



SOUTH KITSAP

SCHOOL DISTRICT

2025-26 Budget
Preliminary Budget (Public Comment) July 30, 2025
Hearing and Adoption (Formal Public Comment) August 6, 2025

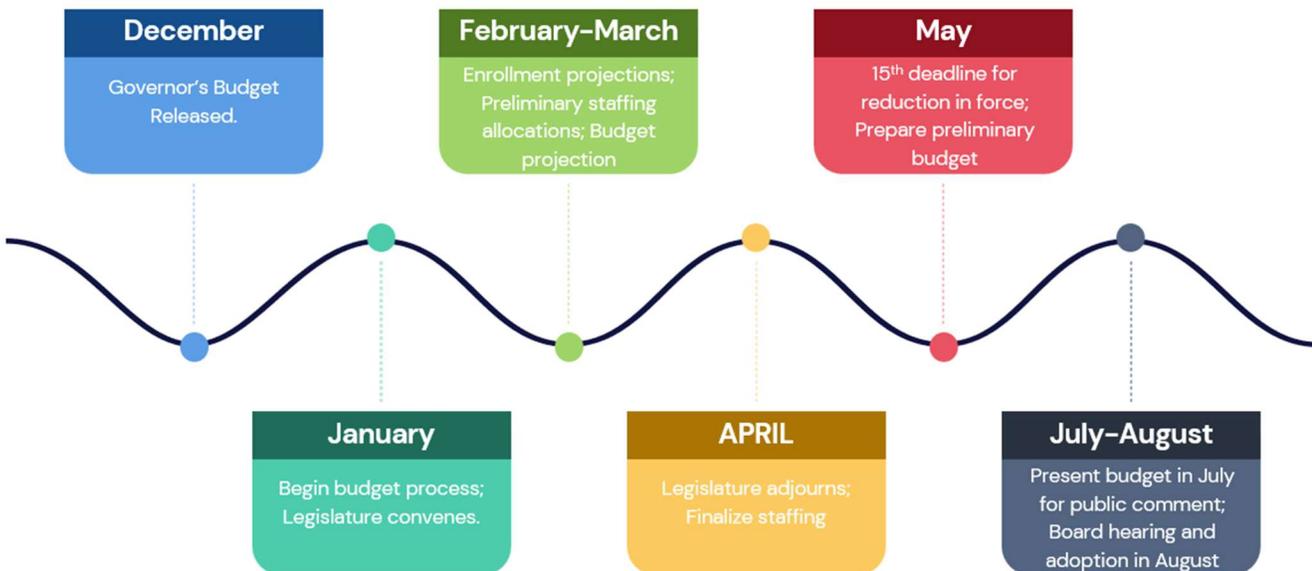
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EXECUTIVE SUMMARY

The budget is developed using the guidelines of the Washington State Office of Superintendent of Public Instruction. It is organized into a series of accounts called funds:

General Fund	State & local revenue and expense fund for school operations, may support other funds as needed
Capital Projects Fund	Capital Levy or bond proceeds, may only be expended on capital projects
Associated Student Body Fund	Student athletics/activities/clubs
Transportation Vehicle Fund	Solely for the purchase of yellow buses
Debt Service Fund	Service/retirement of long-term debt

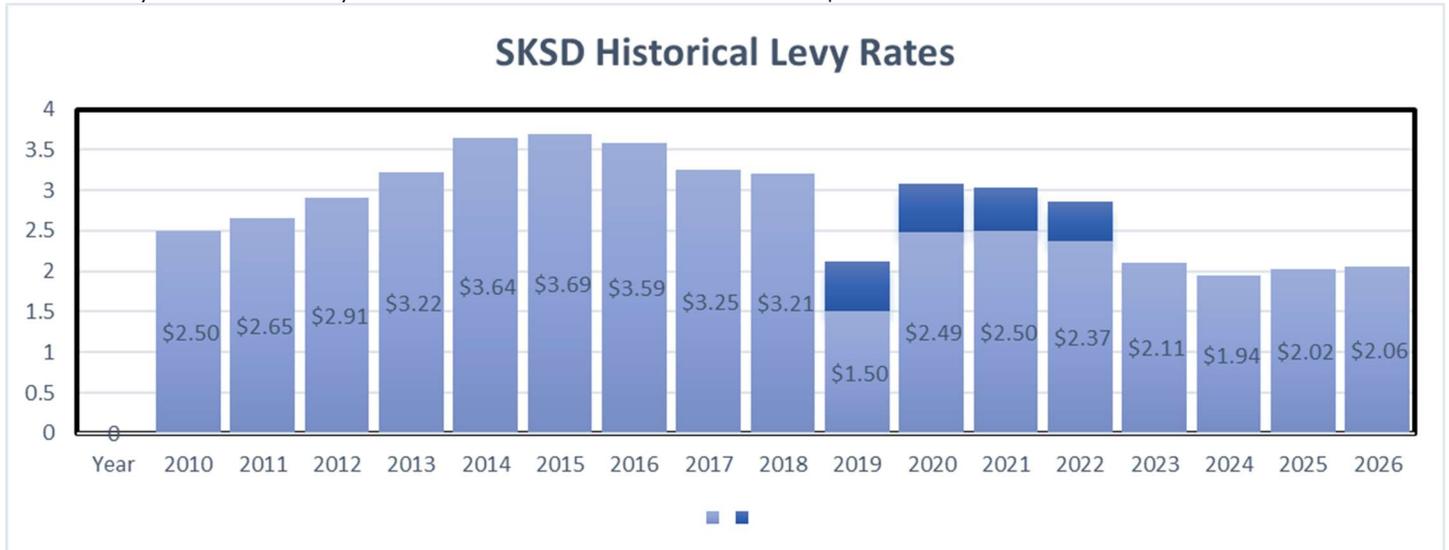


South Kitsap School District's budget is required to be adopted by August 31, 2025. A preliminary budget is due to the Educational Service District for review and available for the public by July 10, 2025. The following high-level timeline is used in our budget development process:

General Fund Changes

Legislative outcomes affect South Kitsap School District's budget planning. The following major changes are reflected in the 2025-26 budget.

- State Funded 2.5% IPD (cost of living increase) to funded positions. SK has provided a minimum 2.5% increase to all staff. MSOC funding increased by 2.8%.
- SEBB Health benefits increase \$129/month per staff member eligible for benefits.
- Increased staffing allocation for physical, social, and emotional support staff. (counselors, nurses, social workers, psychologists). 2024-25 is the last year for the allocation to increase.
- Many state grants are reduced or eliminated. Federal funding is still undetermined, but it is estimated that many federal special purpose grants will be reduced or eliminated.
- Increased funding for special education.
 - Removed funding cap of 16%
 - Increased Least Restrictive Environment % to 1.16; eliminated tiers
- Regionalization remains at 18%.
- South Kitsap Enrichment Levy approved by voters for 2026 is \$30,990,823. SK collects based on a per pupil enrollment rate. The per pupil rate was increased 18.5% which means SK will be collecting under the allowable levy LID. 25-26 Levy collection will result in an additional \$1.4M of revenue.



The South Kitsap School District Priority Plan and guiding criteria for budget development are as follows:

- Direct Service to Students
- Safety and Health
- Return on Investment (ROI) – Will removal of the expense cause other expenses to rise? (i.e., delaying preventative maintenance may result in higher long-term costs)
- Levy Funded (as advertised)
- Legally Required or Targeted Funds
- State Compliance (Class size, Social Emotional staffing)
- Fixed Costs (Legal, Audit, Utilities, etc.)
- Bargaining Agreement Compliance

**BELONG
BELIEVE
BECOME**

Enrollment

Enrollment is the primary driver of funding for school districts in Washington State. In South Kitsap SD, enrollment FTE in 2018-19 was 9,645 and for the 24-25 school year, enrollment FTE is 9,159. This change in enrollment represents a decline of 5.03% since 2018-19 SY. Districts across Washington saw a decline in enrollment due to the pandemic. At SK, our brick and mortar (students attending in person, non-ALE) has increased since 2020-21. For 2025-26, birth rates are at the lowest for incoming Kinder. It is estimated that enrollment will decline but there are a lot of new housing developments that may impact the actual 2025-26 enrollment.

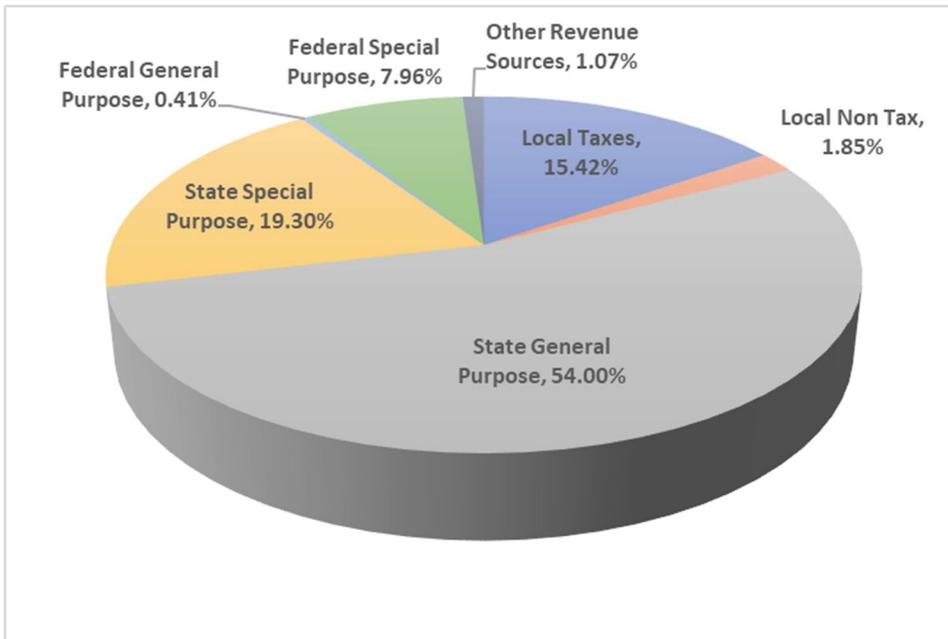
South Kitsap School District Enrollment History								
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 YTD	2025-26 Budget
K	766.958	741.98	616.294	691.055	677.35	673.14	636.12	599.00
1	730.814	785.3	626.857	666.52	727.02	714.11	682.55	652.00
2	767.202	726.4	692.364	653.219	707.12	738.34	736.22	697.00
3	761.43	758.22	667.446	708.008	678.89	733.32	747.77	755.00
4	784.2	759.48	679.563	674.448	731.47	702.08	738.09	761.00
5	774.827	789.57	692.412	686.639	677.56	730.82	710.72	775.00
6	742.312	748.23	763.635	721.868	702.66	692.78	715.7	683.00
7	716.943	755.42	780.106	763.908	696.07	698.07	697.75	724.00
8	706.232	766.48	793.199	769.438	719.49	707.79	698.68	708.00
9	690.88	781.73	961.371	773.949	679.84	718.28	673.16	679.00
10	706.69	764.42	918.711	837.639	680.51	678.72	700.62	670.00
11	588.905	654.81	727.804	710.485	545.13	577.16	546.48	569.00
12	643.75	610.8	692.933	733.084	537.54	561.17	578.76	555.00
Total	9,381.14	9,642.84	9,612.70	9,390.26	8,760.65	8,925.78	8,862.62	8,827.00
RS	264.05	223.15	243.34	221.89	213.75	240.03	296.8	305.00
Total w/RS	9,645.19	9,865.99	9,856.04	9,612.15	8,974.40	9,165.81	9,159.42	9,132.00
ALE	353.94	688.91	1588.11	1337.15	459.29	409.00	500.53	492.00
Brick & Mortar	9,027.20	8,953.93	8,024.59	8,053.11	8,301.36	8,516.78	8,362.09	8,335.00
Change from Prior Yr Brick & Mortar	-123.23	-73.27	-929.35	28.53	248.25	215.42	-154.69	-27.09



All Funds Summary

General Fund (GF)					
	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2025-26 Budget
Beginning Fund Balance	15,827,806	14,837,862	13,832,274	14,026,563	13,120,280
Revenues	172,235,291	169,543,019	174,775,854	189,098,296	197,349,078
Transfer In					
Expenditures (Appropriation)	172,595,235	170,489,089	173,877,009	190,698,081	197,516,014
Transfer Out	630,000	59,518	306,857	250,000	261,300
Revenues Over (Under) Exp.	(989,944)	(1,005,588)	591,988	(1,849,785)	(428,236)
Ending Fund Balance	\$ 14,837,862	\$ 13,832,274	\$ 14,424,263	\$ 12,176,778	\$ 12,692,044
Associated Student Body (ASB)					
	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2025-26 Budget
Beginning Fund Balance	704,963	780,353	812,696	790,965	784,505
Revenues	480,860	1,062,033	815,348	890,214	1,025,326
Transfer In					
Expenditures (Appropriation)	405,470	1,029,691	745,200	993,503	1,076,953
Transfer Out					
Revenues Over (Under) Exp.	75,390	32,343	70,148	(103,289)	(51,627)
Ending Fund Balance	\$ 780,353	\$ 812,696	\$ 882,844	\$ 687,676	\$ 732,878
Debt Service Fund (DSF)					
	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2025-26 Budget
Beginning Fund Balance	2,196	2,208	2,259	2,320	2,432
Revenues		-			95
Transfer In	381,021	435,655	351,479	370,400	261,300
Expenditures (Appropriation)	381,009	435,603	351,401	366,233	261,299
Transfer Out					
Revenues Over (Under) Exp.	11	52	78	4,167	96
Ending Fund Balance	\$ 2,208	\$ 2,259	\$ 2,338	\$ 6,487	\$ 2,528
Capital Projects Fund (CPF)					
	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2025-26 Budget
Beginning Fund Balance	4,882,795	4,852,155	138,854	2,475,276	1,620,549
Revenues	7,345,935	7,095,731	2,766,123	672,000	1,600,000
Transfer In					
Expenditures (Appropriation)	6,995,566	11,372,139	442,176	3,000,550	3,210,000
Transfer Out	381,009	436,894	44,544	105,400	-
Revenues Over (Under) Exp.	(30,641)	(4,713,301)	2,279,402	(2,433,950)	(1,610,000)
Ending Fund Balance	\$ 4,852,155	\$ 138,854	\$ 2,418,256	\$ 41,326	\$ 10,549
Transportation Vehicle Fund (TVF)					
	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2025-26 Budget
Beginning Fund Balance	570,453	367,262	1,244,509	976,787	2,297,537
Revenues	1,272,083	1,220,419	923,190	1,130,926	1,195,047
Transfer In					
Expenditures (Appropriation)	1,475,274	343,171	1,190,856	2,090,713	3,485,000
Transfer Out					
Revenues Over (Under) Exp.	(203,191)	877,247	(267,666)	(959,787)	(2,289,953)
Ending Fund Balance	\$ 367,262	\$ 1,244,509	\$ 976,844	\$ 17,000	\$ 7,584

General Fund – Where Does the Money Come From?

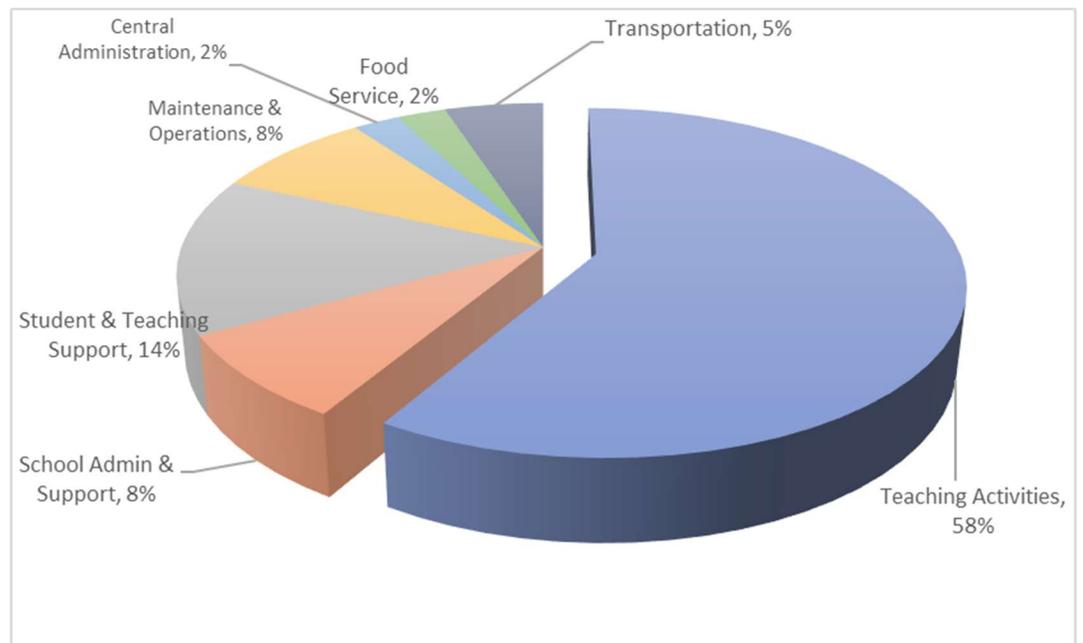


General fund total resources include district revenue and other financing sources.

General Fund – Where Does the Money Go?

71.96% of our budget is spent Teaching and Teaching Support.

This includes teachers, nurses, librarians, counselors, instructional assistants, textbooks, and student supplies.



2024-25 FINANCIAL BUDGET INFORMATION

Budget Summary of Funds

2025-26 Budget					
	General Fund	ASB	Debt Service	Capital Projects	Transportation
Beginning Fund Balance	13,120,280	784,505	2,432	1,620,549	2,297,537
Revenues	197,349,078	1,025,326	95	1,600,000	1,195,047
Transfer In			261,300		
Expenditures (Appropriation)	197,516,014	1,076,953	261,299	3,210,000	3,485,000
Transfer Out	261,300				
Revenues Over (Under) Exp.	(428,235)	(51,627)	96	(1,610,000)	(2,289,953)
Ending Fund Balance	12,692,044	732,878	2,528	10,549	7,584

General Fund Summary Details

The general fund is the largest fund in the district and accounts for day-to-day operations. It provides funding for all schools and supporting departments. The following includes a detailed view of the general fund.

	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2025-26 Budget
Local Taxes	26,216,033	28,270,238	28,721,926	29,597,916	30,428,209
Local Non Tax Support	1,578,818	3,078,676	2,674,573	3,957,559	3,654,788
State, General Purpose	94,306,575	95,335,228	100,200,093	105,584,353	106,572,993
State, Special Purpose	25,417,876	27,868,961	32,678,952	35,654,284	38,086,008
Federal, General Purpose	996,443	299,140	101,158	225,000	800,000
Federal, Special Purpose	23,340,557	14,601,809	9,857,065	14,009,184	15,701,146
Other Revenue Sources	378,989	88,968	542,086	70,000	2,105,934
Total Revenues	172,235,291	169,543,019	174,775,854	189,098,296	197,349,078
Regular Instruction	81,978,690	78,884,674	85,963,821	92,181,132	92,013,791
Federal Special Purpose - Stimulus	12,086,849	6,128,912	60,837	-	-
Special Education Instruction	26,955,650	28,469,013	31,175,669	33,630,826	37,386,798
Vocational Education Instruction	8,981,379	10,830,010	10,460,167	10,546,288	11,483,262
Compensatory Education	7,593,733	6,866,079	7,946,658	8,258,207	7,089,259
Other Instructional Programs	632,772	939,338	997,270	5,730,267	7,209,995
Community Services	401,552	260,603	902,271	1,813,499	2,990,090
Support Services	33,964,610	38,110,461	36,370,316	38,537,862	39,342,819
Total Expenditures	172,595,235	170,489,090	173,877,009	190,698,081	197,516,014
Transfers	630,000	59,518	306,857	250,000	261,300
Revenues Over (Under) Exp.	(989,944)	(1,005,589)	591,988	(1,849,785)	(428,236)
Beginning Fund Balance					
Restricted for State Revenue Carryover	1,522,101	871,898	600,983	1,025,000	512,000
Restricted for Food Service	572,294	572,294	670,294	250,000	278,000
Restricted for Debt Service	0		0	200,445	200,443
Nonspendable Fund Balance-Inventory and Prepaid	1,157,486	1,529,087	1,342,649	1,157,468	1,154,825
Restricted for Self Insurance	150,000	150,000	150,000	150,000	150,000
Assigned to Contingencies	50,000	50,000	50,000	50,000	50,000
Assigned to Other Purposes - Carryover	0	1,588,594	1,806,404	1,658,746	1,547,898
Unassigned Fund Balance	3,306,741	1,284,042	419,996		
Minimum Fund Balance Policy	9,069,184	8,791,948	8,791,948	9,534,904	9,227,114
Total Beginning Fund Balance	15,827,806	14,837,862	13,832,274	14,026,563	13,120,280
Restricted for State Revenue Carryover	871,898	600,983	619,253	845,000	498,000
Restricted for Food Service	572,294	670,294	564,172	0	125,000
Restricted for Debt Service	0		159,833	210,000	200,443
Nonspendable Fund Balance-Inventory and Prepaid	1,529,084	1,342,649	1,420,548	1,246,758	1,180,367
Restricted for Self Insurance	150,000	150,000	150,000	150,000	150,000
Assigned to Contingencies	50,000	50,000	50,000	50,000	0
Assigned to Other Purposes - Carryover	0	1,806,404	2,118,427	1,895,746	1,483,897
Unassigned Fund Balance	2,872,636	419,996	0	0	0
Minimum Fund Balance Policy	8,791,948	8,791,948	9,342,029	7,779,274	9,054,337
Total Ending Fund Balance	14,837,860	13,832,274	14,424,263	12,176,778	12,692,044

General Fund Revenue

General Fund Revenue						
		2021-22	2022-23	2023-24	2024-25	2025-26
		Actual	Actual	Actual	Budget	Budget
1100	Local Property Tax	26,185,234	28,243,892	28,706,259	29,579,924	30,409,749
1300	Sale of Tax Title Property	1,331	8,207	880	1,000	1,000
1500	Timber excise Tax	29,468	18,140	14,787	16,991	17,460
	Total Tax	26,216,033	28,270,238	28,721,926	29,597,915	30,428,209
2100	Tuition and Fees	115,613	175,653	174,970	115,000	196,000
2200	Sale of Goods, Supplies and Services	140,829	199,399	213,968	120,000	200,000
2289	Other Community Services	109,616	162,099	141,913	1,539,011	222,500
2298	School food Services - Sales of Goods	156,640	1,386,678	872,396	658,548	593,453
2300	Investment Earnings	54,943	318,709	483,751	300,000	500,000
2450	Other Interest Earnings	994	1,802	-	-	-
2500	Gifts and Donations	556,611	451,301	318,384	750,000	1,619,335
2600	Fines and Damages	31,813	45,005	60,829	35,000	40,000
2700	Rentals	69,206	66,580	135,914	230,000	218,500
2800	Insurance recoveries	142,683	112,406	141,063	140,000	
2900	Local Support, Non-Tax	115,075	89,155	131,384	70,000	65,000
	Total Local, Non-Tax	1,494,023	3,008,787	2,674,573	3,957,559	3,654,788
3100	State Apportionment	90,989,132	91,955,658	96,201,169	101,564,497	102,912,021
3121	State Special Ed Apportionment	3,109,326	3,379,569	3,998,924	4,019,856	3,660,972
3300	Local Effort Assistance	208,118	-	-	-	
	Total State, General Purpose	94,306,575	95,335,228	100,200,093	105,584,354	106,572,993
4100	State Special Purpose, Unassigned	1,080	108,841	94,940	150,000	100,000
4121	Special Education	14,868,543	15,465,313	19,035,230	21,798,147	24,358,082
4155	Learning Assistance Program	2,376,840	2,642,399	3,196,894	3,711,437	3,430,323
4158	Special Pilot Programs	1,622,637	1,579,210	1,290,803	1,500,000	553,081
4165	Transitional Bilingual	403,932	446,482	529,888	597,296	499,129
4174	Highly Capable	279,981	309,468	317,130	332,087	335,328
4198	School Food Service	86,393	94,667	319,248	29,735	1,013,307
4199	Transportation	5,778,470	7,222,581	7,721,834	7,535,582	7,771,758
4358	Special & Pilot Programs State	-	-	172,984	-	25,000
	Total State, Special Purpose	25,417,876	27,868,961	32,678,952	35,654,284	38,086,008
5300	Federal Impact Aid	127,067	193,975	74,793	150,000	200,000
5329	Federal Impact Aid - Special Ed	869,376	105,165	26,365	75,000	600,000
	Total Federal, General Purpose	996,443	299,140	101,158	225,000	800,000

General Fund Revenue, Continued

General Fund Revenue						
		2021-22	2022-23	2023-24	2024-25 Budget	2025-26
		Actual	Actual	Actual	Budget	Budget
6100	Special Purpose OSPI Unassigned	-	-	-	4,917,293	6,857,831
6111	Fed Special Purpose GEER	1,976,818	318,813	-	-	-
6112	Fed Special Purpose ESSER II	3,378,746	608,034	-	-	-
6113	Fed Special Purpose ESSER III	3,990,421	4,588,013	67,859	-	-
6114	Fed Special Purpose ESSER IIII	2,636,835	88,199	-	-	-
6119	Fed Special Purpose ECF	-	609,673	-	-	-
6123	Special Ed - ARP, IDEA	495,764	-	-	-	-
6124	Special Ed Supplemental	2,251,488	2,271,685	2,295,517	2,245,781	2,229,307
6138	Secondary Vocational Education	72,642	71,710	97,112	85,000	85,000
6151	Disadvantaged, Title I Part A	2,422,102	2,028,134	2,077,920	2,036,398	1,996,813
6152	Other Title, School Improvement	835,864	379,443	502,955	415,874	215,464
6164	Title III LEP	44,374	31,690	50,551	40,000	-
6198	School Food Service	4,564,313	2,682,208	3,129,555	3,680,838	2,900,000
6200	Direct Special Purpose Grants	96,091	102,677	104,726	110,000	543,731
6210	E-Rate	84,795	69,889	70,457	80,000	80,000
6261	Head Start	21,194	21,167	-	20,000	-
6268	Indian Ed	33,089	43,940	50,683	58,000	58,000
6279	NJROTC	7,090	-	-	-	110,000
6300	Federal Grants Through Other Agencies, Unassigned	181,481	177,536	483,900	-	110,000
6310	Medicaid Administrative Match	42,557	92,497	70,103	70,000	75,000
6352	Other Title, ESEA Federal	-	-	392,170	-	-
6998	USDA Commodities	289,687	238,303	463,557	250,000	370,000
	Total Federal, Special Purpose	23,425,352	14,671,698	9,857,065	14,009,184	15,701,146
7199	Transportation-Pymt from SDs	-	-	92,703	-	150,000
8100	Governmental Entities	-	-	65,591	-	115,934
8200	Private Foundations	-	-	170,297	-	1,430,000
8500	Non Federal, ESD	-	-	25,000	-	25,000
9300	Sale of Surplus Equipment	85,020	29,604	21,130	10,000	10,000
9400	Insurance Recoveries	-	-	-	-	125,000
9500	Long-Term Financing	293,969	59,364	167,365	60,000	250,000
	Total Other Financing Sources	378,989	88,968	542,086	70,000	2,105,934
	GRAND TOTALS	172,235,292	169,543,019	174,775,854	189,098,296	\$ 197,349,078

General Fund Expenditures

General Fund	Summary of Expenditures by Program	2021-22	2022-23	2023-24	2024-25	2025-26
Program	Title	Actual	Actual	Actual	Budget	Budget
01	BASIC EDUCATION	69,984,027	74,998,646	81,947,614	87,870,027	87,689,891
02	ALTERNATIVE LEARNING	11,998,609	3,886,029	4,007,753	4,111,105	4,323,900
11	SLFRF ENROLLMENT STABILIZATION	1,976,818	303,860	0	0	0
12	ESSER II FEDERAL	3,382,788	581,214	0	0	0
13	ESSER III FEDERAL SPC PURPOSE	3,990,054	4,584,854	60,837	0	0
14	ESSER III FEDERAL LEARNING LOSS	2,737,190	76,735	0	0	0
19	FEDERAL SPECIAL PURPOSE (ECF)	0	582,249	0	0	0
21	SPECIAL EDUCATION	23,339,021	26,092,163	28,924,722	30,385,336	33,271,071
23	SPED IDEA ARP 611	495,764	0	0	0	0
24	SPED IDEA GRANT	2,251,488	2,271,685	2,224,582	3,245,490	4,115,727
29	SPED FED IMPACT AID	869,376	105,165	26,365	0	0
31	CTE HIGH SCHOOL	6,493,653	7,243,413	6,969,015	7,043,347	7,689,894
34	CTE MIDDLE SCHOOL	2,422,080	3,518,112	3,397,972	3,419,428	3,711,227
38	CTE PERKINS GRANT	69,408	68,485	93,180	83,513	82,141
51	TITLE I GRANT	2,314,209	1,936,906	1,993,783	2,000,784	1,929,661
52	TITLE II GRANT	814,052	372,248	865,469	408,600	215,463
55	LEARNING ASSISTANT PROG	2,382,509	2,509,038	3,024,934	3,646,530	3,314,962
58	SPECIAL & PILOT PROGRAMS	1,546,664	1,523,447	1,459,450	1,495,868	547,049
61	HEAD START, FEDERAL	21,167	21,167	0	23,289	0
62	MATH AND SCIENCE PD	0	0	0	0	543,731
64	LIMITED ENGLISH PROFICIENCY	42,666	33,058	48,504	39,300	0
65	TRANSITIONAL BILINGUAL	425,631	418,974	504,815	586,850	482,344
68	INDIAN ED	46,835	51,241	49,704	56,986	56,049
73	SUMMER SCHOOL	38,777	0	0	0	0
74	HIGHLY CAPABLE	296,497	314,600	317,884	326,281	324,051
79	INSTRUCTIONAL PROG, OTH	297,498	624,738	679,386	5,403,986	6,885,944
86	COMMUNITY SCHOOLS	862	2,353	1,077	0	0
88	EARLY LEARNING	0	0	23,426	0	25,000
89	OTHER COMMUNITY SERVICES	400,691	258,250	877,767	1,813,499	2,965,090
97	DISTRICTWIDE SUPPORT	21,999,649	24,733,114	22,451,711	24,652,739	24,623,252
98	FOOD AND NUTRITION SVCS	4,175,058	4,308,769	4,848,104	4,624,787	4,871,049
99	TRANSPORTATION	7,782,196	9,068,579	9,078,955	9,460,336	9,848,518
****	GRAND TOTAL	\$ 172,595,235	\$ 170,489,089	173,877,009	190,698,081	197,516,014

General Fund	Summary of Expenditures by Activity	2021-22	2022-23	2023-24	2024-25	2025-26
Activity	Title	Actual	Actual	Actual	Budget	Budget
27	TEACHING	98,425,729	90,764,134	94,176,127	105,568,784	110,484,679
28	EXTRA CURRICULAR	1,607,325	2,007,913	2,308,500	2,470,249	2,984,221
29	PAYMENTS TO SCH DISTRICTS	50,162	104	204,315	155,000	155,000
	Teaching Activities	100,083,216	92,772,151	96,688,942	108,194,033	113,623,900
21	SUPERVISION - INSTRUCTION	4,529,239	4,800,532	5,394,742	6,849,432	6,256,987
23	PRINCIPAL'S OFFICE	8,656,909	8,461,374	8,842,083	9,343,098	9,638,787
	School Administration & Support	13,186,148	13,261,906	14,236,824	16,192,530	15,895,774
22	LEARNING RESOURCES	1,487,481	1,525,194	1,554,948	1,477,960	1,507,751
24	GUIDANCE - COUNSELING	4,165,966	4,708,477	4,628,734	4,767,542	4,994,457
25	PUPIL MANAGEMENT & SAFETY	3,531,619	3,503,625	2,835,583	2,942,394	2,616,966
26	HEALTH SERVICES	8,659,025	8,928,872	10,000,745	10,084,620	10,840,881
31	INSTRUCTIONAL PROF DEVEL	4,450,461	4,782,834	4,431,859	5,129,165	5,564,124
32	INSTRUCTIONAL TECHNOLOGY	638,533	588,346	697,825	349,946	490,398
33	CURRICULUM DEV/INSTR SVS	818,727	840,787	139,855	155,000	155,000
34	PROFESSIONAL DEV-STATE PD DAYS	963,522	1,311,225	1,319,364	1,316,109	1,360,973
35	SAFETY AND SECURITY	0	0	930,951	952,086	976,068
	Student & Teaching Support	24,715,333	26,189,360	26,539,863	27,174,822	28,506,618
61	SUPERVISION - PLANT	803,631	963,919	825,371	939,514	942,438
62	GROUND MAINTENANCE	1,458,939	1,304,347	1,292,109	1,224,267	1,345,625
63	OPERATION OF BUILDINGS Custodi	4,717,621	5,079,121	5,375,413	5,613,219	5,615,004
64	BLDG MAINTENANCE/UPGRADES	2,550,759	3,397,239	2,248,654	2,343,503	2,278,957
65	UTILITIES	2,972,026	3,283,196	3,330,236	3,545,700	3,356,219
66	ERATE	0	0	70,457	45,831	45,831
67	BLDG & PROP SECURITY	82,135	101,219	109,309	112,000	77,000
68	INSURANCE - General Liability	1,412,535	2,524,028	913,805	2,333,412	2,400,000
	Maintenance and Operations	13,997,645	16,653,069	14,165,353	16,157,446	16,061,074
11	BOARD OF DIRECTORS	408,362	193,730	568,875	481,528	334,880
12	SUPERINTENDENT'S OFFICE	650,953	707,163	626,802	785,133	767,397
13	BUSINESS OFFICE	1,917,171	1,801,453	1,660,728	1,757,287	1,678,393
14	HUMAN RESOURCES	1,192,319	1,299,875	1,344,212	1,435,492	1,437,589
15	PUBLIC RELATIONS	365,738	483,571	424,775	483,820	465,168
	Central Administration	4,534,543	4,485,792	4,625,392	4,943,260	4,683,427
41	FNS SUPERVISION	417,220	433,881	435,791	463,324	479,353
42	FNS FOOD	1,554,125	1,415,446	2,007,417	1,592,981	1,870,000
43	FNS COMMODITIES	300,292	0	0	0	0
44	FNS OPERATIONS	2,019,643	2,482,256	2,445,308	2,568,482	2,545,696
49	FNS CREDIT TRANSFERS	(72,111)	(22,815)	(40,413)	0	(24,000)
	Food Service	4,219,169	4,308,768	4,848,104	4,624,787	4,871,049
51	SUPERVISION - TRANSPORT	868,853	946,249	958,242	993,286	895,892
52	OPERATIONS	5,571,158	6,622,844	6,769,016	7,031,800	7,328,094
53	MAINT. OF SCHOOL BUSES	1,344,315	1,441,216	1,396,681	1,555,434	1,717,532
56	INSURANCE - TRANSPORTATN	196,044	387,299	175,601	225,000	257,000
59	TRANSFERS	-162,938	-288,957	-343,147	-345,184	-350,000
	Transportation	7,817,432	9,108,651	8,956,392	9,460,336	9,848,518
72	INFORMATION SYSTEMS	3,098,044	3,107,725	2,953,482	3,392,470	3,427,776
74	WAREHOUSING & DISTRIBUTN	423,792	385,633	313,761	301,931	311,099
75	MOTOR POOL	(10,831)	(6,507)	168,036	0	0
83	OTHER INTEREST	6,234	24,458	26,340	0	20,000
84	PRINCIPAL	126,991	219,088	196,893	0	60,000
85	DEBT-RELATED EXPENDITURES	160,744	(183,898)	(104,380)	0	0
91	COMMUNITY SERVICE	236,774	162,893	262,006	256,466	206,779
	Other Support	4,041,748	3,709,392	3,816,138	3,950,867	4,025,654
****	GRAND TOTAL	\$ 172,595,235	\$ 170,489,089	\$ 173,877,009	\$ 190,698,081	\$ 197,516,014

General Fund	Summary of Expenditures by Object	2021-22	2022-23	2023-24	2024-25	2025-26
Object	Title	Actual	Actual	Actual	Budget	Budget
2000	CERTIFICATED SALARIES	71,823,545	72,889,061	77,207,370	80,609,402	82,445,695
3000	CLASSIFIED SALARIES	27,670,515	30,127,085	32,108,901	35,139,682	36,807,743
4000	EMPLOYEE BENEFITS	37,234,178	38,585,575	37,564,925	40,427,921	39,939,303
5000	SUPPLIES	10,636,666	8,966,983	8,840,988	13,657,453	12,788,726
7000	CONTRACTUAL SERVICES	23,773,787	19,290,582	17,488,459	20,162,858	24,987,426
8000	TRAVEL	447,615	286,471	453,040	357,215	302,947
9000	CAPITAL OUTLAY	1,008,929	343,332	213,328	343,550	244,174
****	GRAND TOTAL	\$ 172,595,235	\$ 170,489,089	173,877,009	190,698,081	197,516,014

Program Codes

Program codes describe the direct expenses using state defined programs (e.g. basic education, special education, school food services, etc.). State defined activity codes label expenses by the activities accomplished with the expense (e.g. teaching, counseling, maintenance, utilities, etc.). Certain activity codes, such as teaching, may be used with many programs, while other activities are restricted to a limited number of programs.

Activity Codes

Activity codes are divided amongst five activity group categories of operating expenditures and include the following description and summary detail of district expenditures within these categories.

Teaching Activities – Teaching includes expenditures for teachers, educational assistants, extracurricular activities, and teaching supplies.

Student & Teaching Support – Teaching support includes librarians, counselors, psychologists, health services, security officers, playground and lunch supervisors, instructional coaches, and student safety personnel. Also included are textbooks, curriculum, instructional technology, professional development, assessment, and curriculum development.

School Administration & Support – Includes principals, assistant principals, school office support, and school office supplies. Also included is Deans, support administration at the school level.

Maintenance and Operations – Includes the cost of building operations, including grounds, building maintenance, custodial services, utilities, property management, property, and liability insurance.

Central Administration – Central administration includes the Superintendent, Deputy Superintendent, and the Board of Directors. Also included are business and human resource services, communications, legal costs, and the supervision of the central departments mentioned above in Other Support Activities.

Food Service - Includes all expenditures associated with the district food service program.

Transportation – Includes all expenditures associated with the district transportation program.

Other Support – Includes technology services, printing, mailroom services, procurement, and warehouse services. Also included is debt payments and community service programs.

Object Codes

Object codes represent expenses in a way that describes the item or service that was purchased or performed such as salaries and benefits, supplies and materials (MSOCs), contract services, etc. Objects may be used in combination with nearly all program and activity codes. As anticipated expenditures change, the budget by object is reviewed annually for alignment of expectations. Budget changes do not necessarily reflect a plan to spend more or less in these areas from the prior year but rather an effort to budget more accurately in the proportions of anticipated expenditures.

General Fund Staffing

Staffing at the schools starts with enrollment projections. Enrollment drives teaching staffing. Once teaching staff is determined, classified staffing is based upon established staffing models and varies between Elementary, Middle and High School. District staffing is reviewed annually. Staffing for categorical and grant programs are staffed within revenue whenever feasible.

Salary and benefits are budgeted based upon legislative IPD and bargaining agreements. In some years bargaining may not be complete in time for budget and an estimate is used. For 25-26, bargaining was completed in time to reflect all adjustments to salaries. Salary and Benefits account for 80.6% of budget.

The staffing budget is a plan and will change. The following are some example of staffing adjustments that occur throughout a fiscal year:

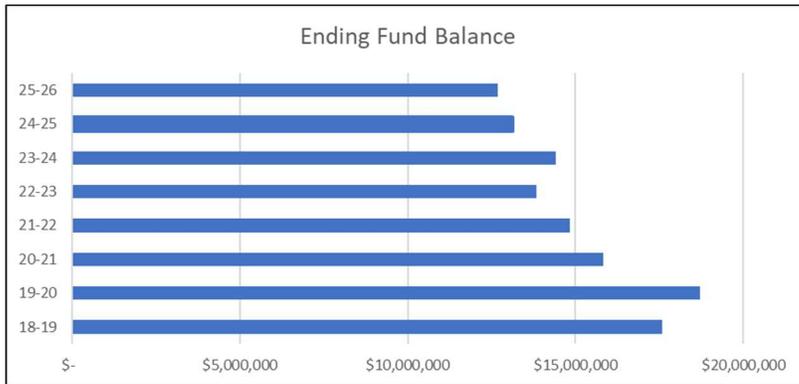
- Staff leave and are replaced resulting in a different cost for salary and benefits.
- Enrollment doesn't come in as projected, either in total or by school. We may anticipate a grade at a particular school will have 23 students in a class, but 30 students may show up resulting in the need to hire an additional teacher.
- Inability to fill a position may result in using a contracting agency (occurs often with special education).
- District needs change – the pandemic is a good example of a change which resulted in changes in enrollment, funding and staffing. Another example is a high needs student that enrolls that was unplanned which requires additional supports beyond what is budgeted.

	Enrollment	Cert Staffing	% of Enroll		Classified Staffing	% of Enroll
2017-18	9779.56	696.24	7.1%		357.45	3.7%
2018-19	9645.28	722.29	7.5%		387.69	4.0%
2019-20	9643.59	699.34	7.3%		398.29	4.1%
2020-21	9944.16	702.67	7.1%		403.65	4.1%
2021-22	9612.15	749.44	7.8%		429.28	4.5%
2022-23	9003.25	690.68	7.7%		423.21	4.7%
2023-24	9180.02	706.95	7.7%		411.02	4.5%
2024-25	9191.22	721.77	7.9%		438.97	4.8%
2025-26	9133	679.13	7.4%		460.88	5.0%

General Fund Balance

Board policy strives to be 5% of budgeted revenue for a minimum fund balance. In addition to the minimum fund balance, the fund balance consists of other funds that are assigned or restricted. In some years there may be an unassigned or undesignated balance in the fund balance. An unassigned or undesignated balance may be used for any expenditures the District/Board believe are pertinent. Having a healthy fund balance allows for sufficient cash flow since funding received is different each month. The schedule of apportionment payments is to the right. In addition to these payments, taxes are received in two installments – Fall and Spring.

Month	Final Date of Revisions * Received at OSPI	Date Documentation Transmitted to ESDs and SDs	Electronic Moneys Transfer Date	Apportionment Payment Percentage
September 2024	18	24	September 30	9.0
October	21	25	October 31	8.0
November	15	21	November 27	5.0
December	18	24	December 31	9.0
January 2025	16	27	January 31	8.5
February	12	24	February 28	9.0
March	14	25	March 31	9.0
April	15	24	April 30	9.0
May	14	23	May 30	5.0
June	12	24	June 30	6.0
July	16	25	July 31	12.5
August	14	25	August 29	10.0
			Total	100.0



Year	Ending Fund Balance	
18-19	\$ 17,573,938	
19-20	\$ 18,710,068	
20-21	\$ 15,827,806	
21-22	\$ 14,837,860	
22-23	\$ 13,832,274	
23-24	\$ 14,424,263	
24-25	\$ 13,120,280	*Estimated
25-26	\$ 12,692,044	*Budgeted

	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2025-26 Budget
Restricted for State Revenue Carryover	871,898	600,983	619,253	845,000	498,000
Restricted for Food Service	572,294	670,294	564,172	0	125,000
Restricted for Debt Service	0		159,833	210,000	200,443
Nonspendable Fund Balance- Inventory and Prepaid	1,529,084	1,342,649	1,420,548	1,246,758	1,180,367
Restricted for Self Insurance	150,000	150,000	150,000	150,000	150,000
Assigned to Contingencies	50,000	50,000	50,000	50,000	0
Assigned to Other Purposes - Carryover	0	1,806,404	2,118,427	1,895,746	1,483,897
Unassigned Fund Balance	2,872,636	419,996	0	0	0
Minimum Fund Balance Policy	8,791,948	8,791,948	9,342,029	7,779,274	9,054,337
Total Ending Fund Balance	14,837,860	13,832,274	14,424,263	12,176,778	12,692,044

Budget Capacity

The adoption of the budget limits the total spending of the district to a set amount. It is necessary to build room in the budget for potential unknown revenues called budget capacity. Included in the \$197.5 million 2025-26 general fund budget is \$6.5 million of budget capacity.

Without this capacity, the district would need to go through the expensive and time-consuming process of formally requesting and filing a budget extension with the Washington State Office of Superintendent of Public Instruction (OSPI) each time one of the following events occurs:

- A need arises to use unanticipated prior year carryover (carryover is currently held in the fund balance and can be expended. If expended, the fund balance in this area may go down). For 25-26 it is anticipated to spend some carryover funds.
- New funds are received such as new or increased grant awards, or added state funds for additional enrollment

To allow the school board and staff to focus on educational issues, the district adds capacity to the budget, based on history and future estimates. The \$6.5 million of budget capacity for 2025-26 is included above. Budget capacity funds in 2025-26 are released for expenditures only when the final amounts from 2024-25 are known or if new funds are received in 2025-26.

Budgeted Revenue Capacity			
	2023-24	2024-25	2025-26
Local Taxes	\$ 1,000,000	\$ 500,000	
Federal	\$ 5,500,000	\$ 5,000,000	\$ 6,500,000
Total Capacity	\$ 6,500,000	\$ 5,500,000	\$ 6,500,000
Budgeted Expenditure Capacity			
Other Instructional Programs	\$ 6,500,000	\$ 5,500,000	\$ 6,500,000
Total Capacity	\$ 6,500,000	\$ 5,500,000	\$ 6,500,000

Materials, Supplies and Operating Cost Disclosure (MSOC)

	State Funding	General Fund District Expenses
Total	\$ 12,279,650	\$ 12,973,317
State Underfunding of District MSOC Expenses		\$ 693,667
State funding amount is Sum of MSOC amounts on F203 1191 MSOC report for Regular Instruction and grades 9-12 additional .		
GF Dist Expenses is all OBBB 5000's-9000's from F195 Program summary by Object for Programs 1, 2 and 97		

Other Funds

Associated Student Body (ASB)					
	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2025-26 Budget
Beginning Fund Balance	704,963	780,353	812,696	790,965	784,505
Revenues	480,860	1,062,033	815,348	890,214	1,025,326
Transfer In					
Expenditures (Appropriation)	405,470	1,029,691	745,200	993,503	1,076,953
Transfer Out					
Revenues Over (Under) Exp.	75,390	32,343	70,148	(103,289)	(51,627)
Ending Fund Balance	\$ 780,353	\$ 812,696	\$ 882,844	\$ 687,676	\$ 732,878

Associated Student Body Fund is student monies. Revenue in this fund is collected through ASB fees, donations, and fundraising. Expenditures are for Cultural, Athletic, Recreational or Social activities. The ASB officers (students) determine the budgets and approve all expenditures with oversight of an ASB advisor.

The Debt Service Fund is for voted and non-voted debt processing. Currently South Kitsap School District has no voted debt. For the 25-26 budget, there is one non-voted loan that is paid from this fund. The non-voted debt is for the high school chiller project which was approved in 22-23 SY. The chiller debt has \$2.2M owing and will be fully paid in 2032-33. This debt is paid from the general fund and there is money set aside in the general fund balance reserved for the annual debt payment.

Debt Service Fund (DSF)					
	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2025-26 Budget
Beginning Fund Balance	2,196	2,208	2,259	2,320	2,432
Revenues		-			95
Transfer In	381,021	435,655	351,479	370,400	261,300
Expenditures (Appropriation)	381,009	435,603	351,401	366,233	261,299
Transfer Out					
Revenues Over (Under) Exp.	11	52	78	4,167	96
Ending Fund Balance	\$ 2,208	\$ 2,259	\$ 2,338	\$ 6,487	\$ 2,528

The Capital Projects Fund is for projects that are capital in nature. South Kitsap School District had a Capital Projects Levy which funded many projects during the life of the levy. This levy expired in 2022 and no further collections will be made. This expiration resulted in a drop in the tax rates for taxpayers in 2023. We are budgeting \$3.2M in expenses which will only occur if we spend impact fees in the CPF account in accordance with our capital plan.

Capital Projects Fund (CPF)					
	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2025-26 Budget
Beginning Fund Balance	4,882,795	4,852,155	138,854	2,475,276	1,620,549
Revenues	7,345,935	7,095,731	2,766,123	672,000	1,600,000
Transfer In					
Expenditures (Appropriation)	6,995,566	11,372,139	442,176	3,000,550	3,210,000
Transfer Out	381,009	436,894	44,544	105,400	-
Revenues Over (Under) Exp.	(30,641)	(4,713,301)	2,279,402	(2,433,950)	(1,610,000)
Ending Fund Balance	\$ 4,852,155	\$ 138,854	\$ 2,418,256	\$ 41,326	\$ 10,549

The Transportation Vehicle Fund is solely for the purchase of buses. We receive funding from the state based on the depreciation value of the buses we have. This funding is used to buy newer buses. To maximize funding it is our goal to use all the funds we receive when we receive them, however purchasing can be a challenge with supply chain issues.

Transportation Vehicle Fund (TVF)					
	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2025-26 Budget
Beginning Fund Balance	570,453	367,262	1,244,509	976,787	2,297,537
Revenues	1,272,083	1,220,419	923,190	1,130,926	1,195,047
Transfer In					
Expenditures (Appropriation)	1,475,274	343,171	1,190,856	2,090,713	3,485,000
Transfer Out					
Revenues Over (Under) Exp.	(203,191)	877,247	(267,666)	(959,787)	(2,289,953)
Ending Fund Balance	\$ 367,262	\$ 1,244,509	\$ 976,844	\$ 17,000	\$ 7,584

Glossary of Terms & Acronyms

Generally Accepted Accounting Principles (GAAP) –

Uniform minimum standards of and guidelines to financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP includes not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides the standard by which to measure financial presentations. The primary authoritative statement on the application of GAAP to state and local governments is GASB Statement 1.

Governmental Funds – These funds track the finances of a district's basic services and are reported in the districtwide financial statements; they are reported using the current financial resources measurement focus and modified accrual basis of accounting, and include the general, special revenue, debt service, capital projects, and permanent funds.

Improvements – An addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the improvement is added to the book value of the asset. Improvements are charged to Object 9 in expenditure coding or are accounted for in the capital projects fund.

Individualized Education Program (IEP) – A written plan that includes (1) a statement of the student's present level of functioning, (2) a statement of annual goals and short-term objectives for achieving those goals, (3) a statement of services to be provided and the extent of regular instruction, (4) the starting date and expected duration of services, and (5) evaluation procedures and criteria for monitoring progress.

Instruction – Instruction includes the activities administered or supervised by a certified teacher dealing directly with the teaching of students. Teaching may be provided for pupils in a classroom in another location such as a home or hospital, and other learning situations such as those involving co-curricular activities. It may also be provided through some other approved medium such as the internet, telephone, and/or other media.

Instructional Material – Any devices, content materials, methods, or experiences used for teaching and learning purposes. These include printed and non-printed materials.

Internal Control – A process, adopted by a school district's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: effectiveness and efficiency in operations, reliability of financial reporting, and compliance with applicable laws and regulations.

Level of Effort Requirements – Requirement that a grant recipient not use grant resources to reduce its own local resources in a given program or activity.

Levy – (1) To impose taxes or special assessments, or (2) the total of taxes or special assessments imposed by a governmental unit. There are four types of school district levies: excess general fund levies (known as maintenance and operations levies); debt service fund levies; transportation vehicle fund levies; and capital project fund levies.

Maintenance – The act of keeping capital assets in a state of good repair and/or condition. It includes preventive maintenance, normal periodic repairs, replacement of parts and/or structural components, and other activities necessary to maintain the asset.

Modified Accrual Basis – The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under this basis, revenues and other resources are recognized when they "measurable" and "available to finance expenditures of the current period." "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the liability is incurred except for (1) inventories that may be considered expenditures either when purchased or used, and (2) pre-paid items that may be considered expenditures either when paid or when consumed.

Original Budget – First complete appropriated budget. It may include the effects of adjustments adopted *before* the beginning of the fiscal year.

Other Financing Sources – The face value of the governmental fund general long-term debt. Amount equal to the present value of minimum lease payments arising from capital leases, sales of general fixed assets, and operating transfers in. Such amounts are classified separately from revenues on the governmental operating statement.

Other Financing Uses – Governmental fund transfers to other funds and the amount of refunding bond proceeds deposited with the escrow agent. Such amounts are classified separately from expenditures on the governmental operating statement.

Personnel – Administrative – Employees whose activities include development, coordination and evaluation of instructional programs that are organization-wide. For example, superintendent, directors, associate directors and building administrators.

Personnel – Certificated – Employees such as teachers, counselors, librarians and others who serve in positions covered under the continuing contract law that hold a professional education certificate issued by OSPI and are employed by a school district in positions for which such certificate is required by statute, rule of the State Board of Education, or written policy or practice of the employing district.

Personnel – Classified – Employees such as educational assistants, office support, trades and other supervisory, professional/technical, and other positions who do not hold a professional education certificate issued by OSPI or are employed by the district in positions not requiring such a certificate.

Personnel – Full-Time – Certificated employees who work the full number of days under local standard contract (assuming state minimum length of contract) or classified employees who work 2,080 hours or more per year.

Program – A plan of activities designed to accomplish a set of objectives. Educational programs consist of activities of a school district that are directly involved in the instruction and education of students.

Purchase Order – A document that authorizes a vendor to deliver described merchandise or render services at a specified price.

Refunding Bonds – Bonds issued to retire bonds already outstanding. The refunding bonds may be used to provide the resources for redeeming outstanding bonds, or the refunding bonds may be exchanged with the holders of the outstanding bonds.

Regionalization – Additional state % added to allocation for salaries. For SKSD, we receive 18% regionalization. Some districts receive \$0. Amounts range from 6-22%

Resolution – A special or temporary order of the school board; an order of the school board requiring less legal formality than an ordinance or statute.

Running Start – A program option allowing students in grades 11 and 12 to simultaneously earn high school and college credit. Running Start students do not pay tuition, but are responsible for the payment of college fees, books, transportation, etc. By earning both high school and college credit, students are able to accelerate their progress through the education system.

Special Education – Specially designed instruction provided to an eligible student as defined in Chapter 392-172A WAC. Specially designed instruction shall be provided at no cost to the parents, in conformance with the student's individualized education program (IEP), and designed to meet the unique needs of the student.

Statute – A written law enacted by a duly organized and constituted legislative body.

Student Body Activities – Direct and personal services for public school pupils, such as interscholastic athletics, entertainments, publications, clubs, bands, and orchestras, that are managed or operated by the student body under the guidance and direction of adults and are not part of the regular instructional program.

Tax Rate – The amount of tax stated in terms of a unit of the tax base; for example, \$1.90 per thousand dollars of assessed valuation.

Tax Rate Limit – The maximum rate or amount of general property tax that a local government may levy.

Unassigned Fund Balance – Fund balance of not less than five percent of the projected revenue in the General Fund for use in the event of an emergency or other economic impact.

Warrant – A written order drawn by the school board or its authorized officer directing the county treasurer to pay a specific amount to a designated payee.

Warrants Outstanding – The total amount of unpaid warrants. Also referred to as warrants payable.

Acronym Reference

AAFTE	Annual Average Full Time Equivalent
ADA	Americans with Disabilities Act
AP	Advanced Placement
ASB	Associated Student Body
ASBO	Association of School Business Officials
AV	Assessed valuation.
CFP	Capital Facilities Plan
COLA	Cost of Living Adjustment
CPI	Consumer Price Index
CTE	Career and Technical Education
DRS	Department of Retirement Systems
EL	English Learner
ESD	Educational Service District
ESEA	Elementary and Secondary Education Act
FRL	Free and Reduced Lunch
FTE	Full Time Equivalent

GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
HSPE	High School Proficiency Exam
HCA	Health Care Authority
IDEA	Individuals with Disabilities Education Act
IEP	Individual Educational Program
IPD	Implicit Price Deflator – new term for Cost-of-Living Adjustment
MSOC	Materials, Supplies and Operating Costs
NBPTS	National Board for Professional Teaching Standards
OSPI	Office of Superintendent of Public Instruction
OPEB	Other Post-Employment Benefits
RCW	Revised Code of Washington
SBA	Smarter Balanced Assessment
SKSD	South Kitsap School District
SPED	Special Education
USDA	US Department of Agriculture
WAC	Washington Administrative Code
WSSDA	Washington State School Directors Association