



Citizen's Guide to the District Budget

2025-2026

Mead School District No. 354
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From the Superintendent

August, 2025

Mead School District Community Members,

The Citizen's Guide to the District Budget is published annually, containing financial information in a concise and easy-to-digest format, with the goal of helping our community gain a clearer understanding of the district's fiscal outlook and annual budgeting process. This guide is designed as a supplement to the district's board-approved F-195 (our statutorily required annual budget document), condensing over 200 pages of technical information into an accessible format that includes key definitions, metrics, and an overview of district revenues and expenditures. We remain committed to openness and transparency regarding district finances.

Each year, the district's budget is prepared in alignment with the strategic plan and informed by the best information available. While much of the budget is built on predictable revenue sources, several dynamic variables—including enrollment, staffing needs, collective bargaining, rising costs of goods and services, and evolving resource requirements—demand careful attention throughout the school year, and necessitate some degree flexibility and adaptability.

The most critical (and increasingly unpredictable) budget driver is student enrollment. Historically, Mead School District has experienced consistent, modest enrollment growth year-over-year. However, following significant losses in enrollment associated with the COVID-19 pandemic, student numbers have remained below pre-pandemic levels, even considering significant increases in both multi-unit and single-family dwellings inside district boundaries. For a district that enjoyed decades of moderate growth each year, enrollment has become increasingly difficult to predict. While the enrollment in public schools is down statewide and nationally, we believe a combination of factors—including declining birth rates, the rising cost of housing in our area, and more families opting for homeschooling or online schooling—are primary drivers of the decline in our area. Given conservative enrollment projections last year (2024–25), we started the school year well above enrollment projections; yet, at a rate slightly higher than previous trends, enrollment numbers decreased throughout the year, and we ended the year much closer to our initial estimate. We are again planning cautiously for 2025–26 given the enrollment volatility we've experienced.

In addition to persistent enrollment fluctuations, the district faces other significant challenges and priorities:

- **Growth in Special Education Enrollment:** Mead School District continues to see increases in the number of students requiring special education services. This places pressure on staffing, resources, and budgets.
- **Program Maintenance:** Sustaining existing educational programs and staffing in light of increased costs is an ongoing priority. Rising inflation, coupled with higher operating costs, requires difficult decisions about how to best preserve the high-quality programs our community values.
- **Critical Investments:** We must continue making targeted investments in areas that directly impact student success and safety. This includes campus safety and security measures, curriculum adoption, and professional development for staff to ensure teaching practices and learning opportunities remain strong and relevant.
- **Federal and State Funding Uncertainty:** Federal support for K–12 education is uncertain in the long term, and Washington State continues to face budget shortfalls that could result in reduced education funding. This creates additional fiscal risk for our district and requires proactive financial planning.

Amid these challenges, we remain deeply grateful for our community's support. The approval of the Programs & Operations levy for another three-year cycle (passed in the February 2024 Special Election) provides an essential source of funding that sustains programs and services not covered (or fully covered) by the state's definition of "basic education." Levy dollars help enhance the student experience and cover shortfalls in state funding for vital operational costs—from insurance and fuel to technology, facilities maintenance, and safety initiatives.

Even with this enhanced local support, we are underscoring the need for continued efforts to stabilize our financial position. We are pleased to share that the district is submitting a **balanced budget for 2025–26 that does not rely on the use of reserves**. Moving forward, our intention is to continue controlling expenditures in ways that allow us to return to—and sustain—year-over-year fiscal stability.

Through all of this, our commitment remains clear: Mead School District will be a responsible steward of taxpayer dollars while making decisions that place the best interests of students and families first. We are proud of our tradition of transparency, accountability, and strong fiscal management, reflected again in the clean financial audit for 2024–25.

Thank you for your continued trust and support. We encourage you to review the information in this guide, and please reach out to me or our Chief Financial Officer, Heather Ellingson, with any questions.

Sincerely,

A handwritten signature in black ink that reads "Travis W. Hanson". The signature is written in a cursive, flowing 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 Elementary**
- **Five Mile Middle School**
- **Mead Learning Options High School**
- **Mead Outdoor School (MOS)**
- **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.

Enrollment and Staffing

Mead District serves nearly 10,500 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 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 above example, both a full-time and a part-time 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. FTE for administrative staff is calculated based on 260 days a year for 8 hours per day. Classified staff (para educators, administrative assistants, custodians, maintenance staff, etc.) work various schedules depending on their position; all classified FTE is based upon 260 days a year 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	2023-24 Actual	2024-25 Adopted Budget	2025-26 Adopted Budget
Kindergarten	561.16	470.00	573.00
Grade 1	638.60	569.00	613.00
Grade 2	668.80	647.00	611.00
Grade 3	703.10	672.00	689.00
Grade 4	667.91	721.00	723.00
Grade 5	770.10	675.00	756.00
Grade 6	723.10	790.00	725.00
Grade 7	746.80	737.00	820.00
Grade 8	764.06	756.00	760.00
Grade 9	822.59	782.00	778.00
Grade 10	756.97	807.00	767.00
Grade 11	647.45	601.00	649.00
Grade 12	585.48	603.00	572.00
Running Start	351.79	348.00	348.00
Dropout Reengagement	17.63	17.00	17.00
Alternative Learning (MLO)	704.61	677.00	823.00
Total K-12 Students*	10,130.15	9,872.00	10,224.00

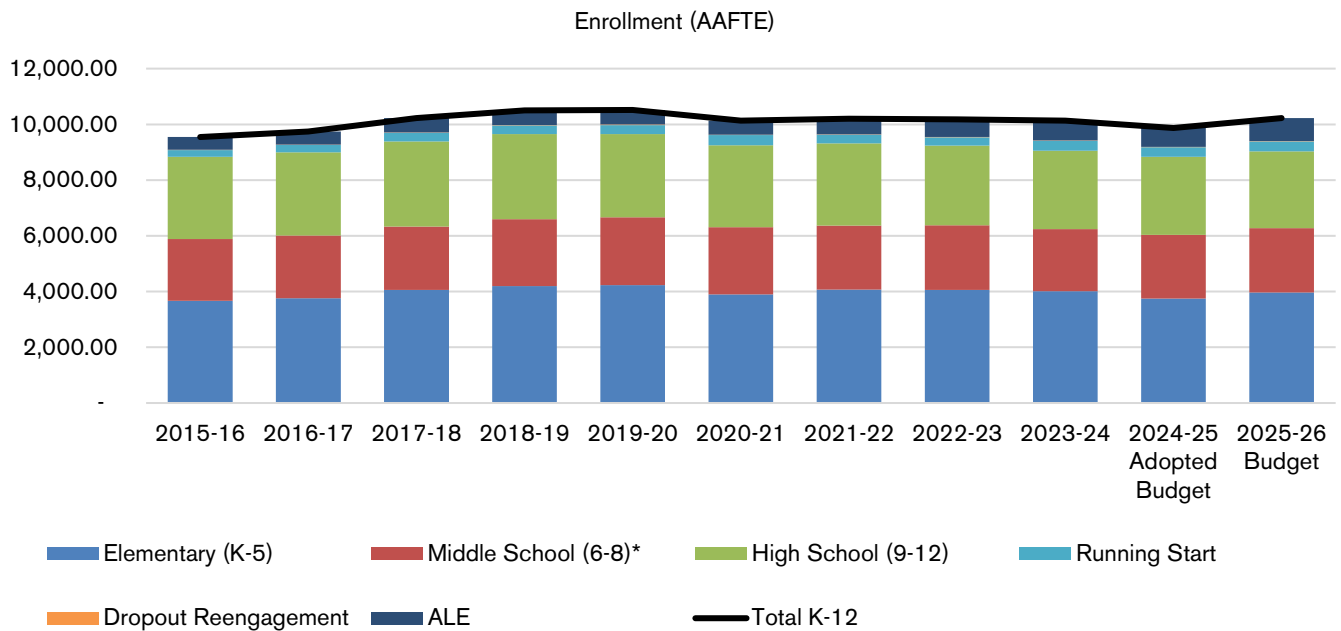
Staff	2023-24 Actual	2024-25 Adopted Budget	2025-26 Adopted Budget
Certificated Employees	699.54	714.05	733.61
Classified Employees	400.94	426.04	422.86
Total Staff	1,100.48	1,140.09	1,156.47

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.



*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
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	9,056.12	704.61	369.42	10,130.15
2024-25 Budget	8,830.00	677.00	365.00	9,872.00
2025-26 Budget	9,036.00	823.00	365.00	10,224.00

**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, 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.

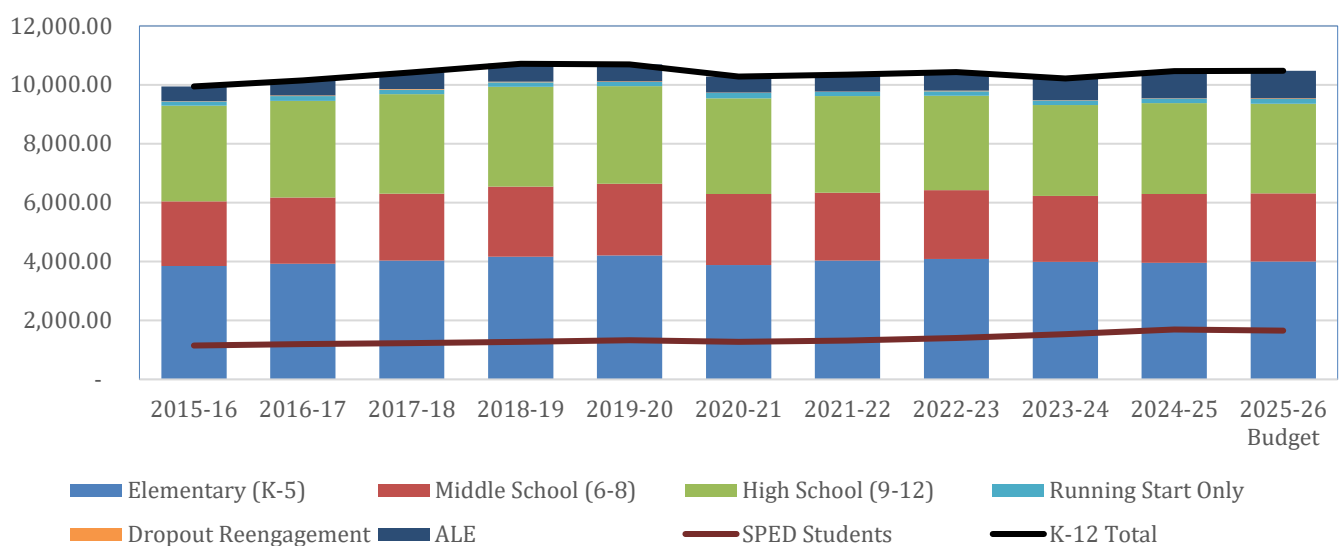
Commitment to Special Education

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
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%
2025-26 Budget	9,355.00	939.00	187.00	10,481.00	1,655.00	15.79%

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

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 1st and ends August 31st. 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 88% of the 2025-26 budget.

District Funds

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.

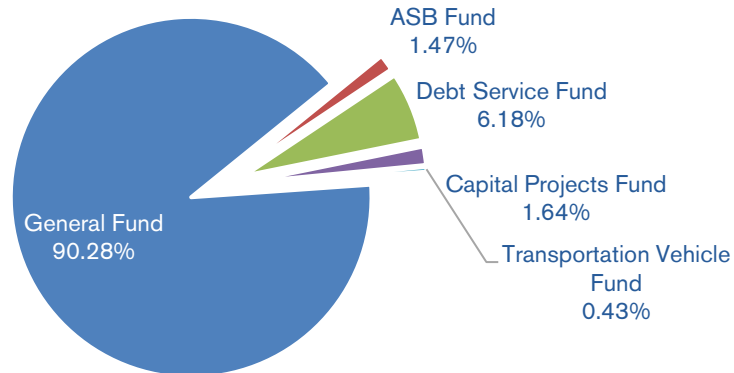
The **TRANSPORTATION VEHICLE FUND** is used for the purchase, major repair, and rebuilding of school buses. This fund's primary source of revenue is bus depreciation payments received from the state.

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.

Total Financing Sources by Fund

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

2025-26 Budgeted Revenue by Fund



School Year	2023-24 Actual	2024-25 Adopted Budget	2025-26 Proposed Budget
General Fund	\$163,288,349	\$175,069,319	\$195,685,968
ASB Fund	\$2,383,794	\$2,427,197	\$3,178,235
Debt Service Fund	\$14,648,097	\$14,029,759	\$13,405,900
Capital Projects Fund	\$204,233	\$60,000	\$3,560,000
Transportation Vehicle Fund	\$823,850	\$774,604	\$935,324
Total	\$181,348,323	\$192,360,879	\$216,765,427

An explanation of changes follows.

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 most recent legislative session, legislators increased state special education funding by adjusting multiplier used to fund special education and removed the funding cap.

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 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, handicap accessibility projects and technology purchases. 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.

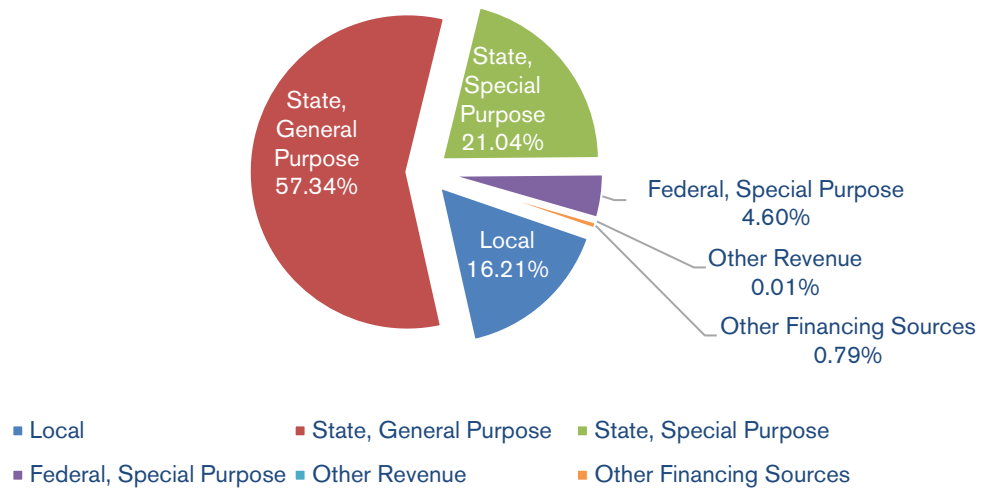
The **Associated Student Body Fund** is where student-raised funds are managed. Each year we budget the fund near its potential capacity to allow flexibility for the students. However, actual spending is typically significantly less, and is limited to the actual funds raised and available.

General Fund Revenue

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.

Budgeted Revenue 2025-26



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	2023-24 Actual	2024-25 Adopted Budget	2025-26 Adopted Budget
Local	\$22,053,210	\$26,972,526	\$31,710,952
State, General Purpose	\$102,341,142	\$104,202,304	\$112,212,410
State, Special Purpose	\$29,202,764	\$33,441,331	\$41,178,206
Federal, Special Purpose	\$9,463,338	\$8,869,158	\$9,009,400
Other Revenue	\$179,898	\$34,000	\$25,000
Other Financing Sources	\$47,997	\$1,550,000	\$1,550,000
Total	\$163,288,349	\$175,069,319	\$195,685,968

GENERAL FUND REVENUE SOURCE DESCRIPTIONS

Local Sources **\$31,710,952**

We receive approximately 16.21% 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 2025-2027. Property tax for the levy is estimated to be \$2.50 per \$1,000 of assessed valuation. As part of the legislative restructuring of state funding, beginning in 2020, local levies were capped at the lower of either \$2.50/\$1,000 of assessed valuation or \$3,150 per student (adjusted annually).

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 **\$112,212,410**

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 2025-26, we will have a 4% experience factor applied to the certificated staffing portions of the funding model.

State General Purpose funding also includes approximately \$4.6 million of Local Effort Assistance (LEA) funding, known as "levy equalization."

State Special Purpose **\$41,178,206**

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 **\$9,009,400**

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 **\$25,000**

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).

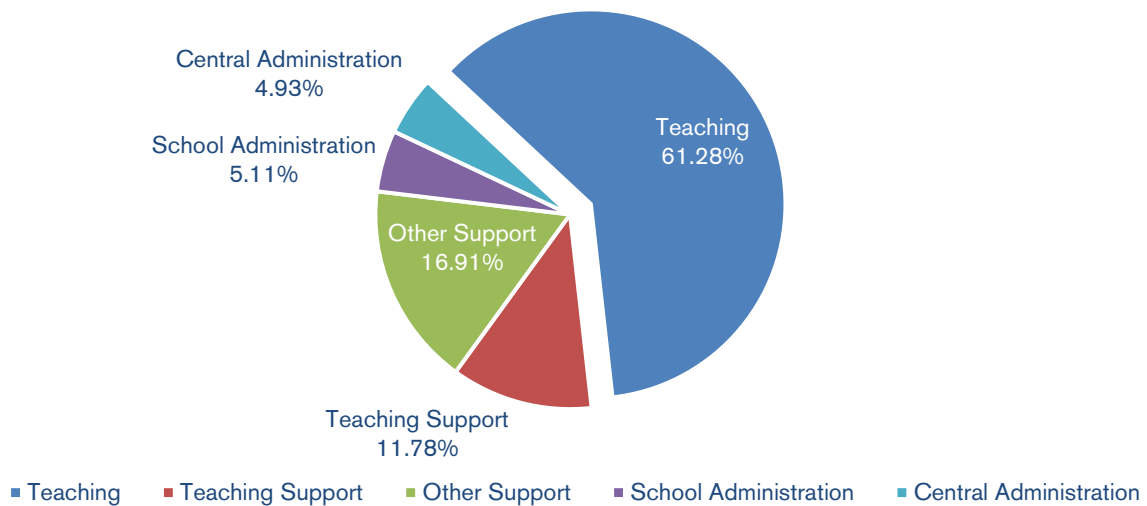
General Fund Expenditures

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 5% 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 2025-26
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	2023-24 Actual	2024-25 Adopted Budget	2025-26 Adopted Budget
Teaching	\$101,301,602	\$108,173,950	\$118,284,181
Teaching Support	\$18,003,974	\$20,037,147	\$22,730,431
Other Support	\$28,133,967	\$30,398,699	\$34,133,363
School Administration	\$8,917,024	\$9,041,930	\$9,867,921
Central Administration	\$8,002,635	\$9,591,073	\$9,508,096
Total	\$164,359,202	\$177,242,799	\$194,523,992

Teaching **\$118,284,181**

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 **\$22,730,431**

- **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.

Other Support**\$34,133,363**

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.

- **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)** includes 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.

School Administration **\$9,867,921**

- **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.

Central Administration **\$9,508,096**

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	2023-24 Actual	2024-25 Adopted Budget	2025-26 Adopted Budget
Certificated Salaries	\$75,880,240	\$79,849,068	\$85,390,568
Classified Salaries	\$26,664,206	\$27,489,393	\$29,876,099
Employee Benefits & Taxes	\$36,946,650	\$39,599,285	\$41,712,466
Supplies & Materials	\$10,523,704	\$12,242,220	\$16,713,140
Purchased Services	\$13,188,569	\$15,686,773	\$18,494,561
Travel	\$366,154	\$326,060	\$282,158
Capital Outlay	\$789,679	\$2,050,000	\$2,055,000
Total	\$164,359,202	\$177,242,799	\$194,523,992

Certificated Salaries	\$83,390,568
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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	\$29,876,099
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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	\$41,712,466
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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, 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.

Supplies and Materials **\$16,713,140**

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

Purchased Services **\$18,494,561**

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

Travel **\$282,158**

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.

Capital Outlay **\$2,055,000**

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.

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	2023-24 Actual	2024-25 Adopted Budget	2025-26 Adopted Budget
Restricted	\$2,329,828	\$1,462,202	\$2,000,000
Non-Spendable	\$964,900	\$1,498,349	\$964,900
Committed	\$0	\$0	\$0
Assigned	\$6,560,979	\$3,524,039	\$7,250,000
Unassigned	\$1,946,746	\$593,717	\$3,117,006
Total	\$11,802,453	\$7,078,307	\$13,331,906
Unassigned % (Goal 8.33%)	1.23%	0.36%	1.76%
CAU % (Committed, Assigned and Unassigned Total Goal 10-15%)	5.37%	2.85%	6.94%

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:

<u>Project</u>	<u>Final Payment</u>
2025 Refunded 2015 Bonds	December 2034
2016 Bonds	December 2035
2018 Bonds	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 2025, the rate is \$1.19 per \$1,000 of assessed valuation.

In 2025, we refunded our 2015 bonds. The district was able to secure a savings to its taxpayers of \$4.6 million over the remaining life of the bonds.

EDUCATIONAL PROGRAMS & OPERATIONS LEVY

Regardless of grade level, the Educational Programs and Operations levy impacts all schools and all students. The EP&O levy funds what the state does not – staff, electives, arts, athletics, technology, materials, and building maintenance. Levy funds are vital to the success of all students and provide a truly essential revenue stream to our school district.

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.

The breakdown for each levy dollar spent is:

62¢	Instruction/School Support
15¢	Extra-Curricular Activities
13¢	Building Maintenance
5¢	Health
3¢	Safety & Security
1¢	Student Transportation
<u>1¢</u>	Special Education
\$1.00	TOTAL*

*2023-2024 data

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; \$3,247.33 in 2025). Districts that have passed a levy of at least \$1.50/\$1,000 but are unable to collect at least \$2,019/student at the \$1.50/\$1,000 rate are equalized up to \$2,019 per student. In 2025, our levy will collect \$1,687 per student; the State will provide \$333 in local effort assistance funding to reach \$2,019/student.

Appendix II

2025-26 GENERAL FUND BUDGET SUMMARY

	2023-24 Actual	2024-25 Adopted Budget	2025-26 Adopted Budgeted
Beginning Fund Balance	\$ 12,873,305	\$9,251,787	\$12,169,930
REVENUES			
Local	\$22,053,211	\$26,972,526	\$31,710,952
State, General Purpose	\$102,341,142	\$104,202,304	\$112,212,410
State, Special Purpose	\$29,202,764	\$33,441,331	\$41,178,206
Federal, Special Purpose	\$9,463,338	\$8,869,158	\$9,009,400
Other Revenue	\$179,898	\$34,000	\$25,000
Other Financing Sources	\$47,997	\$1,550,000	\$1,550,000
TOTAL	\$163,288,350	\$175,069,319	\$195,685,968
EXPENDITURES			
Teaching	\$101,301,602	\$108,173,950	\$118,284,181
Teaching Support	\$18,003,974	\$20,037,147	\$22,730,431
Other Support	\$28,133,967	\$30,398,699	\$34,133,363
School Administration	\$8,917,024	\$9,041,930	\$9,867,921
Central Administration	\$8,002,635	\$9,591,073	\$9,508,096
TOTAL	\$164,359,202	\$177,242,799	\$194,523,992
Ending Fund Balance	\$11,802,453	\$7,078,307	\$13,331,906

Appendix III

GLOSSARY OF SELECTED STATE PROGRAMS

- **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.
- **TRANSITION TO KINDERGARTEN:** assists eligible children needing extra preparation for success in kindergarten. It is a legislatively established and authorized program for students who will be at least four years old by August 31st and are identified through a screening process as needing additional support to thrive in kindergarten the following year. Funding provided for the program is considered enrichment resources and not part of the state's statutory program of basic education.
- **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.