

2008-2009 Budget Guide

Final Budget

July 21, 2008

OLYMPIA SCHOOL DISTRICT III
Olympia, Washington

TABLE OF CONTENTS

I.	Introduction	1
II.	Fund Accounting	2
	General Fund.....	2
	Transportation Vehicle Fund.....	2
	Capital Projects Fund.....	3
	Debt Service Fund	3
	Associated Student Body Fund.....	4
III.	The 2008-2009 General Fund Budget.	5
	Sources of Revenue.....	5
	Expenditures.....	7
	By Object.....	7
	By Program.....	9
	By Activity.....	12
IV.	Enrollment	17
V.	Staffing	18
VI.	Other District Publications	19

I. INTRODUCTION

The purpose of this document is to provide a user-friendly guide to the Olympia School District budget.

All school districts in the state of Washington are required by law to prepare, submit and adopt an annual budget in a format prescribed by the Office of the Superintendent of Public Instruction (OSPI) i.e., the F-195 Budget Document. The budget year runs from September 1 of the current year through August 31 of the subsequent year. School district budgets use a fund accounting structure and unique revenue and expenditure classifications. Pertinent data from the proposed 2008-2009 budget is presented in this guide, with emphasis directed to the General Fund, which contains the budget for the District's educational programs.

The 2008-2009 Olympia School District Budget was adopted by Board resolution at the July 21, 2008, school board meeting. A formal public budget hearing was held at 6:30 p.m. June 5, 2008, at the Knox Center in the Board Room.

As a part of the state budgetary process, the Legislature appropriates funding for the statewide K-12 education budget. OSPI administers the apportionment of these funds to the individual school districts.

Copies of the formal F-195 Budget Document will be available for viewing in August in the District's Business Office, at the Knox Administration Building, 1113 Legion Way SE, Olympia 98501 or by calling the Business Office at 596-6129 or 596-6124. School district F-195 documents are also available on the OSPI website at <http://www.k12.wa.us/safs/reports.asp>.

II. FUND ACCOUNTING

A Fund is a set of self-balancing accounts which are segregated for the purpose of carrying on specific activities. Because the District receives financial resources that may be used only in accordance with restrictions established by law or by agreement with donors or grantors the fund accounting system is employed.

Described below are the five funds used by the District. The General Fund is by far the largest and occupies the majority of space in the F-195 Budget Document. The other funds are the Transportation Vehicle Fund, the Capital Projects Fund, the Debt Service Fund, and the Associated Student Body Fund.

GENERAL FUND

The General Fund (GF) accounts for all cash and resources except those required to be accounted for in other funds. This fund provides for the ordinary operations of the school district, including all programs of instruction for students, maintenance of plant and facilities, administration of the district, food services and pupil transportation. The General Fund cannot be used for those purposes for which special funds have been established except under special rules which apply to Associated Student Body and Capital Projects Fund expenditures. A more complete summary of the General Fund begins in Section III of this guide. The beginning fund balance on September 1, 2008, is estimated to be \$4,521,000. The actual beginning fund balance for the 2008-2009 fiscal year will be known in November 2008 when the 2007-2008 fiscal year has closed.

<u>2008-2009 Budget Summary:</u>	GF Revenue	\$ 84,980,762
	GF Expenditure	\$ 86,427,000

TRANSPORTATION VEHICLE FUND

The Transportation Vehicle Fund (TVF) accounts for pupil transportation equipment, primarily the purchase and major overhaul of school buses. Funding for this equipment is through the State funding formula for depreciation on the existing fleet, operating transfers and special levy authorization. Cost of operating the pupil transportation system is a General Fund expenditure. The beginning fund balance on September 1, 2008, is estimated to be \$ 733,133.

<u>2008-2009 Budget Summary:</u>	TVF Revenue	\$ 455,000
	TVF Expenditure	\$ 500,000

CAPITAL PROJECTS FUND

The Capital Projects Fund (CPF) includes all moneys and resources for construction projects, the acquisition of land or existing buildings, construction of buildings, certain purchases of new equipment, conducting energy audits, and making capital improvements which are cost effective as determined by energy audits, and remodeling of buildings. The replacement of roofs, flooring and service systems are also included in the CPF. The CFP also contains the capital budget for purchase and installation of technology authorized by the District's technology levy. The Capital Projects Fund is financed from the proceeds of the sale of construction bonds, state matching funds, special levies, growth impact fees and investment earnings. The beginning fund balance on September 1, 2008, is estimated to be \$3,488,931.

<u>2008-2009 Budget Summary:</u>	CP Revenue	\$ 2,737,191
	CP Expense	\$ 5,738,077

Projects for 2008-2009 include technology upgrades and additions, finalization of the modernization and additions to schools. Various small works projects will also be implemented.

DEBT SERVICE FUND

State law provides that a Debt Service Fund (DSF) be established in the County treasury for the payment of principal, interest and expenditures related to the redemption of outstanding bonds. Provision must be made annually for the making of a levy sufficient to meet payments of principal, interest and related expenditures for voted debt. Levy moneys collected are held by the County Treasurer in authorized interest earning accounts and/or securities until bond maturity or interest payment dates. On scheduled payment dates the Treasurer transfers the principal and interest due to the designated bond fiscal agents for remittance to the bond holders. The beginning fund balance on September 1, 2008, is estimated to be \$7,090,278.

<u>2008-2009 Budget Summary:</u>	DSF Revenue	\$13,862,186
	DSF Expenditure	\$14,296,625

In the 2008-2009 school year \$9,560,000 in bonds will be retired and interest of \$ 4,696,625 paid to bond holders.

ASSOCIATED STUDENT BODY FUND

The Associated Student Body Fund (ASB) is financed by student body fees, activity gate receipts, donations and other approved student body fund raising activities. The ASB Fund is under the control, supervision and approval of the Board of Directors. One of the objectives of the ASB is to promote the self-government of associated student bodies. The funds held in the ASB are for the extracurricular benefit of students. The students, with adult supervision, administer the various associated student body programs. The beginning fund balance on September 1, 2008 is estimated to be \$ 1,124,552.

<u>2008-2009 Budget Summary:</u>	ASB Revenue	\$ 2,041,815
	ASB Expenditure	\$ 2,073,692

Individual ASB budget(s) are prepared at the school level and are consolidated in the district budget.

III. The 2008-2009 GENERAL FUND BUDGET

When discussing the budget, it is the General Fund that most people are interested in as it has the most direct impact on the daily activity of the District's students and staff.

SOURCES of REVENUE

The revenues estimated to be available for 2008-2009 General Fund operations are received from the following sources:

General Fund Revenue Budget		
Local Taxes	\$ 15,248,045	17.9%
Local Non-Tax	3,684,404	4.3%
State - General Purpose	48,074,066	56.6%
State - Special Purpose	12,519,103	14.7%
Federal	4,997,874	5.9%
Other (Districts, Grants, Financing)	457,270	0.5%
Total	\$ 84,980,762	100.0%

While all funding sources are important to the operation of the District's programs, state funding is the largest single funding source. It should be emphasized these revenue figures are budgeted estimates; factors which might impact these estimates include student enrollment variations, changes in district "staff mix", revisions in state funding, changes in federal funding, grant awards, etc.

The State *School District Accounting Manual* provides the following revenue classifications:

Local Taxes - Includes collection of the District's voter-approved maintenance and operations levy.

Local Non Tax - Includes funds from the sale of goods and services, fines, summer school and traffic safety tuition, food service sales, investment earnings, facility use fees, and gifts and contributions.

State, General Purpose - Includes the formula-driven state apportionment allocations for support of basic education, state forest revenues and timber excise taxes.

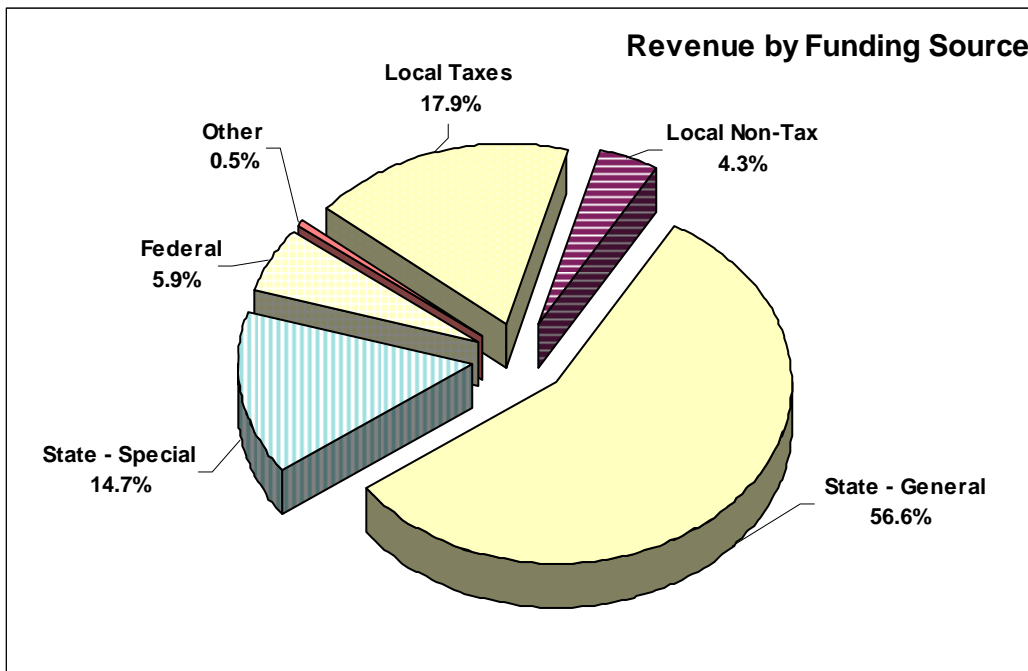
State, Special Purpose - Allotment for state support of remediation, highly capable, handicapped, bilingual, food service, transportation, traffic safety and pilot programs. These revenues are also typically formula-driven, State allocations.

Federal - This category includes federal funds for the education of handicapped and disadvantaged students, Vocational Education (Carl Perkins), Title 1 and Title II (School Improvement).
USDA food commodities are also recorded in this category. In addition, this category includes revenue from the distribution of federal forest proceeds.

Revenue from Other Districts - Includes non-high payments from Griffin School District and all other cooperative education services provided by Olympia School District.

Revenue from Other Entities - Revenues from agencies other than the Office of the Superintendent of Public Instruction, federal government and other districts.

Other Financing Sources - Sale of equipment.



EXPENDITURES

Total General Fund Expenditures for 2008-2009 are budgeted at \$86,427,000. Ongoing operating expenditures are budgeted at \$84,930,000. In addition, one-time "carryover" expenditure authority for schools and programs is budgeted at \$1,497,000. Schools and programs are authorized to carryover unspent budgets from the prior year. Carryover expenditures are "one-time" expenditures that are not added to the ongoing budget authority of schools and programs in future years.

Expenditures are presented in various formats in the F-195 budget. This guide examines expenditures viewed by Object of Expenditure, Expenditure by Program, and Expenditure by Activity.

Object of Expenditure

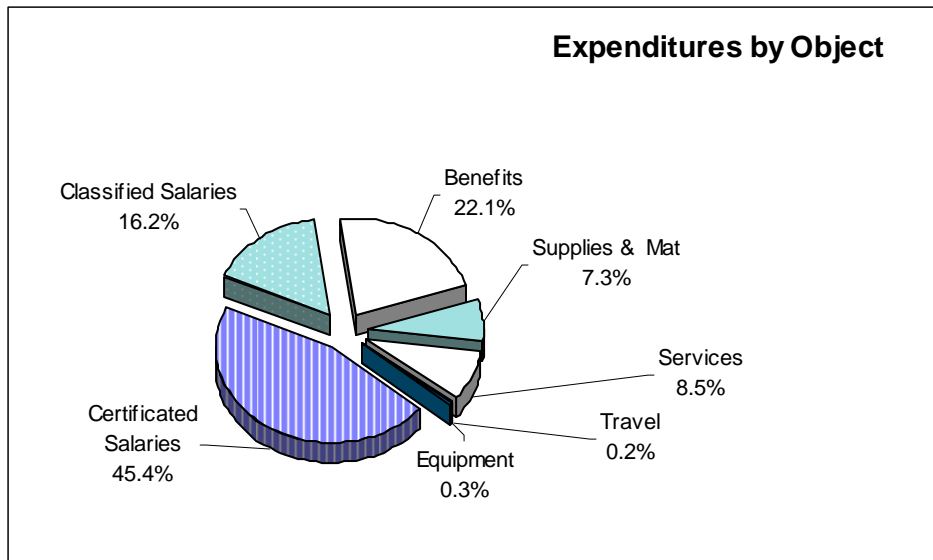
Object of Expenditure is the classification based on the nature of the article purchased or service obtained. The State Accounting Manual defines seven objects of expenditure:

General Fund Expenditure Budget		
Certificated Salaries	\$ 39,279,372	45.4%
Classified Salaries	14,024,671	16.2%
Benefits	19,085,056	22.1%
Supplies & Mat	6,275,165	7.3%
Purchased Services	7,315,195	8.5%
Travel	159,315	0.2%
Capital Outlay	288,226	0.3%
Total	\$ 86,427,000	100.0%

- **Certificated Salaries** - compensation, including substitutes and extended contracts of state certificated personnel covered by continuing contract law. (Primarily teachers and administrators)
- **Classified Salaries** - compensation of employees other than those meeting the criteria of a Certificated Employee. Included are paraeducators, supervisory, professional, technical, clerical, maintenance and grounds, custodial, food service, and transportation employees.
- **Benefits** - used to record all employer paid benefits. Included are Social Security, Health Care Benefits, Health Care Authority, Workers' Compensation, Unemployment, and Retirement.
- **Supplies and Materials** - are items consumed and used directly in support of District programs. Included in this category are materials used for the instruction of students in the classroom activity. Examples are textbooks, music, computer software, library books and kits and packets used in lieu of

textbooks. Also included are postage, duplicating supplies, electrical hardware, licenses, fuels, paper supplies, etc.

- **Purchased Services** - compensation for services rendered to the school district, with the exception of travel, by persons who are not employees. The payment may include labor together with materials provided by the person performing the service. Examples are insurance, utilities, consultants, attorneys, auditors, repair services, rentals, and printing.
- **Travel** - expenditures for district related travel including fares, meals, lodging, mileage reimbursement and other expenditures necessitated by travel.
- **Capital Outlay** -are for items having an extended life. Examples are new or replacement equipment such as, computers, furniture, office machines, or vehicles.



Expenditure by Program:

Within each of the following programs, expenditures are classified by the Object of Expenditure as outlined in the preceding section.

For expenditure classification the *Accounting Manual* defines a 'program' as a plan of activities to accomplish a set of objectives. Olympia budgets, records and reports expenditures in twenty-two of these pre-defined programs summarized as follows:

	Program	Budget	%
01	Regular Ed	\$ 44,396,452.00	51.4%
2X	Special Ed	\$ 12,789,148.00	14.8%
3X	Career Tech Ed	\$ 3,042,961.00	3.5%
5X-6X	Compensatory Ed	\$ 7,614,565.00	8.8%
7X-8X	Other Instructional	\$ 1,236,720.00	1.4%
97	Support Services	\$ 11,441,979.00	13.2%
98	Food Services	\$ 2,733,443.00	3.2%
99	Transportation	\$ 3,171,732.00	3.7%
	Total	\$ 86,427,000.00	100%

To assist the reader in understanding the activities covered by each of these programs and their relative financial scope the following summaries are provided.

Regular (Basic) Education

Program 01 – Basic Education is the largest program in the General Fund Budget with budgeted expenditures for the 2008-2009 fiscal year of \$44,396,452.

Basic Education does not include the costs of the various specific categorical programs such as Program 21 Special Education, Program 71 Traffic Safety, etc. Nor does it include Support Services (Programs 97, 98 and 99) because they are specific to tightly defined needs.

Special Education

Program 21 - Covers the state and local direct costs of educating students with special needs with budgeted expenditures of \$11,011,255 and staff budgeted at 83.34 FTE teachers and certificated support staff (psychologists, speech therapists, etc.), and 62.185 FTE non-certificated staff (educational assistants, secretaries, etc.).

Program 24 - Records expenditures from Federal grants to assist in providing required supplemental services for students with disabilities. Program expenditures are budgeted at \$1,777,893.

Career and Technical Education

Program 31 - Records expenditures for the CTE programs approved for secondary schools. They include many courses in business, industrial arts and home economics in the three high schools. The District operates many other middle school and high school programs in the same subject areas under program 01. Program 31 staff for 2008-2009 is budgeted at 22.90 FTE certificated staff and 3.191 FTE non-certificated staff with total program expenditures of \$ 2,857,505.

Programs 38 and 39 - Records expenditures from federal grants and other sources for secondary CTE programs. Program expenditures are budgeted at \$55,420 and \$130,036.

Compensatory Education

Program 51 - Title 1 provides special remedial assistance to educationally deprived children in the areas of reading, language arts and mathematics. Program expenditures are budgeted at \$1,146,010.

Program 52 - Title II, School Improvement, Part A is to provide funding to improve teacher quality and Part D is for educational technology. Program expenditures are budgeted at \$519,978.

Program 55 - Records the direct costs of special Learning Assistance provided to students who are not eligible for other compensatory programs. Program expenditures are budgeted at \$556,185.

Program 58 - Records the direct expenses of state funded special and pilot programs as defined by the state legislature. Included are safety grants, Mentor Teacher and Education Leadership programs. Program expenditures are budgeted at \$254,907.

Program 65 - Records the direct costs of Transitional Bilingual programs for English language learners. Program expenditures are budgeted at \$144,105.

Program 66 - Records the direct costs for Student Achievement. Under this program (also referred to as Initiative 728 funding) allowable uses are to extend learning opportunities, reduce class size, professional development activities, and building improvement related to class size reduction. Program expenditures are budgeted at \$4,993,380.

Other Instructional Programs

Program 71 - Covers the direct costs of Traffic Safety education. This program is managed by Educational Service District 113. They are responsible for hiring the teachers and providing the program. Olympia School District collects the revenue and in turn pays the ESD for this service. Program costs are paid by fees collected from students. Program expenditures are budgeted at \$ 47,675.

Program 73 - records the direct costs of Summer School programs. Program 73 costs are covered in part by student fees. Program expenditures are budgeted at \$120,076.

Program 74 - records the direct costs of special classes for the Highly Capable in grades 1 through 8. Program expenditures are budgeted at \$84,060.

Program 75 - records the direct costs State math and science staff development grants. Program expenditures are budgeted at \$256,460.

Program 79 – Budgeted here are the expenditures that are not directly identifiable with specific other instructional programs. Included in this category are Olympia Ed Foundation Grants, Paraprofessional Training, Tech Prep, TESC Work Study Program, and public and private grants received by the district. Program expenditures are budgeted at \$ 723,449.

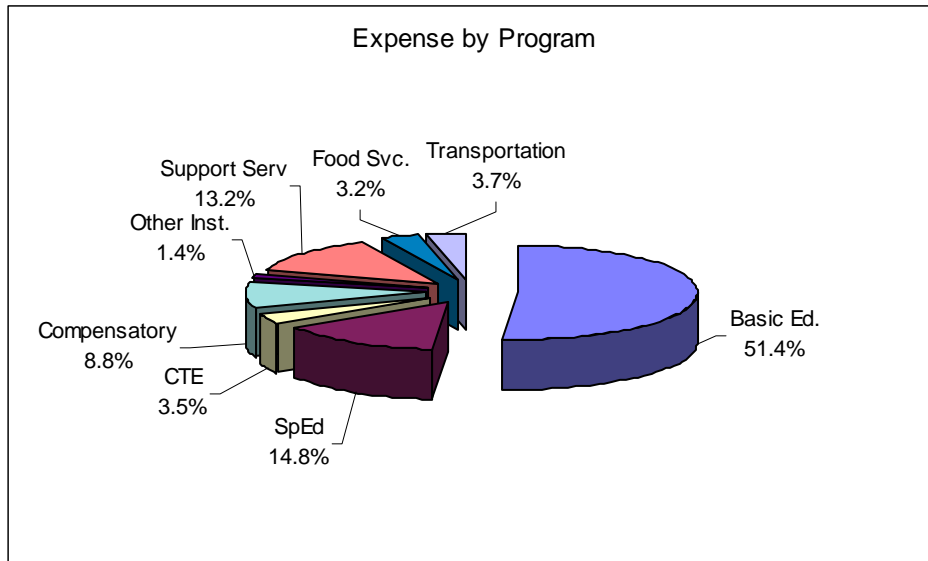
Program 89 - records the costs associated with outside groups utilizing District transportation, vehicles and services. Program expenditures are budgeted at \$5,000.

Support Services

Program 97 – District wide Support Services, shows expenditures for support of all other programs of the district, both instructional and non-instructional. It includes the activities of the Superintendent's office, business office, maintenance department, etc. Specific examples of expenditures include custodian's salaries, utility bills, insurance costs, etc. Program expenditures are budgeted at \$ 11,441,979.

Program 98 - Food Services shows the costs of operating the district's food service operations. Program expenditures are budgeted at \$2,733,443. It is the district's goal to hold direct program costs to an amount equal to receipts from federal and state sources, USDA food commodities, plus lunch charges.

Program 99 - Transportation is to cover the costs of operating and maintaining the district's pupil transportation system. Program expenditures are budgeted at \$3,171,732.



Expense by Activity:

Expenditures are further classified by Activity. The result is a matrixed expense budget wherein expenditures may be viewed in any combination of program-activity-object.

Budget by Activity	
Teaching	\$ 54,152,627
Teaching Support	\$ 7,895,644
Nutrition Services	\$ 2,733,443
Pupil Transportation	\$ 3,133,732
Maint & Operations	\$ 5,373,480
Utilities & Insurance	\$ 2,990,992
Other Services & Public Act	\$ 1,142,057
Unit Admin	\$ 5,161,424
Central Admin	\$ 3,843,601
	\$ 86,427,000

10 Administration

This series consists of those activities related to the general direction, regulation, and control of the affairs of the school district that are organization-wide.

11 Board of Directors-Includes such items as board memberships, audits, elections, legal services, judgments not covered by insurance, census, and regional planning.

12 Superintendent's Office-Relates to district wide administrative responsibility consisting of general administration, superintendent's office and public information.

13 Business Office-Consists of financial and accounting operations of the district. Includes district wide research and planning for budgeting, accounting, bookkeeping and statistical services, business administration, fiscal control, purchasing and payroll.

14 Human Resources-Consists of the personnel recruitment and placement activities of the district. This would include employee assistance programs, employment services, classification and compensation, human resources information systems, labor relations and recruitment.

15 Public Relations-Consists of communicating with the public, staff, students, and parents using a variety of methods. For example, "A Report to Our Community" is mailed three times a year to each household within the District and an "E-Update" is published monthly online.

20 Instruction

This series consists of activities dealing directly with or aiding in the teaching of students or improving the quality of teaching, such as professional development. It includes the activities of teachers, principals, consultants, supervisors of instruction, attendance services, guidance and counseling, psychological and speech services, health services and social services. Direct charging to specific programs is done if the expenditures can be identified as applying to a specific program.

21 Supervision-This activity is used to record expenditures for overall leadership for instructional program. Included are expenses for staff members providing supervision, coordination, evaluation, and development in instruction, curriculum, instructional materials and pupil services programs.

22 Learning Resources-Include the part of the instructional program that provides services and materials specifically designed to improve learning through the use of instructional/educational aids. Learning resource materials include books, film, video, pictures, charts, models and other materials for aiding instruction.

23 Principal's Office-Includes the management and coordination of a school unit. Includes the implementation of administrative policies, assignment of duties to staff members, administration of the instructional program, evaluation of the efficiency of staff members, supervision of the maintenance and operation workers as their work may affect the school unit's program, management of records.

24 Guidance and Counseling-Includes activities involved in aiding pupils to assess and understand their abilities, aptitudes, interests, environmental factors and educational needs through activities such as student assessment.

25 Pupil Management and Safety-Included in this activity would be expenses for hall monitors, crossing guards, bus aides, playground aides and pupil security.

26 Health/Related Services-Includes services in the field of physical and mental health. Included are nurses, social workers, occupational and physical therapists, psychologists, language pathologists and audiometrists.

27 Teaching-Included are expenses for teachers, para educators, textbooks and training teachers.

28 Extra Curricular-This activity is used to record expenses directly related to student activities such as coaching, class or student activity advising, supervision of student body fund accounting and related activities. It also includes transportation expenditures for extracurricular activities not recorded to the ASB fund.

29 Payments to Other Districts-Includes non-high and special education payments.

40 Nutrition Services

This category is used to record operating expenses for nutrition services provided in connection with regular school activities.

41 Supervision-Includes the expenditures for supervision the school food services program.

42 Food-Includes the cost of all food used in connection with the regular food services program including freight, delivery and storage expenses.

44 Operations-Includes the direct expenses for preparing and serving breakfast and lunch in connection with school activities.

49 Transfers-Used exclusively for transferring expenditures for special events, feeding approved day care children and other feeding operations not chargeable to Program 98.

50 Pupil Transportation

This series is charged with expenditures related to the transportation of pupils. Charges relating to the purchase and rebuilding of buses must be charged to the Transportation Vehicle Fund.

51 Supervision-Include the expenses for managing, directing and supervising the transportation program. Services include routings, schedules, supervision of vehicle operations and maintenance, dispatching and training pupil transportation staff.

52 Operations-The direct operating expenses for buses are charged here. Include salary for bus drivers and medical exams for drivers.

53 Maintenance-The cost of maintaining transportation vehicles such as mechanical repair, painting, cleaning, greasing and preventive maintenance are included in this category.

56 Insurance-The cost of insurance for pupil transportation vehicles is charged here. Types of insurance include liability, property damage, collision, fire and theft damage.

59 Transfers-Expenses here include pupil field trips charged to another program.

60 Maintenance and Operations

This series consists of activities concerned with keeping the physical plant open, comfortable and safe for use and grounds, buildings and equipment in efficient working condition.

61 Supervision-Supervisory personnel and their clerical assistants are included in this activity.

62 Grounds Maintenance-The cost of routine care of grounds including all related supplies and materials.

63 Operations of Buildings-Includes the cost of custodians and HVAC personnel who maintain buildings and the supplies and equipment related to those activities.

64 Maintenance-Includes the upkeep of property and equipment necessary to realize the originally anticipated useful life of a building.

65 Utilities-All expenses for water, electricity, sewer, gas, oil, recycle, garbage disposal, telecommunications services are included in this activity.

68 Insurance-Property, employee, liability insurance is included here. Insurance for buses is included in activity 56.

70 Other Services

This series includes those services of information systems, printing (if there is a in house print shop) warehousing and distribution, and motor pool activities.

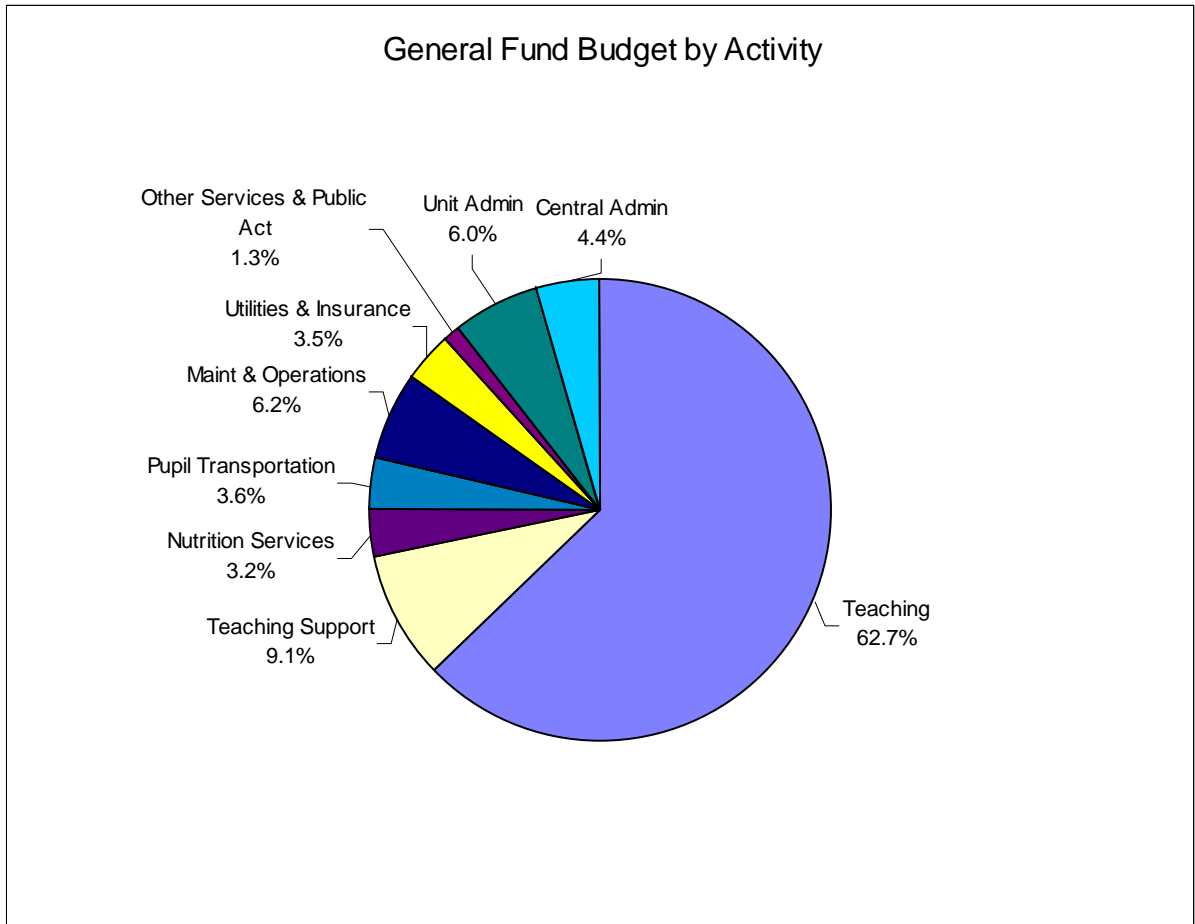
72 Information Services-Includes all expenses concerned with the operation of a recognized organizational unit that administers the district's information system such as data processing and storage.

74 Warehousing and Distribution-Includes expenditures for distributing supplies, delivering mail, and the expenditures for operating a central warehouse.

75 Motor Pool-This activity is used for accumulating motor pool expenses for allocation to using departments. Included would be district maintenance vehicles, delivery trucks and vans.

90 Public Activities

91 Public Activities-Includes expenses for operating community service programs that are not charged to other specific activities.



IV. ENROLLMENT

District enrollment is expected to increase by 108.2 FTE students in 2008-2009 (1.25% increase).

Student enrollment is central to the methodology by which State funding is generated and apportioned to local districts. Most funding formulas use a full time equivalent student (FTE) concept. Funding for instructional and support staffing, certain non-employee related costs, categorical funding, and transportation all use actual reported FTE enrollment in some manner to calculate funding.

Average Annual Enrollment							
FTE:	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-2009 budget
Elementary	3,353.0	3,293.2	3,278.5	3,367.6	3,417.8	3,539.1	3,646.7
Middle	2,009.1	1,993.6	1,959.7	1,892.7	1,844.8	1,919.2	1,942.7
High	3,146.6	3,143.4	3,136.8	3,197.8	3,184.6	3,227.0	3,204.2
Total FTE	8,508.7	8,430.2	8,375.0	8,458.1	8,447.2	8,685.4	8,793.6
Headcount	8,939.8	8,924.8	8,818.0	8,953.8	8,902.0	9,146.4	9,265.1

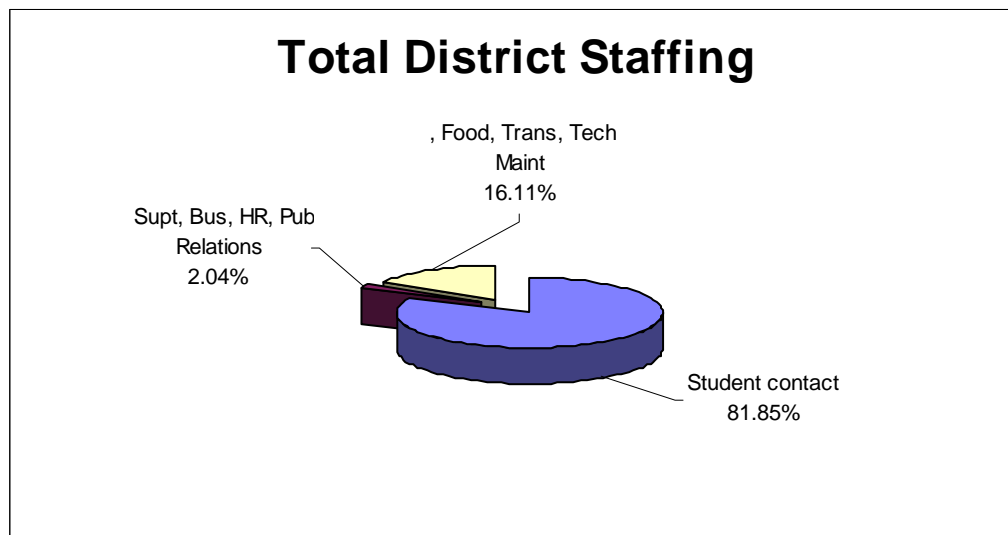
V. STAFFING

As presented in Section III in the analysis of Expenditure by Object, 83.52% of the General Fund Budget is directed towards employee salaries and benefits.

For 2008-2009 the projected staffing by Activity is as follows:

Activity	Certificated	Classified	Total
Teaching	450.46	111.93	562.39
Learning Resources	16.44	1.02	17.46
Guidance & Counseling	16.15	5.49	21.64
Extra Curricular		1.40	1.40
Pupil Safety		3.21	3.21
Health Services	39.55	7.90	47.46
Instructional Supervision	9.00	10.08	19.08
Principals Office	28.20	24.32	52.52
Food Services		26.60	26.60
Student Transportation		37.56	37.56
Maintenance & Grounds		69.44	69.44
District Technology	1.00	8.10	9.10
Superintendents Office	1.00	2.00	3.00
Business & Payroll	1.00	7.25	8.25
Human Resources		4.50	4.50
Public Relations		2.32	2.32
Total	562.80	323.12	885.921

The District has committed its human resources to student contact. The highlighted section represents 725.15 FTE, 81.85% of the total staff, who are assigned to activities with direct student contact. Another 142.70 FTE staff, 16.11%, assigned to Food Service, Transportation, Technology, and Maintenance has indirect daily student contact. The remaining 18.07 FTE staff, 2.04%, serve in the District-wide administrative support functions.



VI. OTHER DISTRICT INFORMATION

Readers wanting to know more about the Olympia School District are encouraged to log on to our website at <http://osd.wednet.edu> or request any of the following publications available in the Communications Office at 1113 Legion Way SE or by calling 596-6103.

***2008-2009 Calendar & Handbook
A Report to Our Community***