

2017-2018

BUDGET

Summary



*Successful Learners
Strengthening Our Community*



Mount Vernon
High School



Mount Baker Middle School



Madison Elementary

Executive Summary

This publication is intended to outline the basics of our 2017-18 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 life-long 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 passage of House Bill 2242, intended to meet the State Supreme Court’s McCleary mandate, requiring that the legislature provide ample for funding for public schools. Most of the more significant changes will take effect in the 2018-19 school year. This fall, the state will be working to develop regulations clarifying the new regulations.

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

Thank you for your interest in our schools.



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

Carl Bruner
Superintendent,
Mount Vernon School District

Revenue Sources

How does the district receive its operating funds?

The major portion of the district’s operational revenue (71.9 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 2017/18 school year is 6,783 FTE. The sources of district revenues are listed below:

| Description | Revenue | Percent |
|-------------------------------------|--------------|---------|
| Local Taxes (Property Taxes) | \$14,843,558 | 15.8% |
| Local Nontax | \$3,656,979 | 3.9% |
| State, General Purpose | \$52,276,942 | 55.6% |
| State, Special Purpose | \$15,341,958 | 16.3% |
| Federal | \$7,605,653 | 8.1% |
| Revenue from other School Districts | \$220,000 | 0.3% |

The State Legislature provides funding for:

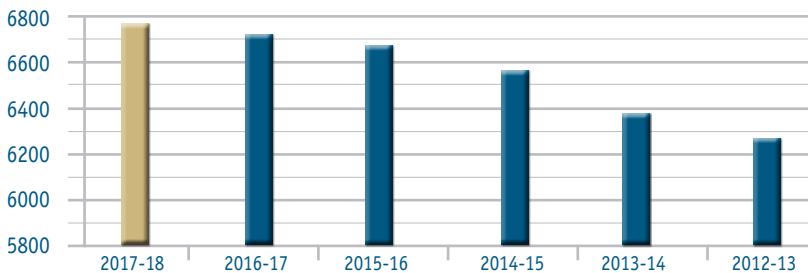
- Students with Disabilities
- Student Transportation
- Food Services
- Highly Capable Students
- Non-English Speaking Students
- Students with Special Learning Assistance Needs
- Improved Student Learning



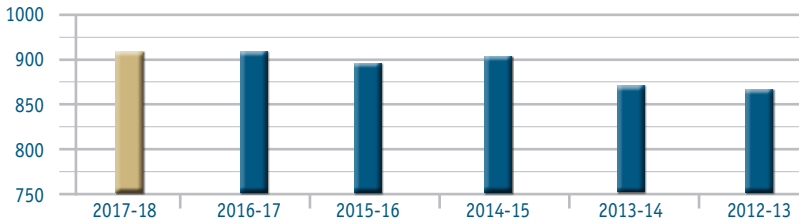
The major portion of the district’s operational revenue (71.9 percent) is received from the State of Washington.

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.

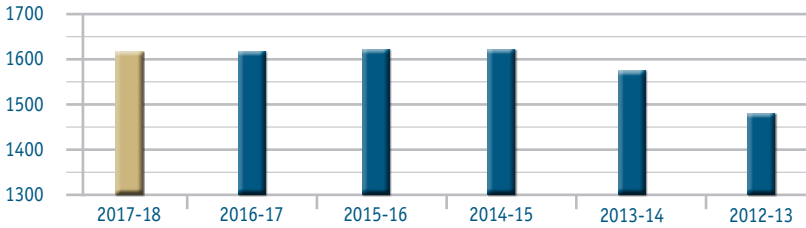
Basic Education Enrollment



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 | 46.0 |
| 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 | 2016/17 | 2017/18 | Change (±) |
|--------------------|---------|---------|------------|
| Administrators FTE | 29.5 | 29.5 | +0 |
| Certificated FTE | 443.57 | 460.65 | +3.85% |
| Classified FTE | 309.96 | 319.66 | +3.13% |

Community support for schools

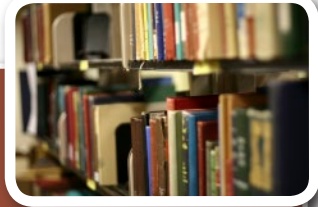
At the local level the district receives funding through levy and bond propositions, both of which are approved by voters and based upon local property valuations.

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 \$14,843,558, which is the fall collection of the 2017 levy and the spring collection of the 2018 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 |
|------|--------------|-------------------|
| 2017 | \$14,572,812 | \$4.151 |
| 2018 | \$15,077,913 | \$4.211 projected |

The owner of a \$250,000 home is projected to pay \$1,053 ($250 \times \$4.353 = \$1,053$) 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 |
|------|-------------|------------------|
| 2016 | \$2,061,440 | \$.616 |
| 2017 | \$2,061,440 | \$.616 projected |

The owner of a \$250,000 home is projected to pay \$154 ($250 \times \$0.616 = \154) 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 2015/16:

| Year | Principal | Interest | Total |
|------|-------------|-------------|-------------|
| 2017 | \$5,665,876 | \$1,215,165 | \$6,881,041 |
| 2018 | 0 | \$1,088,368 | \$1,088,368 |

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 |
|------|-------------|-----------------|
| 2017 | \$7,800,000 | 2.222 |
| 2018 | \$7,800,000 | 2.178 projected |

The owner of a \$250,000 home is projected to pay \$545 ($250 \times 2.178 = \545) 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

The **General Fund** accounts for all cash and other resources required 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 transportation. Using funds provided through voter approval of our Replacement Educational Programs and Operations (EPO) Levy in February 2017 and increases in state funding for the Learning Assistance Program, we have budgeted for enhancements to our instructional program in our General Fund, including:

- Continued reductions in Kindergarten – 2nd grade class sizes
- Additional classroom staffing for our middle schools and high school
- An additional classroom to serve elementary students with autism spectrum disabilities
- Expansion of the AVID program at Mount Vernon High School
- Added social support for elementary schools through the Communities in Schools program

| Summary of the General Fund Budget by Fiscal Year | | | |
|--|-----------------------|------------------------|---------------|
| | 2016/17 Budget | 2017/18y Budget | Change |
| Revenues | | | |
| Local Taxes | \$14,366,331 | \$14,843,558 | 3.3% |
| Local Nontax | \$3,083,465 | \$3,656,979 | 18.6% |
| State, General Purpose | \$49,265,086 | \$52,276,942 | 6.1% |
| State, Special Purpose | \$12,828,524 | \$15,341,958 | 19.6% |
| Federal | \$7,580,435 | \$7,605,653 | 0.3% |
| Rev from other SD/Agencies | \$220,000 | \$220,000 | 0.0% |
| Other Financing Sources | \$0 | \$0 | |
| TOTAL REVENUES | \$87,343,841 | \$93,945,090 | 7.6% |
| Expenditures | | | |
| Regular Instruction | \$48,121,793 | \$49,728,653 | 3.3% |
| Special Education | \$12,886,075 | \$14,507,672 | 12.6% |
| Vocational Instruction | \$2,268,309 | \$2,747,704 | 21.1% |
| Skills Center | \$1,628,513 | \$1,679,317 | 3.1% |
| Compensatory Education | \$7,156,732 | \$9,191,630 | 28.4% |
| Other Instructional Programs | \$961,181 | \$946,226 | -1.6% |
| Community Services | \$170,000 | \$170,000 | 0.0% |
| Support Services | \$15,191,337 | \$15,962,424 | 5.1% |
| TOTAL EXPENDITURES | \$88,383,940 | \$94,933,626 | 7.4% |
| Revenues Over/Under | -\$1,040,099 | -\$988,536 | |
| Transfers In/Out | -\$64,616 | -\$64,616 | |
| Beginning Fund Balance | | | |
| - Committed to Minimum | \$5,500,000 | \$5,800,000 | |
| - Unreserved | \$0 | \$0 | |
| ENDING FUND BALANCE | \$4,395,285 | \$4,746,848 | 8.0% |

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.



| Revenue Sources for Expenditures: Fiscal Year 2017/18 | | | | | |
|---|---------------------------|---------------------|---------------------|--------------------|---------------------|
| | Local Nontax Fund Balance | Local Taxes | State | Federal | Total Expenditures |
| *Basic Ed/Dist Support | \$3,381,979 | \$8,720,698 | \$46,463,354 | \$183,059 | \$58,749,090 |
| Vocational Education | | | \$2,697,634 | \$50,070 | \$2,747,704 |
| Special Education | | \$5,051,124 | \$7,630,328 | \$1,826,220 | \$14,507,672 |
| Skills Center | | | \$1,633,074 | \$46,243 | \$1,679,317 |
| Title I Funded Programs | | | | \$1,765,441 | \$1,765,441 |
| LAP | | | \$3,478,481 | | \$3,478,481 |
| Special Programs | | | \$987,230 | \$250,000 | \$1,237,230 |
| Migrant | | | | \$472,381 | \$472,381 |
| Bilingual | | | \$1,870,858 | | \$1,870,858 |
| Highly Capable | | \$213,231 | \$152,995 | | \$366,226 |
| Title II | | | | \$284,308 | \$284,308 |
| Title III | | | | \$332,931 | \$332,931 |
| Other Programs | | | \$580,000 | | \$580,000 |
| Comm Services | \$70,000 | | | \$100,000 | \$170,000 |
| Food Services | \$425,000 | | \$50,000 | \$2,295,000 | \$2,770,000 |
| Transportation | | \$858,505 | \$2,074,946 | | \$2,933,451 |
| TOTALS | \$3,876,979 | \$14,843,558 | \$67,618,900 | \$7,605,653 | \$93,945,090 |

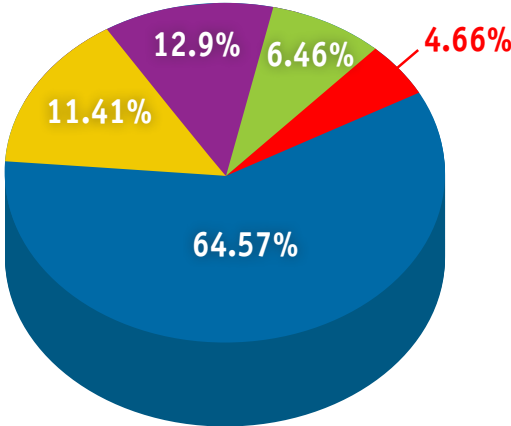
*Basic Ed expenditures support the educational programs for all students enrolled in the MVSD.

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, 64.57%:** 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, 11.41%:** 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, 6.46%:** This category includes expenses for the Board of Directors, Superintendent's Office, Business Office, Personnel Office and supervision for Teaching & Learning, Special Services, Food Services, Transportation and Maintenance Departments.
- District-wide Support, 12.9%:** This category includes expenses for the Board of Directors, Superintendent's Office, Business Office, Personnel Office, extra-curricular activities, transportation, food service, professional development, data processing, employee assistance program, and for the supervision of curriculum and instruction activities.
- Safety and Security Support, 4.66%:** 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

The Capital Projects Fund includes all monies and resources set aside for construction projects, the acquisition of land or existing buildings, construction of buildings, certain purchases of new equipment, conducting energy audits, and remodeling of buildings.

Proceeds received to date from our capital bond approved by voters in February 2016 are held in the Capital Projects Fund. These dollars will be used to complete several facility projects over the next five school years.

Work this year will be devoted primarily to:

- Completing construction of the new elementary school on East Division – the first project in our bond schedule
- Completing the design and permitting for the rebuild of Madison Elementary
- Funds will also be used to begin design work for the High School and LaVenture projects.

| 2017/18 Capital Projects Summary | |
|----------------------------------|---------------------|
| Project | Budget |
| Minor Capital Projects | \$50,000 |
| Debt Payment | \$435,643 |
| Portables | \$300,000 |
| Technology Levy | \$3,700,000 |
| New Elementary Schools | \$50,000,000 |
| LaVenture Addition | \$9,600,000 |
| High School New/Renovation | \$15,000,000 |
| TOTAL | \$78,585,643 |

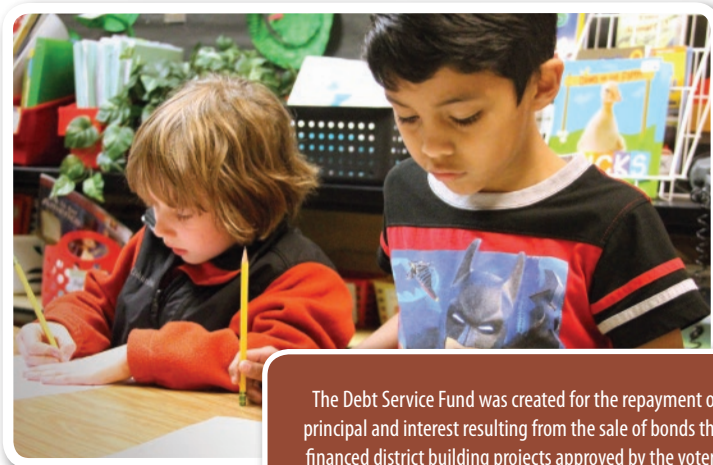


Understanding The Funds:

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 | | |
|---|--------------------|--------------------|
| | 2016/17 Budget | 2017/18 Budget |
| Beginning Fund Balance | \$3,586,000 | \$3,085,000 |
| Revenues | \$7,242,251 | \$7,799,997 |
| Transfers In | \$500,259 | \$500,259 |
| Total Resources | \$11,328,515 | \$11,385,256 |
| Expenditures | \$8,348,409 | \$8,119,409 |
| Ending Fund Balance | \$2,980,104 | \$3,265,847 |
| TOTAL EXPENDITURES | \$8,348,409 | \$8,119,409 |



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

The **Transportation Vehicle Fund** is restricted to the acquisition and rebuilding of school bus vehicles. All buses are on a state-adopted depreciation schedule, with revenues received from the state each September. Funded by state depreciation dollars for our school buses, these revenues are used to purchase replacements for our older vehicles. This year, we will purchase two new school busses.

Transportation Vehicle Fund revenues for the 2017/18 school year will be derived from state bus depreciation payments and investment earnings.

| Transportation Vehicle Fund Summary | | |
|-------------------------------------|------------------|------------------|
| | 2016/17 Budget | 2017/18 Budget |
| Beginning Fund Balance | \$850,000 | \$850,000 |
| Revenues | \$532,889 | \$600,860 |
| Total Resources | \$1,382,889 | \$1,450,560 |
| Expenditures | \$1,000,000 | \$1,000,000 |
| Ending Fund Balance | \$382,889 | \$450,860 |



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 the only fund designated as a special revenue fund in Washington school districts. This fund is financed by student body fees, activity gate receipts, and other approved student body fund-raising activities.



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

One of the purposes is to encourage the supervised self-government of associated student bodies. Policies and procedures to promote this goal have been established by the Board of Directors. Students manage the Associated Student Body Fund. It supports extra-curricular activities, primarily at the high school and middle school levels. Their involvement in decision making processes is an integral part of the ASB government. ASB funds have been established at all grade levels. Student approval is required at the middle and high school levels, while the building principal is the approving signature at the elementary level.

Budgets are developed and approved at each school. Students at the middle and high school level approve the revenue

and expenditure limits of their school and must live within those guidelines. The board of directors approves one budget, a composite of all schools.

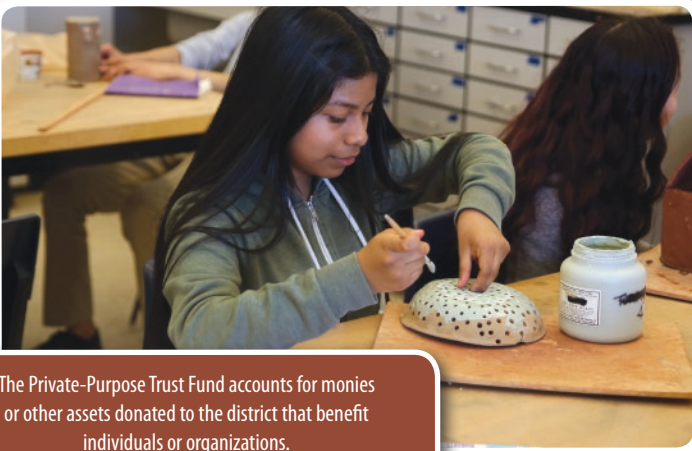
| Understanding the Funds: ASB | | |
|------------------------------|------------------|------------------|
| | 2016/17 Budget | 2017/18 Budget |
| Beginning Fund Balance | \$525,000 | \$500,000 |
| Revenues | \$865,211 | \$689,529 |
| Total Resources | \$1,390,211 | \$1,189,529 |
| Expenditures | \$656,720 | \$724,000 |
| Ending Fund Balance | \$733,491 | \$465,529 |

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 | 2014/15 | 2015/16 |
|---------------------------------|-----------------|-----------------|
| Art Scholarship | \$4 | \$4 |
| Herbert Dykers Scholarship | \$11,097 | \$11,141 |
| Latin Scholarship | \$170 | \$171 |
| FBLA Scholarship | \$1,087 | \$1,091 |
| German Scholarship | \$67 | \$67 |
| Marketing Scholarship | \$471 | \$472 |
| Spanish Scholarship | \$437 | \$439 |
| Earl Ellis Swimming Scholarship | \$8,558 | \$8,588 |
| Art McLeod Athletic Scholarship | \$309 | \$310 |
| High School InvestEd | \$5,921 | \$1,580 |
| LaVenture InvestEd | \$2,171 | \$1,122 |
| Mount Baker InvestEd | \$1,159 | \$1,114 |
| Wal-Mart Scholarship | \$18 | \$18 |
| TOTAL | \$31,469 | \$26,117 |



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!



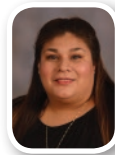
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Our Goal

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