



***A citizens' guide to the 2018-19
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.

Our Vision

A word to the public Message from the superintendent

District Address

3900 Broadway
Everett, WA 98201

Board of Directors

[Caroline Mason](#)

President

[Carol Andrews](#)

Vice President

[Traci Mitchell](#)

Legislative Representative

[Pam LeSesne](#)

Board Member

[Jamyang Dorjee Nhangkar](#)

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 budget more easily understood.

For the last six 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 school staff.

This guide is a summary of information required in the state's Form-195. The F-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 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](#)



2018
*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.

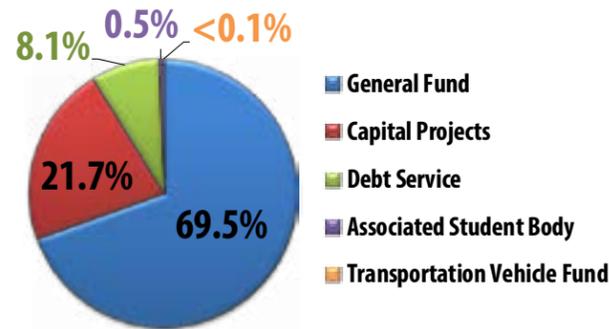
In a district with a \$494 million budget, the budget may seem hard to understand. But our budget is just like yours at home. We use it for multiple purposes: to track income and spending; to help manage priorities; to plan for the future; and to measure financial performance.

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 issued 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, districtwide 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 17 percent of 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, rental income, interest earnings, and donations.

STATE

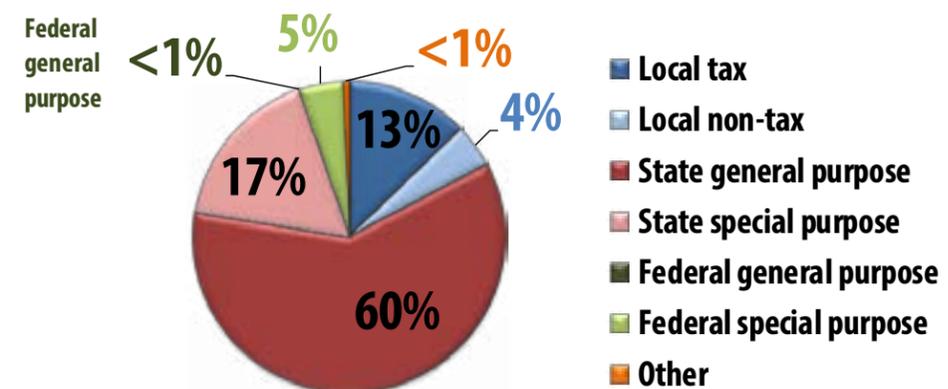
Most of this money is designated for specific programs and cannot be used for other purposes. The largest source of revenue for the district, 77 percent, comes from the state in two areas: state general purpose funds, called "state apportionment," and state special purpose funds, called "categorical 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, employee benefits, as well as supplies, materials, 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 less than 6 percent of the district's budget. Federal funds support specialized programs that 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?



A citizens' guide to the 2018-19 Everett Public Schools Budget

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.

STUDENT ENROLLMENT & STAFFING

What is Headcount and FTE?

Headcount is the number of 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 220 per year. We estimate an increase of approximately 200 students for the 2018-19 school year. Long-term projections suggest enrollment will increase over the next ten years by approximately 9 percent, or about 1,800 students by the year 2027.

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	23	
Other Teachers	3.0	 (Physical education, technology, music, etc.)
Principal	1	
Assistant Principal	.5	
Math Specialist	1	
Reading Specialist	1	
Librarian	1	
Counselor	1	
Office Manager	1	
Office Assistant	.90	
Health Room Assistant	.63	
Para Educators	3.88	
Food Service Staff	2.5	
Custodians	2	

“We estimate an increase of approximately 200 students for the 2018-19 school year.”

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

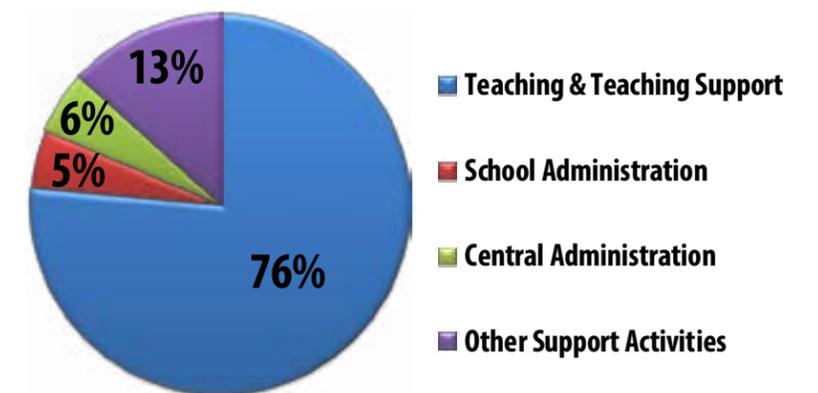
Includes the superintendent, deputy, associate, and assistant superintendents, board of directors, human resources, financial services, and other support services supervision; and

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," 84 percent pays for salaries and benefits for our employees who serve over 20,000 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 169 NBC teachers; more than twelve percent of the district's teaching staff.

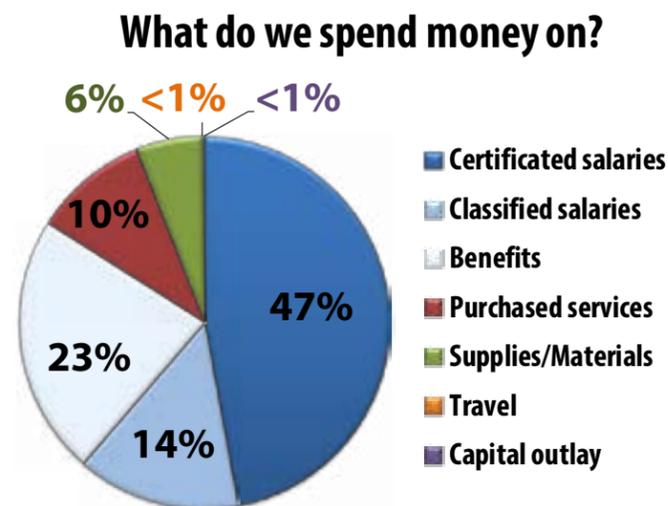
Everett Public Schools also pays benefits such as Medicare and Social Security, pension, health care, and unemployment compensation. As you might expect, the cost of providing these benefits to our employees increases each year, just as it does in every other business.

OTHER EXPENSES

Non-personnel costs make up the remaining 16 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.



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 18 of those districts.

Source: OSPI website and Forecast5 Analytics

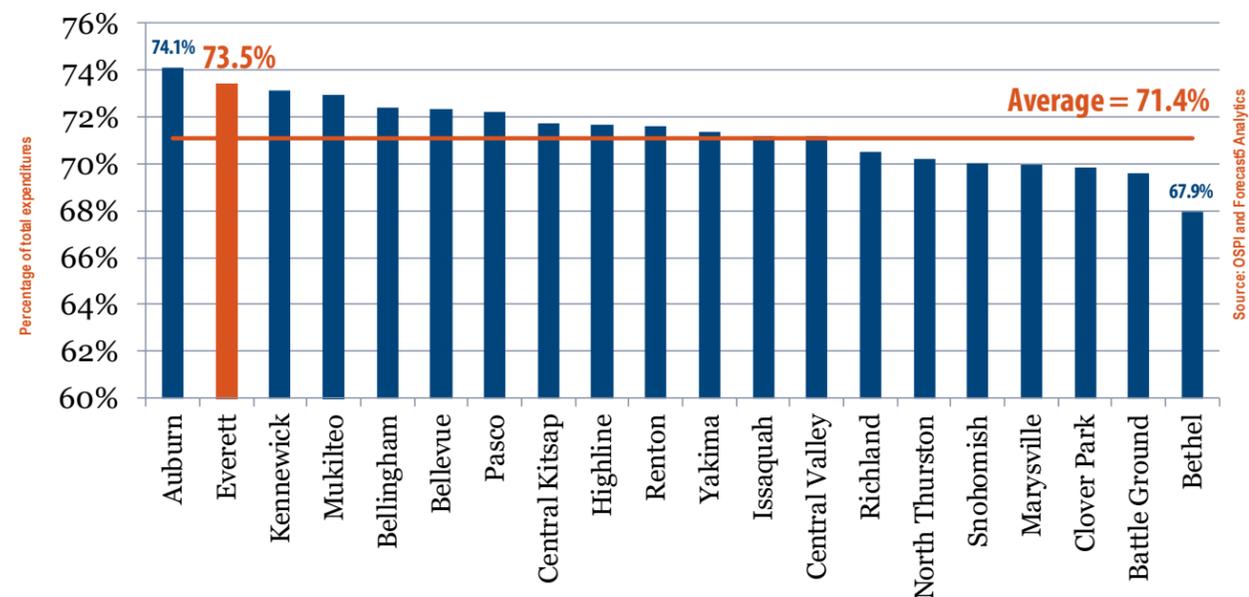
(2017-18 data to be released in the spring of 2019)

Large district comparison

Districts with enrollments between 10,000 – 19,999

Total teaching: 2016-17 (includes teaching support)

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



Source: OSPI and Forecast5 Analytics

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 are being used to fund major modernizations of North Middle School, Woodside Elementary School, and build a 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 are funding exterior preservation improvements 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 to purchase property for a future Elementary School No. 19.

Technology, Systems, and Other Projects

Unlike a bond in which funding is received up front, proceeds from the 2016 capital levy are received annually from property tax assessments and accordingly, projects have been occurring 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.

A third 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.

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 less than 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 tenth of one percent of the district's total budget to buy and repair school buses. Everett Public Schools contracts with a student transportation service provider, currently Durham School Services, to save on the costs of owning and staffing school buses. As a result, the district's transportation vehicle fund is much smaller than those districts that pay for school buses and the salaries for their drivers. The district owns only 24 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 one 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...

Some of our many accomplishments 31 years of excellence in financial reporting

“Everett Public Schools is one of only 162 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 31 years, the CAFR has earned a *Certificate of Excellence in Financial Reporting* (COE) from the Association of School Business Officials International (ASBO), which references the COE on their web page as “The Gold Standard in Comprehensive Annual Financial Reports.”



There are 295 school districts in Washington State, and although not all districts apply, **Everett Public Schools is one of only three districts in Washington to earn the Certificate of Excellence this year.** Everett Public Schools is one of only 162 school districts in the nation to earn the COE for 25 or more years.



In addition to this being the 31st year the CAFR has earned the COE from ASBO, this is also the twelfth consecutive year the CAFR has earned the Government Finance Officers Association (GFOA) *Certificate of Achievement for Excellence in Financial Reporting* (COA).

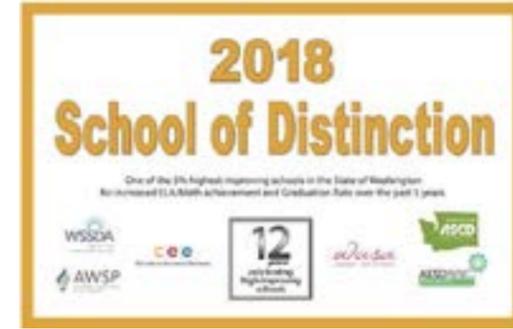
WHY DOES IT MATTER?

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 what GAAP (generally accepted accounting principles) require.

Some of our many accomplishments Recognitions

GARFIELD ELEMENTARY NAMED SCHOOL OF DISTINCTION AGAIN



Garfield Elementary School, for the fourth year in a row, has earned a School of Distinction award from the Center of Educational Effectiveness. The award recognizes schools for sustained improvement in English Language Arts and math over a five-year period. Garfield is one of 91 schools in Washington state to earn the award this year.

"Improving scores one or two years in a row is an accomplishment," notes Superintendent Gary Cohn. "Holding and achieving continuous improvement for what amounts to nine years is a very remarkable accomplishment. Such sustained improvement means the students, their families and the staff are working incredibly well together to provide quality instruction, and to maintain high expectations in an environment of high support."

[Read more](#)

EVERETT PUBLIC SCHOOLS BOARD IS A 2018 BOARD OF DISTINCTION

In 2014, 2016, 2017 and again this year, Everett Public Schools board of directors earned high honors from its peers - the designation as a **Board of Distinction**.

On November 15, 2018, at the annual Washington State School Directors Association (WSSDA) conference in Spokane, Everett’s school board will once again be among the state’s **Boards of Distinction**. Of the state’s 295 school districts, only 29 will be honored with this award.

Everett’s 2018 nomination highlighted the board’s work to increase student’s math skills and the community-involved process of selecting math curriculum materials. The board also established teacher training and family outreach to streamline the materials’ use and success at school and at home.

When learning about the award, board president Caroline Mason recognized the board as part of a team that works on behalf of each student in the district. "As board members, our focus is on governance which provides the framework for each of our students to learn to high standards. We are successful only when school staff, parents and our community partner together to work toward this common goal."

[Read more](#)



General Fund Budget Summary

For more information Helpful links

RESOURCES	Actual 2013-14	Actual 2014-15	Actual 2015-16	Actual 2016-17	Budget 2017-18	Budget 2018-19
Property Tax	42,857,748	45,492,267	48,821,588	52,030,165	51,972,000	41,302,233
Local Revenue	6,004,985	5,828,954	5,827,155	5,754,218	8,942,700	12,243,555
State General Purpose	104,767,245	110,438,919	125,562,505	133,687,680	148,039,060	187,809,236
State Special Education	16,948,857	17,988,624	20,541,577	22,570,439	24,569,815	33,026,134
State Learning Assistance Program	3,523,635	3,706,085	3,999,216	4,099,187	5,785,928	6,842,267
State Transitional Bilingual	2,135,870	2,508,002	2,891,124	3,188,632	3,691,613	4,990,230
State Transportation	6,074,474	7,831,411	9,608,609	10,359,642	10,700,000	11,680,000
State Other	2,694,233	2,564,286	1,938,557	1,980,147	3,288,645	5,311,742
Federal Special Education	4,118,777	4,230,833	4,210,612	4,342,345	4,335,024	4,416,453
Federal Title I Grant	2,863,704	2,952,814	3,200,415	3,087,707	4,077,266	4,014,170
Federal Food Service	4,489,993	4,746,811	4,924,674	5,009,810	5,037,683	4,950,000
Federal Other	1,747,972	1,824,938	1,825,414	1,787,912	1,489,237	1,694,407
Revenue from Other Entities	139,292	1,543,784	1,992,920	2,066,731	1,846,827	2,244,650
Transfers From Other Funds / Other Sources	2,156,601	1,030,053	1,311,939	1,419,175	2,240,000	2,000,000
Total Resources	200,523,386	212,687,781	236,656,305	251,383,790	276,015,798	322,525,077

EXPENDITURES	Actual 2013-14	Actual 2014-15	Actual 2015-16	Actual 2016-17	Budget 2017-18	Budget 2018-19
Basic Education	115,790,457	119,124,838	130,611,955	142,841,794	163,640,069	186,734,094
Special Education - State	22,664,932	24,271,859	26,886,811	29,121,425	34,432,819	41,226,215
Special Education - Federal	4,011,387	4,099,901	4,067,984	4,195,423	4,201,408	4,295,015
CTE - State High School	5,362,531	5,221,485	6,046,098	6,429,725	7,316,403	9,233,145
CTE - State Middle School	1,315,002	1,565,361	1,912,932	2,010,151	2,645,225	3,333,808
CTE - Federal	127,560	119,779	103,218	131,881	109,310	110,367
Title I - Federal	2,771,927	2,859,611	3,080,210	2,961,731	3,945,207	3,899,698
School Improvement - Federal	588,538	631,508	649,654	631,125	631,673	777,135
Learning Assistance Program - State	3,248,531	3,693,754	3,940,548	4,116,235	5,584,332	7,030,105
Special and Pilot Programs - State	1,270,620	1,337,718	1,544,102	1,615,326	1,643,063	1,776,705
Limited English Proficiency - Federal	286,132	357,631	381,570	408,338	408,340	346,964
Transitional Bilingual - State	1,876,914	2,219,489	2,568,951	2,964,946	3,362,987	4,635,494
Compensatory - Other	105,746	106,796	125,923	105,749	169,217	178,065
Summer School	168,720	204,408	260,769	212,885	260,000	408,000
Highly Capable	255,044	262,550	257,269	243,618	447,624	584,040
Instructional Programs - Other	2,973,497	3,719,326	3,408,314	2,779,426	2,679,153	3,042,591
Community Services	443,886	451,396	570,823	584,183	521,486	722,438
District Wide Support	23,545,631	23,366,600	25,688,564	27,101,387	30,516,543	33,551,235
Food Services	6,154,194	6,386,849	6,696,812	6,825,231	7,151,167	7,378,277
Pupil Transportation	7,545,065	9,119,232	9,875,430	10,541,487	10,807,404	11,742,846
Total Expenditures	200,506,314	209,120,091	228,677,937	245,804,066	280,473,430	321,006,237

NET OPERATING INCREASE/DEFICIT	Actual 2013-14	Actual 2014-15	Actual 2015-16	Actual 2016-17	Budget 2017-18	Budget 2018-19
Total Resources	200,523,386	212,687,781	236,656,305	251,383,790	276,015,798	322,525,077
Less Total Expenditures	200,506,314	209,120,091	228,677,937	245,804,066	280,473,430	321,006,237
Less Transfers Out		800,000		1,064,000		
Net Operating Increase/(Deficit)	17,072	2,767,690	7,978,368	4,515,724	(4,457,632)	1,518,840

UNASSIGNED FUND BALANCE	Actual 2013-14	Actual 2014-15	Actual 2015-16	Actual 2016-17	Budget 2017-18	Budget 2018-19
Beginning Fund Balance	9,625,792	9,642,864	12,410,554	20,388,922	22,800,000	23,600,000
Plus Net Operating Increase/(Deficit)	17,072	2,767,690	7,978,368	4,515,724	(4,457,632)	1,518,840
Less Legal Restrictions of Fund Balance	(1,563,511)	(1,796,998)	(1,601,513)	(1,680,570)	(930,000)	(2,055,000)
Less Inventory and Prepaid Items	(1,833,535)	(1,127,804)	(1,683,457)	(1,689,754)	(1,600,000)	(1,600,000)
Less Assignments for Carryover and Other	(673,865)	(927,839)	(914,073)	(663,116)	(542,000)	(352,000)
Unassigned Fund Balance	5,571,953	8,557,913	16,189,879	20,871,206	15,270,368	21,111,840

TOTAL FUND BALANCE	Actual 2013-14	Actual 2014-15	Actual 2015-16	Actual 2016-17	Budget 2017-18	Budget 2018-19
Beginning Fund Balance	11,836,101	9,642,864	12,410,554	20,388,922	22,800,000	23,600,000
Plus Net Operating Increase/(Deficit)	17,072	2,767,690	7,978,368	4,515,724	(4,457,632)	1,518,840
Total Ending Fund Balance	9,642,864	12,410,554	20,388,922	24,904,646	18,342,368	25,118,840

DISTRICT FINANCIAL INFORMATION

Budget (F-195)

[2018-19](#)

[2017-18](#)

[2016-17](#)

[2015-16](#)

[2014-15](#)

Comprehensive Annual Financial Report (CAFR)

[2016-17 CAFR](#)

[2015-16 CAFR](#)

[2014-15 CAFR](#)

[2013-14 CAFR](#)

[2012-13 CAFR](#)

Fiscal Advisory Council (FAC) Report

[2018 FAC Report](#)

[2017 FAC Report](#)

[2016 FAC Report](#)

[2015 FAC Report](#)

[2014 FAC Report](#)

[2013 FAC Report](#)

DISTRICT COMMUNICATIONS

[Everett Schools--Community Report Newsletters](#)

[News Releases Points of Pride](#)

[2018-19 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 2018-19 Everett Public Schools budget

Designated to handle inquiries about nondiscrimination policies are

Affirmative Action Officer

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

Title IX Officer

Mary O'Brien
3900 Broadway
Everett, WA 98201
425-385-4106
mo'brien@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

The district 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.

