



## 2008-09 Budget

### ***Budget Overview*** ***August 25, 2008***

Revised 2/2/2009

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## Overview

- Review major changes since August 11, 2008 budget hearing
  - Replaced teachers who retired or resigned with teachers newly hired
  - Limited reassignments of staff among programs
  - Federal forests to Capital Projects revised to a transfer entry
  - Adjusted beginning and ending total fund balance to align with prior year actual and third quarter projections of annual revenues and expenses



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## Overview of Major Issues

- Review major issues
  - K-12 share of the state budget
  - Local, state, and federal revenue projections
  - Expenditures
  - Enrollment history and trends



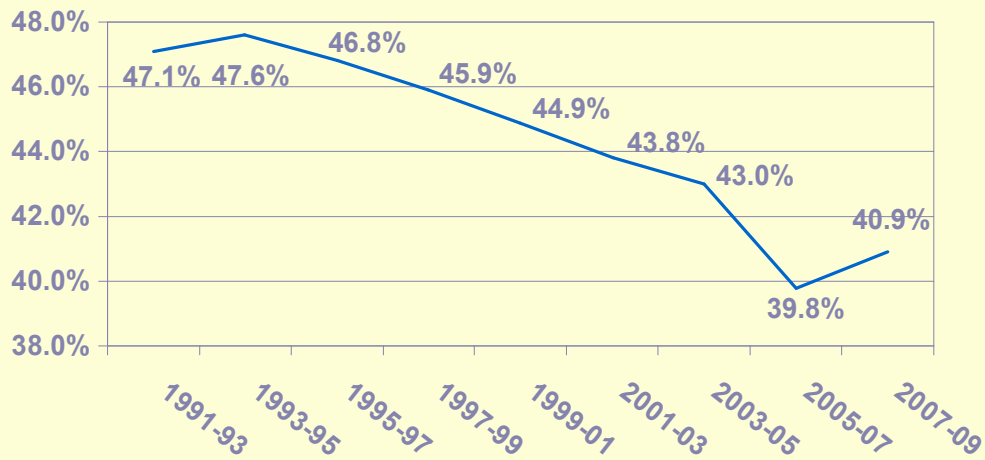
## Budget Environment

- Local economy and declining enrollment
- Rising costs of unfunded mandates
- Local levy equalization decline
- Salary and benefit local costs

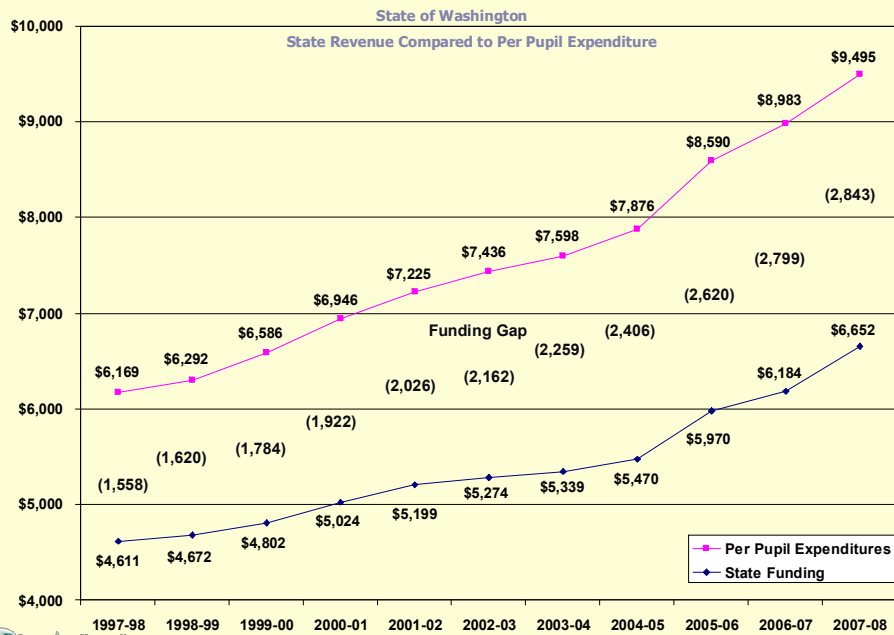
## Overview of Major Issues

- Review major issues
  - Compare the historical instructional, central administration, and Special Education expenditures to districts similar in size and to districts statewide
  - Review prior year reductions and reductions approved for the 2008-09 school year

## K-12 Share of State Budget



# State General Fund Support

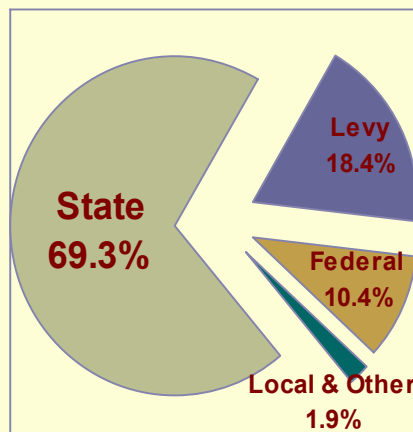


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# Resources

Our school district depends on the state for most of our budget resources.

- 69.3% from State
- 18.4% from local levy
- 10.4% Federal
- 1.9% local and other

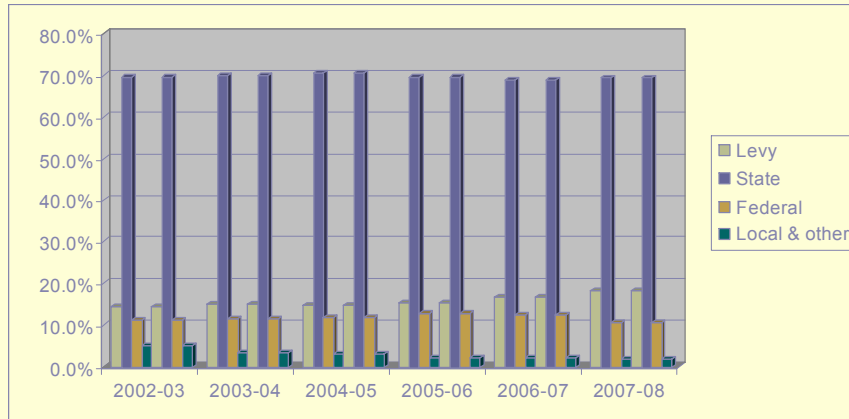


Data for 2008-09



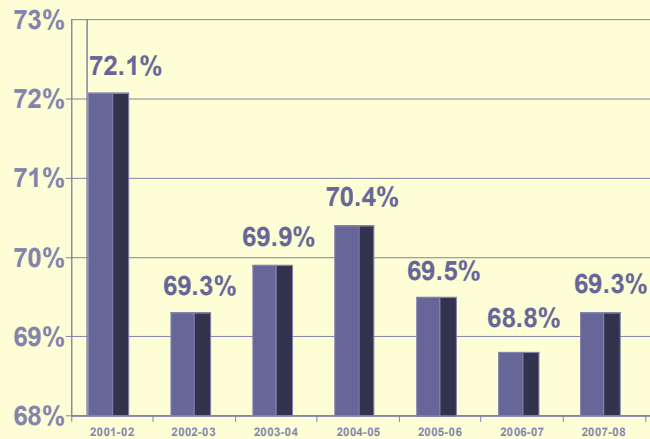
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## Resource History



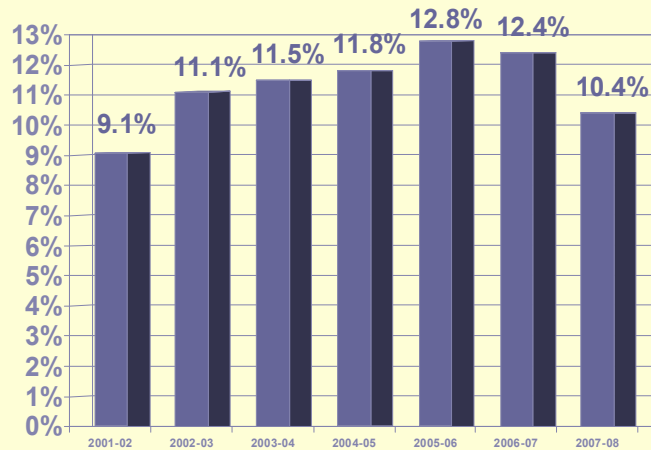
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## State Resource History



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## Federal Resource History

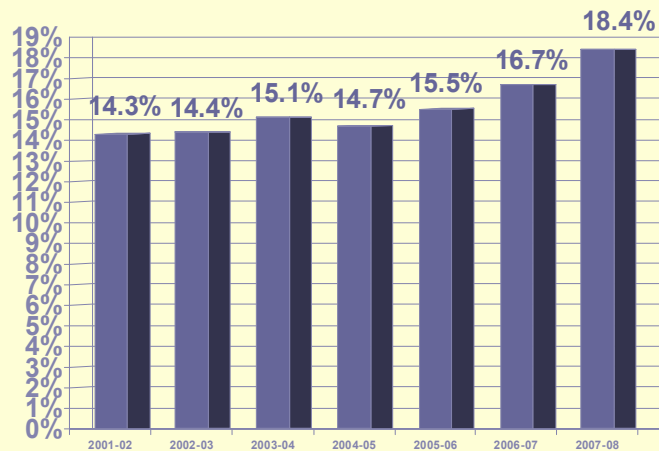


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## Levy Resource History

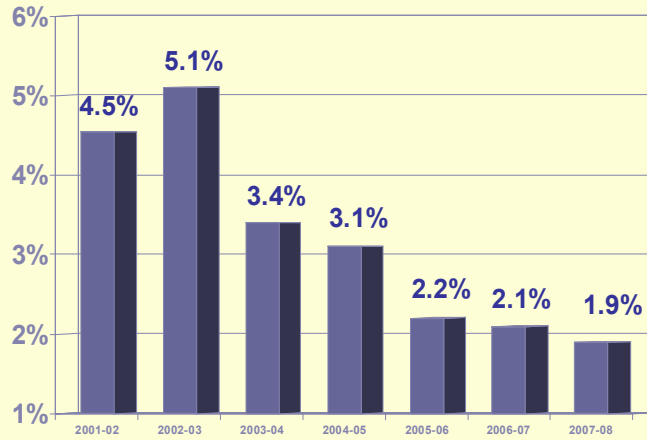


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# Local & Other Resource History



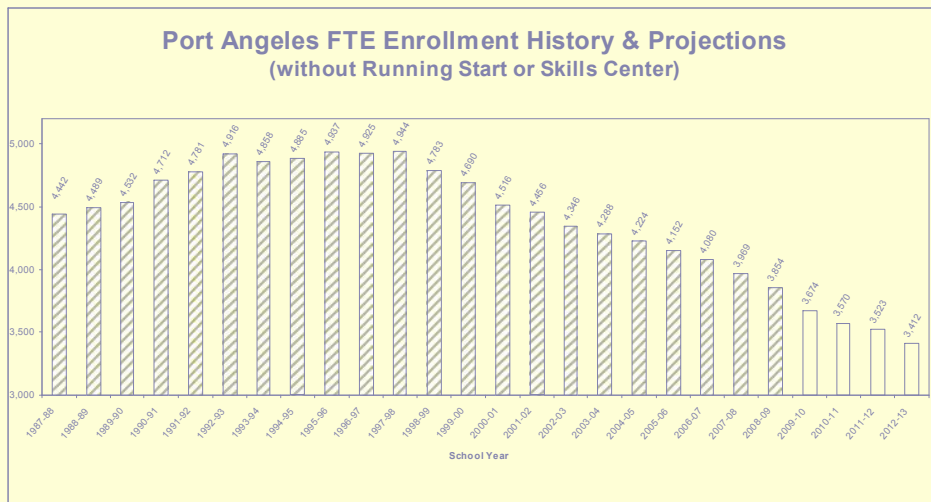
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# Enrollment History & Trends

Port Angeles FTE Enrollment History & Projections  
(without Running Start or Skills Center)



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## Enrollment History & Trends

- High enrollment in 1967 was 5,138 FTE
- Previous low in 1984 was 4,307 FTE
- Enrollment peaked again in 1997-98 at 4,944 FTE
- New low reached in 2007-08 at 3,935 FTE, a decline of 1,009 students over 10 years



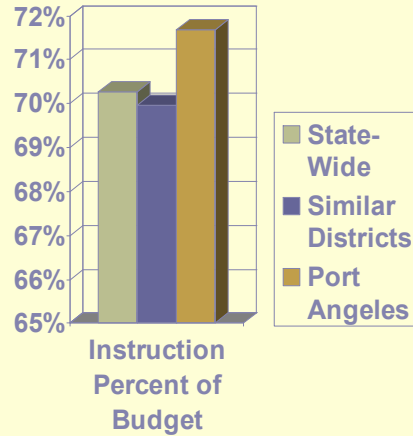
## Enrollment History & Trends

- Two classes averaged less than 300 students in 2006-07 – Grades 1 and 6
- Enrollment in grade 1 averaged 282.5 FTE
- Enrollment in grade 6 averaged 286.3 FTE
- Enrollment in grade K averaged 145 FTE
- These low enrollment classes will impact schools as they move each year

# More Instruction Resources

Direct instruction expenditures maintained between 69.9% and 71.7% over four years or \$5,503 per student

- State-wide districts between 68.3% and 69.9% or \$5,316 per student
- Same-size districts between 68.9% and 70.3% or \$5,168 per student



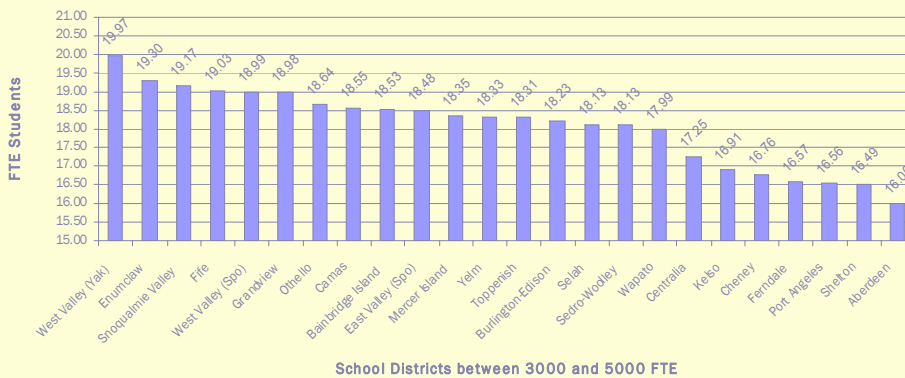
Data for 2007-08



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# More Instruction Resources

Comparison of FTE Students per Classroom Teacher 2007-2008



School Districts between 3000 and 5000 FTE

Preliminary Data for 2007-2008

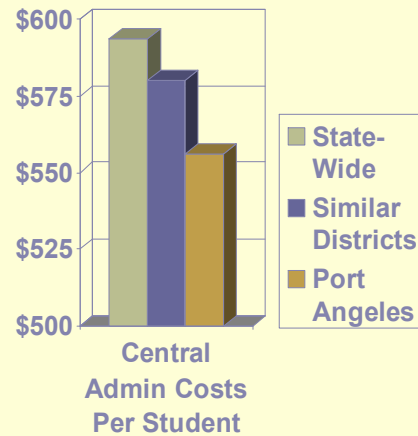


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## Central Administration Smaller

Central administration expenditures between 5.1% and 5.9% over past four years (Four year average of \$493)

- State-wide districts four year average of 6.2% or \$538
- Same-size districts four year average of 6.2% or \$533



Data for 2007-08

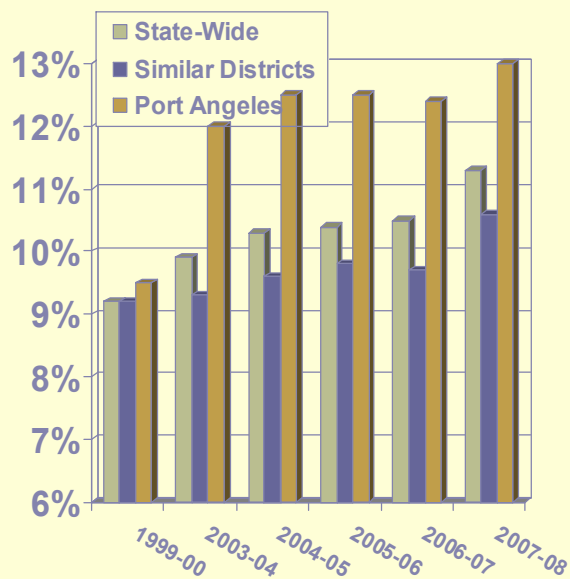


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## Special Education Expenditures

Special education expenditures of 13.4% are higher than state and same-size school districts

- State-wide districts rose from 10.5% to 11.3%
- Same-size districts rose from 9.7% to 10.6%



Data for 2007-08



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## State Budget Reductions

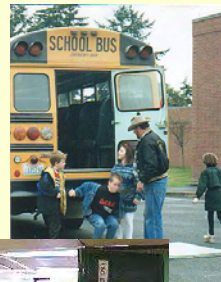
- For 2002-03, Port Angeles cut \$1,600,000 due to cuts in State funding and declining enrollment
- For 2003-04, Port Angeles cut \$667,000 due to more cuts in State funding and declining enrollment
- For 2004-05, declining enrollment and State program cuts will reduce discretionary revenues by another \$455,000



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## Budget Reductions in 2002-03

- District-wide reductions for 2002-03
  - 29.1 FTE staff cuts (all employee groups)
  - Reduced “non-grant-funded” travel
  - Reduced busing costs (expanded walk zones)
  - Trimmed extra curricular activities
  - Increased recycling efforts/ trimmed utility costs
  - Reduced size, frequency of *Visions* newsletter
  - Reduced technology purchases



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## Budget Reductions in 2003-04

- District-wide reductions for 2003-04
  - 16.5 FTE staff cuts (all employee groups)
  - Reduced “non-grant-funded” travel
  - Reduced busing costs further (service reductions)
  - Implemented “pay-to-participate” and reduced middle school sports
  - Consolidated half-days, and reduced additional class days
  - Increased recycling efforts
  - Eliminated *Visions* newsletter
  - Eliminated Outdoor Education
  - Eliminated field trip funding



## Budget Reductions, Restorations and Initiatives in 2004-05

- Closed an elementary school
- Alternative program leadership restored
- Published *Visions* district newspaper
- High school classified staff increased
- Technology upgraded for Skyward
- Levy election (2) expenses rose
- Special Ed autism program added



## Budget Adjustments in 2005-06

- Cut Elementary Counseling program
- Cut PAHS administration support (.4 FTE)
- Restructured Outreach program
- Expanded Elementary P.E. to help meet new state requirements
- Cut back on Overtime and Temporary Help
- Cut back on Equipment purchases
- Expand Special Education Autism program
- Board elections (2) expenses
- Unfunded salary increments & COLA
- Unfunded mandated benefits costs



## Budget Adjustments in 2006-07

- 5.00 Instructional staff beyond enrollment driven reduction of \$502,500
- 1.0 Technology director position eliminated; technician added resulting in a net reduction of \$40,000
- Information technology department moved to High School Campus for a savings of \$9,000
- High School athletic program reductions to \$15,000
- Library Processing Center closed to save \$66,000



## Budget Adjustments in 2007-08

- Closed Roosevelt Middle and Fairview Elementary
- Reconfigured grade spans (K-5 to K-6 & 6-8 to 7-8)
- 1.00 middle school principal position reduced; savings of \$115,000
- 1.00 middle school assistant principal reduced; savings of \$105,000
- 4.00 teacher positions reductions planned; savings of \$280,000
- 1.50 secretarial positions reduced; savings of \$75,000
- 1.50 custodial positions reduced; savings of \$75,000
- Utilities savings due to closure, consolidation; savings of \$70,000±
- Middle school athletics consolidation expected to save \$15,000



## Budget Reductions in 2008-09

### Facilities Efficiency Task Force Recommendations of \$1,369,500

- 4.0 FTE Para-educator positions; savings of \$152,000
- Cut Professional Development Coordinators (PDCs); savings of \$34,000
- Increase Pay-to-Play fees; increase revenue \$25,000
- Reduce board budget by 10%; savings of \$15,000
- Shut off computers weekends and breaks; savings of \$7,000
- Shut off computers evenings; savings \$7,000
- 1.0 FTE classified office support staff; reduces \$41,306
- .5 FTE secretary at CSB; reduces \$27,000
- Increase facility rental fees; increase revenue \$7,000
- Cut Other Community Grant; savings of \$2,500
- Reduce Cultural Exchange; savings of \$5,000
- Reduce Library Processing Center budget; savings of \$7,000

## 2008-09 Reductions Continued

- .5 FTE Curriculum Adoption Specialists; savings of \$38,000
- .5 FTE special education Teacher on Special Assignment (TOSA); savings of \$33,000
- Reduce general supplies for Info Systems; savings of \$2,000
- .5 FTE Assessment TOSAs; savings of \$34,000
- 2.0 FTE special education certificated positions; savings of \$141,000
- 2.5 FTE certificated instructional positions in grades K-6; savings of \$177,000
- 4.5 FTE middle school certificated positions; savings of \$318,000
- 4.2 FTE high school certificated positions; savings of \$297,000

## Operating Budget Bird's Eye View

	2007-08 Budget	2008-09 Budget
Revenue	\$39,285,049	\$41,450,232
Expense	\$39,319,328	\$41,472,117
Net Revenue	-\$34,279	-\$21,885
Carryover	\$125,000	\$250,000
<i>Operating Result</i>	\$90,721	\$228,115

\* Restricted funds (Skills Center and unspent I-728)

## Bird's Eye View Comments

- Budget draft – Revenue Adjustments
  - Special Education unfunded costs \$812,700
  - Transportation unfunded costs \$729,943
  - Unfunded salary COLA for Certificated \$257,286
  - Unfunded salary COLA for Classified \$192,406
  - Unfunded mandated benefits costs \$124,820
  - *State PAS Program eliminated \$124,889*
  - *Federal School Improvement cut \$16,000*
  - Learning Assistance Program increase \$70,633
  - *Title I increase \$142,206 (Severe needs category)*

## Operating Budget Revenue

	2007-08 Budget	2008-09 Budget
Local Taxes	\$7,091,993	\$7,624,644
Local Non-Tax	775,148	781,622
State General Purpose	20,764,999	21,762,418
State Special Purpose	6,839,731	6,969,417
Federal General Purpose	195,920	320,000
Federal Special Purpose	3,721,058	3,978,931
Revenues Other Districts-Entities	13,200	13,200
<i>Total Revenues</i>	<i>\$39,402,049</i>	<i>\$41,450,232</i>



## Local Support-Non Tax

### Local Non Tax decline

- Participation fees
- Skills Center sales
- Food service revenue
- School bus revenue
- E-rate funding



## State General Purpose

### State Apportionment reductions

- Declining enrollment reduction **\$519,374**
- Local Effort Assistance reduction **\$248,728**

## State Special Purpose

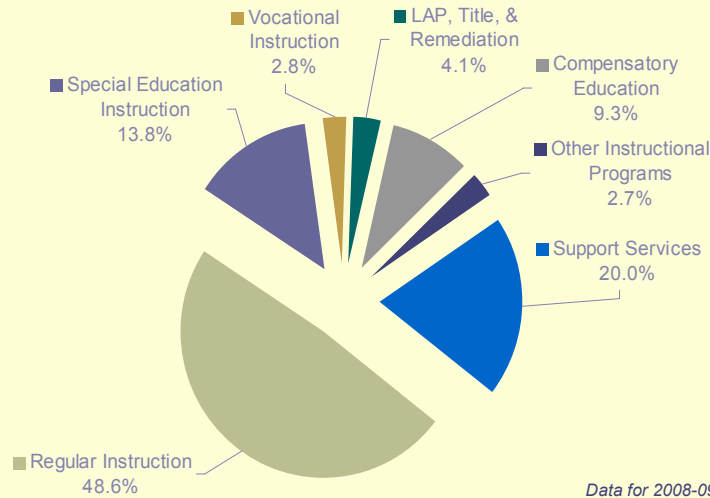
### State Special Purpose changes

- Special Education increase \$122,498
- Learning Assistance Program (LAP) increase \$70,633
- Promoting Academic Success (PAS) **Cancelled**
- Student Achievement (I-728) decrease \$7,983
- Highly Capable increase \$1,132
- Food Services increase \$2,593
- Transportation decrease \$136,001

## Operating Budget Expenses

<i>Expenditures by Program</i>	2007-08 Budget	2008-09 Budget
Regular Instruction	\$19,291,768	\$20,141,473
Special Education Instruction	5,270,094	5,702,693
Vocational Instruction	1,140,357	1,170,224
Skills Center Instruction	1,085,342	1,221,127
Compensatory Education	3,706,042	3,841,187
Other Instructional Programs	983,198	1,117,750
Support and Community Services	7,786,785	8,277,663
<i>Total Program Expenditures</i>	\$39,263,586	\$41,472,117

## Basic Ed Largest Program



Data for 2008-09



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## Operating Budget Expenses

<i>Expenditures by Activity</i>	2007-08 Budget	2008-09 Budget
Teaching Activities	\$25,688,938	\$27,089,212
Teaching Support	2,450,991	2,886,819
Sub-Total Teaching	\$28,139,929	\$29,976,031
Other Supportive Activities	6,012,142	6,350,947
Building Administration	2,480,939	2,535,319
Central Administration	2,630,576	2,609,820
<i>Total Activity Expenditures</i>	<i>\$39,263,586</i>	<i>\$41,472,117</i>

Estimates as of July 24, 2008

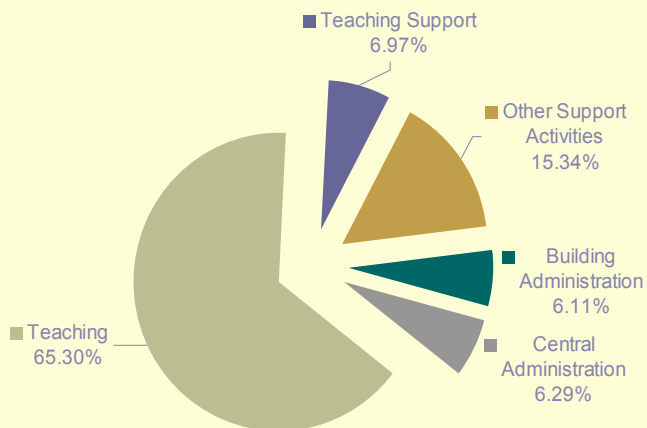


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## Activity Expense Comments

- Teaching Activity increase due to increment steps, **grandfather improvement**, COLA, and medical benefits
- Other Supportive Activities food costs, operation costs, maintenance and operations of buildings
- Central Administration decrease is a result of reduction in NERCs, moving NERCs to the account code in which they will be used, staff account code adjustments, and reduction in classified staff

## Teaching Largest Activity



Data for 2008-09

## Enrollment

	2007-08 Budget	2008-09 Budget
K-12	3,932	3,830.0
Skills Center	137.0	150.0
Running Start	100.0	85.0
<b>Total</b>	<b>4,169.0</b>	<b>4,065</b>

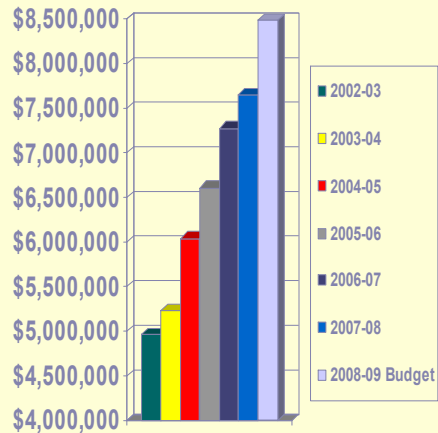
## Operating Budget Expenses

<i>Expenditures by Object</i>	2007-08 Budget	2008-09 Budget
Certificated Salaries	\$18,094,755	\$18,549,429
Classified Salaries	6,165,222	6,501,329
Employee Benefits & Taxes	7,899,802	8,485,355
Supplies & Materials	1,936,899	2,268,172
Purchased Services	4,751,187	5,275,202
Travel	160,877	160,964
Capital Outlay	254,844	231,666
<i>Total Object Expenditures</i>	<b>\$39,263,586</b>	<b>\$41,472,117</b>

## Employee Benefit Costs

### Benefit costs:

- 2008-09: \$8,485,365 budget
- 2007-08: \$7,651,479
- 2006-07: \$7,273,245
- 2005-06: \$6,604,642
- 2004-05: \$6,038,725
- 2003-04: \$5,233,956
- 2002-03: \$4,966,331

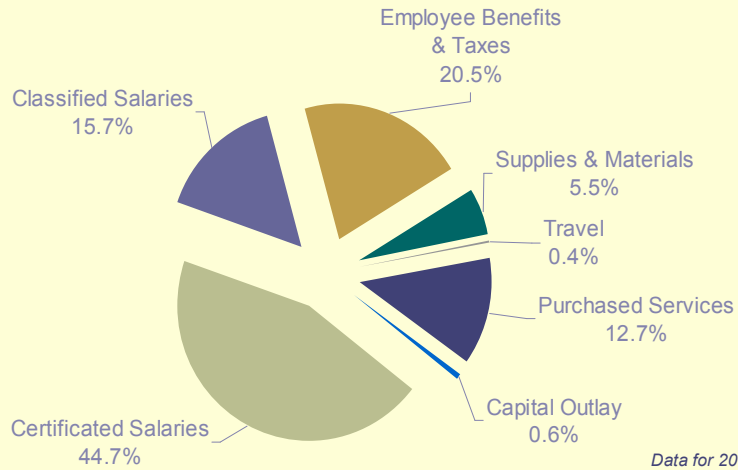


Data for 2008-09

## Object Expense Comments

- Certificated Salaries increase due to Cost of Living Adjustments and increment increases
- Classified Salaries increase due to Cost of Living Adjustments and increment increases
- Employee Benefit increase due to Cost of Living Adjustments increment increases

# People Largest Object

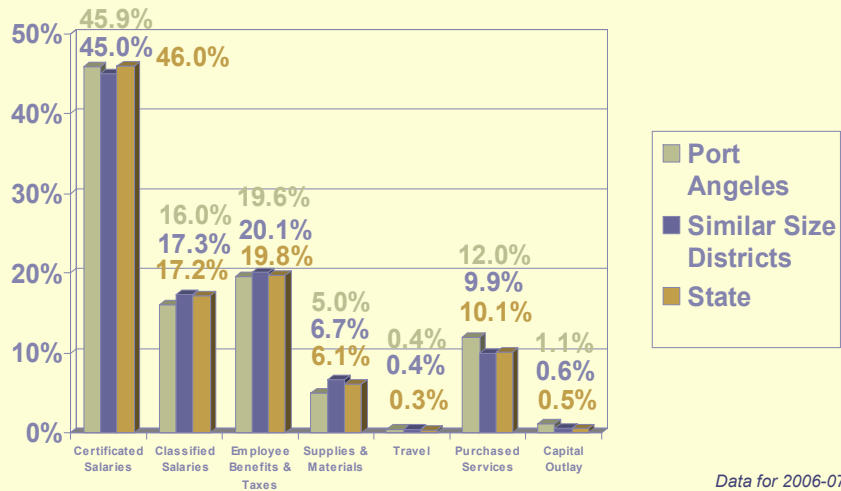


Data for 2008-09



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# People Largest Object



Data for 2006-07



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## Summary

- Unfunded mandates and benefit costs continue to strain the district's budget
- Special Education and Safety Net funding continues to fall short of the district's needs
- The state's transportation funding formula does not provide adequate revenues to offset transportation costs

## Questions? Send an email to

[budget@portangelesschools.org](mailto:budget@portangelesschools.org)

*Thank You!*

