

SOUTH KITSAP
SCHOOL DISTRICT

2019 - 2020 Budget Hearing

August 21, 2019

Presented by:
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Introduction

This document summarizes South Kitsap School District's budget for the 2019-20 school year (September 1, 2019 through August 31, 2020).

A public hearing on the budget is being held this evening, Wednesday, August 21, 2019 at the District Administrative Office. In compliance with WAC 392-123-054, it is necessary for the Board to conduct a public hearing on the 2019-2020 budget. The budget will be adopted by the South Kitsap School Board on August 21, 2019.

The budget is prepared in compliance with state laws and the instructions of the state office of Superintendent of Public instruction. The budget is organized in separate funds, each with its own purpose, sources of revenue and fund balance. These funds are:

General Fund -	for regular operating costs of the districts
Debt Service Fund –	for repayment of long-term debt
Capital Projects Fund -	for building construction and remodeling
Transportation Vehicle Fund -	for purchase of school buses
Associated Student Body Fund -	for student activities

School district expenditures for each fund cannot exceed the amount approved in the budget unless amended by the school board after public notice and hearing.



Budget Development

Cabinet and Superintendent

Identify budget priorities aligned with board goals and vision

Budget Office

Identify budget capacity by analyzing changes in revenues and expenditures.

Departments and Schools

Identify and analyze program needs to develop budget requests

Human Resources

Identify and hire staff

Superintendent & Leadership Team

Match priorities to budget capacity



2019-20 Fund Summary

	2019-2020 Budget				
	General Fund	ASB	Debt Service	Capital Projects	Transp. Vehicle
Beginning Fund Balance	\$13,749,475	\$ 618,317	\$ 2,100	\$ 1,210,520	\$ 621,250
Revenues	151,698,341	1,457,807	100	5,799,737	656,000
Transfer In	-		530,000		
Expenditures (Appropriation)	156,678,529	1,545,226	530,000	6,500,340	1,250,000
Transfer Out	135,000			395,000	
Revenues Over (Under) Exp.	(5,115,188)	(87,419)	100	(1,095,603)	(594,000)
Ending Fund Balance	\$8,634,287	\$530,898	\$2,200	\$114,917	\$27,250
Ending Fund Balance Detail					
Nonspendable Inventory/Prepaid	779,216				
Restricted	380,000	530,898		114,917	27,250
Assigned			2,200		
Unassigned Fund Balance	(109,846)				
Unassigned Minimum FB Policy	7,584,917				
Total Fund Balance	\$ 8,634,287	\$ 530,898	\$ 2,200	\$ 114,917	\$ 27,250

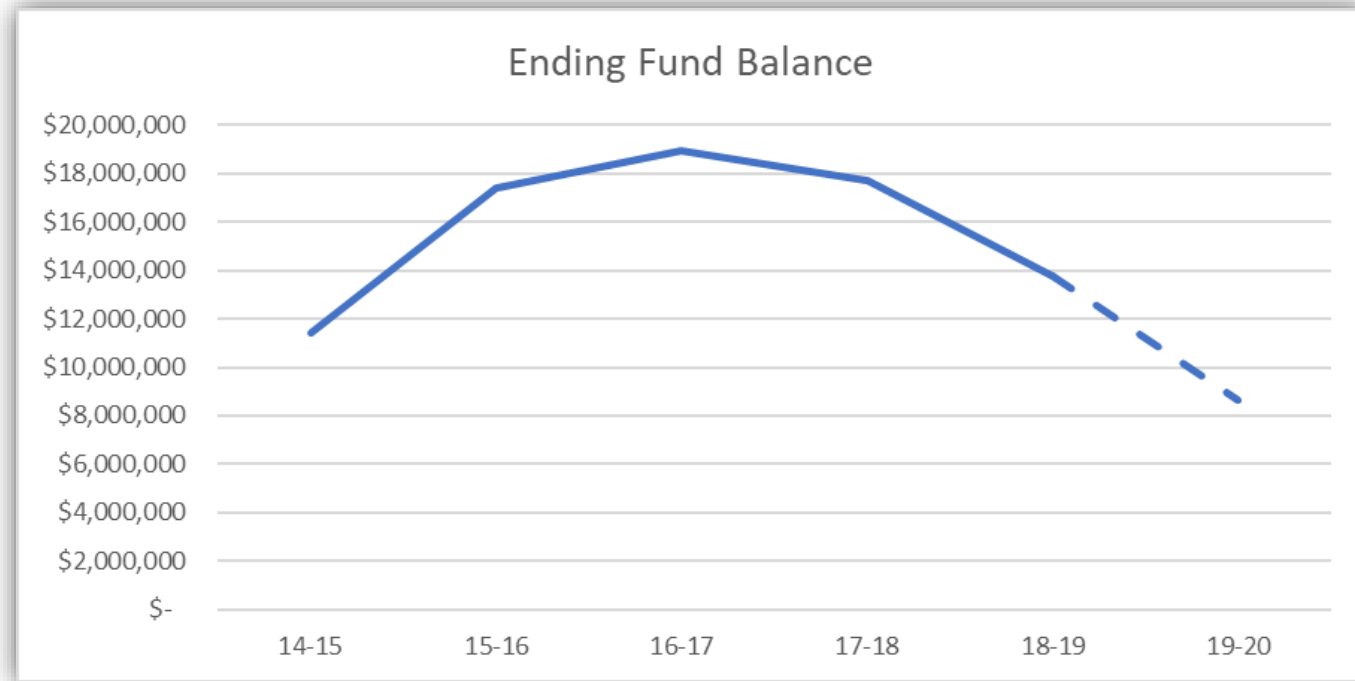
2019-20 General Fund Revenues as Compared to 2018-19 Budget

	<u>2018-19</u>	<u>2019-20</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues/Other Financial Sources				
Local Taxes	\$ 17,446,035	\$ 17,487,893	\$ 41,858	.24%
Local Support Nontax	2,543,790	2,768,920	225,130	8.85%
State General Purpose	92,137,696	94,044,639	1,906,943	2.07%
State Special Purpose	23,363,439	24,939,896	1,576,457	6.75%
Federal	12,697,879	12,456,993	(240,886)	(1.90)%
Total Revenues	\$ 148,188,839	\$ 151,698,341	\$ 3,509,502	2.37%

2019-20 General Fund Expenditures as Compared to 2018-19 Budget

	<u>2018-19</u>	<u>2019-20</u>	<u>Difference</u>	<u>% Change</u>
Expenditures				
Certificated Salaries	\$65,447,274	\$65,444,322	-2,952	-.0045%
Classified Salaries	23,123,726	24,089,482	965,756	4.18%
Employee Benefits	33,506,849	37,448,200	3,941,351	11.76%
Supplies and Materials	13,794,589	12,861,658	-932,931	-6.76%
Purchased Services	14,476,008	15,915,645	1,439,637	9.94%
Travel	380,992	332,021	-48,971	-12.85%
Capital Outlay	386,129	587,201	201,072	52.07%
Total Expenditures	151,115,567	156,678,529	5,562,962	3.68%
Transfer to Capital Projects	1,153,291	0	-1,153,291	-100.00%
Transfer to Debt Service	230,000	135,000	-95,000	-41.30%
Transfer to Transportation Vehicle Fund	500,000	0	-500,000	-100.00%
Total Expenditures and Transfers	\$152,998,858	\$156,813,529	\$3,814,671	2.49%

Fund Balance Trend



Year	Ending Fund Balance
14-15	\$ 11,401,657
15-16	\$ 17,397,860
16-17	\$ 18,911,886
17-18	\$ 17,687,410
18-19	\$ 13,749,475
19-20	\$ 8,634,287

*** Projected 2018-19 and Budgeted 2019-20**



Maintenance Supplies & Operating Cost (MSOC) Funding vs Expenditures 2019-20

	State Funding	General Fund District Expenses
Total	\$10,927,179	\$15,939,250
State Underfunding of District MSOC Expenses		\$ 5,012,071



Major Funds 3-Year Revenue / Expenditure Comparison

<u>Major Funds</u>	2017-18 <u>Budget</u>	2018-19 <u>Budget</u>	2019-20 <u>Budget</u>
General Fund Revenues	\$ 125,079,351	\$ 148,188,839	\$151,698,341
General Fund Appropriations	130,577,310	151,115,567	156,678,529
Other Financing Uses	2,330,000	1,883,291	135,000
General Fund Revenues over / under Expenditures	(7,827,959)	(4,810,019)	(5,115,188)
Associated Student Body Fund Revenues	1,536,761	2,140,826	1,457,807
Associated Student Body Fund Expenditures	1,533,920	2,174,712	1,545,226
Other Financing Uses	0	0	0
Associated Student Body Revenues over / under Expenditures	2,841	(33,886)	(87,419)
Debt Service Fund Revenues	620,020	620,020	530,100
Debt Service Fund Expenditures	620,000	620,000	530,000
Other Financing Uses	0	0	0
Debt Service Fund Revenues over / under Expenditures	20	20	100
Capital Projects Fund Revenues	2,518,000	8,653,291	5,799,737
Capital Projects Fund Expenditures	2,800,000	8,603,955	6,500,340
Other Financing Uses	390,000	390,000	395,000
Capital Projects Fund Revenues over / under Expenditures	(672,000)	(340,664)	(1,095,603)
Transportation Vehicle Fund Revenues	479,000	1,345,222	656,000
Transportation Vehicle Fund Expenditures	2,000,000	1,650,000	1,250,000
Other Financing Uses	0	0	0
Transportation Vehicle Fund Revenues over / under Expenditures	(1,521,000)	(304,778)	(594,000)
Grand Total Budgeted Revenues All Funds	130,233,132	160,948,198	160,141,985
Grand Total Budgeted Expenditures All Funds	137,531,230	164,164,234	165,504,095
Grand Total Other Financing Uses	(2,720,000)	2,273,291	530,000
Grand Total Revenues over / under Expenditures	(10,018,098)	(5,489,327)	(5,892,110)

Budget Summary

Projected General Fund Balance 2019-2020

2019-20 Beginning Fund Balance	\$ 13.7 million
2019-20 Budgeted Revenues	\$ 151.7 million
2019-20 Budgeted Expenditures	\$ 156.7 million
2019-20 Ending Fund Balance	\$ 8.6 million, estimated

Executive Limitation EL-7 Budget Planning requires a fund balance equal to or greater than 5.0% of budgeted revenues.

*The current 2019-20 budget draft holds a **5%** unassigned general fund balance in the amount of **\$7.5 million**.*



General Fund – Multi-year Forecast

Absent reductions or further legislative action, the fund balance is projected to decline short-term, then projected to increase.

General fund	Budget 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23
Beginning fund Balance	13,749,475	8,208,142	8,209,871	8,694,136
Revenues	151,698,341	159,488,455	162,366,063	165,164,191
Expenditures (incl transfers)	156,678,529	159,028,707	161,414,137	163,835,351
Ending Fund Balance	8,634,287	8,667,890	9,161,797	10,022,976

Priorities for 2019-20

- Closely monitor enrollment and expenditure trends
- Invest in budget restorations and Special Education Reboot as authorized
- Align budget resources behind core values and needs of the District
- Consider future goals for general fund reserves
- Promises made, promises kept for capital levy



Questions?

