

Budget Summary 2019-2020

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Dear community members:

This has been an unprecedented year for Vancouver Public Schools. Last year the state implemented its solution to the McCleary court decision, yet the flawed funding model for K-12 education has resulted in budget deficits for 253 districts across the state. We have asked our state legislators to review the plan and continue to work on creating a funding model that fairly supports all school districts.

For 2019-20, we were able to manage a projected \$14.5 million shortfall with cuts in central office support to schools and the use of one-time money. This budget:

- Uses \$10.3 million in one-time funding—\$6.5 million of one-time state levy equalization money and \$3.8 million of one-time money from the district’s fund balance. This approach allows VPS to preserve all the school-based, direct service positions originally identified as possible reductions to consider, but only for the 2019-20 school year.
- Removes 10 centrally budgeted teachers on special assignment for a \$1.2 million cost savings
- Reduces central office/support services budgets by 5% for a \$1.2 million savings
- Reduces central administration positions by 15% for an \$800,000 savings
- Reduces professional development travel by 50% for a \$400,000 savings
- Eliminates one grounds maintenance position for a \$75,000 savings



Without additional sustainable revenue, however, the district will face a \$10.3 million shortfall in the next budget year and must cut programs and positions. As recommended by the district’s management task force, the VPS board of directors will consider a possible supplemental levy measure as a sustainable revenue source. That option will require voter approval.

In the meantime, I urge you to contact our legislators and ask them to provide full funding for special education and other essential services such as counseling, nursing and school safety and security positions so that we can continue to provide the education and programs our families and students expect and deserve.


In spite of the budget challenges we face, our district has several things to celebrate.

- The on-time graduation rate for Vancouver high school students is 85 percent, up from 64 percent in 2010. The extended graduation rate is projected to hit 89 percent. These are all-time-high results, and we expect this trend to continue.
- For the 13th consecutive year, VPS received a clean audit report from the Washington state auditor’s office. The district was found to be in compliance in all areas of financial reporting, and the auditor’s office reported no findings or deficiencies.

- Work is well underway on construction of new schools and facility upgrade projects throughout the district thanks to the community's support of a \$458 million bond measure passed by voters in 2017. A new Ogden Elementary School opened in August 2019. Three more schools—Marshall Elementary, McLoughlin Middle School and Vancouver iTech Preparatory—will open later this school year. Construction is underway on new Truman and Martin Luther King Jr. elementary schools. Also, new classrooms were added at Harney and Salmon Creek elementary schools. By law, bond dollars can only be used for capital projects. For more information on construction and upgrade projects, please visit our [website](#).
- The Vancouver community continues to show its support for our students and schools. Community partners are making a positive difference in the lives of our children and youth through financial, time and in-kind contributions.

We look forward to the 2019-20 school year with hope and opportunity for all of our students and employees.

Sincerely,



Steven T. Webb, Ed.D.
Superintendent
@SuptVPS

A copy of the complete budget is available by request. Please contact our fiscal services department at 360-313-1341.

Budget Summary for Fiscal Year 2019-2020

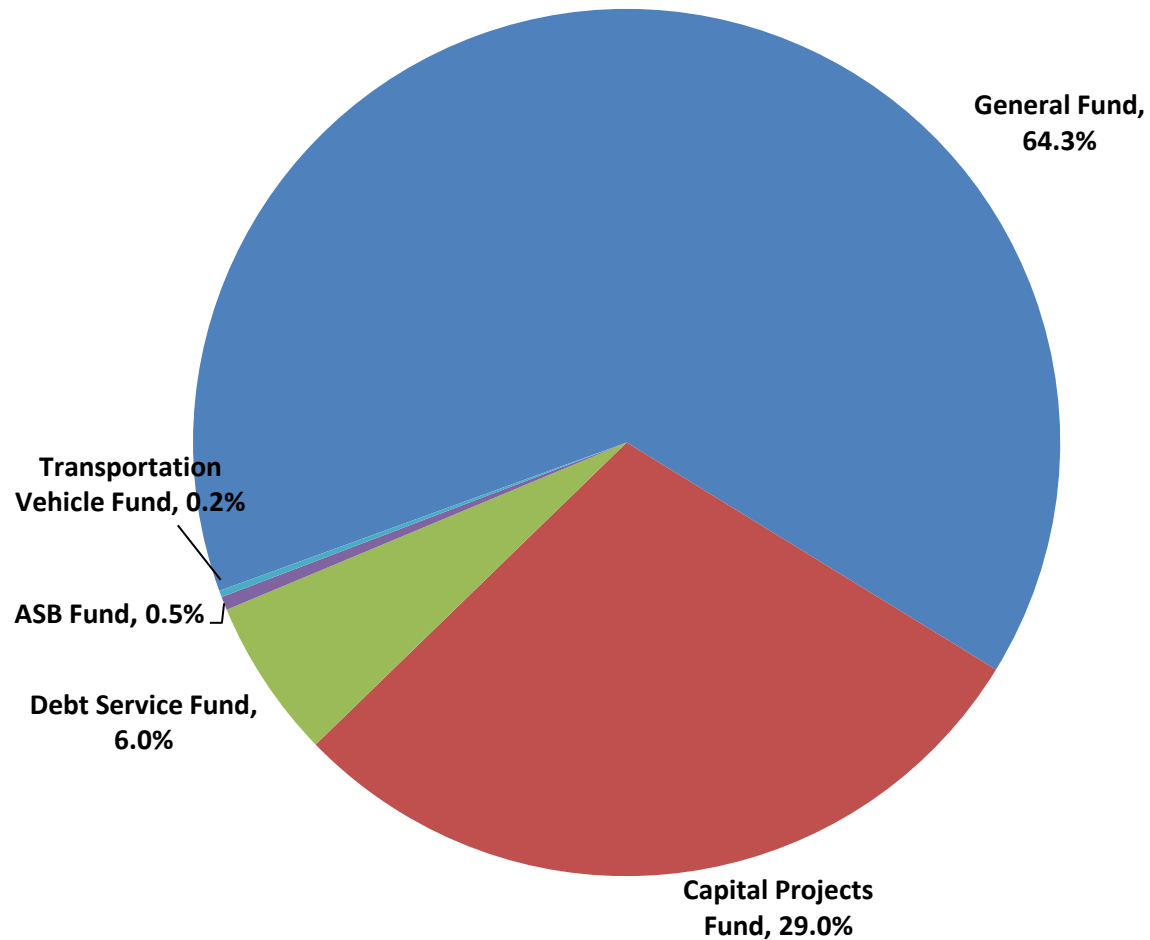
	General Fund	Transportation Vehicle Fund	Capital Projects Fund	Debt Service Fund	Associated Student Body Fund
Total Revenues	\$333,051,520	\$1,295,000	\$153,130,750	\$31,502,500	\$2,647,100
Total Expenditures	\$(344,436,167)	\$(3,800,000)	\$(264,000,000)	\$(39,055,959)	\$(2,534,500)
Permanent Transfer (From)	\$(45,000)	-	\$(7,130,750)	-	-
Permanent Transfer To	\$7,130,750	-	-	\$45,000	-
Excess Revenues Over/(Under) Expenditures	\$(4,298,897)	\$(2,505,000)	\$(118,000,000)	\$(7,508,459)	\$112,600
Total Beginning Fund Balance	\$31,575,093	\$3,650,000	\$228,700,000	\$17,000,000	\$770,000
Total Ending Fund Balance	\$27,276,196	\$1,145,000	\$110,700,000	\$9,491,541	\$882,600



2019-2020 Revenues as a Percentage of Total Budget

Revenues / Other Financing Sources

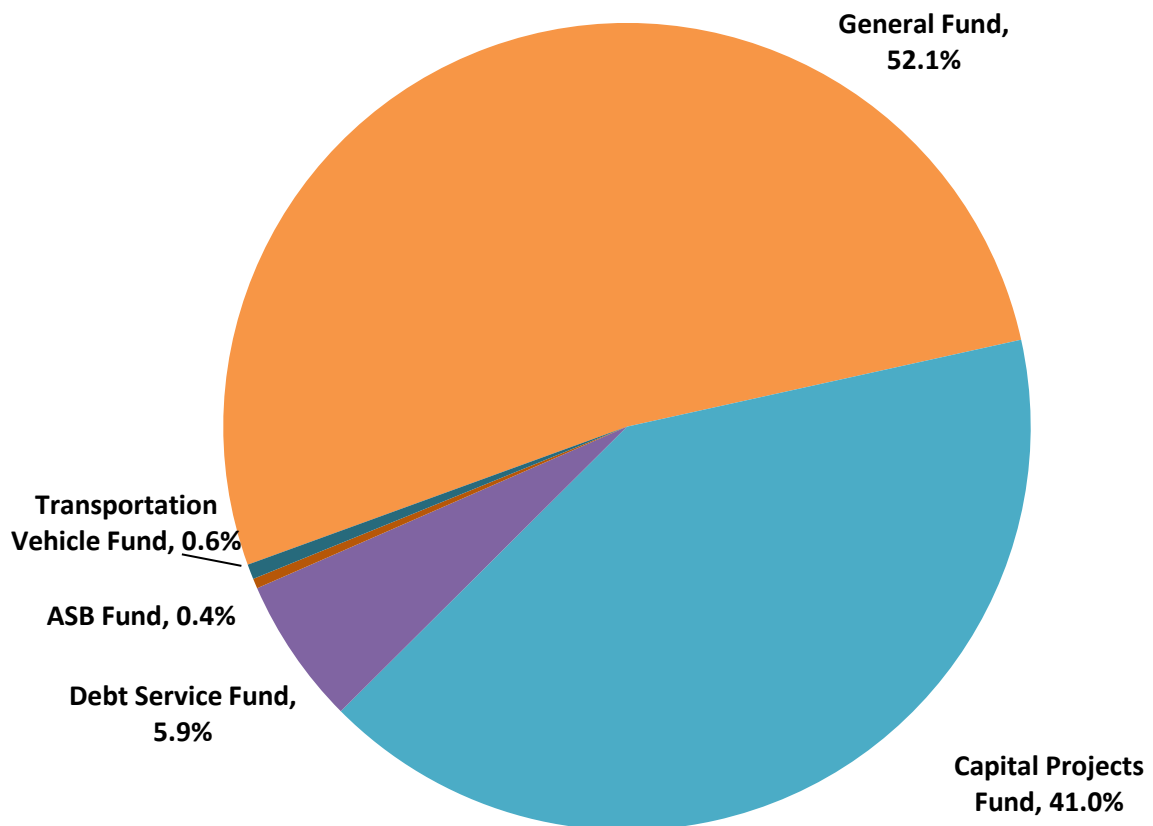
General Fund	340,182,270	64.3%
Capital Projects Fund	153,130,750	29.0%
Debt Service Fund	31,547,500	6.0%
ASB Fund	2,647,100	0.5%
Transportation Vehicle Fund	1,295,000	0.2%
	<hr/>	
	528,802,620	100.0%
	<hr/>	



2019-2020 Expenditures as a Percentage of Total Budget

Total Expenditures

General Fund	344,481,167	52.1%
Capital Projects Fund	271,130,750	41.0%
Debt Service Fund	39,055,959	5.9%
ASB Fund	2,534,500	0.4%
Transportation Vehicle Fund	3,800,000	0.6%
	<hr/>	
	661,002,376	100.0%
	<hr/>	



Summary of 2019-2020 Fund Balance - General Fund

Beginning Fund Balance	
Non-Spendable Fund Balance – Inventory/Prepaid Items	\$ 1,500,000
Restricted for Carryover of Restricted Revenue	1,250,000
Restricted for Carryover of Food Service Revenue	2,700,000
Restricted for Debt Service	-
Restricted for Self Insurance	750,000
Restricted for Dental/Vision/Audio	600,000
Assigned to Contingencies	-
Assigned to Other Capital Projects	8,010,398
Assigned to Other Purposes	7,164,695
Unassigned Fund Balance	9,600,000
Total Beginning Fund Balance	<u>\$ 31,575,093</u>

Revenues	\$ 340,182,270
Expenditures	(344,481,167)

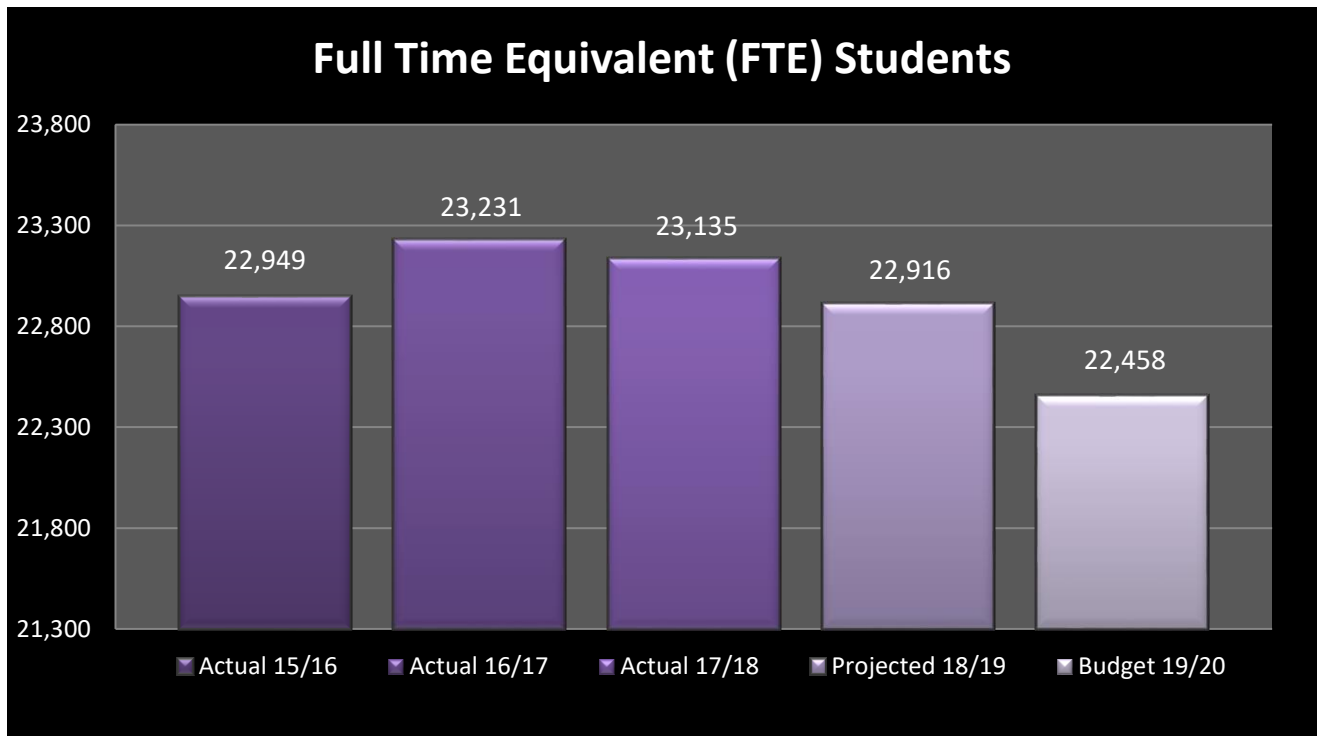
Ending Fund Balance	
Non-Spendable Fund Balance – Inventory/Prepaid Items	\$ 1,500,000
Restricted for Carryover of Restricted Revenue	1,250,000
Restricted for Carryover of Food Service Revenue	2,700,000
Restricted for Debt Service	-
Restricted for Self Insurance	750,000
Restricted for Dental/Vision/Audio	-
Assigned to Contingencies	-
Assigned to Other Capital Projects	8,010,398
Assigned to Other Purposes	7,292,330
Unassigned Fund Balance	5,773,468
Total Ending Fund Balance	<u>\$ 27,276,196</u>

Note:

Vancouver Public Schools 2018-2019 budgeted ending fund balance as a percentage of expenditures is forecast to be 7.9%, which includes 1.7% designated for the unassigned portion of the fund balance.

The Vancouver Public Schools' policy establishes a targeted ending fund balance of 5% to 8% of the current year's general fund expenditures in all budget accounts. Included is a targeted amount of 3% for the unassigned fund balance account.

Comparison of FTE Enrollment Counts



District Enrollment

	Actual 2015-16	Actual 2016-17	Actual 2017-18	Projected 2018-19	Budget 2019-20
Grade K	1,544	1,720	1,764	1,721	1,660
Grades 1-3	5,731	5,542	5,389	5,233	5,117
Grades 4-5	3,624	3,809	3,854	3,824	3,635
Grades 6-8	5,157	5,252	5,264	5,403	5,423
Grades 9-12	6,529	6,512	6,439	6,295	6,184
Running Start	364	396	425	440	440
Totals	22,949	22,231	23,135	22,916	22,458
FTE Change from Prior Year	Actual 217	Actual 282	Actual -96	Projected -219	Budget -458
% of Change from Prior Year	0.95%	1.23%	-0.41%	-0.95%	-2.00%

District Enrollment

Special Education	2,900	3,046	3,132	3,115	3,020
Vocational Education	1,462	1,588	1,589	1,356	1,385
ELL – English Language Learners	3,653	3,820	3,833	3,786	3,782

Description of Revenue Sources – General Fund

Local Taxes

Collection of voter approved Maintenance and Operation levy.

Local Nontax

Includes all tuition/fees paid by students, student food service sales, investment earnings, rental of district facilities, and other community services.

State General Purpose

Revenues allocated by the state funding formula, driven by enrollment and instructional staff's education and experience. Included in this revenue description is Local Effort Assistance. Local Effort Assistance is the state's attempt to reduce the burden placed upon taxpayers of residential districts with a limited tax base. The state provides revenue to help equalize the tax base statewide. Only districts that pass a Maintenance and Operation levy qualify for this funding.

State Special Purpose

State revenues for the purpose of remedial education, instruction and services for handicapped, highly capable, special pilot programs, pupil transportation, and food services.

Federal General Purpose

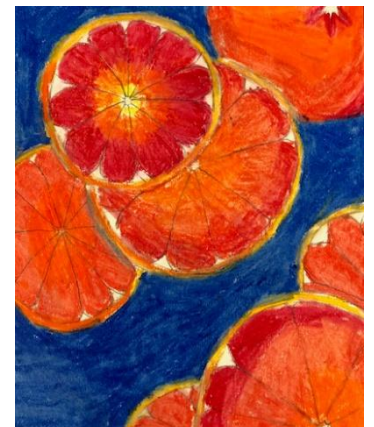
Includes revenue received from federal timber sales and federal land within the district.

Federal Special Purpose

Funds provide supplemental remedial education for eligible low performing students attending high poverty schools (Title I, Part A), school food services including USDA commodities, vocational education, English Language Learners, and specially designed instruction for special education students.

Revenues from Other Sources

Revenues received from other entities.

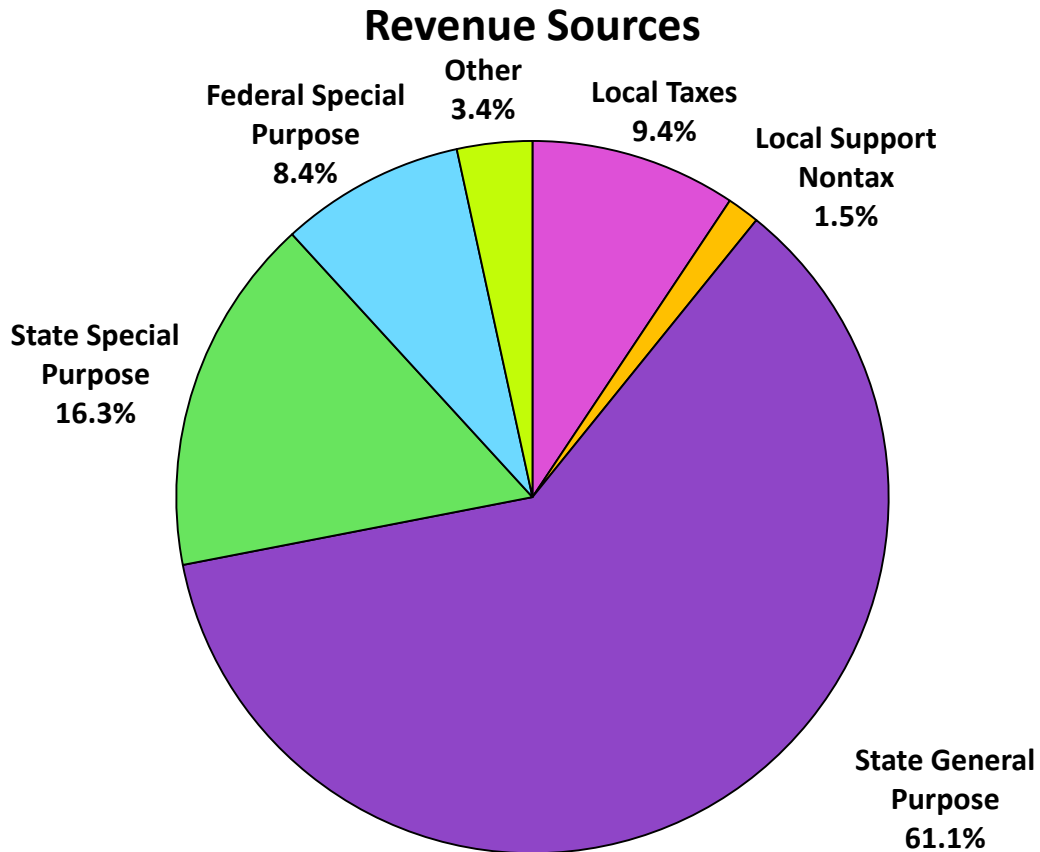


2019-2020 Revenue Sources - General Fund

The District receives its General Fund funding from the following:

	(\$millions)	Percent
Local Taxes	\$ 31.8	9.4%
Local Support Nontax	\$ 5.0	1.5%
State General Purpose	\$ 207.9	61.1%
State Special Purpose	\$ 55.3	16.3%
Federal Special Purpose	\$ 28.5	8.4%
Other	\$ 11.6	3.4%
Total	\$ 340.1	100.0%

Note: These revenue figures are only estimates. Changes in student enrollment and revisions in state and federal formulas are factors that may impact forecasted revenues.



2019-2020 Revenue Forecast - General Fund

		% of Category	% of Total
Local Property Taxes	\$ 31,755,452		9.33%
Local Support Nontax			
Tuition and Fees	270,700	5.41%	
Sales of Goods, Supplies, and Services	571,080	11.40%	
Secondary Vocational Education Sales of Goods	51,000	1.02%	
School Food Services	1,600,000	31.95%	
Investment Earnings	800,000	15.98%	
Gifts and Donations	676,800	13.52%	
Fines and Damages	34,300	0.68%	
Rentals and Leases	600,000	11.98%	
Insurance Recoveries	50,000	1.00%	
Other Local Nontax	353,485	7.06%	
Total Local Support Nontax	5,007,365	100.0%	1.47%
State General Purpose			
Apportionment	198,894,193	95.67%	
Local Effort Assistance	9,008,000	4.33%	
Total State General Purpose	207,902,193	100.0%	61.11%
State Special Purpose			
OSPI Substitute Reimbursement	7,500	0.01%	
Special Education - Excess Costs	26,829,644	48.50%	
Learning Assistance Program (LAP)	10,657,682	19.27%	
Special and Pilot Programs	1,617,159	2.92%	
Transitional Bilingual	4,963,149	8.97%	
Highly Capable	648,646	1.17%	
School Food Services	96,560	0.17%	
Transportation - Operations	10,500,000	18.98%	
Total State Special Purpose	55,320,340	100.0%	16.26%
Federal Special Purpose			
Special Purpose, Unassigned	8,151,512	28.61%	
Special Purpose Grants	688,209	2.42%	
Special Education – IDEA/Medicaid	4,459,888	15.65%	
Secondary Vocational Education - Carl Perkins	136,079	0.48%	
Disadvantaged - Title I	7,007,024	24.60%	
School Improvement, Federal Title II	1,165,834	4.09%	
School Food Services	5,749,788	20.18%	
Federal Grants, Unassigned	591,000	2.07%	
USDA Commodity	540,000	1.90%	
Total Federal Special Purpose	28,489,334	100.0%	8.37%
Revenues From Other Entities, Agencies, and Transfers	11,707,586		3.44%
TOTAL REVENUES & OTHER SOURCES	\$ 340,182,270		100.0%

Description of Program Expenditures - General Fund

General Fund expenditures are categorized in several ways in the budget. These categories are defined through the state's accounting system to maintain consistency among the many school districts. The school district prepares its expenditure budget on a program basis. Program budgeting allows the district to examine the costs of individual instructional programs. The major General Fund programs are:

Basic Education

Records the direct cost of basic education as defined in RCW 28A.150.210/220. Program expenditures include the salary and benefit costs of basic education teachers, principals, counselors, media specialists, nurses and school secretaries. It also includes direct costs of instruction such as textbooks, technology, supplies and materials, classroom equipment, and library resources.



Special Education

Records expenditures for special education and related services beyond the cost of basic education. Included expenditures are teachers, psychologists, speech therapists, occupational and physical therapists, and para-professionals.

Vocational Education

Records expenditures for operating Career and Technical Education programs approved by the Superintendent of Public Instruction. Career and Technical Education consists of many programs including business, marketing, technology, and culinary arts.

Compensatory Education

Elementary Secondary Education Act – Federal

Records expenditures related to Title I which provides federal assistance to high poverty schools for supplementary instruction in the areas of reading, language arts and mathematics for students at risk of failing to meet state standards. Also recorded are expenditures related to Limited English Proficiency and Title II (Teacher Quality) which provides funding for teacher professional development in core academic areas.

Description of Program Expenditures - General Fund *(cont.)*

Compensatory Education *(cont.)*

Compensatory - State

Records expenditures related to Learning Assistance Program (LAP) and Transitional Bilingual. LAP is designed to provide extended learning opportunities in the area of K-4 reading to low performing K-4 students. Transitional Bilingual provides English language acquisition programs for students who are English Language Learners. Other state compensatory programs include state general purpose and special pilot programs.

Other Instructional Programs

Highly Capable (Challenge)

Records expenditures for the education of students who are considered "highly capable."

Instructional Programs, Other

Records expenditures related to grants not specifically identifiable in another program.

Other Community Services

Records expenditures related to Jim Parsley Community Center and Propstra Pool as well as expenditures related to making district facilities available to the community.

Support Services

District-Wide Support

Records expenditures to provide support for all programs of the district. Included are expenditures for the Superintendent's Office, Board of Directors, Fiscal Services, Human Resources, Information Services, and Facilities and Management.

Food Services

Records the costs of operating the district lunch and breakfast program.

Transportation

Records the costs of the district's pupil transportation program.



Budgeted Program Expenditures 2019-2020 General Fund

		% of Category	% of Total
Basic Education	\$ 187,469,205		54.42%
Special Education			
Special Education - Basic State	39,909,276	87.47%	
Special Education - Supplemental Federal	5,719,500	12.53%	
Total Special Education	45,628,776	100.0%	13.25%
Vocational			
Vocational - Basic State	10,243,289	84.43%	
Vocational - Middle School	1,758,735	14.50%	
Vocational - Federal	129,921	1.07%	
Total Vocational	12,131,945	100.0%	3.52%
Compensatory Instruction			
Disadvantaged, Federal Title I	6,689,920	22.22%	
School Improvement, Federal Title II	1,113,075	3.70%	
Learning Assistance Program (LAP)	10,628,062	35.30%	
State Pilot	1,591,726	5.29%	
Limited English Proficiency (LEP)	380,597	1.26%	
Transitional Bilingual	4,504,400	14.96%	
Compensatory Other	5,200,000	17.27%	
Total Compensatory Instruction	30,107,780	100.0%	8.74%
Other Instructional			
Highly Capable	553,264	20.40%	
Instructional Program	1,148,767	42.35%	
Other Community	1,010,679	37.26%	
Total Other Instructional	2,712,710	100.0%	0.79%
Support Services			
District Support	47,904,332	72.16%	
Food Services	8,177,079	12.32%	
Pupil Transportation	10,304,340	15.52%	
Total Support Services	66,385,751	100.0%	19.27%
Transfer	45,000		0.01%
GRAND TOTAL	\$ 344,481,167		100.0%

Major Categories of Expenditures 2019-2020 General Fund

To summarize expenditures, the General Fund budget is divided into four major categories:

Direct Classroom

This category includes the salary and benefits for teachers and para professionals, classroom supplies and materials, and extracurricular activities.

Classroom Support

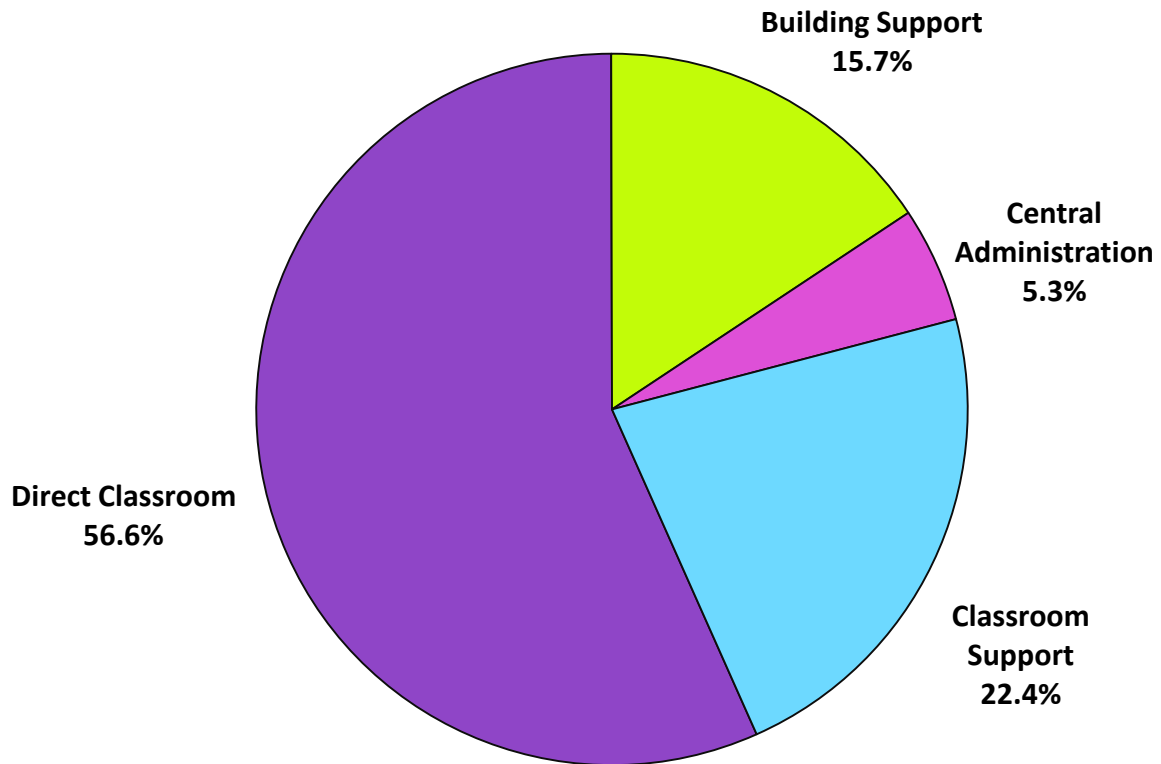
This category includes the salary and benefits of principals, counselors, nurses, psychologists, speech/language pathologists, occupational therapists, physical therapists, and media specialists. Also included are the costs of library resources both electronic and print, curriculum, instructional professional development, and instructional technology.

Building Support

This category includes the expenses for student transportation, food services, maintenance and grounds, utilities, insurance, security, warehouse, and information systems.

Central Administration

This category includes the expenses for the School Board, Superintendent's Office, Fiscal Services, Human Resources, and for the supervision of the following activities: instruction, food services, student transportation, and maintenance.



Summary of Expenditures by Category Property Taxes

Listed below are the property tax rates per thousand dollars of assessed value for the calendar years 2016, 2017, 2018, and 2019. The assessed value of taxable property in the district is expected to be \$20.3 billion in 2019 (which would be an increase in valuation of \$2.4 billion from 2018).

Year	Maintenance & Operations	Technology Levy	Bonds	Total
2016	\$3.05	\$0.27	\$1.53	\$4.85
2017	\$2.82	\$0.24	\$1.43	\$4.49
2018	\$2.64	\$0.22	\$1.52	\$4.38
2019	\$1.50	\$0.20	\$1.50	\$3.20

The owner of a home valued at \$300,000 for the purpose of tax assessment is anticipated to pay \$960 in property taxes in 2019 that will go directly to Vancouver Public Schools. Property tax statements also list a "State Property Tax" that is collected by the state and distributed to school districts throughout the state of Washington according to student enrollment.

The fiscal year for Vancouver Public Schools begins September 1st and ends August 31st. Property taxes are levied and collected on a calendar year basis (January - December). The 2019-2020 budget reflects a combined total of \$37.4 million from the Maintenance & Operation and Technology levies. These property taxes will provide approximately 9.3% of the total operating revenues available to the district for the 2019-2020 school year. The district may not collect more taxes than the amount approved by voters. The tax rate is determined by the levy amount divided by the assessed value.

