




TO: BOARD OF DIRECTORS

FROM: STEVE LIDGARD, EXECUTIVE DIRECTOR – BUSINESS SERVICES 

SUBJECT: FY 2017-18 BUDGET ADOPTION

DATE: AUGUST 15, 2017

TYPE: ACTION NEEDED – RESOLUTION NO. 2016/17-010

A portion of the meeting tonight has been set aside for the FY 2017-18 budget hearing.

The board president needs to declare the hearing in process and ask the audience for comments either for or against the proposed budget. After allowing for comments, the hearing should be declared closed. Following that action, Resolution No. 2016/17-010 should be adopted as listed on the consent agenda.

This completes the budget development process for the coming school year.

Recommendation:

The administration **recommends adoption of Resolution No. 2016/17-010 establishing the budget appropriations for FY 2017-18.**

**STANWOOD-CAMANO SCHOOL DISTRICT NO. 401  
FIXING AND ADOPTING THE BUDGET**

**RESOLUTION NO. 2016/17-010**

**WHEREAS**, WAC 392-123-054 requires that the board of directors of every school district meet for the purpose of fixing and adopting the budget of the district for the ensuing fiscal year; and

**WHEREAS**, a public notice was published announcing that on August 15, 2017, the Board of Directors of Stanwood-Camano School District No. 401, Snohomish County, Washington, would meet in a public meeting for the purpose of fixing and adopting the 2017-18 Fiscal Budget of the District.

**THEREFORE, BE IT RESOLVED** the Board of Directors of Stanwood-Camano School District, Snohomish County, Washington, has determined that the final appropriation level of expenditures for each fund in 2017-18 will be as follows:

	<b><u>APPROPRIATION LEVEL</u></b>
A. General Fund	\$ 58,536,232
B. Transportation Vehicle Fund	\$ 1,500,000
C. Capital Projects Fund	\$ 31,304,238
D. Debt Service Fund	\$ 1,503,000
E. Associated Student Body Fund	\$ 969,742

**APPROVED** by the Board of Directors of Stanwood-Camano School District No. 401, Snohomish County, Washington, during the regular meeting thereof held on the 15th day of August 2017.

\_\_\_\_\_  
President

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

Attest:

\_\_\_\_\_  
Secretary to the Board



# **Budget Handbook for our Community**

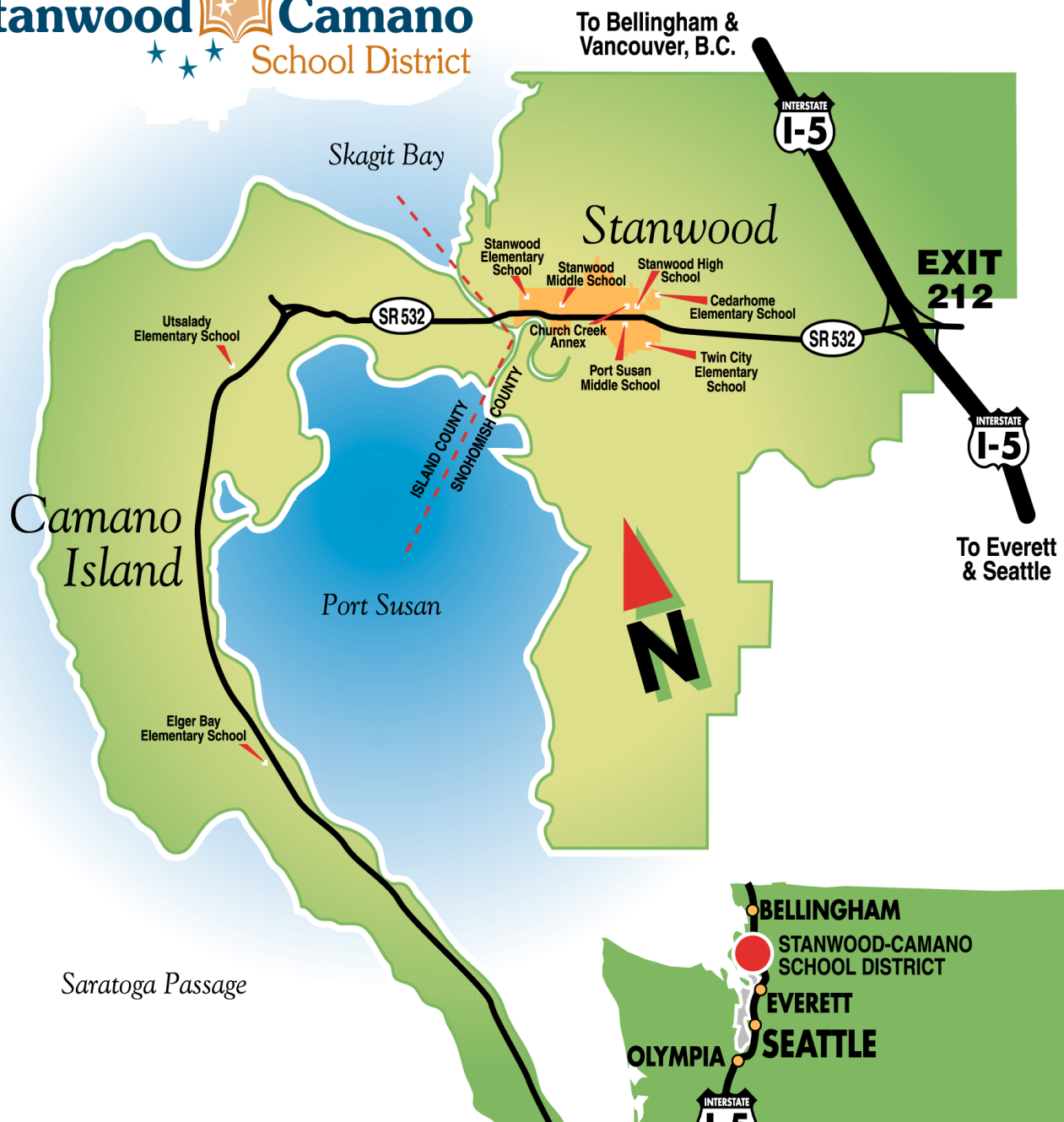
An overview of how Stanwood-Camano School District funds our instructional programs.

**2017-18 School Year**

# Our District

The Stanwood-Camano School District serves approximately 4,400 students in kindergarten through grade 12. Our boundaries encompass the Camano Island portion of Island County and the northwest portion of Snohomish County, bordering on the Skagit County line to the north and sharing boundaries with Arlington, Lakewood, and Marysville school districts to the southeast.

**Vision:** *One community dedicated to the success of each student.*



# Our Facilities



## School Locations: 10

- 5 elementary schools, 2 middle schools, 1 high school, 1 alternative high school/middle school site, 1 parent partner school

## Support Facilities: 3

- Administration & Resource Center
- Transportation Center
- Maintenance Center

## Average Age of our Schools

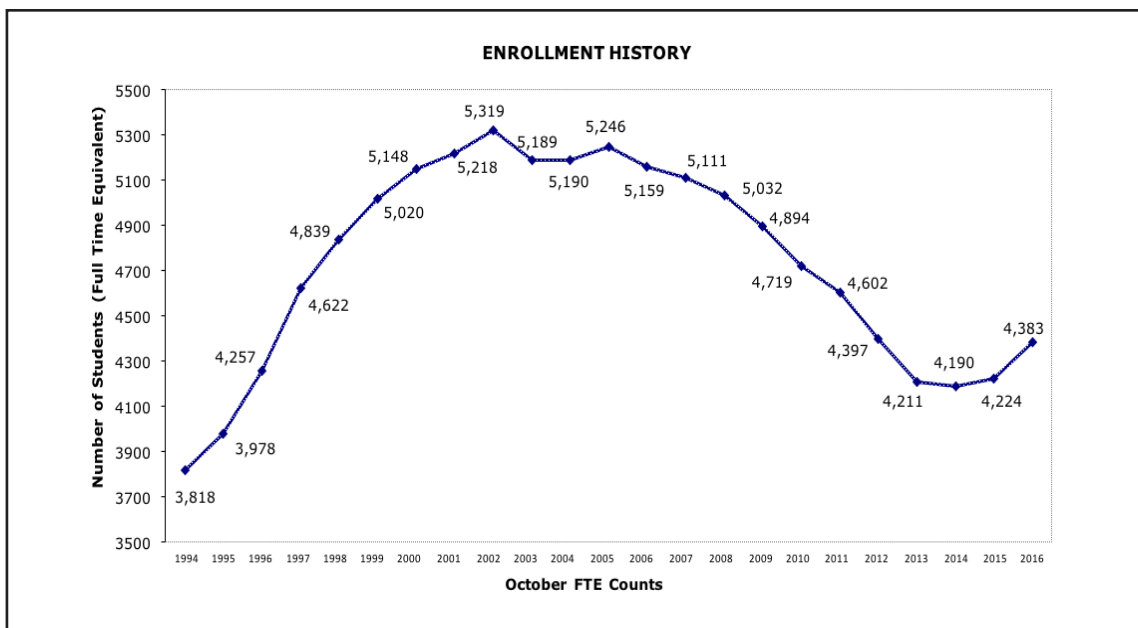
- Elementary: 28 years (1956 oldest/2000 newest)
- Middle: 49.5 years (1938 oldest/1997 newest)
- High: 46 years old

# Student Enrollment

## The Funding Driver: Student Enrollment

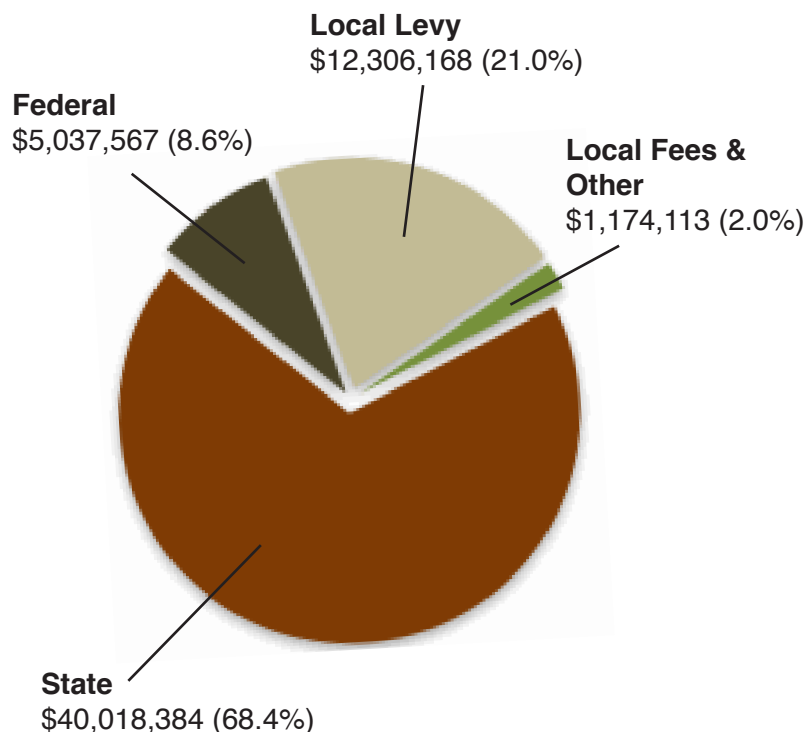
Although state law determines the amount of money each district will receive per student, it is the average number of full-time students that drives the majority of school funding. Because not all students can be counted as full time, the funded student count can be different from total “head count” enrollment.

The state portion of school funding allocated per full time student is approximately \$7,229 in 2017-18. For each student needing extra services - special education, gifted studies or learning English - additional state dollars are provided. These state dollars do not cover the cost of this additional instruction. This is where a school system’s local special levies become necessary.



# Our General Fund Sources of Revenue

**Total Revenue for  
General Fund:**  
\$58,536,232



## How your taxes support schools

By law, local school levies can only be approved by voters for a maximum of four years. Levies are described as “for learning” since these dollars typically fund daily operations such as teachers’ salaries, text books, and other classroom costs. Special levies used to be for the “extras” such as drama or increased athletics. Unfortunately, as state funding has not kept pace with the actual cost of education, the special levy now funds more and more of the daily operations of schools such as facility maintenance, school buses, and a subsidy to the Federal hot lunch program.

Stanwood-Camano voters approved a 4-year levy in 2016 to replace an expiring four-year levy. Unlike other types of taxes, local school levies must be renewed by voters to continue. Current law requires 50 percent plus one of the voters to agree to continue this funding. Approval of new bonds, which are for “building” new classrooms, schools, etc, requires a super majority of 60% voter approval to pass.

Public schools are limited as to how much money can be requested in a levy. In previous years a maximum of 24% of the public school system’s state (and some federal) allocated revenues may be requested. This is commonly known as a “levy lid.” Voters have approved the replacement levy through 2020.

Stanwood-Camano School District will collect approximately \$12.3 million in local taxes in fiscal year (FY) 2017-18 to maintain educational programs. Once approved by voters, this levy amount never increases. While property values may rise and fall, the amount of the total dollars collected from the local Maintenance & Operations levy remains constant. As property values change the actual cost per \$1,000 of assessed property value (tax rate) is adjusted to collect the voter approved total amount.

# Our Total Budget

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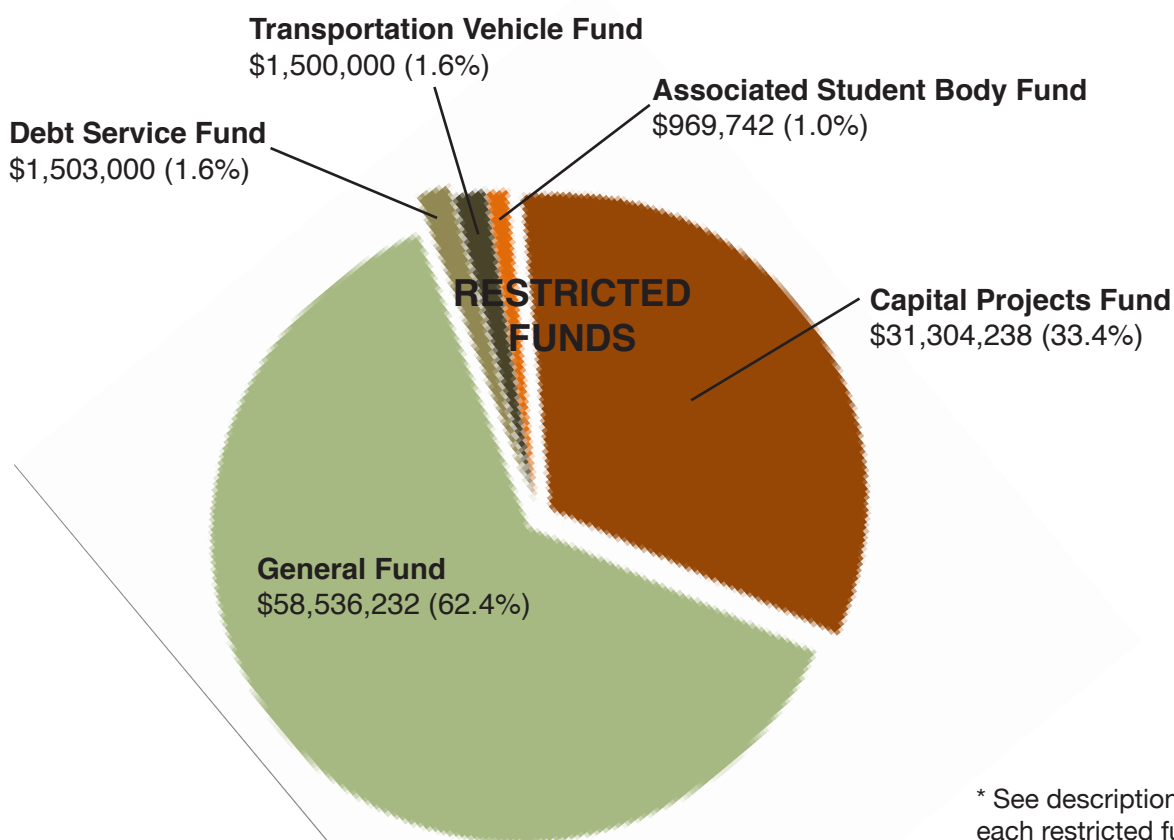
Each year our Board of Directors adopts a financial plan (budget) for the upcoming school year. The 2017-18 budget was developed through the efforts and involvement of the Board of Directors, administrative team members, and staff at various levels throughout the district. The Board of Directors' budget development priorities and guidelines for decisions are as follows:

1. There is a clear link to student learning.
2. There are clear links to the district's strategic plan.
3. There are appropriate human resources available (such as time and energy to implement any initiatives).
4. There is evidence of budget capacity to provide materials, services, and other resources as necessary.
5. There is evidence of financial support for long-term commitments.

The 2017-18 budget is designed to meet the budget development priorities and guidelines, to direct resources to teaching, learning, and assessment activities, and to remain fiscally responsible.

The 2017-18 General Fund budget is balanced.

## Total Budgeted Expenditures for 2017-18 All Fund Accounts - Total Expenditures \$93,813,212



\* See description of each restricted fund account on next page.

# Budget Fund Descriptions

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## General Fund

Total estimated cost to operate the current programs in 2017-18: \$58,536,232 (62.4%). This fund pays for the instructional programs, daily operations of our schools and general functions of our school district. More in-depth information on this fund is provided in the official budget document.

## **\*RESTRICTED USE - Debt Service Fund**

Total expenditures: \$1,503,000 (1.6%)

When our district sells bonds to finance voter-approved construction, an account is set up to repay the debt associated with the sale. This fund receives the money that is collected from our taxpayers to pay the annual principal and interest cost. The Debt Service Fund closed in June 2014 and has since been reopened. This fund will pay the debt approved by the voters in February 2017 to construct a new high school, alternative schools and maintenance/technology center.

## **\*RESTRICTED USE - Transportation Vehicle Fund**

Total expenditures: \$1,500,000 (1.6%)

This fund receives payments from the state for the replacement of school buses. These funds may only be used to purchase yellow buses.

## **\*RESTRICTED USE - Capital Projects Fund**

Total expenditures: \$31,304,238 (33.4%)

This fund pays for all construction, remodeling, and site acquisition costs. Funding for these projects comes from rental of school property, investment earnings, and property sales. In addition, in November 2013 voters approved a 5-year capital levy to pay for facility improvements and updating technology across the district. The levy will decline by 90% in 2018. In 2017 voters approved a \$147.5 million dollar bond issue to construct a new high school, alternative schools and a maintenance/technology center.

## **\*RESTRICTED USE - Associated Student Body (ASB) Fund**

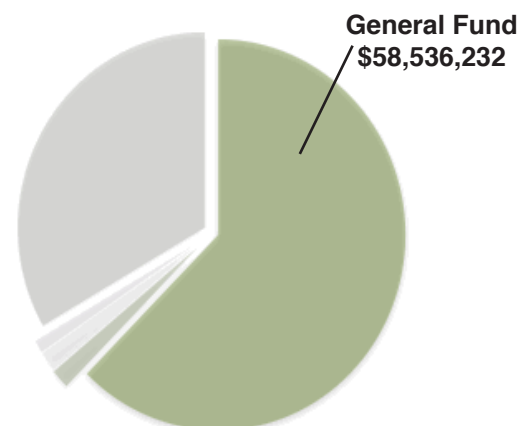
Total expenditures: \$969,742 (1.0%)

This fund is financed by the collection of fees from students and non-students for attendance or participation in noncredit events such as football games or dances. In addition, money raised by student fundraisers and sales of ASB cards are also deposited in this fund. Expenditures must be approved by the student council.

## Our General Fund Budget

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The General Fund makes up 62.4% of the total Stanwood-Camano School District budget. Nearly 82.5% of the General Fund budget pays for employee salaries (reported in full-time equivalent staff), payroll taxes, and employee benefits.



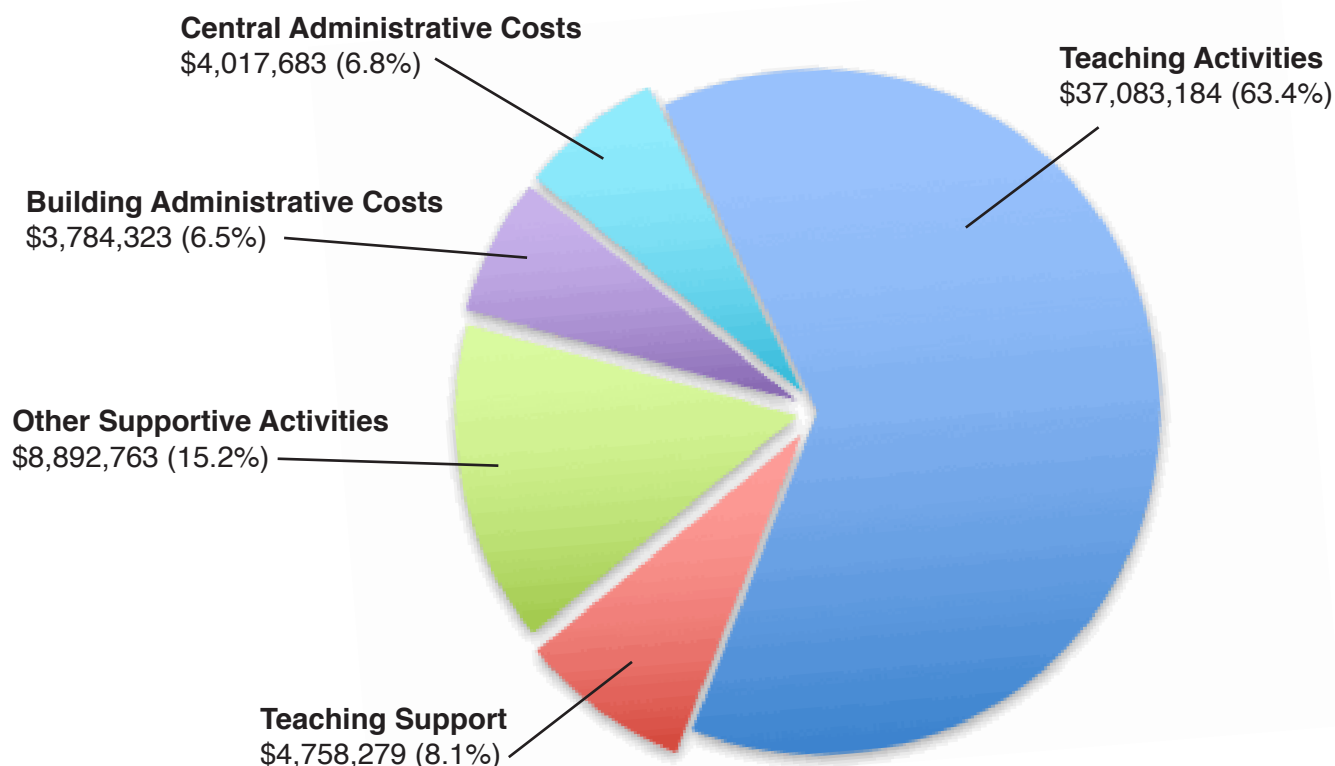


## Our General Fund Budget - Activity

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The General Fund pays for the day-to-day operations of the school district including instruction and support services for students.

**Total General Fund Budget: \$58,536,232**



- **Teaching Activities: \$37,083,184 (63.4%)**  
Costs associated with classroom instruction; for example, teacher salaries, extracurricular activities and payments to other districts are budgeted in this category.
- **Teaching Support: \$4,758,279 (8.1%)**  
Includes learning resources, guidance/counseling, school resource officer, and nurses.
- **Other Supportive Activities: \$8,892,763 (15.2%)**  
Includes food service operations, maintenance, insurance, utilities, security, information systems and transportation. These costs do not include the costs of supervisors.
- **Building Administrative Costs: \$3,784,323 (6.5%)**  
Includes school principals and assistant principals, and office staff.
- **Central Administrative Costs: \$4,017,683 (6.8%)**  
Expenses for services provided centrally by our district include the superintendent's office, human resources, business services office (payroll, accounting, budgeting, accounts payable, etc.), Board of Directors, supervision/instruction, nutrition services, and the transportation and maintenance offices. Each school depends on these services to run its educational programs.

## Our Fund Balance

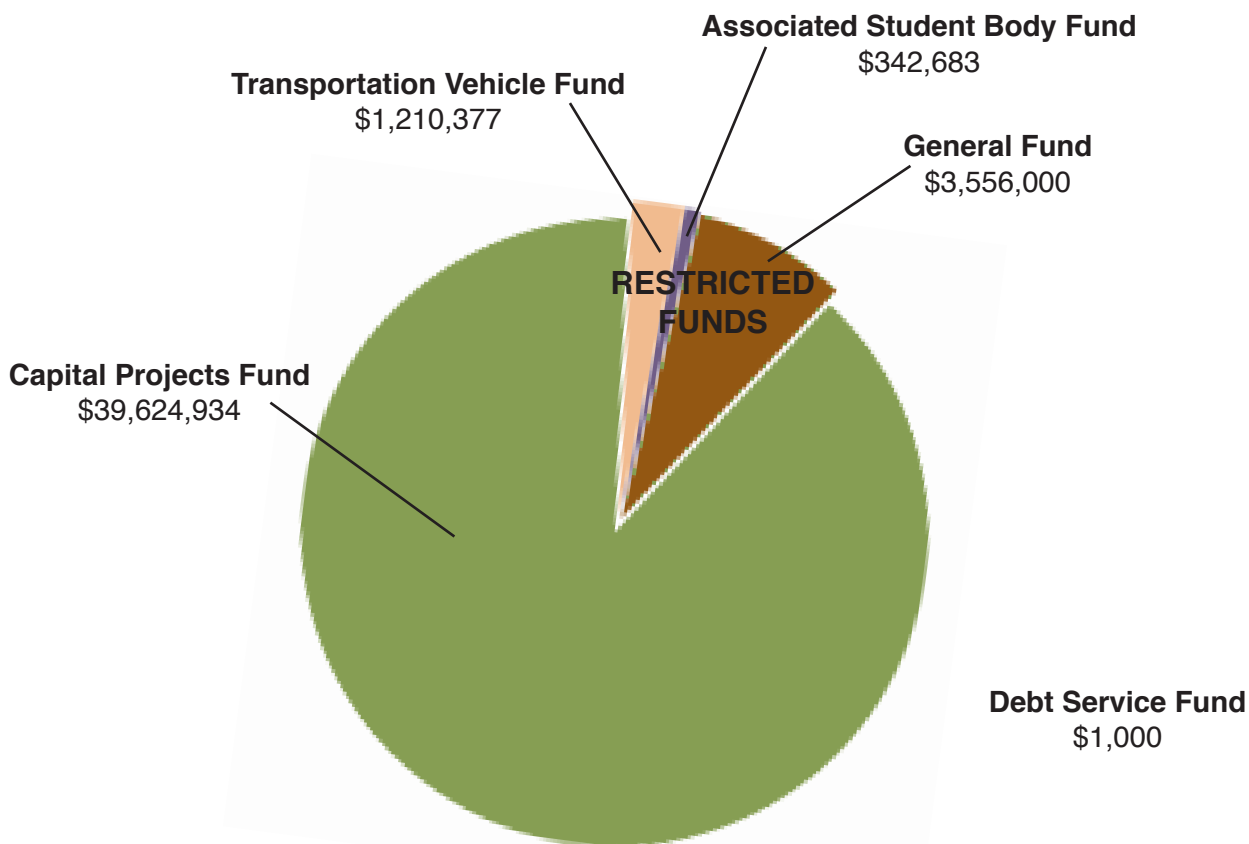
Just like your family, every budget needs a “savings” account for unexpected situations. In school districts these savings accounts are known as the fund balance. Board policy and responsible financial management requires the district to maintain at least 5% of its operating budget as a General Fund balance to pay for one-time-only and unexpected costs in the schools. We anticipate starting the 2017-18 school year with \$3,556,000 or 6.1% of our budgeted revenue in the General Fund balance. This money has been saved over time and is non-renewable. If the money is spent on continuing daily operations, and there is no way to replace the money, the savings account would eventually run out and would lead to significant budget cuts. The estimated fund balance at the end of the 2017-18 school year is 6.1%.

The district’s average daily cost of operation divided into the ending fund balance would provide funding for approximately 11 school days. The district does not receive its budgeted revenues in 12 equal monthly installments. Additionally, expenditures are not equally distributed each month. Therefore, it is necessary and prudent business practice to maintain funds to use as working capital throughout the year to offset unanticipated costs, revenue shortfalls, or both.

### Estimated Fund Balance

*September 1, 2017*

2017-18 Budget Beginning Fund Balance - All Fund Groups



# Materials, Supplies, Operating Cost (MSOC) Disclosure

During the legislative session, language was adopted that requires districts (as part of the budget development, hearing and review process) to disclose the amount of state funding to be received by the district for certain materials, supplies, operating costs (MSOC) and also the amount the district proposes to spend for MSOCs, the difference between the amounts, the proposed use of the difference (if positive), and how this will improve student achievement. The allocation information comes from the F203 revenues sheet that the school district completes yearly. The expenditure information comes from the official Stanwood-Camano School District budget document (F195).

## Budget 2017-18 -- MSOC Disclosure

### Combined State MSOC Allocation (F203)

Regular Instruction	\$4,720,343
Grades 9-12 Additional	\$224,405
Total State MSOC Allocation	\$4,944,748

### Combined MSOC Expenditures (F195)

	Regular Ed.	ALE	Dropout	District-Wide Support	Totals
Supplies & Materials	\$1,375,563	\$87,800	\$-	\$321,150	\$1,784,513
Purchased Services	\$1,024,084	\$18,900	\$-	\$1,920,456	\$2,963,440
Staff Travel	\$19,000	\$1,300	\$-	\$8,600	\$28,900
Capital Outlay	\$3,300		\$-	\$6,200	\$9,500
Total Budgeted MSOC Expend.					\$4,786,353

**Difference (MSOC Allocation minus MSOC Expenditures)** \$158,395

**The excess amount ("Difference") will be used to help offset the net losses in the following programs:**

Net Special Education Program Deficit	\$(2,767,644)
Net Highly Capable Program Deficit	\$(212,921)
Net Pupil Transportation Program Deficit	\$(1,434,497)
Net Food Service Program Deficit	\$(532,999)
Total State Funded Program Budgeted Deficit	\$(4,948,061)
Regular Education Program MSOC Funding In Excess of Budgeted Costs	\$158,395
Balance of Unfunded Cost	\$(4,789,666)

### How will this improve student learning?

Meeting the needs of students requiring special education services, highly capable student services, transportation to and from school, and providing meals at schools are all proven to positively influence student learning and achievement.

# Oversight

Just as your family must balance your checkbook, public schools keep a very close eye on expenses. Staff review the budget on a daily basis to ensure maximum return on each and every dollar.

Members of the Board of Directors receive a financial report each month. All financial documents reviewed by the school board at the board meetings are placed on the SCSD website, [www.stanwood.wednet.edu](http://www.stanwood.wednet.edu), for the public to view. In addition, state auditors review each school system's financial records every year to ensure business practices meet state law. Copies of the budget and the Budget Handbook for our Community are available on the district's website or by request. Call (360) 629-1222 for a copy of the budget or to ask any additional questions you may have.



## BOARD OF DIRECTORS



Albert Schreiber  
Director District 1  
Vice President



Roger Myers  
Director District 2



Julie Dean  
Director District 3  
President



Ken Christoferson  
Director District 4



Natalie Hagglund  
Director District At-Large

### Superintendent: (360) 629-1222

- Jean Shumate, Ed.D., Superintendent

### Business Services: (360) 629-1216

- Steve Lidgard, Executive Director

### Human Resources/Personnel: (360) 629-1200

- Maurene Stanton, Executive Director

### Teaching and Learning: (360) 629-1237

- Lloyd Schaaf, Ed.D., Assistant Superintendent

### Capital Projects: (360) 629-1215

- Gary Platt, C.P.A., Executive Director

### Special Services: (360) 629-1236

- Robert Hascall, Director

### Assessment and Technology: (360) 629-1246

- Dan Johnston, Director

### Food Service: (360) 629-1208

- Donald Vennetti, Director

### Transportation: (360) 629-1229

- Lisa Orton, Director

### Maintenance: (360) 629-1235

- Kevin Cruse, Manager

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Visit us online at  
[www.stanwood.wednet.edu](http://www.stanwood.wednet.edu)



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