###### EXECUTIVE SUMMARY

GENERAL FUND

The General Fund is used for the financing of all current normal and recurring operations of the school district, such as programs of instruction, food services, maintenance, data processing, and pupil transportation. It receives revenues from local, state, and federal sources. The General Fund is the District’s largest fund in both revenues and expenditures.

The recommended budget reflects a decrease in revenues and an increase in expenditures as compared to school year 2018-19.

REVENUE

General Fund revenues are projected at $321,823,975 in 2019-20, down $3,536,279 from last year.

The decrease in total income is due to a number of factors, including:

* Decreased student enrollment, which drives lower funding from the state.
* Increased funding for employee benefits, which offsets the loss related to enrollment.
* Decreased levy revenue related to a lower levy lid in calendar year 2019.

The General Fund is divided into two sub-funds: $281,525,022 in state funding, and $40,298,953 in local and other funding.

This budget also includes $5 million in contingency (budget capacity included to allow acceptance of unplanned revenue), which is a continuation of the planned capacity in 2018-19. The district does not anticipate an increased contingency need in 2019-20.

**Projected Revenue and Other Financing Sources**

**$321,823,975**

Other revenue includes: revenue from federal general purpose, other school districts, and other entities.

EXPENDITURES

Recommended General Fund expenditures total $327,630,414, which is an increase from

$308,195,258 in 2018-19.

These General Fund expenditures are divided into two sub-funds: $287,331,461 in state funding, and $40,298,953 in local and other funding.

The District remained focused on the Strategic Plan while building this budget. Investments made in the 2018-19 budget were maintained into 2019-20. The large increase in expenditures is mostly related to increases in employee compensation and benefits as required by state law or district negotiated contracts. Other planned funding enhancements include:

|  |  |
| --- | --- |
| **2019-20 Planned Enhanced Expenditures** | |
| Deliver the Highline Promise | * Implicit bias and equity training for all staff * AP & IB test fees for all students * Ready K * Increased Pre-K instructional time |
| Technology Systems & Equipment | * New student information system * New Chromebooks for all middle school students |
| Maintain Current Services | * Lower K-2 class size * Salary and benefits changes * Open Glacier Middle School |

**Projected Expenditures by Program**

**$327,630,414**

**Projected Expenditures by Activity**

**$327,630,414**

**Projected Expenditures by Object**

**$327,630,414**

**CAPITAL PROJECTS FUND**

The Capital Projects Fund is used for the construction, renovation, and major maintenance of facilities, technology systems, and equipment. Capital projects support educational programs, conservation programs, and health and safety for all persons in our buildings.

Planned expenditures total $85,116,260, which includes building a new Highline High School, major maintenance, and other projects associated with the 2016 voter-approved bond.

This budget is a decrease from the 2018-19 figures of $119,871,247 in expenditures due to completion of, and progress on, approved bond related projects.

DEBT SERVICE FUND

The Debt Service Fund exists to account for payment of principal, interest, and other expenditures related to the redemption of outstanding bonds. The recommended budget for the Debt Service Fund includes revenue of $51,926,573, primarily from property tax collections and expenditures for payment on the current outstanding bond maturity, totaling $50,019,300. These figures are driven by the established debt schedule and includes interest earnings.

ASB FUND

The Associated Student Body (ASB) Fund accounts for funds raised by students to support extra-curricular activities.

The recommended budget for 2019-20 has revenue totaling $1,043,660 and expenditures of

$1,146,032. These projections are based on fund-raising estimates provided by individual schools. Last year the recommended budget included revenue of $1,006,960 and $1,059,746 in expenditures.

TRANSPORTATION VEHICLE FUND

The Transportation Vehicle Fund (TVF) has been established for the purchase and major repair of pupil vehicle transportation (buses). The recommended budget for the TVF is $688,229 in revenues and $700,000 of expenditures. Revenues are slightly higher than 2018-19, while expenditures have decreased $100,000. In 2019-20, the budget reflects the purchase of 6 buses.