



***A citizens' guide to the 2016-17
Everett Public Schools budget***

Where we begin Building our budget starts with...

Our Mission

Inspire, educate, and prepare each student to achieve to high standards, contribute to our community, and thrive in a global society.



Our students will lead and shape the future.

They will be well-rounded, healthy, and flexible thinkers with a global perspective who can access resources and collaborate. They will demonstrate empathy, pride, and advocacy for self, school, and community while respecting the diversity and worth of others. They will acquire the knowledge, attitudes, and skills to adapt to the emerging needs of a changing world.

A word to the public Message from the superintendent

District Address

3900 Broadway
Everett, WA 98201

Board of Directors

[Ted Wenta](#)
President

[Caroline Mason](#)
Vice President

[Traci Mitchell](#)
Legislative Representative

[Carol Andrews](#)
Board Member

[Pam LeSesne](#)
Board Member

Department of Finance and Business Services

[Jeff Moore](#)
Executive Director
425-385-4150

When our school community told us, "The state's school district budget documents are not reader friendly," we accepted the challenge to make our district budget documents more easily understood.

For the last four years, we have published this *Citizens' Guide to the Everett Public Schools Budget* as a way to remove the mystery of state-required reports and to clearly show the ways your money supports student learning and the communities' expectations of its schools and its school staff.

This guide is a summary of information required in the state's Form-195. The Form-195, in all of its complexity, as well as our Fiscal Advisory Council reports and other financial data, are available on our website, or by contacting our finance and business services department.

Thank you also for comments or questions about this document and the information it contains. Your thoughts will help improve this publication each year and better serve you as we fulfill our responsibilities to you and to our communities' children.

Best Wishes,

Dr. Gary Cohn
[Superintendent](#)



2016
*Superintendent's
Scholar Winners*

The big picture

How is our budget divided?

This guide is designed to introduce you to the Everett Public Schools budget and help you understand how our public schools are funded.

In a district with a \$315 million budget, the budget may seem hard to understand. But our budget is just like your budget at home. We use it for multiple purposes: to track income and spending; to help manage priorities; to plan for the future; and to measure financial performance.

This guide is designed to help you understand where the school district's money comes from and how we spend it.

OUR BUDGET HAS FIVE PARTS (FUNDS)

General fund, the operating budget which guides our day to day activities;

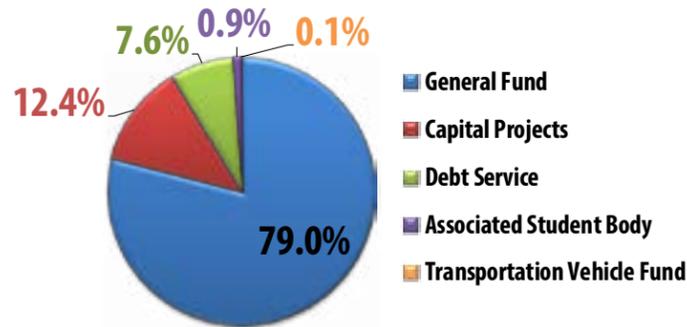
Capital projects fund, which covers our long-term school construction and repair needs and cannot be spent on school operations;

Debt service fund, which we use to pay the principal and interest on bonds we issue to finance school construction and renovation;

Associated student body fund (ASB), which accounts for each middle and high school's extracurricular activities; and

Transportation vehicle fund, which is used to buy school buses.

How is our budget divided?



THERE ARE MANY WAYS TO LOOK AT SPENDING

In this guide, we'll look at:

- ★ Where our funding comes from (taxes and grants);
- ★ How the money is distributed (schools, district wide support, and central offices); and
- ★ What we spend money on (salaries and expenses).

For more in-depth and detailed discussion and other financial information, please see our [Comprehensive Annual Financial Report \(CAFR\)](#); [Fiscal Advisory Council Reports](#); and [Everett Public Schools; Our District; Budget](#) web page.

General fund

Where does our funding come from?

Community investment

Everett Public Schools has a strong history of local support for educational program and operation levies, capital levies, and capital bonds.

LEAST RESTRICTION ON USE

LOCAL

Local revenues account for approximately one quarter of the income for the general fund. The majority of this is from local property taxes. Other local resources include non-taxes that come from a variety of sources which include lunch fees, fines, summer school, tuition based all-day kindergarten, rental income, interest earnings, and donations.

STATE

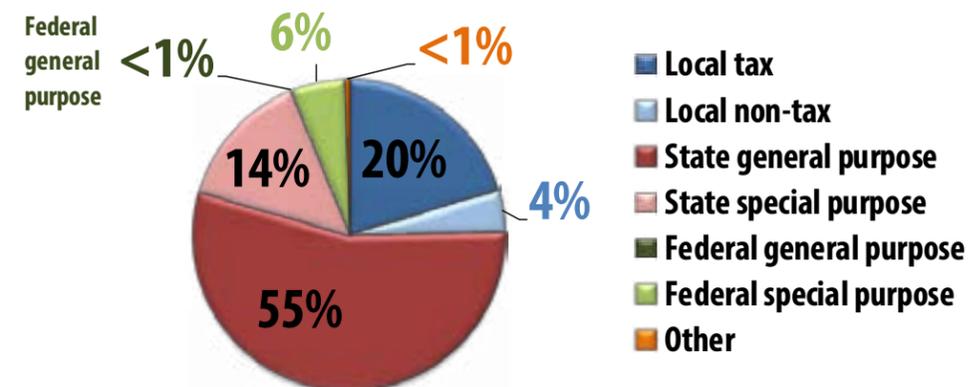
Most of this money is designated for specific programs and cannot be used for other purposes. The largest source of revenue for the district, 69 percent, comes from the state in two areas: state general purpose funds, called "state apportionment," and state special purpose funds, called "categorical program funding." The amount each district receives is based upon the annual average number of students enrolled in the district and a series of formulas that take into consideration base salaries, the collective education and experience of teachers, employee benefits and materials, as well as supplies and operating cost allocations. These formulas are set by the state legislature. State special purpose funds support programs such as special education, student transportation, transitional bilingual, and learning assistance.

FEDERAL

Federal funds are very restrictive and can only be used for specifically designated programs. Federal funds are the smallest source of revenue for the district and account for approximately 6 percent of the district's budget. Federal funds support specialized programs that are designated to support school improvement (Title II), disadvantaged students (Title I), and students with limited English proficiency (Title III). In addition, federal funds provide free and reduced price lunch programs as well as supplemental funds for special education.

MOST RESTRICTION ON USE

Where does our general fund money come from?



General fund

How is the money distributed?

Two basic factors determine how resources are allocated to schools:

- ★ The number of students at the school, and
- ★ The special needs of students, such as poverty, disabilities, and limited English language skills.



“We estimate an increase of approximately 240 students for the 2016-17 school year.”

STUDENT ENROLLMENT & STAFFING

What is Headcount and FTE?

Headcount is the number students enrolled. FTE stands for Full Time Equivalency. A student who goes to school all day would be considered a 1.0 FTE. Districts are funded less for students with less than 1.0 FTE.

Student headcount has increased over the past three years, growing by an average of 300 per year. We estimate an increase of approximately 240 students for the 2016-17 school year. Long-term projections suggest enrollment will increase over the next ten years by approximately 9 percent, or about 1,475 students by the year 2025.

At traditional schools, the number of students projected to enroll in the fall determines the number of teachers and support staff that each school receives. That is, enrollment translates into staff positions, which translates into salaries and benefits.

School operating budgets, textbooks, and equipment are allocated on a per-pupil FTE basis.

An elementary school with about 500 students might translate into the following staff:

Classroom Teachers	22	
Other Teachers	3.0	 (Physical education, technology, music, etc.)
Principal	1	
Assistant Principal	.5	
Reading Specialist	1	
Librarian	1	
Counselor	1	
Office Manager	1	
Office Assistant	.75	
Health Room Assistant	.5	
Para Educators	3.5	
Food Service Staff	2.5	
Custodians	2	

General fund

How is the money used?



THE GENERAL FUND IS USED IN FOUR WAYS

Most of the general fund pays to support student learning in four ways.

Teaching and teaching support

Includes teachers, para educators, librarians, counselors, psychologists, speech and health services, security officers, coaches, and activity advisors, as well as the things that support learning, like teaching supplies, textbooks, curriculum implementation, and professional development;

School administration

Includes principals, assistant principals, and office staff, as well as school office supplies;

Central administration

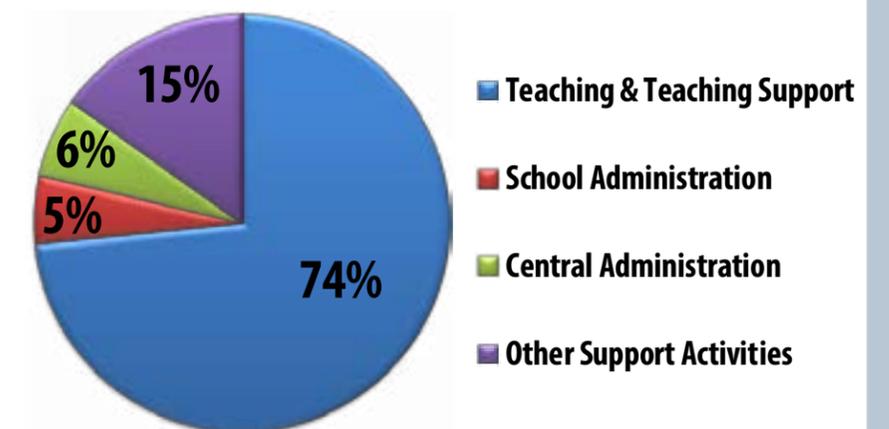
Includes the superintendent, deputy, associate, and assistant superintendents, board of directors, human resources, financial services, and other support services supervision; and

Other support activities

The costs to keep school buildings running, including building maintenance, grounds-keeping, custodial services, food services, technology support, and data processing, as well as property and casualty insurance, utilities, transportation, and cleaning supplies.

How the money is used can also be considered expenses by “activity.” Activity is a state-required term that refers to the kind of work done in a school district.

How is the money used?



General fund

What do we spend money on?

We spend it on people who educate our children - teachers, para educators, principals, and assistant principals - and the people who support them.



SALARIES & BENEFITS

Of the money spent on "activities," 85 percent pays for salaries and benefits for our 2,046 employees--91 percent of whom are located in schools, serving over 19,200 students. That includes certificated teachers and principals, as well as school support personnel such as para educators, security officers and office staff. *Certificated* staff are those who hold a teaching certificate. All other staff are *classified*.

The state legislature and the Everett Education Association contract determines teacher salaries. Teachers earn more as they gain experience and tenure. They also earn more if they obtain advanced degrees and certificates such as master's degrees, doctorates, or National Board Certification (NBC). Everett Public Schools employs 144 NBC teachers; more than ten percent of the district's teaching staff. Two percent of the state's NBC teachers are working in Everett Public Schools classrooms.

Everett Public Schools also pays benefits such as Medicare and Social Security, pension, health care, and unemployment compensation. As you might expect, the cost of providing these benefits to our employees increases each year, just as it does in every other business.

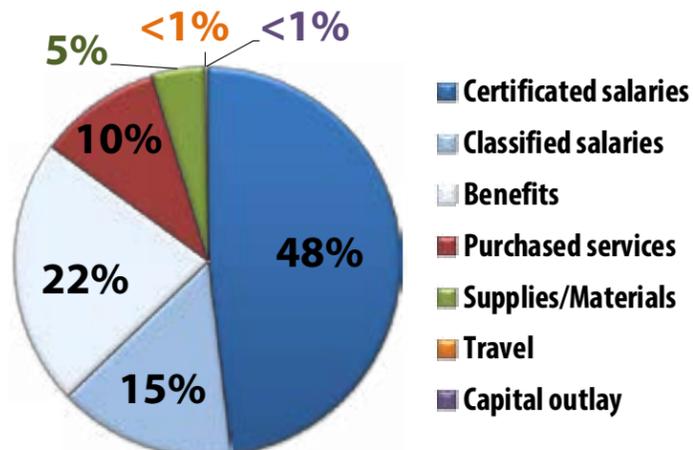
OTHER EXPENSES

Non-personnel costs make up the remaining 15 percent of the budget and include costs required to keep our school buildings running such as utilities and custodial services, supplies and materials (from paper and textbooks to cleaning supplies), as well as the cost of transportation, travel, and equipment.

Everett Public Schools contracts with a student transportation vendor to save costs of owning and staffing school buses. As a result, the district's percentage for purchased services is larger than that of districts that pay for school buses and the classified salaries for their drivers.

What we spend money on can be considered expenses by "object." Object refers to the ways that school districts use funding for people, materials, and services that support student learning.

What do we spend money on?



General fund

How do we compare?



TEACHING AND TEACHING SUPPORT

Did you know that Everett ranks among the top of the large districts (10,000 to 20,000 students) in our state for money spent on classroom teaching and support? In a statewide comparison with the 19 other large school districts of our size, Everett spends **more on teaching and learning** than 16 of those districts

Source: OSPI website
<http://www.k12.wa.us/safs/PUB/FIN/1415/fs.asp>

(2015-16 data to be released in the spring of 2017)

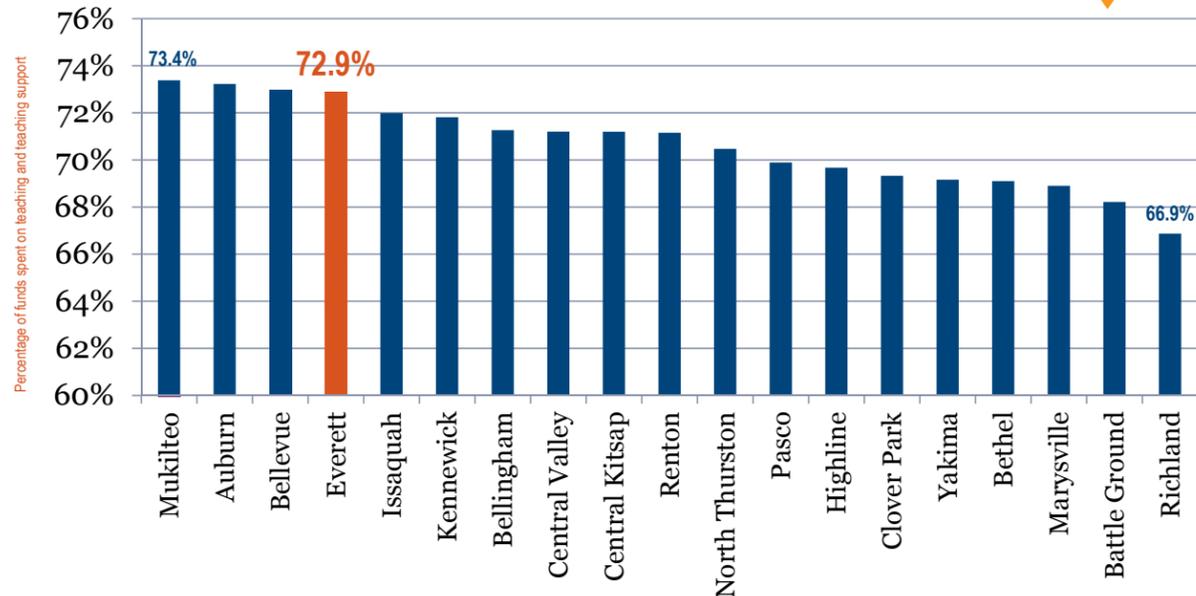
Large district comparison

Districts with enrollments between 10,000 – 19,999

Total teaching: 2014-15 (includes teaching support)

Teachers, para educators, supplies, coaches, activity advisors, librarians, counseling, student security, recess supervision, psychologists, speech, and health services

Statewide average
69.8%



Source: OSPI website <http://www.k12.wa.us/safs/PUB/FIN/1415/fs.asp>

Capital projects fund

How do we plan for capital improvements?

Money received for capital projects cannot be used for the general fund. Meaning, money allocated for new buildings, modernizations, or capital projects cannot be set aside or used to pay for more teachers, staff, or school operating costs.

CAPITAL PROJECTS FUND

While day-to-day expenses come out of the general fund, capital funds pay to build new schools and facilities, and to renovate and expand existing schools.

The most significant means to generate capital funds is to issue voter-approved bonds, which is similar to taking out a home loan today and repaying it over time. Because we raise bond proceeds specifically to make capital improvements, by law we cannot use capital funds on operating expenses. When Everett Public Schools issues a bond, it receives money now that it must pay back over fifteen to twenty years. By maintaining a 48-year modernization cycle, districts can structure a stable tax rate by issuing new bonds as prior bonds are paid off. In April 2016, voters approved a \$149.7 million bond measure by 62.23 percent.

Capital funds are allocated in three main areas.

New Facility Construction, Modernizations, and Renovations

The Capital Projects Fund is used to build new buildings, add space to existing buildings, or renovate existing buildings. Proceeds from the 2016 bond measure will fund major modernization of North Middle School, Woodside Elementary School, and build new Elementary No. 18.

Major Projects

Capital funds are also spent to extend the useful life of Everett Public Schools existing buildings. Proceeds from the 2016 bond measure will fund exterior preservation at Everett High School's main building, synthetic turf replacement at Lincoln field, HVAC upgrades at eight sites, Gateway Middle School roof replacement, technology infrastructure upgrades and replacements, 14 new portables for student enrollment growth, and purchase property for future Elementary school No. 19.

A second significant source of capital funds is a capital levy, which is interest-free real-time funding directly from annual property tax assessments. Because no debt is issued, this funding is most typically focused on building improvements such as HVAC, roofs, flooring, and interior finishes that extend building life between major modernizations. It is the primary source of funding for instructional technology, including software and equipment that tend to have a short depreciable life. In April 2016, voters approved a six-year \$89.6 million capital levy by 65.13 percent.

Technology, Systems, and Other Projects

Unlike a bond in which funding is received up front, proceeds from the 2016 capital levy will be received annually from property tax assessments and accordingly, projects will occur over time. Projects funded by the 2016 capital levy include safety and security upgrades to school entrances, building upgrades (flooring, roofing, fire alarms, painting, etc.), 1:1 student computers, instructional software, professional development on instructional best practices in a 1:1 classroom, and network service upgrades.

Debt service, ASB, and transportation vehicle fund

What are these funds?

DEBT SERVICE FUND

Debt service funds are set aside for paying back voter-approved bond loans, including principal and interest. The funds in this account come from interest income from various investments.

ASB FUND

Making up approximately one percent of the district's total budget, the ASB fund pays for student extracurricular activities in middle and high schools. The revenues come primarily from fees, fund raising activities and donations. Each school's student body prepares and submits, for school board approval, an ASB revenue and expenditure plan each year.

TRANSPORTATION VEHICLE FUND

This makes up less than one percent of the district's total budget and buys and repairs school buses. Everett Public Schools contracts with a student transportation service provider, currently Durham School Services, to save the costs of owning and staffing school buses. As a result, the district's transportation vehicle fund is much smaller than that of districts that pay for school buses and the salaries for their drivers. The district owns only 21 school buses. Revenues for this fund include investment income and state monies for depreciation of buses.

Combined, the ASB Fund and the Transportation Vehicle Fund are less than two percent of the district's total budget.



Projects funded by the 2016 capital levy include safety and security upgrades to school entrances, building upgrades, 1:1 student computers...



Everett High School Little Theater

Some of our many accomplishments 28 years of excellence in financial reporting

“Everett Public Schools is one of only 141 school districts in the nation to earn the COE for 25 or more years.”

WHAT IS A CAFR?

School districts are required by law to produce financial reports that meet the state's minimum standards.

However, Everett Public Schools goes beyond that requirement with the Comprehensive Annual Financial Report (CAFR) which presents financials in a manner consistent with private sector corporations.

The CAFR is submitted each year to the national depository. Investors there issue bond funds for schools based upon school fiscal stability. Based upon the CAFR's information and investor assessment of district finances, Everett Public Schools has earned one of the highest bond ratings for public schools in the state.

The CAFR not only serves an important purpose, it earns national awards for its accuracy and transparency.

For the last 28 years, the CAFR has earned a *Certificate of Excellence in Financial Reporting* (COE) from the Association of School Business Officials International (ASBO), who reference the COE on their web page as “The Gold Standard in Financial Reporting.”



There are 296 school districts in Washington State, and although not all districts apply, **Everett Public Schools is one of only two districts in Washington to earn the Certificate of Excellence this year.** Everett Public Schools is one of only 141 school districts in the nation to earn the COE for 25 or more years.



In addition to this being the 28th year the CAFR has earned the COE from ASBO, this is also the eighth consecutive year the CAFR has earned the Government Finance Officers Association (GFOA) *Certificate of Achievement for Excellence in Financial Reporting* (COA). **Everett Public Schools is one of only four districts in Washington to earn the Certificate of Achievement this year.**

WHY DOES IT MATTER?

A CAFR, especially an award winning one that has been nationally recognized by multiple associations:

- » Shows the community that the district is credible and committed to fiscal integrity.
- » Helps the district achieve a better bond rating from credit evaluations by clearly disclosing all required information.
- » Demonstrates the district's transparency as it shares financial information above and beyond the what GAAP (generally accepted accounting principles) require.

Some of our many accomplishments Schools of recognition

WASHINGTON ACHIEVEMENT AWARDS

2015 Achievement Award winning schools, announced in 2016



Five of the district's 26 schools qualify as among the state's top performing schools based upon statewide assessment data for the past three consecutive years - 2015, 2014, and 2013. Most of this year's winners have earned an achievement award before. Because the award is based upon continuous student learning measured over consecutive years, earning successive honors becomes more challenging over time.

Cedar Wood Elementary has earned this award six previous times. Mill Creek Elementary and Gateway Middle have each been state *Achievement Award* winners five times prior to this year.

Across the state, only 258 (out of almost 2,000) elementary, middle and high schools earned an achievement award in one of the possible seven categories. The state has 295 school districts. Only 45 of those districts had multiple schools earn Washington Achievement Awards for 2015. Since 2005, when the district began tracking these and other state and national awards, district schools have earned recognition 85 times.

Five schools in our district are Washington Achievement Award winners in four categories:

- ★ **Overall Excellence** - Cedar Wood earned this award because they are among the top five percent of schools based on the Composite Achievement Index rating. This rating is based on proficiency and growth based on assessment data for the previous three years.
- ★ **English Language Arts Growth** - Cedar Wood, Gateway, and Mill Creek earned special recognition for being in the top five percent of the three-year average median student growth percentiles (MSGPs) in English language arts.
- ★ **English Language Acquisition** - Mill Creek earned special recognition for English language acquisition because they are in approximately the top five percent of schools based on the median point gain on the Washington English Language Proficiency Assessment.
- ★ **High Progress** - Monroe and Whittier earned special recognition by being in the top ten percent of schools making the most progress in the reading or English language arts and math combined performance of the All Students group, using the three years of data.



2015 Achievement Award winning schools

[Cedar Wood Elementary School](#)

Overall Excellence
English Language Arts Growth

[Gateway Middle School](#)

English Language Arts Growth

[Mill Creek Elementary School](#)

English Language Arts Growth
English Language Acquisition

[Monroe Elementary School](#)

High Progress

[Whittier Elementary School](#)

High Progress

General Fund Budget Summary

For more information Helpful links

RESOURCES	Actual 2012-13	Actual 2013-14	Actual 2014-15	Budget 2015-16	Budget 2016-17
Property Tax	43,424,509	42,857,748	45,492,267	48,586,500	51,181,000
Local Revenue	5,558,706	6,004,985	5,828,954	11,165,043	8,971,500
State General Purpose	94,477,291	104,767,245	110,438,919	125,165,269	133,667,008
State Special Education	15,594,598	16,948,857	17,988,624	19,619,977	21,406,328
State Learning Assistance Program	2,147,129	3,523,635	3,706,085	4,017,878	4,105,747
State Transitional Bilingual	1,788,422	2,135,870	2,508,002	2,620,795	2,978,838
State Transportation	4,844,475	6,074,474	7,831,411	8,400,000	9,191,000
State Other	2,704,763	2,694,233	2,564,286	4,867,031	2,527,101
Federal Special Education	4,302,092	4,118,777	4,230,833	4,381,785	4,181,785
Federal Title I Grant	3,904,691	2,863,704	2,952,814	3,348,942	3,538,303
Federal Food Service	4,224,981	4,489,993	4,746,811	4,711,340	4,637,681
Federal Other	2,077,362	1,747,972	1,824,938	1,761,871	1,774,267
Revenue from Other Entities	16,076	139,292	1,543,784	604,615	1,882,620
Transfers From Other Funds / Other Sources	1,033,950	2,156,601	1,030,053	1,300,000	1,370,000
Total Resources	186,099,045	200,523,386	212,687,781	240,551,046	251,413,178

EXPENDITURES	Actual 2012-13	Actual 2013-14	Actual 2014-15	Budget 2015-16	Budget 2016-17
Basic Education	106,964,407	115,790,457	119,124,838	139,376,120	147,804,709
Special Education - State	21,102,429	22,664,932	24,271,859	26,795,780	28,584,223
Special Education - Federal	4,186,327	4,011,387	4,099,901	4,239,158	4,039,840
CTE - State High School	5,570,019	5,362,531	5,221,485	5,811,529	5,857,276
CTE - State Middle School	1,414,205	1,315,002	1,565,361	1,640,998	1,863,970
CTE - Federal	129,248	127,560	119,779	104,121	102,757
Title I - Federal	3,776,644	2,771,927	2,859,611	3,230,110	3,401,889
School Improvement - Federal	727,904	588,538	631,508	677,691	605,711
Learning Assistance Program - State	2,111,321	3,248,531	3,693,754	3,962,231	3,947,454
Special and Pilot Programs - State	1,073,244	1,270,620	1,337,718	1,479,706	1,545,182
Limited English Proficiency - Federal	496,746	286,132	357,631	319,379	404,303
Transitional Bilingual - State	1,589,805	1,876,914	2,219,489	2,394,271	2,738,994
Compensatory - Other	523,761	105,746	106,796	110,020	127,243
Summer School	171,177	168,720	204,408	215,000	200,000
Highly Capable	224,084	255,044	262,550	244,103	252,706
Instructional Programs - Other	2,443,538	2,973,497	3,719,326	3,527,365	2,768,414
Community Services	395,817	443,886	451,396	445,895	470,371
District Wide Support	21,791,441	23,545,631	23,366,600	26,651,140	27,677,584
Food Services	6,021,424	6,154,194	6,386,849	6,579,251	6,597,220
Pupil Transportation	7,595,811	7,545,065	9,119,232	10,118,028	10,398,762
Total Expenditures	188,309,353	200,506,314	209,120,091	237,921,896	249,388,608

NET OPERATING INCREASE/DEFICIT	Actual 2012-13	Actual 2013-14	Actual 2014-15	Budget 2015-16	Budget 2016-17
Total Resources	186,099,045	200,523,386	212,687,781	240,551,046	251,413,178
Less Total Expenditures	188,309,353	200,506,314	209,120,091	237,921,896	249,388,608
Less Transfers Out			800,000		
Net Operating Increase/(Deficit)	(2,210,308)	17,072	2,767,690	2,629,150	2,024,570

UNASSIGNED FUND BALANCE	Actual 2012-13	Actual 2013-14	Actual 2014-15	Budget 2015-16	Budget 2016-17
Beginning Fund Balance	11,836,100	9,625,792	9,642,864	10,450,000	18,550,000
Plus Net Operating Increase/(Deficit)	(2,210,308)	17,072	2,767,690	2,629,150	2,024,570
Less Legal Restrictions of Fund Balance	(1,439,916)	(1,563,511)	(1,796,998)	(845,000)	(1,025,000)
Less Inventory and Prepaid Items	(2,016,674)	(1,833,535)	(1,127,804)	(1,860,000)	(1,395,000)
Less Assignments for Carryover and Other	(359,430)	(673,865)	(927,839)	(372,000)	(462,000)
Unassigned Fund Balance	5,809,771	5,571,953	8,557,913	10,002,150	17,692,570

TOTAL FUND BALANCE	Actual 2012-13	Actual 2013-14	Actual 2014-15	Budget 2015-16	Budget 2016-17
Beginning Fund Balance	11,836,101	9,625,792	9,642,864	10,450,000	18,550,000
Plus Net Operating Increase/(Deficit)	(2,210,308)	17,072	2,767,690	2,629,150	2,024,570
Total Ending Fund Balance	9,625,792	9,642,864	12,410,554	13,079,150	20,574,570

DISTRICT FINANCIAL INFORMATION

Budget (F-195)
[2016-17](#)
[2015-16](#)
[2014-15](#)
[2013-14](#)
[2012-13](#)

Comprehensive Annual Financial Report (CAFR)
[2014-15 CAFR](#)
[2013-14 CAFR](#)
[2012-13 CAFR](#)
[2011-12 CAFR](#)
[2010-11 CAFR](#)

Fiscal Advisory Council (FAC) Report
[2016 FAC Report](#)
[2015 FAC Report](#)
[2014 FAC Report](#)
[2013 FAC Report](#)
[2012 FAC Report](#)

DISTRICT COMMUNICATIONS

[Everett Schools--Community Report Newsletters](#)
[News Releases/Points of Pride](#)
[2016-17 School Calendar](#)



OTHER INFORMATION

[Everett Public Schools Web Site](#)
[Finance and Business Services web page](#)
[BoardDocs--Board Meeting Materials](#)
[Office of Superintendent of Public Instruction \(OSPI\)](#)
[How do we compare to other districts of our size?](#)
[Parent Tips on various subjects](#)

A citizens' guide to the 2016-17 Everett Public Schools budget

Designated to handle inquiries about nondiscrimination policies are

Affirmative Action Officer

Carol Stolz
3900 Broadway
Everett, WA 98201
425-385-4106
dstolz@everettsd.org

Title IX Officer

Randi Seaberg
3900 Broadway
Everett, WA 98201
425-385-4104
rseaberg@everettsd.org

Section 504 Coordinator

Becky Ballbach
3900 Broadway
Everett, WA 98201
425-385-4063
rballbach@everettsd.org

ADA Coordinator

Becky Clifford
3900 Broadway
Everett, WA 98201
425-385-5250
rclifford@everettsd.org

Everett Public Schools shall provide equal educational opportunity and treatment for all students in all aspects of the academic and activities program without regard to race, color, national origin, creed, religion, sex, sexual orientation, gender expression, gender identity, veteran or military status, the presence of any physical, sensory or mental disability or the use of a trained dog guide or service animal by a student with a disability.

