



NORTH KITSAP SCHOOL DISTRICT PRELIMINARY BUDGET SUMMARY

FY 2016-17

A Great Place to Live & Learn

TABLE OF CONTENTS

Contents

Introduction to Funds & Budget Review _____	1
Financial Summary _____	5
Summary of Funds	
Enrollment Summary	
Levy Summary	
General Fund Summary _____	8
Capital Project Fund Summary _____	16
Debt Service Fund Summary _____	17
ASB Fund Summary _____	18
Transportation Vehicle Fund Summary _____	19
Resource Links & Contact Information _____	20
Appendix – Strategic Plan _____	21



This Budget Summary provides information on the 2016-17 Preliminary Budget for North Kitsap School District. More detailed budget information is available in the formal budget, OSPI form F-195.

WHAT ARE THE BUDGETS FOR THE SCHOOL DISTRICT?

THE BUDGET CONSISTS OF FIVE SEPARATE FUNDS

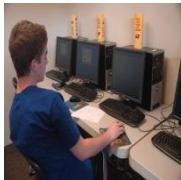
GENERAL FUND



The general fund is used to account for all financial resources except those required to be accounted for in another fund. 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 current day to day operations of the school district such as our instructional programs for students, food services, maintenance, and pupil transportation. Expenditures include salaries and benefits costs, and non-labor costs such as supplies and instructional materials, utilities, fuel, insurance, and printing costs.

CAPITAL PROJECTS FUND



The Capital Projects fund provides for acquisition of lands or buildings, major modernization of buildings and other property such as fields, and acquisition of equipment, including technology systems. Capital funds may also be used for energy audits and related upgrades. The Capital Projects Fund is generally financed from the proceeds from the sale of bonds, state matching revenues, lease or sale of surplus real property, interest earnings and special levies.

DEBT SERVICE FUND



The Debt Service fund provides for the redemption and payment of interest on bonds. Each year an amount is levied which provides for redemption of bonds currently due, interest payments on bonds outstanding, and related costs.

ASSOCIATED STUDENT BODY FUND (ASB)

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



TRANSPORTATION VEHICLE FUND

The Transportation Vehicle fund accounts for the purchase or major repair of pupil transportation equipment. The Transportation Vehicle Fund is generally financed by state reimbursement to school districts for depreciation of approved pupil transportation equipment.





GENERAL FUND

Enrollment:

- The projected enrollment for 2016-17 is 6,066.38 which includes running start and ALE. The 2015-16 actual was 5,898.82 FTE. This is an increase of 167.56FTE.
- We are newly funded for full day kindergarten at Gordon Elementary school for the 16-17 school year. This is our last elementary school to receive funding for full day kindergarten.
- Enrollment projections are based on district-wide analysis by grade level in conjunction with the demographic analysis done.

Revenues:

- Increased levy collection
- Increased state funding: MSOC (Materials, Supplies, and Operation Costs), full day kindergarten, class size reductions, 1.8% COLA on funded positions

Expenditures:

- Increased staffing due to requirements of smaller class size legislation
- Increased payroll related to 1.8% state mandated COLA
- Implementation of free full day kindergarten district wide



- Community Financial Advisory Committee/Board enhancements:

See appendix for strategic goals

Description	Strategic Plan Goals	Amount
Athletic equity	1 e	25,000
ADA upgrades per OSPI	3 a, b, c	35,000
Curriculum	1 a, b, c, e	400,000
Facilities, maintenance	3 a, b, c	500,000
24 Credit Implementation	1 a,b, d, e	95,000
ALE	1 a,b, d, e	85,000
Dual Language	1 a, b, c, d, e	18,000
Equity council	1 c, d; 2 a, b, c	5,000
Extra and co-curricular	1 a, b, d, e	50,000
Finance, business office, HR	3 a, b, c	20,000
Food services	3 a, b, c	35,000
PBIS training	1 c, d	10,000
PD - SIP aligned	1 a, b, c, e	50,000
Safety and security	1 d	77,000
Technology	1 a, b, c, e	50,000
Transportation	3 a, b, c	45,000



DEBT SERVICE FUND

Voted and non-voted debt is paid from the Debt Service Fund. The non-voted debt is paid for via a transfer of funds (\$188,711) from the General Fund to the Debt Service Fund. The District will have voted debt paid off in full in 2018.

TRANSPORTATION VEHICLE FUND

Money collected will be used to purchase buses

ASSOCIATED STUDENT BODY FUND

Estimated \$1.0M in revenue from donations, fundraisers and sales.

LEGISLATIVE REVIEW

The state continues to make progress to fully fund basic education. During the 2016 legislative session as part of the 2015-17 biennium, the state provided some additional funding to K-12 schools:

- All day kindergarten funding for Gordon Elementary
- Small increase to MSOC (\$13.31/FTE Basic; \$1.83/FTE Grades 9-12; \$15.75/FTE for Voc Ed)
- Reduced Class size for grades K-3
- Cost of Living Increase for state funded salaries of 1.8%



NORTH KITSAP SCHOOL DISTRICT

FINANCIAL SUMMARY

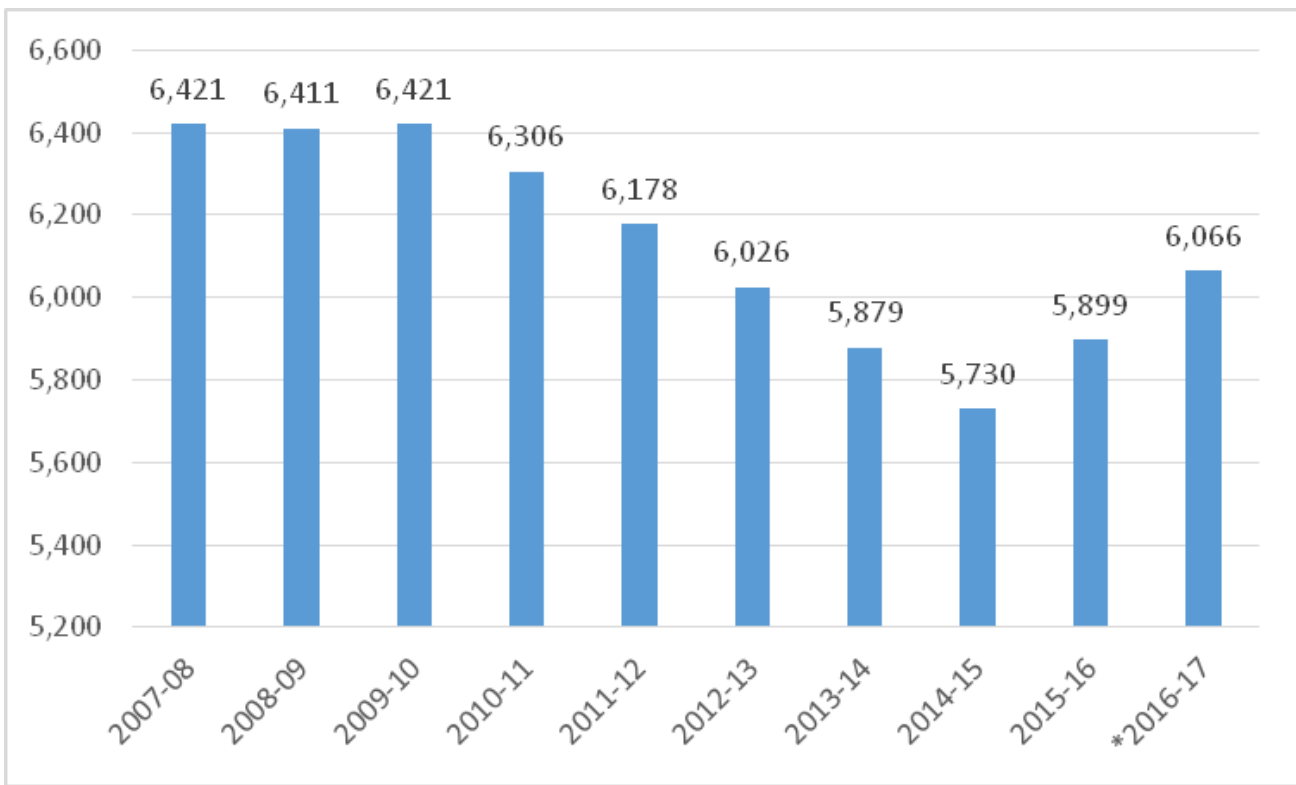
SUMMARY OF BUDGETS

FUND	YEAR	BEGINNING BALANCE	REVENUES	EXPENDITURES	OPERATING TRANSFERS	ENDING BALANCE
GENERAL:	2016-17	8,086,257	76,077,658	77,026,739	-188,711	6,948,465
	2015-16	5,189,302	71,624,431	71,365,506	-188,770	5,259,457
CAPITAL PROJECTS:	2016-17	912,870	255,500	725,000	0	443,370
	2015-16	671,500	401,000	1,060,000	0	12,500
DEBT SERVICE:	2016-17	2,490,392	9,023,332	8,210,790	188,711	3,491,645
	2015-16	1,082,000	23,720,907	23,960,518	188,770	1,760,159
ASB:	2016-17	525,005	1,001,655	1,050,925	0	475,735
	2015-16	375,268	1,027,456	1,059,623	0	343,101
TRANSP VEHICLE:	2016-17	1,930,488	533,446	2,100,000	0	363,934
	2015-16	1,821,000	598,206	750,000	0	1,469,510



Enrollment Summary

Enrollment has declined steadily from 2002-03 through 2014-15. An increase in enrollment was seen for 2015-16 which was largely due funding of full day kindergarten. An increase of 167 FTE is estimated for the 2016-17 school. Of this amount, 67 FTE is due to the addition of all-day kindergarten funding at Gordon Elementary. With the work of a demographic study, it appears that enrollment will continue to increase through 2018-19.



*2016-17 is projected



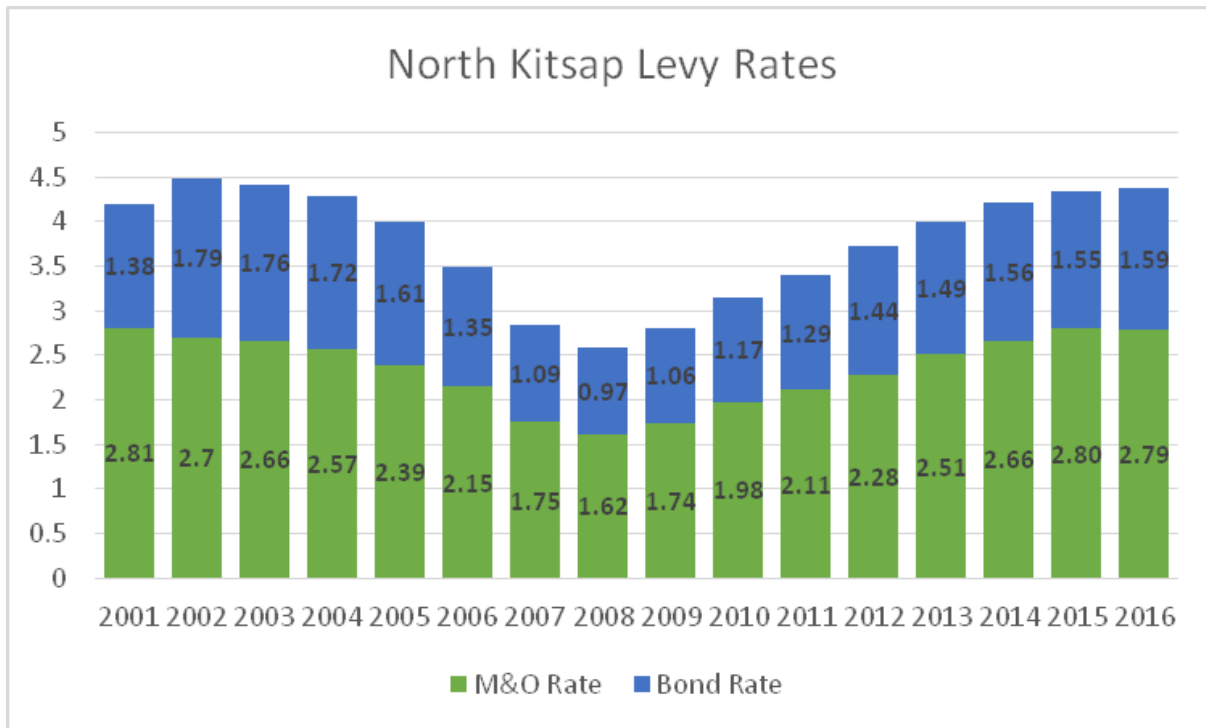
LEVY SUMMARY

In 2014, the voters approved a 4 year maintenance and operations levy with the following collections: 2015 = \$16.5M; 2016 = \$16.95M; 2017 = \$17.45M; 2018 = \$17.95M

The maintenance and operations levy pays for general fund expenses. In 2017, the estimated maximum levy authority is \$17.36M which will result in a rollback of approximately \$90,287. For the 2015 year, the maximum levy authority was \$16.5M.

In addition to the maintenance and operations levy, North Kitsap School District also has a bond which paid for many capital projects including the new Kingston High School. This bond expires in 2018. Currently, there are no funds available for capital improvements to assist with paying for technology upgrades, roofing, and other maintenance items.

Below is a historical view of the tax rates for NK residents and an estimate of the rates for 2016.





NORTH KITSAP SCHOOL DISTRICT

GENERAL FUND SUMMARY

	Actual 2014-15	Budget 2015-16	Budget 2016-17
BEG: Committed Minimum Fund Balance	3,297,351	3,592,484	3,568,275
Committed for Other	360,000	420,000	480,000
Nonspendable FB-Inventory/Prepaid	476,996	345,000	352,000
Restricted for Carryover	216,763	143,048	150,000
Restricted for Debt Service	189,168	188,770	188,800
Assigned to Other Purposes	1,093,402	500,000	914,512
Unassigned Fund Balance	877,660	0	2,432,670
Beginning Fund Balance	6,511,340	5,189,302	8,086,257
ADD: Revenues			
1000 Local Taxes	15,940,221	16,650,657	17,181,385
2000 Local Non-Tax	2,284,188	1,954,529	1,982,950
3000 State, General Purpose	32,912,489	37,496,033	39,831,851
4000 State, Special Purpose	8,626,548	9,101,104	9,738,165
5000 Federal, General Purpose	1,215,957	1,048,167	1,075,000
6000 Federal, Special Purpose	3,512,485	5,218,861	6,258,207
7000 Revenues from Other Districts	0	55,000	2,600
8000 Revenues From Other Agencies	17,167	100,080	7,500
9000 Other Financing	0	0	0
Total Revenues	64,509,053	71,624,431	76,077,658
TOTAL: Funds Available	71,020,393	76,813,733	84,163,915
LESS: Expenditures			
00 Regular Instruction	33,555,530	38,841,531	41,644,208
20 Special Education Instruction	8,731,239	9,726,070	10,172,734
30 Vocational Instruction	2,540,613	2,454,670	2,805,167
50&60 Compensatory Education	2,564,355	2,955,892	2,963,158
70 Other Instructional Programs	533,088	1,538,110	2,170,941
80 Community Services	563,313	581,541	459,500
90 Support Services	14,325,454	15,267,692	16,811,031
Total Expenditures	62,813,592	71,365,506	77,026,739
OTHER FIN. USES TRANS. OUT (GL 536)	(189,167)	(188,770)	(188,711)
Ending Fund Balance	8,017,634	5,259,457	6,948,465



NORTH KITSAP SCHOOL DISTRICT

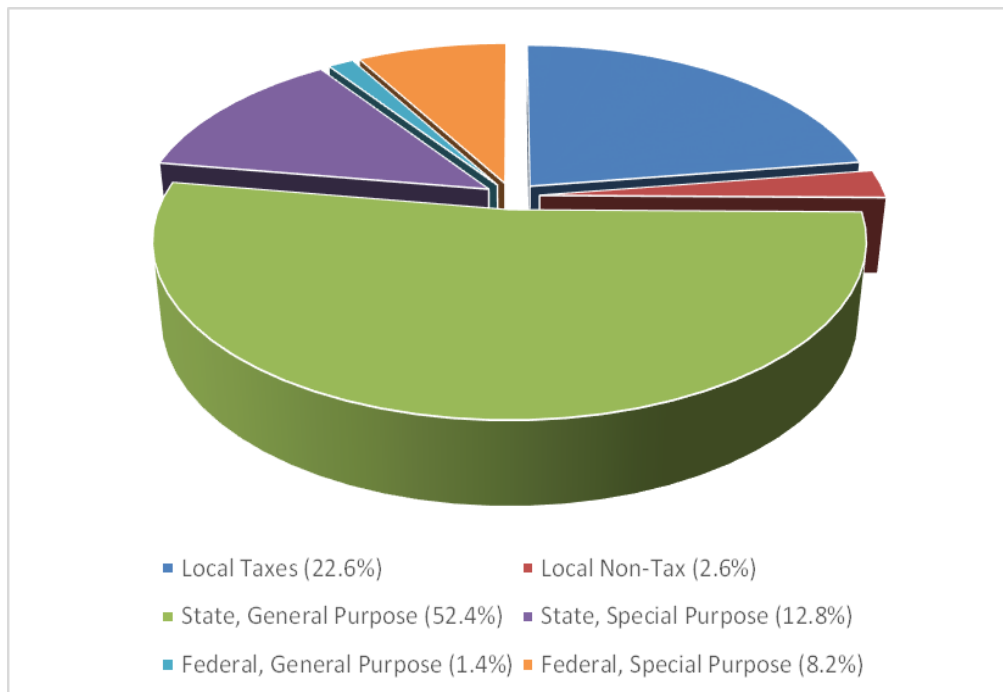
GENERAL FUND REVENUES

	Actual 2014-15	Budget 2015-16	Budget 2016-17	Increase (Decrease)
1100 Local Property Tax	15,923,322	16,633,436	17,169,930	536,494
1500 Timber Excise Tax	16,898	17,221	11,455	(5,766)
Total Tax	15,940,220	16,650,657	17,181,385	530,728
2100 Tuition and Fees	511,183	52,000	43,000	(9,000)
2131 Secondary Voc Education Tuition	5,264	5,385	0	(5,385)
2173 Summer School Tuition & Fees	5,225	0	6,000	6,000
2186 Community School Tuition & Fees	63,690	72,500	0	(72,500)
2200 Sales of Goods, Supp & Services, Unassigne	79,268	0	25,000	25,000
2231 Sec. Voc. Ed., Sale of Goods, Supp & Svcs	44,018	47,500	47,500	0
2289 Community Services	181,741	195,250	220,000	24,750
2298 Food Services	724,690	957,944	885,950	(71,994)
2300 Investment Earnings	50,865	35,000	50,000	15,000
2500 Gifts and Donations	273,614	275,000	450,000	175,000
2600 Fines and Damages	35,924	11,500	6,400	(5,100)
2700 Rentals and Leases	152,481	120,000	124,100	4,100
2800 Insurance Recoveries	14,013	22,000	0	(22,000)
2900 Local Support Non-Tax	34,554	160,450	75,000	(85,450)
2910 E-Rate	107,658	0	50,000	50,000
Total Local Non-Tax	2,284,188	1,954,529	1,982,950	28,421
3100 State Apportionment	31,946,260	36,533,892	38,850,610	2,316,718
3121 State Special Ed Apportionment	966,229	962,141	981,241	19,100
Total State, General Purpose	32,912,489	37,496,033	39,831,851	2,335,818
4100 State Special Purpose	16,656	0	15,000	15,000
4121 Special Education	4,578,465	5,059,017	5,361,394	302,377
4122 SPED Infants and Toddlers - State	282,491	318,408	338,570	20,162
4155 Learning Assistance Program	1,015,806	994,001	1,031,048	37,047
4158 Special Pilot Programs	228,149	213,037	220,677	7,640
4165 Transitional Bilingual	197,282	204,057	228,954	24,897
4174 Highly Capable	57,239	61,444	64,341	2,897
4198 School Food Service	30,713	33,174	32,882	(292)
4199 Transportation	2,217,966	2,217,966	2,445,299	227,333
4321 SPED - Other State Agencies	1,781	0	0	0
Total State, Special Purpose	8,626,548	9,101,104	9,738,165	637,061
5200 Department of Defense Impact Aid	69,175	0	0	0
5300 Federal Impact Aid	1,005,233	925,000	950,000	25,000
5329 Federal Impact Aid - Special Education	141,547	123,167	125,000	1,833
Total Federal, General Purpose	1,215,955	1,048,167	1,075,000	26,833
6100 Other Federal Funds - Unassigned	0	1,050,000	2,000,000	950,000
6124 Federal Special Ed. Grants	1,250,048	1,140,886	1,230,684	89,798
6138 Federal Vocational Education	57,420	54,999	28,671	(26,328)
6151 Disadvantaged, Title 1 Part A	473,118	606,081	611,154	5,073
6152 School Improvement	182,849	259,034	269,359	10,325
6164 Title III LEP and Immigrant	15,831	27,430	40,000	12,570
6198 School Food Service	956,501	1,042,090	1,117,341	75,251
6200 DODEA Science Grant	110,155	430,000	350,000	(80,000)
6262 Math & Science Professional Devt	221,791	250,000	250,000	0
6268 Indian Education	84,482	90,841	90,841	0
6300 Federal Grants through other Agencies	7,024	100,000	100,000	0
6310 Medicaid Outreach Program	0	0	0	0
6321 Special Ed Medicaid Reimbursement	6,282	17,500	15,000	(2,500)
6998 USDA Commodities	146,985	150,000	155,157	5,157
Total Federal, Special Purpose	3,512,486	5,218,861	6,258,207	1,039,346
7121 Special Education from Other Districts	0	50,000	0	(50,000)
7189 Other Community Services			2,600	2,600
7199 Transportation from Other Districts	0	5,000	0	(5,000)
8200 Private Foundations	17,167	100,080	7,500	(92,580)
GRAND TOTAL	64,509,053	71,624,431	76,077,658	4,453,227



NORTH KITSAP SCHOOL DISTRICT

- \$49,570,016** State Resources represent 65.2% of all revenues. These revenues consist of state apportionment revenue based upon actual student enrollment for basic education as well as categorical programs.
- \$17,181,385** Local Tax (Voter Approved Levy Funds) represents 22.6% of all revenues. Voters approved levy collections in the amounts of \$16.95M for 2016 and \$17.45M for 2017. Since the district's fiscal year runs from September 1st to August 31st, portions of two calendar year collections are used for budgeting purposes.
- \$7,333,207** Federal revenues represent 9.6% of district revenues which includes funding for specific grant programs. Impact aid (revenue in lieu of property taxes) is also received for federally connected children and those who work on or live on Indian land.
- \$1,993,050** Local non-tax and other revenues account for the remainder of the budgeted revenues (2.60%). These revenues include tuition and/or fees, food lunch revenues, transportation reimbursements, interest earnings, and facilities use.
- \$76,077,658 Total Revenue**





NORTH KITSAP SCHOOL DISTRICT

GENERAL FUND EXPENDITURES

DISTRIBUTION BY PROGRAM	14-15 Actual	%	15-16 Budget	%	16-17 Budget	%
01 Basic Education	33,273,304	52.97%	38,448,471	53.88%	41,092,732	53.35%
02 Basic Education - ALE	282,225	0.45%	393,060	0.55%	551,476	0.72%
97 District-wide Support	9,379,396	14.93%	9,962,324	13.96%	10,999,198	14.28%
Total CORE BEA	42,934,925	68.35%	48,803,855	68.39%	52,643,406	68.35%
21 Special Education	7,235,187	11.52%	8,243,815	11.55%	8,554,125	11.11%
22 Special Education - Infants/Toddlers	250,440	0.40%	290,442	0.41%	338,570	0.44%
24 Federal Special Education	1,195,397	1.90%	1,068,646	1.50%	1,155,039	1.50%
29 Other Federal Special Education	50,215	0.08%	123,167	0.17%	125,000	0.16%
31 Vocational Education	2,014,977	3.21%	1,931,411	2.71%	2,236,980	2.90%
34 State Middle School Voc Education	470,487	0.75%	471,743	0.66%	541,273	0.70%
38 Federal Vocational Education	55,149	0.09%	51,516	0.07%	26,914	0.03%
51 Title I, Disadvantaged	466,564	0.74%	567,705	0.80%	573,397	0.74%
52 School Improvement	178,627	0.28%	242,632	0.34%	252,848	0.33%
55 Learning Assistance Program	946,856	1.51%	934,410	1.31%	967,847	1.26%
58 Special and Pilot Programs	274,598	0.44%	213,037	0.30%	210,436	0.27%
62 Math & Science Prof Development	276,323	0.44%	500,000	0.70%	600,000	0.78%
64 Title III, Limited English Proficiency	15,523	0.02%	26,892	0.04%	38,835	0.05%
65 Transitional Bilingual	198,300	0.32%	204,058	0.29%	228,954	0.30%
68 Indian Education	91,819	0.15%	87,158	0.12%	90,841	0.12%
69 Other Compensary - Federal	115,744	0.18%	180,000	0.25%	0	0.00%
73 Summer School	28,530	0.05%	100,000	0.14%	100,000	0.13%
74 Highly Capable	66,445	0.11%	59,581	0.08%	64,341	0.08%
79 Other Instructional Programs	438,113	0.70%	1,378,529	1.93%	2,006,600	2.61%
86 Community Schools	113,634	0.18%	137,580	0.19%	61,500	0.08%
89 Other Community Services	449,680	0.72%	443,961	0.62%	398,000	0.52%
98 Food Services	1,871,997	2.98%	2,218,209	3.11%	2,191,331	2.84%
99 Pupil Transportation	3,074,061	4.89%	3,087,159	4.33%	3,620,502	4.70%
Total CATEGORICAL	19,878,666	31.66%	22,561,651	31.60%	24,383,333	31.67%
GRAND TOTALS	62,813,592	100.00%	71,365,506	100.00%	77,026,739	100.00%



NORTH KITSAP SCHOOL DISTRICT

EXPENDITURE BY ACTIVITY

Activity		14-15 Actual		15-16 Budget		16-17 Budget	
No.	Name	Amount	Percent	Amount	Percent	Amount	Percent
Teaching & Support							
22	Learning Resources	1,284,427	2.04%	1,238,056	1.73%	1,455,233	1.89%
24	Guidance - Counseling	1,820,580	2.90%	1,864,944	2.61%	1,931,825	2.51%
25	Pupil Management & Safety	698,822	1.11%	828,154	1.16%	1,182,115	1.53%
26	Health Services	2,461,140	3.92%	2,654,947	3.72%	2,739,695	3.56%
27	Teaching	33,512,081	53.35%	39,882,691	55.89%	42,983,947	55.80%
28	Extracurricular	1,232,908	1.96%	1,312,223	1.84%	1,523,487	1.98%
29	Payments to Other Districts	128,908	0.21%	140,984	0.20%	100,000	0.13%
31	Instructional Professional Development	320,646	0.51%	304,119	0.43%	651,973	0.85%
32	Instructional Technology	1,075,726	1.71%	1,054,177	1.48%	665,351	0.86%
33	Curriculum	227,965	0.36%	456,550	0.64%	661,153	0.86%
Total Teaching & Support		42,763,203	68.08%	49,736,845	69.72%	53,894,779	69.97%
Other Support							
42	Food	783,106	1.25%	979,265	1.37%	978,624	1.27%
44	Nutrition Services - Operation	948,523	1.51%	1,059,527	1.48%	1,048,855	1.36%
49	Nutrition Services - Transfers	(237)	0.00%	-	0.00%	(17,100)	-0.02%
52	Operating Buses	2,607,102	4.15%	2,422,574	3.39%	2,622,350	3.40%
53	Maintenance of School Buses	457,747	0.73%	378,103	0.53%	448,388	0.58%
59	Transportation Transfers Credits	(267,856)	-0.43%	(108,000)	-0.15%	(198,448)	-0.26%
62	Grounds Care - Maintenance	343,327	0.55%	428,429	0.60%	435,284	0.57%
63	Operation of Buildings	1,939,245	3.09%	2,019,497	2.83%	1,969,919	2.56%
64	Maintenance of Buildings/Equipment	1,421,845	2.26%	1,701,477	2.38%	1,945,637	2.53%
65	Utilities	1,656,898	2.64%	2,098,861	2.94%	1,815,000	2.36%
67	Building Security	61,599	0.10%	98,500	0.14%	76,000	0.10%
68	Insurance	421,721	0.67%	475,000	0.67%	450,000	0.58%
72	Information Systems	1,490,734	2.37%	1,047,340	1.47%	1,660,537	2.16%
73	Printing	28,679	0.05%	8,787	0.01%	7,018	0.01%
74	Warehousing & Distribution	0	0.00%	-	0.00%	-	0.00%
91	Public Activities	389,102	0.62%	436,136	0.61%	369,922	0.48%
Total Other Support		12,281,535	19.56%	13,045,496	18.27%	13,611,986	17.67%
School Building Administration							
23	Principal's Office	3,617,470	5.76%	3,705,986	5.19%	4,008,128	5.20%
Central Administration							
11	Board of Directors	122,058	0.19%	137,500	0.19%	290,500	0.38%
12	Superintendent's Office	311,726	0.50%	342,587	0.48%	359,417	0.47%
13	Business Office	643,590	1.02%	679,156	0.94%	764,855	0.99%
14	Human Resources	662,064	1.05%	619,053	0.87%	709,380	0.92%
15	Public Relations	87,906	0.14%	169,253	0.24%	148,816	0.19%
21	Supervision - Instruction	1,675,935	2.67%	2,120,030	2.97%	2,300,556	2.99%
41	Supervision - Nutrition Services	157,260	0.25%	179,417	0.25%	180,952	0.23%
51	Supervision - Transportation	277,068	0.44%	394,482	0.55%	363,957	0.47%
61	Supervision of Building	213,777	0.34%	235,701	0.33%	393,413	0.51%
Total Central Administration		4,151,384	6.60%	4,877,179	6.82%	5,511,846	7.16%
Total		62,813,592	100.00%	71,365,506	100.00%	77,026,739	100.00%



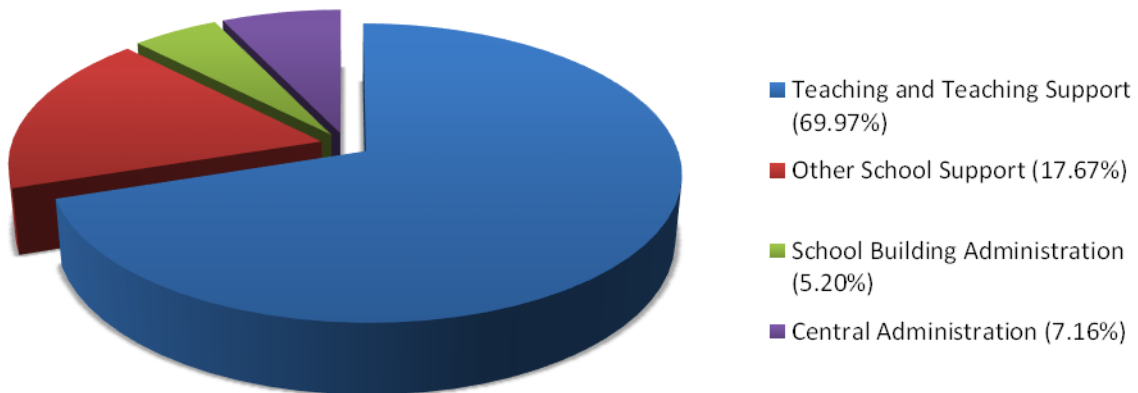
WHERE DOES THE MONEY GO?

Teaching and Teaching Support - 69.97% of the District Budget is spent on teaching and teaching support. This includes funding for teachers, instructional assistants, teaching supplies, materials and textbooks, counselors and librarians, special education and related services, health services, and pupil management and safety.

Other School Support – Operational support represents 17.67% of the District budget. This includes operation and maintenance of buildings and grounds, utilities and plant security, student transportation, nutritional services, insurance, data processing and public activities.

School Building Administration – This is 5.20% of the District budget and includes principals, assistant principals, secretarial and clerical support, and other expenses related to the management of the school building.

Central Administration – This 7.16% of the District budget includes the expenses of the School Board, Superintendent’s Office, Human Resources, Business Services, and the supervision of the following activities: instruction, maintenance and operations, student transportation, and food services. This includes district-wide support functions such as accounting, payroll, purchasing, budgeting, personnel services, auditing costs, insurance, legal costs and district-wide technology support.

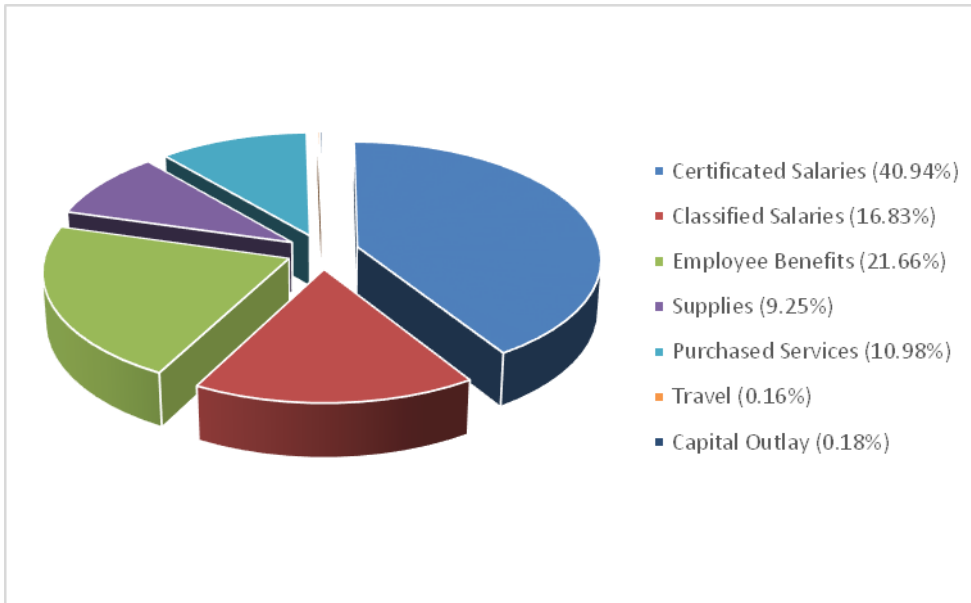




NORTH KITSAP SCHOOL DISTRICT

EXPENDITURE OBJECT

OBJECT	14-15 Actual		15-16 Budget		16-17 Budget	
2 CERTIFICATED SALARIES	26,264,301	41.81%	28,831,044	40.40%	31,537,565	40.94%
3 CLASSIFIED SALARIES	11,763,709	18.73%	11,977,072	16.78%	12,960,368	16.83%
4 EMPLOYEE BENEFITS	13,661,968	21.75%	15,676,094	21.97%	16,686,711	21.66%
Total Salaries & Benefits	51,689,978	82.29%	56,484,210	79.15%	61,184,644	79.43%
5 SUPPLIES & INSTR RESOURCES	4,552,956	7.25%	6,377,024	8.94%	7,127,347	9.25%
7 PURCHASED SERVICES	6,244,298	9.94%	8,261,787	11.58%	8,457,798	10.98%
8 TRAVEL	121,140	0.19%	68,985	0.10%	120,950	0.16%
9 CAPITAL OUTLAY	205,220	0.33%	173,500	0.24%	136,000	0.18%
0 DEBIT TRANSFERS	432,199	0.69%	294,876	0.41%	375,548	0.49%
1 CREDIT TRANSFERS	(432,199)	-0.69%	(294,876)	-0.41%	(375,548)	-0.49%
Total Operating Costs	11,123,614	17.71%	14,881,296	20.86%	15,842,095	20.57%
TOTAL	62,813,592	100.00%	71,365,506	100.00%	77,026,739	100.00%





Materials, Supplies and Operating Cost (MSOC) Expenditures

In 2016-17, the Senate proposed budget language that would have specifically prohibited school districts from using Maintenance, Supplies and Operating Costs allocations for employee compensation. That language was removed; however, the final 2016 Supplemental Operating Budget includes proviso language that requires school districts to disclose the intended use of MSOC funding with the apparent intention that MSOC allocations not be used for compensation.

2016-17 state conference budget language requires all school districts, as part of the their budget development process, to disclose the amount of MSOC funding it will receive and the amount it proposes to spend on materials, supplies, and operating costs. If the funding received is more than the amount proposed to be spent in the budget, the district must specify the use of the additional funds and “how this use will improve student achievement”.

For the 2016-17 school year, North Kitsap School District will spend more than the Basic Education allocated MSOCs. The allocated revenue for MSOCs comes in for basic education, vocational education and a percent from special education. Expenditures for MSOC are represented in the following programs:

- 01 Basic Education
- 02 Alternative Learning Experience
- 21 Special Education (a % is applied to basic education)
- 31 Vocational Education 9-12
- 34 Vocational Education 7-8
- 97 Districtwide Support

Below is a summary of the total budgeted MSOC allocation as well as the budgeted MSOC expenditures:

16-17 Budgeted MSOC Allocation	\$ 7,604,618.21
16-17 Budgeted MSOC Expenditure	\$ 10,469,584.03
Amount Over/(Under) Allocation	\$ 2,864,965.82



CAPITAL PROJECTS FUND SUMMARY

	Actual 2014-15	Budget 2015-16	Budget 2016-17
Beginning Fund Balance	146,144	671,500	912,870
ADD: Revenues			
2000 Local Non-Tax	9,732	401,000	255,500
Total Revenues	9,732	401,000	255,500
TOTAL: Funds Available	155,876	1,072,500	1,168,370
LESS: Expenditures			
10 Sites	0	315,000	0
20 Buildings	3,144	665,000	725,000
30 Equipment	0	80,000	0
40 Energy	0	0	0
50 Sales and Lease Expenditures	0	0	0
Total Expenditures	3,144	1,060,000	725,000
Ending Fund Balance	152,732	12,500	443,370



NORTH KITSAP SCHOOL DISTRICT

DEBT SERVICE FUND SUMMARY

	Actual 2014-15	Budget 2015-16	Budget 2016-17
Beginning Fund Balance	965,953	1,811,000	2,490,392
ADD: Revenues			
1000 Local Taxes	9,074,987	9,217,407	9,011,182
2000 Local Non-tax	13,316	3,500	12,150
9000 Other Financing Sources	0	14,500,000	0
Total Revenues	9,088,303	23,720,907	9,023,332
Operating Transfer from GF	189,167	188,770	188,711
TOTAL: Funds Available	10,243,423	25,720,677	11,702,435
LESS: Expenditures			
11 Matured Bonds	7,719,681	22,730,000	7,725,240
21 Interest on Bonds	1,375,761	1,055,518	460,550
61 Recording Fees (Capacity)	0	175,000	25,000
Total Expenditures	9,095,442	23,960,518	8,210,790
Ending Fund Balance	1,147,981	1,760,159	3,491,645



ASSOCIATED STUDENT BODY FUND SUMMARY

	Actual 2014-15	Budget 2015-16	Budget 2016-17
<i>Beginning Fund Balance</i>	476,677	375,268	525,005
ADD: Revenues			
1000 General Student Body	314,073	361,500	365,505
2000 Athletics	217,739	183,230	208,800
3000 Classes	8,840	14,950	13,650
4000 Clubs	212,161	447,926	398,465
6000 Private Moneys	<u>29,101</u>	19,850	15,235
Total Revenues	781,914	1,027,456	1,001,655
TOTAL: Funds Available	1,258,591	1,402,724	1,526,660
LESS: Expenditures			
1000 General Student Body	242,260	311,300	323,625
2000 Athletics	277,037	248,555	264,315
3000 Classes	8,814	11,450	11,950
4000 Clubs	219,021	466,843	431,710
6000 Private Moneys	<u>18,737</u>	21,475	19,325
Total Expenditures	765,869	1,059,623	1,050,925
Ending Fund Balance	492,722	343,101	475,735



NORTH KITSAP SCHOOL DISTRICT

TRANSPORTATION VEHICLE FUND SUMMARY

	Actual 2014-15	Budget 2015-16	Budget 2016-17
<i>Beginning Fund Balance</i>	1,816,122	1,621,304	1,930,488
<i>ADD: Revenues</i>			
2300 Investment Earnings	8,622	7,700	8,000
2800 Insurance Recoveries	0	0	0
4000 State Grant Revenue	0	0	0
4499 Transportation Reimbursement	590,507	590,506	525,446
5300 Impact Aid	0	0	0
9000 Other Financing Sources	0	0	0
9300 Sale of Equipment	8,892		0
<i>Total Revenues</i>	608,021	598,206	533,446
<i>TOTAL: Funds Available</i>	2,424,143	2,219,510	2,463,934
<i>LESS: Expenditures</i>			
Act. 30 Equipment	467,700	750,000	2,100,000
<i>Total Expenditures</i>	467,700	750,000	2,100,000
<i>Ending Fund Balance</i>	1,956,443	1,469,510	363,934



Links to Other Information

Kitsap County Assessor

<http://www.kitsapgov.com/assr/>

Office of Superintendent of Public Instruction

<http://www.k12.wa.us/SAFS/default.asp>

Washington State Legislature

<http://www.leg.wa.gov/pages/home.aspx>

North Kitsap School District

18360 Caldart Avenue NE. Poulsbo, WA 98370

www.nkschools.org



APPENDIX – STRATEGIC PLAN

NKSD 2014-15 Strategic Directions & Goals



North Kitsap School District's Mission Statement

The North Kitsap School District, in partnership with the community, will provide an academically challenging educational program to meet the diverse needs of All students in a safe, nurturing environment and empower them to be competent, creative, compassionate and contributing citizens.

Guiding Foundational Principles

These strategic directions and goals frame our purpose and guide our district's leadership team when making decisions and allocating resources. It will focus classroom and school building, and operational goals and align the entire organization on student success. It is a roadmap where our community can visualize the value of our public educational system.

The following are core foundational principles which guide our work.

We believe that:

- The objectives for accomplishing our goals must be measurable.
- Proven methods and best practices will be used and data will be collected, ensuring that the district will build and improve its capability and capacity to achieve student outcomes.
- Progress to these goals will be regularly reviewed and evaluated and shared with the community. Goals will be refined with new knowledge and community input.



NKSD 2014-2015 Strategic Directions

I. Success for All Students

By 2020, NKSD graduation rate will be in the top 5% of the state.
The board's top priority will be to have 100% of third graders reading on grade level by 2020.

Operational Definition: We will empower our students to become competent, creative, compassionate and contributing citizens.

Goals:

1. Deliver instruction aligned to standards
 - 1.1 Alignment of core content will update on a regular cycle along with material adoptions.
 - 1.1.1 By 2016-2017, instruction in ELA CCSS will be aligned K-12

 - 1.1.2 By 2016-2017, instruction in Science (NGSS) will be aligned K-12.
 - 1.1.3 Modify Common Core Math as appropriate (on going)
2. Use instructional strategies to maximize student engagement and learning
 - 2.1 By the beginning of the 2015-2016 school year, all returning classroom teachers will have completed a cycle in the focused or comprehensive evaluation system.
 - 2.2 Develop and support high functioning Professional Learning Communities at all levels. ****
3. Build and maintain a talented and effective workforce
 - 3.1 Develop and implement strategic, assertive recruitment and hiring plans for certified and classified staff by June 2015. ****
 - 3.2 Develop and implement plans to maintain a highly effective certified and classified staff by June 2016. (insure work plan has a teacher mentor program)
4. Create safe and nurturing learning environments
 - 4.1 Plan and implement safety and security improvements by 2020.
 - 4.2 Provide ongoing high quality professional development for school based intervention teams to improve safety and security by 2016.
 - 4.3 Support schools in providing nurturing environments.
5. Provide a variety of opportunities to meet the diverse needs of all students
 - 5.1 Identify student sub-groups through the use of a universal screener. ****



- 5.2 Annually evaluate current programs to determine if the needs of all learners are being met.
- 5.3 Annually evaluate current co-curricular and extra-curricular opportunities to determine if the needs of all learners are being met.

II. Stakeholder Support and Satisfaction

Operational Definition: Student learning experiences will be supported and enriched by fostering effective communication and purposeful stakeholder engagement.

Goals:

- 1. Optimize communication strategies which enhance transparency
 - 1.1 Evaluate and update current communication strategies by June 2015. ****
- 2. Continuous district improvement based on stakeholder input
 - 2.1 Collect, evaluate and report stakeholder input annually.
- 3. Increase stakeholder engagement
 - 3.1 Create meaningful opportunities for stakeholders to observe the educational process annually.
 - 3.2 Evaluate, coordinate and expand district volunteer options by 2017.

III. Effective & Efficient Operations

Operational Definition: Support student success through strong fiscal management, facilities planning and effective systems.

Goals:

- 1. Responsible allocation and expenditure of funds to meet district goals
 - 1.1 Base budget decisions on prioritized Strategic Plan initiatives.
 - 1.2 Evaluate program effectiveness based on student success, delivery of services and investment analysis.
- 2. Responsible stewardship of district assets
 - 2.1 Develop and maintain district assets to an established target level of effectiveness and quality. ****
- 3. Clear and effective management systems
 - 3.1 Evaluate system effectiveness based on delivery of services and investment analysis. ****

**** These will be first action plan items.