

## BUDGET ADVISORY TASK FORCE MEETING



November 13, 2024

Dr. Chrys Sweeting, Superintendent

Gina Zeutenhorst, Executive Director of Financial Services

1

1

## Agenda

- |           |   |
|-----------|---|
| 6:00-6:05 | Welcome & Introductions                                 |
| 6:05-6:15 | Post Middle School Capital Levy Update                  |
| 6:15-6:30 | Year-End 2023-24  |
| 6:40-6:55 | Your Thoughts About the Post Middle School Capital Levy |
| 6:55-7:00 | Wrap-Up & Closing                                       |

2

2



## Budget Advisory Task Force

- Mary Andersen – Community Member, Parent
- Xander Andersen – Student, Post MS
- Jackson Bauer – Student, Haller MS
- Rafael Carranza – Community Member, Parent
- Erika Coghill – Community Member, Parent
- Mike Cross – Community Member, Parent
- Darlene Fulfs – APS Classified Staff – Bus Driver
- Angie Hansen – APS Principal Representative
- Scott Hodgson – Community Member, Parent
- Nanci Johnson – APS PSE President/Nurse Staff
- Matt Jurick – APS Director of Technology
- Michelle Kinney – APS Classified Staff - Fiscal Secretary
- Jason Klein – APS AEA President/Teacher
- Britt Kleinman – Community/ACE Chair, Parent
- Verlaine Meyers – APS Certificated Staff - Teacher
- Virginia Muniz – APS Classified Staff - Librarian
- Nathan Nichols – Student, Arlington High School
- Courtney Normand – Community Member, Parent
- Baile O'Brien Linklater – Student, Arlington High School
- Trent Olson – Community Member, Parent
- Erica Rose – Community Member, Parent
- Marc Rosson – Community Member, Former School Board Member
- Rebecca Sahlin Lyons – Community Member, Parent
- Chad Schmidt – Community Member, Parent
- Chrys Sweeting – APS Superintendent
- Elena Twitchell – Student, Arlington High School
- Maegan Voorhies-Oestreich – Community Member, Parent
- Jamie Wilson – APS AEA Representative/Teacher
- Gina Zeutenhorst – APS Executive Director of Financial Services

3

3



## Post Middle School Capital Levy



**EDUCATE PREPARE INSPIRE**

*November 2024 Capital Levy to Replace Post Middle School*

**ARLINGTON PUBLIC SCHOOLS**

4

4



## Post Middle School Capital Levy

- Unofficial results per Snohomish County
- <https://snohomishcountywa.gov/DocumentCenter/View/126685>

Unofficial Results		Page: 1 of 9
Snohomish County, GENERAL 2024, Nov 05, 2024		2024-11-11
All Precincts, All Districts, All Counter Groups, All ScanStations, All Contests, All Boxes		16:52:40
Total Ballots Cast: 416204, Registered Voters: 531402, Overall Turnout: 78.32%		Next Update:
		Nov. 12, 2024@
		5PM

Arlington School District No. 16 Proposition No. 1 (Vote for 1)		
<b>19180 ballots (23 over voted ballots, 23 overvotes, 1432 undervotes), 24438 registered voters, turnout 78.48%</b>		
Levy Yes	8355	47.14%
Levy No	9370	52.86%
Total	17725	100.00%
Overvotes	23	
Undervotes	1432	



## 2023-24 Fiscal Year End





## 2023-24 Fiscal Report Overview

- State required financial format: F-196
  - Fiscal year runs from Sept 1 – Aug 31
  - Summary of General Fund
  - Summary of Other Funds
- ✓ Associated Student Body (ASB), Debt Service, Capital Projects, and Transportation Vehicle



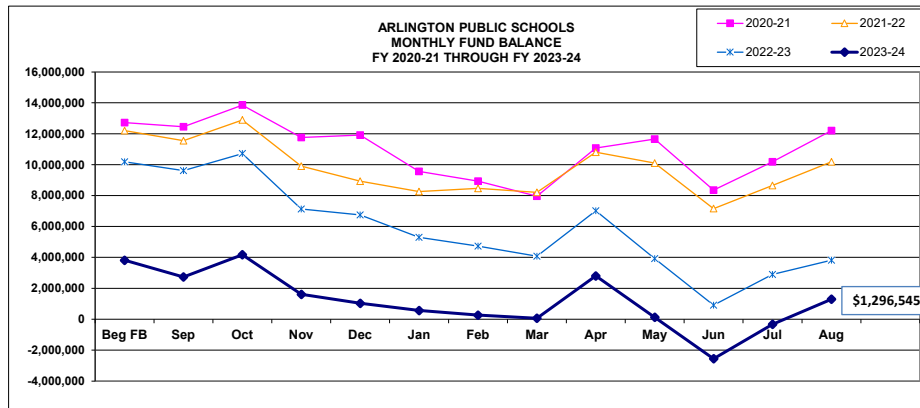
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## Fund Balance Trend

- Ending fund balance for 2023-24 is: \$1.29 million



- As of August 2024 – General Fund has fully paid back all interfund loans to Capital Projects, plus interest of approximately \$15,000.

8

8



## Past Conditions Around Beginning & Ending Fund Balance Trend

- Pandemic induced federal and state aid were ceasing
- Enrollment was recovering more slowly than hoped
- The district continued providing high levels of services/staffing, many of which were previously bolstered by federal/state aid
- Board directed fund balance be used as 'rainy-day-one-time-funds' to continue mitigating impacts and accelerating learning, even as costs were rising, rather than reducing staff for 2022-23
- Estimated using roughly half of reserves by the end of 2022-23
- State funding models continue to lead to funding gaps
- Budget reductions were implemented for 2023-24 & 2024-25



9

9



## General Fund - Summary

### Summary of revenues, expenditures & fund balance

General Fund Summary	2022-23 Actual	2023-24 Budget	2023-24 Actual	\$ Difference	% Diff
Beginning Fund Balance	10,181,668	6,020,000	3,817,382	XXXXX	XXXXX
Revenues & Other Financing Sources	88,286,399	96,708,309	95,412,794	-1,295,515	-1.36%
Expenditures	94,650,685	99,367,830	97,933,631	1,434,199	1.46%
<b>Ending Fund Balance</b>	<b>3,817,382</b>	<b>3,360,479</b>	<b>1,296,545</b>	XXXXX	XXXXX
Fund Balance Decrease	-6,364,286		-2,520,837		

- Expenditures were budgeted to exceed revenues
- Ending fund balance decreased \$2.5 million
- Reductions spread across 2023-24 and 2024-25 allowed for the impact to have a softer landing

10

10



## General Fund Revenues

- Revenues by major category

General Fund Revenues	2022-23 Actual	2023-24 Budget	2023-24 Actual	\$ Difference	% Diff
Local Taxes	9,295,722	9,631,730	9,574,320	-57,410	-0.60%
Local Non-Tax	1,670,737	2,049,800	1,803,347	-246,453	-13.67%
State General	55,966,971	56,798,428	58,272,170	1,473,742	2.53%
State Special Purpose	15,375,324	17,446,775	18,979,125	1,532,350	8.07%
Federal General Purpose	12,922	14,000	13,458	-542	-4%
Federal Special Purpose	5,038,443	4,058,474	4,322,362	263,888	6.11%
Other Revenues	926,280	6,709,102	2,448,012	-4,261,090	-174%
<b>Total Revenues</b>	<b>88,286,399</b>	<b>96,708,309</b>	<b>95,412,794</b>	<b>-1,295,515</b>	<b>-1.36%</b>

- Other Revenues – GASB Lease/Accounting Entries

11

11

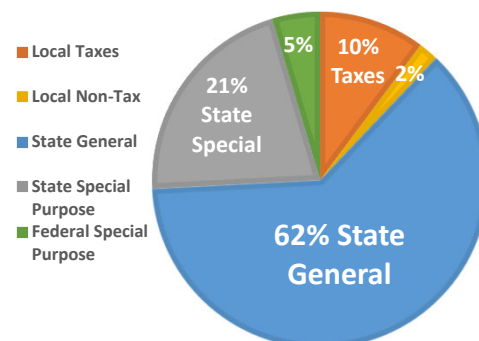


## General Fund Revenues

### Revenue Actual 2023-24

- State general (62%) and special (21%) dollars fund 83% of district programs
- Local taxes support 10%
- Local nontax and other funds 2%
- Federal dollars fund 5%

2023-2024 REVENUE BY MAJOR SOURCE



12

12



## General Fund Revenues

### Areas where revenues were more than planned:

- State General Revenues \$58.2 M
- 2023-24 AAFTE 5,423
  - 109 student FTE more than planned
  - 60 student FTE more than the prior year
- AAFTE – Annual Average Full Time Equivalent, the measure that drives funding levels of basic state apportionment



13

13



## General Fund Revenues

### Areas where revenues were more than planned:

- State Special Purpose Revenues \$18.9 M
  - State, Special Education Funds: \$1.3 million more (Special Education student enrollment increase and Safety Net)
  - State, Other Special Purpose Funds:
    - \$197,000 Transportation Program
    - \$104,000 Outdoor Education Funds



14

14



## General Fund - expenditures

### State Accounting Manual - expenditures codes



By Program, Activity, Object, Location, Subfund

15

15



## General Fund – expenditures

The State regulates/standardizes school district coding

### Expenditures by:

- Program (Basic ed, special ed, CTE, support services)
- Activity (Teaching, Principals, Supervision)
- Object (Salaries, benefits, supplies, equip)
- Location (Instructional & non-instructional)
- Sub-fund (State/other, Levy/other)

16

16





## General Fund - expenditures

- Expenditures by program summary

General Fund Expenditures by Program	2022-23 Actual	2023-24 Budget	2023-24 Actual	\$ Difference	% Diff
Regular Instruction	53,328,340	52,449,561	52,115,844	333,717	0.64%
Federal Special Purpose	546,196	126,251	110,179	16,072	14.59%
State Special Education	13,739,773	13,278,196	15,430,823	-2,152,627	-13.95%
Federal Special Education	1,410,719	1,365,576	1,222,098	143,478	11.74%
Career & Technical Ed	3,730,774	3,847,934	4,276,587	-428,653	-10.02%
Compensatory (Title/LAP)	3,411,297	3,675,526	3,729,241	-53,715	-1.44%
Other Instructional Prgms	558,358	1,509,635	642,382	867,253	135.01%
Community Services	873,994	820,325	821,676	-1,351	-0.16%
Support Services	17,051,234	22,294,826	19,584,801	2,710,025	13.84%
<b>Total Expenditures</b>	<b>94,650,685</b>	<b>99,367,830</b>	<b>97,933,631</b>	<b>1,434,199</b>	<b>1.46%</b>

- Support Services includes GASB Lease Accounting Entries

17

17



## General Fund - expenditures

- Regular Instruction – Includes basic education, alternative learning experience and open doors programs
- Federal Special Purpose – Includes federal ECEAP pre-school grant
- Compensatory Programs – Includes Title 1, LAP, limited English proficiency, transitional bi-lingual, student support advocate program, and other uniquely targeted state or federal programs
- Other Instructional Programs – Includes summer school, traffic safety, highly capable, youth training programs (ROTC), and other instructional programs
- Community Services – Includes Early Childhood Education Assistance Program (ECEAP) - Apple preschool, community services program for facility rentals
- Support services includes – Includes child/nutrition services, student transportation program, and other departments that provide district-wide support such as board of directors, superintendent, business office, human resources, public relations/communications office, curriculum support, information systems technology, building systems/security, utilities/insurance, maintenance, custodial, grounds, and more.

18

18



## General Fund - expenditures

- Expenditures by activity summary

General Fund Expenditures by Activity	2022-23 Actual	2023-24 Budget	2022-23 Actual	\$ Difference	% Diff
Teaching & Support	68,000,791	67,951,135	69,045,582	-1,094,447	-1.59%
School Administration	6,548,792	6,509,517	6,533,534	-24,017	-0.37%
Central Administration	6,761,307	6,762,049	6,630,837	131,212	1.98%
Other Support Activities	13,339,795	18,145,129	15,723,678	2,421,451	15.40%
<b>Total Expend by Activity</b>	<b>94,650,685</b>	<b>99,367,830</b>	<b>97,933,631</b>	<b>1,434,199</b>	<b>1.46%</b>

- Teaching & Support

- K-3 ratio compliance – decision to hire additional staff at the K-3 grade level near the beginning of 2023-24
- Special Education required services - needed additional staff both certificated and classified to meet those services

19

19



## General Fund - expenditures

- Teaching and support activities include – teaching, extra-curricular, health services, learning resources, guidance/counseling, instructional professional development, instructional technology, curriculum, etc
- Central administration includes – board of directors, superintendent, business office, human resources, public relations, instructional supervision, supervision of food services, supervision of transportation, supervision of maintenance and more
- Other support activities includes – food services operations, maintenance, custodial & grounds operations, transportation operations, information systems, utilities, security, insurance and more

20

20



## General Fund - expenditures

- Expenditures by object summary

General Fund Expenditures by object	2022-23 Actual	2023-24 Budget	2023-24 Actual	\$ Difference	% Diff
Certificated Salaries	45,011,174	45,911,985	46,706,339	-794,354	-1.70%
Classified Salaries	16,484,602	16,732,506	17,436,663	-704,157	-4.04%
Employee Benefits	22,089,887	20,502,096	20,780,567	-278,471	-1.34%
Supplies/Materials	3,784,781	4,210,143	3,404,851	805,292	23.65%
Purchased Services	6,961,901	6,937,439	7,757,657	-820,218	-10.57%
Travel	80,165	49,661	88,156	-38,495	-43.67%
Capital Outlay	238,175	5,024,000	1,759,398	3,264,602	185.55%
<b>Total Expend by Object</b>	<b>94,650,685</b>	<b>99,367,830</b>	<b>97,933,631</b>	<b>1,434,199</b>	<b>1.46%</b>

21

21



## General Fund – expenditures

- Expenditures by location

General Fund Expenditures by location	2021-22 Actual	2022-23 Actual	2023-24 Actual	\$ Incr/-Decr	% of total
Arlington High School	21,692,916	22,146,098	21,693,668	-452,430	22.2%
Arlington Open Doors	176,044	150,793	267,136	116,343	0.3%
Eagle Creek Elementary	8,995,876	9,743,545	10,391,494	647,949	10.6%
Haller Middle School	7,030,443	7,443,017	7,608,237	165,220	7.8%
Kent Prairie Elementary	8,508,941	8,802,206	9,546,339	744,133	9.7%
Pioneer Elementary	7,728,571	8,138,712	8,961,139	822,427	9.2%
Post Middle School	7,912,409	8,297,331	8,471,044	173,713	8.6%
Presidents Elementary	8,820,238	9,212,734	9,600,692	387,958	9.8%
Stillaguamish Valley Lrng Center	1,166,002	1,619,051	1,852,108	233,057	1.9%
Weston High School	2,610,212	3,191,638	3,166,096	-25,542	3.2%
<b>Total Instructional Locations</b>	<b>74,641,652</b>	<b>78,745,125</b>	<b>81,557,953</b>	<b>2,812,828</b>	<b>83.3%</b>
<b>Total Non-Instructional Locations</b>	<b>16,303,509</b>	<b>15,905,561</b>	<b>16,375,678</b>	<b>470,117</b>	<b>16.7%</b>
<b>Total Expenditures All Locations</b>	<b>90,945,161</b>	<b>94,650,686</b>	<b>97,933,631</b>	<b>3,282,945</b>	<b>100.0%</b>

22

22



## General Fund – subfund summary

- Subfund 10 – State and other funding
- Subfund 11 – Levy and other funds (enrichment)

General Fund Summary	2023-24 Sub-Fund 10	2023-24 Sub-Fund 11	2023-24 Total
Beginning Fund Balance	910,726	2,906,656	3,817,382
Revenues & Other Financing Sources	82,308,281	13,104,513	95,412,794
Expenditures	82,255,798	15,677,833	97,933,631
<b>Ending Fund Balance</b>	<b>963,209</b>	<b>333,336</b>	<b>1,296,545</b>

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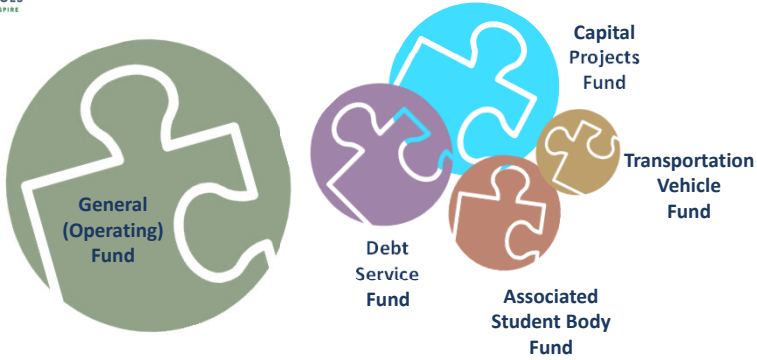
## General Fund - expenditures

### SUBFUND – Enrichment \$15.6 million

- Additional certificated staff (\$1.755M) and classified staff (518K): \$2.273M
- Instructional compensation, TRI (\$3.8M), stipends (\$51K), substitute teachers (\$386K): \$4.237M
- Staff compensation (cert/class) for vacation & personal leave buy back, & extended days: \$569K
- Classroom overload compensation - contracted pay: \$265K
- Extracurricular activities/athletic: \$979K
- Nursing staff and supplies \$793K, + ADA and 504 plan costs
- Mental health counselor contract: \$38K
- School resource officer, campus security, emergency prep & safety: \$296K
- Technology staff, software, licenses, equipment: \$1.023M
- Curriculum software and instructional materials \$147K
- Field trips, donations (instructional, PTA, AEF), fundraisers \$260K
- Teacher, PSE professional development, & membership funds \$83K
- Traffic safety \$98K, summer school \$25K
- Day care program 88 Apple Preschool (ECEAP program) \$599K
- Community services program 89 (BPAC) \$223K
- Additional grounds, custodians, maintenance, operations staff costs \$946K
- Equipment, operational software, interfund loan interest (\$15K), other misc \$134K
- Leases for buildings, vans, copiers, software (GASB accounting entries) \$2.12M
- Child and nutrition services meal program deficit \$303K
- Transportation contracts with outside agencies, vans, bus repairs \$262K

24

24

General (Operating) Fund

Debt Service Fund

Capital Projects Fund

Transportation Vehicle Fund

Associated Student Body Fund

Associated Student Body (ASB), Debt Service, Capital Projects, and Transportation Vehicle

## OTHER FUNDS

25

25



## Associated Student Body Fund

Cultural-Athletic-Recreational and Social (C-A-R-S)

Student Government



26

26



## Associated Student Body (ASB) -summary

- Funds support student activities and athletics

Associated Student Body (ASB) Fund	2022-23 Actual	2023-24 Budget	2023-24 Actual	\$ Difference	% Diff
Beginning Fund Balance	773,604	775,000	836,373	XXXXX	XXXXX
Revenues	788,359	1,248,455	884,640	-363,815	-29.1%
Expenditures	725,590	1,333,581	770,371	563,210	42.2%
<b>Ending Fund Balance</b>	<b>836,373</b>	<b>689,874</b>	<b>950,642</b>	<b>260,768</b>	<b>37.8%</b>

27

27



## Debt Service Fund



28

28



## Debt Service - summary

- Debt service fund is used solely for principal, interest and other bond costs

Debt Service Fund	2022-23 Actual	2023-24 Budget	2023-24 Actual	\$ Difference	% Diff
Beginning Fund Balance	1,092,972	1,103,268	1,104,913	XXXXX	XXXXX
Revenues	12,281	0	1,112	1,112	0.0%
Expenditures	4,768,667	4,771,660	4,767,060	4,600	0.1%
Transfers In (from Capital & Tran Veh)	4,768,327	4,766,660	4,766,660	0	0.0%
<b>Ending Fund Balance</b>	<b>1,104,913</b>	<b>1,098,268</b>	<b>1,105,625</b>	<b>7,357</b>	<b>0.7%</b>

29

29



30

30



## Capital Projects Fund - summary

- Funds support building construction, major capital repairs and improvements

Capital Projects Fund	2022-23 Actual	2023-24 Budget	2023-24 Actual	\$ Difference	% Diff
Beginning Fund Balance	8,969,581	5,989,472	4,865,756	XXXXX	XXXXX
Revenues & Other Financing Sources	6,729,982	6,782,758	7,099,368	316,610	4.7%
Expenditures	6,178,882	6,282,647	5,019,034	1,263,613	20.1%
Transfers Out (to Debt Svc Fund)	4,654,925	4,672,140	4,672,140	0	0.0%
<b>Ending Fund Balance</b>	<b>4,865,756</b>	<b>1,817,443</b>	<b>2,273,950</b>	<b>456,507</b>	<b>25.1%</b>

31

31



## Capital Projects Fund - summary

- Highlights of major projects during 2023-24
  - ✓ Pioneer – Roof, building envelope improvements, boiler
  - ✓ Eagle Creek – Portables, HVAC, Kitchen Floor
  - ✓ Kent Prairie – site access improvements, student drop-off
  - ✓ Stillaguamish Learning Center – Roof, floor
  - ✓ District Network Improvements
  - ✓ Finishing up last of construction details from projects that were part of the 2020-2024 Capital Levy
    - ✓ District-wide safety and security improvements
    - ✓ HVAC improvements at multiple school buildings

32

32





33

33

## Transportation Vehicle Fund (TVF)

- TVF - purchase and replacement of school buses

Transportation Vehicle Fund	2022-23 Actual	2023-24 Budget	2023-24 Actual	\$ Difference	% Diff
Beginning Fund Balance	689,365	1,197,935	1,198,775	XXXXX	XXXXX
Revenues & Other Financing Sources	625,402	543,480	694,836	151,356	27.8%
Expenditures	0	1,615,000	595,247	1,019,753	63.1%
Transfers In (from Gen Fund)	0	0	0	0	0.0%
Transfers Out (to Debt Svc)	115,992	115,942	115,942	0	0.0%
<b>Ending Fund Balance</b>	<b>1,198,775</b>	<b>10,473</b>	<b>1,182,422</b>	<b>1,171,949</b>	<b>XXXXX</b>

- Purchased 3 buses in 2023-24



34

34



## What's Next?

- The Washington State Auditors Office (SAO) will perform an audit of our F196 - Financial Statements and federal grant programs, starting sometime in Feb/March



35

35



## Multi-Year Look Fund Balance Level

- Fund balance to creep upwards by end of 2024-25, but as in 2023-24 is at critical low point to start

General Fund Summary Multi-Year	Proposed Budget 2024-25	Working Forecast 2025-26	Working Forecast 2026-27	Working Forecast 2027-28
Beginning Fund Balance	1,157,000	2,644,000	3,577,000	4,219,000
Revenues	105,468,000	109,186,000	112,579,000	115,661,000
Expenditures	103,981,000	108,253,000	111,937,000	115,649,000
<b>Ending Fund Balance</b>	<b>2,644,000</b>	<b>3,577,000</b>	<b>4,219,000</b>	<b>4,231,000</b>

Board Adopted Budget August 12, 2024

- Changes made last year and for 2024-25
- Continue to hold costs down and maximize revenues



36

36



## Board Legislative Priorities

- Leg Session scheduled to go until end of April
- Legislative Priorities
  - SPED funding
  - Transportation funding
  - MSOC funding (Materials, Supplies, & Other Costs)



37

37



## Next Meetings for BATF

To be held on Zoom:

- Jan. 21, 2025
- Feb. 25, 2025
- Mar. 18, 2025
- April 15, 2025



38

38



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Questions?



39