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# Citizen's Guide to the District Budget

## 2024-2025

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Mead School District No. 354  
2323 E. Farwell Road • Mead, Washington 99021  
(509)465-6000 • <http://www.mead354.org>

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## From the Superintendent

August, 2024

### **Mead School District Community Members:**

The Citizen's Guide to the District Budget presents financial information in a concise and easy-to-understand format, with the goal of helping our community gain a clearer understanding of the district's annual budgeting processes and procedures. The Citizen's Guide serves to supplement the district's board-approved F-195 (statutorily required annual budget document), providing information that community members often seek but sometimes find difficult to locate within the over 200 pages of the F-195. This guide includes helpful definitions of important terms and key metrics that drive budget decisions, as well as an overview of the district's sources of revenue and high-level expenditures. Our goal is openness and transparency.

A school district's budget is prepared annually in the spring and early summer in alignment with priorities established in the district's strategic plan and based on the best information available at the time. While budget drivers are often grounded in generally predictable sources of revenue, several dynamic variables—such as enrollment, staffing needs, collective bargaining, changes in the cost of goods and services, and other resource requirements—demand ongoing attention throughout the school year, necessitating flexibility and adaptability.

Perhaps the most critical – *yet increasingly unpredictable* – budget variable continues to be student enrollment. For decades, Mead's student enrollment increased modestly year-over-year, almost without fail. While the significant enrollment decline introduced by the COVID-19 pandemic was largely situation specific, the pandemic represented an inflection point for the district. Now two full years removed from the height of the pandemic, enrollment remains well below pre-pandemic levels. There are several factors that have led to this decline (e.g. – decrease in birth rates, more families choosing “non-traditional” schooling options, including online and homeschooling, fewer families with school-age children moving to the area due to the high cost of housing, socio-political factors...). In fact, despite using a very conservative enrollment projection entering the 2023-24 school year, actual enrollment came in below the number projected, causing stress on the district's already strained financial position and eliminating any fiscal flexibility. We're anticipating another slight decline in enrollment in the 2024-25 school year. This has prompted us to take an *even more* cautious approach to enrollment projections and staffing in our 2024-25 budget.

We are grateful for the community's ongoing support. Approval of the Programs & Operations levy for another three-year cycle (passed in the Feb. 2024 Special Election) provides an immensely important source of funding and helps sustain *many* valued programs and services. The local tax revenue the EP & O levy authorizes the district to collect provides us with the ability to continue offering an exceptional educational experience that goes above and beyond what the state funds in “basic education” apportionment. Levy dollars serve to enhance the student experience in numerous ways, while also providing vital operational funds that help districts bridge the gap between what the state provides and the *actual* costs of operating our schools (e.g. – insurance, fuel, utilities, facilities maintenance, safety & security, technology...)

Despite the financial challenges Mead (and many schools throughout the state) have experienced in recent years, we remain squarely focused on the work of providing an exceptional educational experience - which includes offering an array of fantastic programs and services for kids. District leaders have worked hard to

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ensure that cuts made in recent years have been made in ways that don't diminish or significantly impact the student experience. Nevertheless, the fact is that expenditures have outpaced revenues for the third consecutive year - and for four of the past six years - which highlights the need for us to continue efforts to work toward a more stable and sustainable financial position. To avoid ongoing deficit spending, we will continue to proactively manage the budget, remaining vigilant in finding opportunities to increase efficiency and closely evaluate every expenditure.

I want to assure you we remain steadfast in our efforts to make financial decisions that prioritize the best interests of our students and families. Mead School District is committed to being a good steward of taxpayer dollars, and we are proud of the work that our district has done to maintain transparency, accountability, and strong fiscal management, as evidenced by yet another clean financial audit in the 2023-24 school year.

We appreciate your continued support of our schools and students, and we encourage you to review the information in this guide. Should you have any questions, please feel free to reach out to me or our Chief Financial Officer, Heather Ellingson.

Sincerely,

A handwritten signature in black ink that reads "Travis W. Hanson". The signature is written in a cursive, slightly slanted style.

Travis W. Hanson  
Superintendent

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## Schools and Programs

### Elementary Schools

- Brentwood Elementary
- Colbert Elementary
- Creekside Elementary
- Evergreen Elementary
- Farwell Elementary
- Meadow Ridge Elementary
- Midway Elementary
- Prairie View Elementary
- Shiloh Hills Elementary
- Skyline Elementary

Our 10 elementary schools serve kindergarten through 5th grade students. Staff members include general education teachers, special education teachers, Title I and LAP teachers, music, physical education, and library specialists, social workers, and numerous classified support staff.

The elementary experience provides students with a basic understanding of core academic subjects. Students acquire foundational literacy (reading & writing) and numeracy (mathematical) skills, while also learning to think creatively and critically. Students also engage in regular lessons in science, social studies (history/geography/civics), music, art, and fitness and nutrition.

Elementary school is also a time where children learn to share and get along with others and begin to learn about and acquire the skills they need to succeed and prepare for the future. Our elementary schools examine the learning improvement needs of each student and offers a variety of means to address these needs. There are an assortment of resources and programs available to target specific populations of students.

Several of our schools offer unique programs: Two separate preschool programs are offered at Creekside Elementary, one using Special Education funds and another via the state's Early Childhood Education Assistance Program (ECEAP), Transition to Kindergarten (TTK) is offered at Meadow Ridge, Shiloh Hills and Skyline, a Dual-language program is offered at Midway, and a full time highly capable program is offered at Farwell.

### Middle Schools

- Highland Middle
- Northwood Middle
- Mountainside Middle

Our middle schools serve students in grades 6 through 8. Middle school allows students to grow and deepen their academic skills while also creating an environment for children to blossom socially, learning skills to thrive with more independence amidst the everyday pressures of life.

In elementary school, students generally spend most of their day in one classroom with the same teacher and students. In middle school, children are taught by multiple teachers throughout the day, allowing

them to interact with many different groups of students, learning to respect and appreciate differences among their peers.

Middle school students are given both the structure and freedom necessary to become increasingly self-directing and begin establishing their personal interests and values as they move into adolescence. In addition to instruction in core academic areas, middle school staff begin to stimulate a career awareness in students, they provide the opportunity for students to learn and utilize independent study skills, and they also teach students to become responsible citizens through character education and citizenship skills.

### High Schools

- Mead High
- Mt. Spokane High

Each of our high schools is accredited and offers a truly comprehensive educational experience, serving students in grades 9 through 12. Our high schools provide an impressive variety of opportunities for all students to find their niche and thrive via excellent core academic programs, renowned programs in the performing arts and athletics, and an assortment of enrichment activities. Each high school has unique programs emphasizing STEM careers (i.e. - BioMed, computer programming, engineering, Design Studio) as well as popular options for Career & Technical Education (i.e. – DECA, sports medicine, graphic design, culinary arts, and construction).

### Mead Learning Options

- North Star
- Five Mile Prairie
- Mead Outdoor School
- Mead Virtual Program (MVP)

Comprised of a number of unique learning options for students (“Alternative Learning Experience” or ALE programs), Mead Learning Options exists to help students learn at high levels in what are generally alternative settings and non-traditional approaches to education.

A number of Mead’s ALE programs are “parent partnership” programs, where parents homeschool their children and serve as the primary educator; however, by enrolling in public school, families gain access to a variety of courses and resources that require that they partner with a certificated teacher around the required Written Student Learning Plan (WSLP), which must be tracked and reviewed regularly. At the secondary level (grades 6-12), Mead’s Virtual Program (MVP) offers a fully online option providing a flexible learning experience for students who need credits/instruction outside a traditional classroom. Each of these ALE programs is a public education option where oversight is provided by certificated staff tasked with managing the learning plan and tracking student growth.

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## Enrollment and Staffing

Mead District serves nearly 10,400 full- and part-time students with varied needs and abilities. The district employs more than 1500 full- and part-time staff including teachers, substitutes, support personnel and administrators (certificated and classified staff). The following section discusses the importance of enrollment in determining our budget.

Why is student enrollment important? How is it measured?

Most of the revenue we receive from the State is determined by student enrollment. Student enrollment is measured using either Annual Average Full-Time Equivalent (AAFTE) or Headcount, as follows:

- AAFTE measures the average amount of time a student is enrolled during a school year, and is normally used for determining funding. To be counted as full-time, a student must be enrolled for a minimum number of minutes on each prescribed count day for school months running from September through June. Students who attend less than full-time are considered less than 1.0 FTE. For instance, a student who is enrolled full-time (every day for the entire year) is considered to be 1.0 FTE; on the other hand, a kindergarten student enrolled at half-time (half-day each day for the full year) would be 0.5 FTE.
- STUDENT HEADCOUNT reflects the actual number of students who attend on a given day regardless of how many minutes per day they actually attend, and is normally used when considering physical capacity. Using the kindergarten example, both a full-time and a part-time kindergarten student would each receive a full headcount of one.

### Staffing

District staffing is also measured by FTE, with 1.0 FTE being the equivalent of a full-time employee. The number of days an employee works varies among positions and bargaining groups. For instance, a 1.0 FTE teacher's base contract includes 180-days a year, for 7.5 hours per day. The district's administrative staff works 260 days a year (depending on position), for 8 hours per day.

School-based staffing levels, both certificated (instructional staff) and classified (non-certificated staff), are determined by AAFTE for each school and are distributed in consideration of the state funding formula and building specific needs.

The following table lists the average annual FTE enrollment for each grade level in the Mead School District, along with full-time equivalent staffing:



**Enrollment and Staffing FTE**

3-year History

Enrollment	2022-23 Actual	2023-24 Adopted Budget	2024-25 Adopted Budget
Kindergarten	617.60	561.16	470.00
Grade 1	647.77	638.60	569.00
Grade 2	679.25	668.80	647.00
Grade 3	657.89	703.10	672.00
Grade 4	761.30	667.91	721.00
Grade 5	698.64	770.10	675.00
Grade 6	745.48	723.10	790.00
Grade 7	748.34	745.79	737.00
Grade 8	823.75	763.64	756.00
Grade 9	782.35	821.99	782.00
Grade 10	838.40	756.37	807.00
Grade 11	645.98	647.44	601.00
Grade 12	593.89	585.48	603.00
Running Start	293.72	347.57	348.00
Dropout Reengagement	17.10	16.53	17.00
Alternative Learning (MLO)	632.71	704.61	677.00
Total K-12 Students*	10,184.17	10,122.19	9,872.00

Staff	2022-23 Actual	2023-24 Adopted Budget	2024-25 Adopted Budget
Certificated Employees	686.843	701.447	714.047
Classified Employees	403.139	400.934	422.640
Total Staff	1,089.982	1,102.381	1,136.687

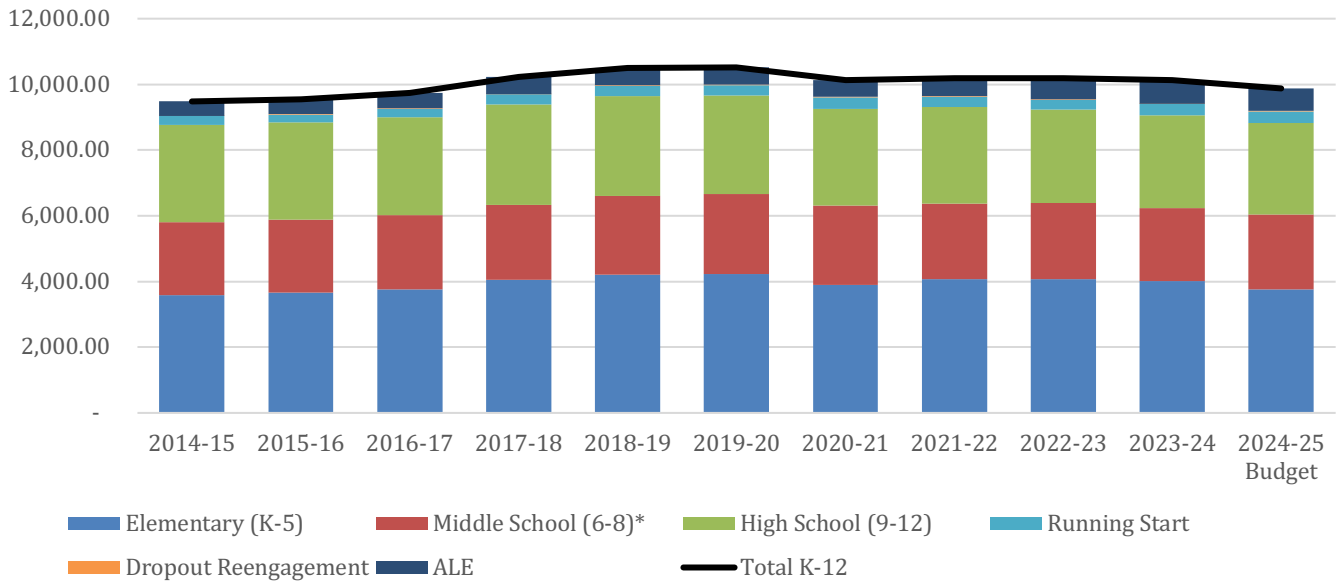
Source: Washington State 1801 Reports

\*Excludes Pre-K/TTK enrollment

## Enrollment Trends

The following charts and tables illustrate both average annual full time equivalent (AAFTE) and October head count (HC) enrollment trends.

### Enrollment (AAFTE)



\*In 2020-21 sixth grade moved from the elementary to the middle school level. All years have been adjusted to reflect sixth grade at the middle school for consistency purposes.

School Year	Traditional K-12	ALE (Mead Learning Options)	Running Start & Open Doors	Total
2014-15	8,760.16	447.05	273.11	9,480.32
2015-16	8,837.89	452.04	255.34	9,545.27
2016-17	8,991.01	469.05	285.59	9,745.65
2017-18**	9,390.33	519.82	314.72	10,224.87
2018-19	9,647.78	527.64	324.42	10,499.84
2019-20	9,652.24	521.61	342.51	10,516.36
2020-21	9,248.60	499.00	380.61	10,128.21
2021-22	9,320.73	552.51	324.24	10,197.48
2022-23	9,240.64	632.71	310.82	10,184.17
2023-24	9,053.48	704.61	364.10	10,122.19
2024-25 Budget	8,830.00	677.00	365.00	9,872.00

\*\*In 2017-18 full day kindergarten was implemented at all locations

## Enrollment Overview

Prior to the Covid-19 pandemic, we were experiencing slow but steady enrollment growth. Since the pandemic began, we have experienced a significant decline in overall enrollment. The trend can be attributed to a variety of factors including health concerns, the rise of remote and homeschooling options, and families relocating due to economic pressures. The sudden shift to virtual learning in 2020 disrupted traditional schooling, leading some parents to seek alternative education routes that better suited their children's needs. Additionally, economic instability forced some families to move out of the district, further contributing to the enrollment decline. The decrease in student numbers has had a direct impact on our budget, as funding is tied to enrollment figures. While we are experiencing an overall decline in enrollment, we are seeing significant enrollment growth in two specific areas, each with its own unique challenges: Alternative Learning Experience (ALE) and Special Education.

### Alternative Learning Experience (ALE)

We are seeing growth in our alternative education programs. Enrollment in online schools and parent partnership programs through Mead Learning Options (MLO) has increased as families look for flexible and personalized education options. Programs within MLO have adapted quickly to the changing educational landscape, offering innovative curricula and support systems that attract a diverse range of students. This shift in enrollment patterns underscores the need to balance traditional education models with the expanding demand for alternative options. Addressing these changes requires a strategic approach to resource allocation and program development to ensure all students have access to high-quality education, regardless of the learning path they choose.

### Special Education

Despite this overall decrease in enrollment, it is important to note a contrasting trend: the enrollment of students eligible for special education services is on the rise. This trend reflects both an increase in the identification of students with special needs and an expansion in the range of services provided to support them. Key factors contributing to this increase include:

1. **Improved Identification:** Advances in educational assessments and better awareness among educators and parents have led to more accurate identification of students requiring special education services. This has enabled us to offer support to more students who might have previously gone unrecognized.
2. **Broader Range of Services:** As a district, we continue to develop and re-imagine programs based on student needs and updates to research and best practices. Our commitment to inclusive education means providing individualized education programs (IEPs) and tailored interventions to meet each student's unique needs.
3. **Changing Demographics:** Shifts in community demographics and population dynamics have also contributed to the increasing enrollment of students requiring special education. This includes families moving into the district with children who have existing special education needs.
4. **Early Intervention and Support:** Emphasis on early intervention has resulted in more children receiving special education services at a younger age. Early identification and support are critical for improving long-term educational outcomes.

**Budget Implications**

The growth in special education enrollment has significant implications for our budget. Providing high-quality special education services requires a substantial investment in resources, including specialized staff, training, equipment, and educational materials. The increased need for individualized support and specialized programs as well as the increased staffing costs have led to a rise in related expenditures.

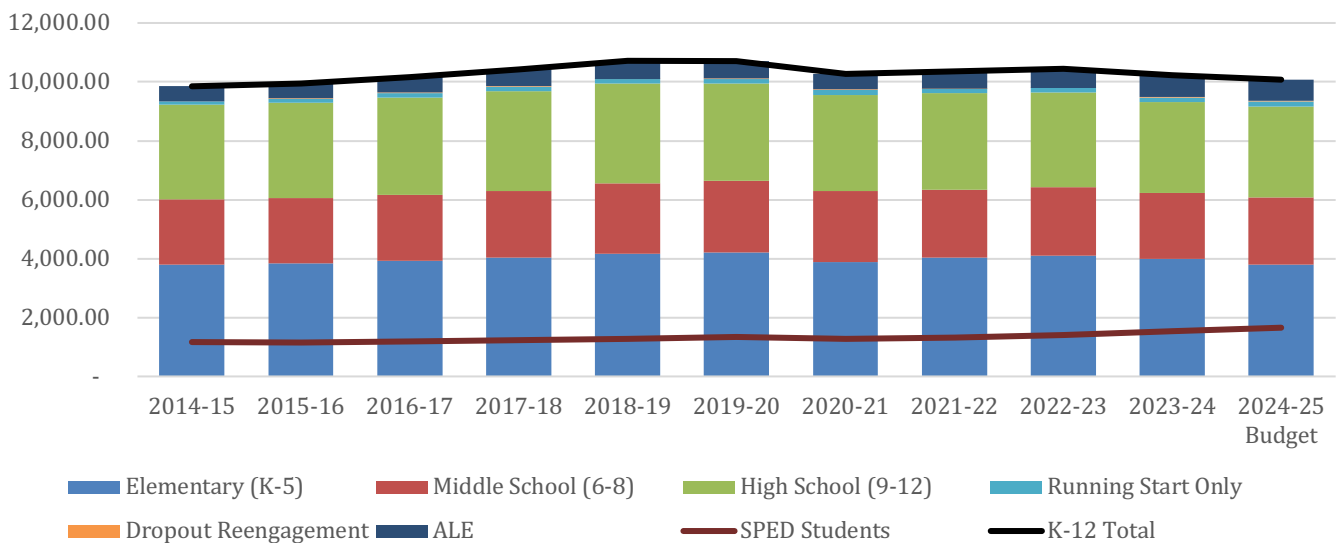
**Commitment to Special Education**

Our school district remains dedicated to supporting all students, including those with special education needs. Despite the overall decrease in student enrollment, we are committed to allocating the necessary resources to ensure that every student receives a quality education. This includes:

- **Hiring and Training:** Increasing staff levels and providing professional development for teachers and support personnel to enhance their skills in special education.
- **Resource Allocation:** Ensuring that funds are allocated efficiently to maintain and enhance special education programs and services.
- **Community Engagement:** Working closely with parents, caregivers, and community organizations to foster a supportive environment for students with special needs.
- **Inclusive Programs:** A focus on MTSS systems with all internal and external stakeholders to provide intervention services early and often across our K-12 system to target students before they fall behind.

In summary, while the district is facing a decline in overall enrollment, the growing number of students found eligible for special education services highlights the evolving needs of our student population. Our budget reflects a commitment to addressing these needs and providing a supportive educational environment for all learners.

**Enrollment (Headcount)**



### Student Headcount Enrollment

School Year	Traditional K-12	ALE (Mead Learning Options)	Running Start & Open Doors	Total	Students qualifying for Special Education Services	% of Students qualifying for Special Education Services
2014-15	9,238.00	505.00	107.00	9,850.00	1,156.00	11.74%
2015-16	9,295.00	500.00	152.00	9,947.00	1,151.00	11.57%
2016-17	9,460.00	520.00	177.00	10,157.00	1,196.00	11.78%
2017-18	9,685.00	568.00	171.00	10,424.00	1,233.00	11.83%
2018-19	9,938.00	612.00	166.00	10,716.00	1,281.00	11.95%
2019-20	9,954.00	576.00	167.00	10,697.00	1,334.00	12.47%
2020-21	9,547.00	534.00	197.00	10,278.00	1,275.00	12.41%
2021-22	9,615.00	575.00	159.00	10,349.00	1,323.00	12.78%
2022-23	9,633.00	633.00	169.00	10,435.00	1,403.00	13.45%
2023-24	9,319.00	739.00	161.00	10,219.00	1,540.00	15.07%
2024-25 Budget	9,165.00	732.00	187.00	10,084.00	1,655.00	16.41%

The data in the above charts is based on an October 1 "snapshot" date, as is frequently used by the state in data collection.

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## The Budget

Our budget is a financial tool that guides the collection and distribution of resources in accordance with state law, OSPI regulations, the Board's educational priorities, and District policies, as well as sound financial management principles.

Our fiscal year begins September 1<sup>st</sup> and ends August 31<sup>st</sup>. The budget process begins in late winter and culminates when the Superintendent submits a recommended budget to the Board, usually in August. This recommendation is based on projected enrollment, projected revenues and other resources, program requirements, and any mandated changes.

The following sections discuss our funds and projected financing sources for each one. The remaining sections focus on the General Fund, which represents 89% of the 2024-25 budget.

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### District Funds

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To better manage its resources and comply with State and Federal accounting requirements, we use the following five different funds or accounts:

The GENERAL FUND accounts for daily operations. Included in this fund are all recurring financial activities, such as teacher salaries, food services, custodial and maintenance support, and central administration costs. Revenue sources primarily include a state allocation based on student enrollment, local property taxes, state special purpose, federal special and general purpose, and local non-tax revenue. Detailed descriptions of these sources are included in the following section.

The CAPITAL PROJECTS FUND is used to finance and pay for capital improvements. These include land acquisition, construction of new buildings, site improvements, major building renovations, replacement of plumbing, electrical or heating systems, and the equipping of new facilities. Revenues from bonds, capital projects levies, and sales and lease of property are retained here.

The DEBT SERVICE FUND accounts for the redemption of bonds and the payment of interest on bonds, which were sold to fund capital improvements. Proceeds from bond sales are credited to the Capital Projects Fund. The income generated in this fund comes from local property taxes. See Appendix I for more information on taxes.

The ASSOCIATED STUDENT BODY (ASB) FUND accounts for funds raised by students at each school. Each student body organization prepares and submits an annual budget for Board approval. Revenues are derived from fundraisers and student fees.

The TRANSPORTATION VEHICLE FUND is used for the purchase, major repair, and rebuilding of school buses. This fund's primary source of revenue is bus depreciation payments received from the state.

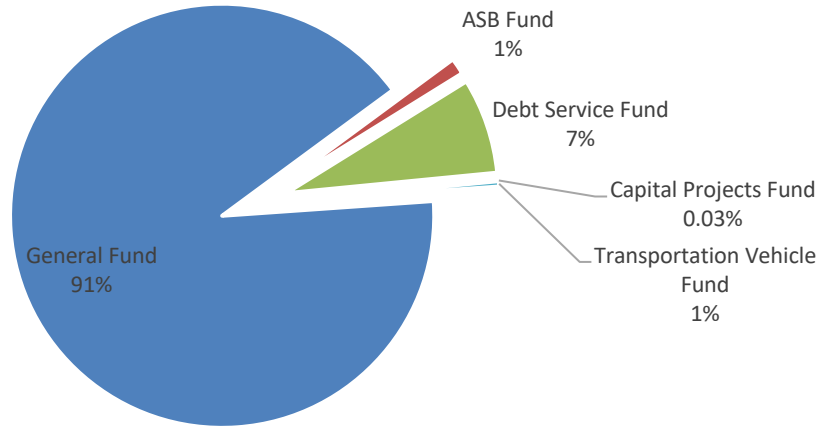
State law does not allow funds from Capital Projects/bond dollars or the Transportation Vehicle Fund to be transferred to, and used in, the General Fund to offset reductions or needs, such as staffing or other reductions.

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### Total Financing Sources by Fund

The following chart depicts the current year’s budgeted financing sources. A three year summary follows.

2024-25 Budgeted Revenue by Fund



School Year	2022-23 Actual	2023-24 Adopted Budget	2024-25 Proposed Budget
General Fund	\$157,905,451	\$160,646,874	\$175,069,319
ASB Fund	\$2,108,352	\$2,014,420	\$2,427,197
Debt Service Fund	\$14,201,631	\$14,542,487	\$14,029,759
Capital Projects Fund	\$382,324	\$100,000	\$60,000
Transportation Vehicle Fund	\$875,238	\$720,731	\$774,604
<b>Total</b>	<b>\$175,472,996</b>	<b>\$178,024,512</b>	<b>\$192,360,879</b>

An explanation of changes follows.

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## EXPLANATION OF CHANGES

**General Fund** The COVID-19 pandemic has created a very unpredictable and volatile funding climate. Stabilization funding was provided in the 2020-21, 2021-22 and 2022-23 years. This funding was provided at a state and federal level to maintain current operations and offer recovery services during and post-pandemic.

The largest portion of our funding comes from the State and is derived from enrollment. Prior to the COVID-19 pandemic, the district experienced stable, steady growth. Post-pandemic, enrollment has been more volatile and difficult to predict. The increases budgeted to General Fund revenues are based on anticipated enrollment and inflationary increases with adjustments made for updates to the prototypical funding model in the 2023 legislative session. In the most recent legislative session, legislators worked to improve the prototypical funding model for materials and certain classified positions and increased state special education funding by adjusting the funding cap to 16%.

In the Debt Service Fund, the tax rate is set to ensure adequate funds to meet our debt service obligations. Our current bonds are set to mature in December 2024, December 2034, December 2035 and December 2037.

In the Capital Projects Fund, we finalized the major projects associated with the 2015 and 2018 bond issues. We completed Creekside Elementary, Highland Middle and Skyline Elementary schools, Union Stadium and the maintenance and transportation buildings. With remaining funds, we will continue to work on districtwide HVAC and handicap accessibility projects, technology purchases, and the Meadow Ridge sewer project. Any remaining funds will be set aside for the purchase of land for future growth needs.

In the Transportation Vehicle Fund, revenues are fairly stable. This fund is financed by the State reimbursement for depreciation of approved student transportation equipment. All our route buses are currently on the depreciation schedule. Annually, we purchase four to five additional buses to replace those coming off of the State's depreciation schedule.

The Associated Student Body Fund is where student-raised funds are managed. Each year we budget the fund near its potential capacity to allow flexibility for the students. However, actual spending is typically significantly less, and is limited to the actual funds raised and available.

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## General Fund Revenue

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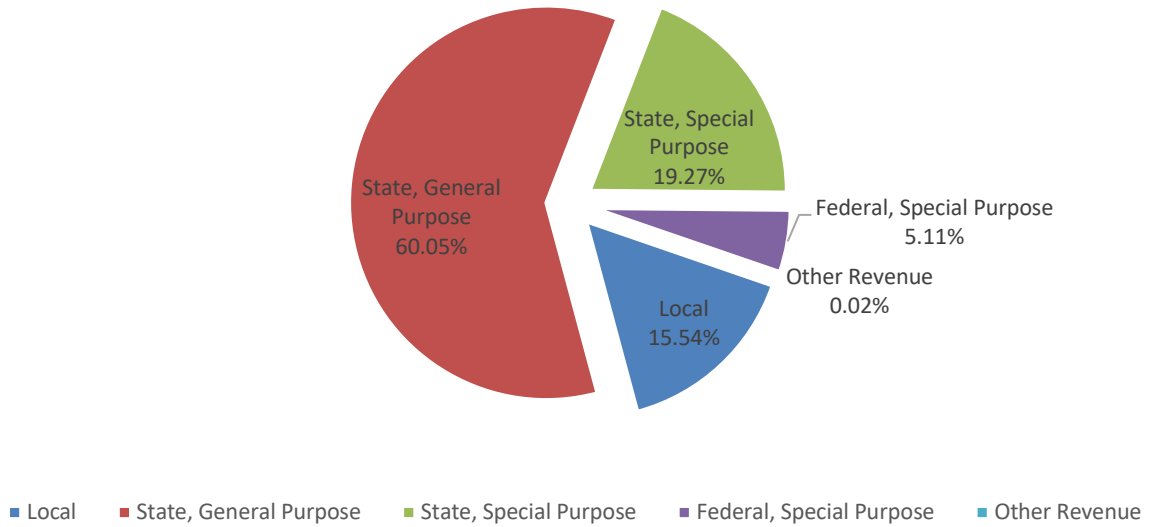
### WHERE DOES THE MONEY COME FROM?

Our largest source of revenue comes from the State's General Purpose or Apportionment allocation, which is funded primarily by the state sales tax. This is followed by State's Special Purpose funding, which is earmarked for specific programs such as special education, Learning Assistance Program, and student transportation. The following chart illustrates the various General Fund revenue sources.

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### Budgeted Revenue 2024-25



The following table provides a summary of the General Fund revenue sources over the past three years. Descriptions of these sources follow.

### General Fund Revenue Sources

Source	2022-23 Actual	2023-24 Adopted Budget	2024-25 Adopted Budget
Local	\$20,423,490	\$20,496,875	\$26,972,526
State, General Purpose	\$101,254,325	\$102,168,581	\$104,202,304
State, Special Purpose	\$24,400,028	\$28,005,526	\$33,441,331
Federal, Special Purpose	\$9,756,416	\$9,875,892	\$8,869,158
Other Revenue	\$63,252	\$50,000	\$34,000
Other Financing Sources	\$2,007,940	\$50,000	\$1,550,000
<b>Total</b>	<b>\$157,905,451</b>	<b>\$160,646,874</b>	<b>\$175,069,319</b>

## GENERAL FUND REVENUE SOURCE DESCRIPTIONS

Local Sources \$26,972,526

We receive approximately 15.4% of our revenue from local property taxes, which fund essential program expenditures beyond our state provided resources. Current local tax revenues are based on the Educational Programs and Operations Levy passed by voters for 2022-2024 and renewed for 2025-2027. Property tax for the levy is estimated to be \$2.50 per \$1,000 of assessed valuation for 2025. As part of the legislative restructuring of state funding, beginning in 2020, local levies were capped at either \$2.50/\$1,000 of assessed valuation or \$3,150 per student (adjusted annually), whichever is lower.

This revenue source also includes fees for goods and services, such as facility use fees and school meals. Additionally, it includes donations and interest earnings.

State General Purpose \$104,202,304

The Office of Superintendent of Public Instruction (OSPI) funds basic education operations through a prototypical school funding model. This model allocates funds based on the specific staffing and non-staff costs necessary to operate a basic education program. The model specifies staffing levels for teachers, administrators, and support staff based on student enrollment applied to the "prototypical" school. The model defines three types of prototypical schools: elementary (400 students), middle (432 students) and high school (600 students). Funding is determined by applying our ten-month average student enrollment (see Enrollment and Staffing section) to the prototypical funding model. To account for cost-of-living differences across the state, regionalization factors adjust funding amounts to ensure equitable distribution of resources. In 2019-20 and earlier, we were eligible for a 6% regionalization factor. Starting in 2020-21, our regionalization factor decreased each year until 2024-25 when it is zero. To account for varying degrees of education and experience in certificated staff, experience factors adjust funding for certificated staff. In 2024-25, we will have a 4% experience factor applied to the certificated staffing portions of the funding model.

State General Purpose funding also includes approximately \$3.1 million of Local Effort Assistance (LEA) funding, known as "levy equalization."

State Special Purpose \$33,441,331

State Special Purpose allocations are for specific educational and support programs. They include funds for special education, Learning Assistance Program (LAP), student transportation operations, highly capable, and multilingual education programs. This funding is specific to its assigned purpose and cannot be used in other ways.

Federal Special Purpose \$8,869,158

Federal Special Purpose grants provide funding for programs to support specific student populations and programs, such as special education, Title I, Title II, and school food service. Each federal grant comes with its own requirements and rules for its use and can only be used for the intended purpose.

**Other Revenue Sources** **\$34,000**

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Other sources of revenue include revenue from other districts and other local government agencies. It includes revenue for services provided to other school districts (special education, non-high).

**Other Financing Sources** **\$1,550,000**

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Historically, this revenue source has primarily only included the sale of items no longer needed by the District. Recently, the Governmental Accounting Standards Board (GASB) introduced new rules for how school districts must account for leases and technology subscriptions. These changes (known as GASB 87 and GASB 96) help ensure that financial information is clear and more consistent. When entering into a new lease or subscription-based technology service, we must include the agreements as long term assets and liabilities. In the year of implementation, we are required to include the total current value as a source of financing.

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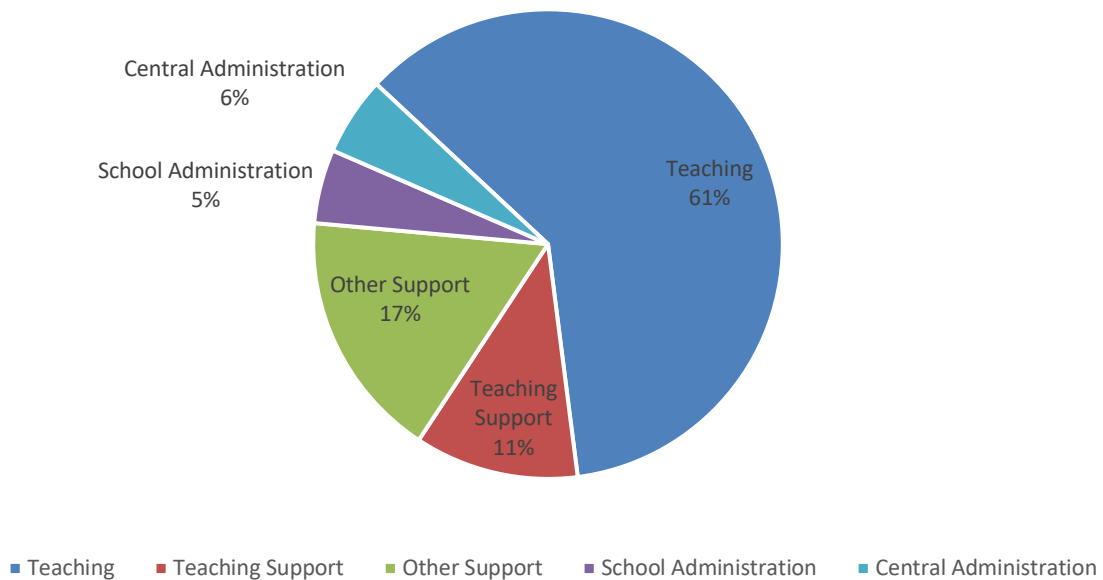
## General Fund Expenditures

### HOW ARE YOUR TAX DOLLARS SPENT?

Nearly three-quarters of the General Fund budget will be spent directly on School Instruction; including teaching support activities (i.e., teachers, librarians, nurses, principals, counselors, and extracurricular activities). School-based support such as custodial and maintenance personnel, food services, and utilities amount to 17% of expenses, making the total amount spent at schools around 94 percent. District-wide support and central administration make up only 6% of the budget. In recent years we have had to make significant reductions in operations with annual budget reductions in order to maintain a positive fund balance.

The following chart and table depict how district revenues are allocated. Descriptions of these activities follow.

Budgeted Expenditures 2024-25  
By Activity



EXPENDITURES

General Fund Expenditures, by Activity:

The activity describes the function for which a service or material object is acquired. The activities of a school district are classified into five broad areas: teaching, teaching support, other support, school administration, and central administration. Each activity is presented by a code number followed by a description.

Activity	2022-23 Actual	2023-24 Adopted Budget	2024-25 Adopted Budget
Teaching	\$96,893,876	\$99,359,400	\$108,173,950
Teaching Support	\$16,487,443	\$19,974,303	\$20,037,147
Other Support	\$28,593,799	\$27,873,312	\$30,398,699
School Administration	\$9,153,079	\$9,136,580	\$9,041,930
Central Administration	\$7,428,264	\$9,856,071	\$9,591,073
Total	\$158,556,461	\$166,169,666	\$177,242,799

Teaching \$108,173,950

Teaching costs include costs of supplies, wages, and benefits used directly in the classroom for student instruction. These costs also account for extracurricular activities that provide a well-rounded education that extends beyond the classroom and helps students explore their interests, develop critical skills, and engage with their communities.

- TEACHING (27) includes classroom teachers and aides who assist students in acquiring new or improved knowledge, skills and comprehension. Supplies, materials and equipment used in classroom instruction are also included.
- EXTRACURRICULAR (28) activities include athletic coaching and transportation for activities not paid for by the Associated Student Body (ASB) fund, as well as class or student activity advising, and supervising ASB fund accounting.

Teaching Support \$20,037,147

- LEARNING RESOURCES (22) includes library services to ensure that a systematic organization of books and other reference materials are available for use by students and staff district-wide. This activity also provides materials specifically designed to improve learning through the use of instructional aids.
- GUIDANCE & COUNSELING (24) includes helping students by assessing and understanding their abilities, aptitudes, interests, and educational needs, and providing services to meet those needs.

- PUPIL MANAGEMENT & SAFETY (25) includes the cost of pupil security personnel including bus assistants.
- HEALTH SERVICES (26) includes the responsibilities of school nurses, psychologists, speech/hearing therapists, and their assistants to support the health and welfare of students.
- INSTRUCTIONAL PROFESSIONAL DEVELOPMENT (31 & 34) includes in-service training, costs of workshops, conferences, supplies; as well as substitutes for release time, and additional contract days and/or extra pay for professional development.
- INSTRUCTIONAL TECHNOLOGY (32) includes computers and related classroom technology such as projectors, document cameras, and operating software, as well as staff who support instructional technology.
- CURRICULUM (33) includes costs relating to the development and implementation of curriculum for the school district, as well as the cost of new and/or replacement textbooks and other instructional materials related to curriculum.

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**Other Support****\$30,398,699**

These activities directly benefit students and bolster the overall educational experience at schools. They include preparing and serving meals, as well as ensuring the operation and maintenance of buildings and school grounds.

- FOOD SERVICE—GROCERIES (42) includes the expenditures for all food used in connection with the regular food services program including expenditures for processing, freight, delivery, and storage of food and commodities.
  - FOOD SERVICE—OPERATIONS (44) involves preparing and serving breakfasts and lunches in connection with school activities, as well as delivering prepared meals to schools.
  - FOOD SERVICE—TRANSFERS (49) provides for the transfer of costs of the summer food program to the appropriate program, per OSPI guidance.
  - TRANSPORTATION—OPERATIONS (52) consists of direct operating expenditures for transporting students to/from school, and from one school to another. This also includes costs for transporting pupils other than by school buses (i.e., via passenger vehicle).
  - TRANSPORTATION—VEHICLE MAINTENANCE (53) consists of costs for maintaining school buses and other vehicles. It includes services such as mechanical repair, painting, safety inspections, cleaning, and preventive maintenance. Other expenses include rent, custodial and related services for the garage, as well as repair and maintenance of the garage buildings, grounds, and equipment.
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- TRANSPORTATION—VEHICLE INSURANCE (56) includes expenditures for insuring school buses and providing liability protection.
- TRANSPORTATION—TRANSFERS (59) includes expenditures for transporting pupils on trips in connection with educational programs (for example, educational field trips and the transport of school teams to compete or perform).
- GROUNDS MAINTENANCE (62) involves the routine care of grounds, such as raking, hoeing, watering, cutting and protecting lawns, and transplanting, trimming and caring for flower beds. It also includes repairing walks, fences, tennis courts, playground surfaces, lawn sprinkling systems, outside flagpoles, driveways, and sewers.
- OPERATION OF BUILDINGS (63) includes expenditures for custodians for daily building operation. This includes costs for supplies such as brooms, mops, brushes, wastebaskets, garbage cans, electric light bulbs, electric fuses, dustpans, floor wax, flags, blackboard erasers, and pencil sharpeners.
- GENERAL MAINTENANCE (64) covers costs for carpenters, electricians, glaziers, plumbers, and painters to maintain buildings and equipment through repair and upkeep. Services include repainting, resurfacing, refinishing, reshingling, and repairing structures, foundations, doors, windows, and other buildings and fixtures.
- UTILITIES (65) includes the cost of water, electricity, natural gas, heating oil, data/voice telecommunications, sewage, and garbage and recycling.
- BUILDING SECURITY (67) includes services to protect buildings and other property from unlawful entry, vandalism, and burglary.
- PROPERTY INSURANCE (68) consists of costs for maintaining property, employee, and liability insurance, as well as fidelity bonds.
- INFORMATION SYSTEMS (72) involves expenditures to maintain and operate our information system and computer network. Purchase of hardware and software, providing technical support, training, systems and database development and/or maintenance, data processing, and storage of data are included.
- PRINTING (73) constitutes operating expenditures for duplicating, printing, or otherwise reproducing printed materials by a print shop or contracted printing services, such as purchasing and maintaining printers and copiers, and purchasing ink and paper.
- WAREHOUSE (74) contains expenditures for distributing supplies, delivering mail, and the expenditures for operation a central warehouse.

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**School Administration** **\$9,041,930**

- **PRINCIPAL'S OFFICE (23)** pertains to the management of individual schools. It includes administering the school's instructional programs, supervising and evaluating staff, and providing administrative support to teachers and students.

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**Central Administration** **\$9,591,073**

Central Administration includes activities related to the general direction, regulation, and administration of the district at large. It includes responsibilities that are carried out by the school district's Board of Directors, the superintendent's office, the business office, and the human resources office. Duties include personnel administration, public information, finance and accounting, research and planning, bookkeeping and statistical services, business administration, fiscal control, and purchasing.

- **BOARD OF DIRECTORS (11)** includes expenditures to support responsibilities that are not delegated but are retained and carried out by the school district's governing board. This activity also entails costs for board memberships, audits, elections, and legal services.
  - **SUPERINTENDENT'S OFFICE (12)** includes general administration, the superintendent's office, and community relations.
  - **BUSINESS OFFICE (13)** consists of financial accounting operations, including district-wide research and planning for budgeting, accounting, bookkeeping, statistical services, business administration, fiscal control, purchasing, and payroll.
  - **HUMAN RESOURCES (14)** consists of personnel recruitment, compliance and placement activities, employment services, classification and compensation, employee benefits administration, human resources, information systems, and labor relations.
  - **PUBLIC RELATIONS (15)** consists of writing, editing, and other preparation necessary to disseminate educational and administrative information to parents, students, staff, and the general public through direct mailing, news media, e-mail, internet websites, and personal contact.
  - **SUPERVISION OF INSTRUCTION, FOOD SERVICES, TRANSPORTATION & MAINTENANCE (21, 41, 51 & 61)** includes expenditures for providing district-wide leadership in developing instructional programs and curriculum, administering food services, transportation and plant activities, as well as secretarial and clerical support of these functions.
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**General Fund Expenditures, by Object:**

Another way to evaluate expenditures is to look at them by object. This classification is used to describe the service or commodity obtained as the result of a specific expenditure. Answering the question of “What was purchased?”, each classification is presented by a code number followed by a description. The seven major object categories included here are further subdivided within the financial accounting system for more detailed tracking.

Source	2022-23 Actual	2023-24 Adopted Budget	2024-25 Adopted Budget
Certificated Salaries	\$71,718,715	\$73,620,512	\$79,849,068
Classified Salaries	\$25,168,148	\$26,916,462	\$27,489,393
Employee Benefits & Taxes	\$37,659,958	\$35,396,033	\$39,599,285
Supplies & Materials	\$8,490,915	\$14,494,376	\$12,242,220
Purchased Services	\$13,013,844	\$14,934,008	\$15,686,773
Travel	\$337,574	\$353,275	\$326,060
Capital Outlay	\$2,167,307	\$455,000	\$2,050,000
<b>Total</b>	<b>\$158,556,461</b>	<b>\$166,169,666</b>	<b>\$177,242,799</b>

**Certificated Salaries \$79,849,068**

Gross salary paid to both permanent and temporary school district employees in positions requiring a teaching certificate, including personnel substituting for those in permanent positions. This includes contracted amounts, as well as additional stipends, supplementals and extra time. Positions included in this classification include: classroom teachers, special education teachers, occupational and speech therapists, and principals.

**Classified Salaries \$27,489,393**

Gross salary paid to both permanent and temporary school district employees in positions not requiring a teaching certificate, including personnel substituting for those in permanent positions. This includes contracted amounts, as well as extra time. Positions included in this classification include: para educators, nutrition services workers, maintenance, custodial, business services, and human resources.

**Employee Benefits & Taxes \$39,599,285**

Amounts paid by the school district on behalf of employees (amounts not included in gross salary, but in addition to that amount). Such payments are fringe benefit payments and, although not paid directly to employees, nevertheless are part of the cost of personal services. This includes: employer health benefit premiums, social security payments, retirement, and PFML contributions.

In total, salaries and benefits comprise 82.89% of the budget.

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**Supplies and Materials** **\$12,242,220**

Amounts paid for items that are consumed. Examples are items such as paper, fuel for transportation, custodial supplies, and food for nutrition services.

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**Purchased Services** **\$15,686,773**

Intangible services provided by organizations or personnel not on the payroll of the school district. This includes: repair and maintenance services, tuition paid to other organizations, liability insurance, legal, and utilities.

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**Travel** **\$326,060**

Cost of travel includes costs for transportation, meals, hotel and other expenditures associated with staff attending professional development conferences, student travel, and mileage reimbursement for employees using personal vehicles for district business.

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**Capital Outlay** **\$2,050,000**

Equipment is defined as a nonexpendable, tangible item of personal property having a useful life of more than one year and an acquisition cost which is the lesser of the capitalization policy established by the school district or \$5,000. Included are those items composed of component items (individually not meeting the capitalization amount, but in total meets the capitalization amount). Improvements to buildings and grounds infrastructure are defined as those expenditures that materially increase the value or useful life of the buildings or grounds facility.

Capital outlay expenditures may include, but are not limited to, the following: air conditioners and other cooling equipment, automobiles, trucks, tractors, vans, and other vehicles, boilers, furnaces, and other heating equipment, building and equipment major repairs and improvements, communications equipment, computers, printers, and other peripheral equipment, furniture and fixtures, instructional equipment, lunchroom equipment, and office machines. Capital outlay also includes expenditures associated with GASB 87 and GASB 96.

Most, but not all, items that would be categorized as capital outlay are included in the capital projects fund. Some items and projects are included in the general fund.

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## Fund Balance

Fund balance is the accumulation of revenues minus expenditures over time. It represents resources that can be used for future needs. Often referred to as the district’s “savings account,” fund balance is broken into the following five categories:

**Restricted fund balances** are those amounts that are restricted for specific purposes. These restrictions may be either externally imposed by creditors, grantors, contributors, laws or regulations, or imposed by law through constitutional provisions or enabling legislation. The majority of this balance is related to the nutrition services program.

**Non-spendable balances** represent those portions of fund balance that cannot be spent either because they are not in a spendable form (e.g. inventories and prepaid expenses), or are legally required to be maintained intact.

**Committed balances** are those amounts that can be used for specific purposes pursuant to constraints imposed by resolution of the Board of Directors. Committed fund balances cannot be used for any other purposes unless the Board takes action to change or remove the original limitations. This district does not currently have any committed balances.

**Assigned balances** comprise amounts the district intends to use for a specific purpose. Included in this balance are amounts for compensated absences and future maintenance needs.

**Unassigned balances** include all resources not reported in the other four classifications. It is the Board’s desire to maintain a minimum fund balance equivalent to one month of expenditures (8.33%).

Category	2022-23 Actual	2023-24 Adopted Budget	2024-25 Adopted Budget
Restricted	\$3,886,982	\$2,009,137	\$2,960,551
Non-Spendable	\$1,498,349	\$546,935	\$1,498,349
Committed	\$0	\$0	\$0
Assigned	\$3,924,039	\$2,461,833	\$3,524,039
Unassigned	\$5,062,283	\$0	\$593,717
<b>Total</b>	<b>\$12,873,304</b>	<b>\$4,470,970</b>	<b>\$7,078,307</b>
Unassigned % (Goal 8.33%)	3.39%	0.00%	0.36%
CAU % (Committed, Assigned and Unassigned Total Goal 10-15%)	6.02%	1.65%	2.76%

# Appendix I

## Local Taxes

There are two types of local taxes: Bonds and Levies. Bonds pay for major construction. Levies pay for ongoing operational and enrichment costs. The easiest way to remember the difference is “Bonds are for Buildings; Levies are for Learning.”

### BONDS

Bonds are similar to a “mortgage” for school construction and renovation. Money is borrowed for major construction projects and paid back over a long time period, usually 15 to 20 years. The district has the following outstanding bonds:

<b>Project</b>	<b>Final Payment</b>
2013 Bond	December 2024
2015 Bond	December 2034
2016 Bond	December 2035
2018 Bond	December 2037

Based on the amount due in the fiscal year, and on changes in assessed valuations, the rate collected each year can fluctuate to ensure sufficient funds to make the principal and interest payments on that debt. For 2024, the rate is \$1.32 per \$1,000 of assessed valuation.

### EDUCATIONAL PROGRAMS & OPERATIONS LEVY

Regardless of grade level, the Educational Programs and Operations levy impacts all schools and all students. The levy pays for programs and operating expenses not funded by the state. This includes many high school elective classes; band, choir and drama support; technology, and class materials; building maintenance; many staff members; as well as all athletics, performing arts, and activities. Levy funds are vital to the success of all students and provide a truly essential revenue stream to our school district.

The breakdown for each levy dollar spent is:

59¢	Instruction/School Support
16¢	Extra-Curricular Activities
13¢	Building Maintenance
4¢	Safety & Security
4¢	Student Transportation
2¢	Special Education
<u>2¢</u>	Information Systems
\$1.00	TOTAL

Levies can be run for one year at a time or for as many as four years and must be renewed by voters to continue. To help alleviate election costs, Mead voters approved a three-year replacement levy in February of 2024 to assist with funding for educational programs and operations. This levy will be collected in 2025, 2026, and 2027.

In 2020, local levies were capped at the lower of: \$2.50/\$1,000 of assessed valuation or \$2,500 per student (adjusted annually for inflation; \$3,149.69 in 2024). Districts that have passed a levy of at least \$1.50/\$1,000 but are unable to collect at least \$1,949/student at the \$1.50/\$1,000 rate are equalized up to \$1,949 per student. In 2024, our levy will collect \$1,663 per student; the State will provide \$286 in local

effort assistance funding to reach \$1,949/student.

## Appendix II

### 2024-25 GENERAL FUND BUDGET SUMMARY

	<b>2022-23 Actual</b>	<b>2023-24 Adopted Budget</b>	<b>2024-25 Adopted Budgeted</b>
Beginning Fund Balance	\$ 13,524,316	\$9,993,762	\$9,251,787
<b>REVENUES</b>			
Local	\$20,423,490	\$20,496,875	\$26,972,526
State, General Purpose	\$101,254,325	\$102,168,581	\$104,202,304
State, Special Purpose	\$24,400,028	\$28,005,526	\$33,441,331
Federal, Special Purpose	\$9,756,416	\$9,875,892	\$8,869,158
Other Revenue	\$62,252	\$50,000	\$34,000
Other Financing Sources	\$2,007,940	\$50,000	\$1,550,000
<b>TOTAL</b>	<b>\$157,905,451</b>	<b>\$160,646,874</b>	<b>\$175,069,319</b>
<b>EXPENDITURES</b>			
Teaching	\$96,893,876	\$99,359,400	\$108,173,950
Teaching Support	\$15,381,555	\$19,974,303	\$20,037,147
Other Support	\$28,593,799	\$27,843,312	\$30,398,699
School Administration	\$9,153,079	\$9,136,580	\$9,041,930
Central Administration	\$7,428,264	\$9,856,071	\$9,591,073
<b>TOTAL</b>	<b>\$158,556,462</b>	<b>\$166,169,666</b>	<b>\$177,242,799</b>
<b>ENDING BALANCE</b>	<b>\$12,873,305</b>	<b>\$4,470,970</b>	<b>\$7,078,307</b>

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## Appendix III

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### GLOSSARY OF SELECTED STATE PROGRAMS

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- **BASIC EDUCATION:** free, appropriate, kindergarten through twelfth grade public education. Basic education includes instruction in literacy, mathematics, social studies, science, music, art, health, physical education, industrial arts, and other subjects and activities identified and funded by the State.
  - **SPECIAL EDUCATION:** education and related services for students with disabilities, ensuring their access to a free and appropriate public education (FAPE) in the least restrictive environment (LRE). These programs, mandated by the Individuals with Disabilities Education act (IDEA), serve students from birth through age twenty-two and include the development of Individualized Education Programs (IEPs), related services such as therapy and transportation, and transition services for post-school activities. IDEA ensures that no child with a disability is excluded from education. Disabilities covered under IDEA include autism, deaf-blindness, deafness, emotional disturbance, hearing impairment, intellectual disabilities, speech or language impairment, traumatic brain injury, and visual impairment.
  - **CAREER AND TECHNICAL EDUCATION:** work skills programs that have been approved for funding by the Office of the Superintendent of Public Instruction, including state/local match requirements for Federal vocational grants. Vocational work skills include, but are not limited to, family and consumer sciences education, business education, marketing education, agriculture education, health occupations education, trade and industrial education, technology education, and career education.
  - **FOOD SERVICES:** preparing and serving meals and a la carte items to pupils under the National School Lunch Program, School Breakfast Program, and Special Milk Program. Also selling meals and a la carte items to adults.
  - **PUPIL TRANSPORTATION:** transporting pupils to and from school, including between schools for educational purposes.
-