

A Guide to Pullman Public Schools Budget



Explanation and description of the revenues and expenditures in our school district's annual budget

From the Desk of the Finance Director

Pullman School District Community Members:

Our commitment to excellence in serving the students of our district, visible in all that we do, is made possible through sound financial planning. Good stewardship of public funds requires transparency, accountability, and efficiency in the district's finances. Together, the families, employees, and taxpayers of the Pullman School District have established a solid foundation for the district, and for the children who are the future leaders of our community.

Recently, State legislative changes have impacted several school district fiscal management areas including accounting, reporting, enrichment levies, and bargaining that each school district must address. In the midst of these changes, our goal is to continue on the path of progress, sound business practices, and financial sustainability. Most importantly, we will continue to prioritize resources based on what is needed for the success of our students.

Our budget is prepared through a thorough process that includes a full review of previous fiscal year expenditures, current year budget, current year projections, meetings with each budget administrator, and an analysis of changes from this year's legislative session. Effective with the 2019-20 school year, a new separate accounting of state and local revenues, and local revenues relative to expenditures is required. The following pages provide descriptions and definitions of budget information to promote understanding of the district's annual budget and the expenditures and revenues comprised within it.

Thank you for taking the time to review this information and for your continued support, involvement, and passion for making Pullman School District the best school district for our students. Should you have any questions about the information contained in the budget, do not hesitate to contact me.

Sincerely,

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PULLMAN PUBLIC SCHOOL SITES

All school principals and other budget administrators are required to monitor their budgets and follow District accounting procedures.



FRANKLIN ELEMENTARY



JEFFERSON ELEMENTARY



KAMIAK ELEMENTARY



SUNNYSIDE ELEMENTARY



LINCOLN MIDDLE SCHOOL



PULLMAN HIGH SCHOOL

WHAT IS A BUDGET?

A budget is an official document which describes the District's financial plan for the next year. The care with which the budget is planned and carried out directly influences the financial stability and sustainability of the school district. Effective budgeting is indispensable to the healthy operation of the school's financial program and thus directly affects the primary function of the school, which is quality education.

The budget covers a single fiscal year which runs from September 1st to August 31st, and authorizes a maximum amount of expenditures for each fund. By State law, the District may not exceed the maximum spending amount. State law requires a prepared recommended budget no later than July 10th. Formal adoption of the budget requires approval by the Board of Directors no later than August 31st. The District cannot collect tax revenues or incur expenditures until a legally adopted budget is in place.

Budget capacity supports changes to program planning and unanticipated funding requirements. Since adoption of a recommended budget limits the total spending of the District to a set amount each fiscal year, it is necessary to build into the budget the possibility for potential unknowns. Without this capacity, the District may need to go through the time consuming process of formally requesting and filing a budget extension (added spending authority) with the Washington State Office of Superintendent of Public Instruction (OSPI). To allow the Board and staff to focus on educational issues, the District adds capacity to the budget.

During the school year, program needs may change. Principals and program managers monitor and make budget adjustments to meet these changing needs.

FUND TYPES

The District prepares an annual budget for the following five funds:

10 - General Fund

This fund is used to account for revenues used to finance the current and everyday operations of the Pullman School District. Revenues for the general fund are primarily from state funds, special maintenance and operations levy funds, federal funds, and fees. These revenues are used for financing the operations of the school district such as instructional programs for students, food services, maintenance, and pupil transportation. Expenditures include salaries and benefits costs, and non-labor costs such as supplies, instructional materials, utilities, fuel, insurance, and printing costs.

20 - Capital Projects Fund

This fund is used to account for the financial resources to be used for the construction or acquisition of major capital assets. The Capital Projects Fund is generally financed from the sale of bonds, state matching revenues, lease or sale of surplus real property, interest earnings and special levies.

30 - Debt Service Fund

Voted and non-voted debt is paid from the Debt Service Fund. The non-voted debt is paid via a transfer of funds from the General Fund to the Debt Service Fund.

40 - Associated Student Body Fund

The ASB Fund accounts for the student extracurricular activities in each school. The revenues are generated by fees from students and nonstudents attending any optional noncredit extracurricular events of the district. Although the ASB Fund is under the control of the Board of Directors, each school's student body prepares and submits revenue and expenditures for Board approval.

90 - Transportation Vehicle Fund

This fund is used to account for the purchases, major repair, rebuilding and debt service expenditures related to pupil transportation equipment. The Transportation Vehicle Fund is generally financed by state reimbursements to school districts for depreciation of approved pupil transportation equipment.

ENROLLMENT SUMMARY

Enrollment data are critical in budgeting because most revenue received from the State is determined by student enrollment. Two commonly-used measures of student enrollment are Annual Average Full-Time Equivalent (AAFTE) and Student Headcount.

AAFTE measures the average amount of time a student is enrolled during a school year, and is used for determining funding. To be counted as full-time, a student must be enrolled (and in attendance) 1,665 weekly minutes (or 27 hours and 45 minutes) to equal 1.00 FTE. WAC 392-121-119 defines the monthly count dates as the fourth school day of September and the first school day of October through June. These monthly count dates are then averaged over ten months, September through June, to calculate the AAFTE, the enrollment number used by the state to allocate funding to the district.

Student Headcount reflects the actual number of students that attend on a given day, regardless of how many minutes per day they actually attend. This measure of enrollment is useful for several purposes, including determining classroom size.

FUNDING SOURCES

Pullman School District receives funding from a variety of sources. The five major resource categories are State, Local Levy, Federal, Other Revenue, and Other Resources.

State

State funding provides the largest portion of District funds, approximately 81% of total resources. This amount is broken down between state general purpose funding and state special purpose funding.

State general purpose funding, or apportionment, is calculated using the number of students attending our schools multiplied by a legislative funding formula.

State special purpose funds are designated for programs such as special education, transitional bilingual education, student transportation, learning assistance, and education enhancements. Most of these revenues are provided for a specific program and are not available for other purposes.

Local Levy – Enrichment Levy

The purpose of an enrichment levy is to provide additional funding beyond state and federal funding for public schools. Local enrichment levies have become a significant funding source for school districts.

Local levy funding is approved by Pullman voters to support general education programs and operations. Levy funds typically provide approximately 14% of budgeted resources and are the second largest funding source for Pullman Public Schools. Enrichment levies require 50% plus 1 vote to pass.

Music, art, STEM, students' extra-curricular activities/sports, employee training and professional development, extra staff beyond what is state funded, technology support, nurses, and maintenance and facility upkeep are examples some of the many uses of local enrichment levy expenditures.

Federal

Federal funds are monies funding programs such as Title I, Title II, Title III, and CTE Perkins. They provide supplemental funding for special education programs and support free and reduced rate lunches in the food service program. These revenues may only be used for their specific program purpose.

Other Revenue

Other Revenue sources include rental and lease income from district properties, investment earnings, food service fees, other fines and fees, and gifts and donations.

REVENUE CODES

Within the budget, revenue and expenses are identified using numeric codes. The next two pages provide definitions of these codes.

1000 - Local Taxes

Revenue from real and personal property tax collections (ex: local levy).

2000 - Local Support Non-Tax

Locally generated resources not including tax levies. These revenues include tuitions and fees, sales of goods, supplies and services, investment earnings, gifts, grants, and donations, fines and damages, rentals and leases, insurance recoveries and e-rate digital technology rebates.

3000 – General Purpose

Revenue from the State General Fund for the operation of the basic education program. This includes the regular apportionment and special education. This also includes local effort assistance (LEA), which is a state program intended to lessen the impact of high property tax rates due to low property valuations.

4000 – State Revenue – Special Purpose

This revenue comes from OSPI for special programs. These programs include, but are not limited to, special education, Birth to Three, Learning Assistance Program (LAP), special pilot programs, transitional bilingual, highly capable, school food services, and transportation operations.

5000 – Federal Revenue – General Purpose

Revenue includes direct federal grants, impact aid, and federal forests. Pullman School District does not currently receive revenue in this category.

6000 – Federal Revenue – Special Purpose

Revenue from any federal source distributed through OSPI. This includes special education IDEA, Medicaid reimbursements, CTE Carl Perkins grant, Title I Disadvantaged, Title II Other grants, Title III Limited English, Title IV Indian Education, and school food services for reimbursement of eligible school breakfasts, lunches, snacks and milk served.

7000 – Other School Districts

Revenue from other school districts for the provision of serving their students.

8000 - Other Entities

Revenue in this category comes from nonfederal resources provided by local agencies, governments, foundations, and governmental associations not provided for elsewhere. This could include, but is not limited to, revenue from other public entities using school facilities or transportation services.

9000 – Other Financing Sources

Record revenue for the face value of the sale of bonds, sale of real property, sale of equipment, long-term financing, sale of bond refunding, and transfers between funds.

EXPENDITURES PROGRAMS

Educational programs consist of activities of a school district which are directly involved in the instruction and education of students.

00 - Regular Instruction

Provides kindergarten through twelfth grade public education to pupils, which shall include instruction in reading, language arts, mathematics, social studies, science, music, art, health, physical education, industrial arts, and other subjects and activities, deemed appropriate by the school district.

20 - Special Education Instruction

Program expenditures includes the series of programs for the education of eligible special education students. These are excess cost expenditures for providing special education and related services to special education-eligible students.

“Excess costs” are those expenditures for special education and related services for special education students that exceed the amount needed to provide a basic education to these students.

An “eligible special education student” means a student receiving specially designed instruction in accordance with a properly formulated individualized education program (IEP).

30 - Vocational Education Instruction

These include direct expenditures incurred for operating vocational education secondary programs approved by OSPI. Vocational work skills include, but are not limited to, family and consumer sciences education, business education, marketing education, agriculture education, health occupations education, trade and industrial education, technology education, and career education.

40 - Skill Center Instruction

Includes direct expenditures for operating a secondary vocational skill center program approved by OSPI.

50 – 60 - Compensatory Education Instruction

Programs designed to assist student participation in the regular instruction program to improve the quality of education for students who are deficient in basic skills achievement in reading, mathematics, and language arts. Examples of the programs include Title I and Learning Assistance Program (LAP).

Expenditures in these programs also includes expenditures for Transitional Bilingual, which is a supplemental service for the benefit of students in the bilingual education program in the district. Under this program, an eligible student is one whose primary language is not English and whose English language skills are significantly deficient or absent.

70 - Other Instructional Programs

Summer school programs and services for the benefit of highly capable students are charged to this category.

80 – Community Services

Expenditures for operating programs primarily for the benefit of the whole community or some segment of the community. Includes direct expenditures for custodial services or the food service program for the rental of school district facilities.

90 - Support Services

Support services programs consist of activities to accomplish objectives that support the educational programs of the district. These include the following:

Districtwide Support

These are shared expenditures related to the operations of the school district as a whole rather than any particular program. Programs include the board of directors, superintendent's office, technology, maintenance and grounds, custodians, utilities, insurance, human resources, finance department, and supplies and operating costs related to these departments.

Food Services

Costs involved with preparing and serving meals and a la carte items to pupils under the National School Lunch Program, School Breakfast Program, Special Milk Program, and the Fresh Fruits and Vegetable Programs.

Pupil Transportation

Expenditures for transporting pupils to and from school, including between locations in the district, during the school year. Expenditures in this program also includes transportation staffing and safety.

TYPES OF EXPENDITURES

General Fund revenues are generally used for financing the normal and recurring operations of the school district such as programs of instruction for students, food services, maintenance, data processing, printing, and pupil transportation. The following is a brief description of types of expenditures typical to the General Fund:

Debit Transfer/Credit Transfers are used to transfer direct expenditures in and out of another program within the general fund. The net effect of these transfer must be zero.

Certificated Employee Salaries are expenditures for salaries of certificated employees. A certificated employee is an individual who holds a professional education certificate issued by OSPI, typically teachers and administrators.

Classified Employee Salaries are expenditures for salaries of classified employees. A classified employee is any individual not in a certificated teaching or administrative position.

Employee Benefits and Payroll Taxes are expenditures for employee payroll benefits and taxes. Examples include, but are not limited to, social security and Medicare taxes, state retirement, unemployment insurance, and workers' compensation.

Supplies are expenditures for supplies, instructional classroom resources, and non-capitalized items. The items must have a useful life of less than one year and/or have an acquisition cost that is less than \$5,000 or the minimum capitalization value established by the school district.

Purchased Services are expenditures for services and associated goods from independent contractors or service providers that are rendered to the school district under contracts.

Travel is used to record expenditures for authorized travel in accordance with the policies of the school district. This travel may include contractual services for transporting school district employees and students from place to place and the accommodations incidental to travel and other expenditures required with travel.

Capital Outlay is used to record expenditures for capitalized equipment and improvements to buildings and/or grounds infrastructure. Equipment is defined as a tangible item of personal property having a useful life of more than one year and a purchase cost which is \$5,000 or more. Included are those items consisting of bulk items (individually not meeting the capitalization amount, but in bulk volume meets the capitalization amount).