

**A citizens' guide to the 2021-22
Everett Public Schools budget**

A word to the public

Message from the superintendent

Thank you for being great partners in education for our community and our students. One commitment we have is to be transparent and open about how we run the district and educate students.

For the last nine years, we have published the *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, our Fiscal Advisory Council report, and other financial data are available on our website, or by contacting our finance and business services department.

If you have questions about anything in this document, or something you think could be explained more fully, please let us know. Your thoughts will help improve the publication each year so that we may better serve you and fulfill our responsibilities to you and to our communities' children.

Be safe and be well,

Dr. Ian B. Saltzman
Superintendent



Dr.
Saltzman
with CHS
Mascot

The big picture

How is our budget divided?

In a district with a [\\$371](#) million dollar 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;

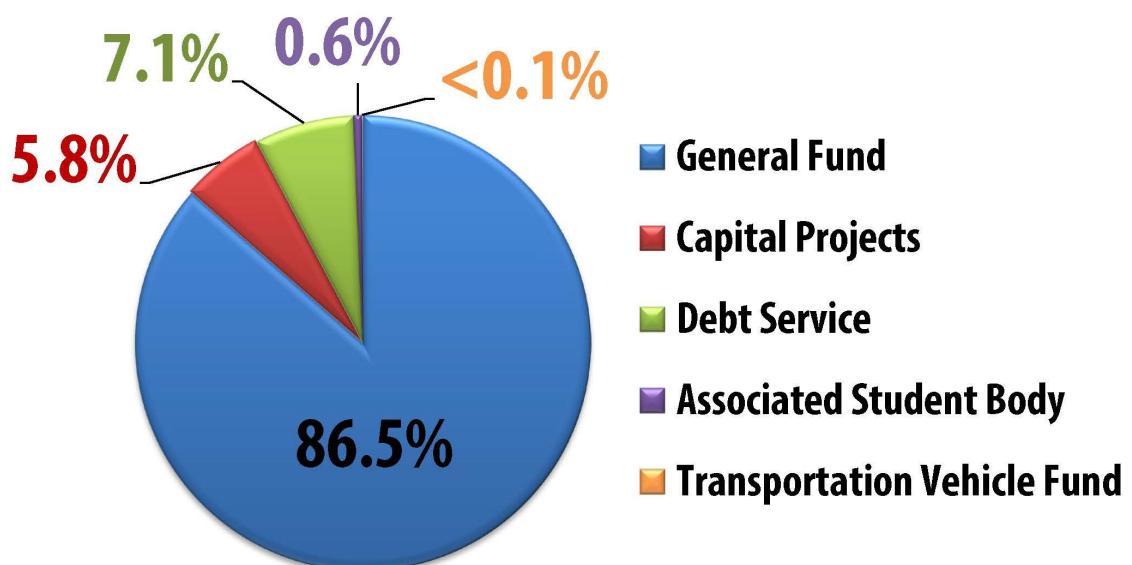
Capital Projects Fund, which covers our long-term school construction and repair needs and cannot be spent on school operations;

Debt Service Fund, which is used 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?



General fund

Where does our funding come from?

LOCAL

Local revenues account for 16 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.

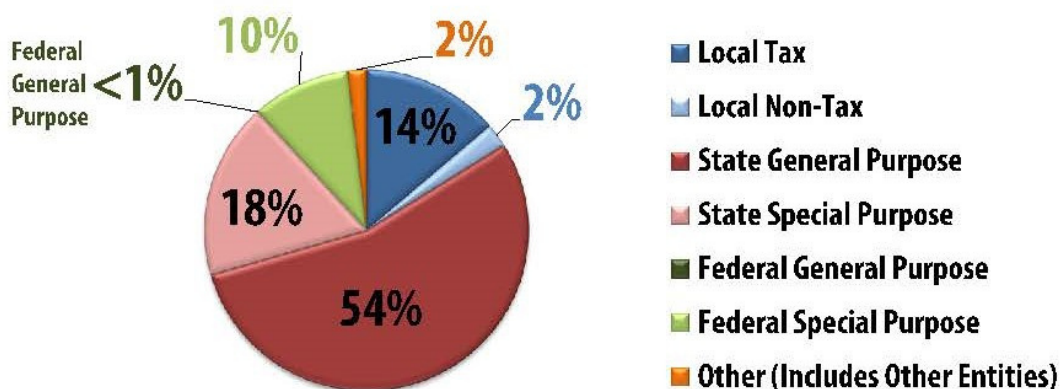
STATE

The largest source of revenue for the district, 72 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. Most of this money is designated for specific programs and cannot be used for other purposes.

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 12 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.

Where does our general fund money come from?



General fund

How is the money distributed?

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 147 per year. We estimate an increase of approximately 175 students for the 2020-21 school year. Long-term projections suggest enrollment will increase over the next ten years by approximately six percent, or about 1,300 students by the year 2030.

(Note: Following budget adoption, actual fall enrollment was 806 below projection as a result of the COVID-10 pandemic.)















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.

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***

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

Classroom Teachers	25	
Other Teachers	3.0	 (Physical education, technology, music, etc.)
Principal	1	
Assistant Principal	1	
Math Specialist	1	
Reading Specialist	1	
Librarian	1	
Counselor	1	
Office Manager	1	
Office Assistant	.95	
Health Room Assistant	.63	
Para Educators	3.88	
Food Service Staff	2	
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;

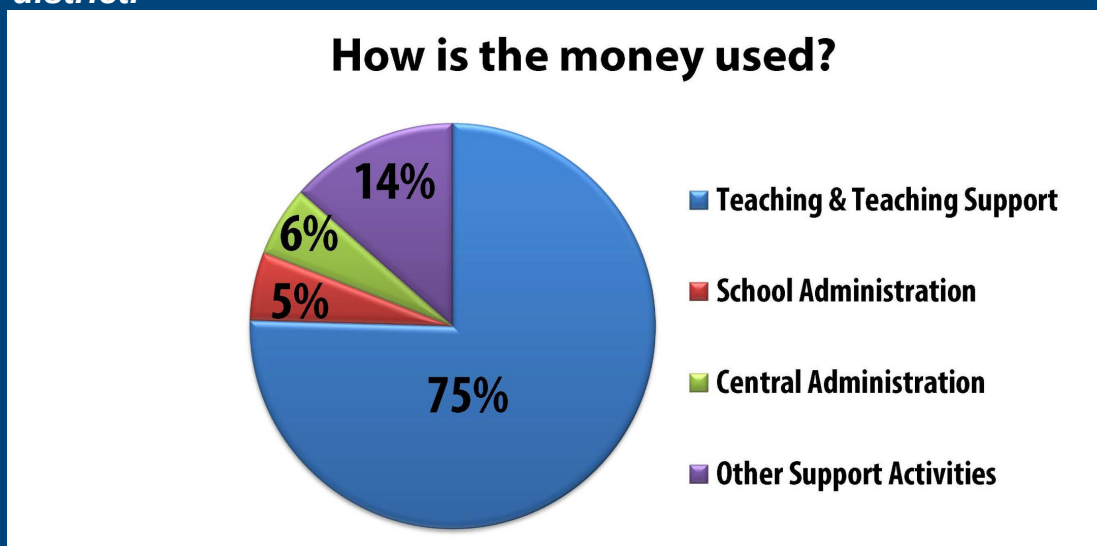
Central administration

Includes superintendent, deputy, 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 liability 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.



General fund

What do we spend money on?

SALARIES & BENEFITS

Of the money spent on these "activities," 85 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 other 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 177 NBC teachers; more than thirteen percent of the district's teaching staff.

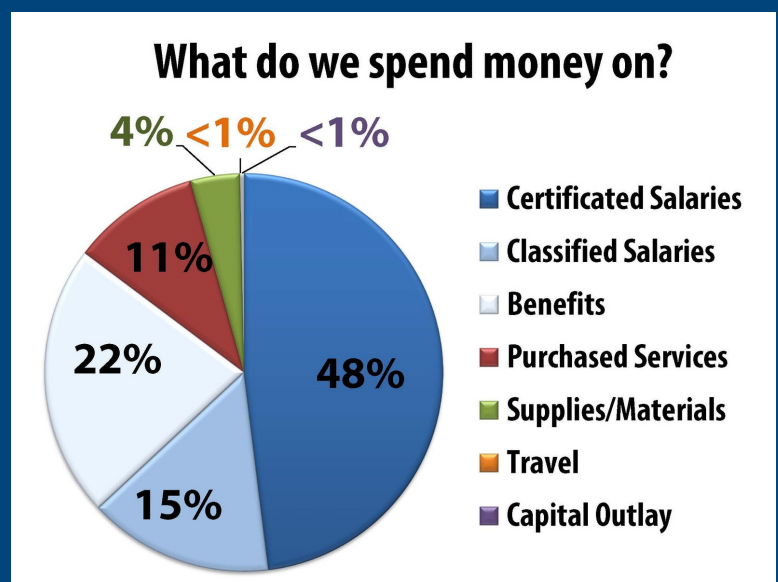
Everett Public Schools also pays benefits such as Medicare and Social Security, pension, health care, and unemployment compensation. As you might expect, the cost of providing these to our employees increases each year, just as it does in every other business.

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 the school districts use funding for people, materials, and services that support student learning.



General fund

How do we compare?

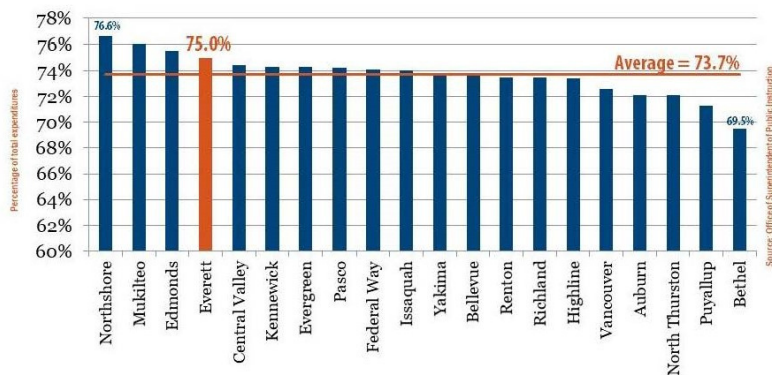
TEACHING AND TEACHING SUPPORT

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

Large district comparison

Total teaching: 2019-20 (includes teaching support)

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



2020-21 data to be released spring of 2022.
Source: OSPI website



Capital projects fund

How do we plan for improvements?

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 through voter-approved bond and/or levies. Historically major construction projects have been accomplished with capital bonds. Similar to a home mortgage, capital bonds are sold up front and the paid off with principal and interest payments over 15 to 20 years. In contrast, capital levies have no interest costs and have been primarily used for instructional technology and minor building repair projects such as HVAC systems or new roofs. In recent years this trend is shifting with more significant projects being accomplished with capital levies. Subsequent to the adoption of this 2021-22 operating budget, the Board adopted resolution 1268 Replacement Capital Levy for Safety, Building and Instructional Technology. This six-year capital levy will include major construction projects including replacement of two elementary schools and is scheduled to be on the February 8 special election.. Capital levies are assessed annual with spring and fall property taxes requiring the major projects to be planned out over the six year schedule.

Capital funds are utilized 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 funded the major modernizations of North Middle School, Woodside Elementary School, and the new construction of Tambark Creek Elementary School.

Major Projects

Capital funds are also spent to extend the useful life of Everett Public Schools' existing buildings. Proceeds from the 2016 bond measure have funded the exterior preservation improvements of 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.

Technology, Systems, and Other Projects

Another significant source of capital funds is a capital levy, which is interest-free real-time funding. Unlike a bond in which funding is received up front, proceeds from the 2016 6-year 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, 1:1 student computers, instructional software, professional development on instructional best practices in a 1:1 integrated technology classroom, and network service upgrades. Because no debt is issued, capital levy funds can also support building improvements such as HVAC, roofs, flooring, and interior finishes that extend building life between major modernizations.

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, which is primarily funded by the general fund. 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 also owns and operates 24 buses and 24 vans to transport homeless students under the McKinney-Vento Act.



Accomplishments

33 years of excellence in financial reporting

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 which presents financials in a manner consistent with private sector corporations.

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

The Comprehensive Annual Financial Report not only serves an important purpose, it earns national awards for its accuracy and transparency. For the last 33 years, the district 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."

Comprehensive Annual Financial Report

For the fiscal year ended
August 31, 2020



Photo Features Cascade High School

PO Box 2098
Everett, WA 98213
www.everettsd.org



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

In addition to this being the 33rd year the district has earned the COE from ASBO, this is also the fourteenth consecutive year the district has earned the Government Finance Officers Association (GFOA) *Certificate of Achievement for Excellence in Financial Reporting* (COA).

The Comprehensive Annual Financial Report, 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) requires.

General Fund Budget Summary

RESOURCES	Actual 2016-17	Actual 2017-18	Actual 2018-19	Actual 2019-20	Budget 2020-21	Budget 2021-22
Property Tax	52,030,165	51,498,857	41,325,039	39,859,072	46,526,400	50,705,450
Local Revenue	5,754,218	6,376,646	6,791,407	4,295,044	11,235,077	8,749,601
State General Purpose	133,687,680	151,931,750	193,913,466	203,364,181	206,453,210	200,600,923
State Special Education	22,570,439	20,811,077	29,254,250	32,671,705	30,815,599	29,841,337
State Learning Assistance Program	4,099,187	5,818,859	6,411,188	7,229,903	7,451,492	7,620,875
State Transitional Bilingual	3,188,632	3,833,036	5,233,934	5,657,445	5,735,906	5,685,507
State Transportation	10,359,642	11,086,090	15,084,566	12,231,271	11,100,000	12,722,503
State Other	1,980,147	2,504,613	2,825,707	3,054,713	6,466,112	9,386,595
Federal Special Purpose (GEER & ESSER)	-	-	-	-	-	18,519,252
Federal Special Education	4,342,345	4,471,655	4,363,956	4,312,985	4,750,405	5,100,466
Federal Title I Grant	3,087,707	3,917,129	3,282,188	2,805,894	3,656,764	3,945,125
Federal Food Service	5,009,810	5,021,828	5,093,929	3,758,419	5,165,945	7,177,559
Federal Other	1,787,912	1,498,287	1,562,419	3,662,594	1,904,302	1,883,848
Revenue from Other Entities	2,066,731	2,336,792	2,442,485	2,830,505	2,758,530	3,277,214
Transfers From Other Funds / Other Sources	1,419,175	2,240,000	2,015,701	2,650,000	3,050,000	3,600,000
Total Resources	251,383,790	273,346,619	319,600,235	328,383,733	347,069,742	368,816,255

EXPENDITURES	Actual 2016-17	Actual 2017-18	Actual 2018-19	Actual 2019-20	Budget 2020-21	Budget 2021-22
Basic Education	142,841,794	153,310,357	176,492,148	182,878,860	202,553,435	205,490,885
Federal Special Purpose (GEER & ESSER)	-	-	-	-	-	16,904,943
Special Education - State	29,121,425	33,446,136	40,473,084	44,251,058	47,650,365	46,584,152
Special Education - Federal	4,195,423	4,336,524	4,242,517	4,172,036	4,619,610	4,911,513
CTE - State High School	6,429,725	7,570,704	10,624,314	11,877,408	13,643,029	13,278,138
CTE - State Middle School	2,010,151	2,636,996	3,596,608	3,408,238	4,030,430	3,839,264
CTE - Federal	131,881	111,231	119,746	110,030	110,412	110,863
Title I - Federal	2,961,731	3,781,614	3,181,845	2,711,115	3,537,205	3,831,705
School Improvement - Federal	613,125	581,998	721,271	750,401	748,315	684,351
Learning Assistance Program - State	4,116,235	5,036,172	6,174,465	7,123,662	7,930,263	8,146,925
Special and Pilot Programs - State	1,615,326	1,784,784	2,013,840	2,345,975	2,302,787	2,512,487
Limited English Proficiency - Federal	408,338	251,817	250,685	244,436	532,935	705,415
Transitional Bilingual - State	2,964,946	3,404,510	4,659,078	5,000,861	5,214,452	5,168,643
Compensatory - Other	105,749	142,339	168,791	172,611	189,138	198,248
Summer School	212,885	315,517	303,779	303,033	428,000	378,800
Highly Capable	243,618	433,472	580,669	607,028	620,532	600,883
Instructional Programs - Other	2,779,426	2,929,702	1,937,042	1,475,832	1,624,624	1,579,971
Child Care	-	87,534	2,216,944	2,416,899	2,504,984	2,905,243
Community Services	584,183	785,862	797,303	2,240,933	655,656	549,094
District Wide Support	27,101,387	33,372,849	34,211,853	33,871,951	37,499,220	38,308,191
Food Services	6,825,231	7,273,972	7,480,176	5,690,161	7,963,278	7,359,303
Pupil Transportation	10,541,487	11,180,505	11,747,695	12,719,845	13,884,497	14,324,797
Total Expenditures	245,804,066	272,774,595	311,993,853	324,372,372	358,243,167	378,373,814

NET OPERATING INCREASE/DEFICIT	Actual 2016-17	Actual 2017-18	Actual 2018-19	Actual 2019-20	Budget 2020-21	Budget 2021-22
Total Resources	251,383,790	273,346,619	319,600,235	328,383,733	347,069,742	368,816,255
Less Total Expenditures	245,804,066	272,774,595	311,993,853	324,372,372	358,243,167	378,373,814
Less Transfers Out	1,064,000	-	-	-	-	-
Net Operating Increase/(Deficit)	4,515,724	572,024	7,606,382	4,011,361	(11,173,425)	(9,557,559)

UNASSIGNED FUND BALANCE	Actual 2016-17	Actual 2017-18	Actual 2018-19	Actual 2019-20	Budget 2020-21	Budget 2021-22
Beginning Fund Balance	20,388,922	24,904,646	25,476,670	33,083,051	32,800,000	37,650,000
Plus Net Operating Increase/(Deficit)	4,515,724	572,024	7,606,382	4,011,361	(11,173,425)	(9,557,559)
Less Legal Restrictions of Fund Balance	(1,680,570)	(2,782,208)	(6,309,231)	(3,060,554)	(1,500,000)	(2,724,250)
Less Inventory and Prepaid Items	(1,689,754)	(2,794,080)	(2,102,950)	(3,095,605)	(1,600,000)	(1,600,000)
Less Assignments for Carryover and Other	(663,116)	(1,491,413)	(884,278)	(3,421,495)	(802,000)	(1,052,000)
Unassigned Fund Balance	20,871,206	18,408,969	23,786,593	27,516,756	17,724,575	22,716,191

TOTAL FUND BALANCE	Actual 2016-17	Actual 2017-18	Actual 2018-19	Actual 2019-20	Budget 2020-21	Budget 2021-22
Beginning Fund Balance	20,388,922	24,904,646	25,476,670	33,083,051	32,800,000	37,650,000
Plus Net Operating Increase/(Deficit)	4,515,724	572,024	7,606,382	4,011,361	(11,173,425)	(9,557,559)
Total Ending Fund Balance	24,904,646	25,476,670	33,083,052	37,094,411	21,626,575	28,092,441

For more information

Helpful links

DISTRICT FINANCIAL INFORMATION

Budget (F-195)

[2021-22](#)

[2020-21](#)

[2019-20](#)

[2018-19](#)

[2017-18](#)

Comprehensive Annual Financial Report (CAFR)

[2019-20](#)

[2018-19](#)

[2017-18](#)

[2016-17](#)

[2015-16](#)

Fiscal Advisory Council (FAC) Report

[2021](#)

[2020](#)

[2019](#)

[2018](#)

[2017](#)

DISTRICT COMMUNICATIONS

[Everett Schools - Community Report Newsletters](#)

[News Releases Points of Pride](#)

[2021-22 School Calendar](#)

OTHER INFORMATION

[Everett Public Schools Website](#)

[Finance and Business Services Web Page](#)

[BoardDocs - Board Meeting Materials](#)

[Office of the Superintendent of Public Instruction \(OSPI\)](#)

[How do we compare to other districts of our size?](#)

[Parent Tips on various subjects](#)

BOARD OF DIRECTORS

Caroline Mason, President

Pam LeSesne, Vice President

Andrew Nicholls, Legislative Representative

Traci Mitchell, Parliamentarian

April Berg, Board Member

SUPERINTENDENT

Dr. Ian B. Saltzman

Designated to handle inquiries about nondiscrimination policies are:

Title IX/Civil Rights Officer

Kevin Allen

P.O. Box 2098

Everett, WA 98213

KAllen@everettsd.org

Section 504 Coordinator

Dave Peters

P.O. Box 2098

Everett, WA 98213

DPeters@everettsd.org

ADA Coordinator

Randi Seaberg

P.O. Box 2098

Everett, WA 98213

RSeaberg@everettsd.org

Everett Public Schools does not discriminate in any programs or activities on the basis of sex, race, creed, religion, color, national origin, age, veteran or military status, sexual orientation, gender expression or identity, disability, or the use of a trained dog guide or service animal, and provides equal access to the Boy Scouts and other designated youth groups.