

Adoption – July 26th, 2017

**SOUTH WHIDBEY SCHOOL DISTRICT
NO. 206**

BUDGET [F-195]

Sept. 1, 2017 – Aug. 31, 2018

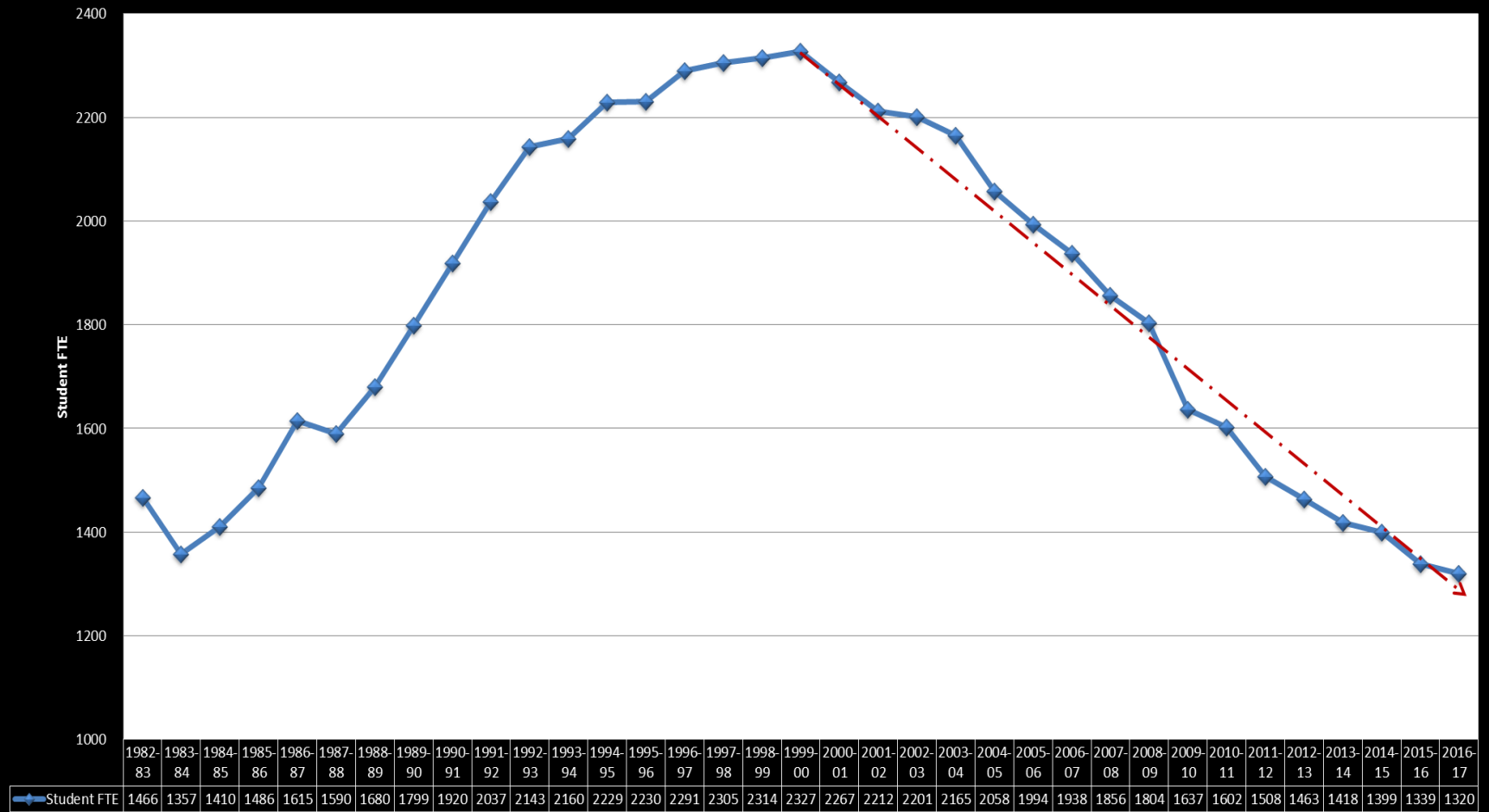
Fund Types

- **General Fund**
- Capital Projects Fund
- Debt Service Fund
- Associated Student Body Fund
- Transportation Vehicle Fund

Executive Summary – Major Changes

- ✓ *Cost of Living Adjustment* – 2.3%
- ✓ *Retirement Rates* increased by 1.9% or 2.1%
- ✓ *Health Care Allocation* increased from \$780/month to \$820
- ✓ *K-3 Class Size Funding* increased to 17/1 from 22.23/1.0
 - ✓ No Compliance in 17-18
 - ✓ **Compliance Required in 18-19** (need to hire additional staff)
- ✓ *Highly Capable* eligible student funding increased from 2.314% to 5%
- ✓ Three (3) negotiated *Collective Bargaining Agreements*

Enrollment History



Enrollment Projection – by Grade

	Actual Enrollment	Actual Enrollment	Actual Enrollment	Est Enrollment	EST Enrollment
Grade	13-14	14-15	15-16	16-17	2017-18
K	70.2	78.1	76.3	79.9	78.0
1	91.2	70.9	77.4	88.9	81.1
2	94.6	96.4	75.2	83.9	92.3
3	104.2	99.7	98.7	84.3	87.7
4	96.5	106.6	97.2	98.3	82.9
5	99.5	104.0	109.2	104.8	102.6
6	109.1	101.5	106.5	113.6	107.8
7	108.8	112.1	99.4	111.7	114.2
8	119.4	114.4	115.7	101.8	115.5
9	133.1	126.1	126.1	124.3	106.2
10	146.1	129.9	120.8	118.7	121.3
11	127.8	132.7	105.8	103.7	102.5
12	117.5	127.0	130.9	106.2	104.5
	1,418	1,399	1,339	1,320	1,297
	(45.2)	(18.7)	(60.2)	(19.1)	(23.5)

Executive Summary – Enrollment (for funding calculation)

BASIC EDUCATION -1296.8 fte

SPECIAL EDUCATION – 183.8 fte

RUNNING START – 32.8 fte

VOCATIONAL – 75.2 fte

BILINGUAL – 4.75 fte

Staff



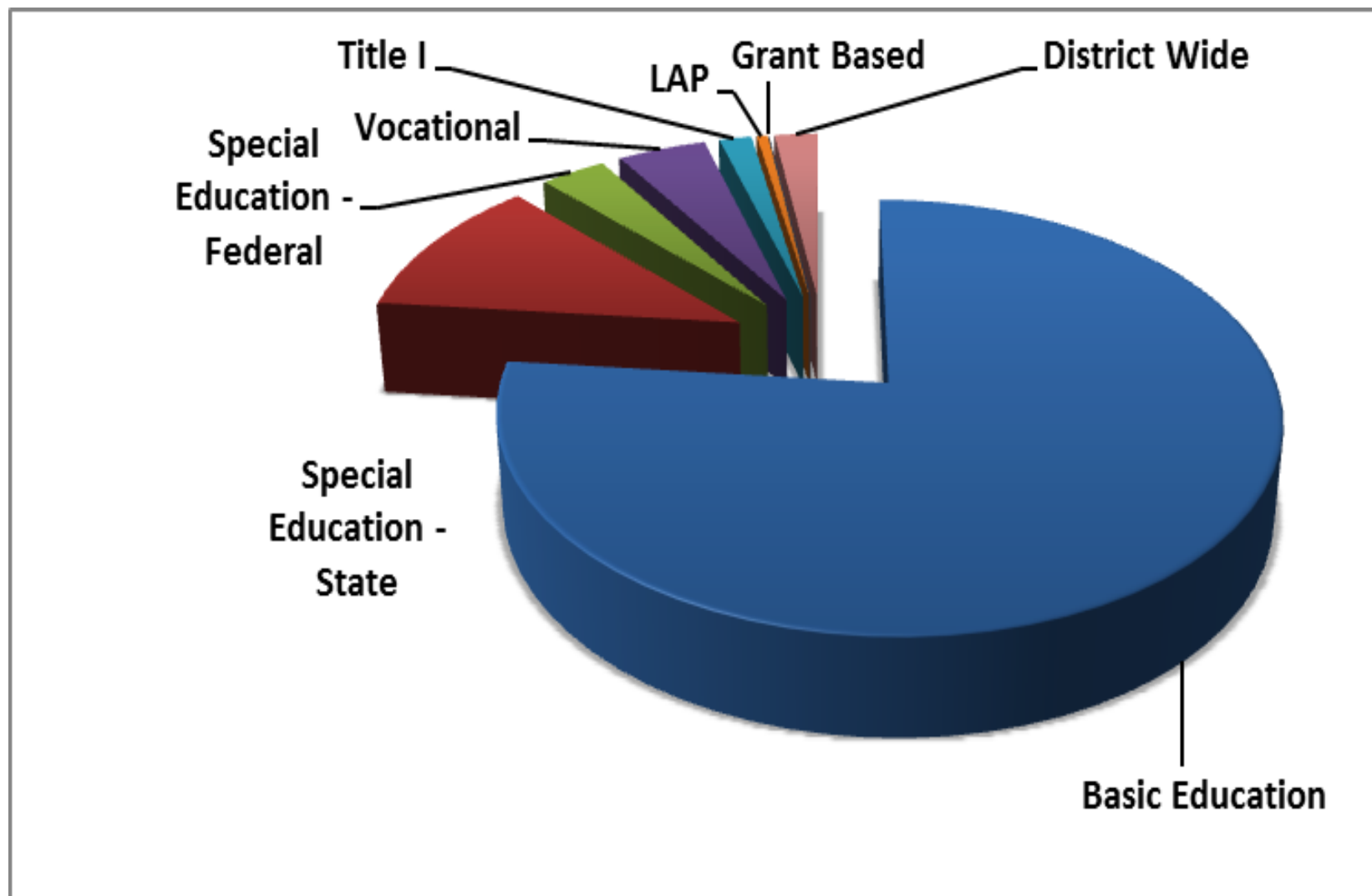
Staffing Ratios

		2015-16	2016-17	2017-18
FTE - Certificated Employees		92.28	86.63	91.57
FTE - Classified Employees		55.79	55.38	52.52
FTE - Staff Total		148.07	142.01	144.09
FTE - Students		1,345.40	1,320.00	1,296.80
Student-Cert Staff Ratio		14.58	15.24	14.16

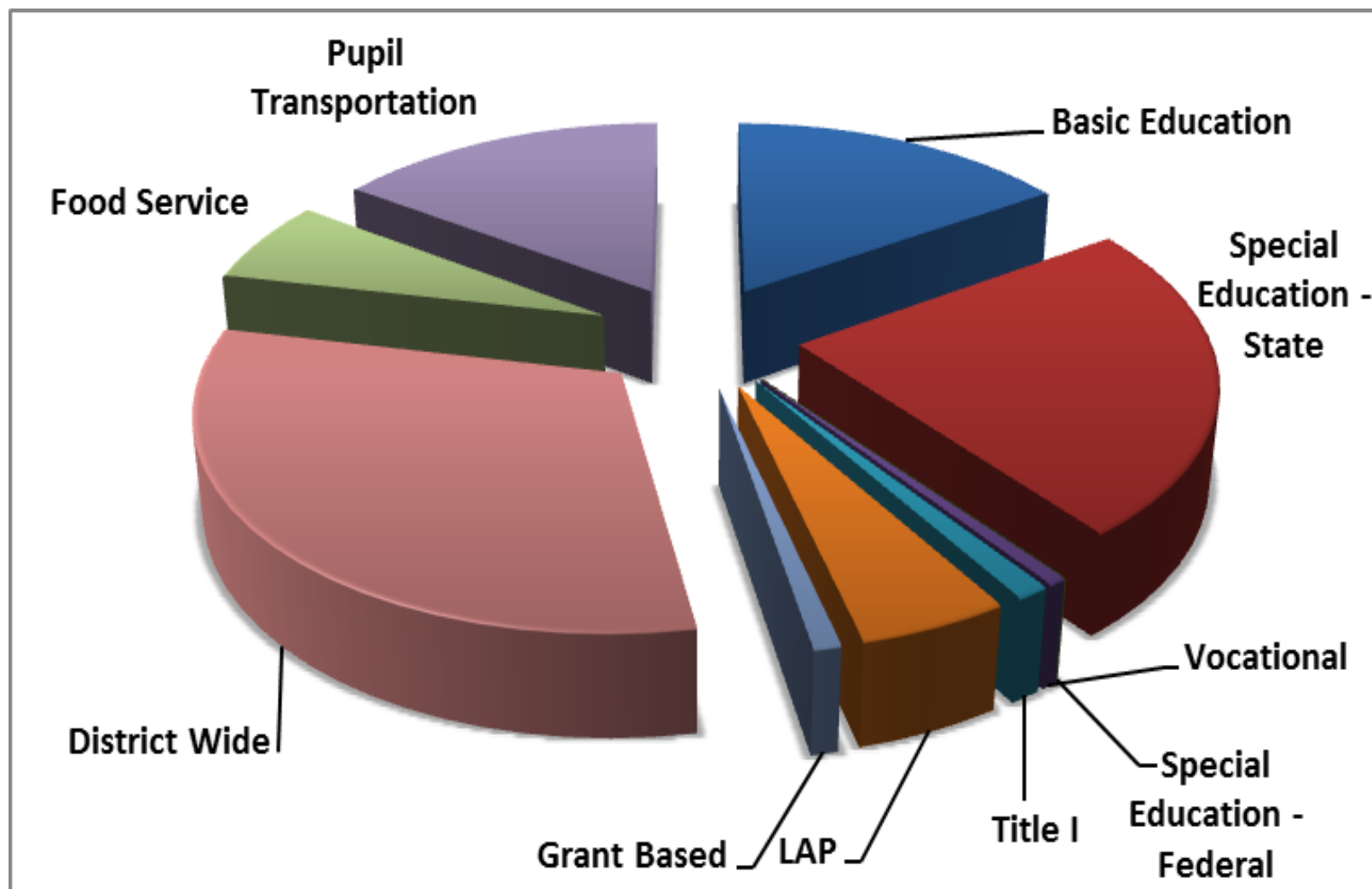
Staffing by Program (FTE)

Program	Program Name	Certificated	Classified	Total
01	Basic Education	70.19	8.25	78.44
21	Special Education - State	10.30	12.51	22.81
24	Special Education - Federal	3.00	-	3.00
31	Vocational	4.08	0.32	4.41
51	Title I	1.50	0.58	2.08
55	LAP	0.50	2.61	3.11
58	Grant Based	-	0.48	0.48
97	District Wide	2.00	16.39	18.39
98	Food Service	-	3.36	3.36
99	Pupil Transportation	-	8.03	8.03
TOTAL		91.57	52.52	144.09

Certificated Staffing by Program (FTE)



Classified Staffing by Program (FTE)



McCleary v. State of Washington

“On January 5, 2012, the state Supreme Court issued *McCleary v. State of Washington*. In essence, the Court ruled that Washington was not adequately funding basic education. The court ruled that the state isn’t meeting its paramount duty because, among other items, the state isn’t fully funding transportation and staff salaries and benefits. Because the state isn’t providing enough money, school districts are starting to rely more and more on local levies” (OSPI).

McCleary has never been about more money....it’s about the State of Washington providing adequate funding for basic education.

State Funding Rates per FTE (2017-18)

Certificated	\$ 61,924
Classified	\$ 34,591
Administrative	\$ 62,981

State Funded Staffing (FTE)

Basic Ed, CTE & State Grants (LAP, HC, TBIP)			
	State Funded	District FTE	Levy Funded
Administration	5.249	6.000	0.751
Certificated	72.873	72.773	(0.100)
Classified	22.368	28.052	5.684
	100.490	106.825	6.335
*Excludes Special Education, Food Service & Transportation			
(Funding is not based on staffing calculations - \$\$\$ ONLY)			

Local Levy Funded Salary Contracts & Benefits

	FTE	Salary	
Certificated	84.57	\$	1,336,883
Classified	52.52	\$	620,102
Administrative	7.00	\$	407,133
	144.09	\$	2,364,117
	Benefits	\$	531,345
	TOTAL	\$	2,895,462

State Funded Staffing (\$\$\$)

<i>Program</i>	<i>Revenue</i>	<i>Expenditure</i>	<i>+/-</i>
State Special Education	\$ 1,527,340	\$ 2,052,207	\$ (524,867)
			\$ -
Food Services	\$ 286,100	\$ 527,538	\$ (241,438)
			\$ -
Pupil Transportation	\$ 800,000	\$ 920,067	\$ (120,067)

Expenditures



Executive Summary - Expenditures by Object Code

	2016-17	2017-18	Change \$\$	Change %
Certificated Salaries	\$ 7,270,796	\$ 7,781,637	\$ 510,841	7.0%
Classified Salaries	\$ 2,800,172	\$ 2,873,871	\$ 73,699	2.6%
Employee Benefits	\$ 3,849,726	\$ 4,345,408	\$ 495,682	12.9%
Supplies	\$ 788,696	\$ 837,421	\$ 48,725	6.2%
Services	\$ 1,923,384	\$ 1,873,148	\$ (50,236)	-2.6%
Travel	\$ 50,875	\$ 51,200	\$ 325	0.6%
Capital Outlay	\$ 100,000	\$ -	\$ (100,000)	-100.0%
TOTAL	\$ 16,783,649	\$ 17,762,685	\$ 979,036	5.8%

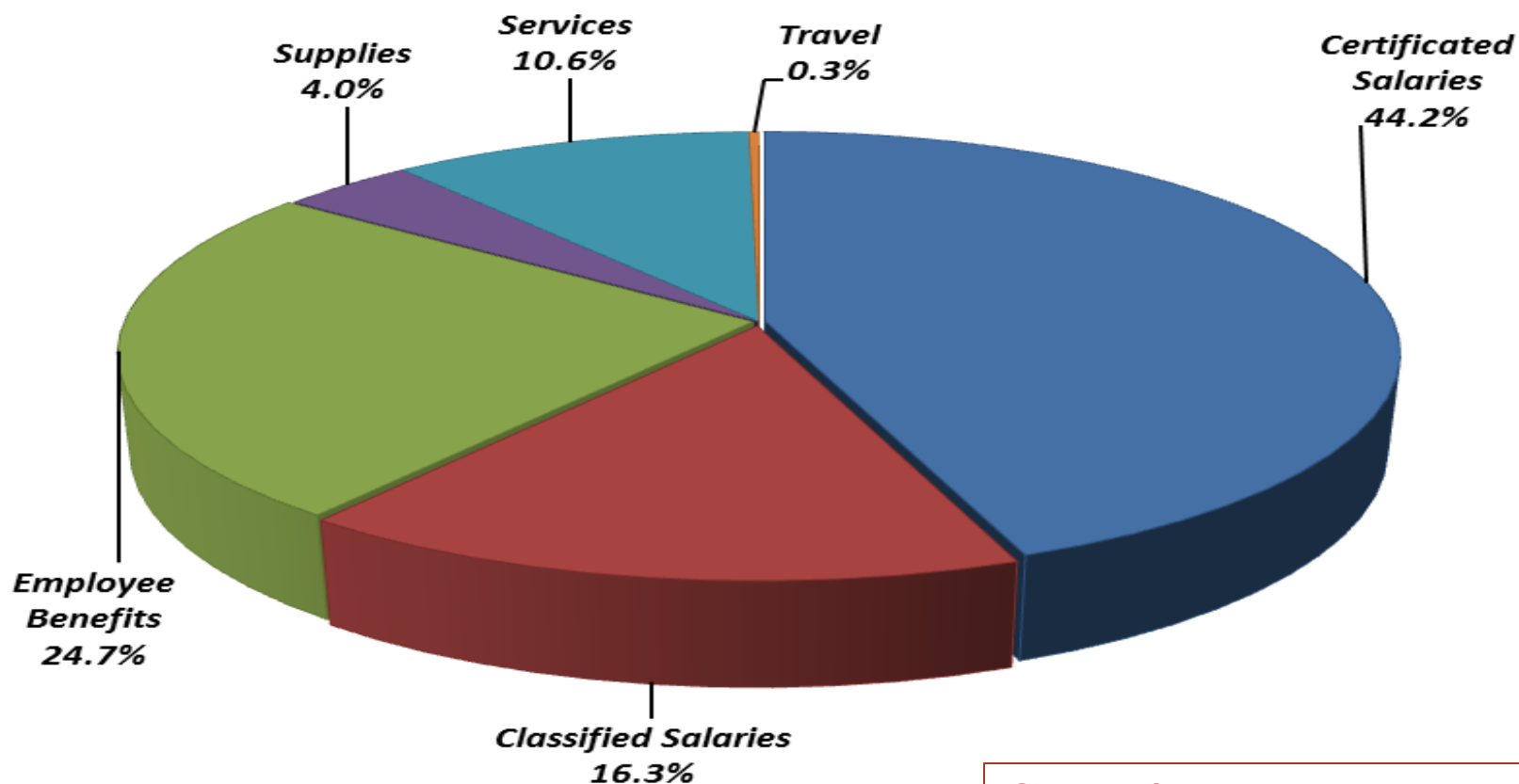
Executive Summary - Expenditures by Object Code

Objects Allocation	Object	\$\$\$	% of Budg	FTE
Total Certificated Salary	2xxx	\$ 7,781,636	44.2%	91.57
Total Classified Salary	3xxx	\$ 2,875,207	16.3%	52.52
Employee Benefits	4xxx	\$ 4,345,408	24.7%	
Total Personnel Costs		\$ 15,002,251	85.2%	144.09

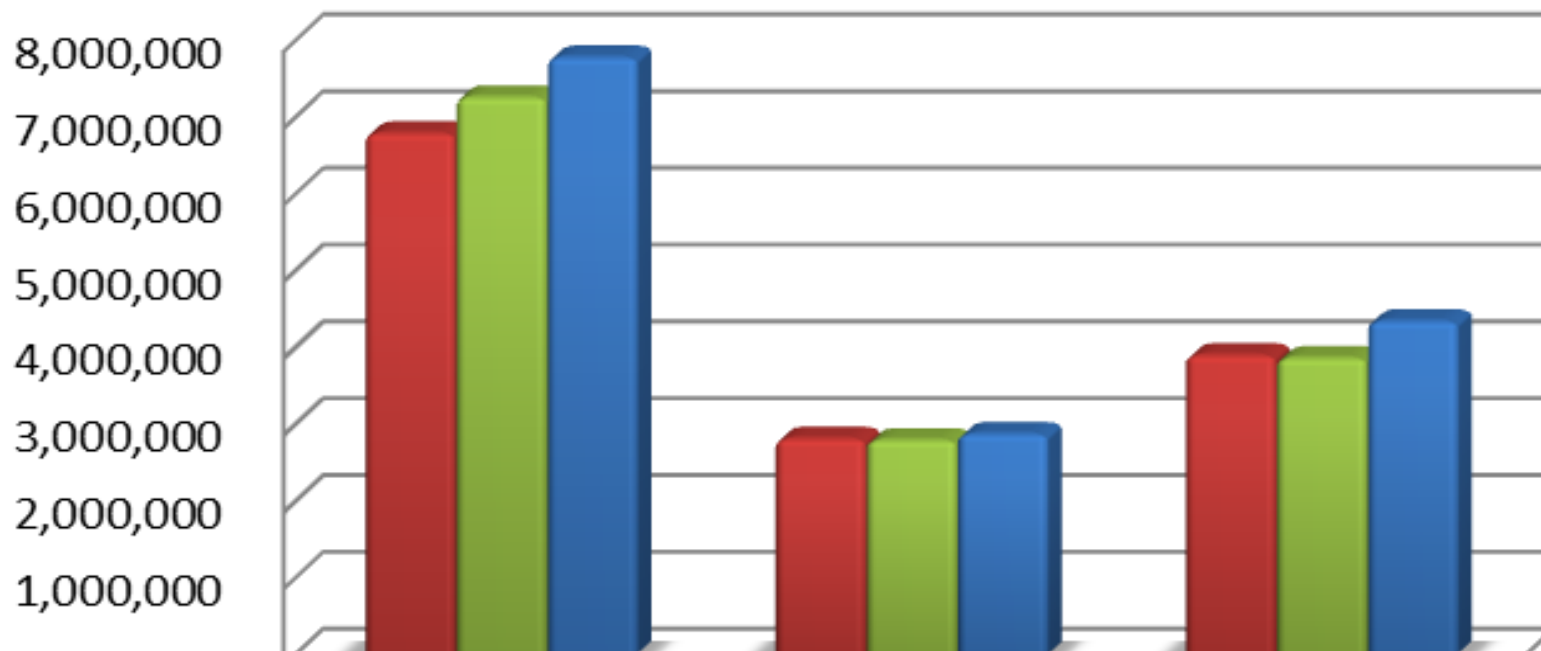
Executive Summary - Expenditures by Object Code

Objects Alloction	Object	\$\$\$	% of Budg
Supplies & Materials	5xxx	\$ 699,341	4.0%
Purchased Services	7xxx	\$ 1,859,880	10.6%
Travel	8xxx	\$ 51,200	0.3%
Total (MSOC's)		\$ 2,610,421	14.8%

Expenditure Comparison – by Object Code

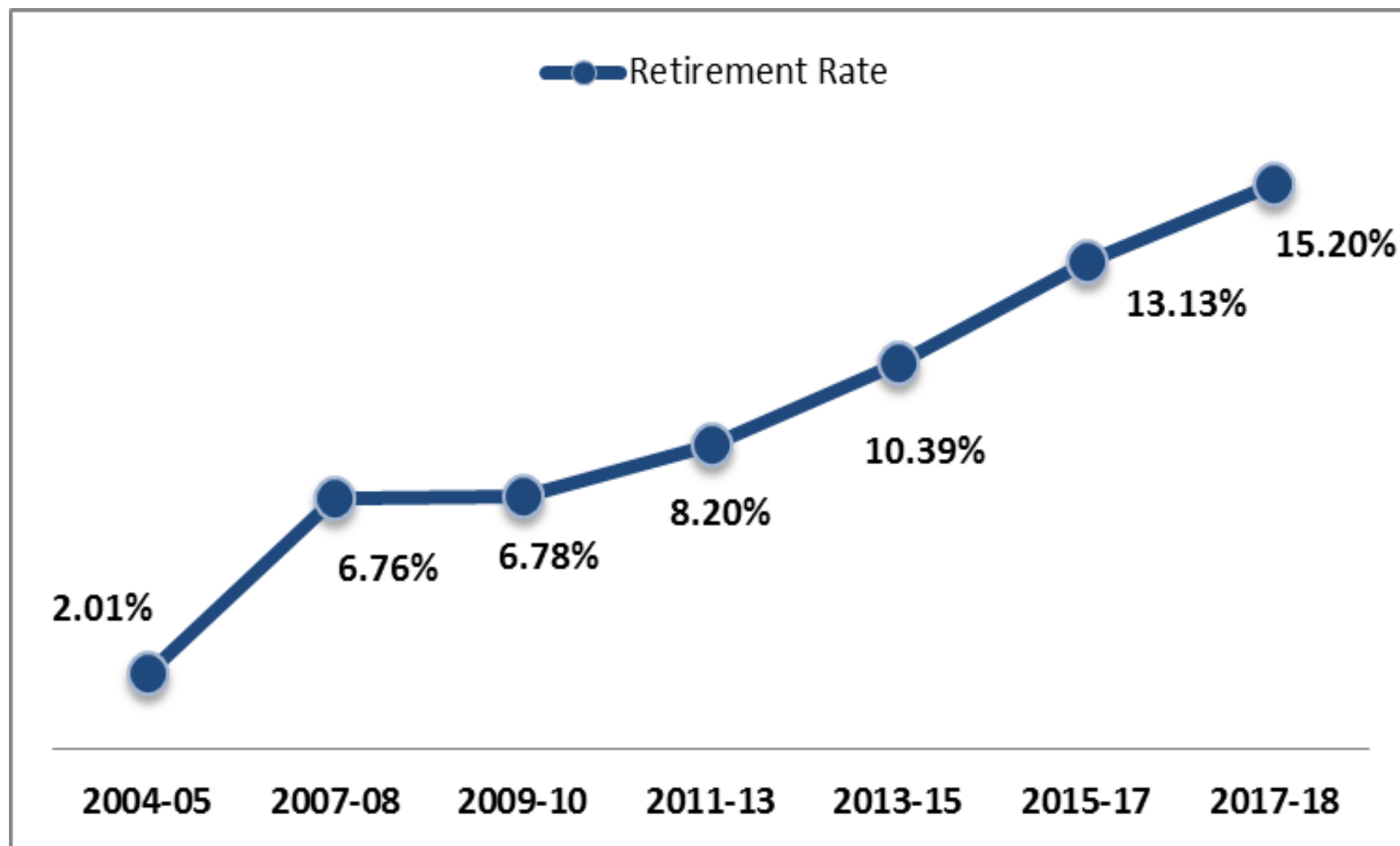


Expenditure Comparison – Salary & Benefits



	Certificated	Classified	Benefits
2015-16	6,791,283	2,813,345	3,901,267
2016-17	7,261,695	2,795,367	3,864,524
2017-18	\$7,781,636	\$2,875,207	\$4,345,408

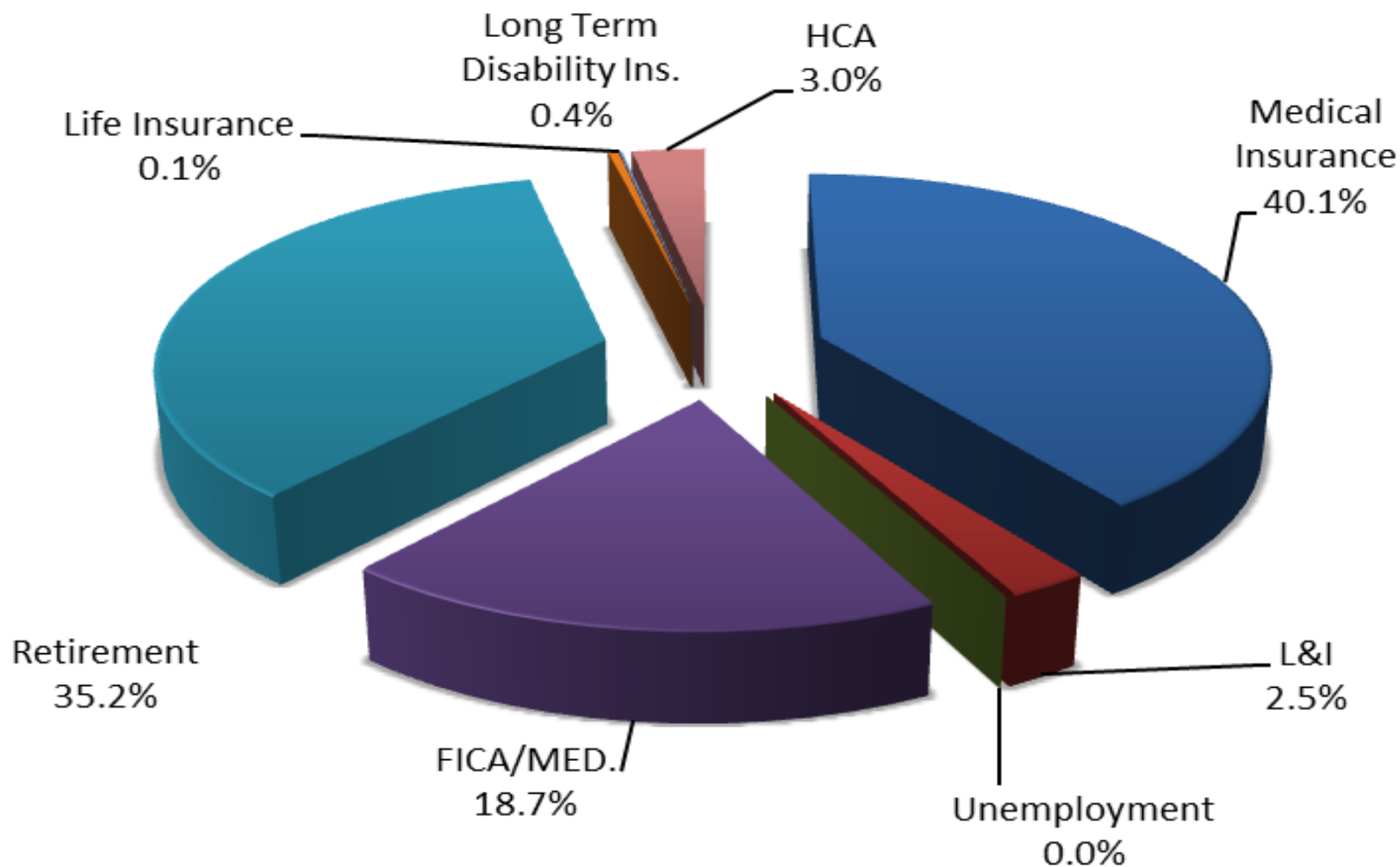
Retirement Rate Increases (TRS)



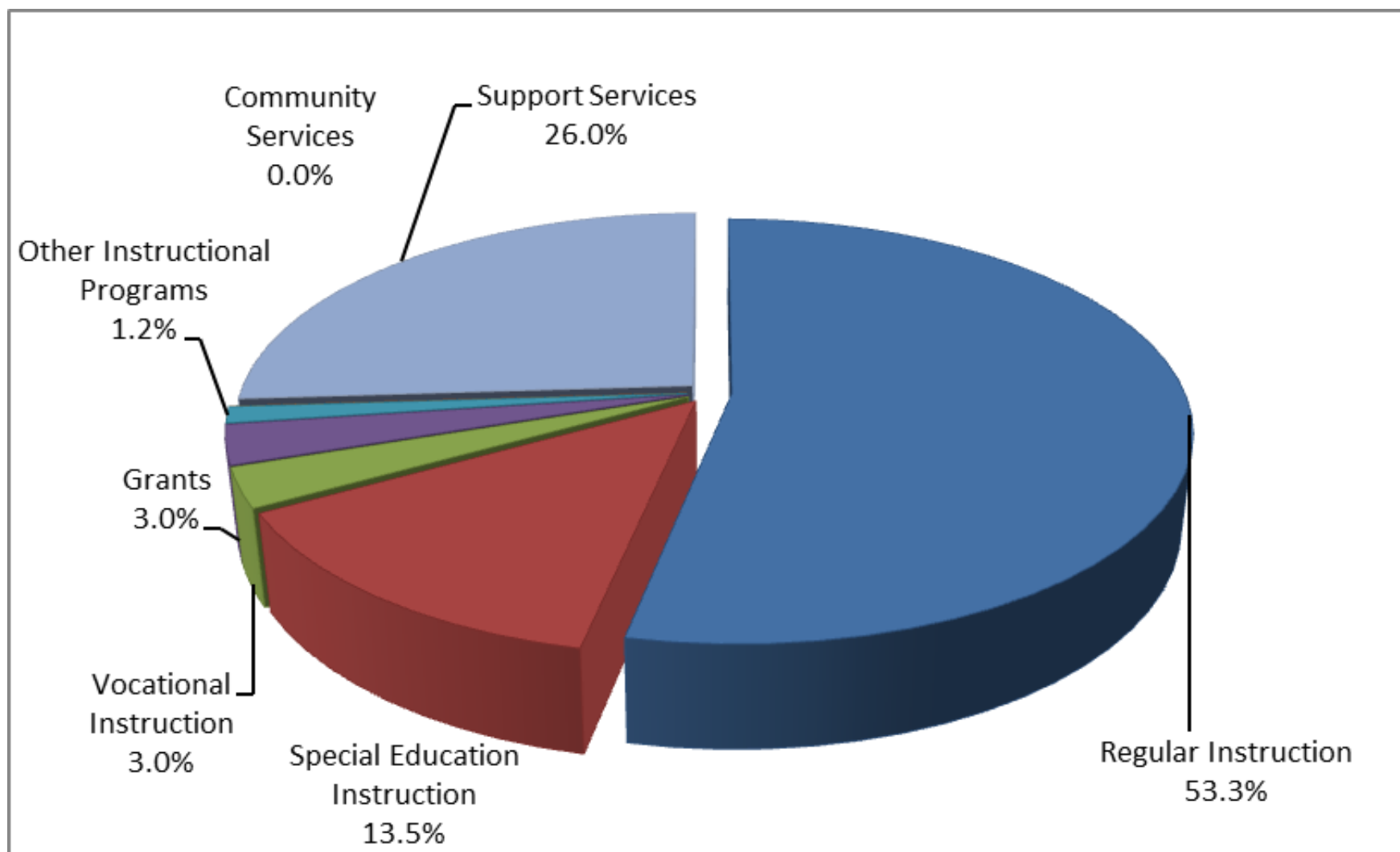
Mandatory & Permissive Benefits

Medical Insurance	\$	1,557,526	\$	1,749,941	\$	192,415
L&I	\$	82,820	\$	108,281	\$	25,461
Unemployment	\$	48,058	\$	-	\$	(48,058)
FICA/MED.	\$	767,417	\$	808,922	\$	41,505
Retirement	\$	1,245,906	\$	1,525,430	\$	279,524
Long Term Disability	\$	18,795	\$	17,605	\$	(1,190)
Life Insurance	\$	5,875	\$	4,496	\$	(1,379)
HCA	\$	123,329	\$	130,733	\$	7,404
	\$	3,849,726	\$	4,345,408	\$	495,682

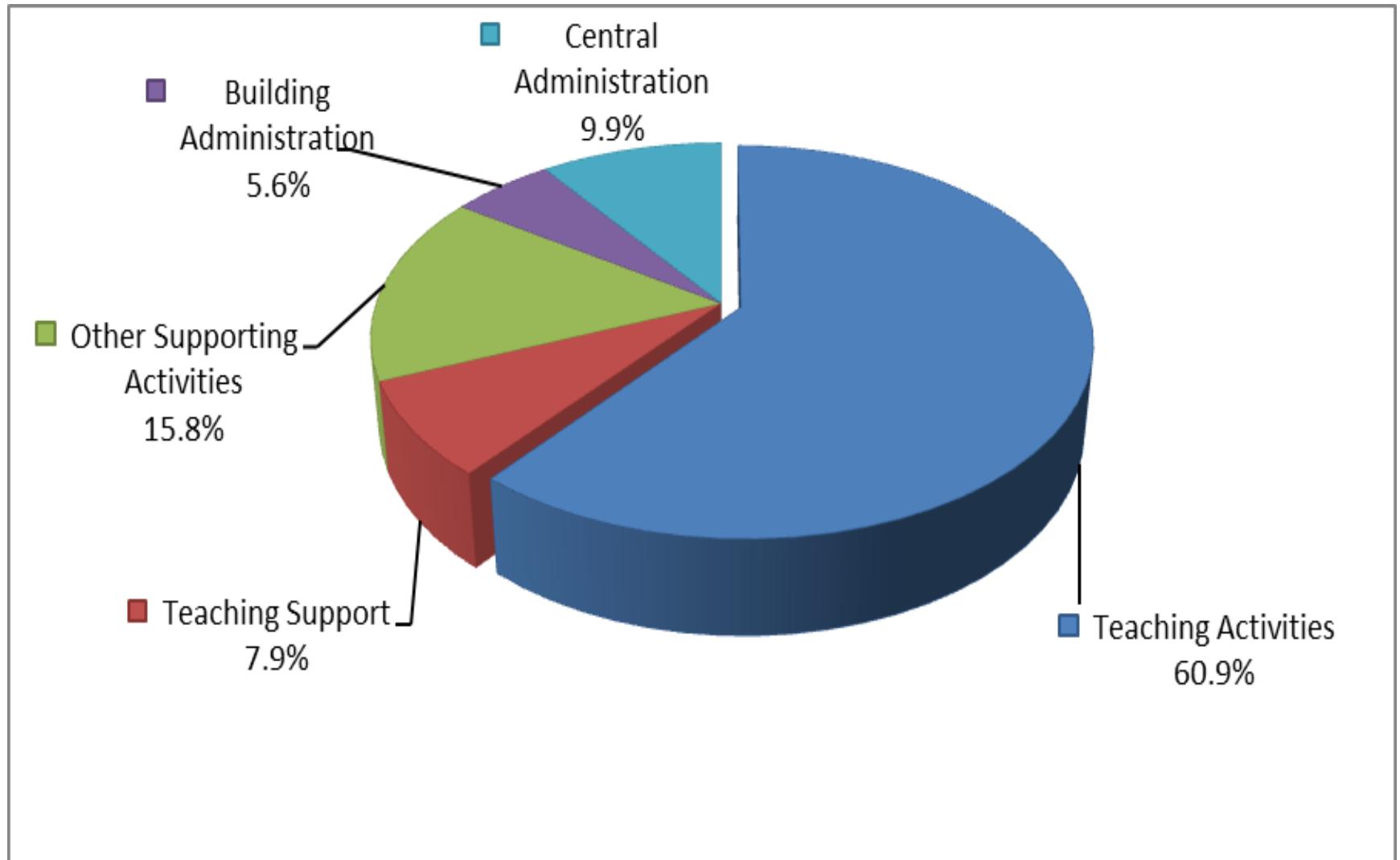
Mandatory & Permissive Benefits



Expenditure by Program Type



Expenditure by Activity Type



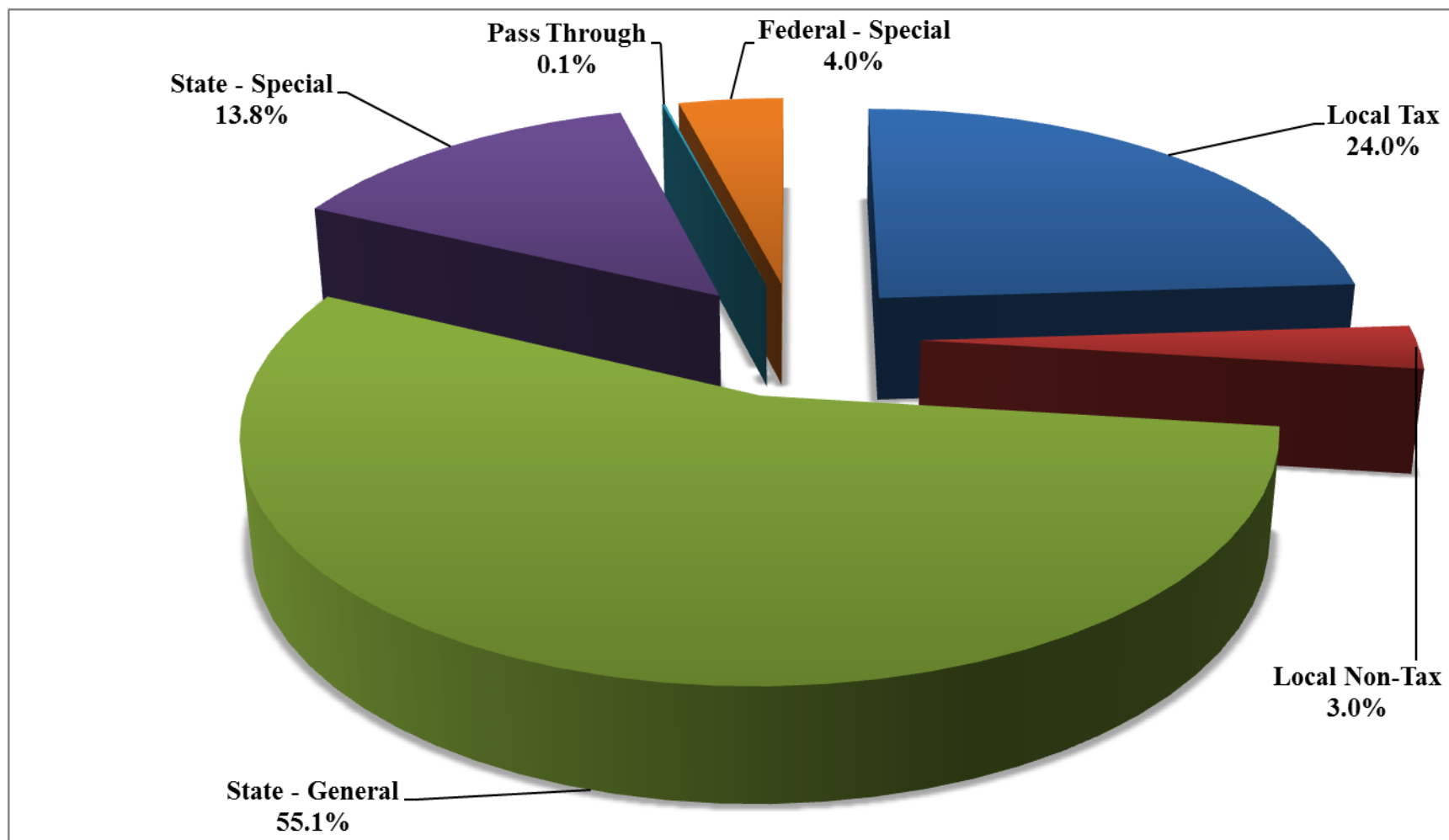
MSOC (Prg 01 & 97)

- **State Funded** **\$1,594,126**
- **District Actual** **\$1,637,191**
- **Levy Funded** **\$43,065**

REVENUE



GENERAL FUND – Source of Revenue



Executive Summary - Guaranteed Apportionment

- Rate per Student FTE (Basic Ed)

\$7,257.38

- Rate per Student FTE (Sped)

\$7,208.10

Revenue Estimate - OSPI

Estimated Impacts of 2017 Proposed Budget(s) on State Revenues

Based Upon School Districts' January 2017 Data Except As Noted In Footnotes

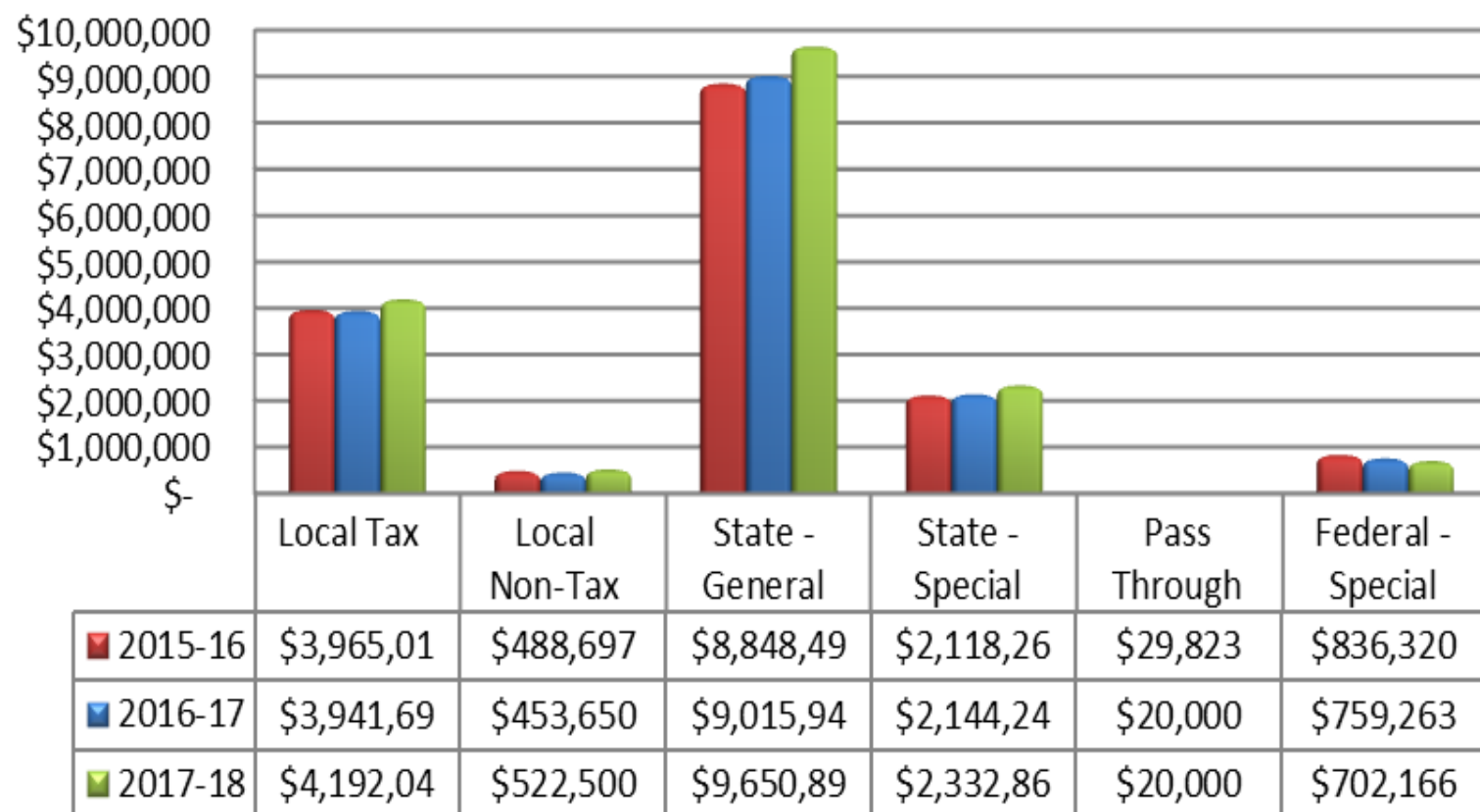
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Description	Conference Budget (Variance From Current)
Salary For State Allocated Units	\$ 132,717
Benefit For State Allocated Units	\$ 143,841
K-3 Class Size*	\$ 481,664
Materials, Supplies, and Operating Costs (Not incl. CTE or Skill Centers)	\$ 27,239
Special Education	\$ 96,519
Vocational Programs	\$ 68,144
	\$ 950,125
Learning Assistance Program - Salary and Benefits	\$ 9,145
Transitional Bilingual Program - Salary and Benefits	\$ 1,475
Highly Capable Program - Salary and Benefits	\$ 18,819
	\$ 29,439
	\$ 979,563

Revenue Comparison

Description	2016-17 Est	2017-18 Budget	Change \$\$	Change %
Local Tax	\$ 3,941,694	\$ 4,192,041	\$ 250,347	6.4%
Local Non-Tax	\$ 453,650	\$ 522,500	\$ 68,850	15.2%
State - General	\$ 9,015,949	\$ 9,650,893	\$ 634,944	7.0%
State - Special	\$ 2,144,241	\$ 2,332,865	\$ 188,624	8.8%
Pass Through	\$ 20,000	\$ 20,000	\$ -	0.0%
Federal - Special	\$ 759,263	\$ 702,166	\$ (57,097)	-7.5%
Total Revenues	\$ 16,334,797	\$ 17,420,465	\$ 1,085,668	6.6%
GRANT CAPACITY	\$ 150,000	\$ 150,000	\$ -	0.0%
Budgeted Revenue	\$ 16,484,797	\$ 17,570,465	\$ 1,085,668	6.6%

Revenue Projections



Executive Summary

FY 2017-18

Revenue	\$17,570,465
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Expenditures	<u>\$17,762,672</u>
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Fund Balance Usage	(\$192,220)
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OTHER FUNDS BUDGETED

- ▶ ***Capital Projects Fund***
- ▶ ***Debt Service Fund***
- ▶ ***ASB Fund***
- ▶ ***Transportation Vehicle Fund***

Executive Summary - Capital Projects Fund

Local Property Tax	\$ 1,995,080
Timber Excise Tax	\$ 4,920
Investment Earnings	\$ 2,500
Total Revenue	\$ 2,002,500
Capital Projects	\$ 1,700,000
Technology	\$ 750,582
Transfer Out (DSF)	\$ 78,000
Total Expenditures	\$ 2,528,582



Executive Summary - Debt Service Fund

[Energy Upgrades]



<i>Transfer In (CPF)</i>	\$	78,000
<i>Investment Earnings</i>	\$	250
<i>Total Revenue</i>	\$	78,250
<i>Principal Payment</i>	\$	60,000
<i>Interest Payment</i>	\$	24,950
<i>Fees</i>	\$	250
<i>Total Expenditures</i>	\$	85,200

Executive Summary - (ASB) Fund



<i>General Student Body</i>	\$	57,000
<i>Athletics</i>	\$	108,500
<i>Classes</i>	\$	14,300
<i>Clubs</i>	\$	38,850
<i>Private Moneys</i>	\$	-
Total Revenue	\$	218,650
<i>General Student Body</i>	\$	49,750
<i>Athletics</i>	\$	113,700
<i>Classes</i>	\$	9,200
<i>Clubs</i>	\$	38,600
<i>Private Moneys</i>	\$	-
Total Expenditures	\$	211,250



Executive Summary - Transportation Vehicle Fund

<i>State Depreciation</i>	\$ 85,190
<i>Investment Earnings</i>	\$ 200
<i>Total Revenue</i>	\$ 85,390
<i>Purchases</i>	\$ 162,000
<i>Total Expenditures</i>	\$ 162,000



Executive Summary - Expenditure by Fund

Fund	2014-15 Actual	2015-16 Budget	2016-17 Budget	2017-18 Budget
General Fund	\$ 15,209,651	\$ 16,506,103	\$ 16,783,649	\$ 17,762,672
Capital Projects Fund	\$ 1,878,312	\$ 2,575,200	\$ 2,800,000	\$ 2,450,582
Associated Student Body	\$ 176,763	\$ 218,135	\$ 219,700	\$ 211,250
Transportation Vehicle	\$ 402,320	\$ 175,000	\$ 290,000	\$ 162,000
Debt Service Fund	\$ 87,050	\$ 85,350	\$ 88,150	\$ 85,200
Total Expenditures	\$ 17,667,046	\$ 19,474,438	\$ 20,181,499	\$ 20,671,704

Certification Page

	GENERAL FUND	TRANS. VEHICLE	CAPITAL PROJECTS	DEBT SERVICE	ASSOC. STUDENT BODY
SOURCE OF FUNDS					
Beginning Balance	\$ 1,817,800	\$ 77,000	\$ 800,000	\$ 7,500	\$ 126,312
Revenue	\$ 17,570,465	\$ 85,390	\$ 2,002,500	\$ 250	\$ 218,650
Transfers In	\$ -	\$ -	\$ -	\$ 78,000	\$ -
Total Funds Available	\$ 19,388,265	\$ 162,390	\$ 2,802,500	\$ 85,750	\$ 344,962
USE OF FUNDS					
Expenditures	\$ 17,762,672	\$ 162,000	\$ 2,450,582	\$ 85,200	\$ 211,250
Transfers Out	\$ -	\$ -	\$ 78,000	\$ -	\$ -
Total Funds Used	\$ 17,762,672	\$ 162,000	\$ 2,528,582	\$ 85,200	\$ 211,250
ENDING BALANCE	\$ 1,625,593	\$ 390	\$ 273,918	\$ 550	\$ 133,712

2018-19 Preview

- 2018-19 - Regionalization Factors
- 2018-19 - Certificated Salaries
 - State - Minimum & Maximum
 - Schedule Negotiated Locally?
- 2018 - Increased STATE common school property tax (\$2.70)
- 2019 – Eliminate local \$4,300,000 M&O Levy (Increased State Rate)
 - Potential new “Enrichment” Levy
 - Approved by OSPI
 - Not used for Basic Education
 - \$1.50/1,000 or \$2500 per student (\$3.2 Million)

2018-19 Preview

	2016-17		2019-20
State Apportionment	\$ 11,225,696		\$ 16,008,460
Current Local M&O	\$ 3,944,673		\$ -
	\$ 15,170,369		
2017-18*	\$ 15,397,925		
2018-19*	\$ 15,628,893		
2019-20*	\$ 15,863,327		\$ 16,008,460
*Assume Annual 1.5% Increase			
New Local Enrichment Levy			\$ 3,458,298
			\$ 19,466,758

Regionalization

- Adjustments for regional differences in the cost of hiring staff.
- “Regionalization factors are based on the median single-family residential value of each school district and proximate school district median single-family residential value”
- “Proximate to the school district” Means within fifteen (15) miles of the boundary of the school district for which the median residential value is being calculated”.

As Passed Legislature

LEAP Document 3

Date: June 22, 2017

Time: 01:14 hours

Regionalization Factors for K-12 Compensation

<u>School District</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
15 201 Oak Harbor	1.12	1.12	1.12	1.12	1.12
15 204 Coupeville	1.12	1.12	1.12	1.12	1.12
15 206 South Whidbey	1.24	1.24	1.22	1.20	1.18
17 400 Mercer Island	1.18	1.18	1.18	1.18	1.18
17 402 Vashon Island	1.12	1.12	1.12	1.12	1.12
17 405 Bellevue	1.18	1.18	1.18	1.18	1.18
28 010 Shaw Island	1.12	1.12	1.12	1.12	1.12
28 137 Orcas Island	1.12	1.12	1.12	1.12	1.12
28 144 Lopez Island	1.12	1.12	1.12	1.12	1.12
28 149 San Juan Island	1.12	1.12	1.12	1.12	1.12
29 103 Anacortes	1.12	1.12	1.12	1.12	1.12
31 002 Everett	1.24	1.24	1.22	1.20	1.18
31 004 Lake Stevens	1.24	1.24	1.22	1.20	1.18
31 006 Mukilteo	1.24	1.24	1.22	1.20	1.18
31 015 Edmonds	1.18	1.18	1.18	1.18	1.18

QUESTIONS ?

GLOSSARY

APPORTIONMENT: A monthly allocation of general fund revenues primarily generated by monthly enrollment counts.

BASIC EDUCATION: "Core" educational requirements as defined by "The Washington Basic Education Act" of 1977.

BOND: A written promise, generally under seal, to pay a specified sum of money, (the face value), at a fixed time in the future, (the date of maturity), and carrying interest at a fixed rate, usually payable periodically. A bond may be compared to a mortgage payment in that the payment may include interest and principal.

BUDGET: The purpose of a budget is to provide a statement, expressed in financial terms, which serves as the primary tool for planning and controlling operations.

CATEGORICAL PROGRAMS: Non basic education programs which may or may not be funded separately by federal or state dollars.

Title I - Remediation (federal) for the aid of students at or below grade level.

CERTIFICATED PERSONNEL: Employees such as teachers, principals, counselors, librarians and others hold a teaching certificate serving in positions covered by the continuing contract law.

GLOSSARY

CLASSIFIED PERSONNEL: Employees such as custodians, secretaries, instructional assistants, bus drivers, interpreters and others who do not hold a teaching certificate.

FISCAL YEAR (FY): An accounting term used to differentiate between a calendar year (January-December) and a school year (September-August). The fiscal year represented in this budget document is September 1 thru August 31.

FTE: Full Time Equivalent. This term is used to describe whether an employee is a full time employee or some percentage of full time. In order to qualify as full time, a certificated employee must work 1260 hours. A classified employee, in order to be considered full time, must work 2080 hours. The term FTE is also used to describe a student that is enrolled full time in each of the enrollment count days running from September through June. If less than full time it may be expressed as a percentage.

FUND BALANCE: An accounting term used to describe the excess of the assets of a fund over its liabilities and reserves except in the case of funds subject to budgetary accounting where, prior to the end of a fiscal period, it represents the excess of the fund's assets and estimated revenues for the period over its liabilities, reserves and appropriations for the period.

GLOSSARY

FUNDS: An accounting term used to describe an organized group of accounts. Individual funds are established for the accounting purpose of isolating specific activities.

Types Of Funds

General Fund: Accounts for ordinary operations financed from local, county, state and federal sources:

- 1. Instructional programs for students.
- 2. Maintenance of plant and facilities.
- 3. Administration of the district.
- 4. Food service.
- 5. Transportation.

Transportation Vehicle Fund: Accounts for purchase and major repair of buses.

GLOSSARY

Capital Projects Fund: Accounts for construction financed from bond issues and state matching monies.

- 1. Building construction and remodeling.
- 2. Land, building and equipment acquisition.
- 3. Energy audits.
- 4. Building and grounds major improvements.
- 5. Replacement of roofs, carpets and service systems.
- 6. Technology

Debt Service Fund: Accounts for redemption of outstanding bonds and the payment of interest incurred by the bonds, financed by local levy bond issue.

Associated Student Body Fund: Accounts for student activities, clubs and athletics financed by student fees, fund-raisers, events, and partially by general fund.

LEVY: A two-six year tax for maintenance and operation support for the school district, the revenues from which may be used to supplement educational programs of the district. A levy requires local voter approval.

GLOSSARY

MATERIALS, SUPPLIES & OPERATING COSTS (MSOC): Expenditures to non salary items. Examples of expenditure classifications are supplies (postage, paint, wax), instructional materials, purchased services (utilities, legal fees, professional services), travel and capital outlay (grounds equipment, computers).

RESERVE FOR INVENTORY: A portion of fund balance that is reserved for the purchase of inventory.

SUPPORT SERVICES: Activities which provide administrative, technical and logistical support to a program. Examples of supportive services are transportation, food services, accounting and personnel.

TAX COLLECTION CALENDAR: Taxes are collected on a calendar year (January-December) basis. The current fiscal year budget represents 44% collection in 2017 and 56% collection in 2018.