



2022-23 FISCAL OVERVIEW

Board Member Orientation



Discussion outline



Area of supervision

- Organizational chart

School finance overview

- Office of the Superintendent of Public Schools (OSPI)
- Educational Service Districts (ESD)
- Five district funds

Fiscal oversight

- Budget development cycle
- Financial reports
- Vouchers

Student transportation system

- Program overview
- Transportation contractor

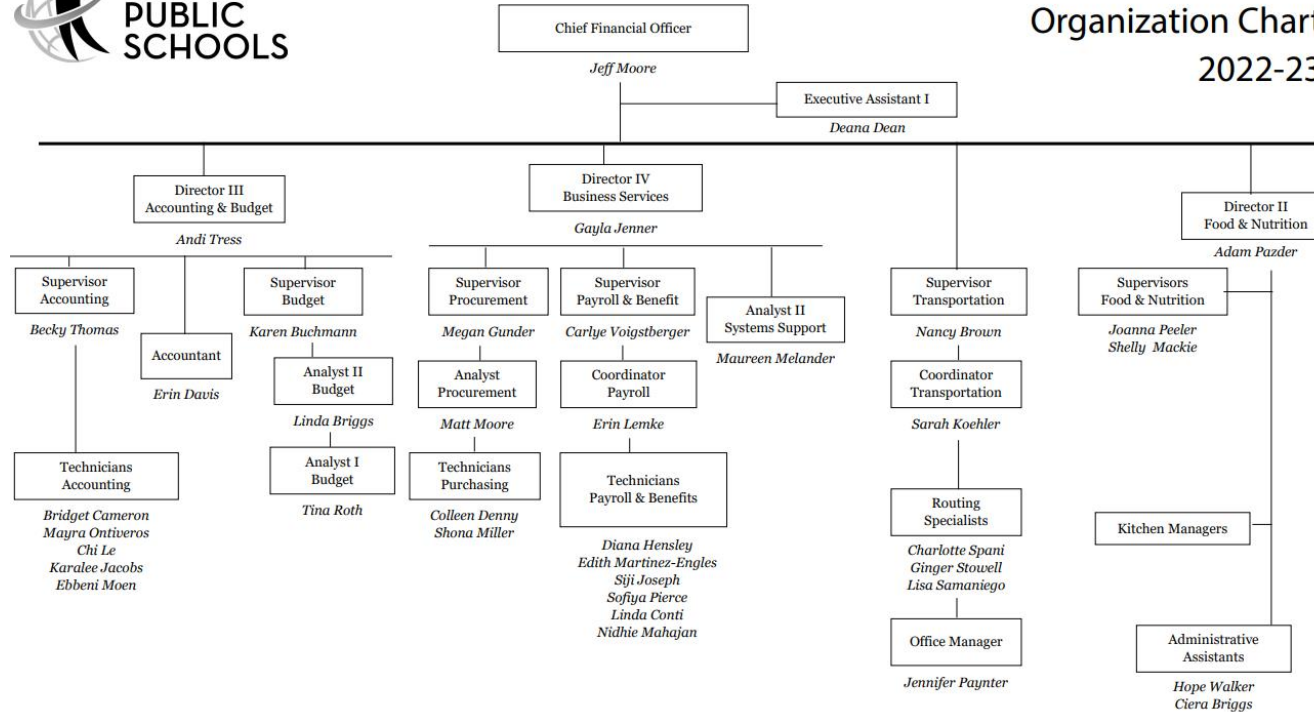
Student breakfast and lunch program

- Program overview
- Federal funding structures
- Community Eligibility Program (CEP)

Areas of supervision



Finance & Business Services Organization Chart 2022-23



School Finance Overview



School finance overview – OSPI and 9 ESDs

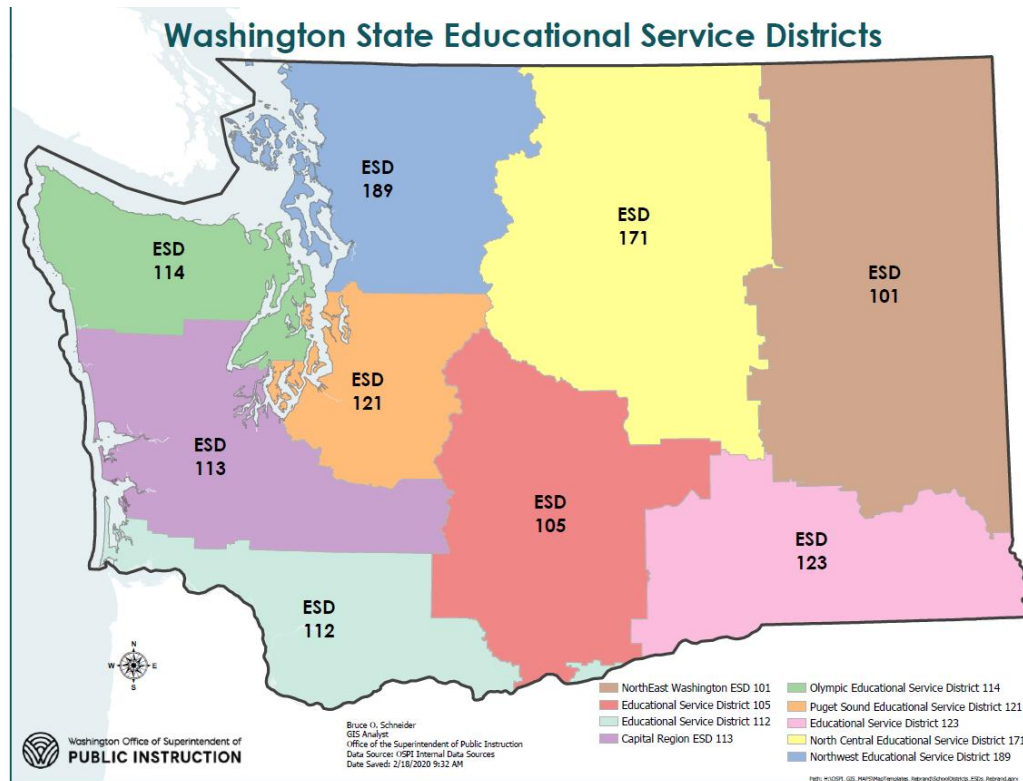


OSPI

- Governs 295 school districts
- Governs 6 state-tribal education compact schools
- Guidance on school finance
[Organization and Financing of Washington's Public Schools](#)

ESDs

- Governs 9 school district regions
- First Class Districts – large
- Second Class Districts – small



School finance overview - district funds



School districts have 5 major funds



General
(Operating)
Fund



Capital
Projects
Fund



Debt
Service
Fund



Associated
Student Body
Fund



Transportation
Vehicle
Fund

Bonds and capital levy dollars cannot be used to pay for annual operating costs

School finance overview - district funds



General Fund = general district operations

2022-23 budget - \$398,410,338

Capital Fund = construction and technology

2022-23 budget - \$51,147,286

Debt Service Fund = bond payments for constructions

2022-23 budget - \$23,073,661

Transportation Fund = bus purchases

2022-23 budget - \$1,090,000

ASB Fund = student activities and athletic programs

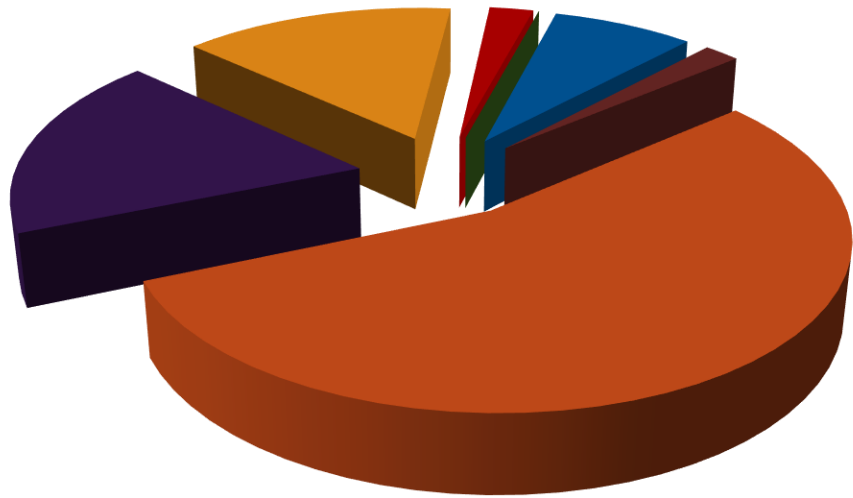
2022-23 budget - \$2,398,100

School finance overview – General Fund



Budgeted revenues

- State dollars fund 73.0 percent of district programs
- Federal dollars fund 7.7 percent of district programs
- Local levy funds 14.9 percent of district programs

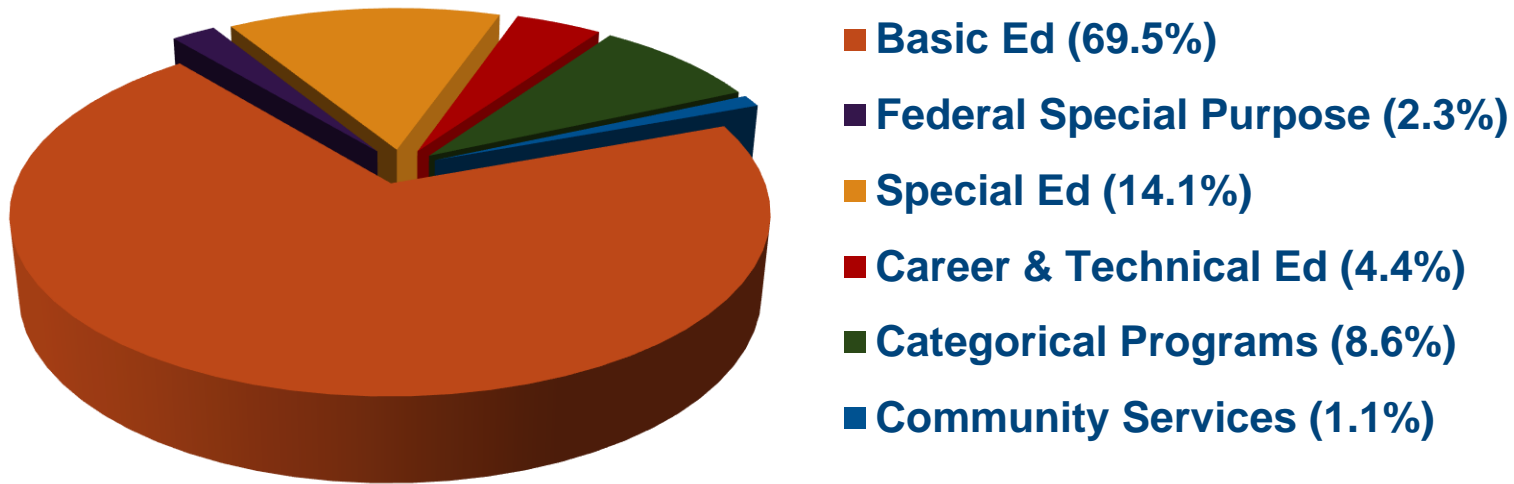


- State general purpose (54.8%)
- State special purpose (18.2%)
- Local taxes (14.9%)
- Local non-tax (2.4%)
- Federal general purpose (<.1%)
- Federal special purpose (7.7%)
- Other revenues/sources (2.0%)



Budgeted expenditures by program

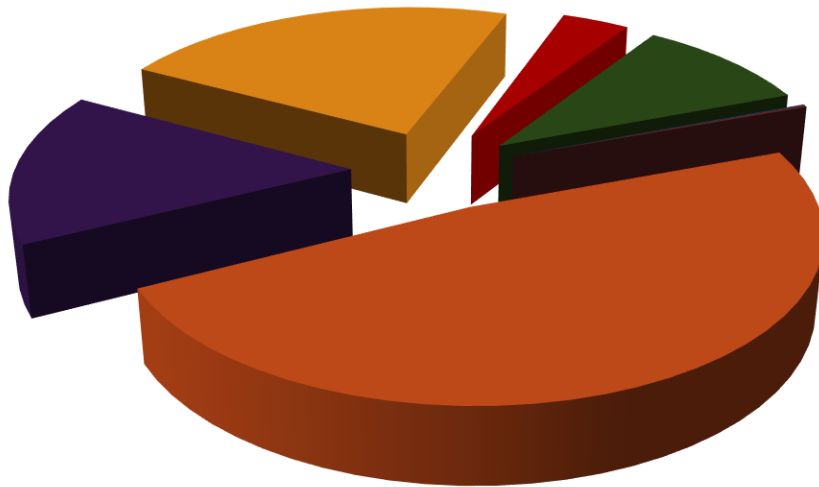
- Continued federal funds lowers other categories by percentage
- Basic education and CTE total 73.9 percent
- Federal special purpose and categorical total 10.9 percent





Budgeted expenditures by object

- 86 percent of budgeted expenditures are salaries and benefits
- Remainder are Materials Supplies and Operating Costs (MSOC)

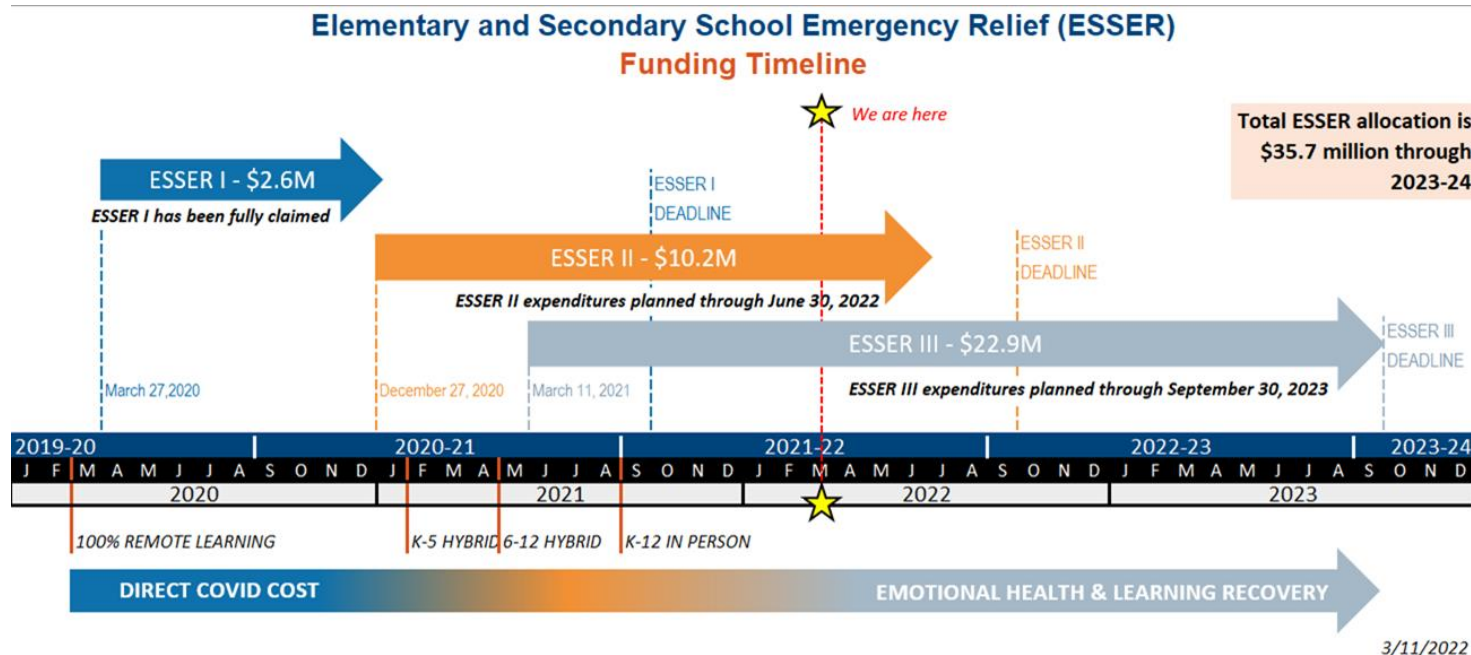


- **Certificated salaries (48.1%)**
- **Classified salaries (15.4%)**
- **Employee benefits/payroll taxes (22.5%)**
- **Supplies and materials (3.8%)**
- **Purchased services (9.9%)**
- **Travel (.1%)**
- **Capital outlay (0.2%)**

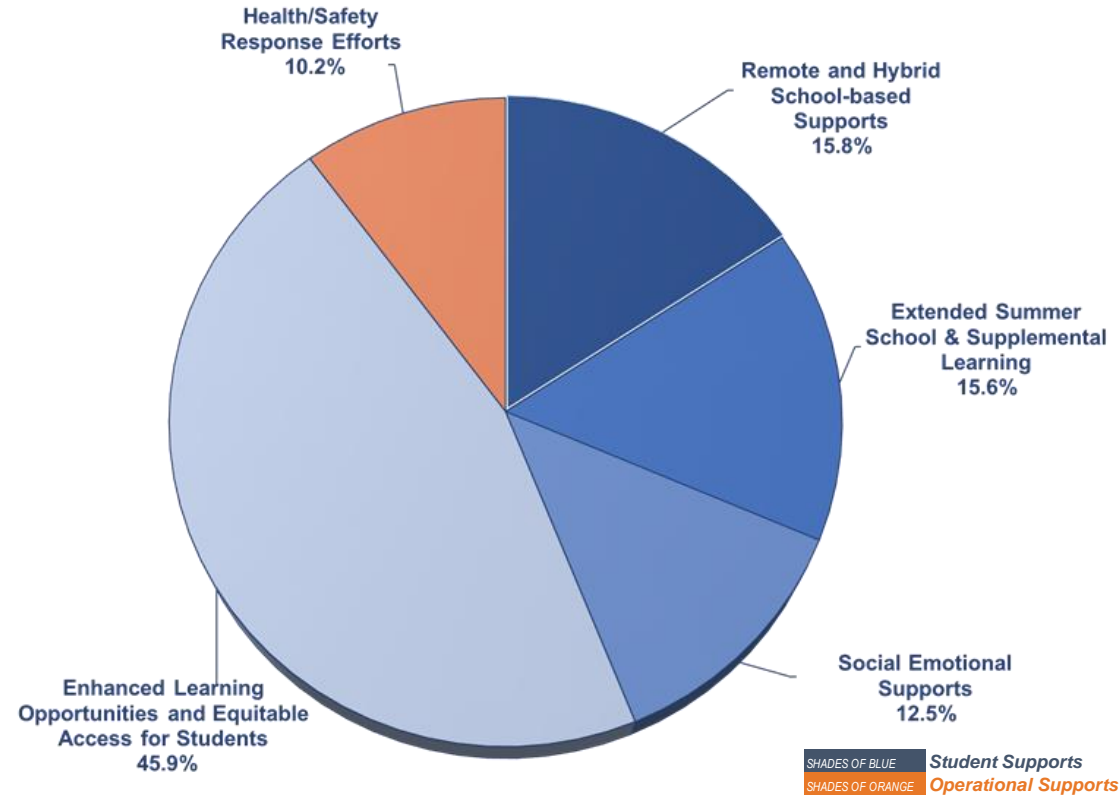
School finance overview – Federal ESSER funding



Elementary and Secondary Emergency Relief



School finance overview – Federal ESSER funding



2022-23 ESSER III planned expenditures total just over \$7.7 million

- 89.8% of ESSER III expenditure plan directly supports student social emotional and learning needs
- Enhanced learning opportunities and equitable access increased 22.9%
- Sanitize/clean facilities and indoor air quality costs shift to general fund
- Social workers and some nurses shift to general fund



Fiscal Oversight



Fiscal Oversight – Budget Development Cycle



**Preliminary budget
presentation
June 28, 2022**

Spring/Summer

Adoption & Implementation

- ~ Budget adoption hearing and the final adoption sets expenditure capacity by fund
- ~ Summer implementation for school year

**Budget
adoption
August 23, 2022**

F-195 preparation follows legislative session ↗

Fiscal year begins ↘

Spring

Budget Preparation

- ~ Incorporate defined reductions/additions
- ~ State F-195 formatting adjustments

Fall

Operational Adjustments

- ~ Actual student enrollment
- ~ Actual staffing alignment
- ~ State and federal updates
- ~ Local commitments

Winter/Spring

Budget Development

- ~ Fiscal Advisory Council process
- ~ Budget parameters defined
- ~ Reduced Educational Program
(Formal process if necessary)

Winter

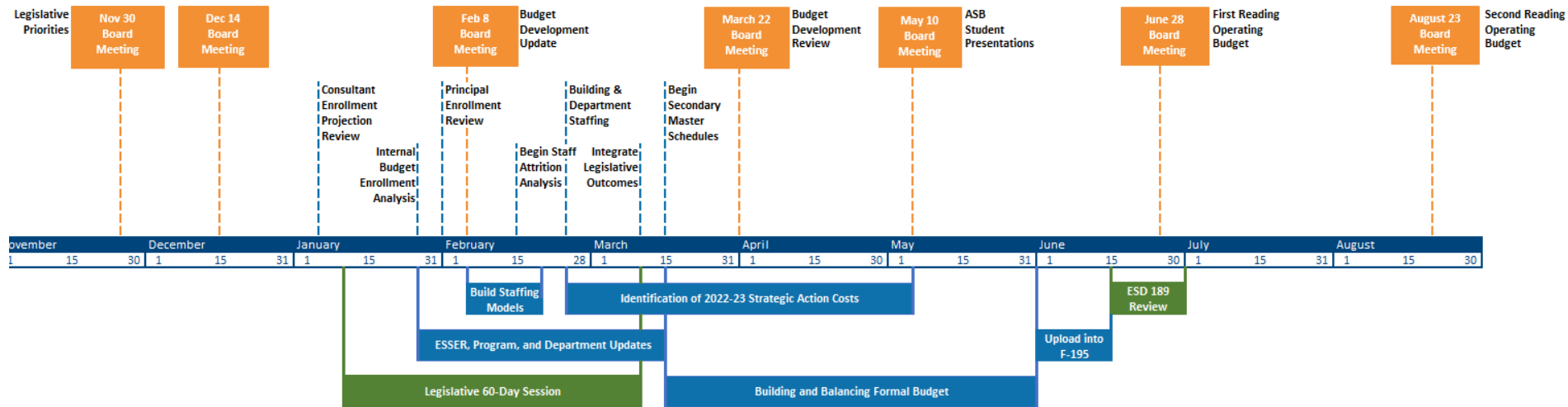
Projections

- ~ Local revenue changes
- ~ Local expenditure changes
- ~ State & federal program changes
- ~ Governor's budget guides FAC target

Fiscal Oversight – Budget Development Cycle



Annual Budget Cycle



Fiscal Oversight – District Documents

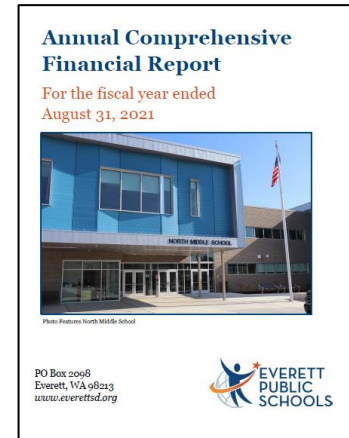


OSPI prescribed budget format is state form “F-195”

- Adopted F-195 sets the “total appropriation by fund” - RCW 28A.505.150
“Total budgeted expenditures for each fund as adopted in the budget of a school district shall constitute the appropriations of the district for the ensuing fiscal year and the board of directors shall be limited in the incurring of expenditures to the grant total of such appropriations. The board of directors shall incur no expenditures for any purpose in excess of the appropriation for each fund...”
- District provides citizens with a summary document “[Citizens Guide to the Budget](#)”

OSPI also prescribes a companion year-end “F-196” document

- F-195 reports actual revenues and expenditures by fund
- District is one of 5 districts in the state that also prepares a “[Annual Comprehensive Financial Report](#)” (ACFR)
- The district has received the Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting for the past 35 consecutive years.



Fiscal Oversight – District Documents



OSPI prescribed monthly financial report format is state form “F-198”

- Provides revenue and expenditure detail as compared to budget - WAC 392-123-115

“A monthly budget status report ... shall be provided to each member of the board of directors of the district or charter school board at the board’s regular monthly meeting. The report shall contain the most current approved budget amounts by summary level accounts and the fund balance at the beginning and end of the period being analyzed. State Form F-198, which is entitled “budget status report,” is an example of the type and level of information necessary for this report. ...”

- District provides additional information
 - General budget information
 - Fund balance history
 - Student enrollment history
 - General fund budget to actual expenditures by program
 - General fund budget to actual expenditures by object
 - General fund year-end projections
 - Revenue projection detail
 - Expenditure projection detail
 - Cash and investment report

	ANNUAL BUDGET	ACTUAL FOR MONTH	ACTUAL FOR YEAR	ENCUM	BALANCE	% TO DATE
REVENUE/OTHER FINANCE SOURCES						
1000 Local Taxes	\$29,705,439	\$127,385	\$49,779,277	\$0	\$98,175	98.4%
2000 Local Sotices	8,303,779	207,297	1,280,696	74,668	\$6,198,722	68.8%
3000 State, General Purpose	200,000,000	30,812,230	153,529,006	0	47,068,317	76.8%
4000 State, Special Purpose	60,475,487	3,086,399	44,495,485	0	18,054,009	70.1%
5000 Federal, General Purpose	30,000	0	30,000	0	0	99.0%
6000 Federal, Special Purpose	43,033,848	3,941,679	31,869,879	0	11,033,849	79.6%
7000 Rev From Other School Districts	0	0	42,474	0	42,474	0.0%
8000 Rev From Other Agencies	3,919,081	187,000	3,803,000	0	600,081	89.8%
9000 Other Financing Sources	3,000,000	0	3,000,000	0	0	100.0%
A. TOTAL REV OTHER FINANCE SICES	\$271,453,145	\$20,312,651	\$139,117,332	\$74,668	\$89,411,112	77.4%
EXPENDITURES						
00 Regular Instruction	\$103,867,628	\$46,329,538	\$162,274,088	\$1,605,001	\$19,888,759	80.4%
10 Federal Disburse	19,297,000	3,031,293	13,312,889	1,881,003	\$3,684,802	72.4%
20 Special Ed Instruction	35,488,600	4,488,045	46,709,127	3,209,086	\$1,801,009	84.0%
30 Vocational Instruction	15,036,397	1,079,084	11,008,849	448,719	4,083,498	73.1%
30000 Compensatory Education	21,038,498	1,447,019	14,652,240	318,664	\$1,614,549	77.3%
70 Other Instructional Programs	3,602,294	433,279	1,708,010	100,860	762,089	71.2%
80 Community Services	3,099,299	328,000	2,498,000	103,000	997,339	70.3%
90 Support Services	69,269,066	4,717,085	21,420,861	3,888,779	4,701,361	80.1%
B. TOTAL EXPENDITURES	\$270,733,473	\$59,997,040	\$206,796,324	\$10,552,038	\$179,000,160	80.1%
C. OPERATING TRANSFERS OUT	0	0	0	0	0	0.0%
D. EXCESS REV OTHER FINANCE SICES OVER ENCUMS REP OTHER FIN SICES						
	-4,480,330	-9,684,389	-13,678,052			
F. TOTAL BEGINNING FUND BALANCE	37,000,000		39,175,000			
H. TOTAL ENDING FUND BALANCE	\$28,000,000		\$25,496,948			
I. ENDING FUND BALANCE ACCOUNTS						
GL 800 RESTRICTED OTHER ITEMS	0	0	903,707			
GL 801 RESTRICTED CARRYOVER REV	4,000,000		1,907,444			
GL 802 RESTRICTED FUND SERVICE REV	300,000	0	0			
GL 803 NONREVENUE IN FUND	1,800,000		3,708,822			
GL 804 RESTRICTED UNUS FUND	0	0	0			
GL 805 COMMITTED OTHER PURPOSES	350,000		350,000			
GL 806 ASSIGNED OTHER PURPOSES	300,000		1,370,000			
GL 807 UNASSIGNED FUND BALANCE	23,250,000	-9,684,389	17,865,612			
GL 808 UNASSIGNED FUND BAL	0	0	0			
TOTAL	\$28,000,000		\$25,496,948			



Weekly Voucher Registers – Board Policy 6215

- Board reviews all voucher registers prior to each meeting

"All vouchers for payment of goods and contract services shall be listed on voucher registers which shall be presented to the board for approval at the next regular meeting. Approval shall be indicated by signatures of a majority of the board."

"Disbursements other than payment of vouchers shall be by warrant. This shall include such disbursements as payroll, deposits and refunds. A disbursement approval register shall be presented to the board for approval at the next regular meeting. Approval shall be indicated by signatures of a majority of the board."
- All claims against the district are pre-authorized by the auditing officer of the district (CFO) following review by the budget and accounting director.



Student Breakfast and Lunch Program



Student breakfast and lunch program



Overview of program

- School based kitchens with scratch cooking
- Local meal fees historically fund meal programs with some federal support
- Free and reduced-price meal program standard for school districts
- COVID resulted in 2 years of federally funded free meals to all students
- Community Eligibility Program (CEP) integrated in recent years
- CEP program had been established at Sequoia in fall of 2019
- Hawthorne added in 2021-22
- For 2022-23, 18 of 27 schools will be eligible

School	ISP %	F/R %	School	ISP %	F/R %	School	ISP %	F/R %
HA	72.1%	84.1%	EHS	38.7%	44.5%	MC	21.5%	21.7%
MA	55.7%	63.6%	CAS	36.0%	51.1%	HW	21.4%	28.8%
JA	53.1%	55.5%	VR	33.0%	38.9%	PC	17.8%	20.3%
GA	52.3%	61.8%	EIS	30.4%	58.4%	CW	13.8%	14.8%
LO	50.2%	53.4%	MO	30.2%	40.2%	JHS	13.4%	20.4%
NO	49.6%	64.8%	WT	29.1%	36.8%	SF	10.3%	13.9%
SHS	49.3%	65.9%	WO	26.2%	31.8%	GW	9.1%	12.3%
EM	48.6%	54.7%	JF	25.8%	36.3%	FV	8.7%	13.4%
EVG	44.7%	60.8%				TC	4.9%	5.3%
SL	44.3%	49.1%						



Student Transportation Services



Student Transportation System



One of several districts that contract busing

- 15 school districts contract busing including Seattle, Tacoma, Spokane, Everett, and Battleground
- Transition to contracting for Everett occurred around 40 years ago to seek private sector competitive pricing
- Durham Transportation was awarded new 5-year contract on March 22, 2022, including a provision for 10 electric buses
- Durham also supports field trips, student activities, and athletics

District manages all transportation operations

- Transportation department oversees the district-wide routing for 146 regular, special education and McKinney Vento (KIT)
- 116 Durham routes and 30 District routes
- 5 routes added for 2022-23 to reduce walking distances
- Awarded WA Department of Ecology Grant for 3 small electric buses for local routes





THANK YOU!

