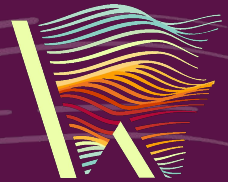


# **Board Budget Workshop**

## **Feb 13th, 2023**



**WENATCHEE**  
SCHOOL DISTRICT

# Budget Process & Timeline

**Step #1 – Create a budget process & timeline. (Nov)**

**Step #2 – Create budget guiding principles and goals. (Dec - Early Jan)**

**Step #3 – Share the guiding principles and goals as well as the budget process and timeline with staff. Gather additional feedback from staff. ( Mid - Late Jan)**

**Step #4 – Create budget scenarios for the school board based on feedback and the predetermined principles and goals. (Early - Mid Feb)**

**Step #5 – Present the budget scenarios to the school board for their consideration. Board selects a scenario. (Mid - Late Feb)**

# Budget Process: Guiding Principles

## Guiding Principle(s)

- Employ district strategic plan core values and priorities when making budgeting decisions
  - Building Future-Ready Students - Our Big 6 Outcomes
  - Core Values: Excellence in Learning, Equity, Accountability
  - Priorities: Thriving Environment, Opportunities, Partnerships
- Be timely, transparent, collaborative, and accountable throughout the process
- Follow language of Collective Bargaining Agreements throughout the process



# Budget Reduction: Goals

## Budgeting Goals:

- Use natural attrition whenever possible – When a vacancy occurs, evaluate feasibility of not filling the position or filling it from within current staff.
- Draft timeline that lets people know early about potential reductions
- Maintain collaboration and trust with union leadership in creating potential budget reduction scenarios
- Attempt to spread impact across grade levels and departments (while considering those most impacted by 2018-19 reductions).

# Budget Reduction: Staff Feedback

## Survey Window: Jan 11th - 18th:

- Some themes in the feedback
  - Most suggestions seem to involve reductions in staffing
  - Staffing reduction suggestions were primarily non-Core classroom teacher positions
  - Perception that district is “top heavy” in administrators
  - Some suggestions required follow up with additional items on the FAQ sheet
    - i.e. - Chromebooks versus iPads and 4 day school week

# How our budget is divided

*School funding may seem hard to understand in a district with a \$153.8 million budget, but our budget is similar in many ways to yours at home, with a few important differences.*

## OUR BUDGET HAS FIVE PARTS

### General Fund

Operating budget which guides our day-to-day operations

### Capital Projects Fund

Covers our long-term school construction and repair needs and cannot be spent on school operations.

### Debt Service Fund

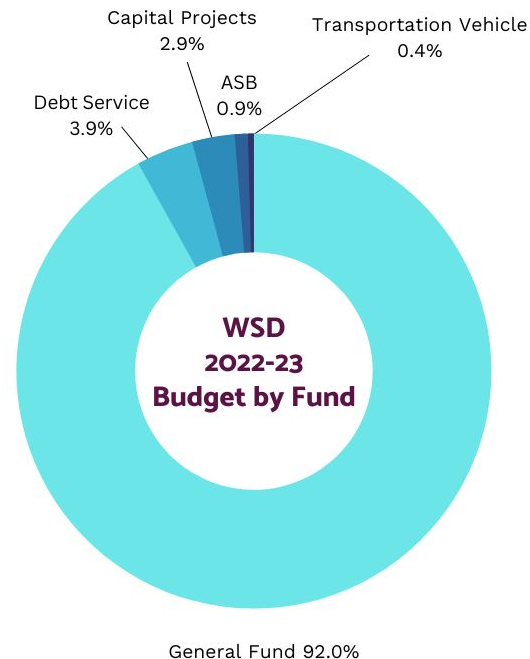
Pay the principal and interest on bonds issued to finance school construction and renovation

### Transportation Vehicle Fund

Used to buy school buses

### Associated Student Body Fund (ASB)

Accounts for each middle and high school's extracurricular activities



- General - \$141.5M (92.0%)
- Debt Service - \$6.0M (3.9%)
- Capital Projects \$4.4M (2.9%)
- Associated Student Body \$1.3M (0.9%)
- Transportation \$605K (0.4%)

# Where our funding comes from

State



Local

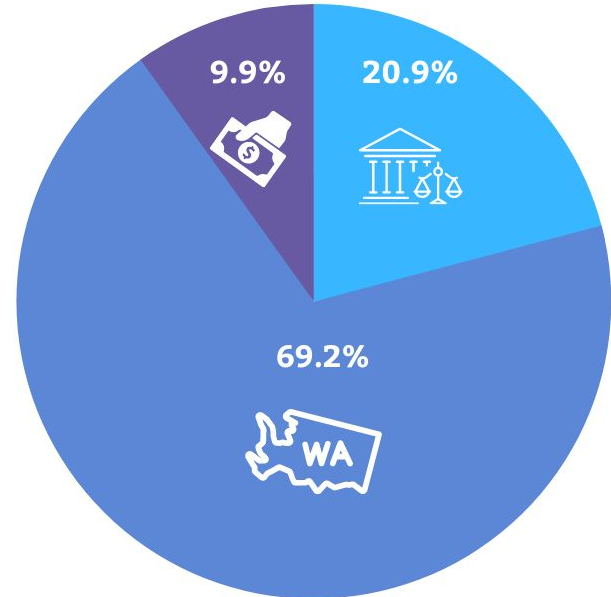


Federal\*



WSD Funding by Revenue Source

- State - \$96.3M (69.2%)
- Federal - \$29.1M (20.9%)
- local - \$13.7M (9.9%)



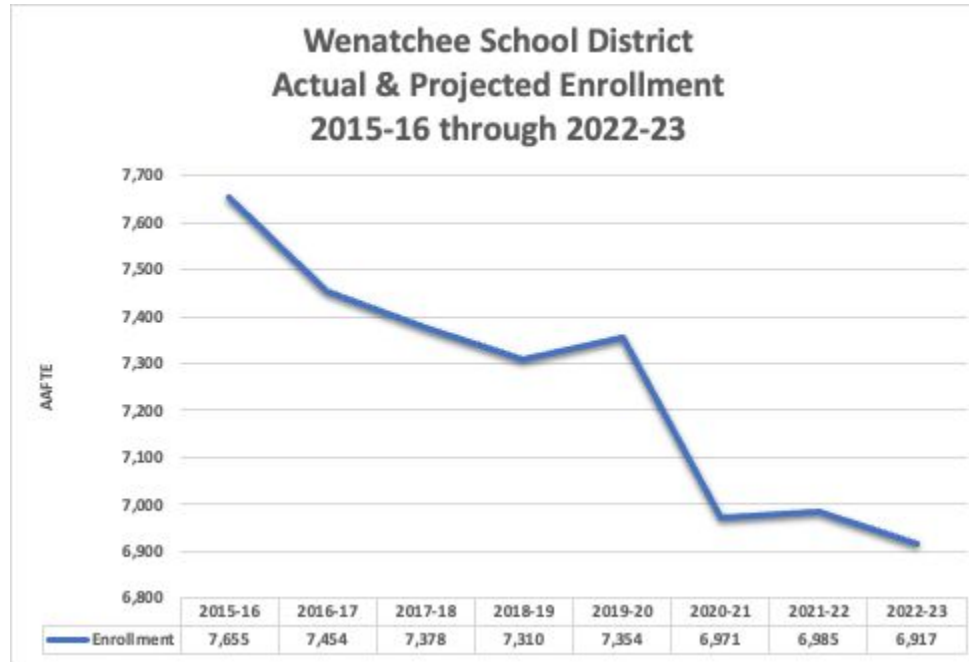
# Enrollment Funding Overview

- Budgeted FTE drives state apportionment funding from September through December
- Year-To-Date Avg/Annual Average FTE (AAFTE) drives state apportionment funding beginning in January
- Budgeted FTE - 6,847
- February 2023 AAFTE - 6,915
- The district's enrollment is up 68 FTE compared to the budget, but down 70 FTE from last year.
- These enrollment numbers do not include Running Start or Open Doors





# Enrollment Multi-Year Comparisons



\*2022-23 Actual Data based on AAFTE as of January 2023 headcount

# Staffing and Enrollment

## Wenatchee School District

Staffing, Enrollment & F96 Trend (2015-16 through 2022-23)

Year	K-12 Enrollment	Certificated	Classified	Total Staffing
2022-23	(Feb) 6915	593.72	347.96	941.68
2021-22	6985	588.22	333.91	922.13
2020-21	6971	566.35	285.35	851.70
2019-20	7354	554.05	313.27	867.32
2018-19	7310	565.39	332.27	897.65
2017-18	7378	564.06	335.09	899.15
2016-17	7454	553.84	329.22	883.06
2015-16	7655	537.52	308.95	846.47



# Budgeting Factors

Preliminary Reduction Amount **\$8,000,000 - \$9,000,000**

Factors influencing amount to be reduced:

- Federal ESSER dollars exiting system
- Declining Enrollment
- Legislative Impacts - increasing staffing costs
  - Inflationary Price Deflator
  - Potentially rebase
  - Decrease in regionalization dollars
  - Long legislative session year (April 23rd close)
- The amount we can save during the 22-23 fiscal year

# Scenarios for consideration

We have created three scenarios for Board consideration today

- The scenarios represent our best approach to savings targets based on our current understanding of budget parameters.
- Each scenario provides targeted reduction amounts that get us into the preliminary \$8 million dollar reduction range
- Savings targets are tentative and will be impacted by the legislative session and future enrollment

# Non-Staff Related Reductions

<i>All Scenarios Include - Non-Staff Related Costs</i>				
<i>Description</i>	<i>23-24 Savings Targets</i>		<i>24-25 Savings Targets</i>	
Reduction in MSOCs		\$235,000		\$135,000
Reductions in Contracted Services		\$500,000		\$110,000
Reduce timesheeting		\$20,000		\$20,000
Total Non-Staff Related Savings		\$755,000		\$265,000

# Wenatchee Internet Academy

- WIA was created in 20-21 in response to the pandemic -WIA met a great need during the pandemic and continues to be a great option for some families in our district
- Enrollment peaked in February of 2021 at 533.7 students
- Over the past three years, WIA has been funded primarily through ESSER dollars. As ESSER dollars leave our system, sustaining funding for WIA involves increasing amounts of BEA & categorical dollars

# Wenatchee Internet Academy

## ***WIA Enrollment Trends***

<b><i>Year</i></b>	<b><i>AAFTE</i></b>
20-21	433.1
21-22	194.9
22-23	48.7

## ***WIA Current Class Sizes***

<b><i>Grade Level</i></b>	<b><i>Enrollment</i></b>	<b><i>Teachers</i></b>
Grades 2-3	7	1
Grades 4-5	18	1
Grades 6,7,8	32	3



# Wenatchee Internet Academy

<b><i>WIA Budget 22-23</i></b>	
<b><i>Revenue</i></b>	
FTE Allocation	\$570,000
<b><i>Expenses</i></b>	
Sal / Bene's	\$870,000
MSOCs	\$30,000
<b><i>Difference</i></b>	<b>-\$330,000</b>



# Scenario #1 Targets

<b>Scenario 1 Savings Targets</b>				
Non-Staff Related Reductions	Funding Source	Savings Targets		Two Year Savings Targets
Staffing Costs		23-24	24-25	22-25
General Fund Contribution (Reduced in 24-25 School Year)				
Expenditure Reduction Items (Brief Description)				
Reductions in Materials, Supplies, & Operating Costs	BEA	\$235,000	\$135,000	\$370,000
Reductions in Contracted Services	BEA & Categorical	\$500,000	\$110,000	\$610,000
Reduce Timesheeting	BEA & Categorical	\$20,000	\$20,000	\$40,000
Reduce Staffing Costs	BEA	\$3,780,000	\$379,051	\$4,159,051
Reduce Additional Staffing Costs 24-25			\$2,861,949	\$2,861,949
<b>Total Savings</b>		<b>\$4,535,000</b>	<b>\$3,506,000</b>	<b>\$8,041,000</b>



# Scenario #2 Targets

<b>Scenario 2 Savings Targets</b>				
Non-Staff Related Reductions	Funding Source	Savings Targets		Two Year Savings Targets
Staffing Costs		23-24	24-25	22-25
General Fund Contribution (Reduced in 24-25 School Year)				
Expenditure Reduction Items (Brief Description)				
Reductions in Materials, Supplies, & Operating Costs	BEA	\$235,000	\$135,000	\$370,000
Reductions in Contracted Services	BEA & Categorical	\$500,000	\$110,000	\$610,000
Reduce Timesheeting	BEA & Categorical	\$20,000	\$20,000	\$40,000
Reduce Staffing Costs	BEA	\$3,890,000	\$269,051	\$4,159,051
Reduce Additional Staffing Costs 24-25			\$2,861,949	\$2,861,949
<b>Total Savings</b>		<b>\$4,645,000</b>	<b>\$3,396,000</b>	<b>\$8,041,000</b>

# Scenario #3 Targets

<b>Scenario 3 Savings Targets</b>				
Non-Staff Related Reductions	Funding Source	Savings Targets		Two Year Savings Targets
Staffing Costs		23-24	24-25	22-25
General Fund Contribution (Reduced in 24-25 School Year)				
Expenditure Reduction Items (Brief Description)				
Reductions in Materials, Supplies, & Operating Costs	BEA	\$235,000	\$135,000	\$370,000
Reductions in Contracted Services	BEA & Categorical	\$500,000	\$110,000	\$610,000
Reduce Timesheeting	BEA & Categorical	\$20,000	\$20,000	\$40,000
Reduce Staffing Costs	BEA	\$3,547,000	\$584,051	\$4,131,051
Reduce Additional Staffing Costs 24-25			\$2,861,949	\$2,861,949
<b>Total Savings</b>		<b>\$4,302,000</b>	<b>\$3,711,000</b>	<b>\$8,013,000</b>



# Staffing Numbers / Percentages

<i>Staffing for each scenario - Overview</i>				
<b>Scenario 1</b>	<b>22-23</b>	<b>23-24</b>	<b>24-25</b>	<b>2 Yr % Reduction</b>
Admin	50	47	44.5	11.0%
Cert	555	531	511	7.9%
Class	336	323	310	7.7%
Total Staff	941	901	865.5	8.0%
<b>Scenario 2</b>	<b>22-23</b>	<b>23-24</b>	<b>24-25</b>	<b>2 Yr % Reduction</b>
Admin	50	47	44.5	11.0%
Cert	555	530	511	7.9%
Class	336	323	310	7.7%
Total Staff	941	900	865.5	8.0%
<b>Scenario 3</b>	<b>22-23</b>	<b>23-24</b>	<b>24-25</b>	<b>2 Yr % Reduction</b>
Admin	50	47	44	12.0%
Cert	555	531	508	8.5%
Class	336	322	308.5	8.2%
Total Staff	941	900	860.5	8.6%



# Scenario #1 Targets

<b>Scenario 1 - Targets</b>	Discontinue WIA - Majority of students re-enter			
<b>Description</b>	<b>23-24 Savings Targets</b>		<b>24-25 Savings Targets</b>	
Administrators positions	3.0	\$594,000	2.5	\$495,000
Elementary Certificated Staff positions	11.0	\$1,210,000	8.0	\$880,000
Secondary Certificated Staff positions	13.0	\$1,430,000	12.0	\$1,320,000
Classified Staff positions	13.0	\$546,000	13.0	\$546,000
Reduction in MSOCs		\$235,000		\$135,000
Reductions in Contracted Services		\$500,000		\$110,000
Reduce timesheeting		\$20,000		\$20,000
<b>Total FTE / Savings</b>	<b>40.0</b>	<b>\$4,535,000</b>	<b>35.5</b>	<b>\$3,506,000</b>

Group	% Reduction
Admin (50)	11.0%
Cert (555)	7.9%
Class (336)	7.7%

**Total Positions: 75.5 - 77.5**

**Total Savings: \$8,041,000**



# Scenario #2 Targets

<b>Scenario 2 - Targets</b>				
<b>Description</b>	<b>23-24 Savings Targets</b>		<b>24-25 Savings Targets</b>	
Administrators positions	3.0	\$594,000	2.5	\$495,000
Elementary Certificated Staff positions	11.0	\$1,210,000	8.0	\$880,000
Secondary Certificated Staff positions	11.0	\$1,210,000	11.0	\$1,210,000
Classified Staff positions	13.0	\$546,000	13.0	\$546,000
Reduce/Combine WIA with existing program	3.0	\$330,000		
Reduction in MSOCs		\$235,000		\$135,000
Reductions in Contracted Services		\$500,000		\$110,000
Reduce timesheeting		\$20,000		\$20,000
<b>Total FTE / Savings</b>	<b>41.0</b>	<b>\$4,645,000</b>	<b>34.5</b>	<b>\$3,396,000</b>

Group	% Reduction
Admin (50)	11.0%
Cert (555)	7.9%
Class (336)	7.7%

**Total Positions: 75.5 - 77.5**

**Total Savings: \$8,041,000**





# Scenario #3 Targets

## Scenario 3 - Targets

<b>Description</b>	<b>23-24 Savings Targets</b>		<b>24-25 Savings Targets</b>	
Administrators positions	3.0	\$594,000	3.0	\$594,000
Elementary Certificated Staff positions	12.0	\$1,320,000	11.5	\$1,265,000
Secondary Certificated Staff positions	12.0	\$1,320,000	11.5	\$1,265,000
Classified Staff positions	14.0	\$588,000	13.5	\$567,000
Maintain WIA in Current Form		(\$275,000)		(\$245,000)
Reduction in MSOCs		\$235,000		\$135,000
Reductions in Contracted Services		\$500,000		\$110,000
Reduce timesheeting		\$20,000		\$20,000
<b>Total FTE / Savings</b>	<b>41.0</b>	<b>\$4,302,000</b>	<b>39.5</b>	<b>\$3,711,000</b>

Group	% Reduction
Admin (50)	12.0%
Cert (555)	8.5%
Class (336)	8.2%

**Total Positions: 80.5**

**Total Savings: \$8,013,000**

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For more information visit  
**[wenatcheeschools.org/budget](https://wenatcheeschools.org/budget)**  
or scan the QR code

