

NORTHSHORE SCHOOL DISTRICT 2018-19 BUDGET SUMMARY

THE BUDGET CONSISTS OF FIVE SEPARATE FUNDS



GENERAL FUND

The general fund is used to account for all financial resources except those required to be accounted for in another fund. Revenues for the general fund are primarily from state funds, educational programs and operations levy funds, federal funds and fees. These revenues are used for financing the current day to day operations of the school district such as our instructional programs for students, food services, maintenance and pupil transportation. Expenditures include salary and benefits costs, and non-labor costs such as supplies and instructional materials, utilities, fuel, insurance and printing costs.



ASSOCIATED STUDENT BODY FUND (ASB)

This fund accounts for the student extracurricular activities in each school. The revenues are generated, in part, by fees from students and nonstudents attending any optional noncredit extracurricular event of the district. Although the ASB fund is under the control of the Board of Directors, each school's student body prepares and submits a revenue and expenditure plan for Board approval.



CAPITAL PROJECTS FUND

Provides for acquisition of land or buildings, major modernization of buildings and other property such as fields, and acquisition of equipment, including technology systems. Capital funds may also be used for energy audits and related upgrades. The Capital Projects Fund is generally financed from the proceeds from the sale of bonds, state matching revenues, lease or sale of surplus real property, interest earnings and special levies.



TRANSPORTATION VEHICLE FUND

Accounts for the purchase or major repair of pupil transportation equipment. The Transportation Vehicle Fund is generally financed by state reimbursement to school districts for depreciation of approved pupil transportation equipment.



DEBT SERVICE FUND

Provides for the redemption and payment of interest on bonds. Each year an amount is levied which provides for redemption of bonds currently due, interest payments on bonds outstanding, and related costs.

2018-19 BUDGET SUMMARY POINTS

GENERAL FUND

<u>Enrollment</u>	2018-19 <u>Budget</u>
District served	22,265
Running Start	350
Re-engagement/Open Doors	25

<u>Staffing (FTE) (All funds):</u>	<u>Certificated</u>	<u>Classified</u>
Budgeted staffing	1,464.4 FTE	819.92 FTE

Revenues:

Provides for \$351.4 million of revenues which include the following changes this year:

- Legislative increases including:
 - State funding increases for McCleary:
 - Full value of EHB 2242 compensation provided in 2018-19;
 - Staff mix factor no longer used for funding;
 - Implements Regionalization factor of 18% for salaries for Northshore
 - Levy authority capped at \$1.50/\$1,000 of assessed valuation (AV);
 - Funds one professional development day for certificated instructional staff
 - Funds implicit price deflator (IPD) of 1.9% (instead of CPI of 3.1%)
 - K-3 class size compliance delayed until 2019-20;
 - Special Education multiplier increased from 93.09% to 96.09%;
 - Funding for insurance benefits increased by \$23.97/month for funded staff units;
- Increased funds for enrollment growth including the addition of the Parent Partnership program;
- Diverted Capital Projects interest and qualified bond interest credit;
- Transferred capital funding for tech training, certain software licensing and rental/lease income;
- Addition of ECEAP (Early Childhood) Program;
- King County grant for mental health support at 5 middle schools;
- Capacity for additional growth and unanticipated revenues

Expenditures:

Provides for \$346 million of expenditure authority which includes:

- Addition of ECEAP program for preschool students;
- Collective Bargaining Agreements including wage increases and staffing additions;
- Salary increases of 3.1% to represent the Consumer Price Increase (CPI);
- Staffing increases due to enrollment growth and program additions including ECEAP, Parent Partnership, and Emergency Preparedness;
- Capacity for recommendations from elementary counselor committee;
- Curriculum adoptions including language arts, math, science and social emotional learning;

- Increased capacity for grants, growth, and other unanticipated expenditures;
- Increased liability insurance premiums;
- Increased contingency for transportation positions;
- Provides for internal audit function for Capital and General Funds

Fund Balance

- Initial projections are that the district will begin the 2018-19 school year with a total fund balance of \$22 million. The projected ending fund balance for 2018-19 is \$27.4 million.
- We anticipate assigning \$500,000 of the ending fund balance towards non-capital expenditures for a new elementary school.
- The unreserved fund balance needed to meet the minimum fund balance policy of 3% is anticipated to increase by just over \$2 million.
- This budget complies with Board Policy No. 7130 meeting the minimum fund balance targets.

CAPITAL PROJECTS FUND

Provides for expenditures of \$150.28 million for:

- Funding Skyview Middle School/Canyon Creek Elementary School additions;
- Funding for a new elementary school on the Maltby property;
- Building improvement projects including roofing, HVAC, and flooring replacements;
- Upgrades to technology networks and systems;
- Funding for a concert hall at Inglemoor;
- Funding for safety and security upgrades at every school

DEBT SERVICE FUND

Provides for payment of \$46.9 million of outstanding principal and interest.

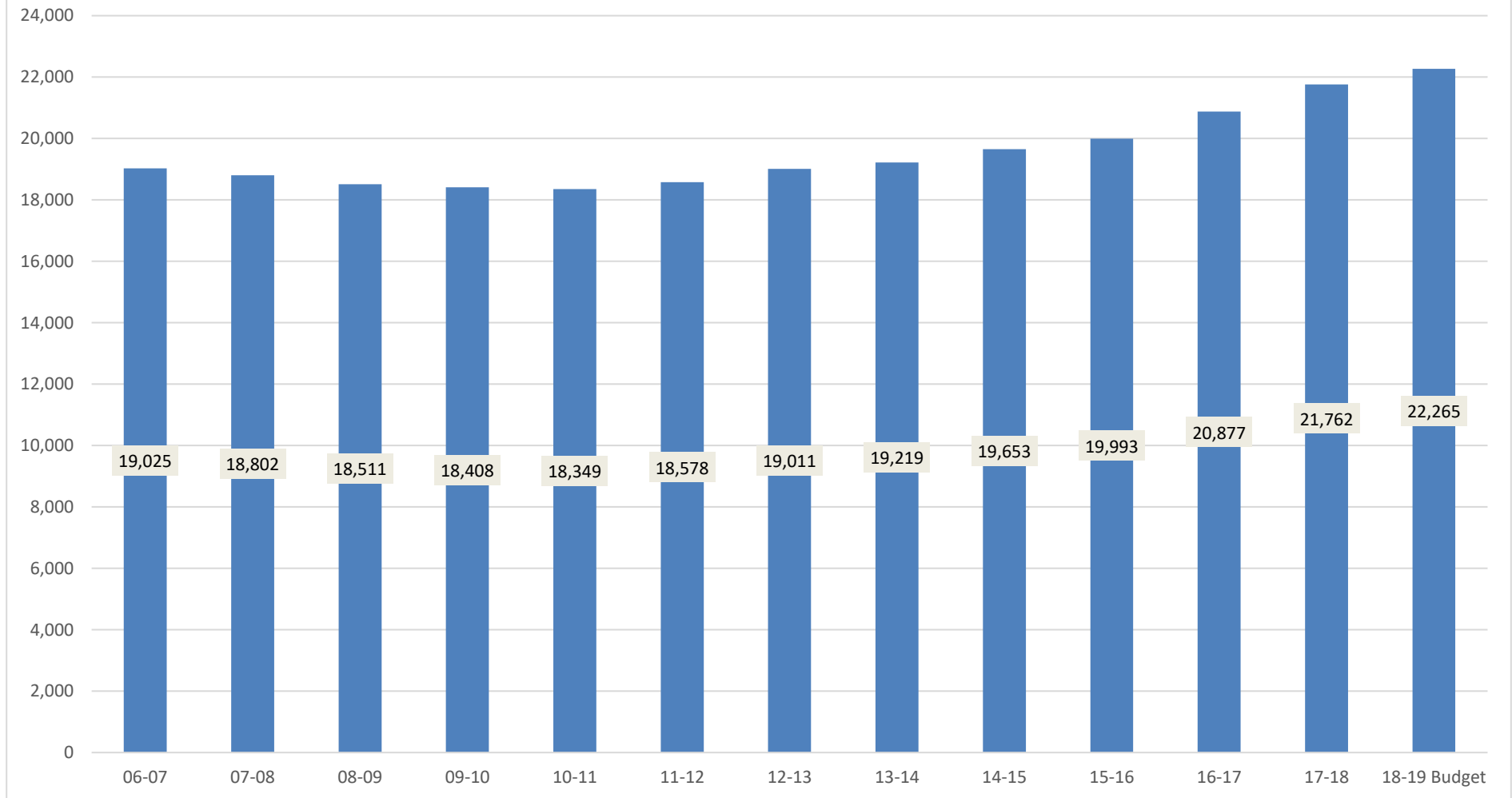
TRANSPORTATION VEHICLE FUND

Provides for \$1.198 million for the acquisition of up to 10 buses.

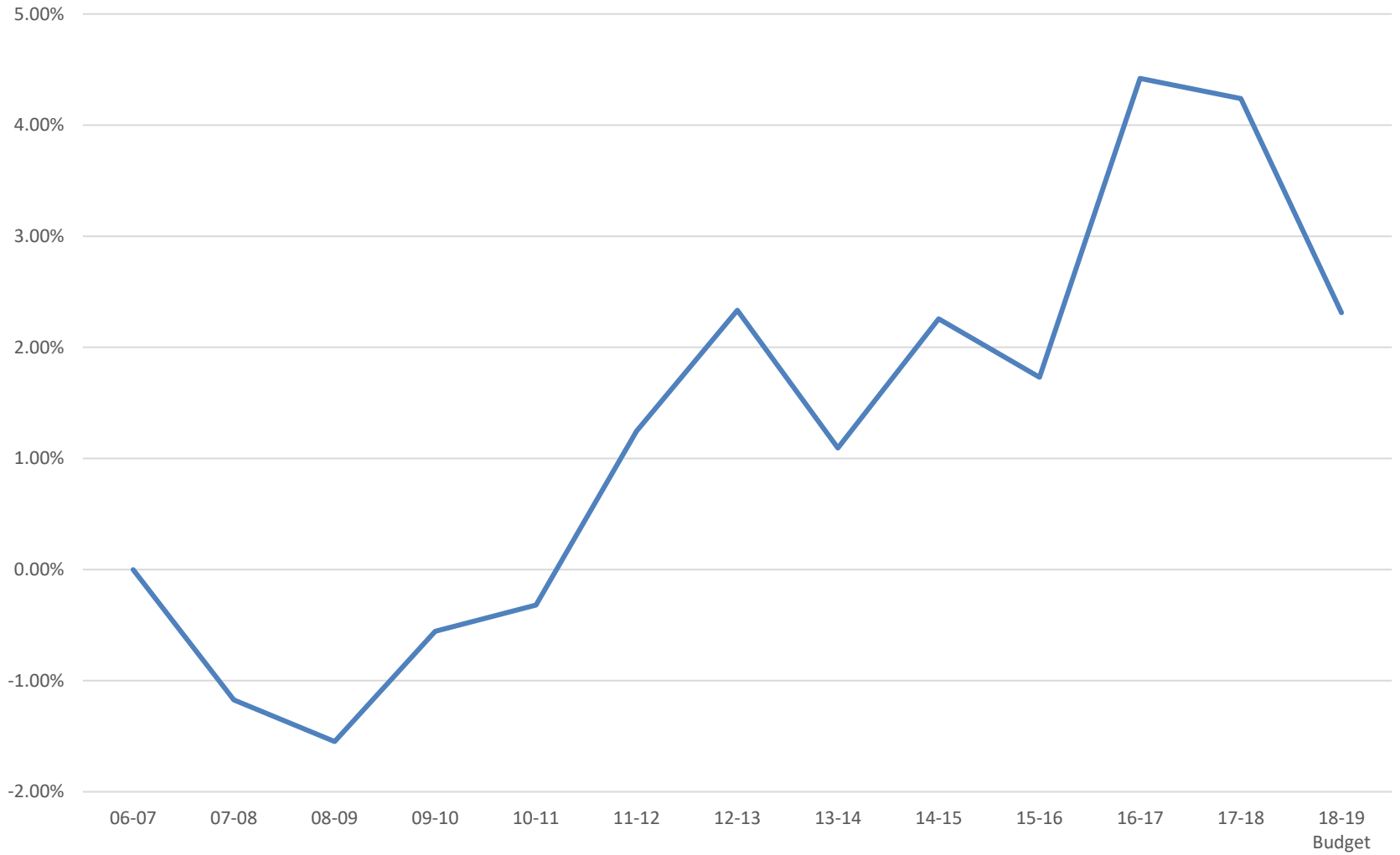
ASSOCIATED STUDENT BODY FUND

Provides \$5.209 million for student activities and athletics at all schools.

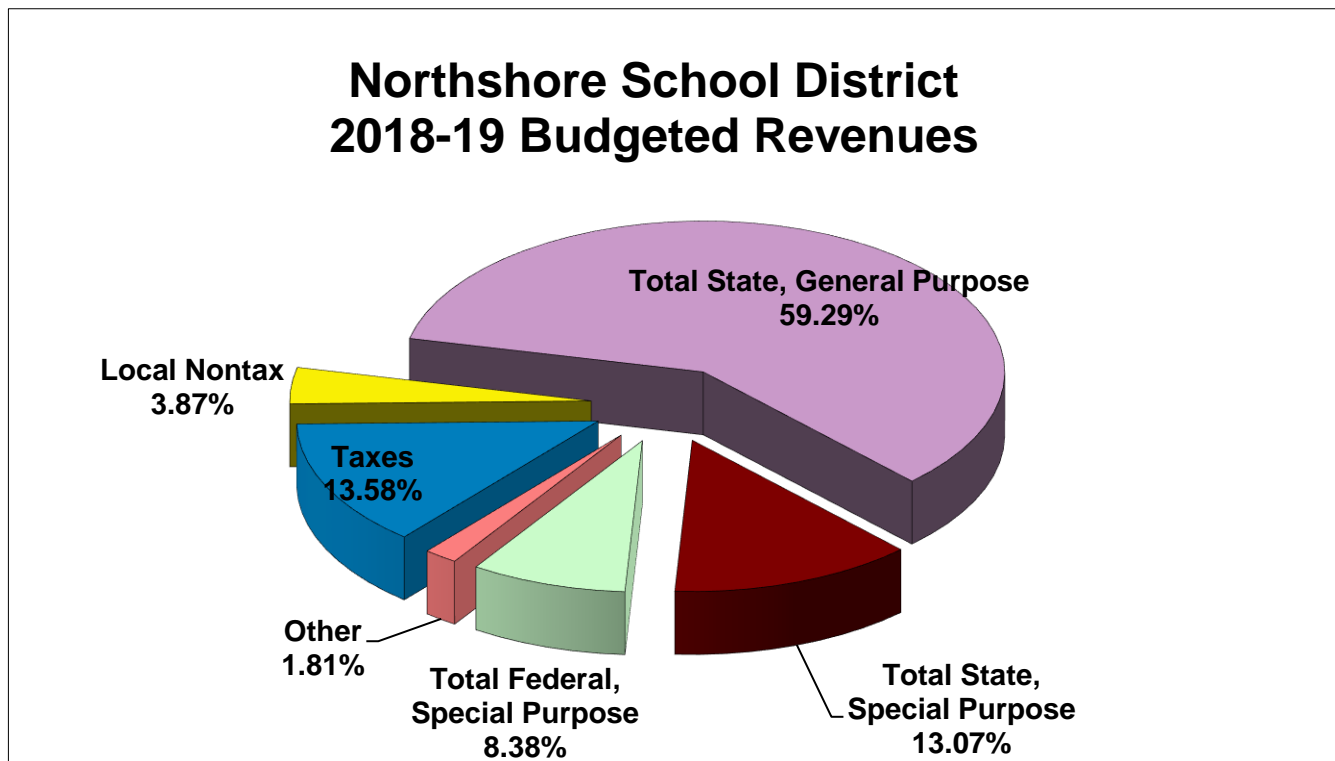
Basic Education Annualized Average FTE Enrollment 2006-2019
(2006-07 through 2017-18 actual; 2018-19 budget)



Basic Education Annualized Average FTE
% Yearly Growth/(Decline)



WHERE DOES THE MONEY COME FROM?



State General Purpose - The largest portion (59.29%) of the Northshore School District’s General Fund Revenue comes directly from the state in the form of “apportionment.” The amount of apportionment is driven by the number of full-time equivalent (FTE) students in the district, and a series of other formulas driven by both the number of FTE and rates set by the legislature.

Taxes – 13.58% of the budgeted revenue comes from the local Supplemental Educational Programs and Operations Levy. The levy amount is capped by the legislature and must be approved by the voters at a special election.

State Special Purpose Funds - The third-largest source of funds (13.07%) comes from the state as categorical funding for programs such as Special Education, Transitional Bilingual, Pupil Transportation, Learning Assistance Program, and Highly Capable. This revenue is received for specific programs and is not available for other purposes.

Federal Funds - Federal funds comprise 8.38% of budgeted revenues. Federal Funds include special education, nutrition services, and Title I (Disadvantaged).

Local Nontax – 3.87% of revenue is generated through local sources such as meal sales, preschool and pre-kindergarten programs, and rental of district facilities, investment earnings and donations.

Other School Districts, Other Agencies and Associations, and Other Financing Sources – 1.81% of budgeted revenues are comprised of grants or reimbursement for services from other local governments and state agencies (excluding OSPI), transfers and sale of surplus equipment.

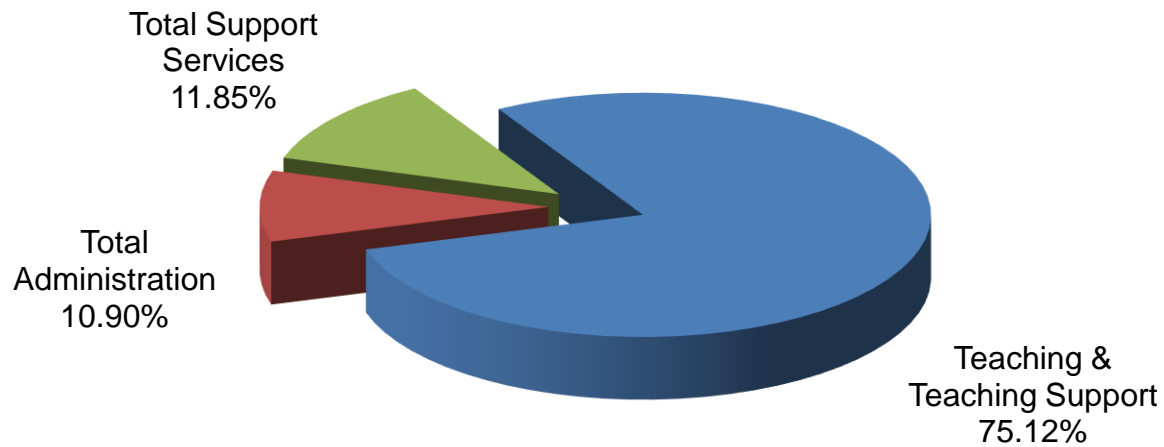
Northshore School District Revenue Budget Comparison

Description	2017-18 Budget	2018-19 Budget	2017-18 2018-19 Difference
Local Taxes			
1100 Local Property Taxes	50,978,009	47,739,197	\$ (3,238,812)
1500 Timber Excise Tax	492	453	\$ (39)
Taxes	<u>50,978,501</u>	<u>47,739,650</u>	<u>\$ (3,238,851)</u>
Local Nontax			
2100 Tuitions and Fees	517,950	554,576	\$ 36,626
2128 Pay for Participation Fees	500,000	600,000	\$ 100,000
2173 Summer School Tuition & Fees	60,000	89,000	\$ 29,000
2200 Sales of Goods, Supplies, Serv, Unassg	60,000	60,000	\$ -
2289 Other Community Services	140,000	140,000	\$ -
2298 Food Services	4,526,000	5,056,000	\$ 530,000
2300 Investment Earnings	300,000	400,000	\$ 100,000
2301 Capital Projects Redirected Interest	400,000	500,000	\$ 100,000
2500 Gifts and Donations	5,000,000	5,000,000	\$ -
2700 Rentals	950,000	1,010,000	\$ 60,000
2900 Local Nontax, Unassigned	184,907	201,500	\$ 16,593
Local Nontax	<u>12,638,857</u>	<u>13,611,076</u>	<u>\$ 972,219</u>
State, General Purpose			
3100 Apportionment	152,048,044	201,803,773	\$ 49,755,729
3121 Spec Ed, Gen'l Apportionment	4,219,505	5,485,474	\$ 1,265,969
3900 State, Other General Purpose	735,065	1,027,830	\$ 292,765
Total State, General Purpose	<u>157,002,614</u>	<u>208,317,077</u>	<u>\$ 51,314,463</u>
State, Special Purpose			
4121 Special Education	18,484,647	26,120,072	\$ 7,635,425
4122 Spec Ed, Infants & Toddlers	1,479,410	2,255,882	\$ 776,472
4155 Learning Assistance	1,678,416	2,043,884	\$ 365,468
4156 State Institutions & Centers	114,300	130,000	\$ 15,700
4158 Special and Pilot Programs	1,098,560	1,092,343	\$ (6,217)
4165 Transitional Bilingual	2,293,406	3,160,429	\$ 867,023
4174 Highly Capable	517,573	688,728	\$ 171,155
4198 School Food Services	38,680	34,260	\$ (4,420)
4199 Transportation - Operations	8,275,000	9,980,000	\$ 1,705,000
4321 State Medicaid	-	25,000	\$ 25,000
4358 Other Agencies, Special & Pilot programs	-	395,000	\$ 395,000
Total State, Special Purpose	<u>33,979,992</u>	<u>45,925,598</u>	<u>\$ 11,945,606</u>

Description	2017-18 Budget	2018-19 Budget	2017-18 2018-19 Difference
Federal, General Purpose			
5500 Federal Forests	8,500	7,500	\$ (1,000)
5600 Qualified Bond Interest Credit	1,480,811	1,487,180	\$ 6,369
Total Federal, General Purpose	1,489,311	1,494,680	\$ 5,369
Federal, Special Purpose			
6124 Special Education, Supplemental	4,981,745	5,276,745	\$ 295,000
6138 Secondary Vocational Education	74,700	74,700	\$ -
6151 Disadvantaged	622,682	813,592	\$ 190,910
6152 Title II	322,392	332,729	\$ 10,337
6157 Institutions, Neglected & Delinquent	12,200	26,785	\$ 14,585
6164 Limited English Proficiency	206,006	222,976	\$ 16,970
6198 School Food Services	-	16,000	\$ 16,000
6198 School Food Services	1,696,000	1,699,000	\$ 3,000
6200 Direct Special Purpose Grants	5,000,000	20,000,000	\$ 15,000,000
6321 Special Ed Medicaid Reimbursement	-	60,000	\$ 60,000
6361 Head Start	400,000	415,000	\$ 15,000
6998 USDA Commodities	460,000	500,000	\$ 40,000
Total Federal, Special Purpose	13,775,725	29,437,527	\$ 15,661,802
Revenues From Other School Districts			
7100 Program Participation, Unassigned	275,000	325,000	\$ 50,000
7197 Other District, Support Services	90,000	2,000	\$ (88,000)
Total From Other School Districts	365,000	327,000	\$ (38,000)
Revenues From Other Agencies And Associations			
8100 Government Entities	-	454,992	\$ 454,992
8189 Community Services-Other Entity	200,000	200,000	\$ -
8200 Private Foundations	-	-	\$ -
8500 Other Entity - ESD	-	2,400	\$ 2,400
Total Other Agencies and Associations	200,000	657,392	\$ 457,392
Other Financing Sources			
9900 Transfers	3,270,000	3,890,000	\$ 620,000
Total Other Financing Sources	3,270,000	3,890,000	\$ 620,000
Total Revenues	273,700,000	351,400,000	77,700,000

#REF!

Northshore School District 2018-19 Budgeted Expenditures Percentage By Activity



Teaching and Teaching Support at 75.12% - The State defines this category as activities that deal directly with or aid in the teaching of students or improving the quality of teaching, such as professional development. These are the activities of teachers and others who provide classroom support, learning resources/libraries, guidance and counseling, pupil management and safety (including attendance) and health/related services.

Administration at 10.90% - Administration is comprised of both building administration (principals and supporting clerical staff) and central administration. Central administration consists of the Board of Directors, Superintendent's Office, Business Office, Human Resources, Public Relations and overall leadership for the instructional programs. Costs incurred in these departments benefit all schools, such as the cost of establishing district-wide policies and procedures, payroll processing, communication with parents and the public, and employment services.

Support Services at 11.85% - Support Service functions include pupil transportation, school food services, maintenance and operation of buildings, property and casualty insurance, technology, printing, warehousing, grounds, building and property security, and utilities.

**Budget Comparison by Activity of Expenditure
Sorted Numerically**

Description		2016-17 Actual	2017-18 Budget	2018-19 Budget	2017-18 2018-19 Difference
11	Board Of Directors	232,044	456,150	276,151	\$ (179,999)
12	Superintendent's Office	1,031,247	843,557	1,209,599	\$ 366,042
13	Business Office	2,136,147	2,263,976	2,650,793	\$ 386,817
14	Human Resources	2,059,438	2,201,257	2,333,886	\$ 132,629
15	Public Relations	366,072	482,002	539,089	\$ 57,087
21	Supervision - Instruction	5,622,914	6,170,686	6,903,672	\$ 732,986
22	Learning Resources	4,162,441	4,470,906	2,691,125	\$ (1,779,781)
23	Principals	14,269,955	15,576,577	16,343,099	\$ 766,522
24	Guidance and Counseling	13,116,513	6,126,474	7,554,048	\$ 1,427,574
25	Pupil Management & Safety	26,177,110	2,083,687	2,436,330	\$ 352,643
26	Health Services	3,805,780	13,103,496	14,533,010	\$ 1,429,514
27	Teaching	119,843,580	168,755,570	231,026,835	\$ 62,271,265
28	Extracurricular	4,298,734	4,734,128	5,171,235	\$ 437,107
29	Payments To School Districts	93,220	170,000	90,000	\$ (80,000)
31	Instructional Professional Dev	6,202,674	6,103,550	6,677,117	\$ 573,567
32	Instructional Technology	433,686	372,701	400,398	\$ 27,697
33	Curriculum	2,198,497	2,083,235	1,305,305	\$ (777,930)
34	Professional Learning		-	605,540	\$ 605,540
41	Supervision - Food Services	540,657	564,414	631,112	\$ 66,698
42	Food	2,692,844	2,821,000	3,100,600	\$ 279,600
44	Food Service Operations	2,964,730	3,433,485	3,638,901	\$ 205,416
49	Transfers-Food Service	(113,249)	(79,100)	(97,814)	\$ (18,714)
51	Supervision - Transportation	805,789	820,131	751,264	\$ (68,867)
52	Operation of Buses	6,808,586	8,678,127	8,428,566	\$ (249,561)
53	Maintenance-Buses	1,154,232	1,213,596	1,454,101	\$ 240,505
56	Insurance - Transportation	121,377	136,353	198,032	\$ 61,679
59	Transportation Transfers	(570,676)	(533,574)	(550,307)	\$ (16,733)
61	Supervision of Buildings	829,408	818,161	872,466	\$ 54,305
62	Grounds Care	1,094,603	1,088,696	1,205,887	\$ 117,191
63	Operation of Buildings	7,250,442	7,887,514	7,712,960	\$ (174,554)
64	Maintenance of Buildings	2,311,433	2,435,519	2,650,147	\$ 214,628
65	Utilities	4,629,157	4,842,963	5,051,822	\$ 208,859
67	Building Security	523,591	448,291	511,788	\$ 63,497
68	Insurance	1,266,981	1,582,535	2,363,683	\$ 781,148
72	Information Systems	3,962,978	3,507,118	4,048,338	\$ 541,220
73	Printing	369,457	422,022	450,801	\$ 28,779
74	Warehousing & Distribution	419,962	438,482	438,628	\$ 146
75	Motor Pool	11,408	17,396	17,414	\$ 18
91	Public Activities	380,662	358,919	374,379	\$ 15,460
	Total	\$ 243,504,425	276,900,000	346,000,000	\$ 69,100,000

What is the Cost to Educate a Student for One Day?

Note: These costs are calculated on the basis of averaging across all students in the school district whether they actually utilize a service or participate in a program such as Transportation or Food Services.

\$84.90	$\$346,000,000$ General Fund Expenditure Budget $\div 22,640$ full-time equivalent students $\div 180$ school days = \$84.90 (daily cost of one student)
---------	--

Broken down:

\$57.98	Teaching Activities – Teachers, classroom paraprofessionals, instructional materials and all extracurricular activities (e.g. coaching and activity advisors).
\$8.88	Teaching Support – Professional development, library services, guidance and counseling, pupil management and safety, psychology, speech and hearing services and health services.
\$4.78	Building Operations - Operation and maintenance of facilities, grounds, utilities, security and insurance.
\$4.01	Building Administration - The cost of principals and their support staff.
\$3.97	Central Supervision - District-wide administration (e.g. curriculum, special education, career and technical education, personnel and business services, public information, and legal services).
\$2.34	Transportation - The cost of operating and maintaining buses (e.g. drivers, mechanics, fuel, parts and vehicle insurance).
\$1.63	Food Services - Food, supplies, personnel and operational costs of the food services program.
\$1.31	Other Support Activities - Cost of data processing, printing, warehousing and distribution and public activities.