

BUDGET ADVISORY TASK FORCE MEETING



January 21, 2025

Dr. Chrys Sweeting, Superintendent

Gina Zeutenhorst, Executive Director of Financial Services

Brian Lewis, Executive Director of Operations

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Agenda

- | | |
|-----------|---------------------------------|
| 6:00-6:05 | Welcome & Introductions |
| 6:05-6:20 | Post MS Capital Levy Next Steps |
| 6:20-6:35 | 2025-26 Enrollment |
| 6:35-6:55 | 2025-26 Budget Timeline |
| | Current Fund Balance Status |
| 6:55-7:00 | Wrap-Up & Closing |



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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

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Post MS Capital Levy Next Steps



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2025 Capital Levy

REVISED PROPOSAL

February 11, 2025 Special Election

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We listened to our community.

A revised February Post Middle School replacement proposal for a lower amount (\$6 million less)

After the November 2024 capital levy failed, Arlington School District surveyed families, staff, students, and community members. The majority of respondents supported running the local levy again but at a reduced cost.

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Post Middle School needs to be replaced.

The deteriorating running track poses safety issues

Originally constructed more than four decades ago, Post Middle School has reached the end of its useful life. Even with routine maintenance over the years, the facility has so many problems that it is cheaper to replace the structure than to renovate it.



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Post Middle School building issues

- Does not meet modern safety and security standards, with multiple points of entry and unsecured, outdoor walkways.
- It has been cited several times for high carbon dioxide levels in some classrooms due to a defunct heating system

The school has received multiple health code citations for air quality issues in classrooms.



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Post Middle School grounds issues

- Outdoor corridors frequently flood, making walkways impassable and creating safety hazards
- School has traffic flow issues with cars and buses combined



The flooded courtyard during heavy rain is unsafe for students and staff

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A cost-effective solution

Rebuilding is the most cost-effective option to resolve the significant issues at Post Middle School.

Renovating would cost more than building new—and would still leave unresolved safety issues, like unsecured school entry points and passageways subject to flooding.

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Reduced cost for homeowners

Under the new proposal, **the cost to taxpayers to replace Post Middle School is nearly \$6 million less than the previous proposal.** This reduction amounts to a savings of roughly \$125 per year for the owner of a \$500,000 home.


The 6-year levy is estimated to cost the owner of a \$500k home about \$54/month.

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We are eligible for \$25 million in state match funds


Thanks to recent legislation, Arlington is eligible for an estimated \$25 million in state funding for this project—up from only \$5 million when we requested a bond last February.



This \$25 million in state match funding is only available if the capital levy passes.

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Enrollment Preview 2025-2026 School Year

- Definitions
- Factors that influence enrollment
- Methodology
- Current Projection

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Enrollment Preview 2025-2026 School Year

- Average Annual Full Time Equivalency (AAFTE)
 - The average of a student's enrollment in each of the 10 month period from September to June of each school year.
 - The measurement used by the state of Washington to determine a school's eligibility for basic education and other forms of state funding.
- Headcount
 - A total number of people
 - Headcount may not directly correspond to FTE because a student may only be enrolled to attend parts of a day

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Enrollment Preview 2025-2026 School Year

- Definitions
 - Full Time Equivalent (FTE)-WAC 392-121-122
 - "...full-time equivalent student" means each enrolled student in the school district or charter school as of one of the enrollment count dates for at least the minimum number of hours set forth in subsection (1) of this section...beginning with the 2018-2019 school year, the minimum hours for all grades are 27 hours and 45 minutes each week...or 5 hours and 33 minutes for each scheduled school day."

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Enrollment Preview 2025-2026 School Year

- Factors that influence enrollment
 - Births
 - Transitions
 - Construction
 - Mobility
 - Withdrawal from school
 - Pandemic

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Enrollment Preview 2025-2026 School Year

- Transitions
 - Cohort movement from one grade level to the next
 - Non-linear relationship between some transitions
 - K to 1st grade: transition factor of 1.074 applies when using weighted average methodology
 - 8th grade to 9th grade: transition factor 1.09 applies when using weighted average methodology

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Enrollment Preview 2025-2026 School Year

- Methodology
 - April Rollup
 - Current year projected April K-11 AAFTE rolled up to next grade with K enrollment based on birth data.
 - Does not take into account transitions between grades K-1 and grades 8-9 or changes in enrollment that occur across months.
 - Weighted Historical Average
 - Similar to cohort survival but looks at longer range trends in data to project changes in population as students transition between grades with K enrollment based on birth data.
 - OSPI Cohort Survival
 - Rollup of current students to next year grade level using prior year population changes to predict next year and future years' population.
 - Most sensitive to recent events, may misrepresent longer term trends.

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Enrollment Preview 2025-2026 School Year

- Volatility- a tendency to change quickly and unpredictably.
- Conservative-A **conservative estimate** is one that is cautious to avoid excess in approximating the quantity, degree, or worth of something.

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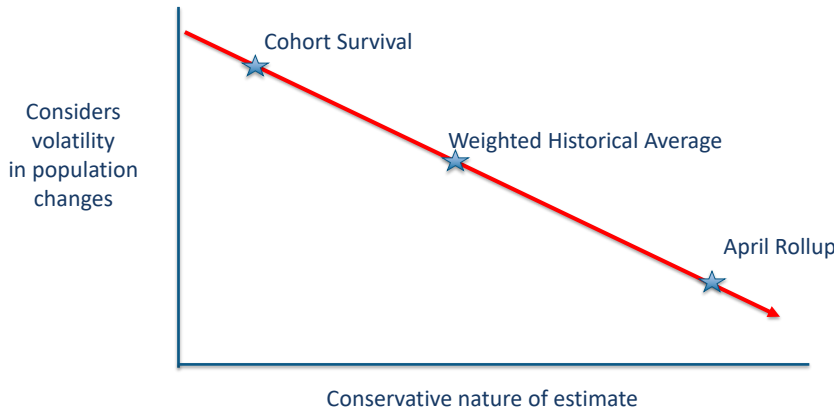
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Enrollment Preview 2025-2026 School Year

- Methodology



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Enrollment Preview 2025-2026 School Year


Arlington Public Schools
Enrollment Projection 2025-2026
As of: 1/5/2025

	24-25 Budget	24-25 Projected AAFTE		Medium		High		Low
				25-26 April Roll-up		25-26 Weighted Average		25-26 Cohort Survival
Grade		Difference from 23-24 Budget		Difference from 24-25 Projected		Difference from 24-25 Projected		Difference from 24-25 Projected
K-5	2,366	2,432	66	2,327	(105)	2,380	(52)	2,295
6-8	1,255	1,304	49	1,330	26	1,342	37	1,317
9-12	1,760	1,721	(39)	1,759	38	1,809	88	1,791
Open Doors	41	41	0	41	0	41	0	41
K-12 Subtotal	5,422	5,497	75	5,457	(40)	5,571	74	5,444
Running Start	59	54	(5)	54	0	54	0	54
Total	5,481	5,551	70	5,511	(40)	5,625	74	5,498

- Under the medium range enrollment forecast:
 - Elementary Enrollment decreases by 105 FTE compared to 2024-2025
 - Middle School Enrollment increases by 26 FTE compared to 2024-2025
 - High School Enrollment increases by 38 FTE compared to 2024-2025
 - Net 40 FTE decrease compared to 2024-2025

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Enrollment Preview

2025-2026 School Year


Arlington Public Schools
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				25-26 April Roll-up		25-26 Weighted Average		25-26 Cohort Survival
Grade		Difference from 23-24 Budget		Difference from 24-25 Projected		Difference from 24-25 Projected		Difference from 24-25 Projected
K	376	362 (14)	345	(17)	353	(9)	332	(30)
1	378	381 3	364	(16)	395 14	369	(12)	
2	369	399 30	382	(17)	386	(13)	377	(22)
3	414	422 8	401	(21)	403	(19)	394	(28)
4	387	409 22	423	14	428	19	419	10
5	442	458 16	411	(48)	416	(42)	404	(54)
K-5	2,366	2,432 66	2,327	(105)	2,380	(52)	2,295	(137)
6	423	435 12	461	38	464	29	469	34
7	412	428 16	438	26	441	12	424	(4)
8	420	441 21	432	12	437	(4)	424	(17)
6-8	1,255	1,304 49	1,330	26	1,342	37	1,317	13
9	440	472 32	443	3	494	54	452	(20)
10	465	464 (1)	472	7	475	10	471	7
11	424	382 (42)	466	42	466	42	449	67
12	431	402 (29)	378	(53)	374	(57)	419	17
9-12	1,760	1,721 (39)	1,759	38	1,809	88	1,791	70
Open Doors	41	41 0	41	0	41	0	41	0
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Enrollment Preview

2025-2026 School Year

- Comparison of Actual Enrollment to Budgeted Enrollment
- 2024-2025 is estimated based on enrollment counts available through December 2024

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Actual Basic Ed Enrollment	5,290.00	5,378.00	5,470.00	5,500.21	5,030.86	5,028.24	5,320.24	5,357.61	5,456.31
Budgeted Basic Ed Enrollment	5,241.00	5,203.00	5,448.00	5,395.00	5,154.00	5,395.00	5,259.00	5,273.00	5,422.00
Difference (Under)/Over Budget	49.00	175.00	22.00	105.21	(123.14)	(366.76)	61.24	84.61	34.31
% Difference	0.9%	3.4%	0.4%	2.0%	-2.4%	-6.8%	1.2%	1.6%	0.6%

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Enrollment Preview 2025-2026 School Year

- Thank you!
- Questions?

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2025-26 Budget Timeline

- Jan 27 – Board Adopts Enrollment
- Jan 29 – Mar - Leadership Team Begins Staffing Work Sessions
- Feb 15 – Certificated Retirement Notices Due
- April 15 – Staff on Leave, Notification of Intent Due
- April 28 – State Legislature 'Long Session' Due to End
- April 28 – Board Resolution for Reduction-In-Force (if needed)
- April 29 – May 15 - Staff Notification of RIF/Non-renewal
- May 15 – RIF/Non-renewal Notifications Deadline (on/or before)
- July 10 – Budget DRAFT posted to district's website
- July 14 – Budget DRAFT to Board Meeting – July 14
- Aug 11 – Budget Hearing and Adoption at Board Meeting

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Financial Health of the District

• 2024-25 Financial Positives:

- 4-year Educational Programs & Operations Levy
- Capital Levy
- Enrollment increase: >75 students more than budget
- Fund balance projected to increase
- OSPI financial indicators score to increase for 2024-25



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Financial Health of the District

• 2024-25 Financial Challenges:

- State funding gaps (especially special education, food & nutrition services, bus services)
- Budget reductions made for 2023-24 & 2024-25
- Working to rebuild fund balance
- Interfund loans to meet cashflow obligations during low months and especially during June/summer low points



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OSPI Financial Indicators Score

Arlington Weighted Scores					Actual (Un-audited)	Budgeted
Fiscal Year	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total Profile Score	3.70	3.35	2.95	1.55	1.50	2.20

Districts With Financial Warning Scores < 1.75				
Fiscal Year	2019-20	2020-21	2021-22	2022-23
Number of Districts:	1	3	5	19

More than tripled

- Tool: 'Financial Warning' for score less than 1.75
- 2023-24 Unaudited/Actual score: 1.50
- 2024-25 Updated score based on budget: 2.20

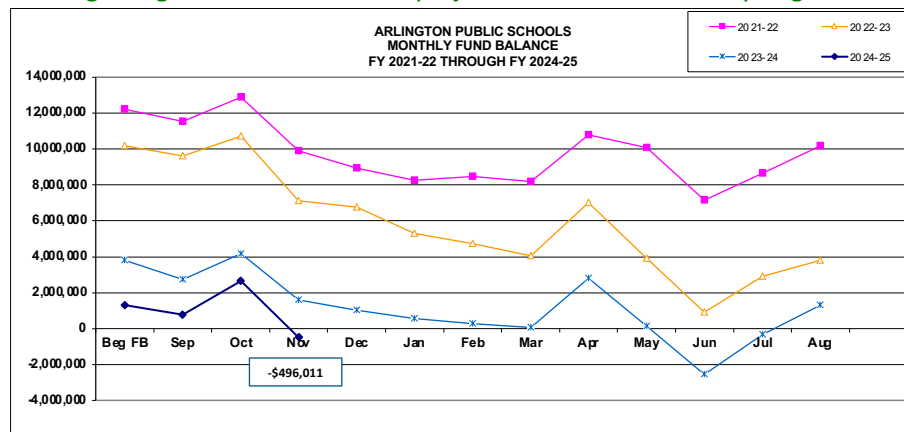
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Fund Balance Trend – Low Points

- Beginning fund balance \$1.2M, projected to end with \$2M by August 2025



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Fund Balance Low Points

- **Interfund loans from Capital Projects Fund**
 - Resolution 24-13 authorized interfund loans up to \$3M
 - November interfund loan \$589,465
 - December interfund loan \$327,480
 - Continue to utilize for the coming months through May
 - Make future request for interfund loan authorization to cover summer months (June-Aug)
 - Resources through the end of the fiscal year should be sufficient so that all interfund loans are paid back by year-end with interest

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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




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Multi-Year Look Fund Balance Level

• Forecast snapshot as of July 2024
 • Fund balance projected to creep upwards by end of 2024-25 (result of significant reductions)



General Fund Summary Multi-Year	Adopted 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
Ending Fund Balance	2,644,000	3,577,000	4,219,000	4,231,000

Board Adopted Budget August 12, 2024

- Limitations of this snapshot - Adopted Budget 2024-25 does not reflect actual revenues and costs. (additional enrollment – additional revenues, additional special education staff hired – additional expenses)
- Future years do not yet reflect changing factors like enrollment, actual staff salary changes, increased MSOC costs, and potential legislative actions
- District is considering whether further reductions are required for 2025-26

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Board Legislative Priorities

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



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Next Meetings for BATF

To be held on Zoom:

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



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Questions?



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