



Date: September 11, 2013

To: Dr. Steven Webb, Superintendent

From: Steven Olsen, Chief Fiscal Officer

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Subject: Revenue/Expenditure Comparison FY 2007-2008 to FY 2011-2012

Attached is a complete package showing the changes year over year of both revenues and expenditures for the district for fiscal years 2007-2008 through 2011-2012. Below is an explanation of some of the changes during this period which were driven by accounting changes or funding levels from the state/federal government as well as management's direction in meeting identified needs.

1. Teaching Expenditures: There are three factors which impacted this expenditure during the period covered by this summary.
 - a. Change in accounting: The State School District Accounting Advisory Committee and OSPI made a significant change in the state accounting code structure by creating two new expenditure codes under the Teaching Support category. The net effect of this change moved \$5.7 million from Teaching Expenditures to Teaching Support starting in 2011-2012.
 - b. State Funding: In 2007-2008 the district received \$9.6 million I-728 funds from the state. This funding dropped to \$7.6 million in 2008-2009, \$0.5 million in 2009-2010 and \$0 in 2010-2011. In addition, the state eliminated the K-4 enhancement in 2011-2012 in the amount of \$2.3 million. See page 10 for I-728 and K-4 enhancement pro-forma cuts line as a percent had the district not restored teaching positions eliminated by the state.
 - c. Federal Funding: In 2008-2009 the district received federal stimulus funding in the amount of \$9.6 million, \$11.0 million in 2009-2010, \$8.0 million in 2010-2011, and \$0.1 million in 2011-2012.

The changes in federal funding shown above accounted for the large increase from 2007-2008 to 2008-2009 and allowed the district to keep the expenditure level fairly constant until 2010-2011 when the state reduced funding for all non-supervisory certificated employees and classified employees by 1.9% and administrators by 3.0%. The district's local levy increase of \$2.0 million helped the district maintain its expenditure level and avoid position reductions.

The large decrease seen in 2011-2012 was a result of the accounting change mentioned above and the end of the federal stimulus. In spite of all these complex changes, one can see that the district was able to address the challenges without layoffs or significant disruptions to its daily operations.

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2. Teaching Support: The increase seen in 2008-2009 was a result of growth in Special Services costs as well as investments in instructional technology. In addition, the accounting change mentioned above impacted 2011-2012 by \$5.7 million.
3. Maintenance and Operations: Each year, major maintenance projects that must be addressed are considered in the spring for summer work. Given the challenge of meeting these needs, the district directs available funding to the maintenance group. Examples of the types of major maintenance projects include:

- Replace auditorium seats at Skyview
- New carpet and electrical/data improvements at Lieser
- Replace carpet at Roosevelt
- New carpet at Discovery
- Placing new portables at various sites
- Replacing heating boiler at Roosevelt
- Replace heating boilers at Gaiser
- Replacing heating boilers at Marshall
- Replacing air conditioning equipment at Sacajawea
- Re-roofing at Transportation, Jason Lee, Fort Vancouver, & Walnut Grove

When districts have capital resources available, most of these projects are charged to capital versus general fund. Therefore, VPS appears to be spending at a higher level as opposed to districts with capital resources.