



Citizen's Guide to the District Budget

2026-2027

Selah School District No. 119

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From the Desk of the Superintendent

June 25, 2026

Selah School District Community Members:

The *Citizen's Guide to the District's Budget*, to be released annually alongside the district's board approved budget (F-195) and four-year projection (F-195F), is financial information in a "digestible" format that helps build understanding of how schools are funded and how we in Selah School District choose to use district revenues. Thanks for taking the time to review the information in this guide.

While Washington State's legislature meets on an annual basis, it is one of a handful of states that work from a biennial budget. The 2026-27 school year marks the second year of the state's 2025-27 biennial budget. Before jumping into the 2026-27 school year, let's recap some of the key changes included in the 2025-27 biennial state budget that impact Selah Schools, as well as some hot topics that were discussed and could potentially be addressed in future budget years. I invite you to access a more detailed description of the specific fiscal changes for the 2026-27 school year on pg. 14 of this document.

- **Inflationary Factor** - The inflationary factor (implicit price deflator or IPD) for 2026-27 was adopted at a rate of 2.6%.
- **Increased Funding for Staffing Allocations and Compensation Rebase** - Perhaps the most discussed topic in school district funding the past several years has been the need for increased funding for staff compensation. This session we did not see any increases, other than IPD, to staffing allocations. The 'salary gap' from what schools pay an employee versus what they are funded for by the State continues to grow. This will be an ongoing hot topic for future sessions as the 'salary gaps' widen and school districts, including Selah School District, face exponentially rising salary costs.
- **Materials, Supplies and Operating Costs (MSOC's)** - Funding was increased by only IPD for Materials, Supplies and Operating Costs providing minimal increases. While these increases are helpful, they do not fully offset the actual increase in costs being seen by districts throughout the state. This will be a continued discussion point going forward.
- **Special Education Funding** - No major changes were made during this session regarding Special Education Funding. The state still falls short of fully funding Special Educations in school districts. Selah School District expected to be underfunded in Special Education by approximately \$1,100,000.
- **A full listing of Legislative Changes can be found in the [WASA 2026 Legislative Report](#).**

With all of that said, as you make your way through this document you will find every reason to be pleased with the fiscal health of the Selah School District. The district has continued to meet the board's minimum fund balance policy of maintaining a fund balance of at least 8%, and Selah taxpayers continue to pay one of the lowest levy rates in the region. However, while the district is currently maintaining a healthy fund balance, the financial forecast shows a growing increase in expenditures that far exceeds the projected revenues in the near future, resulting in a detrimental impact to the overall fund balance

of the District *if not addressed*. Selah School District is not facing this challenge alone, as many other districts state-wide are experiencing the same strains.

There are three key reasons driving the need for budget reductions:

- **Declining Enrollment** requires staffing reductions to staff appropriately for the number of students we serve and are funded for.
- **Employee Compensation and Benefits** are greater than what is funded by the state. This has created a gap which requires the district to use local funds to offset.
- **Operating Costs** -like utilities, insurance and supplies - are increasing at a greater rate than what is funded by the state.

District leadership and the Board of Directors have made it a goal and priority to maintain the financial stability of the District and have been proactively addressing these issues over the past few years through a District-wide financial review and budget reduction process. Through this process District leadership has been able to soften the reduction in fund balance by eliminating expenditures for the 2025-26 and 2026-27 budgets. Our district administrators and School Board will continue this work over the next several years as further reductions will need to be made to bring our expenditures in line with our revenues.

All of the information in this Citizen's Guide to the District Budget is based on information contained in our district's F-195 budget document, a financial statement filed annually with Washington State's Office of Superintendent of Public Instruction (OSPI). We can gladly provide a copy of that form if you are interested in further detail after reviewing this summary. Alternately, you can download the document at the following URL: www.selahschools.org/departments/business-services/financial-reports-updates

Again, we appreciate that you have taken the time to review this information and thank-you for your continued support of our schools and students. Should you have questions about any of the information within, please do not hesitate to contact myself or the Associate Superintendent for District Operations, Chris Scacco.

Sincerely,



Kevin McKay
Superintendent

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Schools and Programs

Robert Lince Early Learning Center Preschool & Kindergarten

Robert Lince Early Learning Center houses our Preschool Program our Kindergarten students. Preschool is offered through Special Education, Early Childhood Education Assistance Program (ECEAP), and tuition preschool.

John Campbell Primary School

John Campbell Primary serves students in Grades 1 through 2.

Selah Intermediate School

Selah Intermediate School services students in Grades 3 through 5. The intermediate elementary years are critical years for academic growth and provide a solid foundation for success in secondary programs.

Selah Middle School

Selah Middle School serves students in Grades 6 through 8. The middle school services as a transition from the broad elementary program to a more intensive secondary program. We have expanded elective programs to offer students a broad range of interests.

Selah High School

Selah High School serves students in Grades 9 through 12. The focus is on preparing students to meet the challenges of college and career by developing strong academic programs in reading, writing, math and technical skills. We have expanded elective programs to offer students a broad range of interests. There are also activities and athletics programs offered to provide a balanced educational program for our students.

Viking Choice

Selah Viking Choice offers an alternative program to meet the needs of students who are more successful in an alternative setting or who are in need of structures that will allow for successful re-entry into a traditional school setting.

Enrollment and Staffing

Selah School District serves approximately 3,500 full- and part-time students with varied needs and abilities. We employ more than 550 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 that 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 previous example, both a full-time and a part-time student would each receive a full headcount of 1 (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 7.0 hours per day. Administrative staff works between 208 and 260 days a year (depending on position), for at least 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 Selah School District, along with full-time equivalent staffing:

Enrollment and Staffing FTE

3-year History

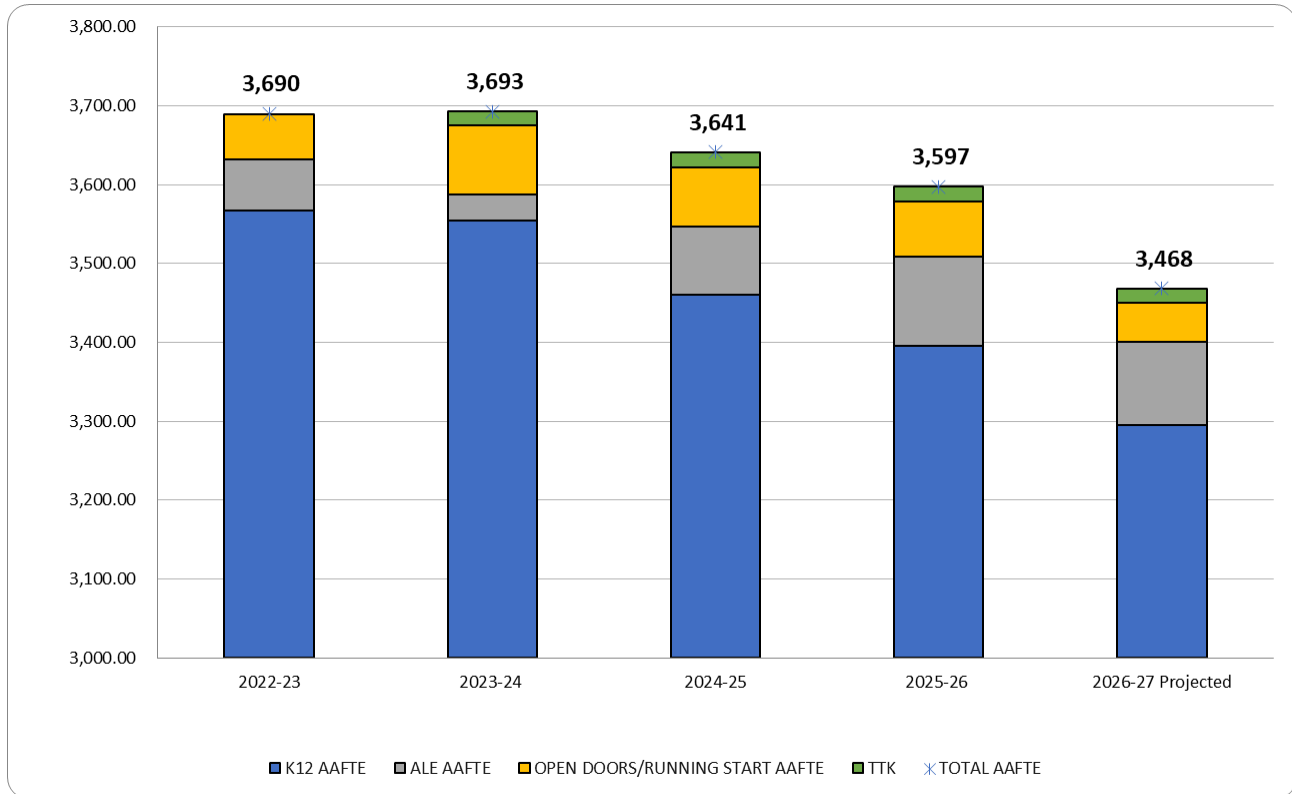
Students	2024-25 Actual	2025-26 Actual	2026-27 Budgeted
Kindergarten	220.91	223.66	210.00
Grade 1	241.68	213.55	218.00
Grade 2	244.89	238.30	210.00
Grade 3	272.00	239.16	235.00
Grade 4	256.05	272.28	238.00
Grade 5	283.22	251.92	270.00
Grade 6	282.38	281.16	255.00
Grade 7	286.50	277.31	278.00
Grade 8	320.36	286.37	280.00
Grade 9	309.20	315.86	288.00
Grade 10	304.80	288.82	314.00
Grade 11	278.48	247.76	251.00
Grade 12	246.60	251.52	248.00
VIKING CHOICE	16.85	14.80	15.00
Sundown	10.90	8.40	10.00
Selah Online & Virtual Academy (ALE)	32.86	112.83	80.00
K-12 Students (Not Including Running Start or Open Doors)	3,547.06	3,523.70	3,400.00
TK	18.00	19.10	18.00
Running Start	38.78	37.14	40.00
Dropout Reengagement	37.00	17.60	10.00
Total K-12 Students	3,640.85	3,597.03	3,468.00
ALE Enrollment (included in figures above)	86.70	112.73	80.00

Staff	2024-25 Budgeted	2025-26 Budgeted	2026-27 Budgeted
Certificated Employees	272.836	270.600	259.406
Classified Employees	169.768	173.436	155.088
Total Staff	442.604	444.036	414.494

Enrollment Trends

The following charts and tables illustrate average annual full time equivalent (AAFTE) and headcount enrollment trends.

Student AAFTE Enrollment



Student AAFTE Enrollment

School Year	K-12 AAFTE	RUNNING START/OPEN DOORS AAFTE	ALE AAFTE	TTK	TOTAL AAFTE
2020-21	3,197.35	73.06	310.56		3,581.15
2021-22	3,474.76	47.84	101.89		3,624.49
2022-23	3,566.74	58.15	65.06		3,689.95
2023-24	3,555.11	86.26	32.86	17.30	3,691.53
2024-25	3,460.36	75.79	86.70	18.00	3,641.00
2025-26	3,396.00	69.54	112.73	19.10	3597.03
2026-27 Projected	3295.00	50.00	105.00	18.00	3,468.00

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 July. This recommendation is based on projected enrollment, projected revenues and other resources, program requirements, and any mandated changes.

The following sections discuss each of our funds and projected financing sources. The remaining sections focus specifically on the details of the General Fund, which represents roughly 91 percent of our budget.

District Funds

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

The **GENERAL FUND** accounts for daily operations. The General Fund is further broken down into two sub-funds: LOCAL and STATE/FEDERAL. Included in these sub-funds 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, some levies, and sales and lease of property may be retained here. Transfers may be made from the general fund to help pay for projects not covered by bond funds.

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. The 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.

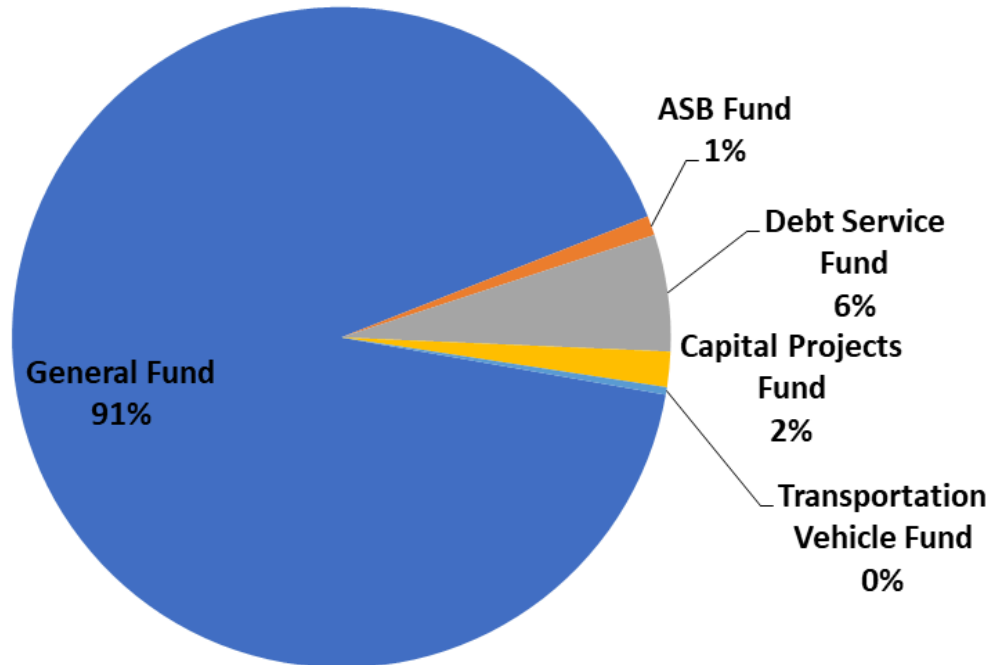
State law does not allow funds from Capital Projects/bond dollars or the Transportation Vehicle Fund to be transferred to, and used in, the General Fund, to offset reductions or needs, such as staffing reductions or other reductions.

The **PRIVATE PURPOSE TRUST FUND** is used to hold funds in trust arrangements under which the income and principal benefits individuals, private organizations, or other governments. Examples are monies donated to the school district for scholarships. The authority to use the resources comes from the donor who specifies a use or range of allowed uses for the funds to be held in trust.

Total Financing Sources by Fund

The following chart depicts the current year's budgeted financing sources. A 3-year summary follows.

2026-27 Budgeted Revenue By Fund



Fund	2024-25 Actual	2025-26 Budgeted	2026-27 Budgeted
General Fund	66,250,505	67,279,073	67,754,270
ASB Fund	686,340	715,077	709,664
Capital Projects Fund	700,000	250,000	1,283,909
Transportation Vehicle Fund	290,000	265,000	270,389
Debt Service Fund	4,028,000	4,150,920	4,239,080
TOTAL REVENUE	71,954,845	72,660,070	74,287,312

EXPLANATION OF CHANGES - June 2026

GENERAL FUND: Below are some explanations of financial and environmental changes seen between the prior 2025-26 school year and the forecasted 2026-27 school year budgets.

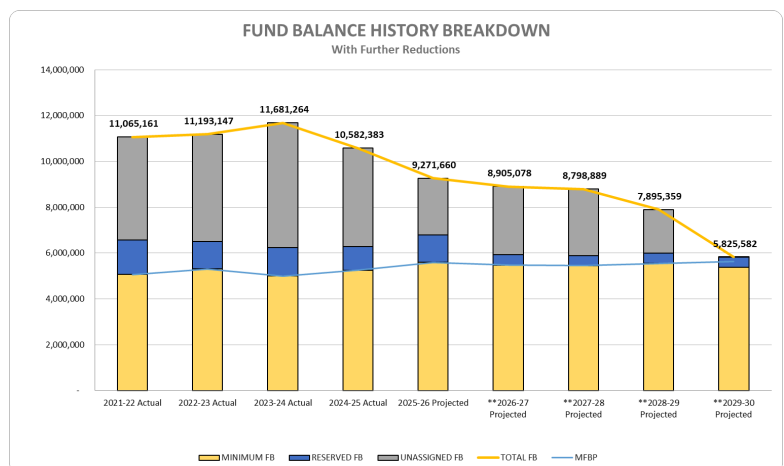
ENROLLMENT: Many districts across the state are seeing significant decreases in enrollment. Selah School District's average enrollment for the 2025-26 school year ended at approximately 3,597 students. While we continue to see growth in the Selah community, the incoming classes remain small. With classes moving up through our schools and smaller classes coming in, we expect that student enrollment will continue to drop in the 2026-27 school year and have budgeted an average enrollment of 3,468 students.

The change in enrollment will have a noticeable impact on State Basic Education and Local Effort Assistance revenues because these funding sources are calculated based on average enrollment. In addition, special state programs including the Learning Assistance Program (LAP) and Transitional Bilingual Instructional Program (TBIP) will likely see a slight decrease. LAP funding is used to provide additional support services to students scoring below grade-level in English Language Arts and Mathematics; while TBIP funding is used to address the unique needs of students who come from linguistically and culturally diverse backgrounds.

FINANCIAL FORECAST AND BUDGET REDUCTIONS

The financial forecast of the District shows a growing increase in expenditures that far exceeds the projected revenues in the near future, resulting in a detrimental impact to the overall fund balance of the District *if not addressed*. Selah School District is not facing this challenge alone, as many other districts state-wide are experiencing the same strains.

District leadership and the Board of Directors have made it a goal and priority to maintain the financial stability of the District and have been proactively addressing these issues over the past two years through a District-wide financial review and budget reduction process. District administrators and School Board will continue the budget reduction work over the next several years as further reductions will need to be made to bring the District's expenditures in line with revenues and fiscal stability can be sustained for years to come.



EXPENDITURE REDUCTIONS:

Like many districts in the State of Washington, Selah School District continues to make budget cuts in order to maintain financial stability. Reasons continuing to drive the need for budget reductions include:

- Employee compensation & benefits are greater than what is provided by state funding. This has created a salary gap which requires the district to use local funds to offset the unfunded cost.

- Operating costs, like utilities, insurance and supplies, are increasing at a greater rate than what is funded by the state.

Now in the third year of the budget reduction process, District leadership continues to evaluate and reduce expenditures where possible. During the first two years, leadership was able to limit the reduction to district reserves to roughly \$2.5 million. Through additional reductions in the third year of this process, leadership again reduced expenditures to limit the impact on district reserves to \$732,000.

Examples of the expenditure reductions made during this process include:

- Certificated Staffing Reduction
- Classified Staffing Reductions
- Reductions in curriculum adoption funding
- Reduction of professional development and travel expenditures
- Elimination of technology device replacements and other capital expenditures
- Reduced materials, supplies and operating costs across all programs (MSOCs)
- Reduced supplemental contracts for staff
- Reduced substitute expenditures

Our district administrators and School Board will continue this work over the coming years as further reductions will need to be made to bring our expenditures in line with our revenues.

DEBT SERVICE FUND: In the Debt Service Fund, the district continues to make payments on the current voted bonds. In February 2022, the District successfully took advantage of low bond interest rates and refunded, or refinanced, the 2012 Bonds. The overall borrowing rate for the new bonds sold on February 8, 2022 is 2.11%, compared to the old bond rate of 4.32%. This refinance will save the District taxpayers almost \$4.7 million over the next 15 years. The expected combined outstanding debt balance for both the 2018 and 2022 bonds at the end of the 2026-27 school year will be \$54,530,000.

CAPITAL PROJECTS FUND: In the Capital Projects Fund, over the past twelve years the district has successfully funded (using bond proceeds from bond measures passed by Selah voters), several major projects including an addition on the high school campus, a new middle school, a new kindergarten campus, a new elementary school to replace John Campbell, the renovation of the Early Learning Center, and a new Transportation Cooperative facility. All of the referenced construction projects were completed on time and under budget.

In the next year, the District will be completing two improvement projects at the High School: A CTE classroom addition and the replacement of the High School Football Field with turf. The district was also successful in taking care of many capital projects that were not part of bond measures using other monies transferred from the general fund over time. These projects include the HVAC upgrades, carpet replacements, prior roof replacement, concrete repairs, property purchase, etc.

TRANSPORTATION VEHICLE FUND: In the Transportation Vehicle Fund, the District currently has a majority of the buses in the fleet on the depreciation schedule. The State funds the replacement of buses by providing depreciation funding over the life of a bus. The district makes it a priority to replace

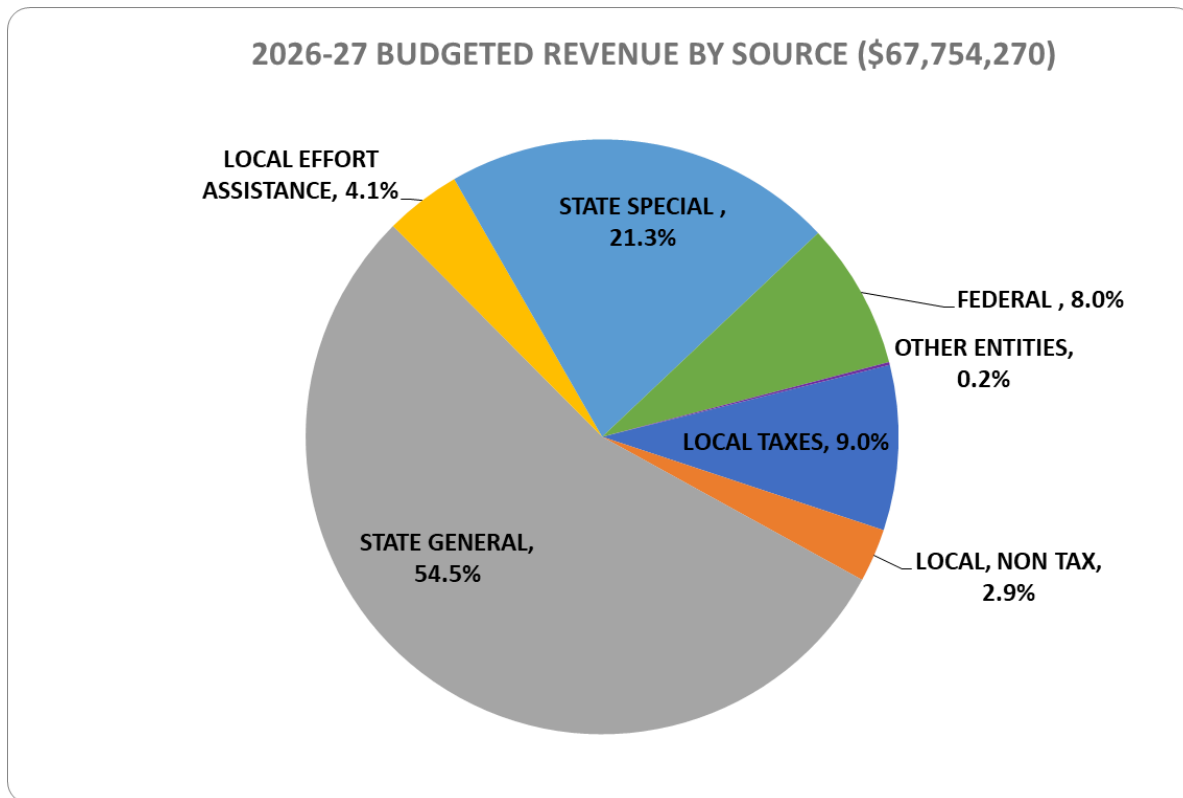
1-2 buses per year to make sure the fleet is updated regularly and maximize depreciation revenue from the State.

ASSOCIATED STUDENT BODY FUND: 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 to spend those funds. However, actual spending is typically significantly less, and is limited to their actual funds raised and available. The passage and implementation of HB 1660 has created a huge burden for student clubs and athletics. Eliminating the financial barriers for students to participate in optional extracurricular activities, HB 1660 allows for the waiver of extracurricular fees for all students who qualify for free/reduced lunches or who are in the College Bound program. With over 50% of our student population being eligible, this has created a revenue shortfall for these activities and will likely result in a significant increase in fundraising activities in our ASB fund.

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 and property taxes. This is followed by State's Special Purpose funding, which is earmarked for specific programs such as Special Education, Learning Assistance Program, Transitional Bilingual, and Student Transportation. The following chart illustrates the various General Fund revenue sources.



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	2024-25 Actual	2025-26 Budget	2026-27 Budget
State General	36,888,511	37,042,631	36,959,246
State Special	14,620,621	14,284,719	14,432,240
Federal General Purpose	-	-	-
Federal Special	4,628,025	5,719,098	5,401,099
Local Taxes	5,182,803	5,632,074	6,079,440
Local Effort Assistance	2,489,884	2,445,418	2,810,245
Other Local, Non-Tax	583,041	2,016,725	1,967,000
Other Sources	144,671	138,408	105,000
TOTAL	64,555,534	67,279,073	67,754,270

GENERAL FUND REVENUE SOURCE DESCRIPTIONS

State General Purpose **\$36,959,246**

General Apportionment is allocated by the state to support basic education operations. Funding is determined by our ten-month average student enrollment (see Enrollment and Staffing section.)

State Special Purpose **\$14,432,240**

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

Federal General Purpose **\$0**

Federal General Purpose funds are received from a variety of general federal grants such as Impact Aid, funds received in lieu of taxes, and Federal Forest revenues. Most of the Federal General Purpose funds are not restricted in what they can be spent on.

Federal Special Purpose **\$5,401,099**

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

Local Taxes **\$6,079,440**

In 2025-26 we expect to receive 8.0% of our revenue from local property taxes, which fund essential program expenditures beyond our state provided resources. Local tax revenues collected in the fiscal year 2025-26 will come from the levy passed by our voters in February 2023. Levies collected in a school year include tax collections from two separate tax years. The revenues collected in 2025-26 will be based on the levy collections from the second half of the 2025 tax year and the first half of the 2026 tax year. Selah School District encompasses residents from two counties - Yakima and Kittitas Counties. A majority of levy revenue is collected from Yakima County and a small portion from Kittitas County.

In February 2023, the District proposed a four-year levy to Selah voters at a rate of \$1.65 per \$1,000 of Assessed Value - an increase of \$0.15 from the prior levy rate of \$1.50 per \$1,000 of Assessed Value. This levy proposal was approved in the February 2023 election by voters and will be collected in the 2024, 2025, 2026 and 2027 tax years. A replacement levy will be proposed in February 2027.

For the 2026-27 fiscal year, the local levy revenue estimated to be collected is 6,242,913 This is up \$462,438 from what is expected to be collected in the prior school year. Levy rates will vary from year to year due to the fluctuations to assessed valuation of all properties in the District. See Appendix I for

more information on taxes. Assessed valuation for 2026 calculations is \$3,556,464,051 for Selah School District.

Local Effort Assistance **\$2,810,245**

Local Effort Assistance (LEA) funding, known as "levy equalization", supplements our local levy based on a formula that compares our levy rate with the state average levy rate. This funding assists property poor districts who are not able to levy as much as property rich districts. In order to qualify for these funds, a district must have a voter-approved levy.

As explained above, our district has an unused levy authority. While the maximum levy amount is now the lesser of \$2.50 per \$1,000 of assessed value or \$2,500 per student; many districts throughout the state are unable to pass a levy at the max rate. This is where local effort assistance comes in to provide additional revenues to those districts to assist in providing an equitable education to all students in Washington.

Local Non-Tax **\$1,967,000**

This revenue source includes fees for goods and services, such as facility use fees. It also includes donations and interest earnings.

Other Revenue Sources **\$105,000**

Other sources of revenue include revenue from other districts, and other local government agencies. It includes revenue for services provided to other school districts.

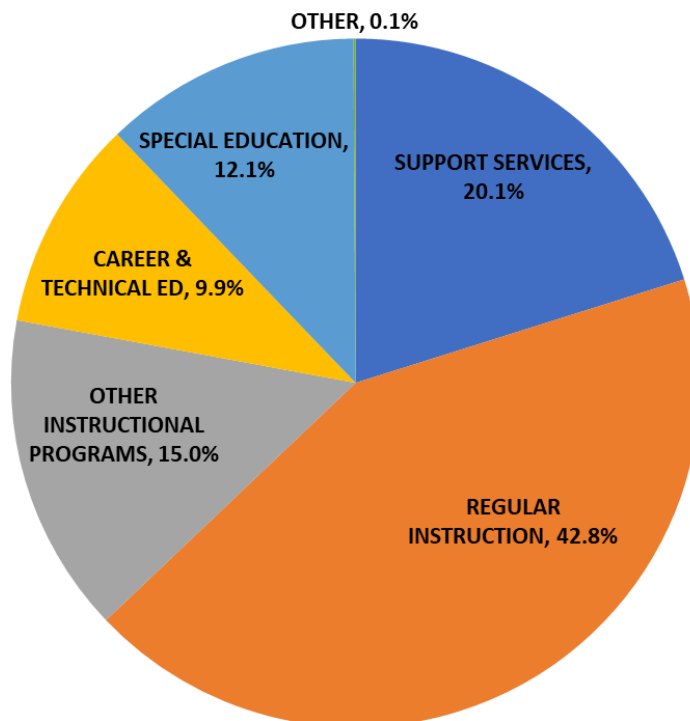
General Fund Expenditures

HOW ARE YOUR TAX DOLLARS SPENT?

More than two-thirds of the General Fund budget will be spent directly on School Instruction; including teaching support activities (i.e., teachers, nurses, counselors, etc.). School-based support such as custodial and maintenance personnel, food services, transportation, and utilities. District-wide support and central administration make up the remainder of the budget.

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

2026-27 BUDGETED EXPENDITURES BY PROGRAM GROUP
(\$68,486,393)



¹Based on per pupil revenue, Source OSPI:

http://www.k12.wa.us/safs/PUB/FIN/1415/1415%20Section%203%20PDF/1_1415_GF_Exp_Rev_FB_per_Pupil_by_Enroll.pdf

EXPENDITURES

We allocate resources according to four categories: School Instruction; School-based Support; District-wide Support; and Central Administration. Definitions are taken from the *Accounting Manual for*

Public School Districts in the State of Washington (Olympia: Office of Superintendent of Public Instruction, 2015-16, <http://www.k12.wa.us/safs/INS/ACC/1516/SDAM1516Complete.pdf>) and include their respective OSPI-defined activity codes (in parentheses).

General Fund Expenditures, by Activity

Source	2024-25 Actual	2025-26 Budget	2026-27 Budget
Teaching Activities	39,056,511	42,225,032	42,510,633
Teaching Support	6,136,830	6,589,826	6,522,595
Other Supportive Activities	11,787,098	11,355,889	11,166,617
Building Administration	3,825,911	4,251,513	4,195,676
Central Administration	4,438,496	4,085,153	4,090,872
TOTAL	65,654,415	68,507,413	68,486,393

School Instruction & Support

\$49,033,228

This consists of teaching as well as teaching support activities that enrich the overall quality of classroom instruction. Examples include learning resource centers; student guidance and counseling; psychological, speech, hearing and health services; management of individual schools and curriculum.

- **TEACHING (27)** includes classroom teachers and paraprofessionals who assist students in acquiring new or improved knowledge, skills and comprehension. Supplies, materials and equipment used in classroom instruction are also included.
- **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 materials.
- **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.
- **HEALTH SERVICES (26)** involves the duties of school nurses, psychologists, speech/hearing therapists, and their assistants to support the health and welfare of students.
- **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.

- **INSTRUCTIONAL PROFESSIONAL DEVELOPMENT (31)** 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.
- **PROFESSIONAL LEARNING – STATE (34)** includes costs related to the state-funded professional learning for certificated staff.

Other Support Activities (District-Wide Support)

\$11,166,617

These activities directly benefit students and bolster the overall educational experience at schools. They include preparing and serving meals as well as ensuring the safe operation and maintenance of buildings and school grounds. Some types of support are centralized. These activities include pupil transportation, building security, property insurance, information systems, printing services, warehousing distribution.

- **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.
- **TRANSPORTATION—OPERATIONS (52)** consists of direct operating expenditures for transporting students to/from school, and from one school to another. This 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, and repairing structures, foundations, doors, windows, and other buildings and fixtures.
- **UTILITIES (65)** include the cost of water, electricity, natural gas, heating oil, data/voice telecommunications, sewage, and garbage and recycling.
- **BUILDING SECURITY (67)** includes services to protect buildings and other property from unlawful entry, vandalism and burglary.
- **PROPERTY INSURANCE (68)** consists of costs for maintaining property, employee and liability insurance, as well as fidelity bonds.
- **INFORMATION SYSTEMS (72)** involves expenditures to maintain and operate our information system and computer network. Purchase of hardware and software, providing technical support, training, systems and database development and/or maintenance, data processing, and storage of data are included.
- **PRINTING (73)** constitutes operating expenditures for duplicating, printing, or otherwise reproducing printed materials by a print shop or contracted printing services, such as purchasing and maintaining printers and copiers, and purchasing ink and paper.

Building Administration

\$4,195,676

Building Administration includes activities related to the general direction, regulation and administration of each individual building within the school district. It includes responsibilities that are carried out by the building Principal(s) and Assistant Principal(s), as well as the administrative offices at each building.

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

Central Administration**\$4,090,872**

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. Central support also includes the district-level supervision of instruction, food services, transportation, and maintenance activities.

- **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, professional development (travel/conferences), 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, the various news media, e-mail, internet web sites, 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.

Appendix I

Local Taxes

There are two types of local taxes collected: Bonds and Levies. Bonds pay for major construction. Levies pay for ongoing operational 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:

BOND ISSUE DATE	ORIGINAL ISSUE AMOUNT	BALANCE REMAINING AT 8/31/2026	PAYOFF DATE
March 8, 2022 (Refunded 2012 Bonds)	\$21,290,000	\$17,490,000	2036
July 1, 2018	\$40,955,000	\$37,040,000	2042
TOTAL VOTED DEBT	\$62,245,000	\$54,530,000	

In February 2022, the District successfully took advantage of low bond interest rates and refunded, or refinanced, the 2012 Bonds. The overall borrowing rate for the new bonds sold on February 8, 2022 is 2.11%, compared to the old bond rate of 4.32%. This refinance saved the District taxpayers almost \$4.7 million over the next 15 years.

Based on the amount due in the fiscal year and on changes in assessed valuations, the rate collected each year can fluctuate. For 2026, the rate of \$1.17 per \$1,000 of assessed valuation will be collected to make principal and interest payments on that debt. That rate is down from \$1.23 per \$1,000 in tax year 2025.

EDUCATIONAL PROGRAMS & OPERATIONS LEVY

Regardless of grade level, the Educational Programs and Operations levy impacts all schools and all students. The levy pays for programs and operating expenses not funded by the state. This includes technology, textbooks and class materials; building maintenance; utilities and insurance; many staff members; and all athletics and activities. Levy funds are vital to the success of all students and provide an essential revenue stream to our school district.

Levies can be run a year at a time, or for as many as four-years and must be renewed by voters to continue. To

The breakdown for each levy dollar spent is:

68¢	Teaching & Learning
16¢	Co-Curricular Activities
12¢	Technology
4¢	Safety
\$1.00	TOTAL

help alleviate election costs, Selah voters approved a four-year replacement levy in February of 2023 to assist with funding for educational programs and operations. This levy will collect up to \$1.65 per \$1,000 of Assessed Value. This levy will be collected in 2024, 2025, 2026 and 2027.

Selah School District's levy revenues equate to roughly \$1,700 per student (at projected enrollment of 3,468 for K-12). The levy represents 9.0% of the district's annual General Fund revenue.

Appendix II

2026-27 GENERAL FUND BUDGET SUMMARY

FY 2026-2027

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Selah School District No.119

SUMMARY OF GENERAL FUND BUDGET

	(1) Actual 2024-2025	(2) Budget 2025-2026	(3) Budget 2026-2027
REVENUES AND OTHER FINANCING SOURCES			
1000 Local Taxes	5,182,803	5,632,074	6,079,440
2000 Local Nontax Support	583,041	2,016,725	1,967,000
3000 State, General Purpose	39,378,395	39,488,049	39,769,491
4000 State, Special Purpose	14,620,621	14,284,719	14,432,240
5000 Federal, General Purpose	17,978	0	0
6000 Federal, Special Purpose	4,628,025	5,719,098	5,401,099
7000 Revenues from Other School Districts	92,873	138,408	55,000
8000 Revenues from Other Entities	45,720	0	0
9000 Other Financing Sources	6,078	0	50,000
A. TOTAL REVENUES AND OTHER FINANCING SOURCES	64,555,534	67,279,073	67,754,270
EXPENDITURES			
00 Regular Instruction	29,758,041	29,165,920	29,281,950
20 Special Education Instruction	7,689,929	8,148,447	8,259,877
30 Vocational Education Instruction	6,217,990	6,045,796	6,795,191
40 Skill Center Instruction	0	0	0
50 and 60 Compensatory Education Instruction	6,173,613	7,418,976	7,259,654
70 Other Instructional Programs	1,319,379	3,584,308	3,027,082
80 Community Services	58,573	83,515	69,901
90 Support Services	14,430,112	14,060,451	13,792,738
B. TOTAL EXPENDITURES	65,654,415	68,507,413	68,486,393
C. OTHER FINANCING USES--TRANSFERS OUT (G.L.536) 1/	0	0	0
D. OTHER FINANCING USES (G.L.535) 2/	0	0	0
E. UNUSUAL OR INFREQUENT ITEMS-INFLOWS (G.L. 968)	0	0	0
F. UNUSUAL OR INFREQUENT ITEMS-OUTFLOWS (G.L. 538)	0	0	0
G. NET CHANGE IN FUND BALANCE (A-B-C-D+E-F)	-1,098,881	-1,228,339	-732,122
BEGINNING FUND BALANCE			
G.L.810 Restricted for Other Items	0	0	0
G.L.815 Restricted for Unequalized Deductible Revenue	0	0	0
G.L.821 Restricted for Carryover of Restricted Revenues	211,589	300,000	200,000
G.L.823 Restricted for Carryover Of Transition To Kindergarten Revenue	0	0	0
G.L.825 Restricted for Skill Center	0	0	0

SUMMARY OF GENERAL FUND BUDGET

	(1) Actual 2024-2025	(2) Budget 2025-2026	(3) Budget 2026-2027
G.L.828 Restricted for Carryover of Food Service Revenue	580,358	500,000	350,000
G.L.830 Restricted for Debt Service	0	0	0
G.L.835 Restricted for Arbitrage Rebate	0	0	0
G.L.840 Nonspendable Fund Balance-Inventory & Prepaid Items	145,331	200,000	200,000
G.L.845 Restricted for Self-Insurance	0	0	0
G.L.850 Restricted for Uninsured Risks	0	0	0
G.L.870 Committed to Other Purposes	0	200,000	55,000
G.L.872 Committed to Economic Stabilization	0	0	0
G.L.873 Committed to Depreciation Sub-Fund for Facility Maintenance	0	0	0
G.L.875 Assigned to Contingencies	0	0	0
G.L.884 Assigned to Other Capital Projects	0	400,000	0
G.L.888 Assigned to Other Purposes	1,182,061	600,000	600,000
G.L.890 Unassigned Fund Balance	3,856,085	2,700,000	2,751,608
G.L.891 Unassigned to Minimum Fund Balance Policy	5,404,407	5,600,000	5,480,593
H. TOTAL BEGINNING FUND BALANCE	11,681,264	10,500,000	9,637,201
G.L.898 Accounting Changes and Error Corrections	XXXXX	XXXXX	XXXXX

ENDING FUND BALANCE

G.L.810 Restricted for Other Items	0	0	0
G.L.815 Restricted for Unequalized Deductible Revenue	0	0	0
G.L.821 Restricted for Carryover of Restricted Revenues	284,603	300,000	200,000
G.L.823 Restricted for Carryover Of Transition To Kindergarten Revenue	0	0	0
G.L.825 Restricted for Skill Center	0	0	0
G.L.828 Restricted for Carryover of Food Service Revenue	580,358	500,000	350,000
G.L.830 Restricted for Debt Service	0	0	0
G.L.835 Restricted for Arbitrage Rebate	0	0	0
G.L.840 Nonspendable Fund Balance-Inventory & Prepaid Items	143,578	200,000	200,000
G.L.845 Restricted for Self-Insurance	0	0	0
G.L.850 Restricted for Uninsured Risks	0	0	0
G.L.870 Committed to Other Purposes	0	200,000	55,000
G.L.872 Committed to Economic Stabilization	0	0	0
G.L.873 Committed to Depreciation Sub-Fund for Facility Maintenance	0	0	0
G.L.875 Assigned to Contingencies	0	0	0
G.L.884 Assigned to Other Capital Projects	0	400,000	0
G.L.888 Assigned to Other Purposes	1,149,088	600,000	600,000

Selah School District No.119

SUMMARY OF GENERAL FUND BUDGET

	(1) Actual 2024-2025	(2) Budget 2025-2026	(3) Budget 2026-2027
G.L.890 Unassigned Fund Balance	2,917,998	1,471,660	2,019,485
G.L.891 Unassigned to Minimum Fund Balance Policy	5,480,593	5,600,000	5,480,593
I. TOTAL ENDING FUND BALANCE (G+H)	10,582,383	9,271,660	8,905,078

1/ G.L. 536 is an account that is used to summarize actions for other financing uses--transfers out.

2/ G.L.535 is an account that is used to summarize actions for other financing uses such as long-term financing and debt extinguishments. Nonvoted debts may be serviced in the Debt Service Fund (DSF) rather than in the fund that received the debt proceeds. In order to provide the resources to retire the debt, a transfer is used by the General Fund, Capital Projects Fund, or Transportation Vehicle Fund to transfer resources to the DSF. Refer to Page DS4 for detail of estimated outstanding nonvoted bond detail information.

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 deemed appropriate by each school district. Minimum standards are set by the State.
- **SPECIAL EDUCATION:** education and related services for all students who receive specially designed instruction in accordance with a properly formulated Individualized Education Program (IEP), from birth to age twenty-one. Students with disabilities are individuals who are classified as developmentally delayed, emotionally/behaviorally disabled, communication disordered, orthopedically impaired, health impaired, specific learning disabled, mentally retarded, multiple disabled, deaf, hearing impaired, visually impaired/blind, deaf/blind, autistic, traumatic brain injured, or who by reason thereof require specially designed instruction and/or related services.
- **FOOD SERVICES:** preparing and serving meals and a la carte items to pupils under the National School Lunch Program, School Breakfast Program, and Fresh Fruit and Vegetable 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.