

Fiscal Advice



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NEWESD 101

Congratulations!!

Who am I?

- 5 years at NEWESD 101
- 4 years school district CFO
- 5 years Director of Finance, Critical Access Hospital
- 2 Superintendent transitions
- Two children – Asher(5th grade) Blakely (1st grade)



Educational Service Districts by Number	District Office	School Districts Served	Students Served 2018-19
Northeast Washington Educational Service District 101	Spokane	59	92,323
Educational Service District 105	Yakima	25	64,669
Educational Service District 112	Vancouver	30	100,692
Capital Region Educational Service District 113	Olympia	44	73,191
Olympic Educational Service District 114	Bremerton	15	47,124
Puget Sound Educational Service District 121	Renton	35	420,100
Educational Service District 123	Pasco	23	75,440
North Central Educational Service District 171	Wenatchee	29	47,145
Northwest Educational Service District 189	Anacortes	35	164,949
Total		295	1,091,873

AGENDA

1. School Fiscal Cycle
2. What should you know now
3. Prototypical Funding Model
4. Labor Negotiations
5. Levies & Bonds
6. What will be your relationship with money in your district?

Fiscal Cycle

- July: Admin contracts have been issued, budget hearings & adoption for Class 2 districts
- August: Class 1 budget hearing & adoption
- September/October: Actual vs. budget enrollment comparison
- November/December: Make adjustments to current year spending plan based on actual enrollment and begin planning for following year budget

Fiscal Cycle cont.

- January: Legislature comes into session
 - 2023 Biennial session, ends in April
 - Funding becomes actual
 - September-December funding is distributed based on budget
- February – June: Hiring and program evaluation
 - Analysis of potential legislative changes and impacts
 - Collective bargaining

What do you need to know now?

- **Current Financial Position:**

- Fund Balance – How much cash do you have?
 - Has the board adopted a target for the district? Are you meeting expectations?
 - Fund balance percentage? Days cash on hand?
 - Funds can only be spent once; what is the district's plan/strategy to spend or maintain?
 - What has your fund balance trajectory been over the last several years?
 - How do you compare to like-size districts?
 - Supplemental funding: Capital levies, bonds, grants, etc....

Current initiatives and financial commitments

- **What commitments and initiatives did you inherit?**
 - Are they based on the district goals or strategic plan?
 - Transitional kindergarten, mental health, curriculum adoptions, etc.
 - Timing can be difficult to make significant program changes, greater opportunity in next years budget cycle
 - Collective bargaining agreements; What is the annual cost and how much will they cost in future years? Multi-year agreements or upcoming negotiations?
 - Opening/Closing schools
 - ESSER Funded staff – What is the long-term plan?

Prototypical School Funding Model

- It's a complicated formula....
 - Formula factors include:
 - Varying staff/student ratios for different grade levels
 - Staff unit allocations for administrative, instructional & classified staff
 - Salaries allocations adjusted for regionalization & experience
 - Allocations for materials, supplies and operating costs (MSOC)
 - Enhanced funding for small schools
 - Enhanced funding for vocational programs (CTE & Skills Center)
 - Separate rates for ALE & Running start students

Prototypical School Funding Model example

Other School Staffing	Elementary (K–6)	Middle (7–8)	High (9–12)	Staff Type
Base Enrollment	400	432	600	Student FTE

Other School Staffing	Elementary (K–6)	Middle (7–8)	High (9–12)	Staff Type
Principals	1.253	1.353	1.880	CAS
Teacher Librarians	0.663	0.519	0.523	CIS
Guidance Counselors	0.493	1.216	2.539	CIS
School Nurses	0.076	0.060	0.096	CIS
Social Workers	0.042	0.006	0.015	CIS
Psychologists	0.017	0.002	0.007	CIS
Teaching Assistance	0.936	0.700	0.652	CLS
Office Support	2.012	2.325	3.269	CLS
Custodians	1.657	1.942	2.965	CLS
Student & Staff Safety	0.079	0.092	0.141	CLS
Parent Involvement	0.0825	-	-	CLS

Timing of Apportionment Funding

FY 2021–22 Payment Schedule—State Moneys

<u>Month</u>	<u>Final Date of Revisions * Received at OSPI</u>	<u>Date Documentation Transmitted to ESDs and SDs</u>	<u>Electronic Moneys Transfer Date</u>	<u>Apportionment Payment Percentage</u>
September 2021	20	24	September 30	9.0
October	19	25	October 29	8.0
November	16	22	November 30	5.0
December	17	23	December 30	9.0
January 2022	19	25	January 31	8.5
February	15	22	February 28	9.0
March	21	25	March 31	9.0
April	19	25	April 29	9.0
May	18	24	May 31	5.0
June	20	24	June 30	6.0
July	19	25	July 29	12.5
August	19	25	August 31	<u>10.0</u>
			TOTAL	<u>100.0</u>

Enrollment & Staffing

- Enrollment = Revenue = Staffing
 - Enrollment trend for district will dictate how you manage your district budget
 - Growing enrollment will provide fresh revenue and allow for growth without prioritization or cuts
 - Declining enrollment will lead to a more conservative financial approach and taking advantage of cost savings opportunities (retirements/attrition of staff)
- Levy funding and levy equalization are also determined based on enrollment
- Business Manager's experience and expertise can extremely helpful when the budget needs to be tightened

How is your district's staffing determined?

- As a new superintendent, know how your district is currently staffed:
 - Does your district utilize staffing ratios?
 - Community/board expectations
 - Goals, requirements, funding etc.
 - Collective bargaining agreements? (Class sizes or caseloads)
 - Ratios are the best methodology and allow for consistency across the district and prevent the squeaky wheel from getting additional resources

Labor Negotiations

- You may be coming into a settled or tumultuous labor environment
- Superintendent at the table.....maybe
- Your single largest cost is labor, typically 80-85% of your budget
- Fund with ongoing revenue, fund balance should be reserved for one-time expenditures
- The bargaining environment has changed significantly in the last 5 years
- Different environment, but the same challenge
 - Pay less people more or more people less

Levies and Bonds

- When are your current levies up for renewal?
 - What is an enrichment levy? Also known as an educational programs and operation levy.
- Do you also have a capital levy, transportation levy or bonds?
 - How can you use these other levies to take pressure off of the general fund?
- Garnering community support for bonds and levies is ongoing and always

What will your relationship be with \$\$\$ in your district?



- The answer is both at times, but in the middle most of the time and each of you over time will add programs, cut programs or reshape the districts finances.

Closing Thoughts.....

A good budget is boring and predictable.

Good luck and best wishes in your new district.

QUESTIONS?

Thank You!

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