



Budget Study Session 2

September 18, 2024

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For questions and more information about this document, please contact the following:

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The following is a PowerPoint presentation.



Seattle Public Schools

Budget Study Session 2
September 18, 2024

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Agenda

1. Background
2. 2025-26 Budget Options
 - Fiscal Impact of Well-Resourced Schools Proposals
3. Educational Program Resolution per Board Policy No. 0060



What has SPS done so far?

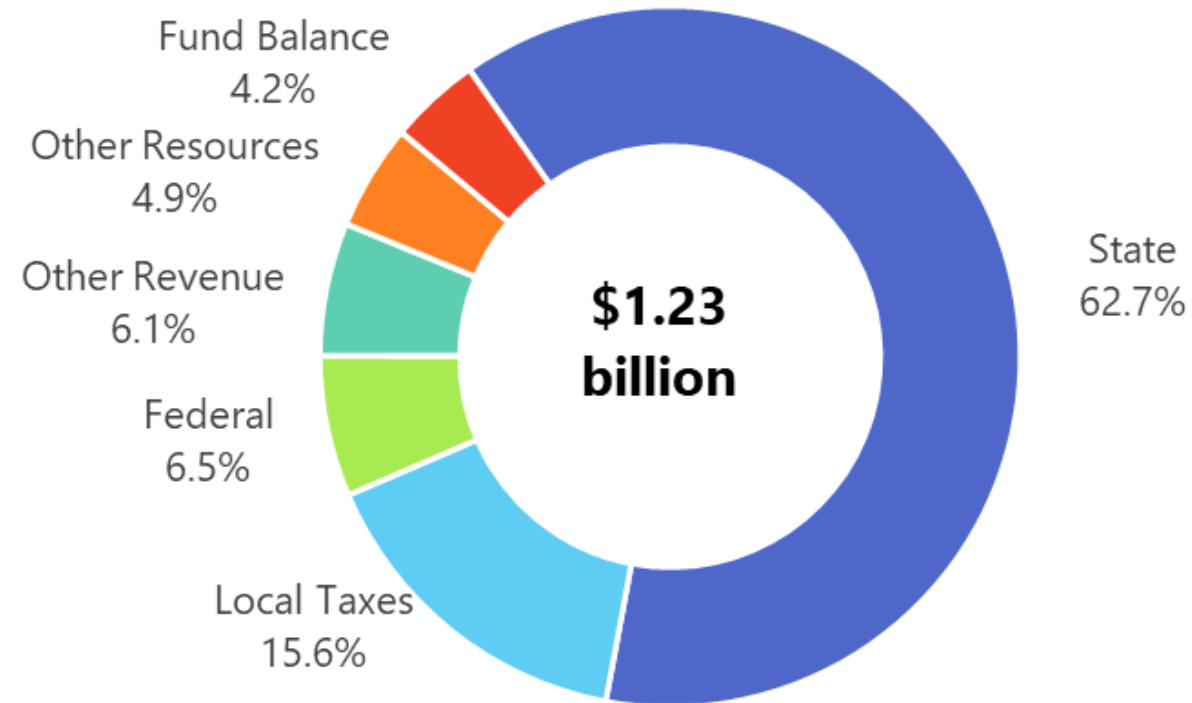
- Seattle Public Schools has been making significant reductions in its budget the last few years to move towards a position of long-term financial sustainability.
- Conservative fiscal practices, on-going reductions of \$61.8 million in FY 2023-24 and \$29 million for FY 2024-25 have helped reduce the projected on-going deficit for 2025-26 from \$129 million to approximately \$94 million.
- To balance the 2024-25 budget, the district is using \$32 million in one-time funds from the unrestricted Fund Balance and borrowing \$27.5 million from its own capital program (to be repaid with interest by June 30, 2026). These short term or “bridge” solutions are in addition to ongoing budget cuts at the central office and at schools.
- For 2025-26, there are no significant one-time solutions available to help balance the budget. In order to stabilize the system going forward, system changes and/or an increase in resources are required.
- More information in our [FAQ](#)



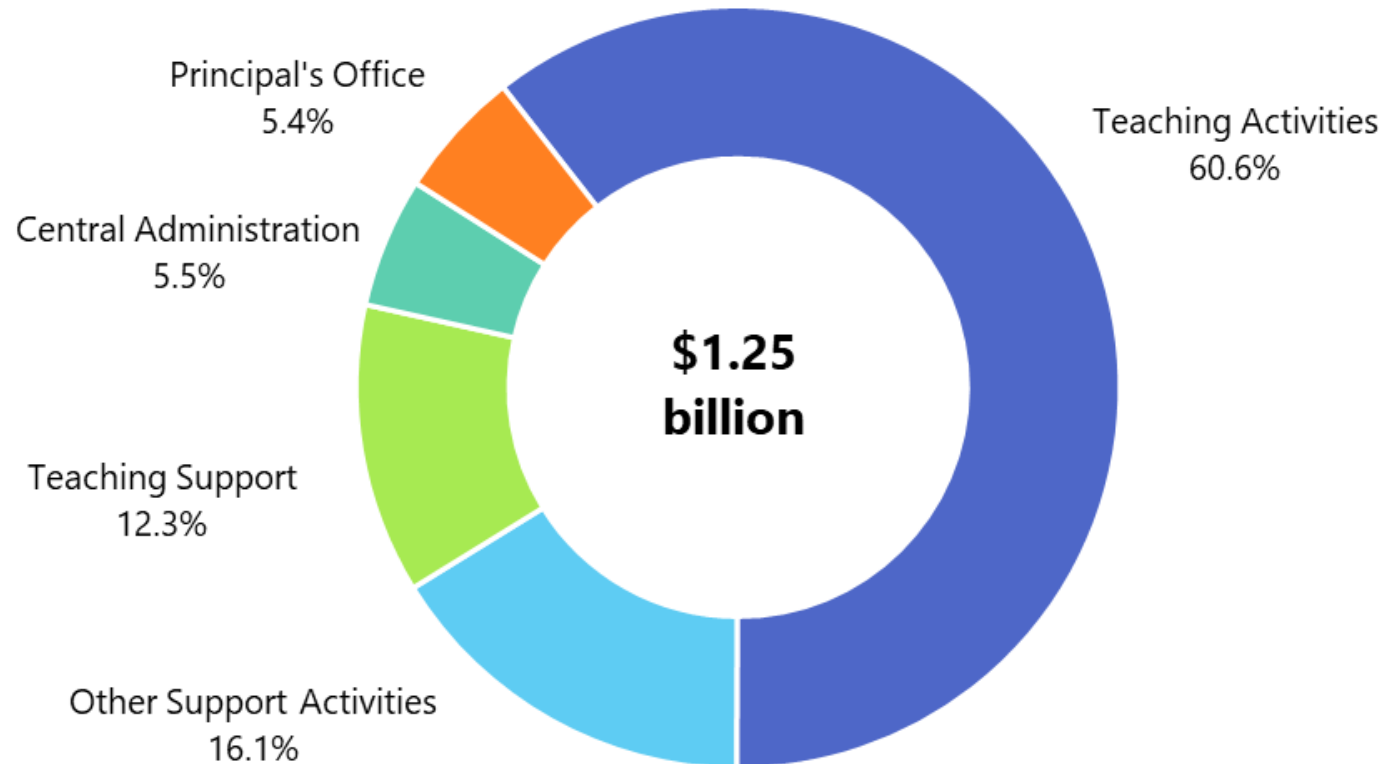
General Fund Resources

2024-25 Budgeted Resources by Type

percentages may not total to 100% due to rounding

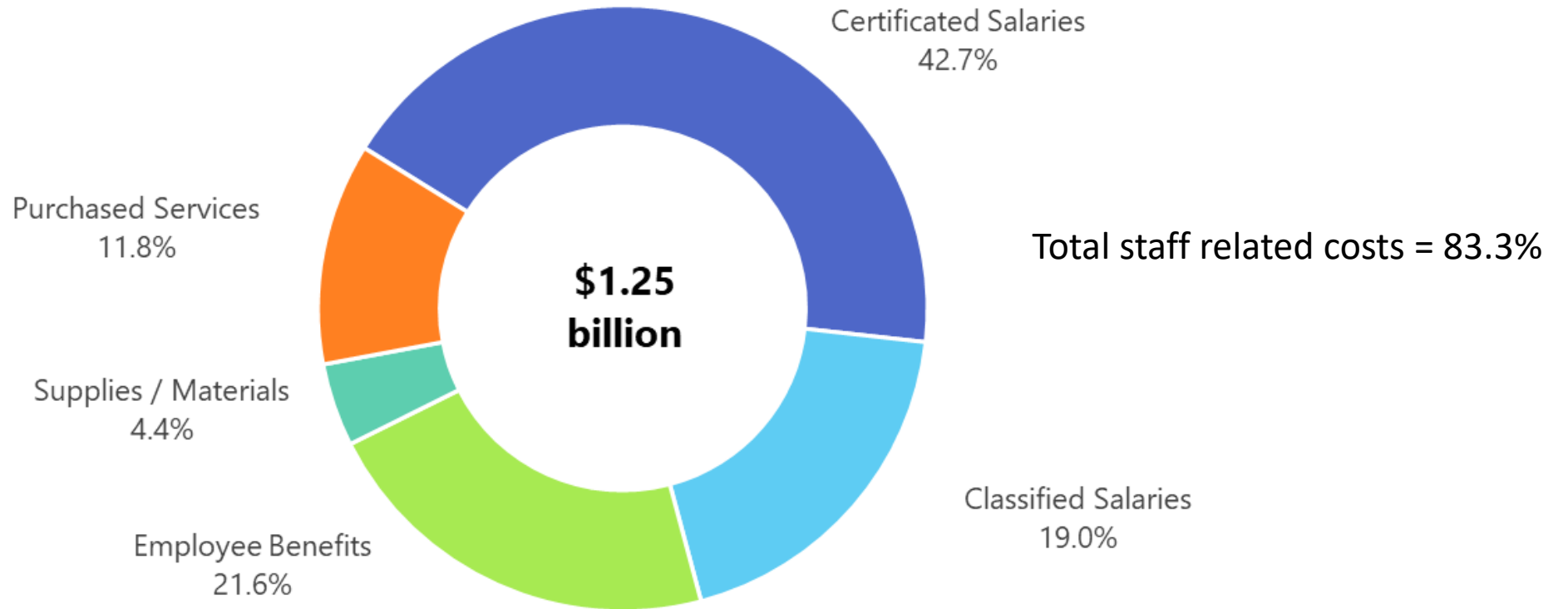


Budgeted 2024-25 Expenditures by Activity Group



Budgeted 2024-25 Expenditures by State Object

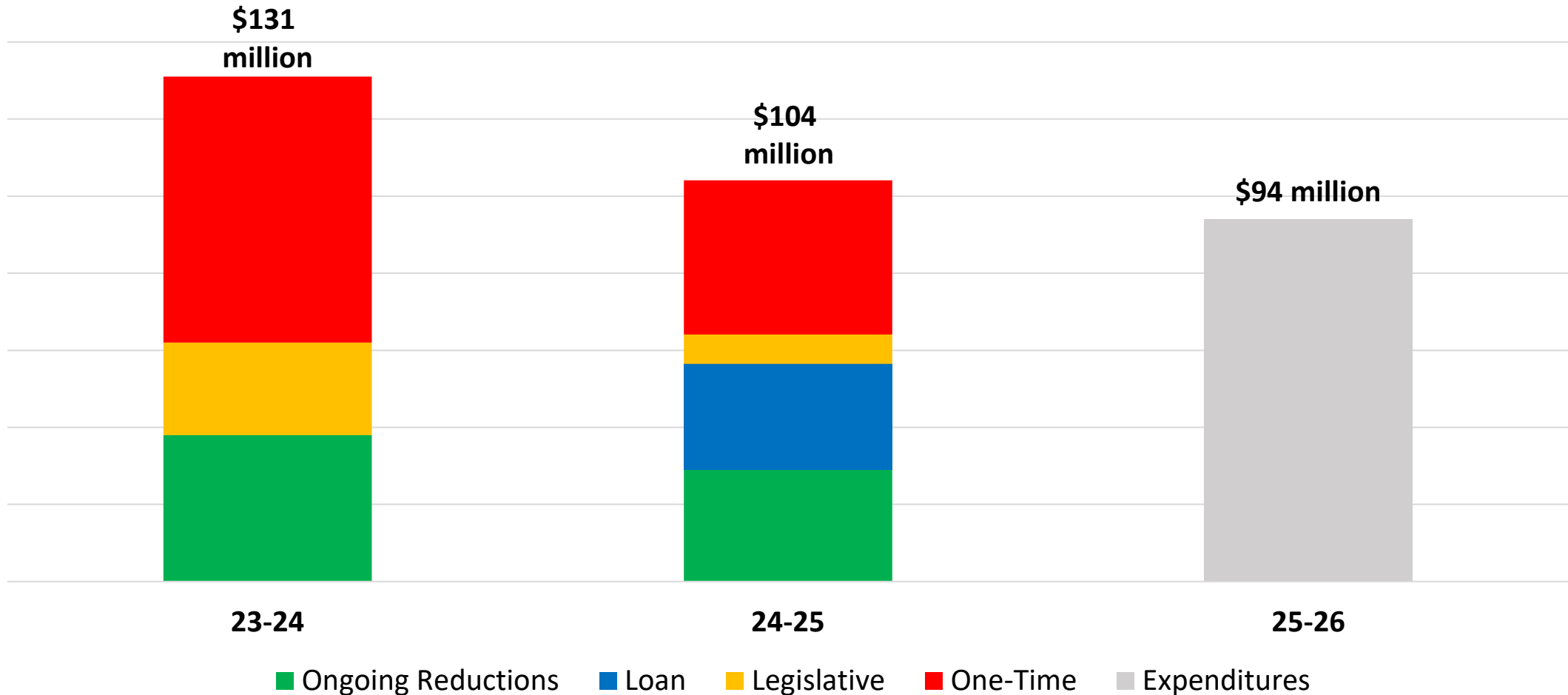
percentages may not total to 100% due to rounding



Note: Travel and Capital Outlay are not shown due to percentages totalina less than 0.5%



Recent Deficits



Budget Balancing Options for 2025-26

How do we close an estimated \$94 million shortfall for 2025-26?

- Proposed School Consolidations are part of the solution.
- The remaining \$64 million will need to come from:
 - Additional Legislative funding
 - Potential one-time savings from the 2023-24 General Fund (carry forward)
 - Transportation changes, staffing reductions, increased class sizes, program restructuring and/or closures, mandatory fees, salary reductions, etc.



Potential Solutions for 2025-26

- Operational savings from the transition to a system of Well-Resourced Schools (est. \$31.5 million)
- Transportation changes (est. \$9-11 million)
- Reducing / eliminating / pausing programs (est. \$0-13 million)
- Salary / Benefit reductions (each 1% reduction of salary base is \$7 million)
- Central Office reductions (est. \$0-5 million)
- Fees (est. \$0-2 million)
- School Staffing reductions (est. \$0-31.6 million)
- Other



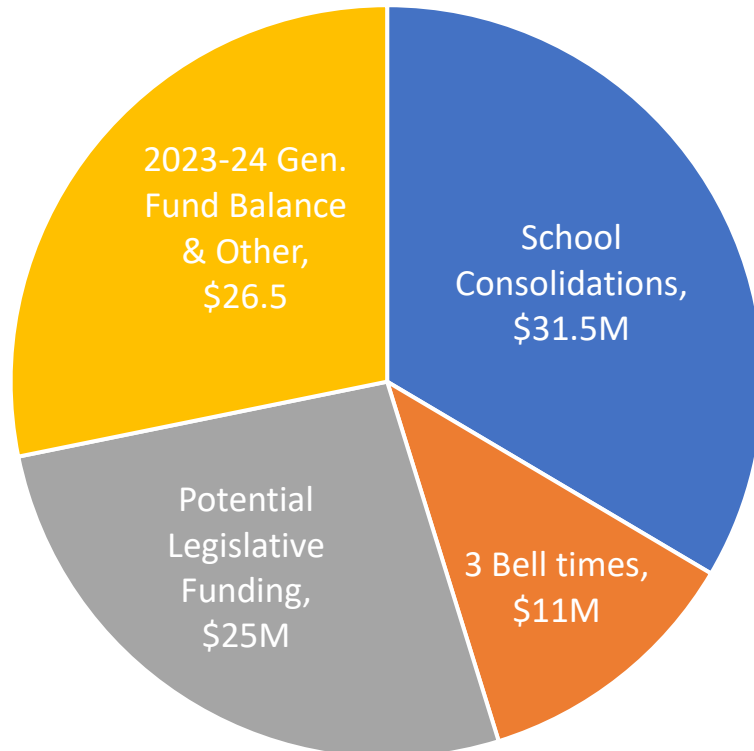
Legislative Funding

- The 2025 Legislative Session convenes Monday, January 13, and is scheduled to adjourn on Sunday, April 27.
- This is a 105-day session. During this session, the Legislature will adopt the 2025-27 biennial budget.
- Washington Association of School Administrators (WASA) 2025 Budget Request
 - Special Education
 - Materials, Supplies, and Operating Costs (MSOC)
 - Pupil Transportation
- Leg. net impact for SPS in FY 2024-25: \$7.6 million.
- Leg. net impact for SPS in FY 2023-24 \$24 million.

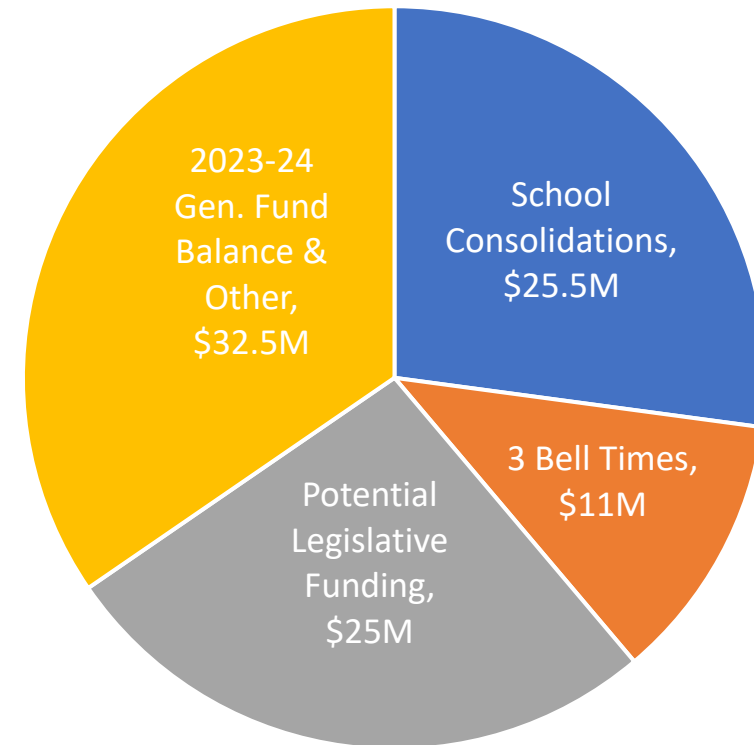


Well-Resourced Schools: Proposed Options A and B

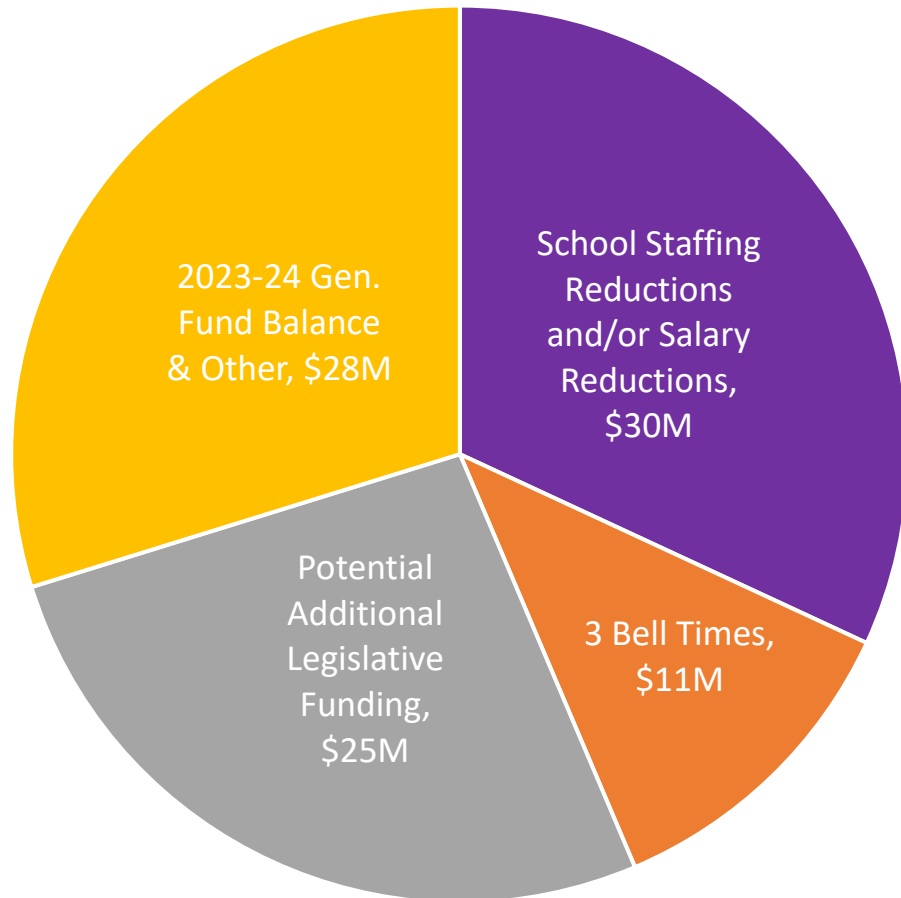
Option A: 52 schools (21 closing)



Option B: 56 schools (17 closing)



No Closures



- Would need to replace approx. \$30 million with a combination of alternative options.
- Given that 78.3% of the budget is spent on Teaching Activities, Teaching Support and Principal's Office, the alternative options would have to include school staffing reductions, class size increases, and/or salary reductions.

Board Policy No. 0060 – Financial Planning & Budgeting

Board Policy No. 0060 requires that the Superintendent present to the Board for approval a Reduced Educational Program Resolution (formerly referred to as Fiscal Stabilization Plan Resolution(s)).



Educational Program Resolution per Board Policy No. 0060

Summary of Educational Program Resolution 24/25-9 introduced today:

- Superintendent is directed to prioritize ongoing solutions in the development of the preliminary budget proposals for 2025-26.
- The proposals may include the following:
 - Operational savings from the transition to a system of Well-Resourced Schools
 - Transportation changes
 - Reducing / eliminating / pausing programs
 - Salary / benefit reductions for staff
 - Central office reductions
 - Implementation of fees
 - School staffing reductions



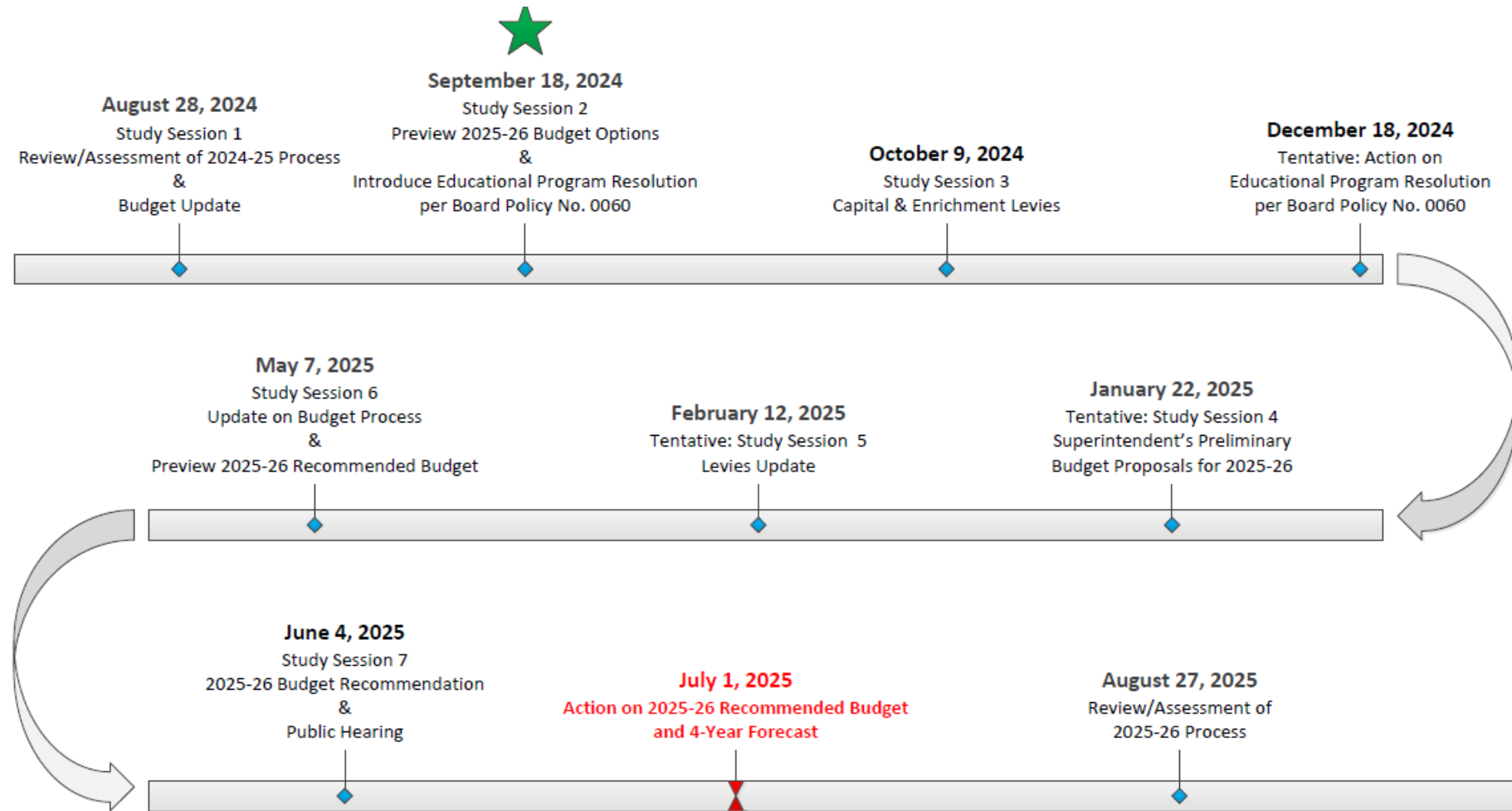
Resolution Summary (continued)

- Proposals shall be presented to the Board on or around January 22, 2025.
- Proposals will include a scenario in which the District receives no additional funding from the Legislature.
- Proposals will be aligned with the Budget Development Goals and Principles.
- The Superintendent will continue to work with the Board to explore legislative solutions.

**The Board is tentatively scheduled to take action on Resolution 24/25-9
December 18, 2024.**



Budget Development Timeline



* All dates are tentative



Budget Development Next Steps

- **December:** Board may take action on Educational Program Resolution per Board Policy No. 0060
- **January:** Superintendent's preliminary budget proposals for 2025-26 as directed by Educational Program Resolution; Legislative Session begins
- **February:** Capital and Enrichment Levies on the Ballot
- **April:** Legislature adopts 2025-27 Biennial Budget



Questions





Thank you!

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