



# 2023-24 Budget Update

Board Meeting – April 27, 2023



# Purpose

- Update on 2023-24 budget based on preliminary information following the conclusion of the legislative session

# Updates for 2023-24 Budget

## High Level Summary

- Special services revenue increase of approximately \$1.64M is above what was earlier projected for the 2023-24 budget.
- Local cost of salary inflationary increase approximately \$2M less than earlier projected.



The increase in anticipated revenue of \$1.64M and decrease in estimated expenditures of \$2M combines for a net positive impact of \$3.64M to projected 2023-24 ending fund balance (~1% increase from previous estimate).

# Updates for 2023-24 Budget

## Special Education (HB1436)

- Increases excess cost multipliers used for funding.
- Estimated increase of \$1.64M in special services revenue.

<b>Special Education Tiered Multipliers</b>	<b>Estimated Increase Amount</b>
Age 3 to Pre-Kindergarten	70,000
Kindergarten to age 21	
Tier 1 Multiplier: => 80% time in BEA	1,200,000
Tier 2 Multiplier: < 80% time in BEA	370,000
<b>Total Estimated Increase</b>	<b>1,640,000</b>

# Updates for 2023-24 Budget

## Special Education (HB1436)

- The special education enrollment funding cap was increased from 13.5% to 15%
  - No impact to Issaquah School District. Special education enrollment below the cap.
- Safety net threshold reduced from the current 2.3 times the average per-pupil expenditure (APPE) to 2.2 times APPE for districts over 1,000 FTE
  - Provides potential for additional revenue through the Safety Net application process. Impact to Issaquah School District to be determined.

# Updates for 2023-24 Budget

## Salary Inflationary Increase (SB5187)

- Budgeted inflation for salaries is 3.7% in the 2023-24 school year
  - Local cost of salary inflationary increase approximately \$2M less than earlier projected.
- Estimated at 3.9% for the 2024-25 school year
  - Beginning in 2024-25, will be based on implicit price deflator for the previous calendar year as of the beginning of the school year.

# Updates for 2023-24 Budget

## Materials, Supplies, and Operating Costs (SB5187)

- Increase of 3.1% in the per student allocation amount
  - Estimated amount of increase is \$900k. Actual increase in MSOC costs is currently estimated at \$3M.

## Running Start (HB1316)

- Increases combined maximum enrollment cap from 1.2 FTE to 1.4FTE
  - Possible minimal increase to running start revenue and budgeted amount for payment to colleges.

# Updates for 2023-24 Budget

## Free School Meals (HB1238)

- Phase-in free breakfast and lunch to students in buildings serving grades kindergarten to fourth grade and 40% or higher qualify for free or reduced lunch starting 2023-24; 30% or higher starting 2024-25.
  - No Issaquah schools currently qualify at either threshold.



# Updates for 2023-24 Budget

## Transitional Kindergarten (HB1550)

- Changes Transitional Kindergarten (TK) to new Transition to Kindergarten (TTK) with funding separated from general apportionment.
- Funding based on counting the child as a kindergarten student. However, must now to be reported separately.
  - Estimated minimal impact to existing funding amounts.

# Updates for 2023-24 Budget

## Capital Budget (SB5200)

- Early Learning Facilities Project funds budgeted for the Issaquah School District in the amount of \$1,057,000.
  - The District applied for assistance for the Holly St. Early Learning Center playground project through the Department of Commerce. Total project cost is estimated at \$1.8M.

# Updates for 2023-24 Budget

## Next Steps

- **Now** - Utilizing information from the end of the legislative session, detailed budget development work can begin and will include:
  - Finalizing revenue estimates based on projected enrollment
  - Factoring in planned reductions and program changes
  - Creating staffing plans to determine more precise budget amount for employee related costs
  - Updating inflationary cost estimates for materials, supplies, and operating costs (MSOC)
  - Determining possible impact of early attrition on current fund balance
  - Incorporating full legislative changes into budgeted revenue and expenditure amounts
- **July** - Preliminary budget document and Guide to Understanding the Budget available
- **August** - Public budget hearing and board adoption