7.1 Budget Update

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SoWashCo Schools Budget Update

At its Jan. 21, 2021 meeting, the School Board:

- Approved $9,044,644 in reductions to the General Fund budget

- Approved an increase of $290,200 to the revenue budget

- Directed Administration to seek an increase of $6.6 million in its operating levy

- Approved total adjustments in 22-23 General Fund of $7,939,177

- Approved total adjustments in 23-24 General Fund of $7,860,401
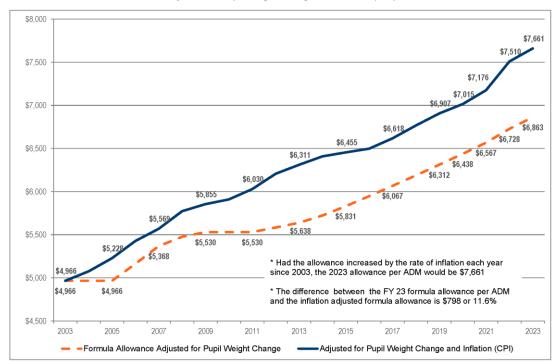
SoWashCo Schools Budget Update

- Those changes were implemented into the 2021-22 Budget

- With the changes the District was able to present a balanced budget

- The 2021-22 budget uses a projected enrollment of 18,472 students

- Projected Enrollment as of Feb 1, 2022 is 18,529 students

- An increase of 57 students

- The District is paid an average of $10,500 per student

- Revenue is affected by the amount of the basic formula

- The largest portion of the District's revenue is determined by multiplying the number of students by the basic formula

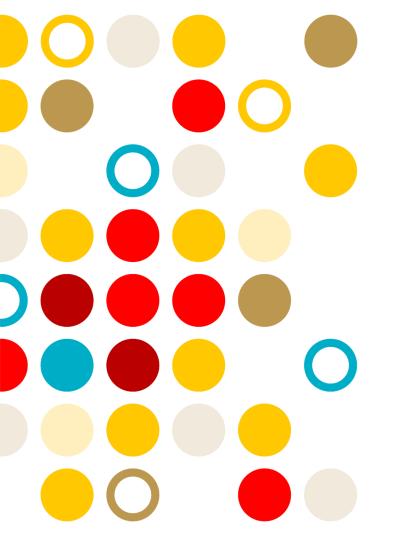# Basic General Education Formula Lags Behind Inflation

General Education Formula Allowance, 2003-2023
Adjusted for Pupil Weight Change and Inflation (CPI)

* Had the allowance increased by the rate of inflation each year since 2003, the 2023 allowance per ADM would be $7,661

* The difference between the FY 23 formula allowance per ADM and the inflation adjusted formula allowance is $798 or 11.6%

Data points (Adjusted for Pupil Weight Change and Inflation (CPI)): $4,966 · $5,228 · $5,569 · $5,855 · $6,030 · $6,311 · $6,455 · $6,618 · $6,907 · $7,015 · $7,176 · $7,510 · $7,661

Data points (Formula Allowance Adjusted for Pupil Weight Change): $4,966 · $4,966 · $5,368 · $5,530 · $5,530 · $5,638 · $5,831 · $6,067 · $6,312 · $6,438 · $6,567 · $6,728 · $6,863

Legend: Formula Allowance Adjusted for Pupil Weight Change — Adjusted for Pupil Weight Change and Inflation (CPI)
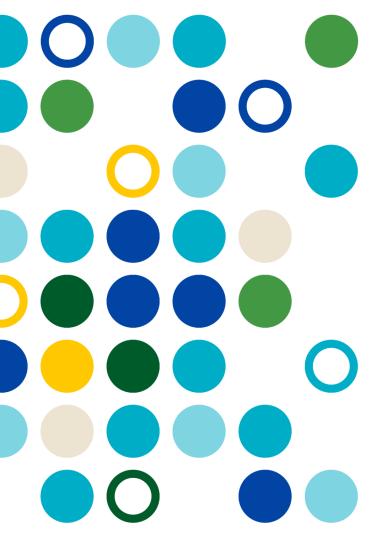
Recent Enrollment History

- The school year of 2019-20 produced the district's largest enrollment of 18,754
- The full pandemic school year of 2020-21 showed enrollment dropping to 18,502
- The drop of 1.34% was less than most metro school districts.
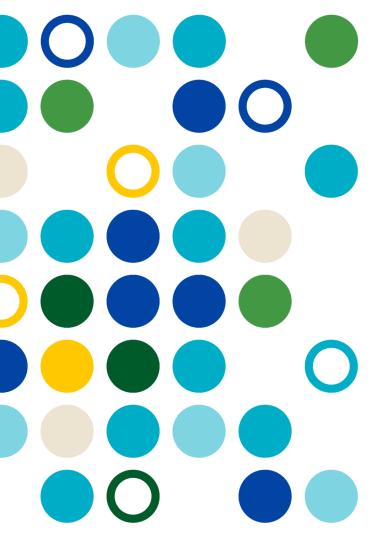- It resulted in a drop of over $2.6 million from the previous year

Financial Forecasts

- The unassigned general fund balance should hover around 7% at the end of this 2021-22
- Revenue increases in 2022-23 include:
  - Enrollment - $900,000
  - Formula - $2,727,787
  - Operating Levy Increase - $6,000,000
  - Special Education - $1,500,000
  - Equity Adjustment - ($707,000)
- About $ 10,464,000

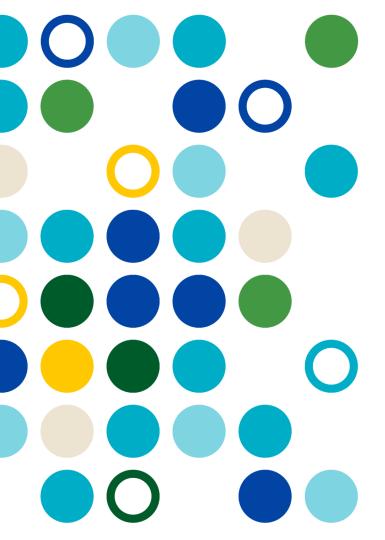# Financial Forecasts

- Expenditure Increases include:
    - Cost of Living - $ 6,420,000
    - Supplies - $ 96,140
    - Services - $ 1,661,793
                                  $ 8,177,933
- If we need to add FTE's, $100,000 per teacher
- Leaves about $2,000,000 for fund balance

Legislative Actions

- This session is not a funding session
- Surplus Available
- A few bills that may increase the formula
- 1% for SoWashCo is about $1,400,000
- The Governor has proposed an increase to the formula
- Special Education Funding is being considered
- Stay tuned

thanks!