

Kelso School District FY 2022/2023 Recommended Budget

Board of Director's Budget Workshop
August 15, 2022



Road to STUDENT SUCCESS

Mission

The mission of Kelso Public Schools is to prepare every student for living, learning and achieving success as a citizen of our changing world.

Vision

Our students begin school ready to learn, transition confidently between grades and schools, and emerge from our district as engaged citizens, both career- and college-ready.

Principles

District communication that is open, effective, and collaborative. Financial stewardship that assures the responsive and productive management of district resources.

Our Goals



SCHOOL CLIMATE

A school climate that emphasizes student safety, a healthy lifestyle, and respect for other students and faculty.



EARLY LEARNING

Every Kelso student will meet or exceed standard by the end of third grade in English/language arts and mathematics.



QUALITY INSTRUCTION

Every Kelso student will experience high-quality standards-based instruction that fosters critical thinking and high levels of academic achievement.



CAREER, COLLEGE & COMMUNITY READY

Every Kelso student will transition successfully between grades and schools and will graduate with the knowledge, skills and attitude to excel in post-high school opportunities. To that end, we will actively engage and partner with parents, families, and our community.



100%
GRADUATING



KELSO SCHOOL DISTRICT Fiscal Year 2022/23 Budget Development Calendar

December 2021	Governor Releases Preliminary State Budget Proposal
January 10, 2022	2018 Washington State Legislative Session Begins
January 24, 2022	Board of Director's Workshop 5:00 pm Budget Development Process <i>Location: Board Room District Office</i>
February 7, 2022	Budget Information Available on District Website. Budget email address opens up for questions: budget.input@kelsosd.org
February 9, 2022	Preliminary School Enrollment and Staffing Projections by HR/Fiscal
February – March, 2022	School, Program, and Department Staffing Reviews with HR
February – April 2022 <i>February 24, 2022</i> <i>March 24, 2022</i> <i>April 28, 2022</i>	Budget Advisory Council (BAC) Topics of Discussion: Review Budget Development Process, Budget Assumptions, Revenue Updates, Staffing, Enrollment, Budget Advisory Council Staff Budget Presentations, Provide Feedback on Budgetary Decisions, Review Superintendent/Cabinet Budget Proposal <i>Location: District Board Room 4:00 – 5:30 p.m.</i>
February – April, 2022	Board of Director Meetings – Budget Update
March-April, 2022	Staff/Parent/Community Input (Forums, Listening Posts, Surveys, as needed)
March 10, 2022	2022 Washington State Legislative Session Ends
April 29, 2022	School/Director Budgets due to HR and Business Offices
May 15, 2022	Reduction in Force Date for Certificated Staff (if necessary)
June 3, 2022	Personnel Budget Submitted to Business Office
June 6, 2022	Board Budget Presentation and Superintendent Recommendation
July 10, 2022	Budget Available for Public Review
August 15, 2022	Budget Workshop; Public Budget Hearing & Board Adoption

2022/23 Budget Highlights

- Inflationary salary adjustments for KEA, Administration, PSE₁, PSE₂ and Coaches (Implicit Price Deflator, IPD), **5.5%**
- Bargaining occurred in Spring 2022 with PSE₁ and Administration.
- Local levy is approved to collect **\$7,000,000** for 2023, with an expected rate in the range of \$2.02 per thousand. With Capital Bond, \$3.95/\$1000.
- Total FTE Enrollment is budgeted for **4868**. 2019/20, 4986; 2020/21, 4762, 2021/22, 4821.
- 90 students are budgeted for Running Start, 225 for KVA, 6 for Loowit, 22 for Open Doors (GED) program and Renaissance program at LCC.
- Total budgeted GF revenues are up by **6.2%** from previous year (+2% increase).
- Total GF expenditures are up by **6.4%** from previous year (+2% increase).
- Budgeted use of fund balance to support 2022/23 expenditures is **\$575,395**
- In typical years this is a relatively “balanced budget” assuming normal spending patterns.
- Total Kelso SD budget across all funds is **\$110.8M**

ESSER & American Recovery Act

Grant Revenue

CARES (ESSER I)	\$	1,123,991.00
CARES (Cowlitz County)	\$	195,244.00
FEMA	\$	118,286.00
CARES (ESSER II)	\$	4,344,950
American Recovery Act (ESSER III)	\$	9,758,000.00
Total Grant Resources	\$	15,540,471.21

- Additional ESSER related grants bring total to approximately **\$16M**
- **\$3,193,811** Budgeted in 2022/23 in Programs 12-14.
- Approximately **\$500,000** will remain for 2023/24 expenditures to support SEL and Youth and Family programming

Use of ESSER Funds in Kelso SD

(Areas of Support)

- ESSER 1 – Technology/software, Nutrition Services losses from Spring/Summer 2020, Safety/PPE
- ESSER 2 – Nutrition Services & Enrollment Losses, Safety/PPE, Technology and instructional software, printing/mailings for learning, instructional materials, facility/infrastructure
- ESSER 3 – Academic and social/emotional learning supports & Infrastructure (i.e. HVAC)
 - Elementary Counseling including KVA
 - Lower class sizes and reduce grade level splits
 - Summer School programming K-12 which includes transportation
 - Technology purchases to refresh current equipment for student use
 - Expansion of Social Emotional Learning services district-wide
 - Youth and Family support
 - Instructional teaching support for mathematics and English language arts
 - Professional development around learning communities (WASA PLC at Work Project)
 - Facility/infrastructure
- All funds are on a reimbursement basis and available through 2023 (ESSER 2) & 2024 (ESSER 3)



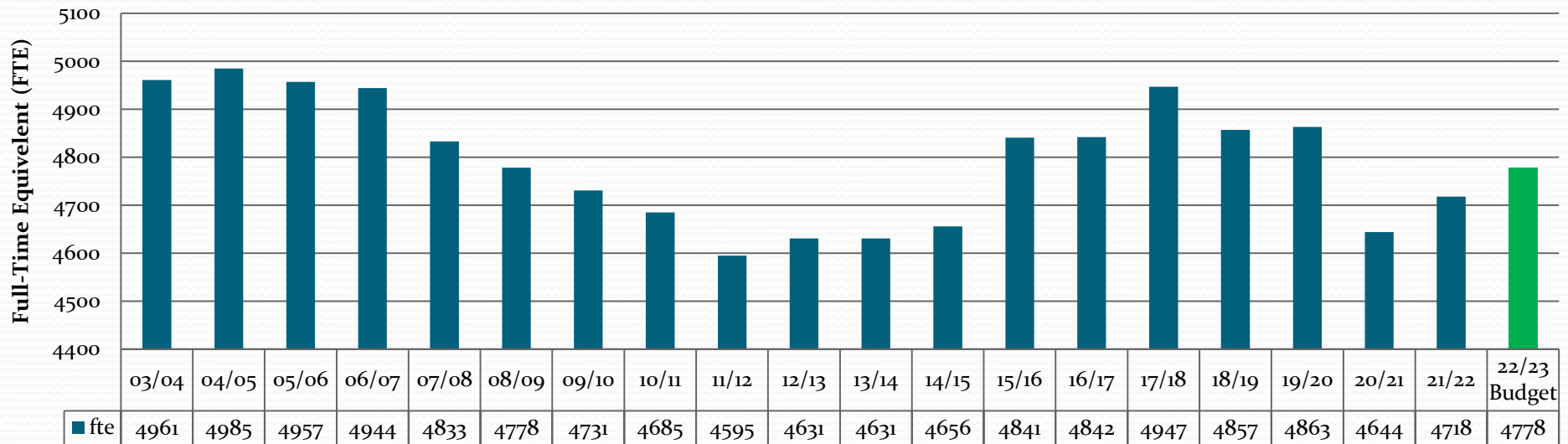
Future Budgetary Challenges

- Impacts of *loss of enrollment* due to *COVID*
- ESSER “funding cliff”
- Continued relief for special education funding is still needed. Estimated local levy contribution in 2022/23 is approximately **\$750,000**
- Maintain capital improvement funds to “maintain and repair” our current facilities post-bond

Enrollment Projections

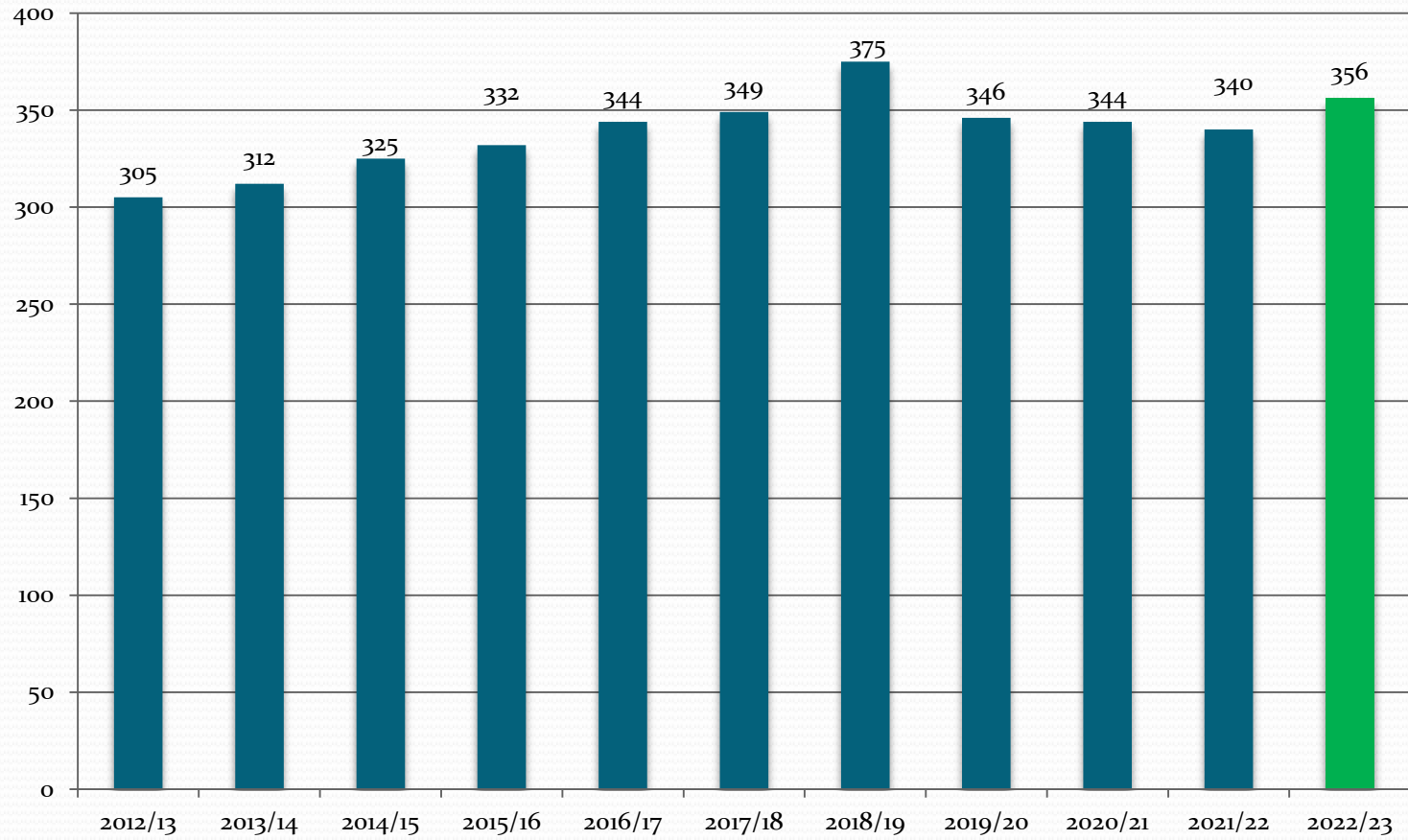
Enrollment Trend 2003 – 2023

Historical FTE Enrollment (Excluding Running Start)

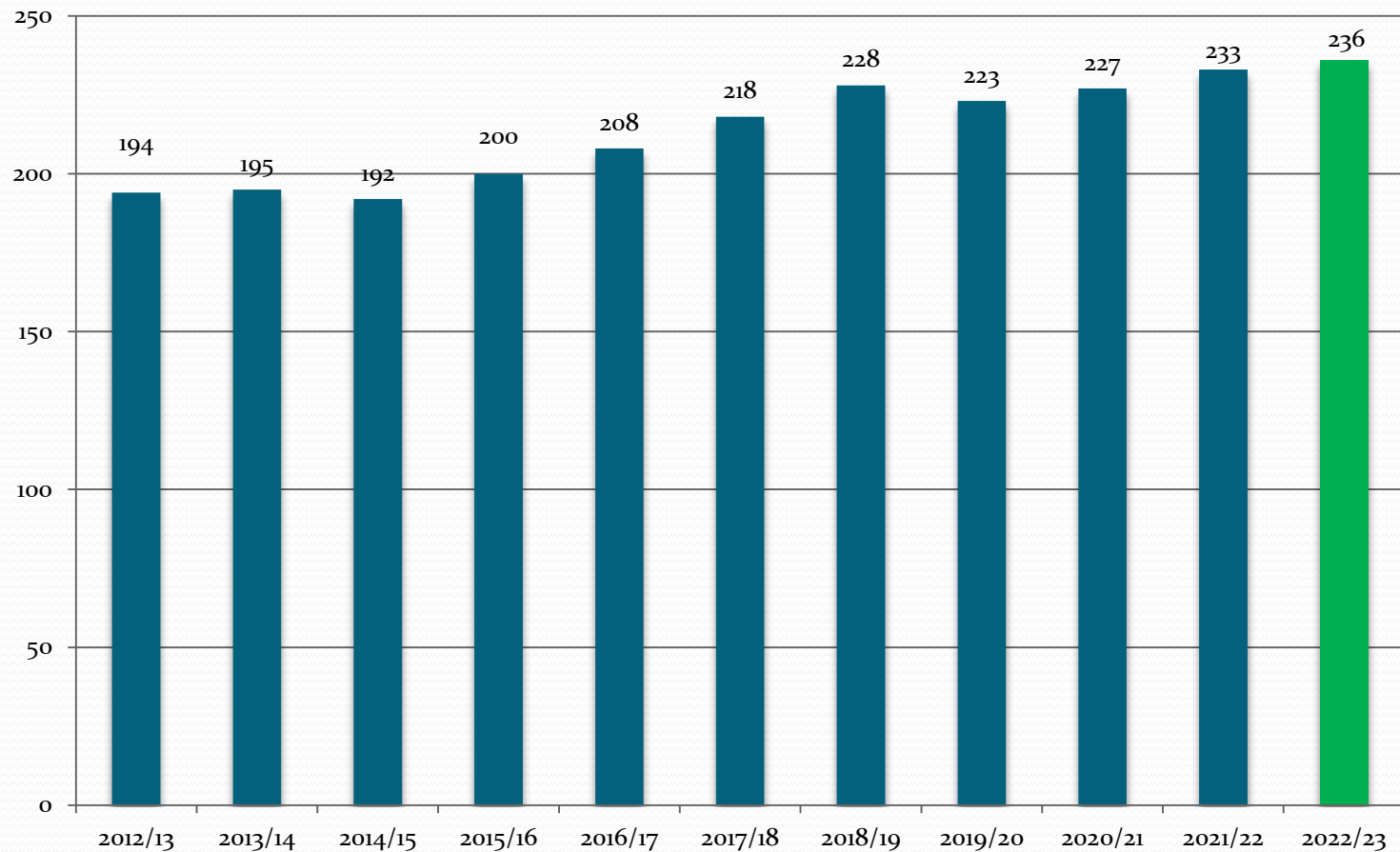


Certificated/Classified Staffing

Certificated Staff FTE Comparison



Classified Staff FTE Comparison



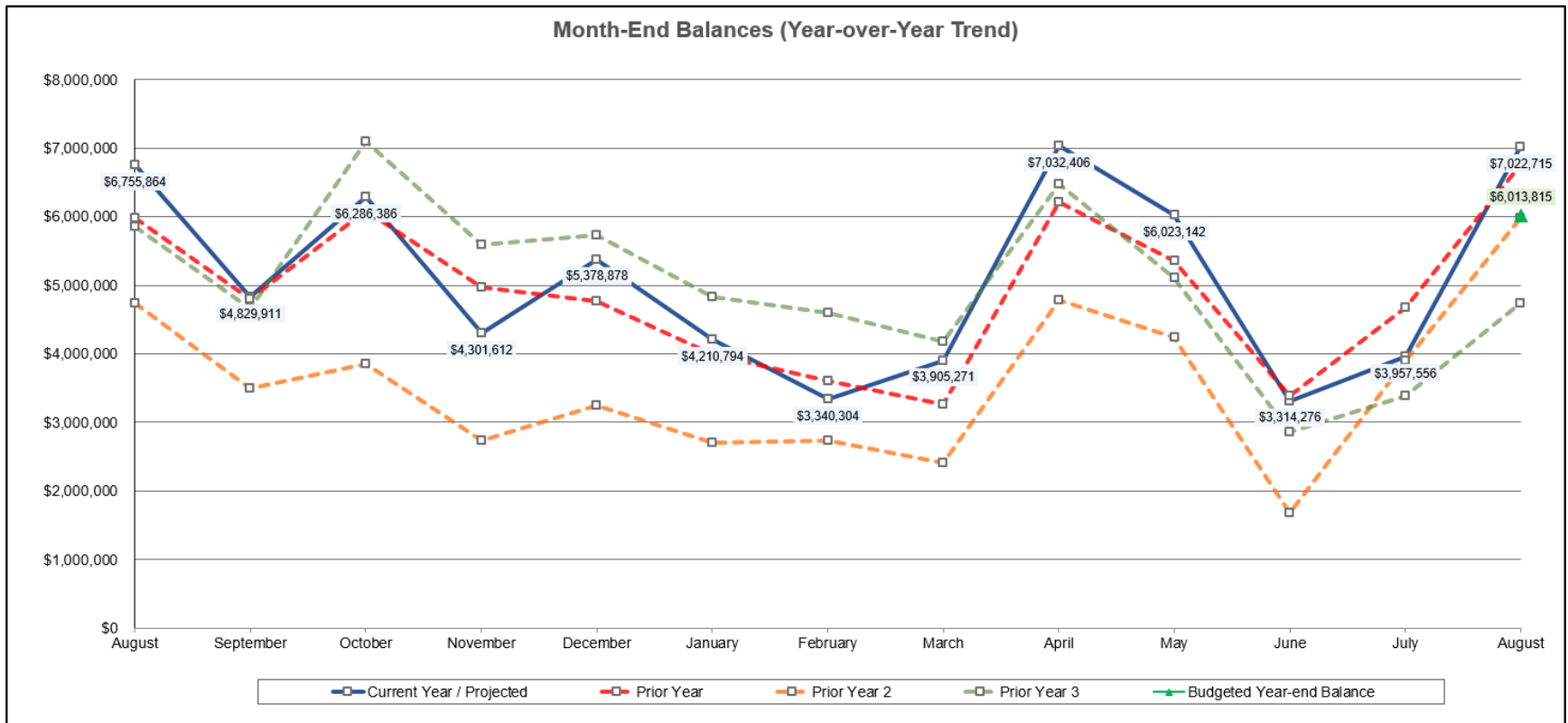
Current Fund Balance

Projection as of July 31, 2022

General Fund | Month-End Balances

For the Period Ending June 30, 2022

Month-End Balances (Year-over-Year Trend)



General Fund Summary

General Fund Summary

	2022/23 Budget
Beginning Fund Balance	\$7,000,000
+ Revenue	\$81,826,930
- Expenditures	\$82,002,326
- Transfers	\$400,000
Net Change	(\$575,395)
Total Ending Fund Balance	\$6,424,604

General Fund Summary

	BUDGET		
	2022	2023	% Δ
REVENUE			
Local Revenue	\$6,488,924	\$7,123,923	9.8%
State Revenue	58,750,058	63,615,182	8.3%
Federal Revenue	10,464,874	9,527,825	(9.0%)
Other Sources	1,358,500	1,558,500	14.7%
TOTAL REVENUE	\$77,062,356	\$81,825,430	6.2%
EXPENDITURES			
Salaries	\$42,265,406	\$47,022,289	11.3%
Benefits	17,965,256	19,162,804	6.7%
All Other	16,634,375	15,817,229	(4.9%)
TOTAL EXPENDITURES	\$76,865,037	\$82,002,322	6.7%
SURPLUS / DEFICIT	\$197,319	(\$176,892)	
OTHER FINANCING SOURCES / USES			
Other Financing Sources	\$1,500	\$1,500	
Other Financing Uses	(\$185,000)	(\$400,000)	
NET CHANGE IN FUND BALANCE	\$13,819	(\$575,392)	
BEGINNING FUND BALANCE	\$6,755,864	\$7,000,000	
ADJUSTMENTS TO FUND BALANCE			
PROJECTED YEAR END BALANCE	\$6,769,683	\$6,424,608	
FUND BALANCE AS % OF EXPENDITURES	8.81%	7.83%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	1.06	0.94	

Sources of Revenue—

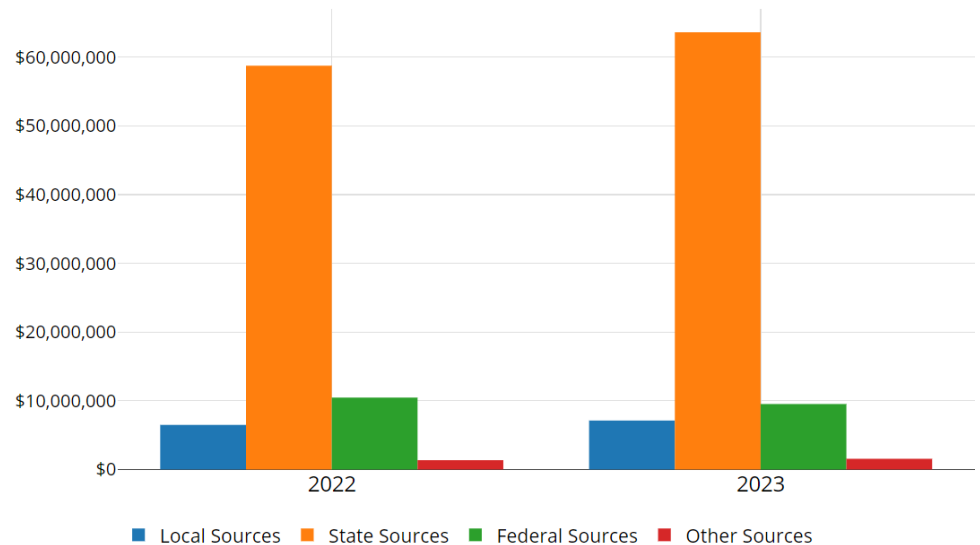
Source of Revenue

Measure	Source Category	2022	2023
Amount	Local Sources	\$6,488,924	\$7,123,923
	State Sources	\$58,750,058	\$63,615,182
	Federal Sources	\$10,464,874	\$9,527,825
	Other Sources	\$1,360,000	\$1,560,000

Change in Revenue

	2022	2023
Source Category	Amount Change	Amount Change
Total	\$0	\$4,763,074
Local Sources	\$0	\$634,999
State Sources	\$0	\$4,865,124
Federal Sources	\$0	\$-937,049
Other Sources	\$0	\$200,000

Comparison of Revenue by Source



Expenditure Projections – By Object

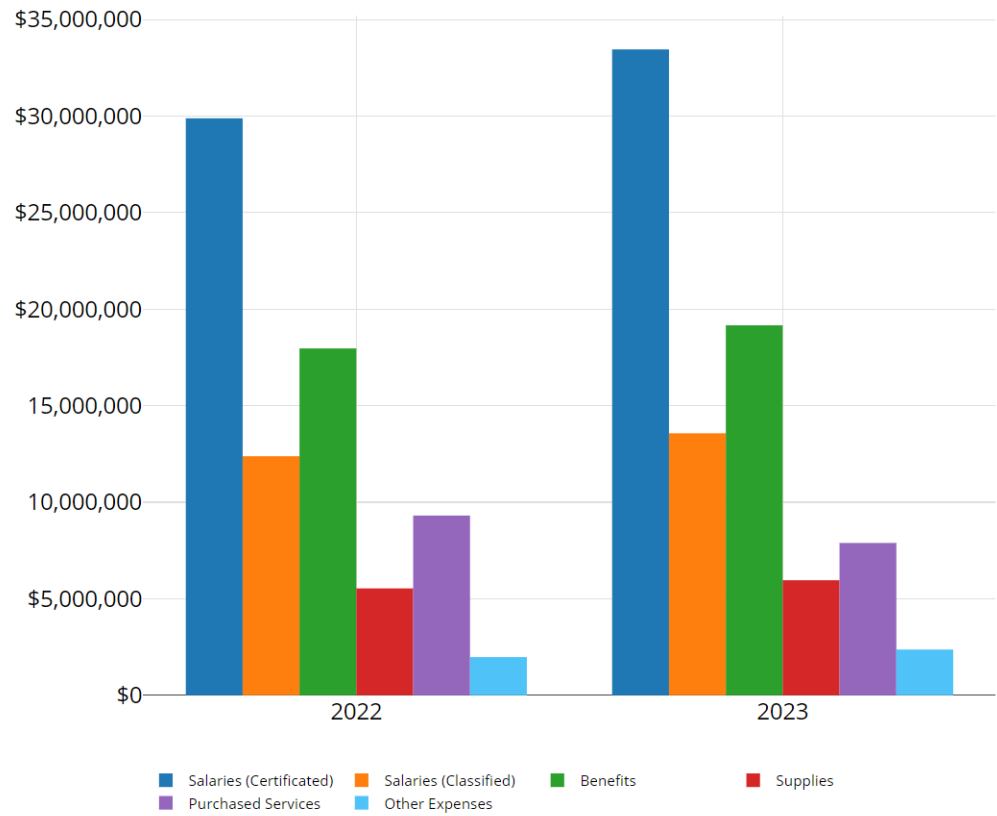
Comparison of Budgeted Expenses by Object

Measure	Object	2022	2023
Amount	Salaries (Certificated)	\$29,882,940	\$33,452,604
	Salaries (Classified)	\$12,382,466	\$13,569,685
	Benefits	\$17,965,256	\$19,162,804
	Supplies	\$5,534,484	\$5,959,370
	Purchased Services	\$9,307,476	\$7,888,479
	Other Expenses	\$1,977,415	\$2,369,380

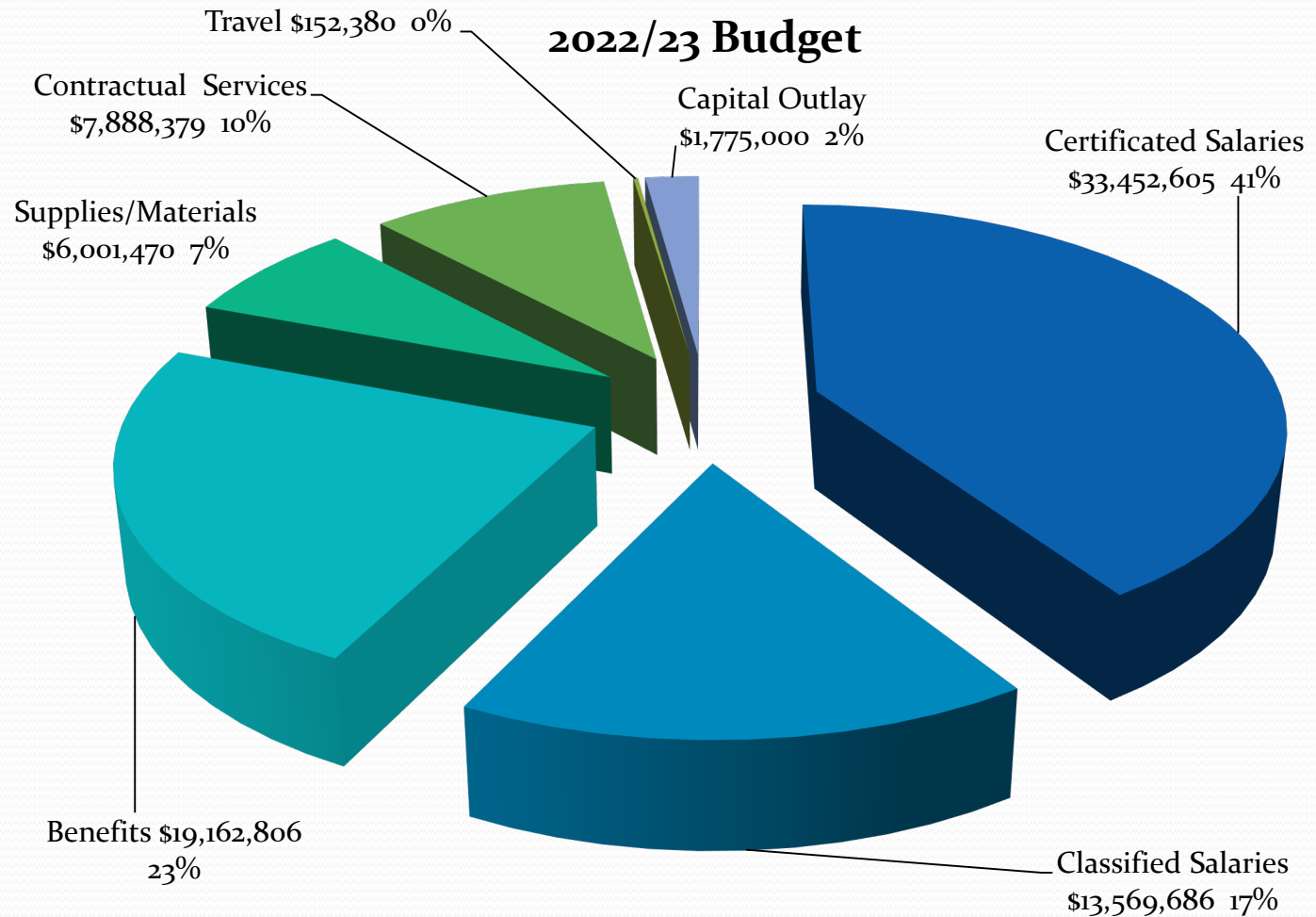
Change in Budgeted Expenses by Object

Object	2022	2023
	Amount Change	Amount Change
Total	\$0	\$5,352,285
Salaries (Certificated)	\$0	\$3,569,664
Salaries (Classified)	\$0	\$1,187,219
Benefits	\$0	\$1,197,548
Supplies	\$0	\$424,886
Purchased Services	\$0	\$-1,418,997
Other Expenses	\$0	\$391,965

Expense by Object

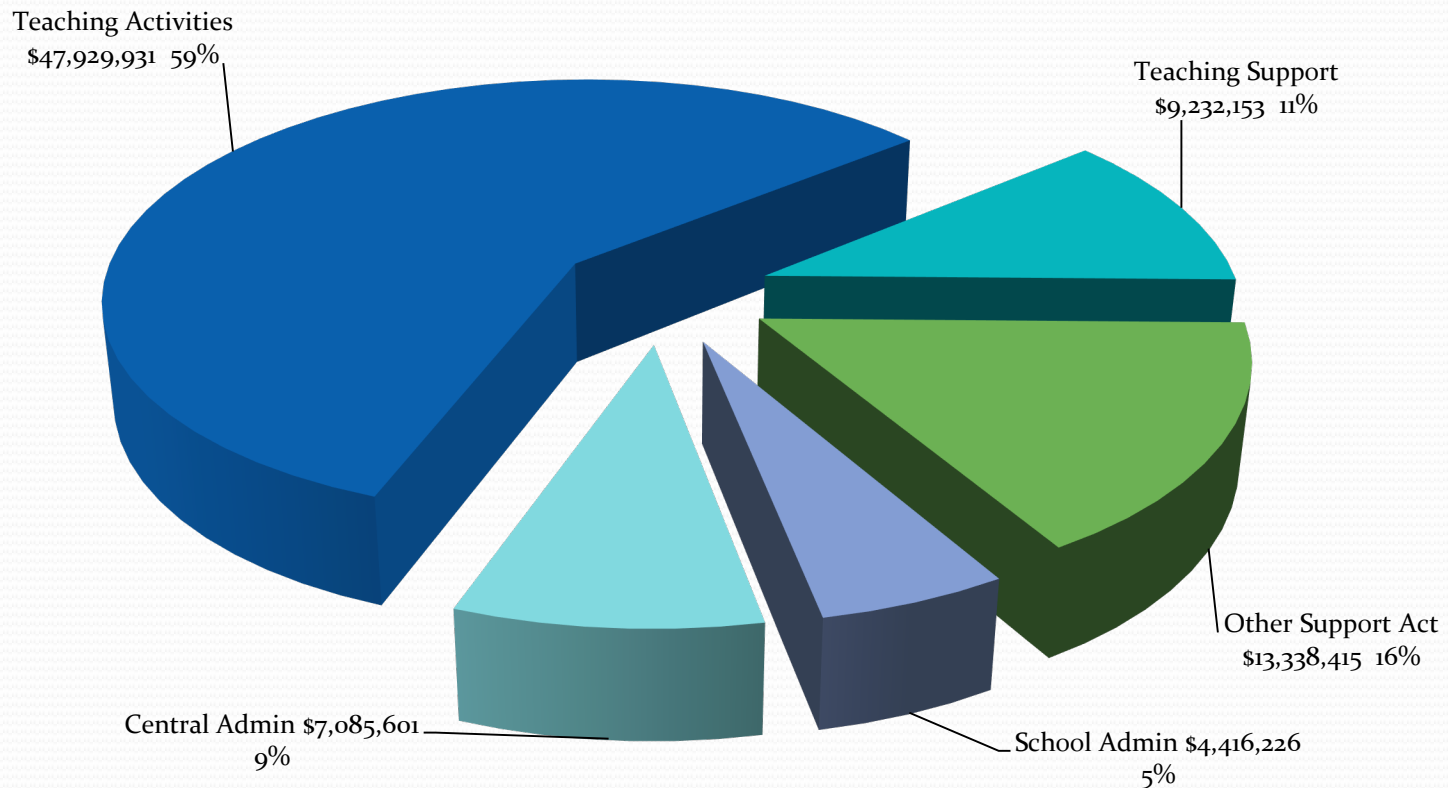


Expenditures by Object—



Expenditures by Activity—

2022/23 Projected



Other Fund Summaries

ASB Fund Summary

	2022/23 Budget
Beginning Fund Balance	\$400,000
Revenue & Other Sources	\$1,103,080
Expenditures	\$1,176,182
Surplus / (Deficit)	\$(73,102)
Ending Fund Balance	\$326,898



Capital Projects Fund Summary



	2022/23 Budget
Beginning Fund Balance	\$9,000,000
Revenue & Other Sources	\$12,660,000
Expenditures	\$21,000,000
Transfers*	\$134,000
Surplus / (Deficit)	\$(8,474,000)
Ending Fund Balance	\$526,000

*LGO Bond Interest. Transfer to Debt Service

Debt Service Fund Summary

	2022/23 Budget
Beginning Fund Balance	\$2,900,000
Revenue & Other Sources	\$7,269,500
Expenditures	\$6,636,611
Transfers*	\$750,000
Surplus / (Deficit)	\$(117,111)
Ending Fund Balance	\$2,782,889

*Transfer of Accumulated State Forest Funds
to Capital Projects Fund



Transportation Vehicle Fund Summary

	2022/23 Budget
Beginning Fund Balance	\$268,000
Revenue & Other Sources (Depreciation, Interest Earnings)	\$201,500
Expenditures*	\$0.00
Transfers Out (Loan Payment)	\$260,000
Surplus / (Deficit)	\$(58,500)
Ending Fund Balance	\$209,500



*KSD will look to purchase buses in the 2023/24 school year. Discussions may occur in Spring 2023.

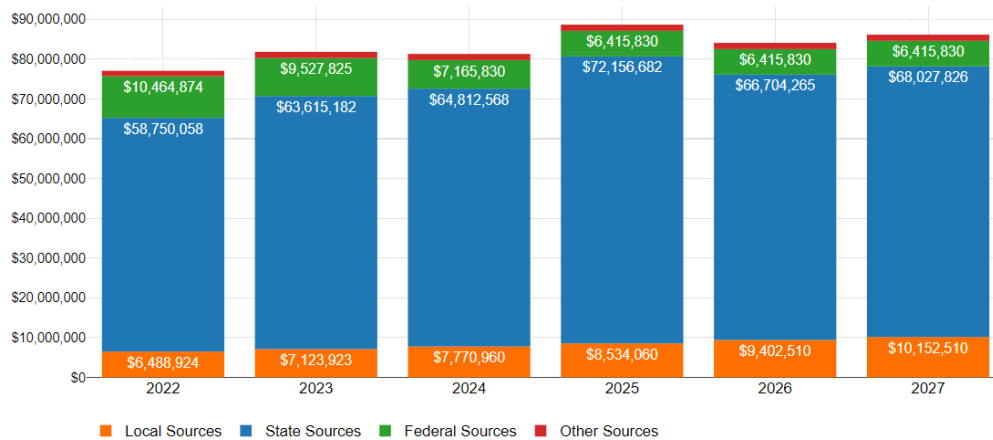
4 Year Budget Outlook

Four Year Budget Projections

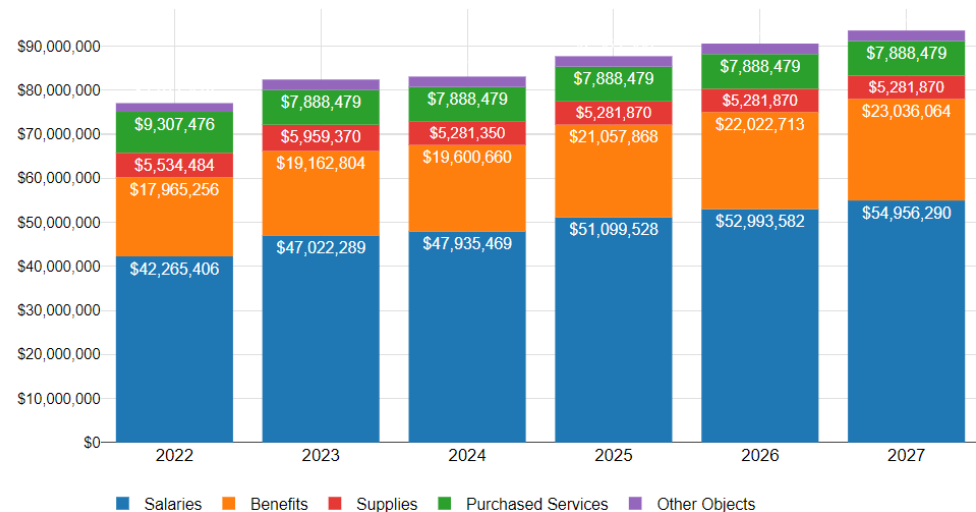
	2022	2023	% Δ	2024	% Δ	2025
REVENUE						
Local Revenue	\$6,488,924	\$7,123,923	9.8%	\$7,770,960	9.1%	\$8,534,060
State Revenue	58,750,058	63,615,182	8.3%	64,812,568	1.9%	72,156,682
Federal Revenue	10,464,874	9,527,825	(9.0%)	7,165,830	(24.8%)	6,415,830
Other Sources	1,358,500	1,558,500	14.7%	1,558,500	0.0%	1,558,500
TOTAL REVENUE	\$77,062,356	\$81,825,430	6.2%	\$81,307,858	(0.6%)	\$88,665,072
EXPENDITURES						
Salaries	\$42,265,406	\$47,022,289	11.3%	\$47,935,469	1.9%	\$51,099,528
Benefits	17,965,256	19,162,804	6.7%	19,600,660	2.3%	21,057,868
All Other	16,634,375	15,817,229	(4.9%)	15,139,209	(4.3%)	15,139,729
TOTAL EXPENDITURES	\$76,865,037	\$82,002,322	6.7%	\$82,675,338	0.8%	\$87,297,125
SURPLUS / DEFICIT	\$197,319	(\$176,892)		(\$1,367,481)		\$1,367,948
OTHER FINANCING SOURCES / USES						
Other Financing Sources	\$1,500	\$1,500		\$1,500		\$1,500
Other Financing Uses	(\$185,000)	(\$400,000)		(\$400,000)		(\$400,000)
NET CHANGE IN FUND BALANCE	\$13,819	(\$575,392)		(\$1,765,981)		\$969,448
BEGINNING FUND BALANCE	\$6,755,864	\$7,000,000		\$6,424,608		\$4,658,627
ADJUSTMENTS TO FUND BALANCE						
PROJECTED YEAR END BALANCE	\$6,769,683	\$6,424,608		\$4,658,627		\$5,628,075
FUND BALANCE AS % OF EXPENDITURES	8.81%	7.83%		5.63%		6.45%
FUND BALANCE AS # OF MONTHS OF EXPEND.	1.06	0.94		0.68		0.77

Four Year Budget Projections

Projected Revenues by Source



Projected Expenses by Object



Four Year Budget Projections

Kelso School District No.458

F-195F

SUMMARY OF GENERAL FUND BUDGET

	2022-2023 Current	2023-2024 Forecast	2024-2025 Forecast	2025-2026 Forecast
G.L.890 Unassigned Fund Balance	5,439,604	5,258,901	5,072,732	4,880,935
G.L.891 Unassigned to Minimum Fund Balance Policy	0	0	0	0
H. TOTAL ENDING FUND BALANCE (E+F, +OR-G) 3/	6,424,604	6,243,901	6,057,732	5,865,935

Kelso School District No.458

F-195F

ENROLLMENT AND STAFF COUNTS

	2022-2023 Current	2023-2024 Forecast	2024-2025 Forecast	2025-2026 Forecast
18. TOTAL K-12	4,868.00	4,865.00	4,907.00	4,909.00

Questions/Comments