



2011-2012

Budget Summary

Bremerton School District 2011/2012 Goals

H

Improving the achievement of all students through data-driven best practices.

old high expectations for students, staff and parents.

- Exceed all requirements of No Child Left Behind and State Achievement Requirements.
- Close the achievement gap in all schools.
- Exceed State averages on the State academic assessments in all grades and in all content area.
- Ensure that all students will be reading at grade level at the conclusion of 3rd grade and demonstrating grade level mathematic skills by the conclusion of 5th grade.

O

ffer options and opportunities for students to achieve.

- Continue elementary school achievement progress with increased focus in math and science.
- Significantly improve achievement growth and assessment results at the secondary level with increased focus on mathematics and science.
- Continue to increase high school graduation rates by at least 10%.

P

rovide safe, supportive, respectful, informative learning environments for students and staff.

- Continue aggressive strategies for recruiting, hiring, and retaining high quality staff, with emphasis on under-represented groups.
- In collaboration with staff, develop procedures to recognize staff achievements/accomplishments by a system based on standards/criteria.
- Collaboratively develop a supportive culture that enhances the current and future growth of each student and staff member.
- Collaboratively develop a culture with a coordinated set of strategies that supports and enhances clear communication among staff, students, community, and administration.

E

ncourage partnerships with families/communities.

- Finalize full implementation of the Standards-Based Secondary Homework and Grading Policy in grades 6-12.
- Build a strong P-3 foundation by working in partnership with our community preschools and continuing quality education with Full Day Kindergarten and beyond
- Implement a coordinated set of strategies (procedures and actions) for increasing public understanding and good will, and increasing district-business/service organization partnerships.
- Inform and educate the community about the progress and strengths of the Bremerton School District.



**Bremerton Schools . . . the HOPE
for Bremerton's future**

<u>Description</u>	<u>Page</u>
Superintendent and Board Message -	1
2011-2012 Information of Interest ---	2
Fund Accounting-----	3
General Fund Budget Summary-----	4
State Funding Reductions -----	5
Source of General Funds -----	6,7
Revenue Sources-----	8,9,10
Budgeted Expenditures -----	11,12,13
Capital Projects Fund -----	14
General Fund Property Taxes-----	15
Debt Service Fund Property Taxes ---	16
Debt Service Fund-----	17
Associated Student Body Fund-----	18
Transportation Vehicle Fund -----	19
Summary-----	20

Contents



WELCOME

Enclosed is a summary of the 2011-2012 Bremerton School District budget. This budget summarizes the financial reporting requirements as required under Washington State regulations and codes. The full F-195 budget is available on request and will be available on our web site after adoption and also available on the OSPI SAFS site. The budget reflects the District's efforts to address its student achievement goals related to the HOPE goals.

Over the last few years several program reviews have been conducted by various State agencies. Within these reviews, the State commended the District's sound fiscal management practices while providing effective programs designed to increase student achievement. We hope this budget represents the collective view points of our constituents and demonstrates the District's commitment to provide the best possible education for all our students while being good stewards of the community's generosity and trust.

Voters approved a four-year replacement levy in February of 2010. This levy will generate \$10,419,177 for the coming school year. While the District does receive approximately \$5,126 per student from the State of Washington, it is not enough to fund the basic educational needs of our students. Our community's tax dollars are critical to help students achieve higher academic standards and skills. Levy dollars fund numerous programs not provided through basic education funding including, but not limited to, athletics, cultural education, arts, staffing, student computers, textbooks, highly capable education, special education, bus improvements, etc.

The school district experienced cuts in many areas due to the economic downturn which has impacted State funding. Following public input opportunities and feedback from the staff and the Community/District Finance Committee, the District is making every effort to maintain our excellent programs. This coming year we have been able to maintain all programs at the existing levels.

In closing, the District greatly appreciates community and staff input and feedback into this process. A special thanks to the Finance Committees for all their hard work developing recommendations for the 2011-2012 budget.

If you have any questions concerning the budget please don't hesitate to call Wayne Lindberg, Director of Finance and Operations, at 473-1031. If you would like to be part of further District budget planning, please call Ioanna Cossack at 473-1031. We welcome all input and support in using our resources to provide the best possible education for our students.

Salary and Benefit Changes

The Legislature has passed legislation for 2011-2012 that cuts school employee salaries by 1.9% and administrator's salaries by 3%. State contribution towards benefits will remain the same as 2010-2011 in spite of anticipated cost increases for mandatory employee benefits in 2011-2012. Retirement contribution rates will also increase for both the employee and district.

K-4 Class Size Reduction

The State chose to cut all K-4 enhancement money in January for the current 10-11 year. The State recovered \$542,785 from our 10-11 revenues which was the equivalent of 6.7 teaching positions. These cuts continued into the 2011-2012 adopted State budget. We will receive \$247,775 in Class Size High Poverty funds in 11-12.

Student Achievement Funding (I-728)

All I-728 funds have been cut.

Staffing Ratios

The State has adopted a new funding formula using a "prototype school model" to determine classroom teacher staffing. For example, a 400 student K-3 elementary school would generate 18.31 FTE teachers. See page 5 for some examples. The new model is designed to have no financial impact from the current funding formula.

Federal Stimulus Funds

The ARRA act has provided the state with stimulus dollars to help mitigate the impact of funding reductions at the state level for the last 2 years. There will be no stimulus funds in 2011-2012.

School Funding Cliff 2011-2012

The State is unable to backfill the loss of Federal Stimulus funding in the next biennium (2011-2013), so this will result in significant cuts to all school districts. In our case, we have set aside \$1 million to sustain current services into 2011-2012. This may not be sufficient, which may result in using additional reserve funds. By 2012-13 the District will probably have to reduce services in order to meet basic education requirements.

The State has already cut our allocations during the 2010-2011 school year, retained all "Edu Jobs" dollars, and delayed payments resulting in losses totaling \$1.4 million. This, added to the 2011-2012 State cuts of \$672,0404 has reduced revenues by \$2 million dollars for this year that can be clearly seen in the chart on p.4.

Fund Accounting

Money is tracked at the highest level by revenues and expenditures in different fund.

The District has five separate funds as described below. The General Fund is by far the largest and is the primary focus in the Budget Summary.

The funds are:

General Fund

The General Fund accounts for all cash and other resources except those required to be accounted for in other funds. This would include 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. The General Fund cannot be used for those purposes for which special funds have been established except under special rules which apply to ASB expenditures and to expenditures in the Capital Projects Fund.

Transportation Vehicle Fund

The Transportation Vehicle Fund is restricted to the acquisition and rebuilding of school bus vehicles and is supported by a variety of revenue sources.

Capital Projects Fund

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. The replacement of roofs, carpets, and service systems may also be included in this fund. The Capital Projects Fund is financed from the proceeds for the sale of bonds, state matching funds, special levies, and investment earnings.

Debt Service Fund

The Debt Service Fund was established for the redemption of outstanding bonds and the payment of interest. 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.

Associated Student Body (ASB)

The Associated Student Body Fund is financed by student body fees, activity gate receipts, and other approved student body fund raising activities.



SUMMARY OF GENERAL FUND BUDGET

	(1) Actual 2009-2010	(2) Budget 2010-2011	(3) Budget 2011-2012
REVENUES AND OTHER FINANCING SOURCES			
1000 Local Taxes	9,888,482	10,210,923	10,419,177
2000 Local Nontax Support	1,794,884	1,321,350	1,451,233
3000 State, General Purpose	27,301,146	27,837,624	26,641,348
4000 State, Special Purpose	6,700,047	6,161,259	6,508,360
5000 Federal, General Purpose	358,633	274,900	279,000
6000 Federal, Special Purpose	7,454,475	7,502,513	6,042,008
7000 Revenues from Other School Districts	21,440	24,500	26,500
8000 Revenues from Other Entities	0	0	0
9000 Other Financing Sources	6,824	0	0
A. TOTAL REVENUES AND OTHER FINANCING SOURCES	53,525,931	53,333,069	51,367,626
EXPENDITURES			
00 Regular Instruction	23,242,208	24,998,116	25,719,868
10 Federal Stimulus	1,711,749	1,261,105	0
20 Special Education Instruction	6,919,784	6,871,818	6,938,781
30 Vocational Education Instruction	1,831,441	1,640,317	1,653,250
40 Skills Center Instruction	2,408,935	2,403,862	1,777,007
50 and 60 Compensatory Education Instruction	3,406,569	4,289,344	3,425,909
70 Other Instructional Programs	851,499	1,244,120	1,286,436
80 Community Services	274,590	134,291	135,073
90 Support Services	11,334,436	12,048,178	12,955,017
B. TOTAL EXPENDITURES	51,981,212	54,891,152	53,891,341

General Fund Budget Summary

State Funding Reductions

The number below gives you an idea of the challenges the District has faced over the last few years. When the State makes a cut in one year it carries over to the following years. These numbers show the actual State cuts we have taken since 2008 and the cumulative effect these cuts have had on our revenues.

TOTAL STATE CUTS CUMULATIVE 2008-2012

08-12 Total

(\$3,838,581)

Where does the District get its General Fund Money?

The sources of the District's resources are listed below. The major portion of the District's operational revenue (62%) 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 student enrollment for 2011-2012 is 4,911 FTE.

Description	Revenue	Percent
Local Taxes (Property Taxes)	10,419,177	20.29%
Local Nontax	1,451,233	2.83%
State, General Purpose	26,641,348	51.87%
State, Special Purpose	6,508,360	12.67%
Federal	6,321,008	12.30%
Rev fr Other Agencies & School Districts	26,500	.052%
TOTAL	51,367,626	100.0%

Classified staff are custodians, secretaries, instructional assistants, bus drivers, and other positions that do not require a teaching certificate. The number of instructional staff members generated through enrollment are then 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.

The State will fund staff in accordance with a new "Model School" funding formula below:

Grade Level	Class Size (Basic Ed)	Students	Planning Time Assumption	Funded Teachers
Grades K-3	25.23	400	15.5%	18.31
Grade 4	27.00	400	15.5%	17.11
Grades 5-6	27.00	400	15.5%	17.11
Grades 7-8	28.53	432	20%	18.17
Grades 9-12	28.74	600	20%	25.05

School Level Staffing	Elementary (K-6)	Middle (7-8)	High (9-12)
Base Enrollment	400	432	600
Principals	1.253	1.353	1.880
Teacher Librarians	0.663	0.519	0.523
Guidance Counselors	0.493	1.116	1.909

Districtwide Support	All Grades	Central Administration	Percent
Base Enrollment	1000	Total Central Admin Staff	5.3%
Technology	0.628	Percent Certificated Administrators	25%
Facilities, Maintenance, and Grounds	1.813	Percent Classified	75%
Warehouse, Laborers, and Mechanics	0.332		

Staff Counts

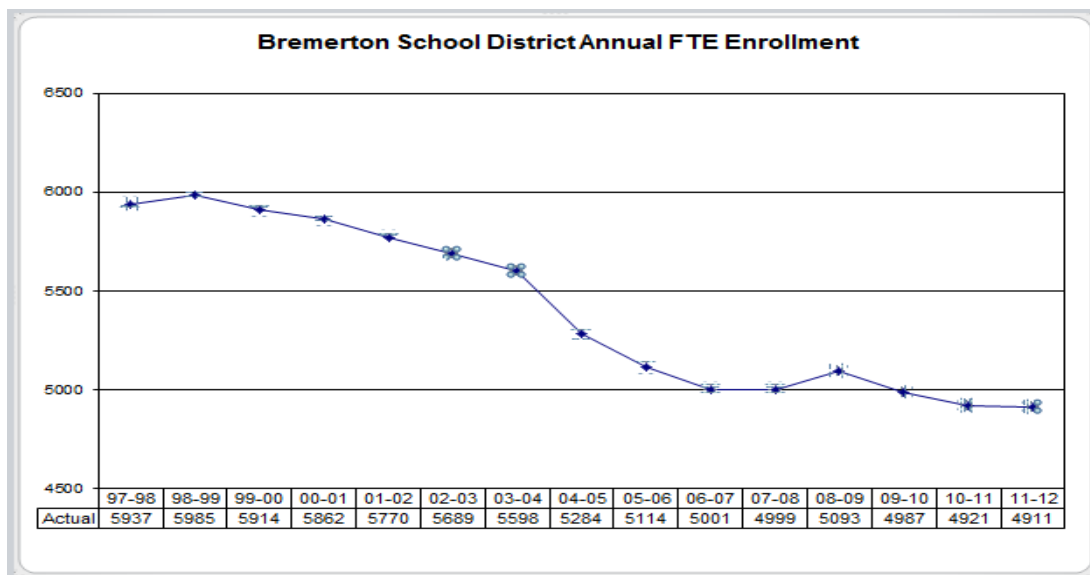
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
B. STAFF COUNTS (calculate to three decimal places)			
1. General Fund FTE Certificated Employees /4	350.964	338.139	343.601
2. General Fund FTE Classified Employees /4	215.902	220.845	222.547

Revenue Sources—Enrollment

It should be emphasized that the revenue figures for fiscal year 2011-2012 which are presented on page 9 are only estimates. The factors which may impact these forecasted revenues are changes in student enrollment and revisions in state and federal funding formulas. The State per pupil funding is \$5,162 per FTE.

The State recently passed a bill laying out funding increases for the future:

	School Year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Full-Day Kindergarten Must be fully funded statewide by 2017-18 Phase-in based on FRPL	219 Schools	More funding <i>can</i> begin	More funding must begin	Continues to ramp up	Continues to ramp up	Continues to ramp up	Continues to ramp up	Fully Funded
2	K-3 Class Size Reduction Must be fully funded statewide by 2017-18 Phase-in based on FRPL	\$0	More funding <i>can</i> begin	More funding must begin	Continues to ramp up	Continues to ramp up	Continues to ramp up	Continues to ramp up	Fully Funded
3	Maintenance, Supplies, Operation Costs (MSOC) Must be fully funded by 2015-16 \$ per student basis		More funding <i>can</i> begin	More funding must begin	Continues to ramp up	Continues to ramp up	Funded at new level	Funded at new level	Funded at new level
4	Basic Transportation Must be fully funded by 2014-15 % of formula funded basis		More funding <i>can</i> begin	More funding must begin	Continues to ramp up	Fully Funded	Fully Funded	Fully Funded	Fully Funded



Below is a brief description of the revenue sources illustrated on page 9.

Local Taxes

Collection of maintenance and operations levies approved by voters.

Local Non-Tax

Includes all tuition and fees paid by students for participation in special programs, food service sales, investment earnings, rental of District facilities, various community services, and miscellaneous revenues collected.

State General Purpose

Revenues allocated by the State based upon enrollment and the experience and training of the certificated teaching staff.

State Special Purpose

State revenues provided for support of learning assistance, handicapped children, highly capable children, special and pilot programs, bilingual, Student Achievement, pupil transportation, and food services.

Federal Special Purpose

Funds are provided for handicapped students, school food services including commodities, vocational education, disadvantaged (formerly Title I), and the federal Medicaid match program. Also included are federal funding under Title II Part A, Title II Part D and Title V.

Revenues from Other Agencies

Revenues received from agencies other than OSPI, the federal government or other school districts.

Other Financing Sources

Revenues received from the sale of surplus equipment or long-term financing.



GENERAL FUND REVENUE COMPARISONS

Revenue Sources

	<u>07-08 Actual</u>	<u>08-09 Actual</u>	<u>09-10 Actual</u>	<u>10-11 Budget</u>	<u>11-12 Budget</u>
Local Property Tax	8,651,073	9,154,059	9,669,967	10,210,923	10,418,677
Sale of Title Tax Property	1,079	54,765	0	0	0
Timber Excise Tax	756	516	769	747	500
Total Local Taxes	8,652,908	9,209,340	9,670,736	10,211,670	10,419,177
Tuition & Fees	227,921	19,327	205,800	141,300	158,000
Sale of Goods, Services	676,063	918,540	681,500	716,250	640,700
Investment Earnings	56,888	66,644	45,000	45,000	53,000
Gifts and Donations	167,402	237,040	233,919	41,000	45,000
Fines and Damages	6,211	6,114	2,400	4,800	6,000
Rentals	110,876	139,110	140,000	143,000	152,000
Insurance Recoveries	693	24,341		0	0
Misc	466,362	329,849	245,000	230,000	251,800
Local Support Non Tax	1,712,416	1,740,965	1,553,619	1,321,350	1,451,233
<u>State General / Special Purpose</u>					
Apportionment	25,510,962	26,012,370	27,893,108	26,106,171	24,852,539
Local Effort Assistance	571,010	571,740	118,512	1,009,299	1,060,495
Special Education	3,783,060	3,878,681	3,581,174	3,528,080	3,784,782
Learning Assistance	821,681	1,132,399	1,038,056	1,024,559	837,559
Special & Pilot Programs	611,968	395,078	216,800	254,000	372,360
Promoting Academic Success	162,849	0	0	0	0
Bilingual	107,381	114,357	108,105	106,309	102,551
Student Achievement	2,275,088	1,807,410		0	0
Highly Capable	44,923	46,943	46,290	45,585	45,240
Food Services	112,734	94,411	84,513	72,726	78,868
Transportation	945,378	961,010	900,000	925,000	871,000
Total State General/Special	34,947,034	35,014,399	33,986,558	33,276,729	32,210,394
<u>Federal General/Special Purpose</u>					
Federal Forests	1,269	0	0	0	0
Impact Aid	463,972	366,711	360,000	274,000	279,000
Misc (PE, Bilingual, Indian Education etc)	404,723	82,956	877,310	1,348,000	710,999
ARRA - IDEA, Title I, Student Achievement	0	2,337,884	2,273,458	1,305,734	0
Sp Ed Medicaid Reimbursement	108,153	65,000	85,000	34,500	0
Suppl Special Education	1,191,407	1,210,068	1,120,249	1,151,002	1,120,081
Vocational	103,066	87,465	89,888	89,888	43,030
Disadvantaged	1,722,903	1,963,905	1,784,672	1,742,789	1,555,467
School Improvement	446,238	408,481	480,996	395,000	389,117
Federal Food Service	1,257,982	1,352,426	1,313,600	1,313,600	1,380,000
Commodities	123,002	121,558	110,000	100,000	110,000
Total Federal General/Special Purpose	5,822,716	7,996,454	8,495,173	7,754,513	5,587,694

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 the 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 provides an approximation of how local tax dollars may be spent in various programs.

**REVENUE SOURCE FOR EXPENDITURES
Fiscal Year 2011-2012**

Account	2011-2012 Budget	Local	State	Federal	%
01 Basic Ed - Voc Ed - Skills Center	29,195,952	3,942,336	25,253,616	-	54.35%
21 Special Ed	5,794,350	525,755	5,268,595		10.79%
24 Special Ed - Federal	1,166,609			1,166,609	2.17%
26 Morgan Center	252,393		252,393		0.47%
38 Carl Perkins - BHS	40,556			40,556	0.08%
46 Carl Perkins - Skills Center	23,136			23,136	0.04%
51 Title I	1,479,448			1,479,448	2.75%
52 Title II	320,223			320,223	0.60%
55 Learning Assistance	1,048,175		1,048,175		1.95%
58 State Special Grants	543,009		543,009		1.01%
64 Federal Bilingual	20,630			20,630	0.04%
65 State Bilingual	97,755		97,755		0.18%
68 Indian Education	8,000			8,000	0.01%
73 Summer School	1,217	1,217			0.00%
74 Highly Capable	42,600		42,600		0.08%
79 Other Instructional Programs	1,236,115			1,236,115	2.30%
89 Community Service	134,020	134,020			0.25%
97 District Support	8,864,216	6,580,853	2,283,363		16.50%
98 Child Nutrition	2,180,949	721,829	79,120	1,380,000	4.06%
99 Student Transportation	1,825,388	954,388	871,000		3.40%
Transfer to DSF for Non Voted Deb	57,763	57,763			0.11%
	53,714,162	12,918,161	35,739,626	5,674,717	

Revenue Sources

Local Dollars pay for 24.05% of all Expenditures



Budgeted Expenditures

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

Basic Education—Regular Instruction

This program covers the direct cost of basic education as defined in RCW 28A.58.750. Program expenditures include the salary and benefit costs of all K-12 teachers and classroom support staff, including extra curricular activities. It also includes the direct costs of instruction including textbooks, supplies and materials, classroom furniture, and technology.

Federal Stimulus

Federal ARRA dollars were used to supplant many of the expenses normally covered by the State. The majority of expenditures were applied to Basic Education programs.

Special Education

This program reflects the excess costs of providing special education and related services as required by law to students with disabilities. Students are served by special ed teachers, certificated support staff (school psychologists and language therapists), classified support staff, and contract services, including OT/PT therapy and various cooperative agreements.

Vocational Education

Included are expenditures for vocational education programs approved by the State, including business, home economics, agriculture, marketing and technology.

Skills Center Instruction

The programs offered through West Sound Technical Skills Center are supported with these program funds.

Compensatory Education Instruction:

Disadvantaged (Title I)

Provides remedial assistance to students below the 50th percentile on nationally standardized tests.

Learning Assistance Program (LAP)

State-funded program designed to support and augment Title I.

Support Services

Support services include all the operational services that support the classroom such as Food Service, Transportation, Facilities, Custodial, Business Services and Technology Services.

Bilingual

State funds provided to support influx of non-English speaking or limited English speaking students in order for them to function successfully in the classroom.

Title II

Supports class size reduction and staff development from federal funds. Emphasis on technology, reading, math and science.

OTHER INSTRUCTIONAL PROGRAMS

Highly Capable (Challenge)

Supports in part the enhanced education for identified students.

Student Achievement

Referred to as I-728. Focus is on funding for class size reduction at all grades and staff development in support of the State and District academic standards and testing.

SUPPORT SERVICES

General Instructional Support

Includes expenditures for staff salaries, instructional equipment and supplies, and services which provide direct instructional support to the classroom. Included in the staff costs are curriculum office, principals, counselors, librarians, nurses and school secretaries.

General Support Services

Records expenditures to provide support for all programs of the District, both instructional and non-instructional. Included are expenditures for offices of the superintendent, business, personnel, maintenance and facilities, the Board of Directors and fixed costs such as insurance and utilities.

Food Service

Includes costs of operating District breakfast and lunch programs.

Transportation

Reflects the costs of operating and maintaining the District's pupil transportation program.

Budgeted Expenditures

	2010-2011 Budget	2011-2012 Budget	Diff +/-	% Diff
Basic Education	24,998,116.00	25,141,303.00	143,187	0.57%
Alternative Learning Experience	0	578,565.00	578,565	100.00%
ARRA Title I	745,887.00	0	(745,887)	-100.00%
ARRA Fiscal Stabilition	1,046,729.00	0	(1,046,729)	-100.00%
ARRA IDEA SpEd	709,956.00	0	(709,956)	-100.00%
ARRA Homeless	380	0	(380)	-100.00%
ARRA Technology	87,240.00	0	(87,240)	-100.00%
Special Ed	5,467,488.00	5,637,016.00	169,528	3.10%
Federal Special Ed	1,098,395.00	1,054,991.00	(43,404)	-3.95%
Morgan Center	305,941.00	246,774.00	(59,167)	-19.34%
Vocational Basic State	1,584,423.00	1,612,721.00	28,298	1.79%
Federal Vocational	55,894.00	40,529.00	(15,365)	-27.49%
Skills Center	2,373,259.00	1,754,107.00	(619,152)	-26.09%
Federal Skills Center	30,603.00	22,900.00	(7,703)	-25.17%
Title I - Federal	1,667,679.00	1,465,075.00	(202,604)	-12.15%
Title II - Federal	381,482.00	366,504.00	(14,978)	-3.93%
Learning Assistance - State	1,084,155.00	788,878.00	(295,277)	-27.24%
Special Programs & Grants - State	588,679.00	680,381.00	91,702	15.58%
Bilingual - Federal	21,170.00	18,838.00	(2,332)	-11.02%
Bilingual - State	108,850.00	97,756.00	(11,094)	-10.19%
Student Achievement	424,819.00	0	(424,819)	-100.00%
Indian Ed - Federal	12,510.00	8,477.00	(4,033)	-32.24%
Summer School	3,230.00	1,217.00	(2,013)	-62.32%
Highly Capable	45,574.00	42,600.00	(2,974)	-6.53%
Instructional Programs, Grants	1,195,317.00	1,242,619.00	47,302	3.96%
Community Services	134,291.00	135,073.00	782	0.58%
District Wide Support	8,070,330.00	8,870,216.00	799,886	9.91%
Food Service	2,126,168.00	2,286,397.00	160,229	7.54%
Student Transportation	1,851,680.00	1,798,404.00	(53,276)	-2.88%
			(2,328,904)	



The Capital Projects Fund is responsible for new construction and major remodeling projects of District facilities. The major source of revenue is the proceeds from the sale of bonds approved by voters for specific construction needs in the District. The 2011-2012 budget will include a small amount of interest earnings. There should be limited actual expenses during the 2011-2012 school year. However, there may be unexpected expenses due to the potential mitigation requirements the Department of Ecology as a result of the Remedial Investigation program at Crownhill Elementary.

Capital Projects Fund Summary

The 2011-2012 total budgeted expenditures of \$2,233,000 is included for capacity purposes for any Board approved capital project programs.

2011-2012 Budget

Beg Fund Balance	460,000
Revenues	1,643,000
Total Resources	2,103,000
Expenditures	1,350,000
Ending Fund Balance	753,000



General Fund Property Taxes

Maintenance and Operations Levy

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 2011-2012 budget expects to collect 10,210,093 during Fall of 2010 and Spring 2011. A renewal levy for calendar years 2010 through 2014 was passed in February, 2010 and collection will begin in 2011.

The District cannot collect more taxes than the amount approved by the voters. If assessed valuations of property in the District increase, the rate assessed would then decrease. The original estimate for 2010 was to collect \$2.50 per \$1,000; actual collection is \$2.78 per \$1,000 because of the 8% decline in Bremerton property values.

Listed below are the property tax levies and rates for 2010-2011.

The owner of a \$200,000 home is projected to pay \$614 (200 times \$3.07) in property taxes that go directly to the maintenance and operation of the Bremerton School District.

Property tax statements for Bremerton 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. The 2011 State School Rate will be \$2.36.

<u>Calendar Year</u>	<u>Levy</u>	<u>Rate/\$1,000</u>
2009	\$9,722,014	\$2.45
2010	\$9,807,078	\$2.45
2011	\$10,210,923	\$2.78
2012	\$10,419,177	\$3.07



Bond Repayment

The Bremerton School District also collects taxes for redeeming past bond issues. Currently, the District is repaying one bond issue from the sale of bonds in 2005 (Bremerton High School addition, BHS track restoration, Mountain View Middle School addition).

The District recently approved an energy-savings general obligation bond for \$500,000 to modify lighting and heating systems. Anticipated yearly savings of the energy modifications will be approximately \$74,000.

The District makes bond principal and interest payments once yearly in December. The Bremerton School District will make the following payment in 2011-2012. See p.17 for additional details including the new 10 year general obligation bond payment amount.

The District is collecting \$3,782,233 in 2011-2012

Rates listed below are estimated at \$1.07 per \$1,000 valuation of taxpayer home and property:

The owner of a \$200,000 home is projected to pay \$214 in property taxes that go directly for the repayment of bonds.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Dec 2011	\$2,918,461	\$889,425	\$3,857,886



Debt Service Fund Summary Analysis of Expenditure

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.

The 2011-2012 revenues include collection of property taxes. Principal and interest payments are made in December for the following bond issues:

Debt Service Fund

	Amt of Orig Issue	Estimated Balance	
Voted Bonds Issued 07-22-05	30,577,021	19,523,440	
General Obligation Bond 7-22-10	500,000	465,000	
	<u>2009-10 Actuals</u>	<u>2010-2011 Budget</u>	<u>2011-2012 Budget</u>
Beg Fund Balance	2,585,000	2,540,794	2,494,718
Revenues	3,700,000	3,666,904	3,782,383
Total Resources	6,285,000	6,207,698	6,277,101
Expenditures	3,665,001	3,790,012	3,867,763
Ending Fund Balance	2,619,999	2,417,686	2,409,338
Principal Payments	3,011,512	2,978,836	2,918,461
Interest	603,488	761,176	889,302
Transfer Fees	40,000	50,000	50,000
Total Expenditures	3,655,000	3,790,012	3,867,763

Associated Student Body Fund Summary

The Associated Student Body (ASB) Fund is the only fund designated as a special revenue fund in Washington school districts. This fund is financed by the establishment and collection of fees from students and non-students as a condition of their attendance at any optional noncredit, extracurricular event of the District.

One of the purposes is to encourage the supervised self-government of associated student bodies. Policies and procedures to promote this goal are established by the Board of Directors. The financial resources of the ASB are for the extracurricular benefit of the students and their involvement in decision making processes. It 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.

ASB Summary

	<u>2009-2010 Actuals</u>	<u>2010-2011 Budget</u>	<u>2011-2012 Budget</u>
Beg Fund Balance	262,000	477,500	280,000
Revenues	633,425	637,386	562,055
Total Resources	895,425	1,372,925	842,055
Expenditures	725,540	718,595	634,610
Ending Fund Balance	169,885	362,291	207,405

Transportation Vehicle Fund

Transportation Vehicle Fund Summary

The Transportation Vehicle Fund is restricted to the acquisition and rebuilding of school bus vehicles and is supported by a variety of revenue sources. All buses are on a state adopted depreciation schedule, with funds received from the State each September. Depreciation funds are meant to finance the cost of replacing aging buses. The District continues to have the need to update and standardize our bus fleet, so we generally purchase 2 to 3 buses each year.

The State is studying the way they fund transportation and plans are in place to replace the current depreciation formula and also change the depreciation schedule. The new formula may reduce the amount of depreciation we received as it excludes taxes from the cost of depreciation until the bus is at end-of-life.

Revenues for the 2011-2012 school year will be derived from state bus depreciation payments, a transfer from the General Fund, and investment earnings. It is estimated we will be purchasing two regular buses and one special needs bus this year.

	<u>2009-2010 Actuals</u>	<u>2010-2011 Budget</u>	<u>2011-2012 Budget</u>
Beg Fund Balance	130,000	466,525	274,000
Revenues	273,509	154,454	339,521
Total Resources	403,509	620,979	613,521
Expenditures	330,000	500,000	375,000
Ending Fund Balance	73,509	120,979	238,521

SUMMARY

The District's ability to convert the budget from simply a spending plan to reality is totally dependent on the accuracy of the assumptions on which the budget is built. None of these assumptions is more significant than enrollment; the enrollment figures predicted must be attained (or exceeded) for the budget objectives to become reality. Similarly, the assurance of other predicted revenue must be realized in order for the budget to succeed totally. In 2011-2012, as in years past, it will be critical to continue examination of the wide scope of District program offerings in light of limited resources in an effort to provide more efficient and economical delivery through consolidation of programs, innovative methods, and careful scrutiny in management; all to attain the most effective use of resources.

The enrollment figures are based on annual average FTE versus an estimate of October 1 enrollment. Past history indicates elementary enrollment will increase over the course of the school year, middle school enrollment remains fairly level, and high school enrollment tends to drop as the year progresses. The overall enrollment is showing a leveling off trend and hopes are it will turn around in the next few years. Staffing of both certificated and classified employees is predicated on these annual enrollment figures. The budget also represents and includes both newly-legislated programs as well as District commitments for program expansion, program enhancement and continued priority efforts.

The District continues its commitment to class size, enhancing special programs and services and preparing student to be transition-ready. Those items addressed and committed to in collective bargaining agreements are also reflected in this budget.

The budget maintains a 3% cash reserve as mandated by Board Policy. However, state and federal funding is not keeping pace with the costs of operations. Therefore the pressure on funding from local sources is increasing. District programs must constantly be reviewed and adjusted in order to comply with the numerous under-funded or non-funded state and federal mandates.



BREMERTON SCHOOL DISTRICT BOARD OF DIRECTORS WELCOMES YOUR OPINIONS

The Bremerton School District Board of Directors encourages the entire community to attend all Board meetings other than executive sessions or closed sessions allowed by law. Copies of the agenda for each Board meeting and minutes from past meetings are available at the Superintendent's Office and on the Bremerton School District web page.

Opportunities to make presentations are welcomed during the "Public" portion of the Board meeting agenda and comments are limited to 5 minutes. Visitors are encouraged to comment on other specific agenda items as noted by the Board.

School Board meetings are scheduled a year in advance. School Board information is on the district web page (<http://www.bremertonschools.org>). We encourage you to take advantage of these opportunities to make yourself heard!

Bremerton School District Board of Directors

Position #1

Scott Rahm
2328 7th Street
Bremerton WA 98312
360.373.9090

Position #2

Dave Rubie
3450 Circle Way
Bremerton WA 98312
360.377.0340

Position #3

Vicki Collins—Board President
1949 Warner St NE
Bremerton WA 98310
360.373.0069

Position #4

Dave Boynton
1747 N Callow Ave
Bremerton WA 98312
360.473.9725

Position #5

Carolynn Perkins
1788 Front Ave W
Bremerton WA 98312
360.782.5449

Administration Offices 473.1000

Superintendent
Lester "Flip" Herndon
473.1004

Assistant Superintendent
Linda Jenkins
473.1006

Director of Finance and Operations
Wayne Lindberg
473.1031

Director of Special Programs
Linda Sullivan-Dudzic
473.1061

Director of Personnel
Denise Zaske
473.1026