

Budget Update October 2016: 2016-17 and Beyond

Due to lower than budgeted enrollment, North Kitsap School District will have a loss of revenue for the 2016-17 school year of \$1.6 Million. At the school board meeting on October 13, 2016, the board approved budget reductions of \$1.2 Million for the 2016-17 school year, which currently allows us to maintain the desired 5% reserve fund.

What happened to enrollment?

In order to meet our revenue projections, our enrollment would need to have an increased average of 250 students. Based on our most recent enrollment, we do not anticipate this happening.

When enrollment increased last year, the district took a close look at enrollment models and brought in a demographer to assist in analyzing our enrollment data. The district model and demographer recommendation were extremely close. Enrollment took a downturn in September. We have seen a slight increase in enrollment between September and October, however it is not enough to meet our revenue projections.

Where are budget reductions coming from?

Budget reductions will come from two areas; Materials, Supplies and Operating Costs (MSOC), and personnel. MSOC reductions are coming from multiple areas, including some of the board approved increases for 2016-17. Personnel reductions include not filling current open positions in some areas and not hiring positions that we had budgeted for. Reduction of current staff has not occurred. To view the list of reductions, view the [Budget Reductions Document](#).

What does the future look like?

The future in 2017-18 and beyond is uncertain. We do know that reductions will need to be made. Expenditures are expected to be higher than projected revenue next school year. The district will be continuing to look at budget reductions as we plan for 2017-18.

We plan to keep you informed throughout the year as we have information to share. Our focus continues to be on success for all of our students.