

Hockinson School District Budget Overview

Main sources of revenue for Public Schools General Fund

1. State schools tax - Part 1 and 2
2. Local property tax levies
3. Federal funds
4. Local revenue

Funding Drivers

Enrollment drives most funding. There are 2 types of funding.

1. FTE – full time equivalent
2. Headcount

State Apportionment - Basic Ed, CTE, LEA Funding

Staffing: Funded by using a prototypical funding formula per FTE (see attached).

MSOC's: Maintenance, supplies and operational costs is funded by using a state set amount per FTE.

LEA - Local Effort Assistance – If \$1.50 levy does not bring in a minimum of \$1,593 per FTE the state provides LEA for the difference.

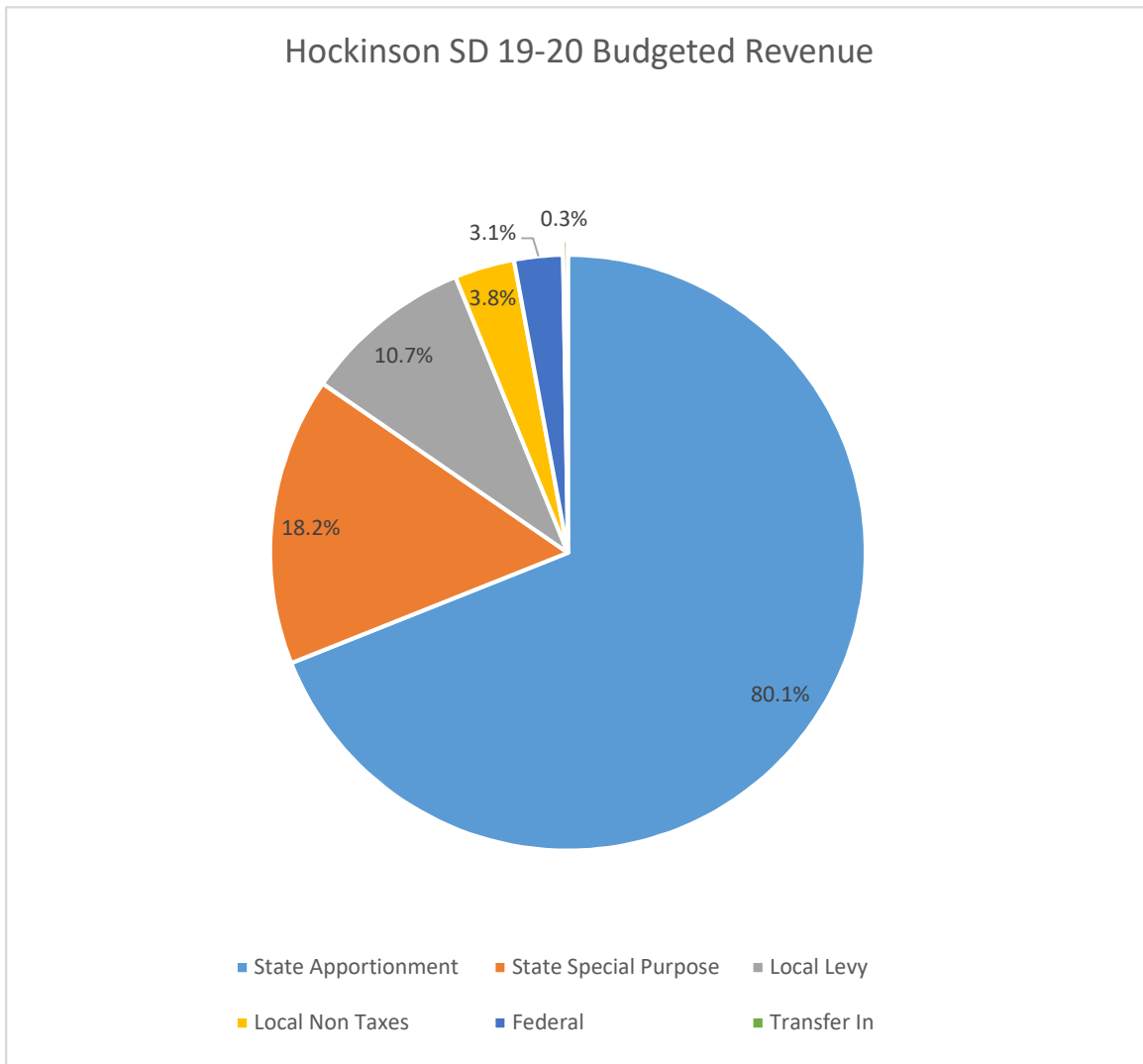
State Special Purpose - Categorical Funding

Special education, Bilingual, Hi Cap, and Transportation is funded by headcount.

General Fund

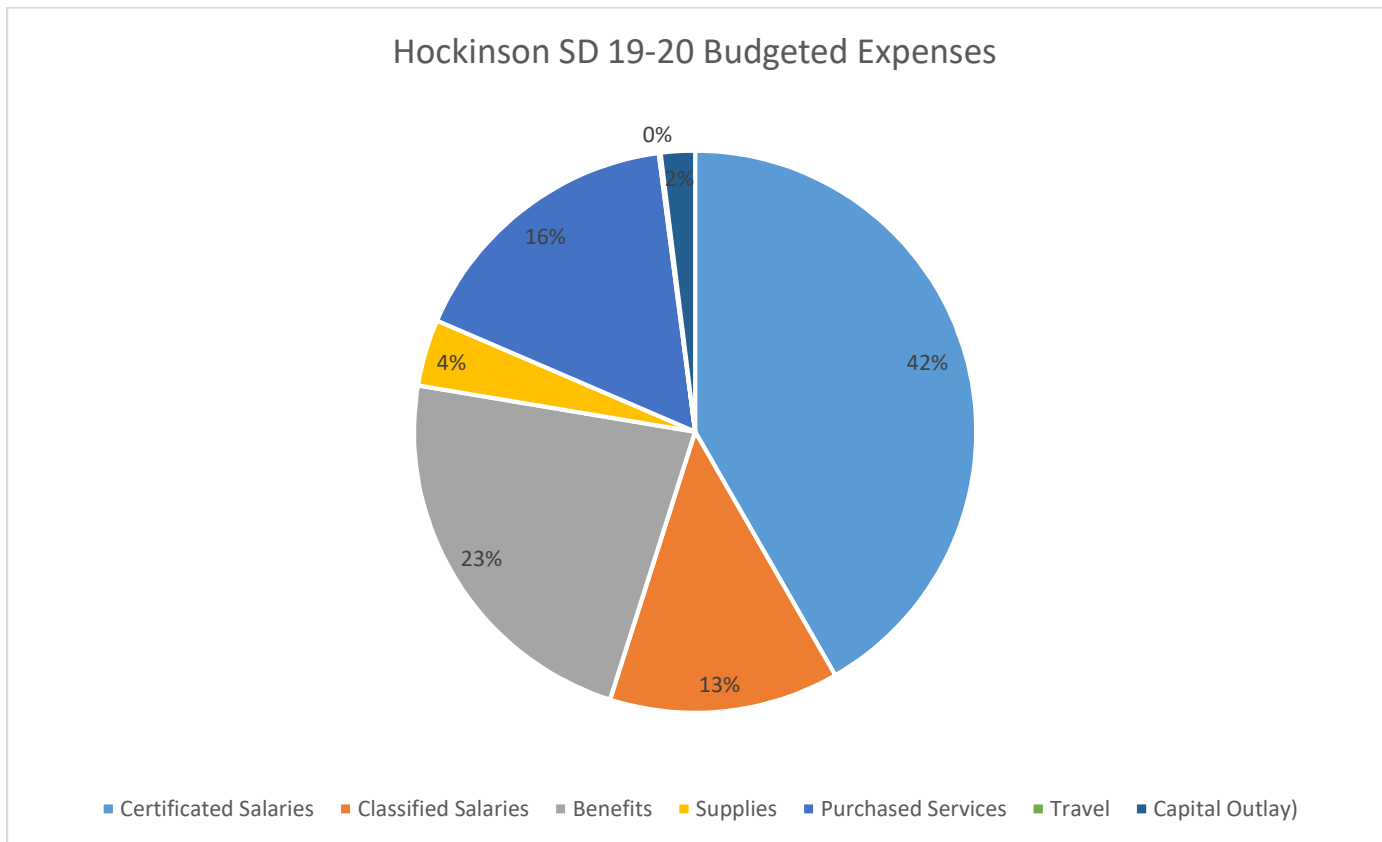
Revenues – 19-20 Budget \$26.43M

1. State Apportionment - Basic Ed, CTE, Running Start, Local Effort Assistance, State Forest **\$18.22M**
2. State Special Purpose – Categorical Programs - Special Ed, Transportation, LAP, HiCap, Bilingual **\$4.14M** (includes \$500K contingency)
3. Local Levy – Enrichment – primarily for unfunded staffing salaries & benefits, special education excess cost including staffing salaries & benefits, and extracurricular **\$2.44M**
4. Federal – Title, Special Ed, Food Service **\$700K**
5. Local Non Tax – Community Ed, Food Service, Sports Fees etc. **\$860K**
6. Transfer In from Capital Projects Fund – **\$70K**



Expenses – 19-20 Budgeted \$26.65M and HVAC loan payment \$27K

1. Certificated salaries **\$11.11M**
2. Classified salaries **\$3.52M**
3. Benefits **\$6.06M**
4. Supplies **\$1.02M**
5. Purchased Services **\$4.39M**
6. Travel **\$28K**
7. Capital Outlay **\$525K** (includes \$500K contingency)



Purchase services includes running start, transportation contract, and food service contract, which have staffing not reflected in the graph. Staffing and benefits is really closer to 85% of budget

19-20 Budgeted expenditures are greater than Revenue

Revenue	\$ 26,433,267
Expenditures	\$ 26,682,084
Excess Expenditures (use fund balance)	<u>\$ (248,817)</u>

One time use of fund balance

Reserves – General Fund Balance

Fund Balance categories ending 18-19 school year

1. Restricted – must be spent on categorical programs
2. Non-Spendable
3. Assigned for 19-20 excess expenditures
4. Assigned for department carry forward
5. Assigned 3% per board policy
6. Un-Assigned Committed 5% per board policy

		% of Expenditures
Beginning Fund Balance, September 2018	\$ 2,474,570	
Revenues	\$25,429,510	
Expenditures	\$24,963,400	
Transfer out - Debt Service Fund	\$ 26,733	
Ending Fund Balance, August 2019	<u>\$ 2,913,946</u>	11.7%

		% of Expenditures
Restricted	\$ 103,228	0.4%
Nonspendable	\$ 221,142	0.9%
Assigned - Building/Program Carry forward	\$ 350,744	1.4%
Assigned - 19-20 Expenditures in Excess of Revenues	\$ 248,817	1.0%
Assigned - Board Policy 3%	\$ 741,844	3.0%
Unassigned Min Fund Balance - Board Policy 5%	\$ 1,248,170	5.0%
Ending Fund Balance, August 2019	\$ 2,913,946	11.7%

20-21 Budget Challenges

1. Not enough fund balance to absorb excess expenditures going forward
2. Maintaining current services with increasing costs
3. Flat \$1.50 local levy tax rate on 2019 ballot and the state increased this to \$2.50 in 2019 after it recognized \$1.50 is not enough
4. Aging technology, curriculum needs, and capital repairs funding without a capital levy
5. Step increases for experience are no longer funded (state used to pay for certificated experience increases) 1-1.5% (\$100K)
6. Future state forest fund revenue may not be available - \$170K is budgeted for 19-20 – should be used for 1 time expenses
7. Teacher to student ratio overload in some grades
8. Cost of living increases are calculated based on funded units at average salary
 - a. Special education not fully funded
 - b. About 20 school year classified are not funded
9. Elementary school is nearing capacity and cannot add any more portables with growth