West Valley School District No. 208
8902 Zier Road
Yakima, WA 98908

MEMORANDUM

Subject: Budget Outlook

From: Peter Finch, Superintendent
Joe Connolly, Asst Superintendent of Business Operations
Stacey Drake, Asst Superintendent of Teaching and Learning

Date: 7/27/23

Informational:

After reviewing the recent Legislative impacts, it is in the best interest of the district to be proactive and aim to reduce overall expenditures. These financial impacts include but are not limited to the following:

- ESSER Cliff - 2-3 million has been budgeted annually the past two years for staffing support. We have 1.8 remaining for this year.
- Regionalization eliminated- a cut of 1.5% in year one and the remaining 1.5 % in year two; Overall, it is approximately a 1.2 million reduction.
- Health Coverage Grant for MA/Nurse support is ending- $350,000 reduction
- Stabilization with Levy Equalization and Enrollment was discontinued- approximately 1 Million was received over the last two years.
- Change in Federal e-Rate (Technology) process which requires more cash on hand for payments/billing.
- LEA impact as assessed valuation outpaced Levy capacity for collection. Collecting under $1.50 for 2023 - 2026 unless the assessed valuations are drastically decreased.
- Facility and overall maintenance cost increases. Increase of cost of supplies/materials/contracted services with little increase to the budget from the State. For 22-23, budget was $904,000, we are projected to spend approximately 1.5 Million. (This does not include large capital projects as that is tracked in a separate fund.)
- Insurance Coverage rates are expected to increase by 18-20%. Additional coverages are being required/highly recommended of districts.

Other Potential Financial Concerns:

- No legislative updates/changes to the basic education prototypical school model- Committee work not even considered at the State level.
- TTK overhaul with state funding being blended with federal dollars. Multiple concerns arise as older data was used to create the budgeted funding amount.
- Community Eligibility Provision (food at no cost based on poverty rates) schools and continued funding under projected budget. This was not budgeted adequately at the State level last year which caused no apportionment for two consecutive months.

Four (4) year Forecast Concern:

If we stay status quo and our modest escalation rates hold true, our General Fund will go from an estimated starting point of 8.4 Million in 23-24 (projected) to a 3.3 Million by the end of 25-26. For context, the forecast presented in the board packet consists of the following assumptions:

- Modest increases in enrollment (revenue driver) (2%)
- Modest increases in expenditures (2%), this is assuming salary increases will essentially match revenue generation.
- Increase in CP transfer to 1.2 million in 23-24 and 1.4 million in 24-25.

We can not stay status quo. We need to reduce expenditures by 1.7 Million in 23-24 and, depending on Legislative outcomes of the next Legislative session, we will need to reduce, possibly, another 1.7 million in 24-25.

2023-2024 Plan:

Reduce expenditures by 1.7 Million in 23-24.

23-24 List of Reductions:

Expenditure	Cost Reduction
Salaries/ Time Sheet Reductions	$ 936,300.00
Process/Supply/Program Reductions and Changes	$ 435,000.00
CHS State Adjustment	$ 173,000.00
Funding Shifts/Reallocation	$ 200,000.00
TOTAL	$ 1,744,300.00