

2023-2024 Budget Considerations

The information below is a summary of the different considerations the WASD Board of Directors Budget Committee discussed while we formulated the 2023-2024 Budget.

2022-2023 Revenue/Income

- Local – \$36,170,401
- State – \$29,920,441
- Federal - \$8,247,110 (note – approx. \$6 million are one-time ESSER funds)
- Other Sources - \$56,475
- Total - \$ 74,394,427

Projected 2023-2024 Revenue/Income (without tax increase)

- Local – \$37,362,653
 - Without a tax increase, only projecting a 3.2% increase in local revenue.
 - Local tax revenue is the only portion of the three revenue streams that WASD has tangible influence over. This practically means that WASD only has control over ~47.8% of the total revenue for next year.
- State – \$32,710,600
 - Projecting a 9.03% increase. However, this has not been finalized by the state as the state budget has yet to be approved.
- Federal - \$8,107,277 (note – approx. \$6 million are one-time ESSER funds)
 - Projecting a 1.7% decrease. But note that this is the **last year** for the one-time use of ESSR funds. These funds need to be used by September 2024.
- Projected total – \$78,180,530
 - This is a projected 5.1% increase from the prior year without any tax increase.

2022-2023 Expenditures - \$74,394,427

2023-2024 Expenditures - \$79,303,496

- This is a projected 6.6% increase from last year or a total of \$4,909,069.
- Difference of \$1,122,966 between 2023-24 revenue and 2023-24 expenditures.

Budget increases of note for 2023-2024

- 5 new adds to full-time staff (HR Director, 2 WASHS Teachers, 2 police officers) – this will total \$584,000 for the new budget year.
- Increase in medical expenses totaling \$946,000 in the new budget year. Within that amount, \$144,000 of the medical increase is due to transitioning 8 support staff to full-time (including 4 special education, 1 custodian, 1 receptionist/secretary, 1 licensed practical nurse).
- \$105,000 increase for CareerTech due to increased student enrollment.
- \$267,000 increase for transportation due to inflation, special education, homeless, and external placements.

Inflation Considerations

- Current inflation is trending down around 5%, which is good. However, peak inflation last year was 9% and was around 7-8% for the majority of the past year. The 2022 inflation rate was 6.5% while the Consumer Price Index put inflation at an average of 8%.
 - This means that while inflation is coming down, it takes a while for costs to come down. As community members, we feel the effects of inflation in the goods that we might buy at the store or when we fuel up our car at the gas pump. School districts also feel the effects of inflation as the cost of goods and services has increased.
- As community members, it can be challenging to see the cost of living go up while our paychecks don't seem to keep up. WASD is experiencing a similar thing in that our projected revenue is trailing behind our expenditures given the higher inflation rate we as a country have experienced over the past year. However, we want to note that our planned 2023-2024 expenditure increase of 6.6% tracks with the 6.5% inflation rate of the past year.

Forward Looking Considerations

- ESSER Funds - One of our concerns is the fact that ESSER funds are going away next budget year. We have tried to be strategic with the use of ESSER funds to offset many of WASD's one-time budget costs. Since this funding is going away, we want to find a way to bring up our revenue base to buffer the pending drop off in Federal funding
- Preserving Fund Balance – The Board has done well over the past several years to build back up the fund balance. It is important to maintain a solid fund balance for day-to-day/monthly expenses (payroll, maintenance/supplies, etc.). A healthy fund balance allows for one-time unplanned expenditures (like the FCCTC roof or the WASHS auditorium screen) as well as the needed cash flow to meet our regular obligations throughout the year.

How do we meet the current 2023-24 difference of \$1,122,966?

- One option is to use WASD's unassigned General Fund Balance. The current unassigned General Fund balance is \$2,920,419. This option is not recommended as it would severely deplete our fund balance and would inhibit our ability to function day-to-day or meet unexpected costs.
- Tax increase – It is the Budget Committee's recommendation that the Board approve a 3.9 mil tax increase.
 - This will raise additional yearly revenue of \$1,031,241. The remaining \$91,725 budget difference will be covered by the unassigned General Fund balance and include the usage of remaining ESSER funds.
 - Approving a tax increase will help WASD maintain our fund balance as well as raise our yearly local revenue in anticipation of the ESSER funds concluding in 2024.
 - For the average homestead/farmstead homeowner – this practically means a \$73 increase next year or a 3.7% increase. This \$73 is the total increase for the whole year as this is not a monthly increase.