



A CITIZEN'S GUIDE TO THE 2023-24 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 eleven years, we have published the *Citizens' Guide to the 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 community's 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 community's children.

Be safe and be well,

Dr. Ian B. Saltzman
Superintendent

*Dr. Saltzman at
Everett Memorial Stadium
Everett vs Jackson
Football Game*



The big picture

How is our budget divided?

In a district with a \$389 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)

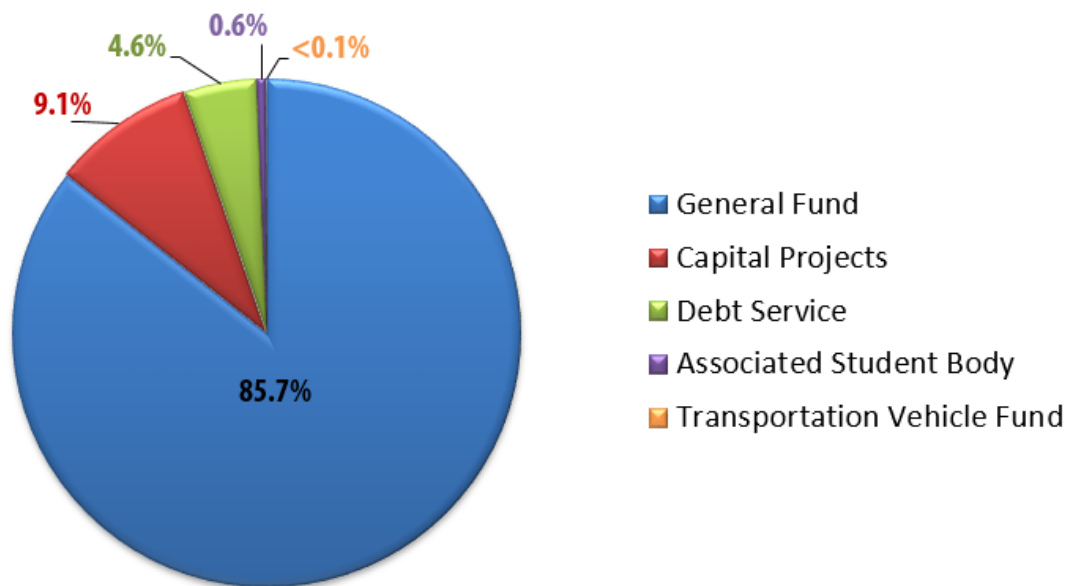
General Fund The operating budget which guides our day-to-day activities.

Capital Projects Fund This covers our long-term school construction and repair needs and cannot be spent on school operations.

Debt Service Fund Used to pay the principal and interest on bonds issued to finance school construction and renovation.

Associated Student Body Fund (ASB) Accounts for each middle and high school's extracurricular activities.

Transportation Vehicle Fund Used to buy school buses.



General fund

Where does our funding come from?

LOCAL

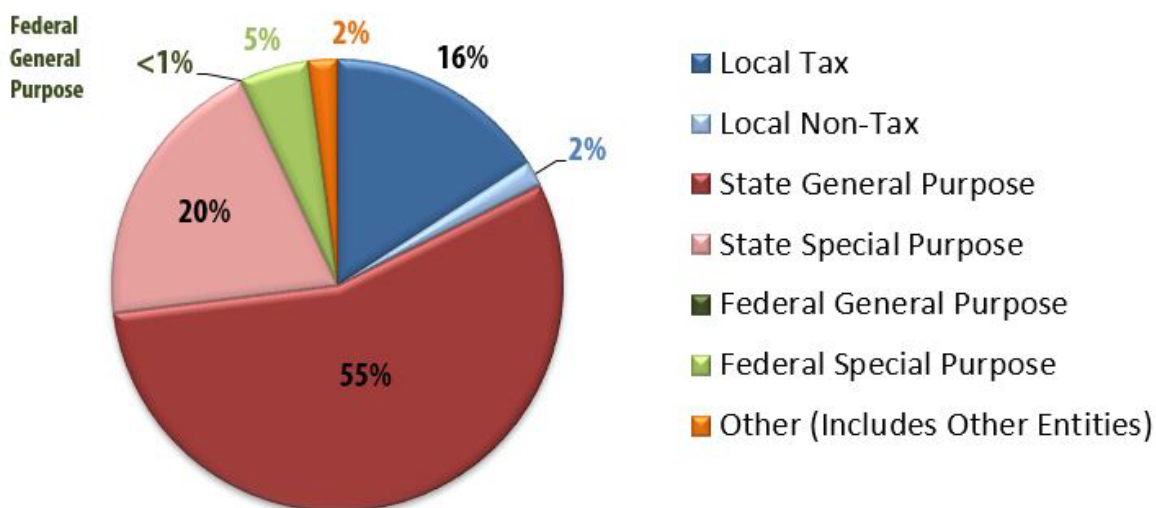
Local revenues account for 18 percent of income for the general fund. The majority of this is from local property taxes. Other local resources include non-taxes that come from a variety of sources which include lunch fees, fines, summer school, rental income, interest earnings, and donations.

STATE

The largest source of revenue for the district, 75 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 8 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).



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 decreased over the 2022-23 school year, declining by an average of 79 students. We estimate a decline of approximately 125 students for the 2023-24 school year. Long-term projections suggest enrollment will increase over the next ten years by approximately seven percent, or about 1,500 students by the year 2033.

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.

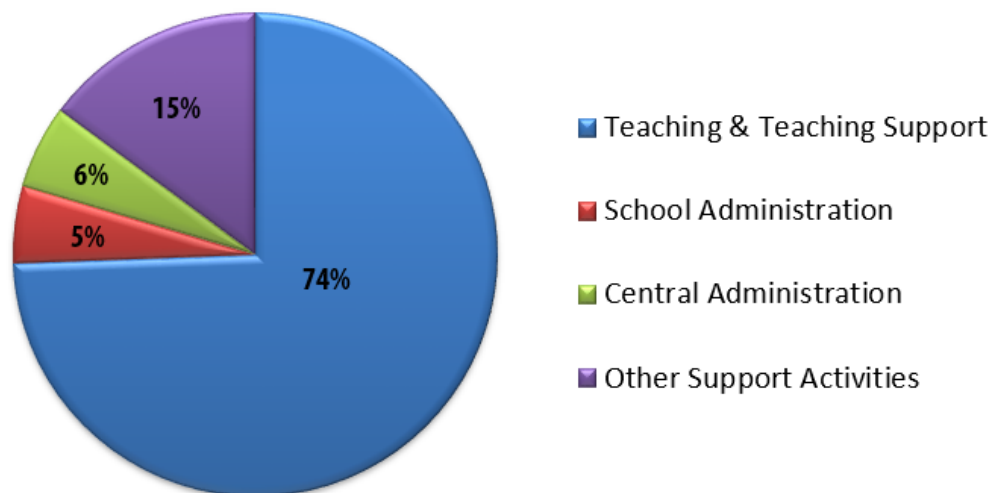
Central administration

Includes superintendent, deputy, and regional superintendents, board of directors, human resources, financial services, and other support services supervision.

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 approximately 19,600 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 hold advanced degrees and certificates such as master's degrees, doctorates, or National Board Certification (NBC). Everett Public Schools employs 171 NBC teachers; more than fourteen percent of the district's teaching staff.

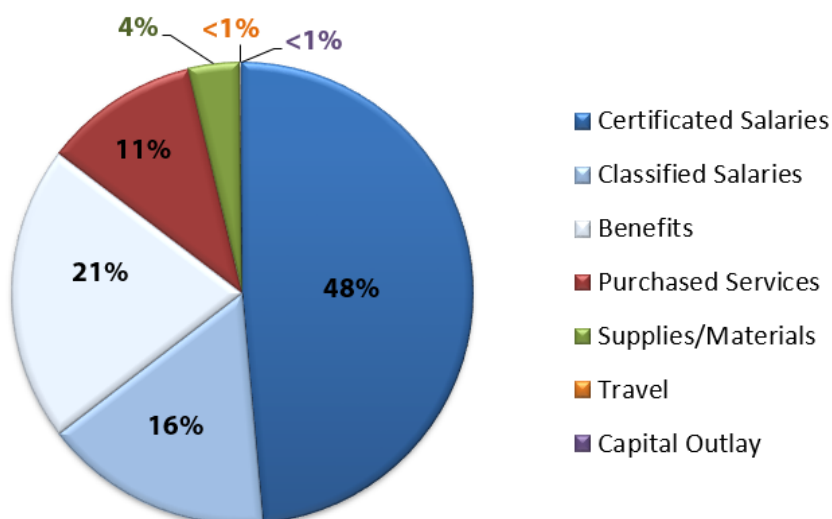
Everett Public Schools also pays benefits such as Medicare and Social Security, pension, health care, and unemployment compensation. As you might expect, the cost of providing these benefits to our employees increases each year, just as it does in every other business.

OTHER EXPENSES

Non-personnel costs make up the remaining 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?

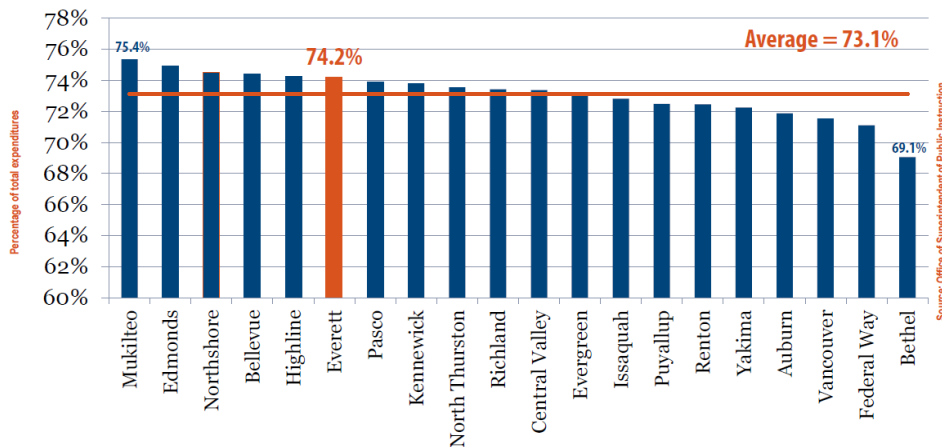
TEACHING AND TEACHING SUPPORT

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 20 other school districts of comparable size, Everett spends more on teaching and learning than 14 of those districts.

Large district comparison

Total teaching: 2021-22 (includes teaching support)

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



2022-23 data to be released spring of 2024.
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 projects funds pay to build new schools and facilities, and to renovate and expand existing schools.

The most significant means to generate capital funds is through voter-approved bonds 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 then 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. In February of 2022, voters approved a six-year Replacement Capital Levy for Safety, Building and Instructional Technology. Capital levies are assessed annually 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.

Major Projects

Capital funds are also spent to extend the useful life of Everett Public Schools' existing buildings. Proceeds from the 2022 capital levy funds major construction projects including replacement of Jackson and Madison elementary schools, modernization of Cascade and Everett High School cafeterias, replacement of the Cascade High School science building, and renovation of science classrooms at Jackson High School. The levy also funds several safety and security projects as well as numerous projects in response to the state-approved Clean Buildings Act.

Technology, Systems, and Other Projects

Proceeds from the 2022 capital levy also funds numerous instructional technology projects including upgrading aging student 1:1 laptop computers, teacher laptops, and other staff computers. It also provides improvements to network/data security systems, cyber security systems, school network equipment, and the fiberoptic WAN network. The levy further will upgrade the student information system which is essential to supporting instruction and providing families with access to student data.

Debt service, ASB, and transportation vehicle funds

What are these funds?

DEBT SERVICE FUND

Debt service funds are set aside for paying back voter-approved bond loans, including principal and interest payments. 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 our middle and high schools. The revenues come primarily from fees, fundraising 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 fund 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 22 buses and 24 vans to transport homeless students under the McKinney-Vento Act.



Accomplishments

35 years of excellence in financial reporting

WHAT IS AN ACFR?

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 Annual Comprehensive Financial Report (ACFR) which presents financials in a manner consistent with private sector corporations.

The ACFR is submitted each year to the national depository. Investors there issue bond funds for schools based upon school fiscal stability. Based upon the ACFR'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 ACFR not only serves an important purpose, it earns national awards for its accuracy and transparency.

For the last 35 years, the ACFR 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."

Annual Comprehensive Financial Report

For the fiscal year ended
August 31, 2022



Photo Features Everett 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.** 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 35th year the ACFR has earned the COE from ASBO, this is also the 16th consecutive year the ACFR has earned the Government Finance Officers Association (GFOA) *Certificate of Achievement for Excellence in Financial Reporting* (COA).

The ACFR, 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 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Budget 2022-23	Budget 2023-24
Property Tax	41,325,039	39,859,072	47,219,743	50,736,488	57,264,354	61,389,849
Local Revenue	6,791,407	4,295,044	1,134,453	2,022,450	9,246,353	6,929,704
State General Purpose	193,913,466	203,364,181	198,368,156	198,165,168	210,581,215	213,032,131
State Special Education	29,254,250	32,671,705	28,530,672	29,309,991	30,779,048	35,755,305
State Learning Assistance Program	6,411,188	7,229,903	7,471,360	7,603,275	8,481,435	8,812,837
State Transitional Bilingual	5,233,934	5,657,445	5,702,983	5,840,814	6,031,501	6,525,011
State Transportation	15,084,566	12,231,271	8,041,295	12,687,438	14,150,000	15,819,644
State Other	2,825,707	3,054,713	3,286,463	3,489,962	10,447,980	9,766,722
Federal Special Purpose (GEER & ESSER)	-	-	-	22,735,273	9,336,677	791,401
Federal Special Education	4,363,956	4,312,985	3,671,358	5,567,950	4,581,858	4,759,879
Federal Title I Grant	3,282,188	2,805,894	3,331,132	3,520,813	3,782,425	3,771,315
Federal Food Service	5,093,929	3,758,419	7,633,324	10,436,465	7,949,395	6,274,047
Federal Other	1,562,419	3,662,594	11,346,416	1,749,732	4,251,756	3,557,709
Revenue from Other Entities	2,442,485	2,830,505	2,687,615	3,084,257	3,476,391	3,549,312
Transfers From Other Funds / Other Sources	2,015,701	2,650,000	3,050,000	3,600,000	4,050,000	4,500,000
Total Resources	319,600,235	328,383,733	331,474,970	360,550,076	384,410,388	385,234,866

EXPENDITURES	Actual 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Budget 2022-23	Budget 2023-24
Basic Education	176,492,148	182,878,860	185,593,519	191,403,341	218,434,438	213,046,886
Federal Special Purpose (GEER & ESSER)	-	-	6,679,666	21,359,461	9,085,314	724,727
Special Education - State	40,473,084	44,251,058	44,400,903	45,376,622	50,885,360	52,496,411
Special Education - Federal	4,242,517	4,172,036	3,560,007	5,418,550	4,859,232	4,621,802
CTE - State High School	10,624,314	11,877,408	12,044,428	10,282,535	13,195,651	14,061,192
CTE - State Middle School	3,596,608	3,408,238	3,456,447	3,351,375	4,283,135	4,247,624
CTE - Federal	119,746	110,030	86,907	116,133	124,165	120,548
Title I - Federal	3,181,845	2,711,115	3,222,220	3,419,593	3,647,110	3,651,354
School Improvement - Federal	721,271	750,401	700,625	734,963	770,619	718,724
Learning Assistance Program - State	6,174,465	7,123,662	7,367,771	7,263,083	8,761,087	9,183,839
Special and Pilot Programs - State	2,013,840	2,345,975	2,461,624	2,447,716	2,513,031	2,466,575
Limited English Proficiency - Federal	250,685	244,436	471,054	431,532	731,799	941,180
Transitional Bilingual - State	4,659,078	5,000,861	5,153,977	5,230,892	5,483,180	5,931,836
Compensatory - Other	168,791	172,611	83,998	158,973	135,831	123,395
Summer School	303,779	303,033	470,497	310,066	378,800	378,800
Highly Capable	580,669	607,028	608,351	585,601	619,197	614,621
Instructional Programs - Other	1,937,042	1,475,832	1,553,247	1,600,782	1,564,717	1,536,776
Early Learning Programs	2,216,944	2,416,899	2,480,685	2,656,620	3,747,955	3,717,349
Community Services	797,303	2,240,933	493,415	476,735	608,447	551,622
District Wide Support	34,211,853	33,871,951	34,604,966	38,650,436	41,537,918	43,740,540
Food Services	7,480,176	5,690,161	6,809,224	9,382,255	9,515,983	10,088,539
Pupil Transportation	11,747,695	12,719,845	7,157,964	13,548,967	15,351,479	16,560,765
Total Expenditures	311,993,853	324,372,372	329,461,498	364,206,231	396,234,448	389,525,105

NET OPERATING INCREASE/DEFICIT	Actual 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Budget 2022-23	Budget 2023-24
Total Resources	319,600,235	328,383,733	331,474,970	360,550,076	384,410,388	385,234,866
Less Total Expenditures	311,993,853	324,372,372	329,461,498	364,206,231	396,234,448	389,525,105
Less Transfers Out	-	-	-	-	-	-
Net Operating Increase/(Deficit)	7,606,382	4,011,361	2,013,472	(3,656,155)	(11,824,059)	(4,290,238)

UNASSIGNED FUND BALANCE	Actual 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Budget 2022-23	Budget 2023-24
Beginning Fund Balance	25,476,670	33,083,051	37,094,411	39,176,096	35,600,000	23,850,000
Plus Net Operating Increase/(Deficit)	7,606,382	4,011,361	2,013,472	(3,656,155)	(11,824,059)	(4,290,238)
Less Legal Restrictions of Fund Balance	(6,309,231)	(3,060,554)	(2,811,451)	(1,907,744)	(1,832,077)	(1,670,000)
Less Inventory and Prepaid Items	(2,102,950)	(3,203,978)	(3,758,222)	(4,189,774)	(2,000,000)	(2,000,000)
Less Assignments for Carryover and Other	(884,278)	(3,421,495)	(1,657,168)	(2,559,976)	(444,924)	(1,987,001)
Unassigned Fund Balance	23,786,593	27,408,384	30,881,042	26,862,447	19,498,940	13,902,761

TOTAL FUND BALANCE	Actual 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Budget 2022-23	Budget 2023-24
Beginning Fund Balance	25,476,670	33,083,051	37,094,411	39,176,096	35,600,000	23,850,000
Cumulative Effect of Change in Accounting Principle	-	-	68,213	-	-	-
Plus Net Operating Increase/(Deficit)	7,606,382	4,011,361	2,013,472	(3,656,155)	(11,824,059)	(4,290,238)
Total Ending Fund Balance	33,083,052	37,094,411	39,176,097	35,519,942	23,775,940	19,559,761

BOARD OF DIRECTORS

Dr. Traci Mitchell, President

Dr. Jen Hirman, Vice President & Legislative Representative

Charles Adkins, Parliamentarian

Caroline Mason, Board Member

Roman Rewolinski, Board Member

SUPERINTENDENT

Dr. Ian B. Saltzman

For more information/Helpful links:

District Financial Information

Budget (F-195)

[2023-24](#)

[2022-23](#)

[2021-22](#)

Annual Comprehensive Financial Report (ACFR)

[2021-22](#)

[2020-21](#)

[2019-20](#)

[Everett Public Schools Website](#)

[Fiscal Advisory Council Website](#)

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

[Parent Tips on various subjects](#)

Designated to handle inquiries about nondiscrimination policies are:

Title IX/Civil Rights Officer

Dr. Chad Golden

cgolden@everettsd.org

Section 504 Coordinator

Dave Peters

dpeters@everettsd.org

ADA Coordinator

Dr. Chad Golden

cgolden@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.