



BUDGET PRESENTATION REGULAR BOARD MEETING

June 12, 2024

Pullman Public Schools

TODAY'S PRESENTATION **AGENDA**

- Communication Timeline
 - Collaborative Process
 - Background
 - Goals
 - Budget Action Plan
 - Adjustments
-



TIMELINE

BUDGET COMMUNICATION

- Memo to Board – March 2024
- District Finance Committee Meetings – May 15
- Meeting with Cabinet Members – May 13 & May 20
- Meeting with Union Representatives – May 14
- Meeting with District Office staff – May 17
- Meeting with Building Administrators – Weekly
- Meetings with Building Staff:
 - LMS – April 24
 - FES – May 15
 - KES – May 15
 - PHS – May 21
 - JES – May 23
 - SES – May 23
- Meetings with Athletic/Activities Directors & Secondary Principals – May



COLLABORATIVE PROCESS

- **Review budget with finance director, including state funding versus actual**
- **Review of program allocations, staffing, enrollment, and class sizes with HR director, finance director and assistant superintendent**
- **Collaborate with central office administrators and building administrators for review and input**
- **Presentations to building staff (in-person) for review and input**
- **Board Meeting Presentation – May 21, 2024**
- **Board Work Session Presentation – June 5, 2024**
- **Board Meeting Recommendations – June 12, 2024**



BACKGROUND BOARD POLICY 6000

Each year, projections for the ending fund balance will be presented to the finance committee on a quarterly or as needed basis. A minimum fund balance of 7.5% will be reserved to meet one month's payroll.

Why having a reserve is necessary?

- Don't have to borrow money to make the monthly payroll
- Cover unexpected issues such as a failed boiler and/or HVAC system
- Cover unexpected increase in materials, supplies, and operating costs





BACKGROUND

**WHY ARE WE IN
A BUDGET BIND?**

BUDGET IMPACTS		
Declining Enrollment <i>*Ridership is down an additional 50 students. We may see another decrease.</i>	2022-23 Enrollment <i>(Lost 20 FTE in June 23')</i> 2023-24 Budget 2023-24 Actual Difference Budget vs Actual Loss of Anticipated Revenue Transportation Ridership Loss*	2641.00 2650.00 2572.00 (78.00) (\$713,849) (\$266,047)
	Total Revenue Loss	(\$979,896)
Rapidly Increasing Insurance Costs	2022-23 2023-24 2024-25 Budget <i>(informed of a 30-40% increase)</i>	\$437,160 \$670,925 \$875,169
	Two Year Increase	\$438,009
Increased Assessed Valuation Decreases LEA	2025 – 12% Estimated Increase	Potential LEA revenue loss – (\$300,000)

BUDGET IMPACTS		
Rising Utilities Costs	2022-23 2023-24 2024-25 Budget <i>(Informed there will be up to 19% increase)</i>	\$1,238,063 \$1,315,031 \$1,681,572
	Two Year Increase	\$443,509
Increasing Unfunded Mandates	i.e. supplies (such as Narcan, bleed kits, etc..), audit costs, public records requests, extensive reporting requirements, data collection, green energy requirements, etc...	
Increasing Election Costs	\$26,000	
Unfunded SEBB Insurance Costs	Unfunded positions, subs and coaches who work 630 or more hours a year; required to pay mandatory dental & vision for those who waive insurance (\$1,178/month per employee or \$14,136/yr. per employee)	
Other	<ul style="list-style-type: none"> Higher fuel costs Increase in pay and benefits versus state funding 	

PROTOTYPICAL STAFFING MODEL

2024–2025 SCHOOL YEAR

STATE FUNDED FTE'S AND SALARIES VS ACTUAL

CERTIFIED <i>(Programs 01,31,& 34)</i>	FTE	Actuals
State Funding	139.72	\$9,765,876
District Staffing	149.62	\$12,600,166
Difference Funded to Actuals	(9.90)	(\$2,834,290)
ADMINISTRATORS <i>(Programs 01 & 97)</i>	FTE	Actuals
State Funding	9.99	\$1,160,146
District Staffing	14.89	\$2,338,597
Difference Funded to Actuals	(4.90)	(\$1,178,450)
CLASSIFIED <i>(Programs 01, 31, 34, & 97)</i>	FTE	Actuals
State Funding	43.11	\$2,418,611
District Staffing	68.50	\$4,630,130
Difference Funded to Actuals	(25.39)	(\$2,211,519)
Total Difference Funded to Actual	(40.19)	(\$6,224,259)

Lack of financial support from the state legislature continues to be a challenge for education.

ADDITIONAL CONTRIBUTING CONDITIONS

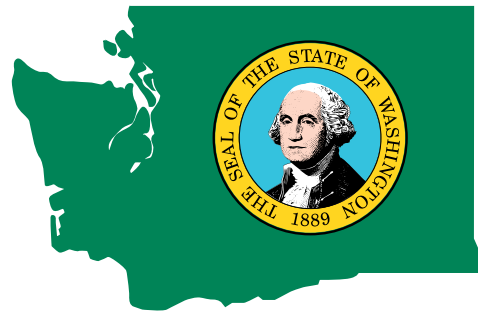
- Declining Birthrates
- WSU enrollment & hiring is down
- Expecting no growth or slight decrease in enrollment for at least two years
- Transportation funding has decreased
- This school year, there are 28,000 registered homeschoolers in Washington state, up from 20,000 in 2019, according to OSPI
- The average prototypical funding model (state apportionment) is inadequate
- Clean Building laws – must meet state energy performance standards
 - June 1, 2027 – 90,001 – 220,000 square feet
 - June 1, 2028 – 50,000 – 90,000 square feet
- Washington is no longer spending more than 50% of its budget on K-12 education. As of last year, it was only 43% of the state's general fund. It is not keeping up with inflation.



BUDGET GOALS

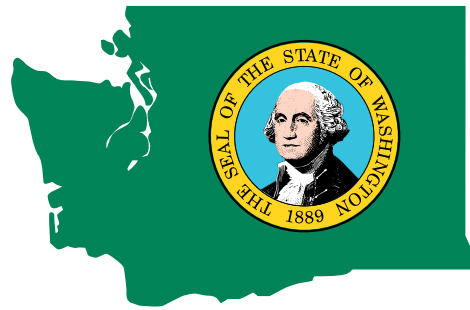
Goal 1: Avoid a Situation
Similar to Other Districts





Washington State District Impacts

- **Toppenish School District** – \$8.6 million shortfall; cutting 25 positions & additional 24 through attrition
- **Yakima School District** – \$20 million shortfall; planning to eliminate 138 staff members and programs.
- **Marysville School District** – \$18 million shortfall – in binding conditions with state
- **West Valley (Yakima) District** – Any overall staffing reductions will be made by attrition through resignation or retirement
- **Northshore School District** – facing a budget shortfall of \$26 million, voted to eliminate fifth-grade band and orchestra
- **Edmond School District** – must make \$10.6 million in cuts to the 2024-2025 budget
- **Woodland School District** – prepares for more cuts
- **Peninsula School District** – eliminated 40 full-time positions and trimmed \$12 million from its budget
- **Evergreen School District** – planning to cut \$20 million from the budget for the 2024-2025 school year
- **Vancouver School District** – \$35 million budget deficit (cutting 261 positions)
- **Blaine School District** – \$2.5 million shortfall; reducing staff
- **Central Valley School District** – Cut 35 teachers and reduced central office staff
- **Kennewick School District** – Cutting 28 positions through attrition
- **Tukwila School District** – \$4.5 million shortfall; in binding conditions with state
- **Puyallup School District** – \$14 million budget deficit
- **Renton School District** – \$11 million shortfall
- **Kelso School District** – \$1.6 million budget reductions



Washington State District Impacts

- **Battle Ground School District** – facing a \$8.5 million deficit for the 2024-25 school year
- **Washougal School District** – \$3 million shortfall; 6% reduction in certificated staff/5% in classified staff
- **Yelm School District** – planning to eliminate 200 positions or more to relieve a \$15 million deficit.
- **Sequim School District** – Facing a \$2.5 million deficit. District is in a budget and hiring freeze.
- **Franklin Pierce School District** – Considering cutting 60 full-time staff, including 41 teaching positions, due to high expenses and declining enrollment. Planning to reduce the annual budget by about \$10 million.
- **Wenatchee School District** – Closing elementary school, cutting 63 staff. Planning to reduce the annual budget by about \$9 million.
- **Seattle School District** – Facing \$100 million annual budget gap. Looking at closing 20 out of nearly 70 elementary schools.
- **Moses Lake School District** – \$20 million shortfall; Reducing 103 teachers; will cut classified and administrative staff.
- **Royal School District** – discusses reducing staff and tightening budget.
- **Mount Baker School District** – Rolled back graduation and pathway offerings; cut staffing; Binding conditions with state
- **Tacoma School District** – \$15 million shortfall; proposed elimination of career-guidance counselors
- **Prescott in Walla Walla** – Closed preschool program & cut librarian; binding conditions with state
- **Mt. Vernon School District** – Cut 14 HS teaching positions; Music program feels effects of budget cuts



BUDGET GOALS

Goal 2: Maintain a Balanced Budget with a 7.5% Reserve



GOAL 2

MAINTAIN A BALANCED BUDGET WITH A 7.5% RESERVE

- **Financial Stability:** Ensures we can meet our financial obligations without relying on external borrowing or emergency funding.
- **Emergency Preparedness:** Provides a cushion for unexpected expenses or revenue shortfalls.
- **Operational Continuity:** Ensuring necessary services and operations can continue uninterrupted, even during financial challenges.
- **Long-term Planning:** Facilitates strategic planning and investment in future projects or improvements without financial strain.
- **Community Confidence:** Builds trust and confidence among stakeholders, demonstrating practical financial management.



BUDGET GOALS

Goal 3: Minimize Classroom Impact



GOAL 3

MINIMIZE CLASSROOM IMPACT

- **Prioritize Instruction:** Focus budget adjustments on non-instructional areas.
- **Manage Class Sizes:** Maintain effective learning environments.
- **Preserve Essential Programs:** Extracurricular activities, special education, and enrichment programs
- **Implement Cost-saving Measures:** Introduce energy-saving initiatives and cost saving strategies.



BUDGET ACTION PLAN

Collaborative Ideas: Encouraging all staff to submit cost saving ideas and suggestions for consideration

BUDGET ACTION PLAN | STAFFING

- **Administrator Reduction:** Reduce and consolidate administrator positions
- **Staff Reduction:** Utilize attrition (retirements & resignations) as much as possible
- **Staffing Allocations:** Adjust as needed within program parameters

	2023–24 FTE	2024–25 FTE	Decrease	% Decrease
Administrators	17.4923	15.0346	2.4577	14.05%
Certified	192.0521	183.8790	8.1731	4.26%
Classified	109.5555	107.1789	2.3767	2.17%
TOSA's	4.2194	1.6111	2.6083	61.82%

BUDGET ACTION PLAN | BUDGET ADJUSTMENTS

Professional Development: Reduce professional development expenses by a minimum of 10%. PD will be based on need and program requirements.	\$16,836
Surveys: CEE and Life Track	\$19,176
Athletics & Co-Curricular Activities: Achieve savings through the attrition of coaches and advisors, limit paid advisors per building based on student to school ratio, reduce travel and officials' costs, and the reduction of non-Title IX activities such as PHS winter cheer and LMS tennis. A reduction goal of at least 10%.	\$100,000
Summer Work Crews: Maintenance & Technology	\$50,000
Reducing building budgets by up to 12%	\$40,533
Water and Electric Conservation: A minimum reduction goal of 10%	\$200,000
Summer school staff deduction	\$10,000
Eliminating vacation buyback for administrators	\$100,000
Replace postage costs by utilizing digital communication resources	\$12,000
Adjust LMS schedule from a 7-period day to a 6-period day	\$240,182

BUDGET ACTION PLAN

ADDITIONAL BUDGET ADJUSTMENTS

- Postpone gym floor refinishing for a year except for PHS main gym (sufficient floor finish in inventory).
- Postpone PHS tennis court repairs & resurfacing – \$53,000

SCHEDULE ADJUSTMENT LINCOLN MIDDLE SCHOOL



2023-2024		
Grades 6-8		
1 st Period	English	45 minutes
2 nd Period	English/Math	Periods are 45 minutes. English and Math share a total of 135 minutes in the current schedule.
3 rd Period	Math	45 minutes
4 th Period	Social Studies	45 minutes
5 th Period	Science	45 minutes
6 th Period	PE	45 minutes
7 th Period	Elective	45 minutes
Total Minutes	315 minutes	

2024-2025					
Period	6 th Grade	7 th Grade	8 th Grade	Time	Minutes
1 st	English	English	English	8:25am-9:20am	55 minutes
2 nd	Math	Math	Math	9:25am-10:19am	54 minutes
3 rd	Social Studies Computer Apps	Social Studies	Social Studies	10:24am-11:19am	55 minutes
1 st Lunch				11:24am-11:54am	30 minutes
4 th	Science	Science	Science	A: 11:24am-12:17pm B: 11:59am-12:52pm	53 minutes
2 nd Lunch				12:22pm-12:52pm	30 minutes
5 th	PE/Art	PE	PE	12:57pm-1:51pm	54 minutes
6 th	Music Elective	Elective	Elective	1:56pm-2:50pm	54 minutes
Total Minutes	325 minutes				

BUDGET ACTION PLAN | BUDGET ADJUSTMENTS

FEE INCREASES

- Estimated revenue
 - Increase facilities use fees to align with other like size districts to help offset utility and insurance increases
 - Increase Chromebook Protection Plan (CPP) fees from \$5 to \$10
 - Increase ASB card fees to align with other like size districts
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- *Option:* LMS intramural fundraisers or Booster support
 - *Option:* Pullman Education Foundation (PEF) fund intramural sports



END OF PRESENTATION.

JUNE 12, 2024 | REGULAR BOARD MEETING