



Tumwater School District Finance Overview

October 2, 2018

Legislative Changes Impacting Tumwater School District

- Legislators eliminated additional funding for experienced staff like Tumwater – staff mix ratio
- Levy – reduction next two years on voter approved levy- **\$8.5 and \$8.8 million**
- Net new basic ed/local funding is 5.7% or \$2.6 million increase for Tumwater in 2018-2019 school year
- State per teacher funding for 156 districts will be a flat \$65,216 regardless of staff experience or difference in cost of living
- Regionalization/Experience Factor - 139 districts will receive significantly more salary funding than Tumwater per teacher (North Thurston \$3,913 more, Olympia \$2,609 more, Everett \$15,651 more)

General Fund Budget

Student FTE Enrollment

Program	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2018-19 Budget	Variance
K-12 BEA TSD	5677	5719	5945	6155	6275	6297	22
Running Start	119	123	148	180	192	204	12
NMHS ALE	44	43	36	59	68	60	(8.00)
SO ALE	84	91	93	100	102	100	(2.00)
Open Door	17	32	27	22	18	15	(3.00)
Skills Center	537	484	470	431	396	373	(23.00)
Total	6478	6492	6719	6947	7051	7049	(2.00)
BEA Enrollment Change from Prior Year	(61.00)	42	226	210	120	22	n/a

* - Enrollment increases in 2016 and 2017 - state funded all-day kindergarten over a two year period.

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Total	6478	6492	6719	6947	7051	7049	(2.00)
Total Enrollment Change from Prior Year	(61.00)	14	227	228	104	(2.00)	n/a

* - Enrollment increases in 2016 and 2017 - state funded all-day kindergarten over a two year period.

Tumwater Teacher Experience

Step ▾	BA0	BA15	BA30	BA45	BA90	BA135	MA0	MA45	MA90	Grand Total
0	3.57	1.00					0.40	0.90	1.00	6.87
1	8.56						4.98	4.67		18.22
2	4.00			2.00			4.50	3.00	1.00	14.50
3	8.00		1.00					2.08		11.08
4	4.82	3.00		1.00			3.88	3.76		16.46
5	2.00	1.00	1.00		2.80		5.60	3.00	3.00	18.40
6	1.00	1.00	1.00				4.00	4.00	2.67	13.67
7				3.00			1.61	3.00	1.00	8.61
8			0.58				4.00	4.60	2.00	11.18
9			2.00		3.00		1.00	10.50	3.00	19.50
10			1.00	2.00	0.88		2.00	2.00	6.00	13.88
11				3.00	1.00			1.00	5.00	10.00
12				2.00	5.00			9.00	2.00	18.00
13				1.00	1.00		2.00	5.20	8.85	18.05
14					1.00			3.00	4.00	8.00
15				2.00			2.00	3.00	5.80	12.80
16				6.00	32.60	2.00	1.00	35.40	103.40	180.40
Grand Total	31.95	6.00	6.58	22.00	47.28	2.00	36.98	98.11	148.72	399.62

Maintenance and Operation Levy

Voter Approved Levy			
Voter Approved Levy (tax year)	Levy Amount	Rate Per Thousand	Collection Rate - 98%
2017	\$ 15,298,000	\$ 3.35	\$ 14,992,040
2018	\$ 15,910,000	\$ 3.38	\$ 15,591,800
2019	\$ 16,547,000	\$ 3.41	\$ 16,216,060
2020	\$ 17,209,000	\$ 3.45	\$ 16,864,820

New Enrichment Levy Model				
Calendar Year	Levy Amount	Rate Per Thousand	Collection Rate - 98%	Variance between Voter Approved
2018	\$ 15,910,000	\$ 3.09	\$ 15,591,800	
2019	\$ 8,025,000	\$ 1.50	\$ 7,864,500	\$ (8,522,000)
2020	\$ 8,375,000	\$ 1.50	\$ 8,207,500	\$ (8,834,000)
2021**	\$ 8,700,000	\$ 1.50	\$ 8,526,000	
2022**	\$ 9,025,000	\$ 1.50	\$ 8,844,500	

4-Year Forecast

	2018-2019	2019-2020	2020-2021	2021-2022
Revenues	\$92,905,330	\$92,859,116	\$96,521,867	\$100,336,964
Expenditures	\$96,872,121	\$100,413,400	\$103,045,124	\$105,746,362
Over/Under	(\$3,966,791)	(\$7,554,284)	(\$6,523,257)	(\$5,409,398)

Beginning Fund Balance	\$10,033,847	\$7,240,410	\$7,738,283	\$7,922,063
Projected Ending Fund Balance	\$6,067,056	(\$313,874)	\$1,215,026	\$2,512,665
Projected Ending Fund Balance % to Expenditures	6.26%	-0.31%	1.18%	2.38%

Required Spending Reductions *	(\$1,173,354)	(\$8,052,157)	(\$6,707,037)	(\$5,541,465)
Percent of Expenditures	-1.21%	-8.02%	-6.51%	-5.24%

Ending Fund Balance After Reduction	\$ 7,240,410	\$ 7,738,283	\$ 7,922,063	\$ 8,054,130
Percent of Expenditures	7.47%	7.71%	7.69%	7.62%

* - Assumption: Spending reductions for 2019-2020 through 2021-2022 are based on prior year reduction occurring so district can meet Board Policy Minimum Fund Balance of 5.5 % and other committed fund balance requirements.

K-12 Funding Model 4 Risk Factors

Risk Factor #1	Risk factor for TSD?	2018-19 CIS Projected Statewide Average *	2017-18 TSD Ave. Total Salary Paid	Difference
<p>The district was already paying average CIS salaries very near, or above, the new state average salary allocation.</p>	<p>YES</p>	<p>\$70,711</p>	<p>\$70,741</p>	<p>TSD was already paying \$30 more per state funded teacher last year³</p>

* OSPI August 22, 2018 Risk Factor Analysis Spreadsheet

K-12 Funding Model 4 Risk Factors

Risk Factor #2	Risk factor for TSD?	2018-19 State Allocation Per Funded Teacher	2017-18 TSD Ave. Total Salary Paid*	Difference
<p>The District's average 2018–19 state allocation for CIS salaries is less than the average CIS salary paid for 2017–18.</p>	<p>YES</p>	<p>\$65,216</p>	<p>\$70,741</p>	<p>TSD will receive a fixed \$65,216 per state funded teacher which is less than the average total salary paid in 2017-18.</p>

* OSPI August 22, 2018 Risk Factor Analysis Spreadsheet

K-12 Funding Model 4 Risk Factors

Risk Factor #3	Risk factor for TSD?	State Exp. Factor funding to TSD	TSD 2017-18 Exp. Factor*	Notes
They did not get an experience factor increase for the 2019–20 year.	YES	\$0	1.576	Example: Olympia SD will receive this funding (4% more than TSD) with an exp. factor of 1.593

K-12 Funding Model 4 Risk Factors

Risk Factor #4	Risk factor for TSD?	TSD Voter Approved Levy \$ 2019**	Legislative cut to local levy***	% taken away from TSD
They are losing 50% or more of their local voter-approved levy capacity when the new levy thresholds kick in for calendar year 2019	YES	\$16,547,000	(\$8,497,000)	-51.40%

General Fund Overall Summary

Due to the legislative funding changes adversely impacting our district we will need to:

- Reduce expenditures by at least **\$9.2 million** over the next two years.
- We will need to staff much closer to the state's prototypical funding model – currently 104 positions not state funded.
- Lost levy – legislators are taking away over half of our voter approved levy. What levy funded programs will be reduced or eliminated?

Questions/Comments