



TO: Board of Directors

FROM: Deborah Rumbaugh, Superintendent  
Ruth Floyd, Executive Director of Business Services

SUBJECT: 2023-24 Reduced Educational Program

DATE: March 21, 2023

TYPE: Action/Resolution No. 2022/2023-005

During tonight's meeting we will review the estimated 2023-24 budget impacts and the plan for meeting the needed educational program reductions. The impacts listed on the attached sheet reflect the following:

1. Loss of state and federal COVID-19-related funding
2. Estimated cost increases in employee contract obligations
3. Reduced cash reserves due to multiple years of state funding reductions in salary regionalization allocations and underfunding in other areas of basic education
4. Capital Projects/Technology levy failure

Also being reviewed tonight is the plan for reducing the 2023-24 educational program. The plan identifies proposed staff and non-staff reductions. The factors we considered to develop the reduced educational program proposal are listed below.

1. Prioritize the instructional core over other budget areas
2. Honor current contractual obligations
3. Meet state and federal legal requirements
4. Maintain fund balance as required by board policy, and utilize unassigned funds beyond that amount if necessary
5. Respond as needed to other unanticipated factors that may come to our attention as we develop the 2023-24 budget

**Recommendation:** It is recommended that the board adopt Resolution No. 2022/2023-005.

**STANWOOD-CAMANO SCHOOL DISTRICT NO. 401**

**REDUCED EDUCATIONAL PROGRAM AND REDUCTION OF STAFF**

**RESOLUTION NO. 2022/2023-005**

**WHEREAS**, Stanwood-Camano School District does not have the presently assured financial resources to maintain its program and services at the present levels for the 2023-24 school year due to loss of revenues and cost increases; and

**WHEREAS**, in order to maintain the level of School District expenditures within the level of reasonably anticipated revenues, it is necessary to make certain reductions in the District's educational program, including reductions in administrative, certificated and classified positions for the 2023-24 school year; and

**WHEREAS**, it is necessary at this time for the Board of Directors to adopt a reduced educational program for the 2023-24 school year so that certificated employees who would be affected by said program reduction may be properly notified by May 15, as required by law; and

**WHEREAS**, the Board of Directors has considered the 2023-24 Reduced Educational Program recommended by the Superintendent, which is attached hereto and by this reference made a part hereof:

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Stanwood-Camano School District as follows:

1. The Board hereby adopts the 2023-24 Reduced Educational Program attached hereto;
2. The Superintendent is directed to take such action as may be required by law, collective bargaining agreements, or Board policy to implement the reduced program, including notifying employees who will be affected by the implementation of the 2023-24 Reduced Educational Program; and
3. The Superintendent will, prior to the initial presentation of the 2023-24 District operating budget, update the Board on any significantly different level of reduction for the District than the reduction reflected in this resolution.

Adopted at a regular open public meeting of the Board of Directors held March 21, 2023.

STANWOOD-CAMANO SCHOOL DISTRICT NO. 401,  
A municipal corporation of the State of Washington

---

Board Member

---

Board Member

---

Board Member

---

Board Member

---

Board Member

**STANWOOD-CAMANO SCHOOL DISTRICT NO. 401**  
**General Fund - Fund Balance (Reserves)**  
**2022-2023**

<b>GENERAL FUND</b>	9/1/2022	8/31/2023	
Beginning Fund Balance Categories	Beginning Actual	Ending Estimate	Percent of Revenue*
Restricted for Carryover of Restricted Revenue	46,317	70,000	0.1%
Nonspendable Inventory and Prepaid Items	134,305	930,000	1.1%
Assigned to Other Purposes - School Carryover	224,237	200,000	0.2%
Unassigned to Minimum Fund Balance Policy (5%)	3,864,215	4,120,953	5.0%
Unassigned Fund Balance	5,814,949	1,250,309	1.5%
<b>Fund Balance - Total</b>	<b>10,084,023</b>	<b>6,571,262</b>	<b>8.0%</b>

**GENERAL FUND**

Sources:

Total Actual Fund Balance - Beginning 9/1/22	10,084,023
Levy collections due to Consumer Price Index (CPI)	260,000
Current year budget reductions (net of increases)	209,724
Food Services Supply Chain Assistance grant	147,100
Est. Safety Net revenues above budget	50,000
Transportation allocation increase	200,000
<b>Subtotal Sources to Date of General Fund Balance</b>	<b>10,950,847</b>

Uses:

FY 2022-23 Budgeted Expenditures over Revenues	(4,261,154)
Paid Family Medical Leave rate increase 1/1/23	(67,000)
School supplies	(51,431)
<b>Subtotal Uses to Date of General Fund Balance</b>	<b>(4,379,585)</b>
<b>Total Estimated Fund Balance - Ending 8/31/23</b>	<b>6,571,262</b>

\*Fund balance percentage is based on fiscal year 2022-23 budgeted revenue less budget capacity

(\$86,419,055 - \$4,000,000 = \$82,419,055)

**STANWOOD-CAMANO SCHOOL DISTRICT NO. 401**  
 Projected General Fund Budget Deficit  
 2023-24

	<u>Estimated Budget Impact</u>
<b>Revenue Changes</b>	
Revenue Increases:	
Food Services increased meal prices (federally required)	35,000
Levy collections due to Consumer Price Index (CPI)	290,000
State funding increases (net of related costs)	300,000
Total increases	625,000
Revenue Decreases:	
Decrease in grant revenues (ESSER, Learn2Return, Supply Chain Assistance, etc.)	2,261,859
Loss of 2022-23 general fund balance subsidy	3,512,761
Total decreases	5,774,620
 Net Revenue/Fund Balance Subsidy Decrease	 5,149,620
<b>Expenditure Changes</b>	
Expenditure Increases:	
Contractual agreement estimates*	2,021,906
Paid Family Medical Leave rate increase*	80,674
SEBB medical benefit rate increase*	124,500
Election costs for EP&O levy and board of directors	95,000
English Language Arts K-8 materials adoption	800,000
Capital fund staff moved to general fund	244,000
Clean Energy Audit (legislative unfunded mandate)	50,000
 Net Expenditure Increases	 3,416,080
 Total Revenue Decreases and Expenditure Increases	 8,565,700

\*Net of state funding; excludes categorical/grant programs that cover costs within revenues

**STANWOOD-CAMANO SCHOOL DISTRICT NO. 401**

2023-24 Proposed Reduced Educational Program

<b>General Description</b>	<b>Estimated Reduction Amount</b>
<b><u>DISTRICT OFFICE ADMINISTRATION</u></b>	
Elimination of district office administrators	\$ 459,100
Reduction of administrator days, salary and benefits	118,100
Elimination of district office classified non-rep position	114,500
Reduction of work days/hours of some district office staff	51,000
Reduction of district department budgets	349,100
	<hr/>
	\$ 1,091,800
<b><u>SCHOOL ADMINISTRATION</u></b>	
Reduction of school-based administration	\$ 103,500
Reduction of school-based administrator days, salary and benefits	187,700
Elimination of discretionary funds	74,000
Reduction of school building budgets	155,000
	<hr/>
	\$ 520,200
<b><u>ACTIVITIES AND ATHLETICS</u></b>	
Reduction and elimination of some travel and uniform costs	\$ 70,000
Reduction of non-athletic stipends, travel, other misc.	70,000
	<hr/>
	\$ 140,000
<b><u>HUMAN RESOURCES</u></b>	
Reduction of classified positions, days, hours or other salary reductions	<hr/>
	\$ 1,613,000
Reduction of up to 39 FTE certificated positions or other salary reductions	<hr/>
	\$ 4,112,900
<b><u>TEACHING AND LEARNING</u></b>	
Eliminate consultant services	\$ 262,500
Consolidate Open Doors program	70,000
Realign categorical/grant programs costs	414,300
Adjust summer/extended learning opportunities	271,000
Reduce special services professional services contracts	70,000
	<hr/>
	\$ 1,087,800
<b>Total 2023-24 Reduced Educational Program</b>	<b><hr/></b>
	<b>\$ 8,565,700</b>