



Study Session of the Board of Directors

Steilacoom High School, 54 Sentinel Drive, Steilacoom, WA

Wednesday, July 14, 2021 06:00 PM

I. CALL TO ORDER

(Action)

- a. Pledge of Allegiance
- b. Roll Call
- c. Approval of Agenda

II. TOPIC FOR BOARD DISCUSSION

A. Budget and 4-Year Budget Forecast

(Discussion)

Presenter: Melissa Beard

[SHSD 2021-22 Budget Work Session Presentation.pdf \(p. 2\)](#)

B. SHSD 2022 Levy

(Discussion)

Presenter: Shawn Lewis

[SHSD 2022 Levy Information.pdf \(p. 14\)](#)

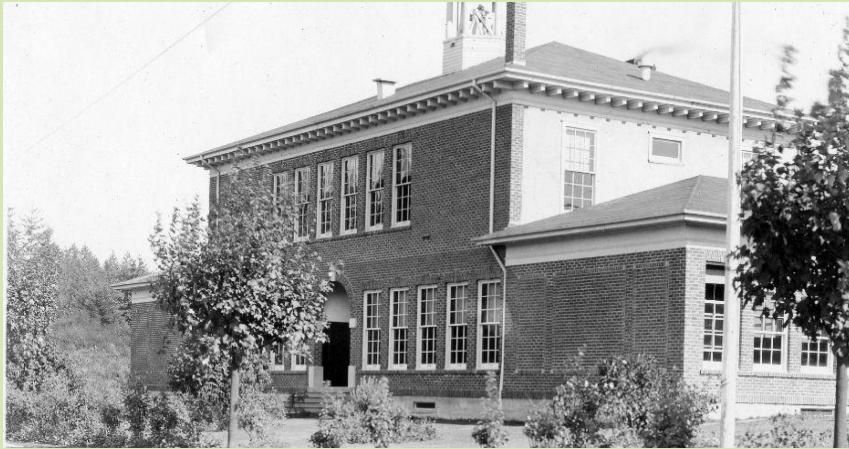
C. August 11, 2021 Study Session Agenda Items

(Discussion)

III. ADJOURNMENT

(Action)

Steilacoom Historical School District



2021-2022
Budget Work Session
July 14, 2021

General Fund, Debt Service Fund, Capital Projects Fund,
ASB Fund, Transportation Vehicle Fund

Budget Timeline

- ~~• July 10th – Budget Draft due to PSESD~~
- July 14th – Budget Work Session
- July 28nd – Public Hearing for Budget
- July 28th – Board adopts Budget
- September 3rd – District files adopted Budget with PSESD

Summary of Legislative Changes 2021-2022

- Compensation and Materials, Supplies and Operating Costs (MSOCs) increased by inflation (2%)

Staff Type	2021-22 SY Salary Allocation
Certificated Instructional	\$68,937
Certificated Administrative	\$102,327
Classified	\$49,453

MSOC Category	2020-2021	2021-2022
General Education	\$1,313.85	\$1,340.13
Lab Science	\$180.48	\$184.09

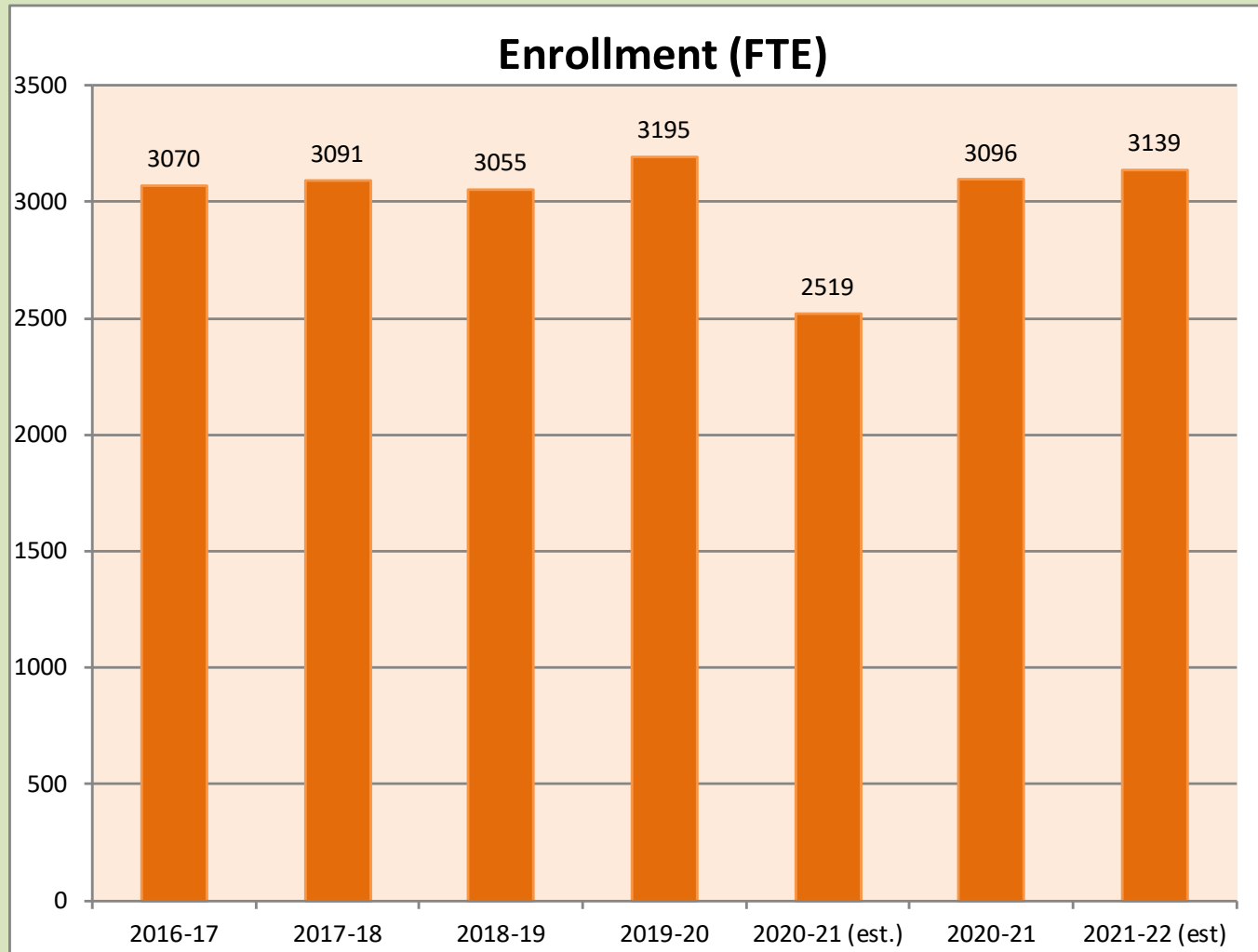
- Regionalization decreases from 5% to 4%

ENROLLMENT HISTORY

Enrollment (FTE)

Final Annual Average

2016-17	3070
2017-18	3091
2018-19	3055
2019-20	3195
2020-21 (est.)	2519
2020-21	3096
2021-22 (est)	3139



FTE Enrollment

Grade	June 2018	June 2019	March 2020	June 2021	2021-2022 Budget
K	242	241	254	210	220
1	234	238	266	234	210
2	250	229	264	252	236
3	218	253	246	232	254
4	263	216	245	224	235
5	222	259	229	224	226
6	229	239	301	227	224
7	233	258	249	264	229
8	268	226	257	237	266
9	274	289	231	233	240
10	262	266	294	222	235
11	167	178	193	176	180
12	174	128	166	160	129
District Total	3036	3021	3195	3096	3139
Running Start	129	137	153	186	206

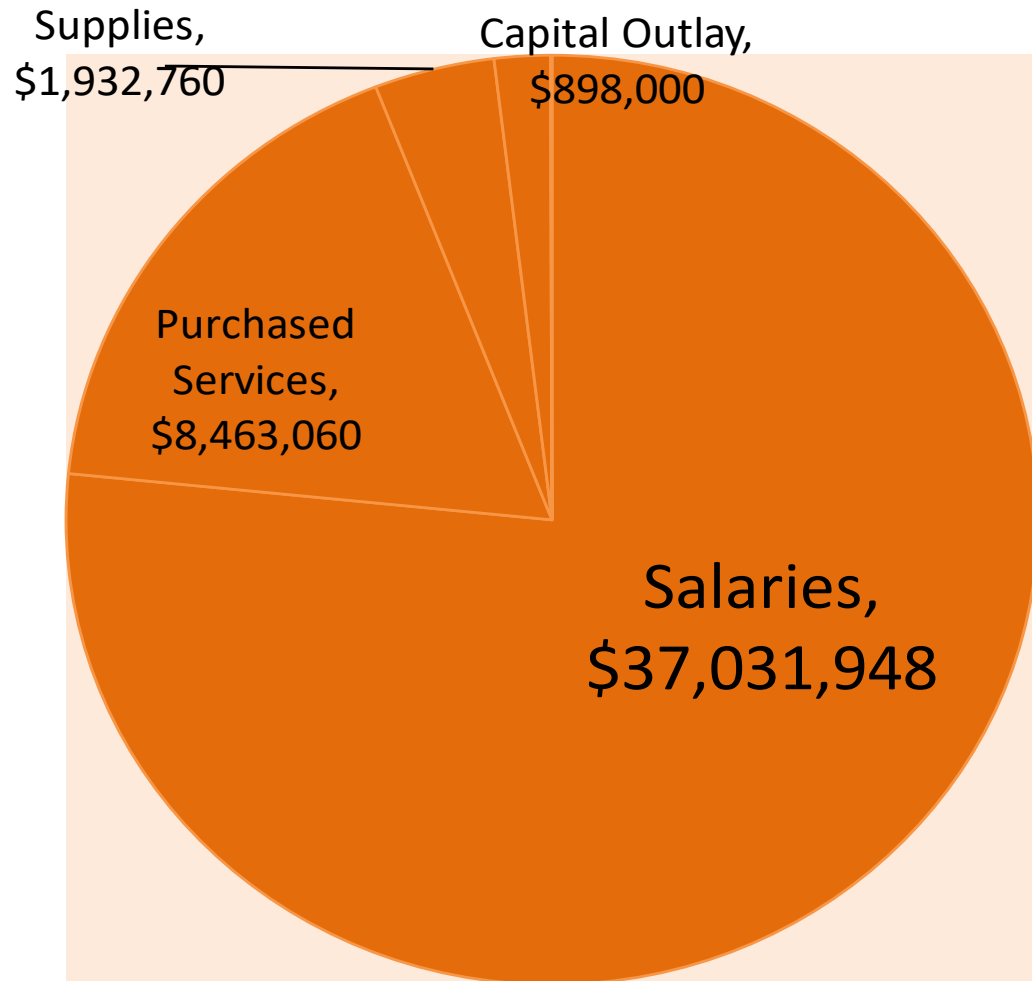
General Fund

	Actual 2018-2019	Actual 2019-2020	Budget 2020-2021	Budget 2021- 2022
Beginning Fund Balance	5,124,903	5,078,064	5,970,485	5,779,878
Revenues	43,180,935	47,140,542	41,027,995	47,409,394
Expenditures	43,127,774	46,148,121	41,527,571	48,350,565
Transfer Capital Project Fund	100,000	100,000	100,000	700,000
Ending Fund Balance	5,079,168	5,970,485	5,370,909	4,138,707
Change in Fund Balance	(46,839)	892,421	(599,576)	(1,641,171)

- Board Policy 6% prior expenditures of 2,770,000

EXPENDITURES BY OBJECT

Salaries	\$ 37,031,948
Purchased Services	\$ 8,463,060
Supplies	\$ 1,932,760
Capital Outlay	\$ 898,000
Travel	\$ 24,797



Budgeting Philosophy

- Focus on hiring certificated staff
 - Increased from 213 to 223
- Budgeted for lower enrollment
- Increased certificated staff as our enrollment has decreased
- Staff to support increased enrollment

Capital Projects Fund

Beginning Fund Balance		\$	4,424,836
Revenues and Other Financing Sources:			
Sale of Manchester property	\$	8,000,000	
ESSER Grant	\$	350,000	
Impact Fees/Investment Earnings	\$	170,000	
General Fund Transfer In	\$	700,000	
Total		\$	9,220,000
Funds Available for Capital Projects		\$	13,644,836
Expenditures for Capital Projects:			
Sites	\$	7,440,000	
Buildings	\$	2,300,000	
Energy	\$	300,000	
Total		\$	10,040,000
Ending Fund Balance-includes \$600,000 for Turf field		\$	3,604,836

Debt Service Fund

Beginning Fund Balance		\$	5,921,592
Local Excess Levy	\$	8,815,453	
Timber Excise Tax	\$	3,720	
Investment Earnings	\$	2,000	
	Total	\$	8,821,173
Matured Bond Expenditures	\$	8,000,000	
Interest on Bonds	\$	1,400,000	
Bond Transfer Fee	\$	2,500	
	Total	\$	9,402,500
Ending Fund Balance		\$	5,340,265

September 1, 2021 outstanding bond debt = \$24,075,000

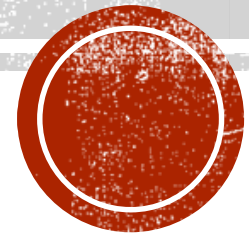
ASB and Transportation Funds

	Associated Student Body	Transportation
Beginning Fund Balance	\$366,565	\$128,506
Revenues Budgeted	\$968,784	\$7,000
Expenditures Budgeted	\$1,213,560	\$10,000
Ending Fund Balance	\$121,789	\$125,506
Change in Fund Balance	-\$244,776	-\$3,000

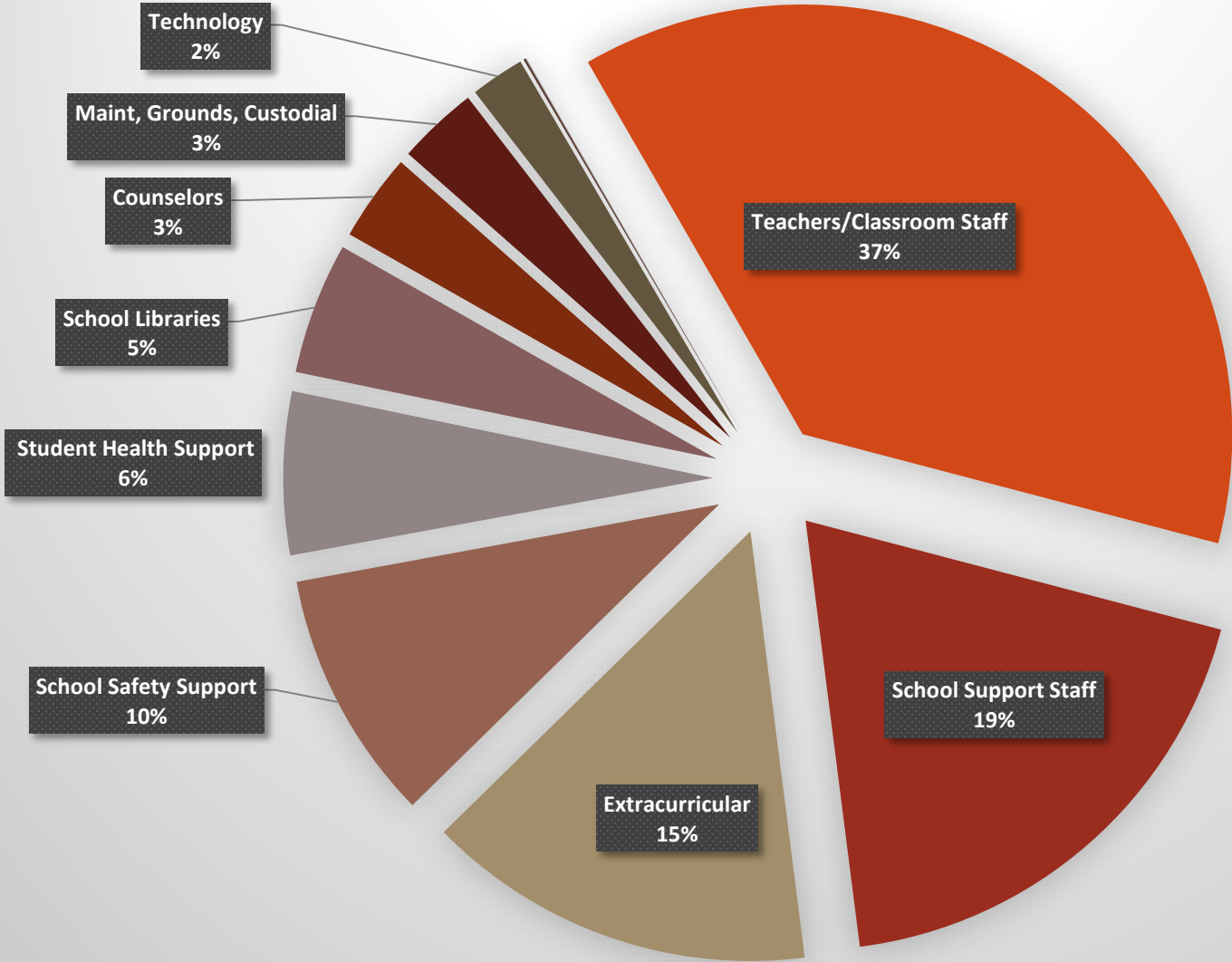
Questions/Comments

2022 LEVY INFORMATION

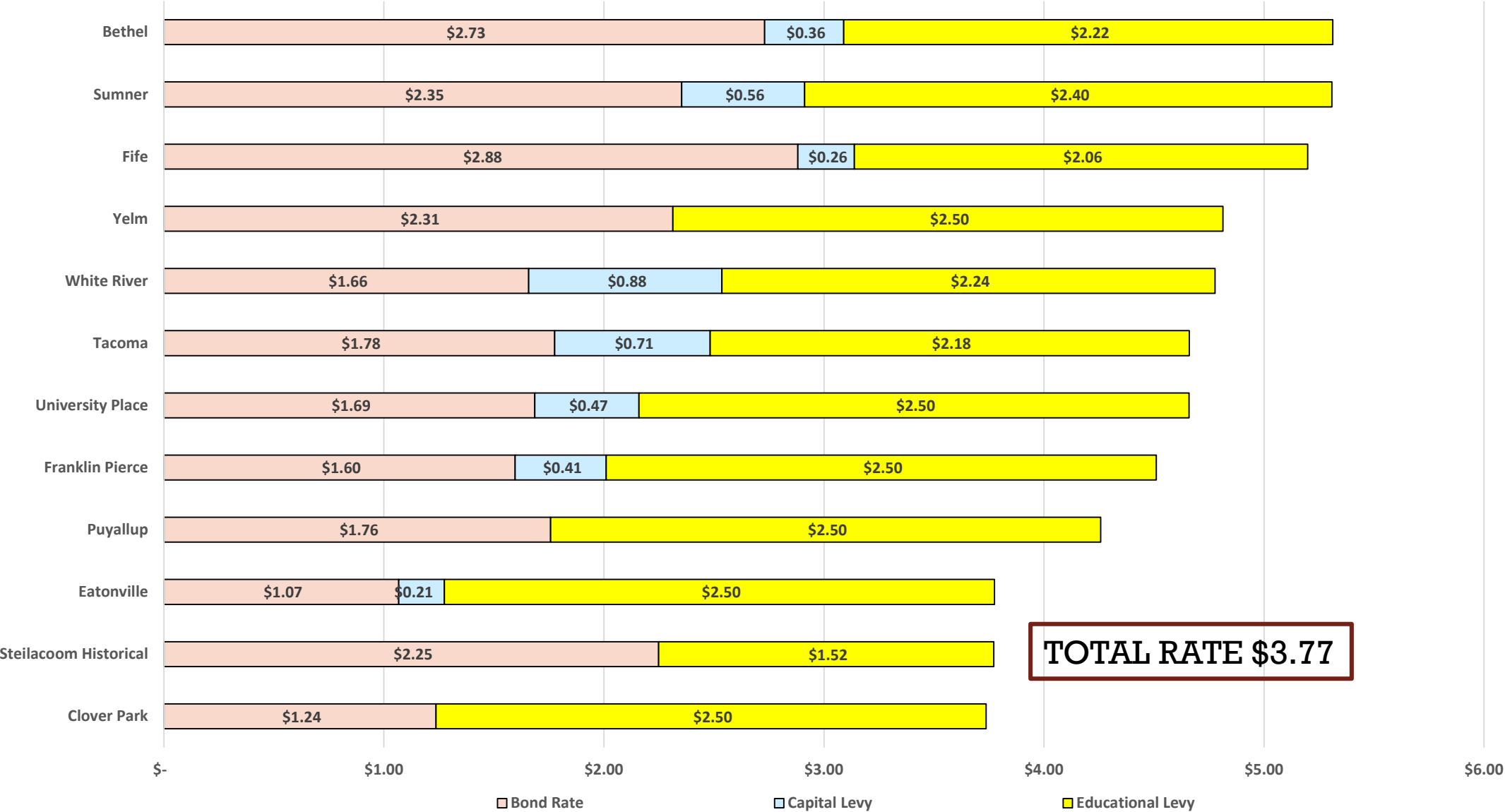
**Steilacoom Historical School District
Study Session
07/14/2021**



CURRENT EXPENDITURES FROM LEVY RESOURCES



COMPARATIVE TAX RATES IN PIERCE COUNTY



INTERESTS FOR FUTURE LEVIES

- Sustain investments in current services
- Lower class sizes
- Additional staff to support student needs
- Maintain stable and predictable tax rates

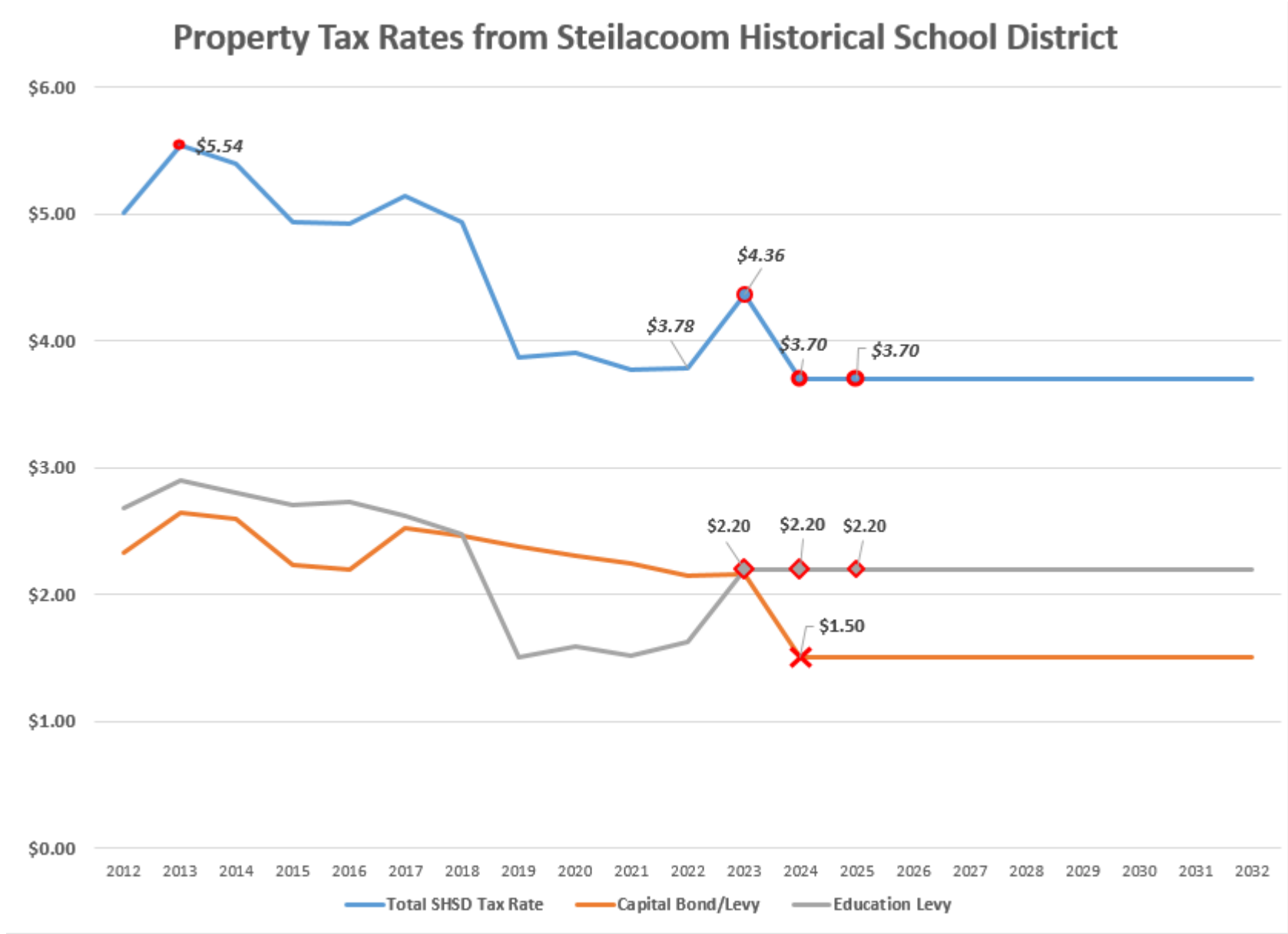


MAXIMUM LEVY AMOUNTS AND RATES

- Maximum levy amounts and rates are no longer based on amounts of state funding
- Levy amount is capped at a per student amount adjusted for inflation:
 - 2023 - \$2,663
 - 2024 - \$2,703
 - 2025 - \$2,747
 - 2026 - \$2,798
- Levy rate is capped at a rate per \$1,000 of assessed valuation
 - 2023 - \$2.50
 - 2024 - \$2.50
 - 2025 - \$2.50
 - 2026 - \$2.50
- Either of these may be adjusted by the legislature in future sessions impacting collection amounts
- Based on current enrollment projections, the practical limit for SHSD is the per student amount or roughly \$2.15 per \$1,000.



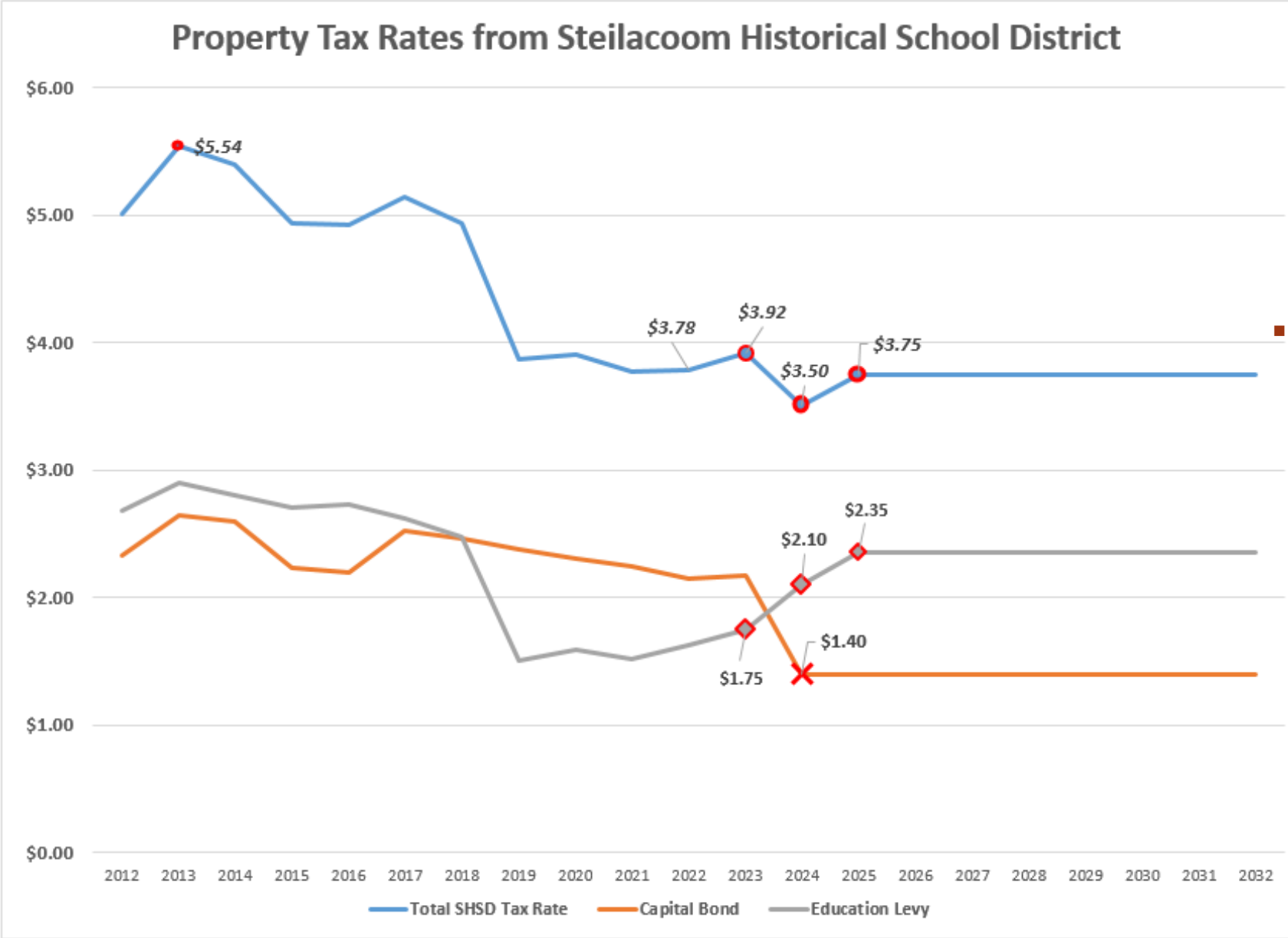
OPTION 1 – MAXIMIZE LEVY RESOURCES



- Levy Rates and Amounts
- 2023 - \$2.20 per 1000 = \$9,334,000
 - 2024 - \$2.20 per 1000 = \$9,661,000
 - 2025 - \$2.20 per 1000 = \$9,999,000
 - 2026 - \$2.20 per 1000 = \$10,349,000



OPTION 2 - GRADUAL INCREASE

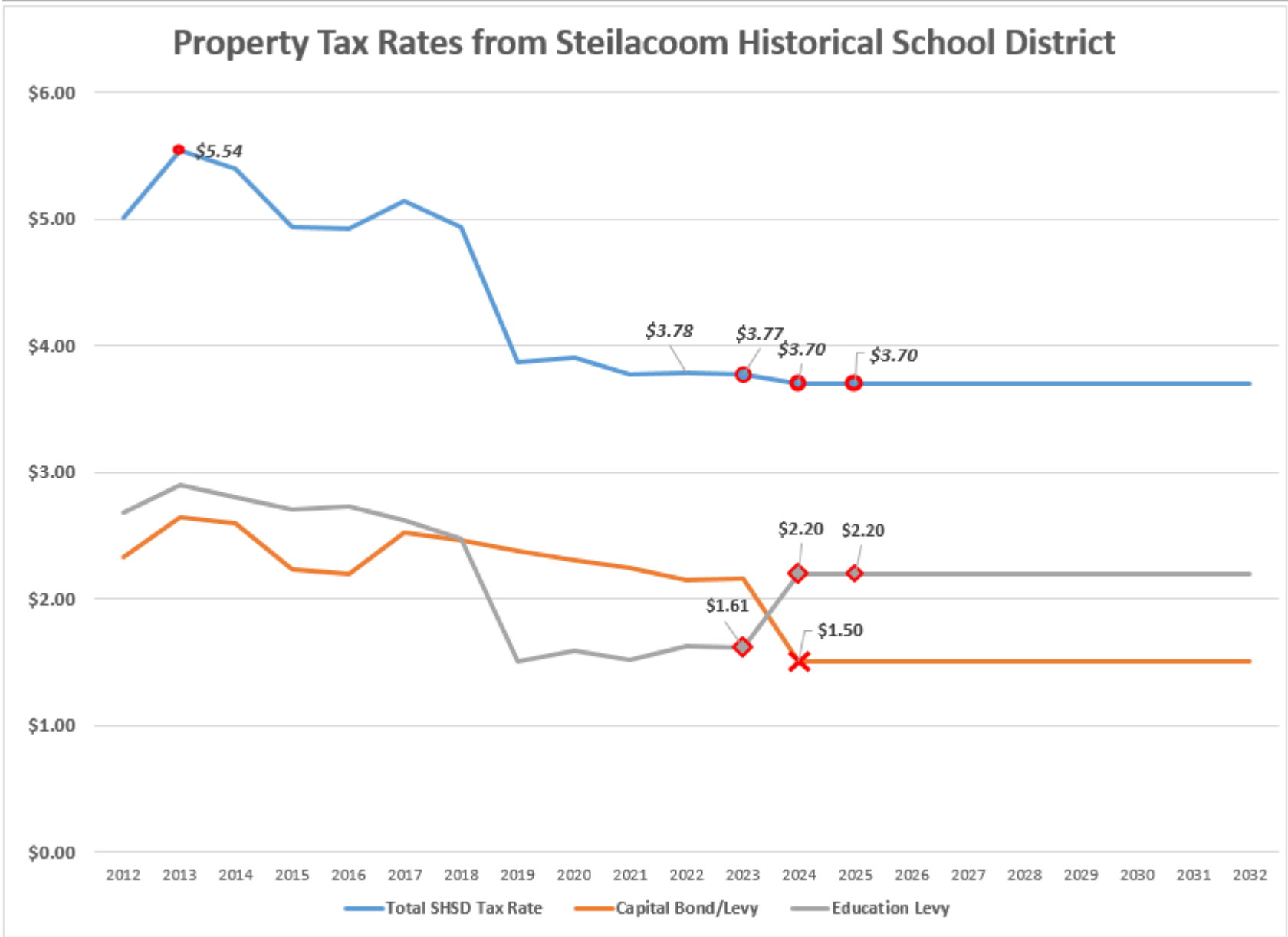


Levy Rates and Amounts

- 2023 - \$1.75 per 1000 = \$7,425,000
- 2024 - \$2.10 per 1000 = \$9,222,000
- 2025 - \$2.20 per 1000 = \$9,999,000
- 2026 - \$2.20 per 1000 = \$10,349,000



OPTION 3 – TAX RATE STABILITY



- Levy Rates and Amounts
 - 2023 - \$1.61 per 1000 = \$6,831,000
 - 2024 - \$2.20 per 1000 = \$9,661,000
 - 2025 - \$2.20 per 1000 = \$9,999,000
 - 2026 - \$2.20 per 1000 = \$10,349,000

FOUR YEAR FORECASTS

- The forecasted amounts assume consistent expenses for purposes of showing impacts to available resources over time

OPTION 1 - MAXIMIZE LEVY RESOURCES				
	2021-22	2022-23	2023-24	2024-25
Levy Collection Amount	\$ 6,370,727	\$ 8,114,950	\$ 9,989,000	\$ 10,339,000
Total Revenue	\$ 47,409,394	\$ 49,560,791	\$ 53,264,021	\$ 55,108,627
Total Expenditures	\$ 48,350,565	\$ 47,804,755	\$ 50,194,993	\$ 52,704,743
Excess of Revenue Over/Under	\$ (1,641,171)	\$ 1,056,035	\$ 2,369,028	\$ 1,703,884
890- Unassigned Fund Balance	\$ 1,368,707	\$ 2,293,731	\$ 4,695,485	\$ 6,255,955
891-Minimum Fund Balance Policy	\$ 2,770,000	\$ 2,901,012	\$ 2,868,285	\$ 3,011,700
Total Ending Fund Balance	\$ 4,138,707	\$ 5,194,742	\$ 7,563,770	\$ 9,267,655

OPTION 2 - GRADUAL INCREASE				
	2021-22	2022-23	2023-24	2024-25
Levy Collection Amount	\$ 6,370,727	\$ 7,065,000	\$ 8,832,000	\$ 10,131,000
Total Revenue	\$ 47,409,394	\$ 48,510,841	\$ 52,107,021	\$ 54,900,627
Total Expenditures	\$ 48,350,565	\$ 47,804,755	\$ 50,194,993	\$ 52,704,743
Excess of Revenue Over/Under	\$ (1,641,171)	\$ 6,085	\$ 1,212,028	\$ 1,495,884
890- Unassigned Fund Balance	\$ 1,368,707	\$ 1,243,781	\$ 2,488,535	\$ 3,841,005
891-Minimum Fund Balance Policy	\$ 2,770,000	\$ 2,901,012	\$ 2,868,285	\$ 3,011,700
Total Ending Fund Balance	\$ 4,138,707	\$ 4,144,792	\$ 5,356,820	\$ 6,852,705

OPTION 3 - TAX RATE STABILITY				
	2021-22	2022-23	2023-24	2024-25
Levy Collection Amount	\$ 6,370,727	\$ 6,738,300	\$ 8,803,000	\$ 10,339,000
Total Revenue	\$ 47,409,394	\$ 48,184,141	\$ 52,078,021	\$ 55,108,627
Total Expenditures	\$ 48,350,565	\$ 47,804,755	\$ 50,194,993	\$ 52,704,743
Excess of Revenue Over/Under	\$ (1,641,171)	\$ (320,615)	\$ 1,183,028	\$ 1,703,884
890- Unassigned Fund Balance	\$ 1,368,707	\$ 917,081	\$ 2,132,835	\$ 3,693,305
891-Minimum Fund Balance Policy	\$ 2,770,000	\$ 2,901,012	\$ 2,868,285	\$ 3,011,700
Total Ending Fund Balance	\$ 4,138,707	\$ 3,818,092	\$ 5,001,120	\$ 6,705,005

SUMMARY

- Each option provides some capacity to address additional staffing needs by the time a new school is projected to open.
- All levy options presented provide additional levy resources and address four year budget forecast in slightly different ways.
- Levy options presented impact tax rates in different ways for local property owners.
- Staff recommends option 3. Despite providing fewer resources initially, the stable tax rate will provide property tax payers a clearer picture of district practice as we approach a bond issue in 2023.



COMBINED LEVY AND BOND TIMELINE

- July 2021
 - Board Study Session
- September 2021
 - Board Study Session – Levy Update
- October 2021
 - Board Resolution
- February 2022
 - Levy Election
- March to May 2022
 - Community Bond Meetings
- June to July 2022
 - Finalize Bond Plan
- September 2022
 - Board Resolution – Bond
- February 2023
 - Bond Election
- December 2023
 - Sell Bonds

