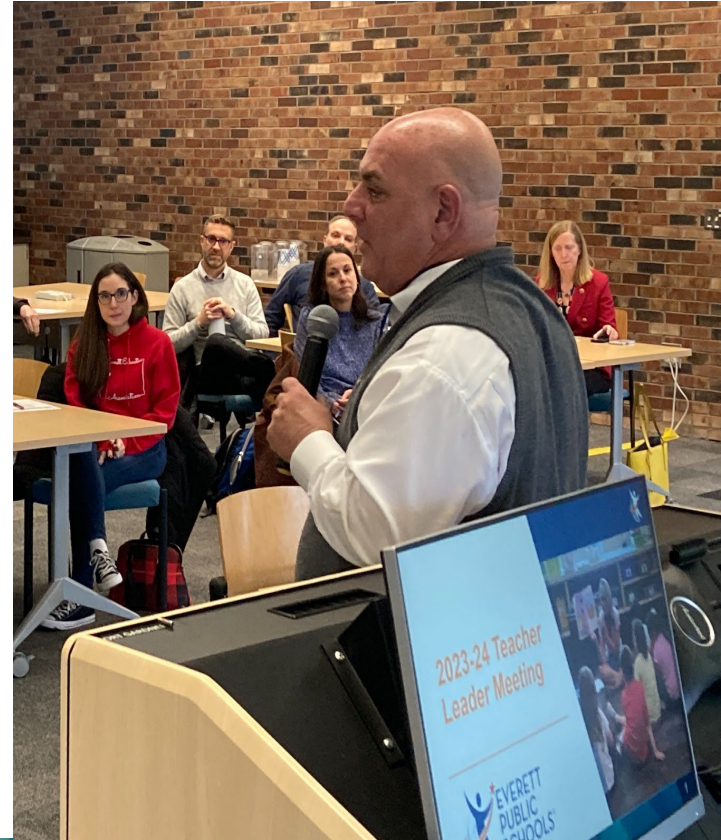
February 28, 2023



# FISCAL OUTLOOK AND BUDGET UPDATE AGENDA



- 2023-24 Budget Update
- Fiscal Outlook
- Reduced Educational Program
- Resolution – 2023 -24 Reduced Educational Program





## Refining the 2023 –24 Budget

- a. Funding related to finalizing enrollment (February)
  - Continued declining enrollment
- b. Funding from legislative session (May)
  - *We do not expect a bail out*
- c. Salary increase based on IPD (May)
- d. Special Services funding from the state (August)
- e. Levy distribution is based on CPI (August)



Revenues (In Millions)	2022-23 Budget	2023-24 Forecast	Difference	% Change
Local Taxes	\$57.3	\$60.9	\$3.6	6.3%
Local Non-Tax	9.2	6.2	(3.0)	-32.6%
State General Purpose	210.6	224.1	13.5	6.4%
State Special Purpose	69.9	66.9	(3.0)	-4.3%
Federal General Purpose	0.1	0.1	-	0.0%
Federal Special Purpose	29.8	16.5	(13.3)	-44.6%
Revenues from Other entities	3.4	3.5	0.1	2.9%
Transfers and Other Sources	4.1	4.1	-	0.0%
<b>Total Revenues</b>	<b>\$384.4</b>	<b>\$382.3</b>	<b>\$(2.1)</b>	<b>-0.5%</b>



## 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*



## What are the 4 “why’s”?

1. Increased cost of materials and services
2. Increased staffing costs
3. State does not cover all basic ed costs
4. Unpredictable funding over time

*Why is  
there a  
predicted  
deficit?*

***In short, revenues are not keeping up with expenses***



## *Revenues are not keeping up with expenses*

Over the last several years we have added many great supports and services for our students.

We see the limitations of the funding model and need to adjust our expenses to be in line with our revenue.

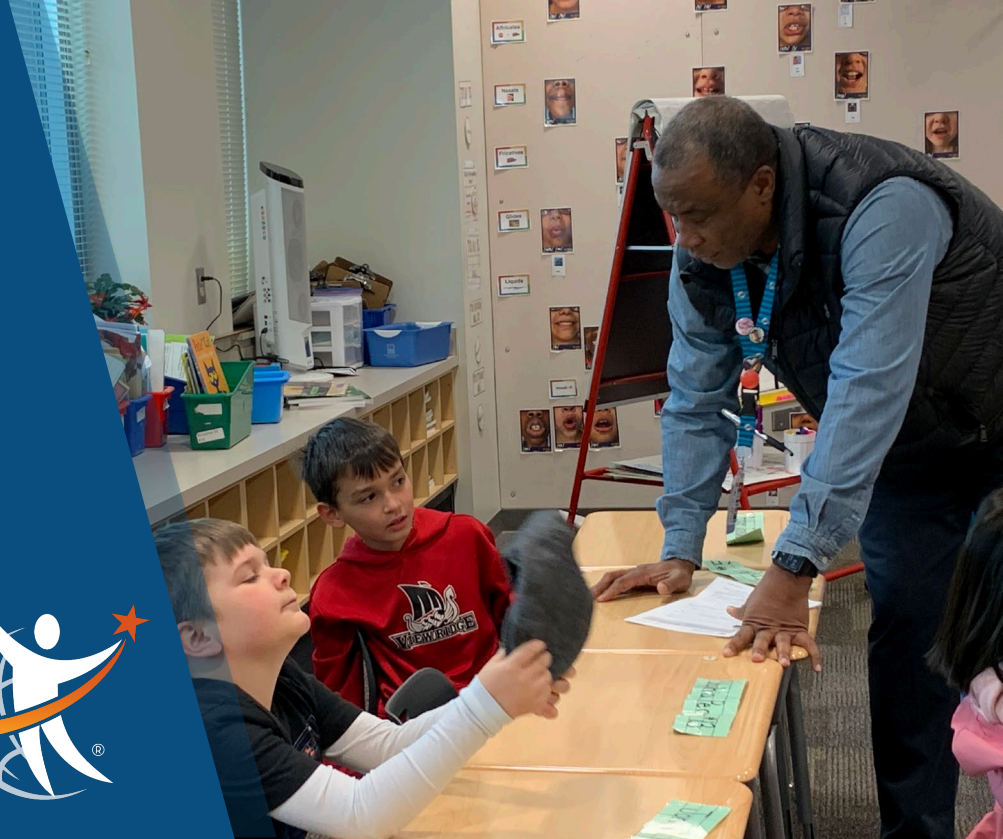
We need to right-size the budget.







# Reduction Plan







- We will preserve items and services that directly affect student learning to the greatest extent possible
- We will be guided by prioritizing Tier 1 instruction led by the Strategic Plan
- We will consider regulatory, legal and contractual requirements as well as space need
- We will consider consolidating and reorganizing work to increase efficiencies

## FEEDBACK: ESTABLISHING REDUCTION PARAMETERS



Session	Purpose
Weekly cabinet sessions since late November	Workshop format; understand range; prioritize; streamline central supports
Principal advisory	Guiding principles; prioritize; assess impact; preliminary feedback
Staff & Community Survey	Gauge stakeholder priorities; values; feedback
Weekly EEA consults	Understand range, methodology; revenues and expenditures
Administrators & Supervisors	Build capacity to communicate budget status, provide input, navigate unknowns; solicit feedback

## FEEDBACK: ESTABLISHING REDUCTION PARAMETERS



Session	Purpose
Presidents' Council	Understand factors, timeline; solicit feedback
Principals meeting	Workshop format: Explore criteria for school-based administrative reductions (APs) and staffing costs; feedback
Teacher focus group	Workshop format: Understand factors, range; areas for potential reduction; feedback
Fiscal Advisory Council	Understand factors, range; areas for potential reduction; feedback
Community Resource Center staff meeting	Understand factors and feedback to date; solicited further input
Budget Email	Continue to receive input from staff and community



<b>Central Office &amp; Operational Supports - Increased Revenues</b>		<b>Reduction</b>
Transfer interest on rent and miscellaneous revenues to the General Fund from the Capital Fund		191,000
<b>Subtotal</b>		<b>191,000</b>
<b>Central Office &amp; Operational Supports - Non-Employee Costs</b>		<b>Reduction</b>
Strategic Plan and student support materials and services		1,439,229
Hotspots to be paid from the Capital Fund		491,912
Performance Matters professional development		130,000
Operational materials and services		723,936
Centralized data analysis professional development		107,000
Instructional/Teaching & Learning materials and services		674,779
LITS materials and services		50,738
Software reductions		100,000
Summer Leadership Institute		18,700
Travel		30,000
<b>Subtotal</b>		<b>3,766,294</b>



<b><i>Central Office &amp; Operational Supports- Employee Costs</i></b>	<b>FTE</b>	<b>Reduction</b>
Central office administration	5.00	1,088,908
Professional Technical	12.50	1,178,719
Office Professional	13.50	1,298,512
Maintenance & Operations	5.00	557,846
Facilitators	14.85	2,577,339
Support teachers	10.40	1,901,916
COVID-19 Paraeducator additional hours	128 Hours/ Day	1,169,498
Discontinue Everett Virtual Academy		1,332,856
Eligible staff costs paid from the Capital Fund		495,891
Limit salary increases		1,150,465
<b>Subtotal</b>	<b>61.25</b>	<b>12,751,950</b>



<i><b>Classroom Staffing Certificated and Classified Staff</b></i>	<b>FTE</b>	<b>Reduction</b>
Elementary - classroom staffing	6.00	900,000
Middle - classroom staffing	9.38	1,407,000
High - classroom staffing	15.70	2,355,000
Support teachers	5.30	816,000
Paraeducators	23.60	1,604,270
Elementary - Instructional Coaches	7.00	1,050,000
<b>Subtotal</b>	<b>66.98</b>	<b>8,132,270</b>

<i><b>School Leadership</b></i>	<b>FTE</b>	<b>Reduction</b>
School based administrators	14.00	3,068,575
	14.00	3,068,575

<b>Total 2023-24 Reduced Educational Program</b>	<b>142.23</b>	<b>27,910,089</b>
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- Discussion, comments or questions
- Resolution to adopt a 2023-24 Reduced Educational Program





# Closing

