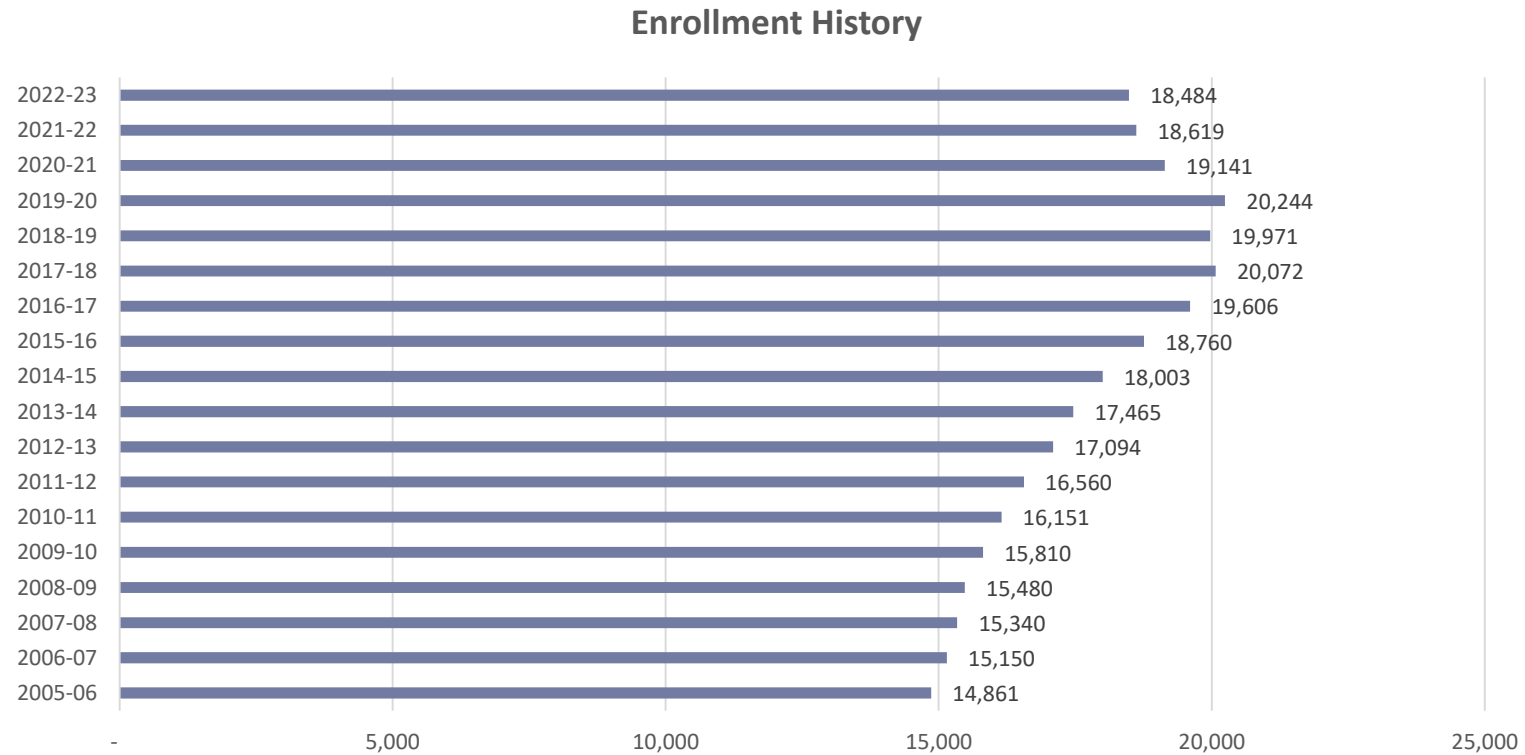




2022- 23 Budget

Proposed Program/Service Reductions

Enrollment



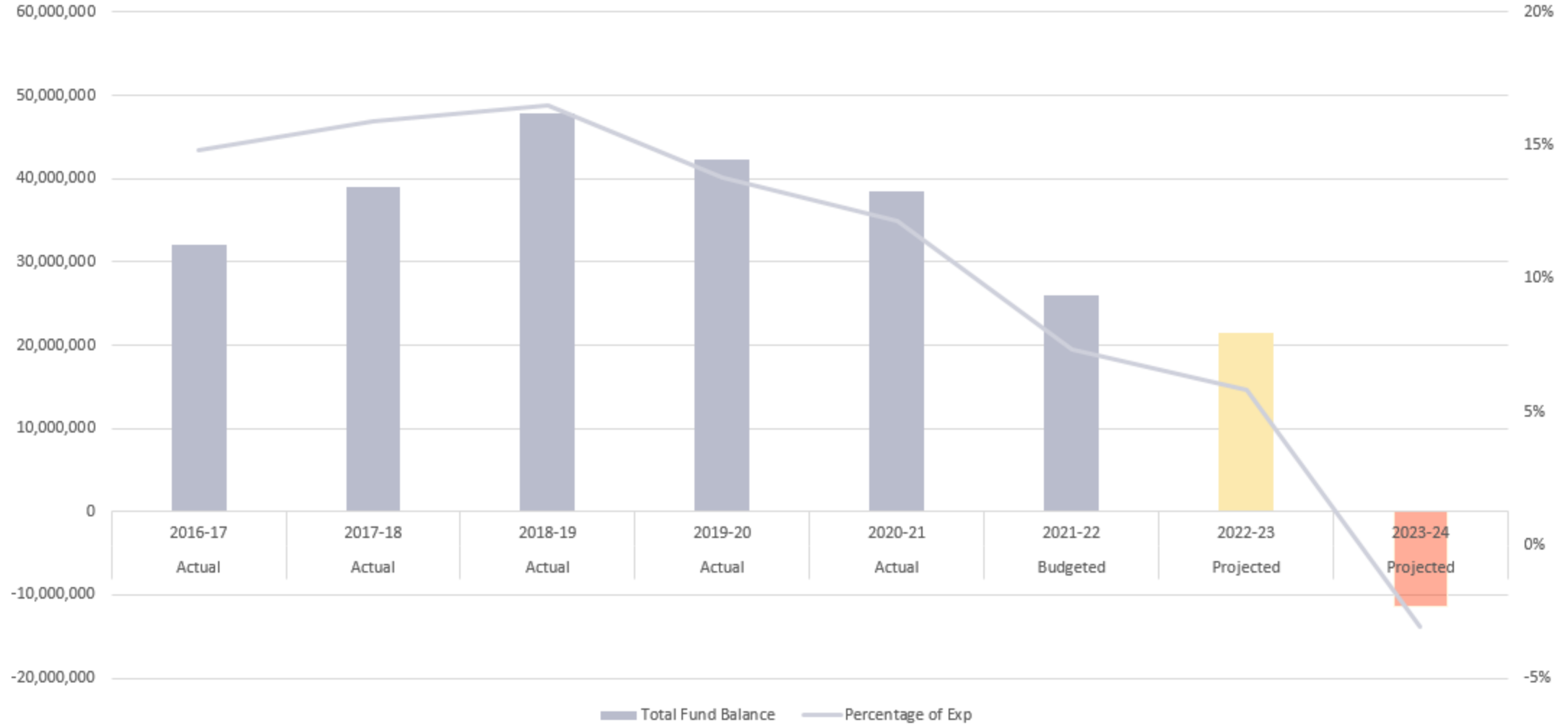
Enrollment

- Issaquah School District's enrollment peaked in 2019-20 of 20,244 FTE. Enrollment substantially declined to 19,141 in 2020-21 as families moved out of state or no longer enrolled in public education during the pandemic.
- Elementary enrollment has been in decline and the projected enrollment for 2022-23 is 18,484 FTE. This results in a 1,760 FTE decline over a 3 year period.
- The decline in student FTE equates to approximately to \$26,300,000 less in operating revenue in 2022 dollars. The District has also seen labor and other costs increase dramatically during the pandemic.

Financial Outlook

- The District will likely continue to face student enrollment declines and/or stagnate. The District is projecting a total ending fund balance for 2021-22 of \$26M. This would be a decrease of \$16.3M or a 38.5% reduction in reserve balances. The District adopted a deficit budget of \$15M in 2021-22.
- This financial position is not sustainable unless the District reduces program to align with revenue expectations. A no action scenario would result in an ending fund balance of \$21.5M for 2022-23 and leaves a total operating budget deficit for 2023-24 of \$32.9M.
- In a no action scenario, the Issaquah School District will be insolvent at the end the fiscal year 2023-24 with a fund balance in the “red” by \$11.4M.

Fund Balance Trend- No Action



TWO YEAR OUTLOOK ("No Action or Action of Proposed Program Reductions")

NO ACTION

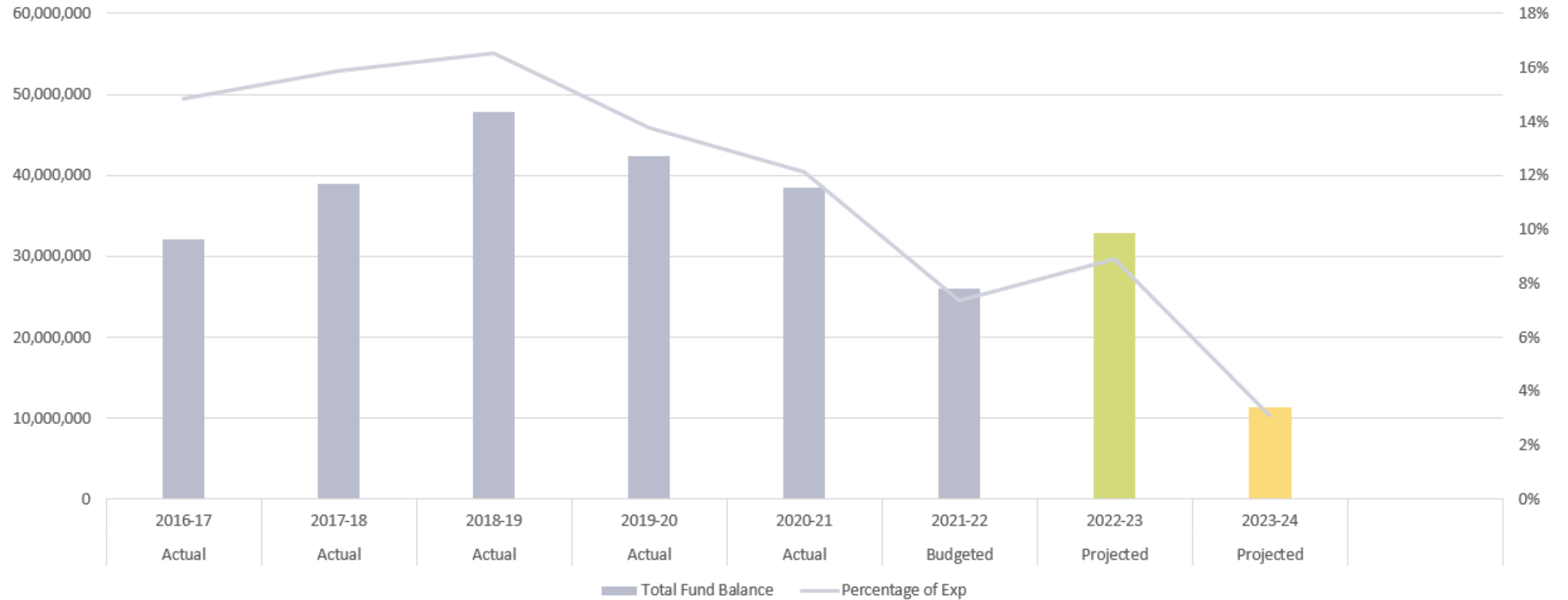
Years	2022-23	2023-24
Reduction Amount	\$ -	
Remaining Structural Deficit	\$ 27,905,941	\$ 27,905,941
EST Additional Deficit in 2023-24		\$ 5,000,000
Total Ending Fund Balance Amount	\$ 21,500,000	\$ (11,405,941)
Total Ending Fund Balance Percent	5.84%	-3.09%

Proposed Program Reductions

Years	2022-23	2023-24
Reduction Amount	\$ (11,383,903)	\$ -
Remaining Deficit	\$ 16,522,038	\$ 16,522,038
EST Additional Deficit in 2023-24		\$ 5,000,000
Total Fund Balance Amount	\$ 32,939,962	\$ 11,417,924
Total Fund Balance Percent	8.93%	3.09%

The 2022-23 Proposed Program Reductions of \$11.38M would bring the total fund balance to 8.93%. In 2023-24, a total fund balance of 3.09% would be out of compliance with board policy and additional funding and/or reductions would be needed.

Fund Balance - Proposed Reductions



Prior Year Reductions

Reductions as of 4-29-2021	Est. amount of Savings	
	\$ 10,010,000	Cert Staffing Reductions (Enrollment Driven) 77 FTE
	\$ 1,600,000	Previously Executed Para and Office Pro Reductions
	\$ 770,000	Building Admin Reductions (4 FTE) Enrollment Driven
	\$ 290,000	Middle School Deans (2 FTE)
	\$ 700,000	Middle School Counselors (Gross Reduction of 5) Net loss of 3 FTE
Restored	\$ -	Swedish Mental Health (3 FTE)
	\$ 167,000	Business Office Reduction of (1.6 FTE)
	\$ 270,000	Asst Supt of Special Projects (1 FTE)
Restored	\$ -	PBSES Coaches (7.5 FTE)
Restored	\$ -	Elementary Counselors (7.5 FTE)
	\$ 980,000	PLC Coaches (7 FTE)
	\$ 950,000	Suspension of overload resulting from RIF
	\$ 750,000	Reduction of Extended Day Contracts
	\$ 130,000	PLC Coaches Classified (2 FTE)
Restored	\$ -	Math Path Cert Staffing (8 FTE)
	\$ 140,000	Counseling TOSA (1 FTE)
	\$ 130,000	CTE Enhancement (1 FTE)
	\$ 290,000	Theatre Managers (3 FTE)
Restored	\$ -	High School Grad Specialist (3 FTE)
	\$ 130,000	On-line learning building support (1 FTE)
	\$ 208,000	Assessment Dept. Restructure (1 FTE)
Partially Restored	\$ 117,000	Assessment Dept. Restructure (Changes to only 1 FTE)
	\$ 210,000	TLS TOSA (1.5 FTE)
Total Reductions	\$ 17,842,000	
Result: Restoration of Significant Counseling Supports, PBSES positions, Graduation Specialists, Math/Science Class Size Reduction Staffing & Assessment Support		
Total \$\$\$ Restored to program:	\$ 4,150,000	
Total FTE Restored	30.00	

2022-23 Reductions

- The administration has taken great care in determining at what level the district can guarantee employment for fiscal year 2022-23. Given the severity of the revenue shortfall and significant increase in expenditures (labor contracts, inflation, 5.5% IPD/COLA, new building operating costs, etc.), the District must ensure the contractual obligations for fiscal year 2022-23 do not result in poor financial condition or insolvency.
- The calculation of the Reduction in Force threshold, or RIF line, was determined by the need to save a targeted amount of funds/FTE following the IEA Collective Bargaining Agreement. For example, a Special Education staff member who was reduced is likely to be recalled in 2022-23, and therefore not counted in the targeted amount.
- Additional budget reductions of an **estimated** \$21.5M will be needed to balance the District's future operating budgets based on current projections for fiscal year 2023-24.

In order to remain financially stable and comply with Board Budget parameters for 2022-23, the following program reductions are needed:

Est. amount of Savings	Description	FTE
\$ 2,348,926	PBSES Coaches Elementary	16.0
\$ 587,232	PBSES Coaches Middle (Including 1 TOSA)	4.0
\$ 1,276,271	Math Path Cert Staffing	9.0
\$ 765,763	Science Support Staffing	5.4
\$ 348,303	High School Dean of Students	2.0
\$ 85,085	High School Activity Coordinator - 0.2 FTE reductions in release time at three high schools	0.6
\$ 1,321,271	Instructional Coaches Elementary	9.0
\$ 212,712	CTE Enhanced Staffing	1.5
\$ 141,808	Title 2 TOSA's Funded by Local Funds	1.0
\$ 293,616	TLS Content Area TOSA	2.0
\$ 146,808	ELL TOSA Funded by Local Funds	1.0
\$ 293,616	CTE/Counseling TOSA	2.0
\$ 220,212	Elementary Education TOSA	1.5
\$ 117,446	Online Learning TOSA	0.8
\$ 226,600	Elementary Education Director	1.0
\$ 62,500	Elementary Education Office Professional	1.0
\$ 62,500	Special Education Office Professional	1.0
\$ 130,000	Single Athletic Director Model w/.4 FTE Athletic Support at Each Bldg	0.8
\$ 75,234	Elimination of Sammamish SRO Contract	1.0
\$ 218,000	Maintenance FTE	2.0
\$ 950,000	Suspension of Overload (If RIF)	0.0
\$ 1,500,000	Suspension of Curriculum Adoptions	0.0
\$ 11,383,903		62.6