

2018-2019

BUDGET

Summary



*Successful Learners
Strengthening Our Community*



Mount Vernon
High School



Mount Baker Middle School



Jefferson Elementary

Executive Summary

This publication is intended to outline the basics of our 2018-19 budgets for local residents of the Mount Vernon community in a way that is easily understood. It includes an overview of our revenue sources and how we plan to spend the dollars we receive in each of our six budget funds – the General Fund, Capital Projects Fund, Debt Service Fund, Transportation Vehicle Fund, Associated Student Body Fund, and Private-Purpose Trust Fund.

The majority of the information that follows pertains to our General Fund, which makes up 88% of our total budget.

Building our budget begins with:

- **Our Vision:** To graduate inspired and critical thinkers who embrace diversity and are committed to the betterment of their own lives and the lives of others.
- **Our Mission:** To expect, encourage, and facilitate the pursuit of excellence and lifelong learning in our students, equipping them for future success and happiness.
- **Our Goal:** 100% of students will graduate with the knowledge and skills needed to be successful in postsecondary education, careers, and life.

While there are local, state, and federal requirements that drive many of our expenditures, we work diligently to ensure that our resources are allocated in ways that are consistent with our vision, mission, and goal.

The model for funding public schools in Washington State changed dramatically with the 2018 passage of legislation in Olympia, intended to meet the State Supreme Court’s McCleary mandate requiring that the legislature provide ample funding for public schools.

The change in school funding impacted the state’s 295 school districts to varying degrees. Some benefitted, while others did not. The Office of the Superintendent of Public Instruction identified the Mount Vernon School District among 22 districts across the state that had the highest combination of financial risk factors resulting from the new funding model.

For this school year, we anticipate a loss of approximately \$5.0 million in local levy revenue. We will see an additional \$5.0 million reduction in our local levy in the 2019-20 school year. While the state will replace a portion of this loss through their increase in property taxes for schools, not all will be restored. The summary of our General Fund budget, on page 7, includes our adjustments to accommodate the revenue loss for 2018-19.

If you would like additional detail or have questions about any of the information provided in this document, I encourage you to contact Executive Director of Finance, Jennifer Larson (360-428-6178) or me (360-428-6181).



A handwritten signature in black ink that reads "Carl Bruner". The signature is written in a cursive, flowing style.

Carl Bruner
Superintendent,
Mount Vernon School District

Thank you for your interest in our schools.

Revenue Sources

How does the district receive its operating funds?

The major portion of the district’s operational revenue (79.2 percent) is received from the State of Washington. The revenues received from the state are allocated based upon the enrollment of the district. Thus, student enrollment is the major driver behind the revenue base of the district. The anticipated full-time equivalent (FTE) student enrollment for the 2018/19 school year is 6,812 FTE. The sources of district revenues are listed below:

Description	Revenue	Percent
Local Taxes (Property Taxes)	\$10,089,696	9.5%
Local Nontax	\$3,888,676	3.6%
State, General Purpose	\$64,874,956	60.9%
State, Special Purpose	\$19,558,535	18.3%
Federal	\$7,761,889	7.3%
Revenue from other School Districts	\$437,033	0.4%

The State Legislature provides funding for:

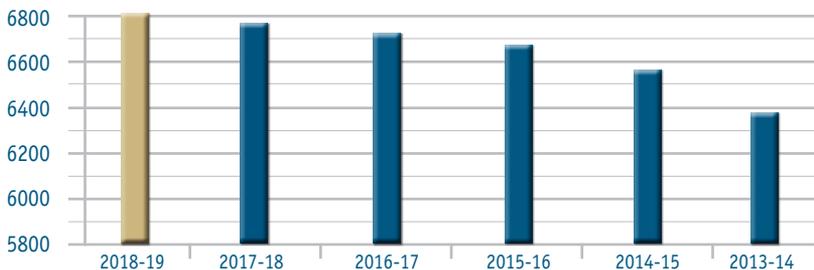
- Students with Disabilities
- Student Transportation
- Food Services
- Highly Capable Students
- Non-English Speaking Students
- Students with Special Learning Assistance Needs
- Improved Student Learning



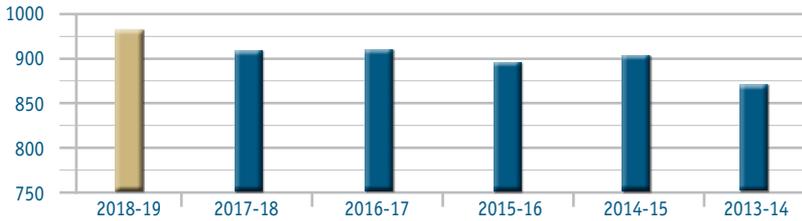
The major portion of the district’s operational revenue (79.2 percent) is received from the State of Washington.

The following graph provides a snapshot of the growth that Mount Vernon Schools have experienced in the last six years in the areas of basic education, special education and bilingual students.

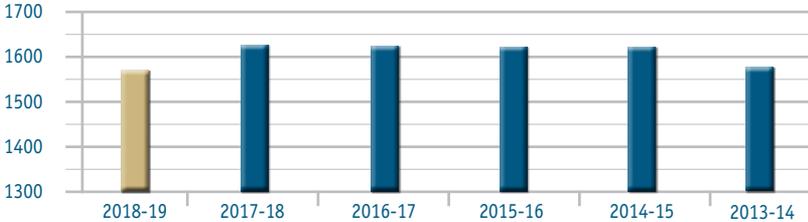
Basic Education Enrollment



Special Education Enrollment



Bilingual Enrollment



How do we determine employee staffing levels?

For every 1,000 students in the district, the state funds the following number of staff:

Staffing Category	Grades	Number
Instructional Staff (teachers)	K-1	58.8
Instructional Staff (teachers)	2	58.8
Instructional Staff (teachers)	3	58.8
Instructional Staff (teachers)	4-12	1 to every 46.0 students
Vocational Instructional Staff	9-12	1 to every 19.5 students

Classified staff include custodians, secretaries, paraeducators, bus drivers, food service and other positions that do not require a teaching certificate.

The number of instructional staff members generated through enrollment is converted to dollars depending upon years of teaching experience and educational training. The actual number of staff members hired by the district is a local decision.

District Staff	2017/18	2018/19	Change (±)
Administrators FTE	29.5	28.5	-3.4%
Certificated FTE	460.65	470.71	+2.2%
Classified FTE	319.66	322.84	+1.0%

Community support for schools

At the local level the district receives funding through levy and bond propositions, both of which are approved by voters and based upon local property valuations.

A school levy is a tax paid by property owners for the maintenance and operation of the district. Bonds are used for new construction and major remodeling of our schools. An easy way to remember the difference between a levy and bond is- *'Levies are for learning, bonds are for buildings.'* One-fifth of the district's funding comes from levy dollars. The dollars collected are specifically earmarked to meet the identified needs critical to the educational development of our students.

Property owners pay a set amount for each \$1,000 of their assessed property value. Once approved, levy and bond rates cannot be increased. The amount per \$1,000 may decrease when community property values increase.

General Fund property taxes are levied and collected on a calendar year basis. The school district's budget year is from September 1 through August 31. The budget expects to collect \$10,089,696, which is the fall collection of the 2018 levy and the spring collection of the 2019 levy.

Similar to a magazine subscription, the levy payment expires at the end of a set amount of time, and community members are asked to renew their support for schools.



Levies are collected over a two-year period and support funding for:

- Staff development & training
- Student activities & athletics
- Building maintenance & upkeep
- Textbooks & computer software
- Gifted & special education programs
- Staffing to lower class sizes
- School buses

Education Programs & Operations Levy

Year	Levy	Rate/\$1,000
2018	\$15,078,402	\$3.903
2019	\$5,795,556	\$1.500

The owner of a \$250,000 home is projected to pay \$375 ($250 \times \$1.500 = \375) in property taxes, which goes directly to the maintenance and operation of the Mount Vernon School District. Property tax statements for Mount Vernon School District taxpayers also list a "state school property tax." This money is collected by the state and distributed to school districts throughout the state according to student enrollment.

Technology Levy

Year	Levy	Rate/\$1,000
2018	\$1,887,305	\$.488
2019	\$1,887,305	\$.488 projected

The owner of a \$250,000 home is projected to pay \$122 ($250 \times \$.488 = \122) in property taxes, which goes directly to support technology needs in the district.

Property taxes: Paying for construction

The district makes bond principal and interest payments twice yearly, once after the fall tax collection (October 15) and once after the spring tax collection (April 15).

The Mount Vernon School District will make the following payments in 2018/19:

Year	Principal	Interest	Total
2018	\$6,207,787	\$2,201,454	\$8,409,241
2019	\$0	\$2,062,319	\$2,062,319

Because the fall collection is not sufficient to pay the December payment, the district must have enough money collected from the previous year, in addition to the fall collection, to make full payment.

Rates listed below are per \$1,000 valuation of taxpayer home and property:

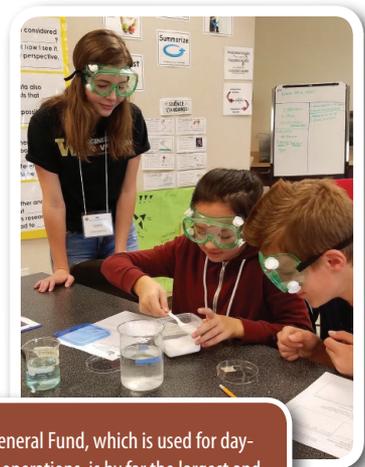
Year	Levy	Rate/\$1,000
2018	\$8,610,200	\$2.228
2019	\$8,100,000	\$2.096 projected

The owner of a \$250,000 home is projected to pay \$524 ($250 \times 2.096 = \524) in property taxes that go directly to the repayment of school bonds.

Understanding The Funds

To better understand the budget, it is important to look at the various district funds that control the dollars. The first division of school district activities is by fund titles. The district has six separate funds. The General Fund, which is used for day-to-day operations, is by far the largest and the primary focus in this budget summary.

- General Fund
- Capital Projects Fund
- Debt Service Fund
- Transportation Vehicle Fund
- Associated Student Body Fund
- Private-Purpose Trust Fund



The General Fund, which is used for day-to-day operations, is by far the largest and the primary focus in this budget summary.

Understanding The Funds: General Fund

Despite our loss of local levy revenue, we have been able to continue to maintain small class sizes in grades Kindergarten through grade 3. In addition, we have:

- Added five full time Math Intervention Specialists to support elementary students
- Added five full time elementary Health teachers
- Updated curriculum materials and equipment in Health and Physical Education for all grades

In light of an anticipated shortfall for 2019-20, we will be working this school year with groups of constituents to help identify potential areas for reduction.

Summary of the General Fund Budget by Fiscal Year			
	2017/18 Budget	2018/19 Budget	Change
Revenues			
Local Taxes	\$14,843,558	\$10,089,696	-32.0%
Local Nontax	\$3,656,979	\$3,888,676	6.3%
State, General Purpose	\$52,276,942	\$64,874,956	24.1%
State, Special Purpose	\$15,341,958	\$19,558,535	27.5%
Federal	\$7,605,653	\$7,761,889	2.1%
Rev from other SD/Agencies	\$220,000	\$437,033	98.7%
Other Financing Sources	\$0	\$0	
TOTAL REVENUES	\$93,945,090	\$106,610,785	13.5%
Expenditures			
Regular Instruction	\$49,728,653	\$56,988,057	14.6%
Special Education	\$14,507,672	\$15,557,128	7.2%
Vocational Instruction	\$2,747,704	\$3,471,537	26.3%
Skills Center	\$1,679,317	\$2,392,159	42.4%
Compensatory Education	\$9,191,630	\$10,734,575	16.8%
Other Instructional Programs	\$946,226	\$1,071,402	13.2%
Community Services	\$170,000	\$175,000	2.9%
Support Services	\$15,962,424	\$16,994,411	6.5%
TOTAL EXPENDITURES	\$94,933,626	\$107,384,269	13.1%
Revenues Over/Under	-\$988,536	-\$773,484	
Transfers In/Out	-\$64,616	-\$64,616	
Beginning Fund Balance			
- Committed to Minimum	\$5,800,000	\$6,000,000	
- Unreserved	\$0	\$0	
ENDING FUND BALANCE	\$4,746,848	\$5,161,900	8.7%

General Fund Program Expenditures

The information below is intended to represent the sources of revenue used to support the program expenditures. As is illustrated, the major source of school district revenue is Washington State. However, not all programs operate solely on state or even federal funds. Many programs are supported with local levy dollars to supplement state and federal revenues. The column labeled local taxes may be spent in various programs.



The major source of school district revenue is Washington State. However, not all programs operate solely on state or even federal funds.

Revenue Sources for Expenditures: Fiscal Year 2018/19					
	Local Nontax Fund Balance	Local Taxes	State	Federal	Total Expenditures
*Basic Ed/Dist. Support	\$3,388,675	\$5,947,794	\$56,893,234	\$84,247	\$66,313,950
Vocational Education			\$3,422,515	\$49,022	\$3,471,537
Special Education		\$3,317,174	\$10,385,354	\$1,854,600	\$15,557,128
Skills Center			\$2,365,513	\$26,646	\$2,392,159
Title I Funded Programs				\$1,637,454	\$1,637,454
LAP			\$4,422,707		\$4,422,707
Special Programs			\$1,223,403	\$341,915	\$1,565,318
Migrant				\$626,110	\$626,110
Bilingual			\$2,329,506		\$2,329,506
Highly Capable		\$294,932	\$197,709		\$492,641
Title II				\$303,014	\$303,014
Title III				\$192,381	\$192,381
Other Programs			\$578,761		\$578,761
Comm. Services	\$75,000			\$100,000	\$175,000
Food Services	\$425,001		\$48,000	\$2,470,000	\$2,943,001
Transportation		\$529,796	\$2,566,789		\$3,096,585
Fund Balance					\$1,287,017
TOTALS	\$3,888,676	\$10,089,696	\$84,433,491	\$7,685,389	\$107,384,269

*Basic Ed expenditures support the educational programs for all students enrolled in the MVSD.

General Fund Summary

General Fund Budget Breakdown

As a summary of expenditures, the General Fund budget may be divided into five major areas:

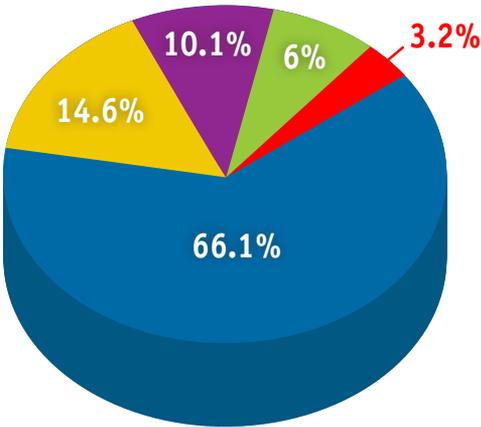
Direct Classroom Support, 66.1%: This category includes the salary and benefits for teachers and paraeducators for all programs including but not limited to basic education, special education, career and technical education, Running Start, alternative education, highly capable, bilingual and remedial classes.

Classroom Support, 14.6%: Included are salary and benefits for librarians, counselors, nurses, psychologists, language disorder specialists, therapists, music, technology, and staff in the principals' offices. Also included are equipment, supply and repair costs associated with these staff members.

Central Administration, 6%: This category includes expenses for the Board of Directors, Superintendent's Office, Business Office, Personnel Office and supervision for Teaching & Learning, and Special Services.

District-wide Support, 10.1%: This category includes expenses for Maintenance, Insurance, Utilities, Food Service, Transportation, Extracurricular Activities, Warehouse, and Grounds.

Safety and Security Support, 3.2%: This category includes salaries and benefits for playground supervision, crossing guards, disaster preparedness, intervention specialists, health services, and campus security.



Understanding The Funds:

Capital Projects Fund: Construction & Major Remodels

Proceeds from our capital bond approved by voters in February 2016 and from the state’s Construction Assistance Program are held in the Capital Projects Fund. To date, these dollars have been used to complete construction of the new Harriet Rowley Elementary School and to complete the demolition of the original Madison Elementary School.

Work this year will be devoted primarily to:

- Completing the rebuild of Madison Elementary, scheduled to open for the 2019-20 school year.
- Completing design, permitting, and construction of the new Mount Vernon High School Career and Technical Education shop and the renovation of the Fine Arts building.
- Completing design, permitting, and beginning renovation of Mount Vernon High School’s original building – Old Main.

2018/19 Capital Projects Summary	
Project	Budget
Minor Capital Projects	\$50,000
Portables	\$300,000
Technology Levy	\$3,000,000
New Elementary Schools	\$45,000,000
LaVenture Addition	\$9,600,000
High School New/Renovation	\$25,000,000
TOTAL	\$82,950,000

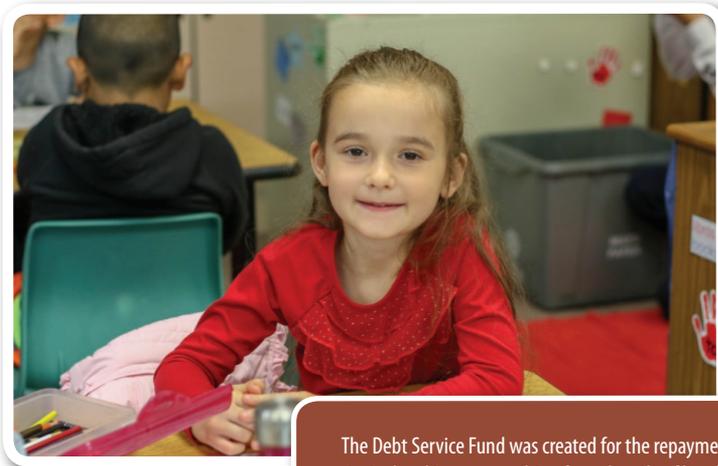


Understanding The Funds:

Debt Service Fund

The **Debt Service Fund** was created for the repayment of principal and interest resulting from the sale of bonds that financed district building projects approved by the voters. Provisions must be made annually for funds sufficient to meet payments of principal and interest. Collected debt service levy funds are held by the County Treasurer until bond maturity or interest payment dates.

Debt Service Fund: Summary Analysis of Expenditures		
	2017/18 Budget	2018/19 Budget
Beginning Fund Balance	\$3,085,000	\$5,581,000
Revenues	\$7,799,997	\$8,304,888
Transfers In	\$500,259	\$500,259
Total Resources	\$11,385,256	\$14,386,147
Expenditures	\$8,119,409	\$10,621,559
Ending Fund Balance	\$3,265,847	\$3,764,558
TOTAL EXPENDITURES	\$8,119,409	\$10,621,559



The Debt Service Fund was created for the repayment of principal and interest resulting from the sale of bonds that financed district building projects approved by the voters.

Understanding The Funds:

Transportation Vehicle Fund

Funded by state depreciation dollars for our school buses, these funds are used to purchase replacements for our older vehicles. This year, we will purchase three new school buses.

Transportation Vehicle Fund Summary		
	2017/18 Budget	2018/19 Budget
Beginning Fund Balance	\$850,000	\$600,000
Revenues	\$600,860	\$603,860
Total Resources	\$1,450,560	\$1,203,860
Expenditures	\$1,000,000	\$1,000,000
Ending Fund Balance	\$450,860	\$203,860



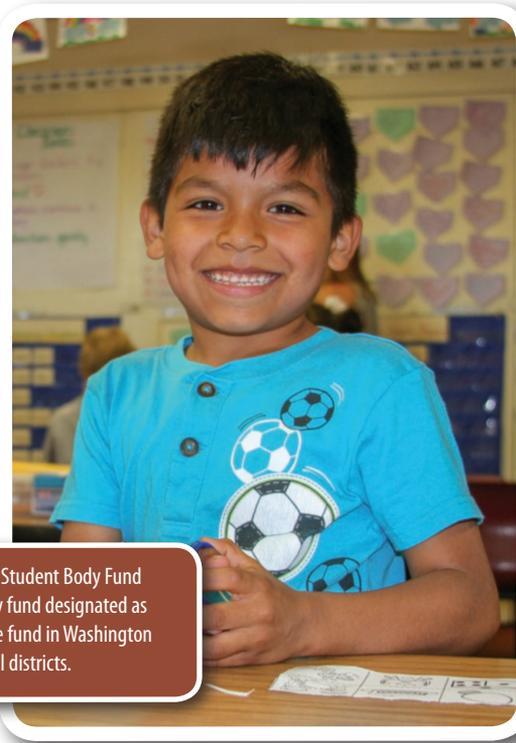
The Transportation Vehicle Fund is restricted to the acquisition and rebuilding of school bus vehicles.

Understanding The Funds:

Associated Student Body Fund

The **Associated Student Body Fund (ASB)** is managed by students and supports co-curricular and extra-curricular activities, primarily at the high school and middle school levels.

Understanding the Funds: ASB		
	2017/18 Budget	2018/19 Budget
Beginning Fund Balance	\$500,000	\$500,000
Revenues	\$689,529	\$702,395
Total Resources	\$1,189,529	\$1,202,395
Expenditures	\$724,000	\$845,067
Ending Fund Balance	\$465,529	\$357,328



The Associated Student Body Fund (ASB) is the only fund designated as a special revenue fund in Washington school districts.

Understanding The Funds:

Private-Purpose Trust Fund

The **Private-Purpose Trust Fund** accounts for monies or other assets donated to the district that benefit individuals or organizations. The authority to use the resources comes from the donor who specifies a use or range of allowed uses for assets to be held in trust.

Account	2015/16	2016/17
Art Scholarship	\$4	\$4
Herbert Dykers Scholarship	\$11,141	\$11,219
Latin Scholarship	\$171	\$172
FBLA Scholarship	\$1,091	\$1,098
German Scholarship	\$67	\$67
Marketing Scholarship	\$472	\$475
Spanish Scholarship	\$439	\$441
Earl Ellis Swimming Scholarship	\$8,588	\$8,641
Art McLeod Athletic Scholarship	\$310	\$312
High School InvestEd	\$1,580	\$961
LaVenture InvestEd	\$1,122	\$1,068
Mount Baker InvestEd	\$1,114	\$939
Wal-Mart Scholarship	\$18	---
TOTAL	\$26,117	\$25,397



The Private-Purpose Trust Fund accounts for monies or other assets donated to the district that benefit individuals or organizations.

We Welcome Your Opinions

The Mount Vernon School District Board of Directors encourages the entire community to attend school board meetings. Copies of the agenda for each board meeting are available at the superintendent's office and posted on our website at www.MountVernonSchools.org.

An opportunity to make presentations is welcomed during the public comment portion of the board meeting agenda. Visitors are also encouraged to comment on other agenda items.

You Are Invited

School board meetings are held the 1st and 3rd Wednesdays of each month at 6 p.m. at schools throughout the district. We encourage you to take advantage of these opportunities to make yourself heard!



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The Mount Vernon School District does not discriminate in employment, programs, or activities on the basis of age, race, color, national origin, creed, religion, sex, sexual orientation, gender expression, gender identity, honorably discharged veteran or military status, or the presence of any sensory, mental or physical disability or use of a trained guide dog or service animal by a person with a disability and provides equal access to the Boy Scouts and other designated youth groups. We will take steps to assure that national origin persons who lack English language skills can participate in all education programs, services and activities, including those specific to career and technical education programming. Inquiries regarding compliance and/or grievance procedures may be directed to the District's Title IX/Civil Rights Compliance Coordinator, Assistant Superintendent William Nutting, bnutting@mvsd320.org or the Section 504/Americans with Disabilities Act Coordinator, Clint Carlton, Director of Special and Support Services, ccarlton@mvsd320.org, 124 E. Lawrence St., Mount Vernon, WA, (360) 428-6110.

Our Goal

100% of students will graduate with the knowledge and skills needed to be successful in post-secondary education, careers, and life.

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Photo Credits: Thank you to MVHS Skagina staff and class instructor Tim Hornbacher.



Centennial Elementary

