
Citizen's Guide to the District Budget

2018-2019

Union Gap School District No. 2
3201 S 4th Street • Union Gap, WA 98903
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From the Superintendent

July 24, 2018

Union Gap School District Community Members:

The *Citizen's Guide to the District's Budget*, to be released annually alongside the district's board approved budget (F-195), is financial information in a "digestible" format that helps build understanding of how schools are funded and how we in Union Gap choose to use district revenues. Thanks for taking the time to review the information in this guide.

While Washington State's legislature meets on an annual basis, it is one of 15 states that work from a biennial budget. The 2018-19 school year marks the second year of the 2017-19 biennial budget. Adopting the budget was no small task for legislators, as it took them three 30-day special sessions on top of their regular session to agree on and pass what proved to be a particularly difficult budget puzzle. Complex issues related to education funding continued to play a prominent role; as you may be aware, Washington's lawmakers have been under pressure to address the unconstitutional underfunding of Washington's basic education program and related issues with educator compensation, items that have forced schools to be over-reliant on local levy monies to pay for items that are the State's obligation. If you would like to know more about the related lawsuit (McCleary), a brief synopsis and recent update and is available using the following link: <http://bit.ly/2b8YMkN>

In an effort to address the issues surrounding the McCleary lawsuit and fulling funding basic education, legislators passed SHB 2242. Many of the changes made in this bill do not take effect until the 2018-19 school year. With the signing of SHB 2242, the new teacher salary minimums and maximums became effective in 2017-18.

In the years to come, SHB 2242 will have a significant impact on the funding structure of districts all across the state. Beginning in the 2018-19 school year, the current salary schedule and staff mix factor used to allocate funding to school districts for teacher salaries is no longer used. The state replaced that method with a 'statewide average salary allocation' method. Meaning, each district across the state will be funded at an average rate for each full-time teacher, administrator and classified staff. Each school district now has to determine their own pay structure and/or schedule for all staff.

Another area of focus with this legislative session was around reducing school districts' reliance on local levy dollars. Beginning September 2019, funds collected from local 'enrichment' levies may only be used for non-basic education expenditures. Meaning, local levy dollars can no longer be used for basic education salaries. The legislature will also be limiting the amount of local levy dollars a district can ask the voters to approve; changes which in turn reduces the local levy revenue. To offset that decrease in revenue, the state will be implementing a property tax that will be redistributed to school districts at the state-level.

With all of that said, as you make your way through this document you will find every reason to be pleased with the fiscal health of the Union Gap School District. The district has continued to meet the board's goal of maintaining a fund balance of up to 20% and Union Gap taxpayers continue to pay one of the lowest levy rates in the region. While the district is currently maintaining a healthy fund balance, the financial impact of legislative changes and current salary negotiations with both certificated and classified staff is unknown. Like the majority of school districts throughout the state, it is very likely that these factors will have a detrimental effect on the financial stability of our district.

Our School District administrators have been working with other administrators throughout the state, and collaborating with legislators, ESD's, and OSPI to interpret how these changes will impact school districts and how to adapt to those changes. Our district administrators and School Board are working hard to find a balance of remaining financially responsible while continuing to successfully educate our students.

That said, I believe our school represents a great value, offering incredible academic and enrichment programs housed in excellent facilities. While we had some turnover in staff this spring, we continue to retain a high percentage of our experienced and cherished staff. I am absolutely thrilled with the quality of the new staff that have joined us in Union Gap School.

Union Gap had unexpected decreases in enrollment between the 2015-16 and 2017-18 school years. We ended the 2017-18 school year with an average of 595 students. Using enrollment trends from prior years we expect to see another dip in enrollment for the 2018-19 school year. I invite you to access and peruse a more detailed description of the specific fiscal changes for the 2018-19 school year on pg. 13 of this document.

All of the information in this Citizen's Guide is based on information contained in our district's F-195 budget document, a financial statement filed annually with Washington State's Office of Superintendent of Public Instruction (OSPI). We can gladly provide a copy of that form if you are interested in further detail after reviewing this summary; alternately, you can download the document at the following URL: <http://www.k12.wa.us/safs/reports.asp>

Again, we appreciate that you have taken the time to review this information and thank-you for your continued support of our schools and students. Should you have questions about any of the information within, please do not hesitate to call me, or Union Gap's Business Manager, Stefanie Jespersen.

Sincerely,

Lisa Gredvig
Superintendent

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Schools and Programs

Union Gap School

Union Gap School District is a non-high school district and only has one school -Union Gap School. A non-high school district is one in which they do not serve students at the high school level, grades 9 through 12. Union Gap School serves students from Preschool through Grade 8.

Enrollment and Staffing

Union Gap School District serves approximately 600 full- and part-time students with varied needs and abilities. We employ more than 80 full- and part-time staff including teachers, substitutes, support personnel and administrators (certificated and classified staff.) The following section discusses the importance of enrollment in determining our budget.

Why is student enrollment important? How is it measured?

Most of the revenue we receive from the State is determined by student enrollment. Student enrollment is measured using either Annual Average Full-Time Equivalent (AAFTE) or Headcount, as follows:

- **AAFTE** measures the average amount of time a student is enrolled during a school year, and is normally used for determining funding. To be counted as full-time, a student must be enrolled for a minimum number of minutes on each prescribed count day for school months running from September through June. Students who attend less than full-time are considered less than 1.0 FTE. For instance, a student who is enrolled full-time (every day for the entire year) is considered to be 1.0 FTE; on the other hand, a student enrolled at half-time (half-day each day for the full year) would be 0.5 FTE.
- **STUDENT HEADCOUNT** reflects the actual number of students that attend on a given day regardless of how many minutes per day they actually attend, and is normally used when considering physical capacity. Using the previous example, both a full-time and a part-time student would each receive a full headcount of 1 (one).

Staffing

District staffing is also measured by FTE, with 1.0 FTE being the equivalent of a full-time employee. The number of days an employee works varies among positions and bargaining groups. For instance, a 1.0 FTE teacher's base contract includes 180-days a year, for 7.0 hours per day. Administrative staff works between 210 and 260 days a year (depending on position), for at least 8 hours per day.

School-based staffing levels, both certificated (instructional staff) and classified (non-certificated staff), are determined by AAFTE for each school and are distributed in consideration of the state funding formula and building specific needs.

The following table lists the average annual FTE enrollment for each grade level in the Union Gap School District, along with full-time equivalent staffing:

Enrollment and Staffing FTE

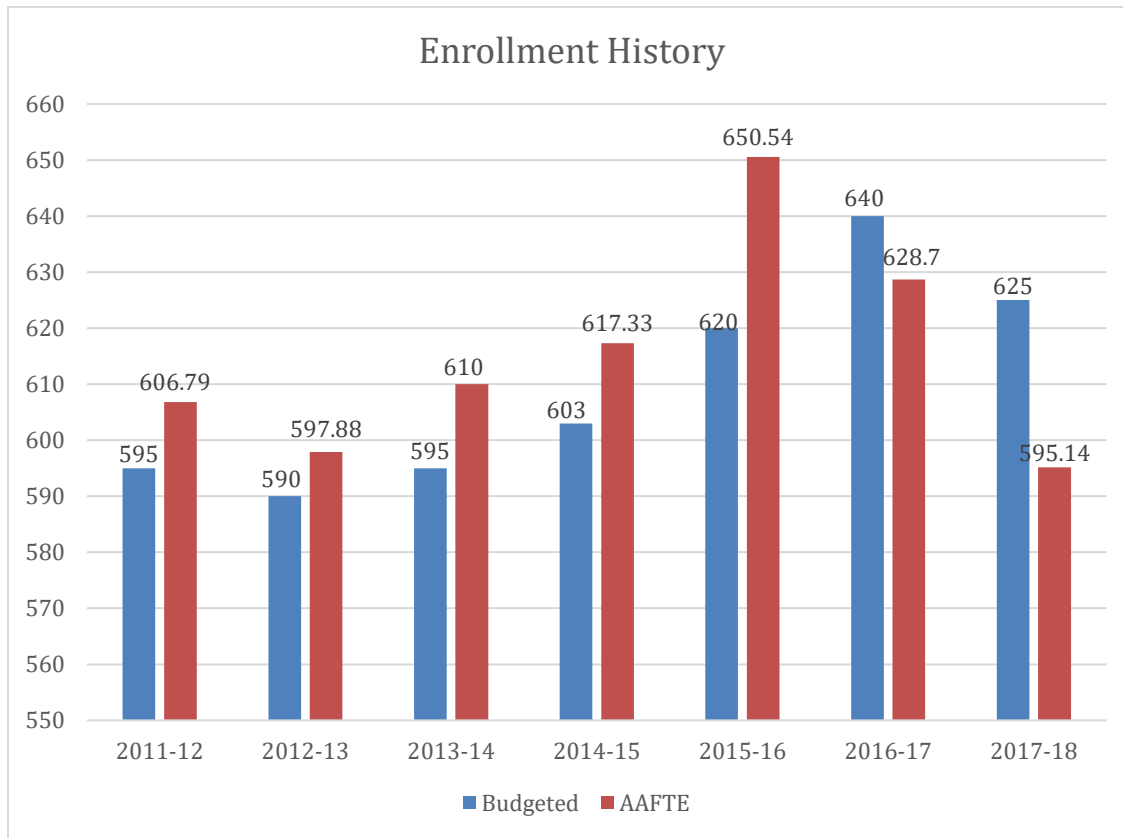
3-year History

Students	2016-17 Actual	2017-18 Actual	2018-19 Budgeted
Kindergarten	53.50	63.48	62.00
Grade 1	70.90	53.00	65.00
Grade 2	73.50	66.90	52.00
Grade 3	77.50	64.70	65.00
Grade 4	78.80	73.30	64.00
Grade 5	72.30	75.90	72.00
Grade 6	69.60	70.70	74.00
Grade 7	67.10	60.20	67.00
Grade 8	66.20	66.96	59.00
Grade 9	-	-	-
Grade 10	-	-	-
Grade 11	-	-	-
Grade 12	-	-	-
Running Start	-	-	-
Total K-12 Students	628.70	595.14	580.00

Staff	2016-17 Budgeted	2017-18 Budgeted	2018-19 Budgeted
Certificated Employees	42.424	42.597	40.327
Classified Employees	29.516	30.346	28.209
Total Staff	71.940	72.943	68.536

Enrollment Trends

The following charts and tables illustrate both average annual full time equivalent (AAFTE) and budgeted enrollment trends.



School Year	Budgeted FTE	AAFTE
2011-12	595	606.79
2012-13	590	597.88
2013-14	595	610
2014-15	603	617.33
2015-16	620	650.54
2016-17	640	628.7
2017-18	625	595.14
2018-19 Projected	580	

The data shows a steady climb in enrollment with a peak in the 2015-16 school year, then a decline the following years.

Student Headcount Enrollment

School Year	Average Headcount Enrollment	AAFTE
2011-12	607.03	606.79
2012-13	595.70	597.88
2013-14	610.90	610.00
2014-15	618.00	617.33
2015-16	651.80	650.54
2016-17	629.40	628.70
2017-18	595.70	595.14
2018-19 Projected	580	580

The data in the above charts is based on year-end data and shows a direct relationship between headcount and AAFTE. This shows that most all students attend full time and are not part-time students.

The Budget

Our budget is a financial tool that guides the collection and distribution of resources in accordance with state law, OSPI regulations, the Board's educational priorities, and District policies, as well as sound financial management principles.

Our fiscal year begins September 1st and ends August 31st. The budget process begins in late winter and culminates when the Superintendent submits a recommended budget to the Board, usually in July. This recommendation is based on projected enrollment, projected revenues and other resources, program requirements, and any mandated changes.

The following sections discuss our funds and projected financing sources for each one. The remaining sections focus on the General Fund, which represents roughly than 82 percent of our budget.

District Funds

To better manage its resources and comply with State and Federal accounting requirements, we use five different funds or accounts, as follows:

The **GENERAL FUND** accounts for daily operations. Included in this fund are all recurring financial activities, such as teacher salaries, food services, custodial and maintenance support, and central administration costs. Revenue sources primarily include a state allocation based on student enrollment, local property taxes, state special purpose, federal special and general purpose, and local non-tax revenue. Detailed descriptions of these sources are included in the following section.

The **CAPITAL PROJECTS FUND** is used to finance and pay for capital improvements. These include land acquisition, construction of new buildings, site improvements, major building renovations, replacement of plumbing, electrical or heating systems, and the equipping of new facilities. Revenues from bonds, some levies, and sales and lease of property may be retained here.

The **DEBT SERVICE FUND** accounts for the redemption of bonds and the payment of interest on bonds, which were sold to fund capital improvements. Proceeds from bond sales are credited to the Capital Projects Fund. The income generated in this fund comes from local property taxes. See Appendix I for more information on taxes.

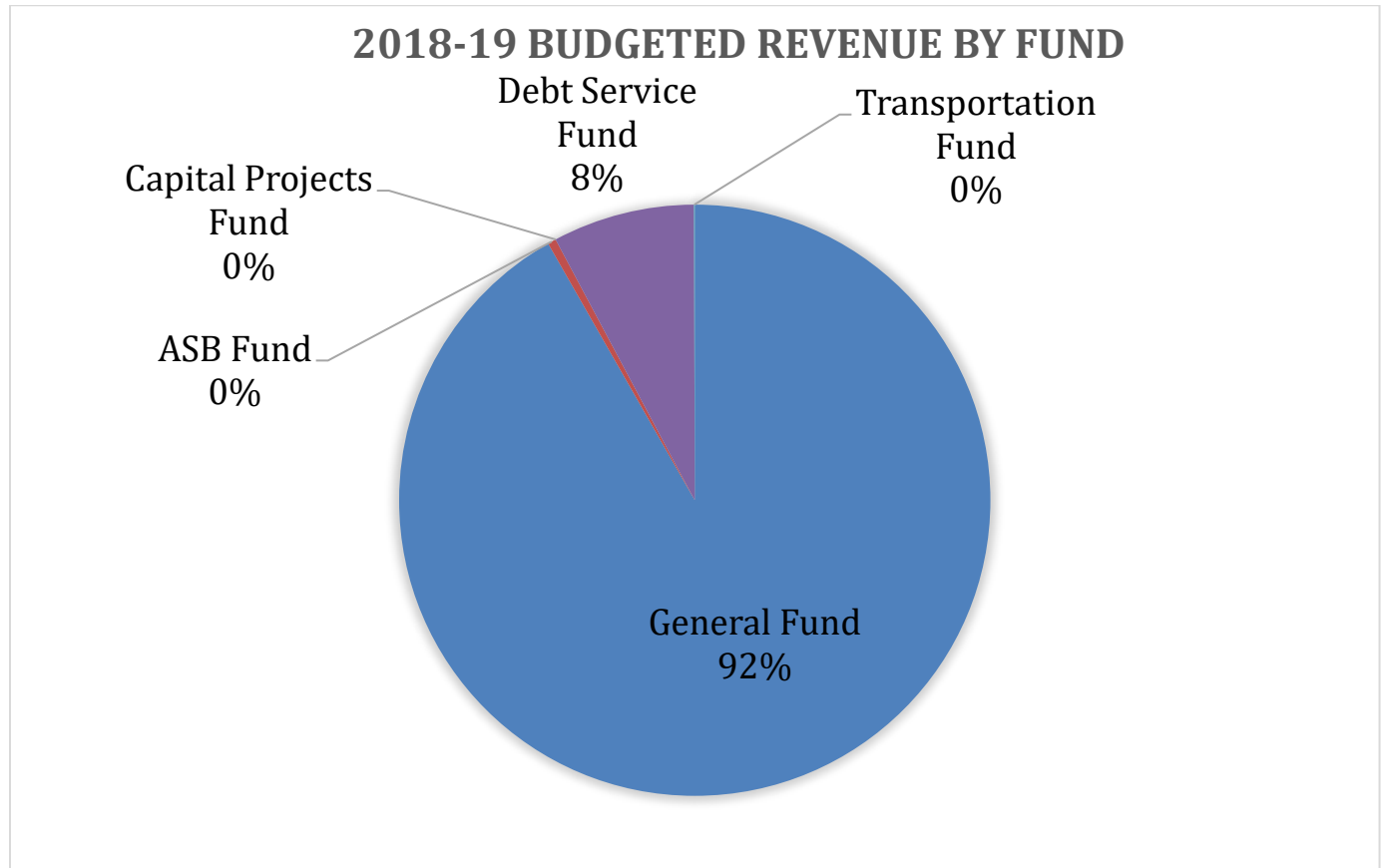
The **ASSOCIATED STUDENT BODY (ASB) FUND** accounts for funds raised by students. The student body organization prepares and submits an annual budget for Board approval. Revenues are derived from fundraisers and student fees.

The **TRANSPORTATION VEHICLE FUND** is used for the purchase, major repair, and rebuilding of school buses. This fund's primary source of revenue is bus depreciation payments received from the state.

State law does not allow funds from Capital Projects/bond dollars or the Transportation Vehicle Fund to be transferred to, and used in, the General Fund, to offset reductions or needs, such as staffing reductions or other reductions.

Total Financing Sources by Fund

The following chart depicts the current year’s budgeted financing sources. A 3-year summary follows.



Fund	2016-17 Budget	2017-18 Budget	2018-19 Budget
General Fund	\$8,158,297	\$ 8,709,614	\$9,052,682
ASB Fund	\$50,385	\$51,950	\$45,100
Capital Projects Fund	\$6,000*	\$6,000*	\$10
Transportation Vehicle Fund	\$8,940	\$10,067	\$4,000
Debt Service Fund	\$785,300	\$764,300	\$766,000
TOTAL REVENUE	\$8,981,922	\$9,541,931	\$9,867,792

**Does not include revenues from other sources (operating transfers) from the General Fund. In 2016-17 \$2,500,000 was budgeted to be transferred for the building addition project. In 2017-18 \$1,150,000 was budgeted for the completion of the building addition project.*

An explanation of changes follows.

EXPLANATION OF CHANGES - July 2018

In the **General Fund**, state revenue is projected to increase due to additional funds appropriated as a result of the legislature's response to the Supreme Court's decision (McCleary). Specifically, the legislature increased funding for salaries and benefits, Materials, Supplies and Operating Costs (MSOCs), highly capable programs, and an increase in the state health benefit allocation that is used to offset health insurance costs for employee's. In addition, there is a significant projected increase in Learning Assistance Program (LAP) revenue as well as Transitional Bilingual Instructional Program (TBIP). LAP funding is used to provide additional support services to students scoring below grade-level in English Language Arts and Mathematics; while TBIP funding is used to address the unique needs of students who come from linguistically and culturally diverse backgrounds.

One of the focuses of these changes is to reduce school district's reliance on local levy dollars. To do so, legislators reduced the amount of levy dollars districts can collect by placing a cap on the amount that can be levied. As a result, our district is facing steep local funding reductions and potential staffing reductions in the coming transition years.

Union Gap School District remains in good fiscal health, once again meeting the Board of Directors' goal of maintaining a fund balance of up to 20%. Over the 2016-17 and 2017-18 school years, the fund balance has decreased dramatically due to the transferring of funds to the Capital Projects Fund for the construction of a 6-classroom addition to Union Gap School, salary increases negotiated with the certificated staff for the 2017-18 school year, as well as a large unexpected enrollment decrease. While the district is currently maintaining a healthy fund balance, the financial impact of legislative changes and current salary negotiations with both certificated and classified staff is unknown. Like the majority of school districts throughout the state, it is likely that these factors will have a significant impact on the financial security of our district. Our district administrators and School Board are working hard to find a balance of remaining financially responsible while continuing to successfully educate our students.

In the **Debt Service Fund**, the district continues to make payments on the current voted bond. As of August 31, 2018, the outstanding debt on this bond will be \$3,660,000.

In the **Capital Projects Fund**, the district completed the addition of six new classrooms during the 2017-18 school year. Over the past several years the district had managed to build up their fund balance enough to fund the classroom addition project entirely themselves and not having to go to the taxpayers to pass another bond. There will be no construction projects occurring in the 2018-19 school year.

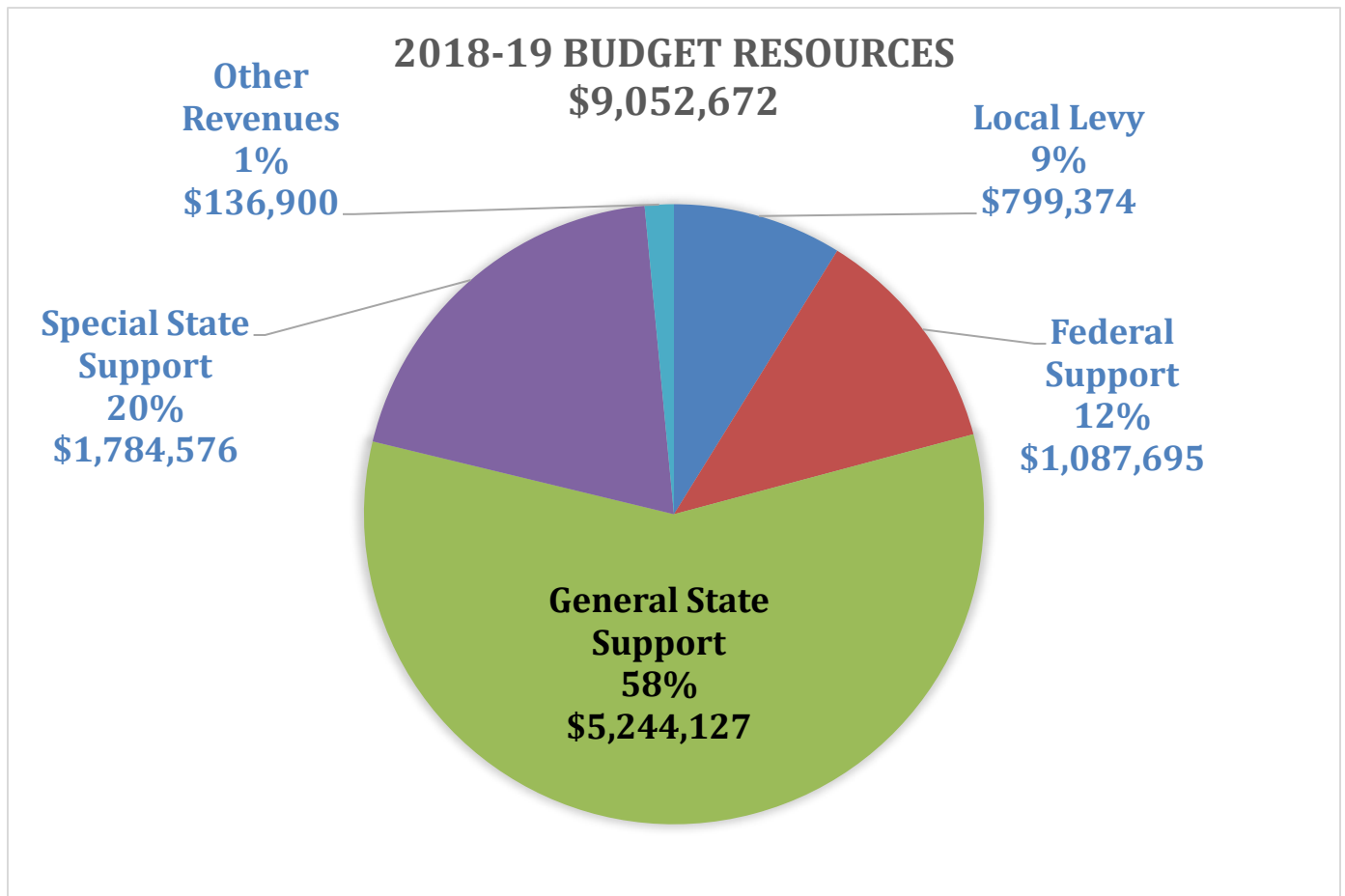
In the **Transportation Vehicle Fund**, revenues will decrease in 2018-19 because all school buses have been fully depreciated. The District will not receive any additional depreciation funds going forward unless a new bus is purchased. The district does not expect to have any expenditures in the coming year but has budgeted capacity in case major repairs are needed on any of the buses.

The **Associated Student Body Fund** is where student-raised funds are managed. Each year we budget the fund near its potential capacity to allow flexibility for the students. However, actual spending is typically significantly less, and is limited to their actual funds raised and available.

General Fund Revenue

WHERE DOES THE MONEY COME FROM?

Our largest source of revenue comes from the State’s General Purpose or Apportionment allocation, which is funded primarily by the state sales and property taxes. This is followed by State’s Special Purpose funding, which is earmarked for specific programs such as Special Education, Learning Assistance Program, Transitional Bilingual, and Student Transportation. The following chart illustrates the various General Fund revenue sources.



The following table provides a summary of the General Fund revenue sources over the past three years. Descriptions of these sources follow.

General Fund Revenue Sources

Source	2016-17 Actual	2017-18 Budget	2018-19 Budget
State General	\$4,604,693	\$4,926,354	\$5,244,127
State Special	\$1,014,956	\$ 1,566,977	\$1,784,576
Federal General Purpose	\$1,352	\$0	\$6,500
Federal Special	\$999,441	\$ 1,117,283	\$1,081,195
Local Taxes	919,009	\$ 922,500	799,374
Other Sources	\$0	\$0	\$10
Local Non-Tax	\$136,793	\$ 176,500	\$136,900
TOTAL	\$7,676,244	\$8,709,614	\$9,052,682

GENERAL FUND REVENUE SOURCE DESCRIPTIONS

State General Purpose **\$5,244,127**

General Apportionment is allocated by the state to support basic education operations. Funding is determined by our ten-month average student enrollment (see Enrollment and Staffing section.) This also includes Local Effort Assistance (LEA) funding, known as "levy equalization", which we receive because we have a voter-approved levy. LEA funding supplements the levy based on a formula that compares our levy rate with the state average levy rate.

State Special Purpose **\$1,784,576**

State Special Purpose allocations are for specific educational and support programs. They include funds for special education, Learning Assistance Program (LAP), student transportation operations, and transitional bilingual education programs. This funding is specific to its assigned purpose and cannot be used in other ways.

Federal General Purpose **\$6,500**

Federal General Purpose funds are received from a variety of general federal grants such as Impact Aid, funds received in lieu of taxes, and Federal Forest revenues. Most of the Federal General Purpose funds are not restricted in what they can be spent on.

Federal Special Purpose **\$1,081,195**

Federal Special Purpose grants provide funding for programs to support specific student populations and programs, such as special education, vocational education, Title I, Title II, Title IV, Migrant, and school nutrition services. Each federal grant comes with its own requirements and rules for its use and can only be used for the intended purposes.

Local Taxes **\$799,374**

In 2018-19 we will receive 8.8% of our revenue from local property taxes, which fund essential program expenditures beyond our state provided resources. This is down from 11% in 2017-18. Local tax revenues collected in the fiscal year 2018-19 will come from two different levies passed by our voters. The revenues collected in calendar year 2018 will be based on the Maintenance and Operations Levy passed in February 2016 (Old Levy). The revenues collected in calendar year 2019 will be based on the Programs and Operations Levy passed by voters in February 2018 (New Levy). Due to legislative changes, the amounts collected under each levy change dramatically.

Under the prior levy, property tax for the levy is \$2.35 per \$1,000 of assessed valuation for 2017. The maximum amount of levy taxes that can be collected was 24 percent of the prior year' total State and Federal revenues; in 2010 the legislature raised the maximum to allow communities to supplement their local community schools by an additional 4 percent through 2018. (Our levy for 2018 is \$922,500, less than half of our 28% levy authority of \$2,066,830.)

Beginning in 2019, the legislature made significant changes to the amount of levy funds that can be collected by school districts. Local levies are now capped at the lesser of \$1.50 per \$1,000 of assessed value or \$2,500 per student. For our district, we are restricted to the \$1.50 per \$1,000 of assessed value. The estimated assessed value for our district is \$478,193,284, which translates to \$717,290 levy max at \$1.50 per \$1,000 of assessed value. While our voters approved a levy amount of \$922,500, our district can only collect \$717,290 in the 2019 calendar year.

For the 2018-19 fiscal year, the local levy revenue estimated to be collected is \$799,374. This is down \$123,126 from the prior year. Levy rates will vary from year to year due to the fluctuations to assessed valuation of all properties in the District. See Appendix I for more information on taxes.

Other Revenue Sources **\$10**

Other sources of revenue include revenue from other districts, and other local government agencies. It includes revenue for services provided to other school districts (special education, non-high).

Local Non-Tax **\$136,900**

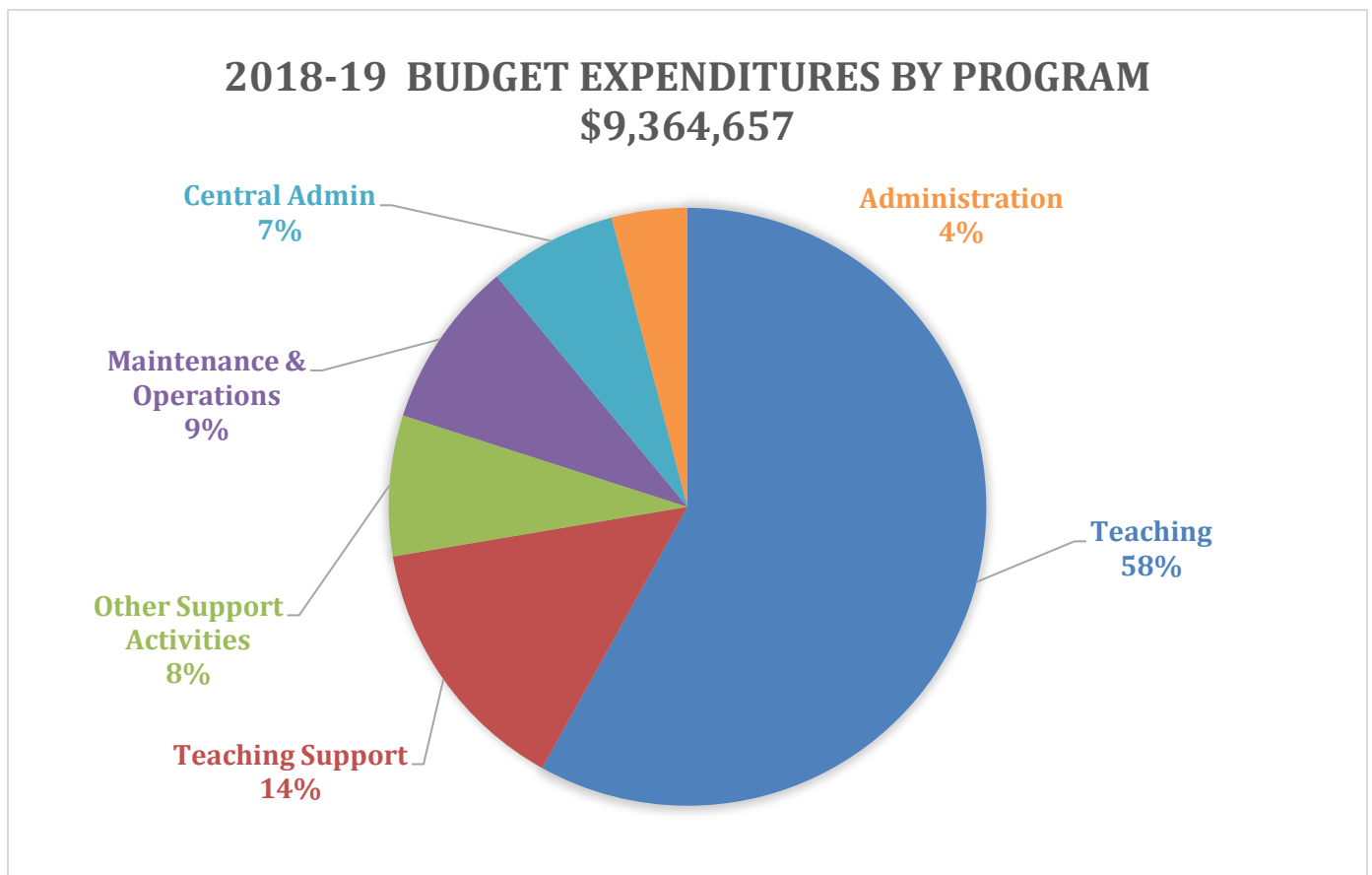
This revenue source includes fees for goods and services, such a facility use fees and school meals. It also includes donations and interest earnings.

General Fund Expenditures

HOW ARE YOUR TAX DOLLARS SPENT?

More than three-quarters of the General Fund budget will be spent directly on School Instruction; including teaching support activities (i.e., teachers, librarians, nurses, principals, counselors, and extracurricular activities). School-based support such as custodial and maintenance personnel, food services, and utilities amount to 12% of expenses – making the total amount spent at schools around 88 percent. District-wide support and central administration make up the remainder of the budget.

The following chart and table depict how district revenues are allocated. Descriptions of these activities follow.



¹Based on per pupil revenue, Source OSPI:
http://www.k12.wa.us/safs/PUB/FIN/1415/1415%20Section%203%20PDF/1_1415_GF_Exp_Rev_FB_per_Pupil_by_Enroll.pdf

EXPENDITURES

We allocate resources according to four categories: School Instruction; School-based Support; District-wide Support; and Central Administration. Definitions are taken from the *Accounting Manual for Public School Districts in the State of Washington* (Olympia: Office of Superintendent of Public Instruction, 2015-16, <http://www.k12.wa.us/safs/INS/ACC/1516/SDAM1516Complete.pdf>) and include their respective OSPI-defined activity codes (in parentheses).

General Fund Expenditures, by Activity

Source	2016-17 Actual	2017-18 Budget	2018-19 Budget
School Instruction	\$5,164,987	\$6,667,404	\$7,157,588
School-Based Support	\$1,239,856	\$1,284,222	\$1,312,956
District-Wide Support	\$459,859	\$282,222	\$360,233
Central Administration	\$543,730	\$552,253	\$533,880
TOTAL	\$7,408,432	\$8,786,101	\$8,786,101

School Instruction

\$7,157,588

This consists of teaching as well as teaching support activities that enrich the overall quality of classroom instruction. Examples include learning resource centers; student guidance and counseling; psychological, speech, hearing and health services; management of individual schools and curriculum.

- **TEACHING (27)** includes classroom teachers and aides who assist students in acquiring new or improved knowledge, skills and comprehension. Supplies, materials and equipment used in classroom instruction are also included.
- **LEARNING RESOURCES (22)** includes library services to ensure that a systematic organization of books and other reference materials are available for use by students and staff district-wide. This activity also provides materials specifically designed to improve learning through the use of instructional aids.
- **GUIDANCE & COUNSELING (24)** includes helping students by assessing and understanding their abilities, aptitudes, interests, and educational needs, and providing services to meet those needs.
- **PUPIL MANAGEMENT & SAFETY (25)** includes the cost of pupil security personnel.

- **HEALTH SERVICES (26)** involves the duties of school nurses, psychologists, speech/hearing therapists, and their assistants to support the health and welfare of students.
- **EXTRACURRICULAR (28)** activities include athletic coaching and transportation for activities not paid for by the Associated Student Body (ASB) fund, as well as class or student activity advising, and supervising ASB fund accounting.
- **PRINCIPAL'S OFFICE (23)** pertains to the management of individual schools. It includes administering the school's instructional programs, supervising and evaluating staff, and providing administrative support to teachers and students.
- **INSTRUCTIONAL PROFESSIONAL DEVELOPMENT (31)** includes in-service training, costs of workshops, conferences, supplies; as well as substitutes for release time, and additional contract days and/or extra pay for professional development.
- **INSTRUCTIONAL TECHNOLOGY (32)** includes computers and related classroom technology such as projectors, document cameras, and operating software; as well as staff who support instructional technology.
- **CURRICULUM (33)** includes costs relating to the development and implementation of curriculum for the school district, as well as the cost of new and/or replacement textbooks and other instructional materials related to curriculum.

School-Based Support

\$1,312,956

These activities directly benefit students and bolster the overall educational experience at schools. They include preparing and serving meals as well as ensuring the operation and maintenance of buildings and school grounds.

- **FOOD SERVICE—GROCERIES (42)** includes the expenditures for all food used in connection with the regular food services program including expenditures for processing, freight, delivery, and storage of food and commodities.
- **FOOD SERVICE—OPERATIONS (44)** involves preparing and serving breakfasts and lunches in connection with school activities, as well as delivering prepared meals to schools.
- **GROUNDS MAINTENANCE (62)** involves the routine care of grounds, such as raking, hoeing, watering, cutting and protecting lawns, and transplanting, trimming and caring for flower beds. It also includes repairing walks, fences, tennis courts, playground surfaces, lawn sprinkling systems, outside flagpoles, driveways, and sewers.
- **OPERATION OF BUILDINGS (63)** includes expenditures for custodians for daily building operation. This includes costs for supplies such as brooms, mops, brushes, wastebaskets, garbage cans, electric light bulbs, electric fuses, dustpans, floor wax, flags, blackboard erasers, and pencil sharpeners.

- **GENERAL MAINTENANCE (64)** covers costs for carpenters, electricians, glaziers, plumbers and painters to maintain buildings and equipment through repair and upkeep. Services include repainting, resurfacing, refinishing, and repairing structures, foundations, doors, windows, and other buildings and fixtures.
- **UTILITIES (65)** include the cost of water, electricity, natural gas, heating oil, data/voice telecommunications, sewage, and garbage and recycling.

District-Wide Support**\$360,233**

Some types of support are centralized. These activities include pupil transportation, building security, property insurance, information systems, printing services, warehousing distribution. Central support also includes the district-level supervision of instruction, food services, transportation, and maintenance activities.

- **TRANSPORTATION—OPERATIONS (52)** consists of direct operating expenditures for transporting students to/from school, and from one school to another. This includes costs for transporting pupils other than by school buses (i.e., via passenger vehicle).
 - **TRANSPORTATION—VEHICLE MAINTENANCE (53)** consists of costs for maintaining school buses and other vehicles. It includes services such as mechanical repair, painting, safety inspections, cleaning, and preventive maintenance. Other expenses include rent, custodial and related services for the garage, as well as repair and maintenance of the garage buildings, grounds, and equipment.
 - **TRANSPORTATION—VEHICLE INSURANCE (56)** includes expenditures for insuring school buses and providing liability protection.
 - **TRANSPORTATION—TRANSFERS (59)** includes expenditures for transporting pupils on trips in connection with educational programs (for example, educational field trips and the transport of school teams to compete or perform).
 - **BUILDING SECURITY (67)** includes services to protect buildings and other property from unlawful entry, vandalism and burglary.
 - **PROPERTY INSURANCE (68)** consists of costs for maintaining property, employee and liability insurance, as well as fidelity bonds.
 - **INFORMATION SYSTEMS (72)** involves expenditures to maintain and operate our information system and computer network. Purchase of hardware and software, providing technical support, training, systems and database development and/or maintenance, data processing, and storage of data are included.
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- **PRINTING (73)** constitutes operating expenditures for duplicating, printing, or otherwise reproducing printed materials by a print shop or contracted printing services, such as purchasing and maintaining printers and copiers, and purchasing ink and paper.
- **SUPERVISION OF INSTRUCTION, FOOD SERVICES, TRANSPORTATION & MAINTENANCE (21, 41, 51 & 61)** includes expenditures for providing district-wide leadership in developing instructional programs and curriculum, administering food services, transportation and plant activities, as well as secretarial and clerical support of these functions.

Central Administration

\$533,880

Central Administration includes activities related to the general direction, regulation and administration of the District at large. It includes responsibilities that are carried out by the school district's board of directors, the superintendent's office, the business office, and the human resources office. Duties include personnel administration, public information, finance and accounting, research and planning, bookkeeping and statistical services, business administration, fiscal control, and purchasing.

- **BOARD OF DIRECTORS (11)** includes expenditures to support responsibilities that are not delegated but are retained and carried out by the school district's governing board. This activity also entails costs for board memberships, audits, elections and legal services.
- **SUPERINTENDENT'S OFFICE (12)** includes general administration, the superintendent's office, and community relations.
- **BUSINESS OFFICE (13)** consists of financial accounting operations, including district-wide research and planning for budgeting, accounting, bookkeeping, statistical services, business administration, fiscal control, purchasing and payroll.
- **HUMAN RESOURCES (14)** consists of personnel recruitment, compliance and placement activities, employment services, classification and compensation, employee benefits administration, human resources information systems, and labor relations.
- **PUBLIC RELATIONS (15)** consists of writing, editing, and other preparation necessary to disseminate educational and administrative information to parents, students, staff, and the general public through direct mailing, the various news media, e-mail, internet web sites, and personal contact.

Appendix I

Local Taxes

There are two types of local taxes collected: Bonds and Levies. Bonds pay for major construction. Levies pay for ongoing operational costs. The easiest way to remember the difference is “Bonds are for Buildings; Levies are for Learning”.

BONDS

Bonds are similar to a “mortgage” for school construction and renovation. Money is borrowed for major construction projects and paid back over a long time period – usually 15 to 20 years. The district has the following outstanding bond:

<u>Project</u>	<u>Final Payment</u>
Union Gap School	December 2023

Based on the amount due in the fiscal year and on changes in assessed valuations, the rate collected each year can fluctuate. For 2017, the rate of \$1.76 per \$1,000 of assessed valuation was collected to make principal and interest payments on that debt.

EDUCATIONAL PROGRAMS & OPERATIONS LEVY

Regardless of grade level, the Educational Programs and Operations levy impacts all schools and all students. The levy pays for programs and operating expenses not funded by the state. This includes technology, textbooks and class materials; building maintenance; utilities and insurance; many staff members; and all athletics and activities. Levy funds are vital to the success of all students and provide an essential revenue stream to our school district.

Levies can be run a year at a time, or for as many as four-years and must be renewed by voters to continue. To help alleviate election costs, Union Gap voters approved a four-year replacement levy in February of 2018 to assist with funding for educational programs and operations. This levy will be collected in 2019, 2020, 2021 and 2022.

Union Gap’s levy revenues equate to roughly \$1,378 per student (at projected enrollment of 580 for K-8). The levy represents 8.8% of the district’s annual revenue.

The breakdown for each levy dollar spent is:

45¢	Instruction/School Support
22¢	Technology
9¢	Extra-Curricular Activities
22¢	Building Maintenance
2¢	Professional Development
\$1.00	TOTAL

Appendix II

2018-19 GENERAL FUND BUDGET SUMMARY

	2016-17 Actual	2017-18 Budgeted	2018-19 Budgeted
Beginning Fund Balance	\$4,163,811	\$3,000,000	\$2,400,000
REVENUES			
Local Taxes	\$919,009	\$922,500	\$799,374
Local Non-Tax	\$136,793	\$176,500	\$136,900
State General Purpose	\$4,604,693	\$4,926,354	\$5,244,127
State Special Purpose	\$1,014,956	\$1,566,977	\$1,784,576
Federal General Purpose	\$1,352	\$0	\$6,500
Federal Special Purpose	\$999,441	\$1,117,283	\$1,081,195
Other School Districts	\$0	\$0	\$0
Other Agencies	\$0	\$0	\$0
TOTAL	\$7,676,244	\$8,709,614	\$9,052,682
EXPENDITURES			
Schools	\$5,164,987	\$6,667,404	\$7,157,588
School-Based Support	\$1,239,856	\$1,284,222	\$1,312,956
District-Wide Support	\$459,859	\$282,222	\$360,233
Central Administration	\$543,730	\$552,253	\$533,880
TOTAL	\$7,408,431	\$8,786,101	\$9,364,657
TRANSFERS/ADJUSTMENTS	\$1,819,001	\$1,150,000	\$0
ENDING BALANCE	\$2,612,623	\$1,773,513	\$2,088,125

Appendix III

GLOSSARY OF SELECTED STATE PROGRAMS

- **BASIC EDUCATION:** free, appropriate, kindergarten through twelfth grade public education. Basic education includes instruction in literacy, mathematics, social studies, science, music, art, health, physical education, industrial arts, and other subjects and activities deemed appropriate by each school district. Minimum standards are set by the State.
 - **SPECIAL EDUCATION:** education and related services for all students who receive specially designed instruction in accordance with a properly formulated Individualized Education Program (IEP), from birth to age twenty-one. Students with disabilities are individuals who are classified as developmentally delayed, emotionally/behaviorally disabled, communication disordered, orthopedically impaired, health impaired, specific learning disabled, mentally retarded, multiple disabled, deaf, hearing impaired, visually impaired/blind, deaf/blind, autistic, traumatic brain injured, or who by reason thereof require specially designed instruction and/or related services.
 - **FOOD SERVICES:** preparing and serving meals and a la carte items to pupils under the National School Lunch Program, School Breakfast Program, and Fresh Fruit and Vegetable Program. Also selling meals and a la carte items to adults. Union Gap School District partners with Sodexo to provide our school lunch program. The school district maintains our own staff and our own program; Sodexo provides menu planning, food supplies and a program manager.
 - **PUPIL TRANSPORTATION:** transporting pupils to and from school, including between schools for educational purposes.
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