



Kelso School Board  
Board Budget Workshop  
January 28, 2018  
4:30 p.m. District Office

**Workshop Agenda**

- I. Budget Development Calendar and Process
  - a. Calendar and Flowchart (handouts)
- II. Budget Advisory Council
  - a. Council Members and Roles/Responsibilities (handouts)
- III. Budget Development Parameters (handout)
- IV. Governor's Budget and Priorities related to K-12 (handout)
- V. Impact of School Employee Benefit Plan for Kelso SD (handouts)
- VI. Projected Kelso School District Budget (handouts)
- vii. Budget Funding Priorities & Challenges (handout)
- VIII. Education Associations Legislative Priorities for 2019 session (handouts)



# Road to

# STUDENT SUCCESS

## 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.

## 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.



## CAREER, COLLEGE & COMMUNITY READY

Increase the four-year high school graduation rate by at least one percent per year for the next five years.



# 100% GRADUATING

A blue silhouette of a graduate wearing a mortarboard and holding a diploma, with arms raised in celebration, positioned behind the '100%' part of the main title.

## QUALITY INSTRUCTION

Student achievement in mathematics and English language arts will increase annually and the achievement gap between English learners, students with learning disabilities, and students in poverty—in comparison with other students—will decrease annually.

★ **2018-19 PRIORITY:**  
ELA standards and materials implementation



## EARLY LEARNING

The percentage of all third grade students meeting or exceeding the grade level English language arts benchmark will increase annually, regardless of student subgroup.



## SCHOOL CLIMATE

Improvements will be achieved to the learning environment in two specific areas: 1) safety and security of our students and staff, and 2) student behavior.

★ **2018-19 PRIORITY:**  
Whole Child/Social Emotional Learning (SEL) systems implementation

# How We Get There

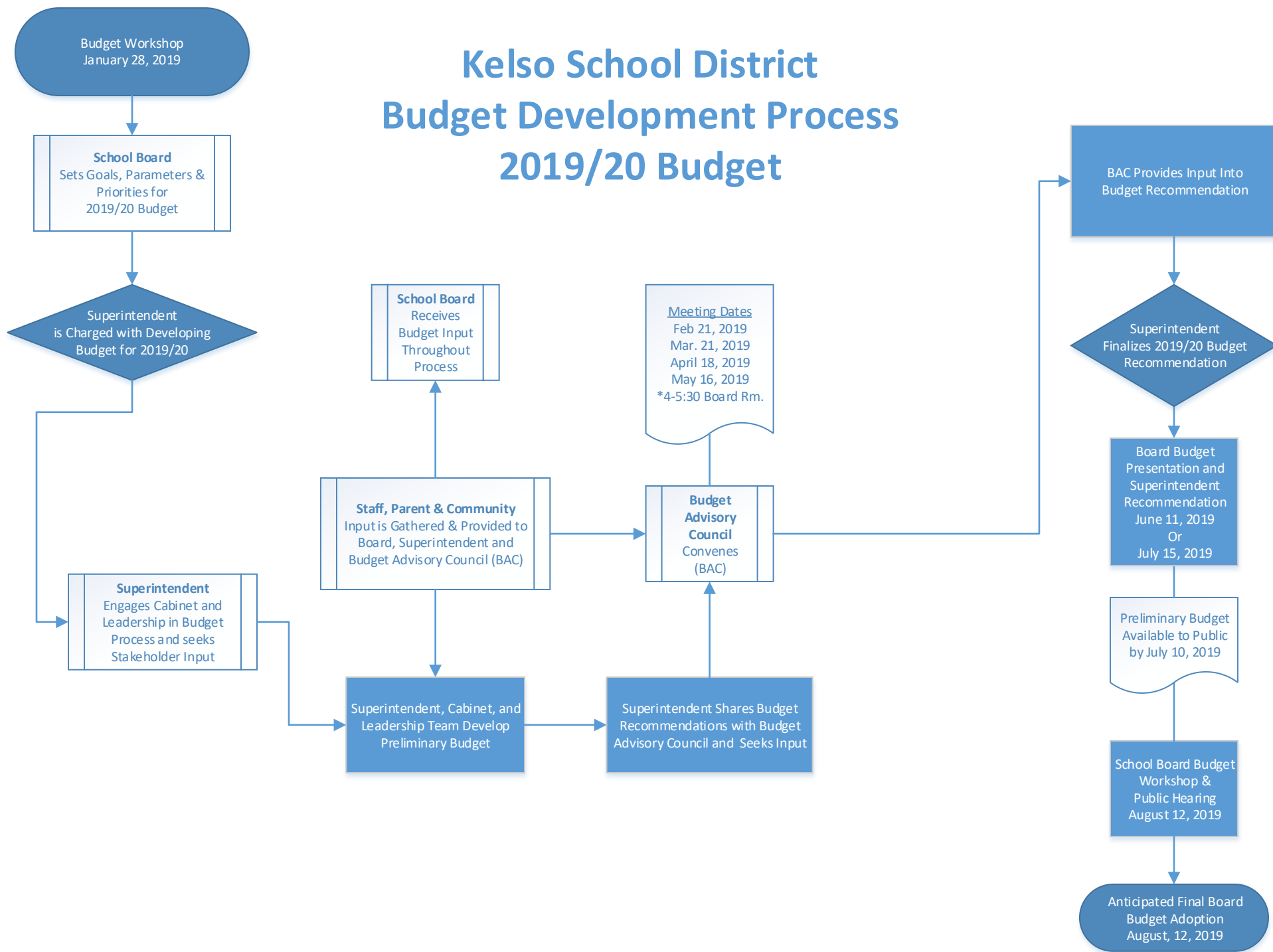




## KELSO SCHOOL DISTRICT 2019/20 Budget Development Calendar

December 2018	<b>Governor Releases Preliminary State Budget Proposal</b>
<b>January 14, 2019</b>	<b>2019 Washington State Legislative Session Begins</b>
January 28, 2019	<b>Board of Director's Workshop 5:00 pm</b> Budget Development Process <i>Location: Board Room District Office</i>
February 1, 2019	<b>Budget Information Available on District Website.</b> Budget email address opens up for questions: <a href="mailto:budget.input@kelsosd.org">budget.input@kelsosd.org</a>
February 13, 2019	<b>Preliminary School Enrollment and Staffing Projections by HR/Fiscal</b>
February – March, 2019	<b>School, Program, and Department Staffing Reviews with HR</b>
February – May 2019	<b>Budget Advisory Council (BAC)</b> 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>
<i>February 21, 2019</i> <i>March 21, 2019</i> <i>April 18, 2019</i> <i>May 16, 2019</i>	
February – April, 2019	<b>Board of Director Meetings – Budget Update</b>
March-April, 2019	<b>Staff/Parent/Community Input (Forums, Listening Posts, Surveys, as needed)</b>
April 26, 2019	<b>School/Director Budgets due to HR and Business Offices</b>
<b>April 28, 2019</b>	<b>2019 Washington State Legislative Session Ends</b>
May 15, 2019	<b>Reduction in Force Date for Certificated Staff (if necessary)</b>
May 31, 2019	<b>Personnel Budget Submitted to Business Office</b>
June 10 or July 15, 2019	<b>Board Budget Presentation and Superintendent Recommendation</b>
July 10, 2019	<b>Budget Available for Public Review</b>
August 12, 2019	<b>Budget Workshop; Public Budget Hearing &amp; Board Adoption</b>

# Kelso School District Budget Development Process 2019/20 Budget





## BUDGET ADVISORY COUNCIL MEMBERS 2018-19 School Year

### **Non-Voting Facilitators:**

Superintendent	Mary Beth Tack
Chief Financial & Operations Officer	Scott Westlund

### **Voting Committee Members:**

KEA Representative	Kelly Sims
PSE 1 Representative	Roy Pennington
PSE 2 Representative	Darlene Dagleish
Elementary Administrator	Tim Yore
Middle Administrator	Greg Gardner
Secondary Administrator	
Supervisor	Gary Schimmel
Cabinet Representative	Tim Peterson
Community Member	
Community Member	Patty Wood

### **Non-voting/At-Large Members:**

Board Member (s)	
Director of Student Services	Don Iverson
Director of Special Programs	Denise Freund
Director of Teaching and Learning	Kim Yore



## Roles & Responsibilities of Budget Development Staff

Entity	Role/Responsibility
<b>Budget Advisory Council (BAC)</b>  *Sharing Association/Union impacts to budgetary decision is encouraged as part of the BAC process. However, the BACs role is not to negotiate salaries/benefits or other association related issues.	<ul style="list-style-type: none"> <li>• Generate ideas for developing the budget through discussion, consultation with constituents, and information gathered through the BAC process</li> <li>• Provide feedback to the Superintendent on District budget proposals</li> <li>• Seek understanding of issues related to budget process in order to communicate with those you represent</li> </ul>
<b>Cabinet</b>	<ul style="list-style-type: none"> <li>• Work with principals, associations, department supervisors, staff, and other stakeholders as needed to generate budget proposals and seek feedback</li> <li>• Present budget proposals for discussion at weekly Cabinet budget workshops</li> <li>• Work cooperatively with other Cabinet members to present budget proposals and develop a draft budget to be shared with BAC</li> </ul>
<b>Executive Director of Human Resources</b>	<ul style="list-style-type: none"> <li>• Provide relevant staffing information and data to Board of Directors, Superintendent, Cabinet and BAC</li> <li>• Work with building principals and HR staff to develop personnel plans and budgets</li> </ul>
<b>Chief Financial and Operations Officer</b>	<ul style="list-style-type: none"> <li>• Coordinate the efforts of the BAC and budget development process</li> <li>• Provide relevant financial information and data to Board of Directors, Superintendent, Cabinet and BAC</li> <li>• Assist the Superintendent to ensure the budget development process and Board parameters are adhered to</li> <li>• Prepare and present overall District budget for Board consideration and approval</li> </ul>
<b>Superintendent</b>	<ul style="list-style-type: none"> <li>• Facilitate Cabinet discussions and decision making process regarding budget development</li> <li>• Make final decisions on budget development options to be included in the budget presented to the school board</li> </ul>
<b>School Board</b>	<ul style="list-style-type: none"> <li>• Work with Superintendent to establish budget parameters, budget calendar, and priorities</li> <li>• Approve final budget, and/or provide feedback to Superintendent for revisions</li> </ul>

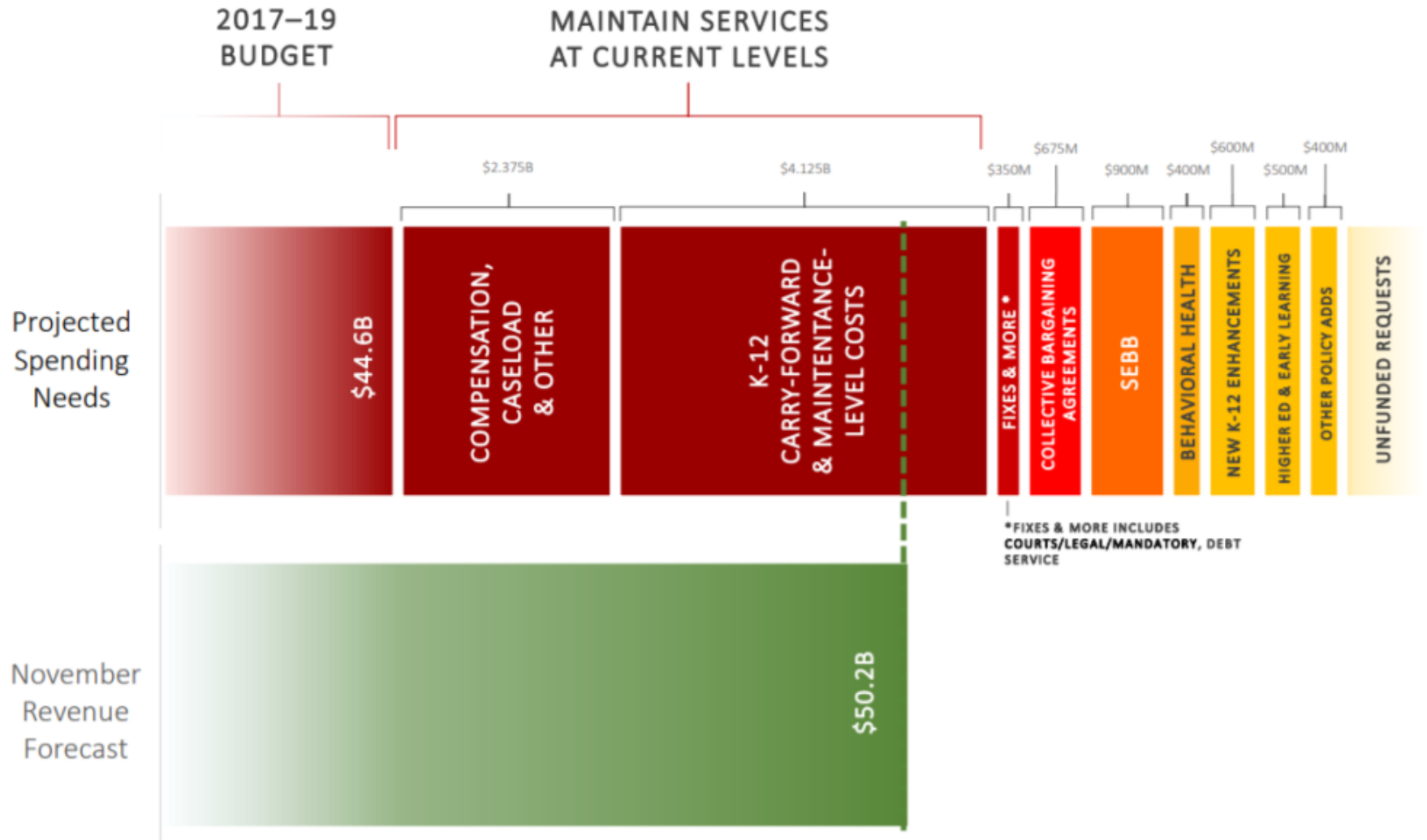


## **Budget Development Parameters 2019/20 Kelso School District Budget**

- The established Budget Calendar and Process will be utilized for the development of the 2019/20 budget;
- The Superintendent will recommend a budget to the Board that is aligned to the Mission, Vision, and District Goals outlined in the Roadmap for Results;
- The Superintendent will recommend a budget to the Board that addresses the School Board's Priority Goals;
- Budget development will address impacts of the legislative McCleary decision, and anticipate impacts of changes during the 2019 legislative session;
- The Board desires to maintain a minimum total ending fund balance of 8%;
- The Superintendent will utilize input from staff, parents, community, and other stakeholders in the development of the recommended budget to the Board;
- The recommended budget will address efficiency and effectiveness of operations, and the responsive and productive management of school district resources; and,
- The Board recognizes the District must continue to prioritize and invest in the core instructional program closest to the classroom, and recognizes that a balanced approach to reductions, if needed, is necessary to ensure continuity of overall District operations.



# Governor's 2019/20 – 2020/21 Budget Proposal



# Historical K12 Rates Compared to PEB Rates



Fiscal Year	PEB	K12	Difference
FY01	\$435	\$426	-\$9
FY02	\$457	\$455	-\$2
FY03	\$482	\$457	-\$25
FY04	\$505	\$481	-\$24
FY05	\$585	\$582	-\$3
FY06	\$663	\$629	-\$34
FY07	\$684	\$683	-\$1
FY08	\$707	\$707	\$0
FY09	\$561	\$732	\$171
FY10	\$745	\$745	\$0
FY11	\$850	\$768	-\$82
FY12	\$850	\$768	-\$82
FY13	\$800	\$768	-\$32
FY14	\$782	\$768	-\$14
FY15	\$662	\$768	\$106
FY16	\$840	\$780	-\$60
FY17	\$888	\$780	-\$108
FY18	\$913	\$820	-\$93
FY19	\$916	\$843.97	-\$72



# SEB Coalition Bargaining

- The law directs that the Governor and one coalition of school employee unions bargain over the dollar amount to be contributed for school employee health benefits on behalf of each employee for health care benefits.

An anticipated  
**200,000 – 300,000 employees and dependents**  
in  
**over 950 bargaining units**  
represented by  
**137 unions or associations**  
across  
**294 districts**

- The chief spokesperson for the coalition is anticipated to be Shawn Lewis with the WEA.
- Other representatives included SEIU 1948-PSE, Teamsters Joint Council 28, SEIU 925, AFT Washington, IUOE Locals 609, 280 and 286, and the AWSP

# Kelso School District -- Increased Costs of New SEB Health Plan

BEA Allocation for Health Benefits (Prgs. 01/02/97/98/99)		
	Total Benefit Allocation	FTE
CIS	\$ 2,479,571.76	251.989
CLS	\$ 901,005.19	79.484
CAS	\$ 185,542.73	18.719
	<u>\$ 3,566,119.68</u>	<u>350.192</u>

Current Cost Calculation for 2019/20			
	Total Benefit FTE	State Allocation	Annual Cost
	260	\$ 913.00	\$ 2,848,560.00
	95	\$ 1,049.95	\$ 1,196,943.00
	25	\$ 913.00	\$ 273,900.00
	<u>380</u>		<u>\$ 4,319,403.00</u>

Estimated SEBB Costs in 2019/20			
	Total HC > 630 hrs.	State Allocation	Annual Cost
	270	\$ 1,174.00	\$ 3,803,760.00
	150	\$ 1,174.00	\$ 2,113,200.00
	25	\$ 1,174.00	\$ 352,200.00
	<u>445</u>		<u>\$ 6,269,160.00</u>

Estimated Revenue Under SEBB Plan		
	FTE	Emp Alloc.
CIS	251.989	\$ 1,197.48
CLS	79.484	\$ 1,678.82
CAS	18.719	\$ 1,197.48
	<u>350.192</u>	

\$ 3,621,021.45  
 \$ 1,601,271.95  
 \$ 268,987.54  
\$ 5,491,280.94

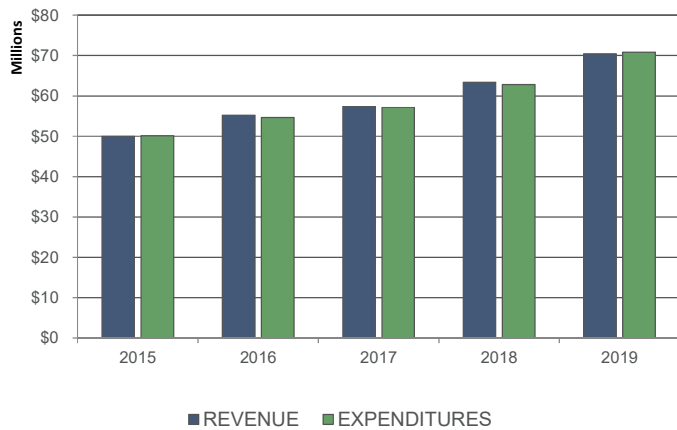
<p><b>Estimated Additional Cost</b></p> <p style="font-size: 24pt; color: red;"><b>\$777,879</b></p>
--

# General Fund - Historical Summary

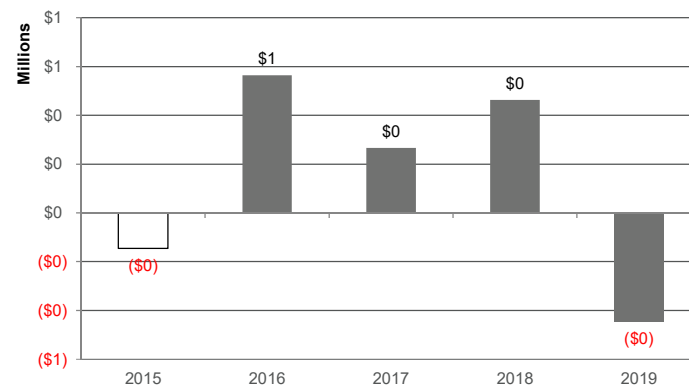
## 2018 Workshop Scenario\_Rolled Enroll w/updated enrollment loss

	ACTUAL REVENUE / EXPENDITURE						BUDGET		
	2015	2016	% chg	2017	% chg	2018	% chg	2019	% chg
<b>REVENUE</b>									
Local Revenue	\$8,113,078	\$8,450,153	4.2%	\$8,418,517	(0.4%)	\$8,623,362	2.4%	\$6,039,425	(30.0%)
State Revenue	\$37,482,623	\$42,361,504	13.0%	\$44,496,667	5.0%	\$50,060,767	12.5%	\$58,635,627	17.1%
Federal Revenue	\$4,233,241	\$4,216,388	(0.4%)	\$4,301,224	2.0%	\$4,498,421	4.6%	\$4,379,740	(2.6%)
Other Sources	\$185,595	\$176,944	(4.7%)	\$167,901	(5.1%)	\$137,695	(18.0%)	\$1,360,000	887.7%
<b>TOTAL REVENUE</b>	<b>\$50,014,537</b>	<b>\$55,204,989</b>	<b>10.4%</b>	<b>\$57,384,309</b>	<b>3.9%</b>	<b>\$63,320,245</b>	<b>10.3%</b>	<b>\$70,414,792</b>	<b>11.2%</b>
<b>EXPENDITURES</b>									
Salaries	\$29,952,220	\$31,828,570	6.3%	\$33,504,605	5.3%	\$36,368,067	8.5%	\$40,616,890	11.7%
Benefits	\$10,988,560	\$12,255,138	11.5%	\$12,783,254	4.3%	\$14,496,311	13.4%	\$16,231,882	12.0%
All Other	\$9,219,270	\$10,556,975	14.5%	\$10,830,327	2.6%	\$11,992,996	10.7%	\$14,010,718	16.8%
<b>TOTAL EXPENDITURES</b>	<b>\$50,160,049</b>	<b>\$54,640,683</b>	<b>8.9%</b>	<b>\$57,118,186</b>	<b>4.5%</b>	<b>\$62,857,374</b>	<b>10.0%</b>	<b>\$70,859,490</b>	<b>12.7%</b>
<b>SURPLUS / DEFICIT</b>	<b>(\$145,512)</b>	<b>\$564,306</b>		<b>\$266,123</b>		<b>\$462,872</b>		<b>(\$444,698)</b>	
<b>BEGINNING FUND BALANCE</b>	<b>\$4,361,740</b>	<b>\$4,216,227</b>		<b>\$4,780,533</b>		<b>\$5,045,445</b>		<b>\$5,509,528</b>	
<b>YEAR-END FUND BALANCE</b>	<b>\$4,216,227</b>	<b>\$4,780,533</b>		<b>\$5,045,445</b>		<b>\$5,509,528</b>		<b>\$5,064,830</b>	
<b>FUND BALANCE AS % OF EXPENDITURES</b>	<b>8.41%</b>	<b>8.75%</b>		<b>8.83%</b>		<b>8.77%</b>		<b>7.15%</b>	
<b>FUND BALANCE AS # OF MONTHS OF EXPEND.</b>	<b>1.01</b>	<b>1.05</b>		<b>1.06</b>		<b>1.05</b>		<b>0.86</b>	

**Revenues vs. Expenditures**



**Fiscal Year Surplus / Deficit**

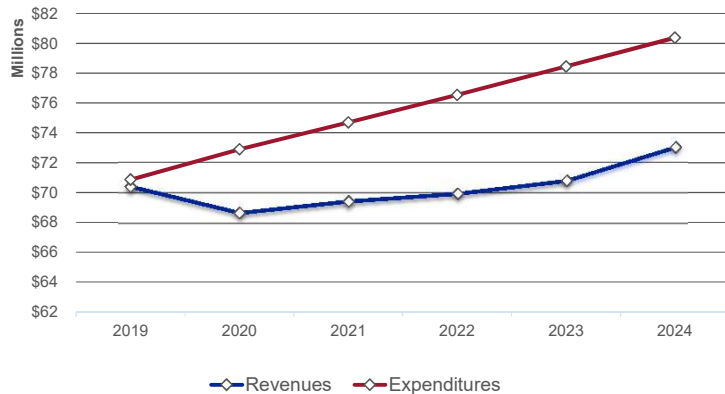


# General Fund - Projection Summary

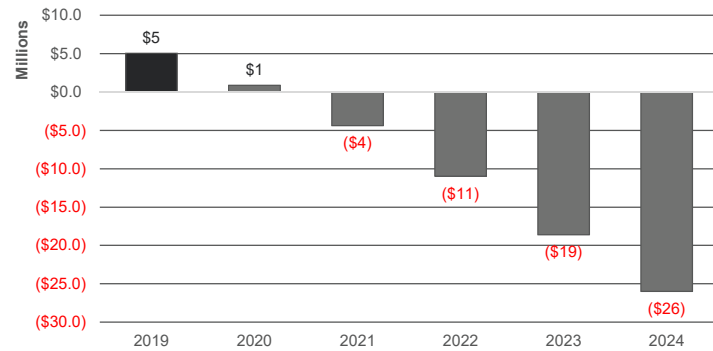
2018 Workshop Scenario\_Rolled Enroll w/updated enrollment loss

	BUDGET		REVENUE / EXPENDITURE PROJECTIONS								
	2019	2020	% Δ	2021	% Δ	2022	% Δ	2023	% Δ	2024	% Δ
<b>REVENUE</b>											
Local Revenue	\$6,039,425	\$4,568,554	(24.4%)	\$4,718,554	3.3%	\$4,868,554	3.2%	\$5,018,554	3.1%	\$5,168,554	3.0%
State Revenue	\$58,635,627	\$58,399,319	(0.4%)	\$59,010,540	1.0%	\$59,361,701	0.6%	\$60,056,136	1.2%	\$62,109,139	3.4%
Federal Revenue	\$4,379,740	\$4,363,575	(0.4%)	\$4,363,575	0.0%	\$4,363,575	0.0%	\$4,363,575	0.0%	\$4,363,575	0.0%
Other Sources	\$1,360,000	\$1,360,000	0.0%	\$1,360,000	0.0%	\$1,360,000	0.0%	\$1,360,000	0.0%	\$1,360,000	0.0%
<b>TOTAL REVENUE</b>	<b>\$70,414,792</b>	<b>\$68,691,448</b>	<b>(2.4%)</b>	<b>\$69,452,669</b>	<b>1.1%</b>	<b>\$69,953,830</b>	<b>0.7%</b>	<b>\$70,798,265</b>	<b>1.2%</b>	<b>\$73,001,268</b>	<b>3.1%</b>
<b>EXPENDITURES</b>											
Salaries	\$40,616,890	\$41,693,561	2.7%	\$42,798,083	2.6%	\$43,914,254	2.6%	\$45,048,889	2.6%	\$46,188,315	2.5%
Benefits	\$16,231,882	\$17,190,774	5.9%	\$17,891,193	4.1%	\$18,620,378	4.1%	\$19,381,319	4.1%	\$20,172,431	4.1%
All Other	\$14,010,718	\$14,010,718	0.0%	\$14,010,718	0.0%	\$14,010,718	0.0%	\$14,010,718	0.0%	\$14,010,718	0.0%
<b>TOTAL EXPENDITURES</b>	<b>\$70,859,490</b>	<b>\$72,895,053</b>	<b>2.9%</b>	<b>\$74,699,994</b>	<b>2.5%</b>	<b>\$76,545,350</b>	<b>2.5%</b>	<b>\$78,440,925</b>	<b>2.5%</b>	<b>\$80,371,464</b>	<b>2.5%</b>
<b>SURPLUS / DEFICIT</b>	<b>(\$444,698)</b>	<b>(\$4,203,605)</b>		<b>(\$5,247,325)</b>		<b>(\$6,591,521)</b>		<b>(\$7,642,660)</b>		<b>(\$7,370,197)</b>	
<b>BEGINNING FUND BALANCE</b>	<b>\$5,509,528</b>	<b>\$5,064,830</b>		<b>\$861,225</b>		<b>(\$4,386,100)</b>		<b>(\$10,977,620)</b>		<b>(\$18,620,281)</b>	
<b>PROJECTED YEAR END BALANCE</b>	<b>\$5,064,830</b>	<b>\$861,225</b>		<b>(\$4,386,100)</b>		<b>(\$10,977,620)</b>		<b>(\$18,620,281)</b>		<b>(\$25,990,477)</b>	
<b>FUND BALANCE AS % OF EXPENDITURES</b>	<b>7.15%</b>	<b>1.18%</b>		<b>(5.87%)</b>		<b>(14.34%)</b>		<b>(23.74%)</b>		<b>(32.34%)</b>	
<b>FUND BALANCE AS # OF MONTHS OF EXPEND.</b>	<b>0.86</b>	<b>0.14</b>		<b>(0.70)</b>		<b>(1.72)</b>		<b>(2.85)</b>		<b>(3.88)</b>	

Revenues vs. Expenditures



Year End General Fund Balance

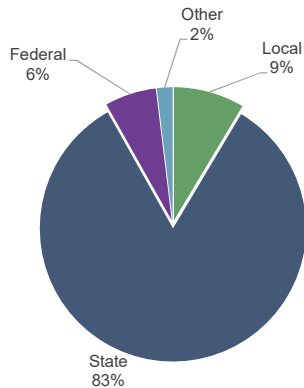


# General Fund - Revenue Analysis

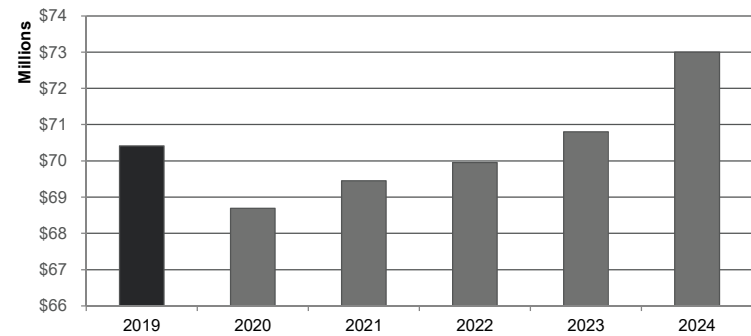
## 2018 Workshop Scenario\_Rolled Enroll w/updated enrollment loss

	BUDGET		REVENUE PROJECTIONS								
	2019	2020	% Δ	2021	% Δ	2022	% Δ	2023	% Δ	2024	% Δ
<b>LOCAL</b>											
Taxes	\$5,224,544	\$3,753,673	(28.2%)	\$3,903,673	4.0%	\$4,053,673	3.8%	\$4,203,673	3.7%	\$4,353,673	3.6%
Support Non-Tax	\$814,881	\$814,881	0.0%	\$814,881	0.0%	\$814,881	0.0%	\$814,881	0.0%	\$814,881	0.0%
<b>TOTAL LOCAL REVENUE</b>	<b>\$6,039,425</b>	<b>\$4,568,554</b>	<b>(24.4%)</b>	<b>\$4,718,554</b>	<b>3.3%</b>	<b>\$4,868,554</b>	<b>3.2%</b>	<b>\$5,018,554</b>	<b>3.1%</b>	<b>\$5,168,554</b>	<b>3.0%</b>
<b>STATE</b>											
General Purpose	\$46,619,089	\$46,479,233	(0.3%)	\$46,818,682	0.7%	\$46,919,068	0.2%	\$47,336,628	0.9%	\$49,126,229	3.8%
Special Purpose	\$12,016,538	\$11,920,086		\$12,191,859		\$12,442,633		\$12,719,508		\$12,982,910	
<b>TOTAL STATE REVENUE</b>	<b>\$58,635,627</b>	<b>\$58,399,319</b>	<b>(0.4%)</b>	<b>\$59,010,540</b>	<b>1.0%</b>	<b>\$59,361,701</b>	<b>0.6%</b>	<b>\$60,056,136</b>	<b>1.2%</b>	<b>\$62,109,139</b>	<b>3.4%</b>
<b>FEDERAL</b>											
General Purpose	\$16,165	\$0	(100.0%)	\$0		\$0		\$0		\$0	
Special Purpose	\$4,363,575	\$4,363,575	0.0%	\$4,363,575	0.0%	\$4,363,575	0.0%	\$4,363,575	0.0%	\$4,363,575	0.0%
<b>TOTAL FEDERAL REVENUE</b>	<b>\$4,379,740</b>	<b>\$4,363,575</b>	<b>(0.4%)</b>	<b>\$4,363,575</b>	<b>0.0%</b>	<b>\$4,363,575</b>	<b>0.0%</b>	<b>\$4,363,575</b>	<b>0.0%</b>	<b>\$4,363,575</b>	<b>0.0%</b>
<b>OTHER</b>											
Other School Districts	\$0	\$0		\$0		\$0		\$0		\$0	
Other Entities	\$1,358,500	\$1,358,500	0.0%	\$1,358,500	0.0%	\$1,358,500	0.0%	\$1,358,500	0.0%	\$1,358,500	0.0%
Other Financing Sources	\$1,500	\$1,500	0.0%	\$1,500	0.0%	\$1,500	0.0%	\$1,500	0.0%	\$1,500	0.0%
<b>TOTAL OTHER REVENUE</b>	<b>\$1,360,000</b>	<b>\$1,360,000</b>	<b>0.0%</b>	<b>\$1,360,000</b>	<b>0.0%</b>	<b>\$1,360,000</b>	<b>0.0%</b>	<b>\$1,360,000</b>	<b>0.0%</b>	<b>\$1,360,000</b>	<b>0.0%</b>
<b>TOTAL REVENUE</b>	<b>\$70,414,792</b>	<b>\$68,691,448</b>	<b>(2.4%)</b>	<b>\$69,452,669</b>	<b>1.1%</b>	<b>\$69,953,830</b>	<b>0.7%</b>	<b>\$70,798,265</b>	<b>1.2%</b>	<b>\$73,001,268</b>	<b>3.1%</b>

**Budgeted Revenue Allocation by Source**



**Revenue Projection**

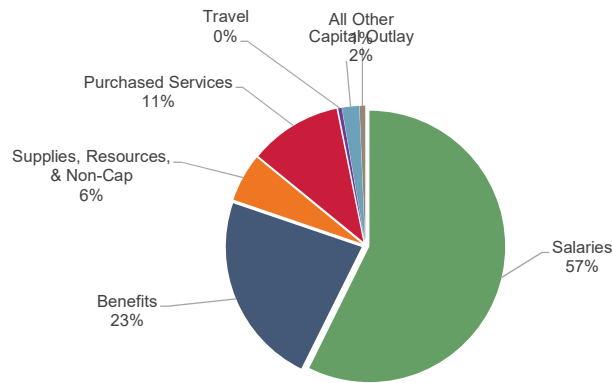


# General Fund - Expenditure Analysis

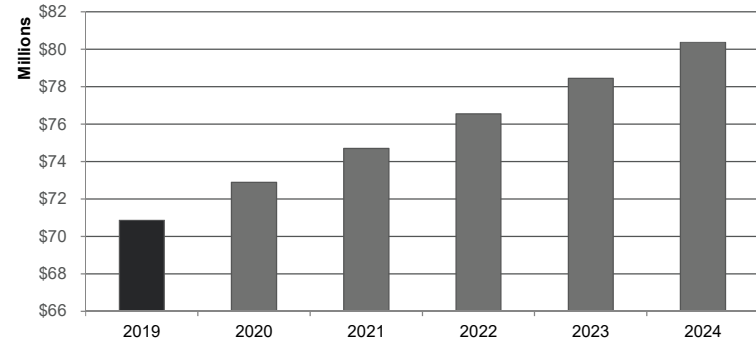
2018 Workshop Scenario\_Rolled Enroll w/updated enrollment loss

	BUDGET	EXPENDITURE PROJECTIONS									
	2019	2020	% Δ	2021	% Δ	2022	% Δ	2023	% Δ	2024	% Δ
Salaries	\$40,616,890	\$41,693,561	2.7%	\$42,798,083	2.6%	\$43,914,254	2.6%	\$45,048,889	2.6%	\$46,188,315	2.5%
Benefits	\$16,231,882	\$17,190,774	5.9%	\$17,891,193	4.1%	\$18,620,378	4.1%	\$19,381,319	4.1%	\$20,172,431	4.1%
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>\$56,848,772</b>	<b>\$58,884,335</b>	<b>3.6%</b>	<b>\$60,689,276</b>	<b>3.1%</b>	<b>\$62,534,632</b>	<b>3.0%</b>	<b>\$64,430,207</b>	<b>3.0%</b>	<b>\$66,360,746</b>	<b>3.0%</b>
Supplies, Resources, & Non-Cap	\$4,035,308	\$4,035,308	0.0%	\$4,035,308	0.0%	\$4,035,308	0.0%	\$4,035,308	0.0%	\$4,035,308	0.0%
Purchased Services	\$7,740,725	\$7,740,725	0.0%	\$7,740,725	0.0%	\$7,740,725	0.0%	\$7,740,725	0.0%	\$7,740,725	0.0%
Travel	\$304,685	\$304,685	0.0%	\$304,685	0.0%	\$304,685	0.0%	\$304,685	0.0%	\$304,685	0.0%
Capital Outlay	\$1,440,000	\$1,440,000	0.0%	\$1,440,000	0.0%	\$1,440,000	0.0%	\$1,440,000	0.0%	\$1,440,000	0.0%
All Other	\$490,000	\$490,000	0.0%	\$490,000	0.0%	\$490,000	0.0%	\$490,000	0.0%	\$490,000	0.0%
<b>TOTAL ALL OTHER</b>	<b>\$14,010,718</b>	<b>\$14,010,718</b>	<b>0.0%</b>	<b>\$14,010,718</b>	<b>0.0%</b>	<b>\$14,010,718</b>	<b>0.0%</b>	<b>\$14,010,718</b>	<b>0.0%</b>	<b>\$14,010,718</b>	<b>0.0%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$70,859,490</b>	<b>\$72,895,053</b>	<b>2.9%</b>	<b>\$74,699,994</b>	<b>2.5%</b>	<b>\$76,545,350</b>	<b>2.5%</b>	<b>\$78,440,925</b>	<b>2.5%</b>	<b>\$80,371,464</b>	<b>2.5%</b>

Budgeted Expenditure Allocation by Object



Expenditure Projection







## Kelso School District Board of Directors Budget Funding Priorities & Challenges 2019/20 Budget

- Salary/Health Benefit Open Bargains;
- Potential New State School Employee Health Benefit Plan;
- Impacts of McCleary Decision on Kelso School District -- \$4 Million Shortfall
- Additional inflationary costs increases (e.g. utilities) that exceed State MSOC increases.

Priorities/Challenges above have been identified as areas that must be addressed in the 2018/19 budget due to legislative, contractual, and programmatic decisions already made, or will likely need to be addressed due to current legislative budget discussions in Olympia.

At this point in time, it is important to recognize that without additional State funding related to salaries/benefits, particularly those monies beyond a cost-of-living-adjustment (COLA), or other non-program specific monies (discretionary or inflationary increases), the budget **WILL** require budgetary reductions in order to address line items listed above.

Therefore, it is prudent and fiscally responsible for the Kelso School District to engage in planning for potential reductions in order to sustain current operations, consider additional educational programming needs, and address employee contracts. Our decisions moving forward will largely depend upon legislative action in Olympia.

## 2019 Local Funding Work Group Priorities Required Updates to New Education Funding Policy



The *Local Funding Work Group* was established in 2014 and represents the voices of nearly 8,000 school district leaders from our state's 295 school districts. We bring a front-line understanding to the issues facing the Legislature as progress is made in revising Washington's K-12 education financing system.

Over the past several years, the Legislature has made great strides in recognizing need for greater alignment, accountability, and funding. Some work is on track, more needs to be accomplished. We appreciate that many are tired of the education funding mandate; however, a well-educated populace adds value to the lives of every citizen, to our economy, and to our future. Our students await your leadership.

To that end, we propose that these immediate priorities be acted upon by the 2019 Legislature:

➤ **Update the Prototypical School Funding Model to align with Initiative 1351**

Comprehensive student supports, and services are a clear need yet, the currently funded staffing levels are not meeting our student needs; especially for critical health, social services and safety personnel. In the 2011 transition to the Prototypical Funding model these areas were funded at low ratios to keep within targeted funding amounts, without regard to appropriate staffing levels. Since then, the need for student supports in local school districts has grown exponentially, yet the funding ratios provided for mental health professionals, counselors, and nurses have remained at the same values used in 2011.

**Here are just a few examples of the funded staffing levels Statewide that are inadequate to address the student needs within our school system:**

<b>1 Psychologist per 38,857 students</b>	<b>1 school nurse per 6,442 students</b>
<b>1 Social Worker per 15,841 students</b>	<b>1 safety staff per 5,378 students</b>

➤ **Fully Fund Legal Requirements**

We urge the Legislature to address the following financial components of education funding:

**Fund the full cost of Special Education** – Providing a free and appropriate public education for students with Individualized Education Plans is required and should not be subsidized with local levies. State funding for students with disabilities continues to be underfunded by nearly \$400 million. The special education safety net must fully support high cost programs and services.

**Fund the full cost of the School Employees Benefits Program (SEBB) Implementation:** If the State cannot afford the full cost of providing benefits to all eligible employees, the current tentative agreement should not be ratified.

**K-3 Staffing Requirements - K-3 relief:** Allow districts to meet certificated staffing ratios of 17:1 by investing in additional types of certificated staff as requested in the first bullet.

➤ **Temporarily Return to a Levy structure Based on a Percentage of State & Federal Revenues until Basic Education is Truly Fully Funded**

Inequities between districts was not solved by the now in place “property tax swap.” The current system, when using the \$1.50 per thousand rate vs. \$2,500 per student, whichever is lesser, creates significant inequities between property rich and property poor districts and fails to recognize the differences in district market costs. In addition, our communities want the opportunity to support their schools and interests through the local levies. Districts should be allowed to collect higher levies than currently constrained so that no district experiences an overall revenue shortfall. And, it is imperative, that the continued inequity this temporary fix would create be addressed by an increase in the per pupil LEA threshold. Any additional levy capacity provided must include clear limits to ensure that levy funding doesn’t get bargained away.

➤ **Address Salary Allocations and State Schedule**

Elimination of the statewide salary schedule and mix factor created significant inequities. Districts with senior staff need additional monies to support these higher costs. In addition, state funding is not adequate to cover classified and administrative salaries. In 2019, we urge the Legislature to expand and improve the experience factor set by the 2018 Legislature and to begin work on development of a future state salary allocation schedule.

➤ **Advance a constitutional amendment that would empower voters to approve school bonds by a simple majority**

These are the combined priority recommendations of the following organizations: Washington State School Directors’ Association (WSSDA), Washington Association of School Administrators (WASA), Washington Association of School Business Officials (WASBO), Washington School Personnel Association (WSPA), Alliance of Educational Associations (AEA) and Association of Washington School Principals (AWSP).

Adopted: 01/18/2019

# ESD 112 REGION SUPERINTENDENTS

# 2019 LEGISLATIVE PRIORITIES



## WE GREATLY VALUE LEGISLATIVE EFFORTS TO MAKE INVESTMENTS IN K-12 PUBLIC EDUCATION

As you know, EHB 2242 has created unintended consequences and inequities among Washington's school districts. We look forward to working together during the upcoming session to ensure equitable and sustainable funding for all school

districts. The 30 superintendents and their school boards in the ESD 112 region urge the legislature to address three priorities so we can continue to serve the best interests of all students.



## 1. FIX FUNDING INEQUITIES AMONG SCHOOL DISTRICTS

### a. Provide sustainable funding for small school districts

Of the state's 295 school districts, over two-thirds have 2,000 or fewer students. Under the new funding plan, small school districts are among those most negatively impacted due to teacher longevity, large cuts to Local Effort Assistance and reduced authority to collect local funding. In several instances, levy/LEA funding per student has been cut 60-70% because districts receiving equalization are limited to \$1,500 per student.

#### PROPOSED SOLUTIONS:

- » Reinststate small school factors into LEA funding to recognize the loss of small school factors in the current \$1,500 levy/LEA per student. (Estimated cost is less than \$15 million.)
- » Reevaluate the new formula for providing teacher experience funding, which currently allows districts to receive additional funding if experience (longevity) **AND** educational attainment (master's degrees) exceed the statewide average.
- » Allow districts to receive experience funding if it exceeds the statewide average for longevity by 15%, rather than requiring a district to exceed state averages in both categories.

### b. Evaluate and correct regionalization methodology

EBH 2242's regionalization plan forced inequities among even neighboring districts, creating teacher recruitment and retention challenges and unfairly pitting school districts against one another.

#### PROPOSED SOLUTION:

- » Modify the current methodologies used to calculate and apply factors for district regionalization funding.

### c. Support school capital facility needs

Many school districts have difficulty passing local requests for capital improvements. We urge the Legislature to invest in construction/modernization and security-related facility costs.

#### PROPOSED SOLUTIONS:

- » Advance a constitutional amendment authorizing school district bond issues to be approved with a simple majority vote.
- » Update the current formula for the Construction Cost Allowance and Student Space Allocation to reflect actual construction costs and educational space needs.

## 2. FULLY FUND SPECIAL EDUCATION

The minimal increase per student in the cost multiplier in 2018-2019 does not cover the actual cost of providing services. As the state continues to underfund special education, many districts are forced to use decreasing local levy funds to backfill the gap. It will cost \$21 million to make up the special education shortfall in the 112 region.

#### PROPOSED SOLUTIONS:

- » Increase the multiplier for each special education student.
- » Fund the safety net with state monies to lower the threshold required to attain the funding.
- » The safety net process needs to recognize regionalization factors when providing funding to districts. Higher regionalization districts will receive a disproportionate share of a fixed amount of funding.
- » The legislature could restrict the formula so districts cannot collect more than they spend on special education.

## 3. FULLY FUND THE SEBB

In the proposed plan, the state does not fund what districts actually pay for employee health benefits, creating an unfunded mandate. While we recognize the importance of providing health benefits for all employees and their families, funding is not sufficient.

#### PROPOSED SOLUTIONS:

- » Fully fund employee health benefits costs for all eligible employees.
- » If unable to fully fund employer costs, adjust eligibility criteria to reduce costs and align revenues and expenditures for the SEBB.

# OTHER PRIORITIES OF THE KELSO AND LONGVIEW SCHOOL DISTRICTS

## **1. OPPOSE REVISING THE LEVY LID BEYOND ESTABLISHED \$1.50 PER THOUSAND**

- This promises to provide property rich districts the ability to raise significantly more money per student which exacerbates the inequities already found in the system as a result of regionalization.
- Shifts the burden back to local taxpayers and away from the state which was the basis for the McCleary decision.
- Will confuse taxpayers and erode the trust taxpayers have in school districts who have assumed the \$1.50 lid in their tax projections when seeking facilities bond requests and technology and maintenance levies.

## **2. RELATIONSHIP BETWEEN STATE ASSESSMENTS AND HIGH SCHOOL GRADUATION – STATE BOARD OF ED**

If the legislature reconsiders policies related to mandatory state assessments linked to graduation, the State Board of Education supports legislation that delinks the passing of statewide assessments from graduation requirements, provided that 1) State standards in Math, English Language Arts, and Science are not diminished; 2) State assessment results are still used as part of the Washington School Improvement Framework; 3) Assessment participation rates remain a focus of emphasis consistent with the expectations of ESSA; and 4) student-level assessment results will be used to inform student course taking in subsequent terms to focus on growth and progress to achieve high school proficiency and career and college readiness.

## **3. IMPROVE SCHOOL SAFETY AND SECURITY – WASA**

School districts need to support their students and staff before – and after- a crisis occurs. Providing sufficient nurses, mental and behavioral health counselors, and school security is an effective strategy. Unfortunately, current funding does not provide sufficient staffing support for schools. WASA urges the Legislature to enhance staff allocations, with a priority of providing additional staff in the categories of Health and Social Services (including school nurses and mental health counselors), Guidance Counselors, and Student and Staff Security.





# Legislative Priorities



As leaders governing our state's public schools, the 1,477 members of the Washington State School Directors' Association (WSSDA) appreciate the challenges faced by our fellow elected officials at the state level. We greatly value the Legislature's effort to deliver on the promise to make significant investments in K-12 public education. Our young people deserve nothing less.

WSSDA remains a steadfast partner with the Legislature to:

## » Ensure student health and safety

Comprehensive safety resources to support students and schools are needed. Please:

- **Enhance funding for wrap-around support services.** Fund school nurses, social workers, counselors, mental health professionals and other support staff at nationally recommended staff-to-student ratios. Fund programs focused on social-emotional learning, digital citizenship, bullying and hazing prevention and threat assessments.
- **Establish support structures at the regional and local levels for managing school crises.** Improve coordination between schools and regional mental health providers, community partners, emergency management and law enforcement.
- **Provide for school security personnel according to local needs.**
- **Adequately fund public health research and education on firearms-related issues.**

## » Promote student success

High-quality staff who better reflect our student populations are needed, as are innovative and relevant educational pathways for students. Please:

- **Increase funding for efforts to attract, recruit and retain high-quality, diverse staff.**
- **Adopt student-centered graduation requirements.** Delink state-mandated tests from graduation and link state-mandated credit requirements with career pathways aligned with each student's goals.
- **Increase availability of quality public early childhood education programs for low income children and English learners.**

## » Increase funding model equity

2017 and 2018 education funding policies resulted in unintended consequences and inequities across districts. Please:

- **Fully fund special education.** Increase and align special education funding with districts' actual costs and update the current funding model.
- **Level the playing field for districts in budgeting and bargaining.**
  - Reestablish and fund a statewide salary schedule.
  - Modify the current methodologies used to calculate district regionalization funding.
  - Fund statewide supports to improve consistency and accuracy of information needed by districts to budget for and bargain sustainable agreements.
- **Fund school employee health care benefits.**
- **Restore access to local funding for local needs and hold districts harmless.**
  - Replace the current formula for levies with one based on a designated percentage of each school district's budget and fund Local Effort Assistance (LEA) at a minimum of 50% of the amount levied. OR, improve the current formula by raising the amount of levy authority available and increasing LEA funding to at least \$2,500 per student.
  - Formulas should protect against steep losses in levy authority due to circumstances beyond district control.

## » Invest in public school facilities

Student success requires adequate school facilities. State law stipulates that the state pay an average of half the cost of school construction. Please:

- **Revise the school construction funding formula.** State funding must recognize the real costs of building and modernizing schools.
- **Support multiple pathways for districts to access school construction funding.**
  - Advance a constitutional amendment that would empower voters to approve school bonds by a simple majority.
  - Increase ways for districts to access funding for new construction, modernization, and/or repairs or retrofits necessary for school safety, security, and class-size reductions.
- **Increase dedicated funds for school construction in addition to the Common School Trust.**