




welcome to ESD 113!



New
Superintendent
Orientation

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August 2007

ESD Handbooks

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**Handbooks Available For 2007 Include
ESD 113 New Superintendent Orientation
ESD 113 Levy/Bond Handbook
ESD113 Fiscal Services Handbook**

Contents

Page

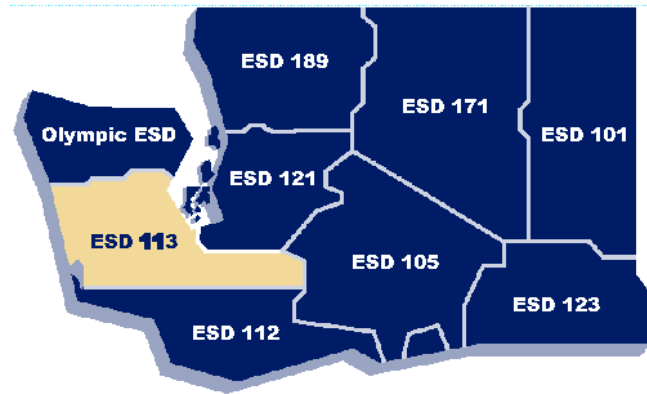
Introduction to ESD 113	1
New Superintendent Local Governance Basics	3
A. First Business For New Superintendents	3
B. When You Have A Board Of Directors New Member Or Vacancy	3
C. Who Can Sign Legal Documents	4
D. Public Disclosure	5
E. Conflict Of Interest (Superintendents And Board Members)	5
F. Open Public, Executive, and Non Open Meetings	6
G. Professional Conduct	8
Legal Foundations of School Finance	10
School Funding Primer	16
Essential ESD Financial Services	19
Minding Your Business	22
Areas to Watch Including Important Links	25
Appendix:	
New Superintendent Forms and Board Resolutions	26

Introduction to ESD 113

Educational Service District 113 is one of nine regional educational service agencies in the state of Washington. Created by the state Legislature, ESDs serve school districts and state approved private schools within specific service areas. ESDs function primarily as support agencies and deliver educational services that can be more efficiently or economically performed regionally.

ESDs statutory mission (RCW 28A.310.010) is to provide services to the local districts, to assist the Superintendent of Public Instruction and the State Board of Education in the performance of their duties and to promote equity in educational opportunity for students throughout the region.

ESDs link local public and private schools with state and national educational resources. ESD programs allow districts to eliminate duplication of services, realize significant savings and receive special programs that might otherwise be unavailable to them. Washington's nine ESDs are similar to regional support systems in other states struggling to stretch limited dollars over demands for ever increasing services. Nationwide, the value of regional service agencies has been emphasized by their inclusion in reauthorization language of federal school mandates and funding.



ESD 113's primary goal is to serve the students in our region. To accomplish this goal, we develop and deliver a wide selection of services that provide instructional and administrative support; business, financial, and information services; program and staff development; and research and evaluation support. Programs are primarily funded through state and federal grant programs and cooperative service agreements. Local school districts reimburse ESDs for these services to the degree that they are not funded by state or federal sources.

ESDs are not taxing districts and depend on the state, the federal government, and local school districts for funding. The Superintendent of Public Instruction approves and monitors ESD budgets.

ESD 113 is governed by a seven-member board, elected by local school directors. Each board member represents several school districts within the ESD region. The ESD board has the responsibility to hire a superintendent to manage its affairs.

Agency operations are overseen by Dr. Bill Keim, Superintendent.

Current ESD 113 Programs			
Cooperatives	Fee for Service	Grant Funded Services	Other Services at No Cost to Districts
Asbestos Abatement Services Capital Regional Data Center - Fiscal Capital Regional Data Center - Student Instructional Resources (Media Center) Legal Services Lewis County Special Education Co-op Lewis County Vocational Co-op Personnel Co-op / Substitute Calling Service Unemployment Comp. Insurance Co-op Workers' Comp. Insurance Co-op	Art Show Business Manager Academy Business Management and Support Services Certification Drug & Alcohol Testing Service Fingerprinting Highly Capable Program Support Knowledge Bowl Network Services Nova Net Online Courses Teaching and Learning Specialists Traffic Safety Education Web-Based Products Workshops, In-service, Trainings, Classes	21st Century Learning Centers Chehalis Basin Watershed Education Head Start / ECEAP Program History Grant (officially starts 2006-07) Math Helping Corps NO LIMIT Technology Grant Nursing Services (includes some fee for service) Readiness to Learn Student Assistance Program Youth Work Experience (YWE)	Administrative Consultation & Training Clock Hour Management Curriculum & Instruction Consultation Certification Consultation Education Tech. Support Center K-20 Internet System Support Nursing Consultation & Training Professional Lending Library Resolve District Boundary Disputes School Fiscal Support Services Special Education Consultation & Training WAC In-service Grants

ESD 113 authorization and funding

Washington's nine educational service districts were created by the Legislature in 1969 with the charge to:

- Equalize educational opportunities;
- Meet the needs of the schools in their regions; and
- Support the work of the State Board of Education and the Office of the Superintendent of Public Instruction.

In 2005-06, ESD 113 leveraged:
\$491,472 in core funding into
\$21,758,006 of services for schools,
which means:

- Every core dollar became \$44 of services
- The state-provided \$7 per student became \$327 per student

Core funding is essential for regional capacity

ESD 113 Core Allocation (2005-06)

\$491,472

- ESD 113 received \$491,472 from the Legislature to provide \$1,811,627 in core services.
- ESD 113 subsidized 73% of the costs of these services authorized in statute.

Grants, Cooperatives, Contracts, and Fees (2005-06)

\$15,407,185

- ESD 113 leveraged \$15,407,185 from state, federal and local sources to bring increased and improved services to the region's schools. These services would have been greatly reduced in quality and/or quantity without the work of ESD 113.
- Entrepreneurial activities helped subsidize core services.

Competitive Federal Grant Programs (2005-06)

\$6,663,483

- ESD 113 brought \$6,663,483 into the region through competitive federal grants. This funding would not have been available to the region's schools without the work of ESD 113.



Mission Statement

The purpose of Educational Service District 113 is to assure excellent and equitable education for all students through service and collaboration.

Superintendent

Dr. Bill Keim

Assistant Superintendents

Dana Anderson, Mike Hickman & John Molohon

Executive Directors

Deanna Dawes & Sandy Nelson

Board of Directors

- District 1 – Rick Anthony
Chehalis, Morton, Mossyrock, Onalaska, Tenino, Toledo, White Pass and Yelm
- District 2 – Bill Brumsickle
Adna, Boistfort, Centralia, Evaline, Napavine, Pe Ell, Raymond, Rochester, South Bend, Vader, Willapa Valley and Winlock
- District 3 – John Gott, Vice Chair
Grapeview, Griffin, Hood Canal, Mary M. Knight, North Thurston (Director District 1), Pioneer, Shelton and Southside
- District 4 – Howard Coble
McCleary and Olympia
- District 5 – Rex Comstock
North Thurston School District (Director Districts 2-5)
- District 6 – Marvin Lam, Chair
Aberdeen, Cosmopolis, Hoquiam, North Beach, Ocosta, Quinalt, Taholah and Wishkah Valley
- District 7 – Dean Winner
Elma, Montesano, North River, Oakville, Rainier, Satsop and Tumwater

NEW SUPERINTENDENT GOVERNANCE BASICS

A. FIRST BUSINESS FOR NEW SUPERINTENDENTS

Bond, Oath (See appendix Form A)

The school district board of directors are to fix and require the superintendent, as secretary of the board, to give bond in a sum of not less than five thousand dollars. The superintendent shall take an oath before a proper officer that he/she will support the Constitution of the United States and state of Washington and faithfully perform the duties of the office. The oath shall be filed with the ESD superintendent. (RCW 28A.330.060)

Notify ESD, Secretary to Board

Every school district superintendent in districts of the second class (under 2000-enrollment) shall within ten days after change in the office of chair of board or superintendent, notify the educational service district superintendent of such change. (RCW 28A.330.210) The superintendent shall serve as secretary to the board in the districts of the second class. (RCW 28A.330.200)

Interim Superintendent

When a district of the second class is without a superintendent and the business of the district necessitates action by the superintendent, the board shall appoint any member to carry out the superintendent duties for a temporary time period. (RCW 28A.330.210)

Filing of Signature (See appendix Forms B, C, and D)

Every school district superintendent on assuming the duties of the office shall place their signature, certified to by some school district official, on file with the office of the county auditor. (RCW 28A.400.020) Any official (i.e. anyone given power to act in a certain capacity) of the school district, after filing with the secretary of state his/her manual signature certified by him/her under oath, may execute or cause to be executed with a facsimile signature in lieu of a manual signature: (1) any public security; or (2) any instrument of payment. (RCW 39.62.020) (See RCW 28A.330.230 regarding warrants and secretary of board signature for districts of the second class and RCW 28A.330.080 for districts of the first class.)

Board Authorizations to Conduct Normal Business (See appendix Forms E, F, and G)

School boards are empowered to delegate certain authorities to the superintendent which allow daily business to be conducted.

B. WHEN YOU HAVE A BOARD OF DIRECTORS NEW MEMBER OR VACANCY

Eligibility

Persons are eligible to serve as members of a school district board of directors when they are (1) citizens of the United States and the state of Washington, and (2) a registered voter of the school district or director district as the case may be. (RCW 28A.343.340)

Oath, Effective Date (See page 22 "D" for link to Form SPI 282)

Every person elected or appointed to the office of school director, before discharging of duties shall take an oath to support the Constitution of the United States and the state of Washington and to faithfully discharge the duties of the office. The oath shall be endorsed on written appointments or commissions and sworn before any officer authorized to administer oaths, school official being authorized to administer oaths pertaining to their respective offices without charge or fee. All oaths shall be filed with the county auditor. Every elected member of the board of directors assumes office at the first official meeting of the board following certification of the election results. (RCW 28A.343.360)

Board Vacancies, ESD Role

Vacancies for any reason in a board member position are filled by appointment of the remaining board members where there is still a legal majority of board members. Where there are fewer than a legal majority of board members on the local school district board, the educational service district board by majority vote will appoint sufficient number to constitute a legal majority. Should a local school board fail to fill a vacancy by appointment within ninety days, the educational service district board by majority vote will appoint to fill the vacancy. All appointees must meet the qualifications of elected board members. Board members who have resigned may not vote on their replacement. (RCW 28A.343.370)

Compensation

Board members may authorize the receipt and waiver of compensation for performance of duties as board members at a rate not to exceed fifty dollars (\$50) per day or prorate thereof and not in excess of forty eight hundred dollars (\$4,800) per year. Such payments must come from locally collected excess property tax levy money, and such compensation cannot cause the state to incur any present or future funding obligation. Such compensation is in addition to reimbursement for expenses. (RCW 28A.343.400) The IRS has opined that such compensation is not wages in the traditional sense and is therefore not subject to income tax withholding and social security contributions. However, it is taxable income to the individual; therefore, W-9 forms for contractors are needed.

C. WHO CAN SIGN LEGAL DOCUMENTS?

There are many statutes specifically requiring the signature of the board members, board chairman, or the superintendent on certain documents or in certain situations. The superintendent as the delegated representative has authority to sign most documents on behalf of the board and or district. Generally, the superintendent cannot delegate his/her signature responsibility. Experience is the best teacher. Alternatively, follow the advice of legal counsel, or ask the ESD to research the situation.

D. PUBLIC DISCLOSURE

The office of school director is subject to the campaign finance reporting requirements of the Public Disclosure Law. School superintendents who contact legislators may or may not need to register as lobbyist, depending on the nature of the discussions and positions advocated.

Specific prohibitions (RCW 42.17.130)

No elective official nor any employee of his office nor any person appointed to or employed by any public office or agency may use or authorize the use of any of the facilities of a public office or agency, directly or indirectly, for the purpose of assisting a campaign for election of any person to any office or for the promotion of or opposition to any ballot proposition.

Facilities of public office or agency include, but are not limited to, use of stationery, postage, machines, and equipment, use of employees of the office or agency during working hours, vehicles, office space, publications of the office or agency, and clientele lists of persons served by the office or agency.

Exceptions to prohibitions (RCW 42.23.070)

The foregoing provisions of this section shall not apply to the following activities:

1. Action taken at an open public meeting by members of an elected legislative body to express a collective decision, or to actually vote upon a motion, proposal, resolution, order, or ordinance, or to support or oppose a ballot proposition so long as
 - a. any required notice of the meeting includes the title and number of the ballot proposition, and
 - b. members of the legislative body or members of the public are afforded an approximately equal opportunity for the expression of an opposing view;
2. A statement by an elected official in support of or in opposition to any ballot proposition at an open press conference or in response to a specific inquiry;

3. Activities which are part of the normal and regular conduct of the office or agency.

References

- Statutory requirement forbidding use of public office or agency facilities in campaigns is found at RCW 42.17.130.
- Administrative code limiting preparation and distribution of information on district's instructional program, operation and maintenance is found at WAC 28A.343.370.
- Public Disclosure Commission (PDC) administrative code interpreting RCW 42.17.130 is found at WAC 28A.343.370.
- PDC's "Guidelines for School Districts in Election Campaigns " is found at <http://www.pdc.wa.gov/guide/interpretations/pdf/01-03ARevised53106.pdf>

E. CONFLICT OF INTEREST (SUPERINTENDENTS AND BOARD MEMBERS)

Conflict of interest statutes apply to all elected and appointed officials of school districts. While it is clear they apply to board members, it is an interpretation as to who may be an "appointed" official. The superintendent or any other official delegated in any capacity to act on behalf of the board is probably an appointed official. This is especially true if they have authority to bind the district by contract.

Specific prohibitions (RCW 42.23.070)

1. No municipal officer may use his or her position to secure special privileges or exemptions for himself, herself, or others.
2. No municipal officer may, directly or indirectly, give or receive or agree to receive any compensation, gift, reward, or gratuity from a source except the employing municipality, for a matter connected with or related to the officer's services as such an officer unless otherwise provided for by law.
3. No municipal officer may accept employment or engage in business or professional activity that the officer might reasonably expect would require or induce him or her by reason of his or her official position to disclose confidential information acquired by reason of his or her official position.
4. No municipal officer may disclose confidential information gained by reason of the officer's position, nor may the officer otherwise use such information for his or her personal gain or benefit.

Exceptions to Prohibition (RCW 42.23.030)

Situations which are deemed not to be conflicts for school officials are:

1. The designation of public depositories for municipal funds;
2. The publication of legal notices required by law to be published by any municipality, upon competitive bidding or at rates not higher than prescribed by law for members of the general public;
3. The designation of a school director as clerk or as both clerk and purchasing agent of a school district;
4. The employment of any person by a municipality for unskilled day labor at wages not exceeding two hundred dollars in any calendar month. The exception provided in this subsection does not apply to a first class school district;
5. (a) The letting of any other contract in which the total amount received under the contract or contracts by the municipal officer or the municipal officer's business does not exceed one thousand five hundred dollars in any calendar month.
(b) The exceptions provided in this subsection do not apply to a sale or lease by the municipality as the seller or lessor.
(c) The municipality shall maintain a list of all contracts that are awarded under this subsection. The list must be made available for public inspection and copying;

6. The letting of any employment contract for the driving of a school bus in a second class school district if the terms of such contract are commensurate with the pay plan or collective bargaining agreement operating in the district;
7. The letting of any employment contract to the spouse of an officer of a school district, when such contract is solely for employment as a substitute teacher for the school district. This exception applies only if the terms of the contract are commensurate with the pay plan or collective bargaining agreement applicable to all district employees and the board of directors has found, consistent with the written policy under RCW 28A.330.240, that there is a shortage of substitute teachers in the school district; and
8. The letting of any employment contract to the spouse of an officer of a school district if the spouse was under contract as a certificated or classified employee with the school district before the date in which the officer assumes office and the terms of the contract are commensurate with the pay plan or collective bargaining agreement operating in the district. However, in a second class school district that has less than two hundred full-time equivalent students enrolled at the start of the school year as defined in RCW 28A.150.040, the spouse is not required to be under contract as a certificated or classified employee before the date on which the officer assumes office.

A municipal officer may not vote in the authorization, approval, or ratification of a contract in which he or she is beneficially interested even though one of the exemptions allowing the awarding of such a contract applies. The interest of the municipal officer must be disclosed to the governing body of the municipality and noted in the official minutes or similar records of the municipality before the formation of the contract.

Remote Interests

All elected and appointed officers of a school district shall not be deemed interested in a contract if they have only a remote interest in the contract, such interest is disclosed to the board of directors, such interest is noted specifically in the official minutes or records of the district prior to entering into the contract, and the board approves the contract without the vote of the remotely interest official. Remote interest is:

1. A non salaried officer of a nonprofit corporation;
2. An employee or agent of contractor where the compensation of the employee or agent is entirely fixed wages or salary;
3. A landlord or tenant of a contracting party;
4. A holder of less than one percent (1%) of the shares of the contracting party. (RCW 42.23.040)

References

- Statutory requirements of the Code of Ethics for Municipal Officers – Contract Interests are found at Chapter 42.23 RCW.
- WSSDA's "Avoiding Conflicts of Interest: A Guide for School Board Members and Superintendents" is found at <http://wssda.org/wssda/WebForms/En-US/Publications/coiman.pdf>

F. OPEN PUBLIC, EXECUTIVE, AND NON OPEN MEETINGS

Regular Meetings: Maintaining Public Trust

Representative democracy relies on the informed trust of the citizens. One of the critical places for school boards to work to retain the informed trust of their communities is in the conduct of meetings that are effectively run, meet the requirements of the law and address the reasonable expectations of the citizenry. The public's trust is too delicate for school board members and administrators to proceed without a sophisticated and legally grounded understanding of public meeting requirements.

Washington School District Directors Association (WSSDA) publishes a document which addresses the Open Public Meetings Act, other legal requirements, and nonlegal issues surrounding effective and responsive public meetings. This is written exclusively from the perspective of school districts and school

boards. It should be used as a resource to help dispel inaccurate common knowledge and practice, and to increase sophisticated compliance with the law and public trust.

How do we establish a regular meeting?

The board is required by state law to adopt a board policy that identifies the date, time and place of the board's regular meetings.

We established a regular meeting schedule at the beginning of the school year, but now we want to change it. What do we do?

The board must amend the board policy to identify the new dates, times and places of the board meetings.

We need to cancel our regularly scheduled meeting because we do not have a quorum. What should we do?

If the board knows more than 24 hours in advance, the meeting should be cancelled and rescheduled as a special meeting.

Executive Sessions

Parts of board meetings can be held without the public. These portions of the meeting are called executive sessions. If the board is going into executive session, the president or chair must announce the general purpose of the session and how long it will last. If the executive session runs longer, the president or chair must make another announcement extending the session.

The minutes should reflect the executive session and the general purpose, if it was extended and when it ended. A detailed record of the executive session should not be made. Despite the confidentiality of the matters discussed in executive session, any record of the session is subject to disclosure under the state public records act.

There are eleven statutory reasons for an executive session; three do not apply to school boards. Of the eight remaining, one of the following must apply to the circumstances for a school board to exclude the public from its meeting:

- Matters affecting national security;
- The selection of a site or the acquisition of real estate if public knowledge of the matter might increase the price;
- The minimum selling price of real estate if public knowledge of the matter might depress the price, but final action selling or leasing real estate must be taken in a public meeting;
- Negotiations on the performance of a publicly bid contract if public knowledge might increase costs;
- Complaints or charges against an employee or board member; however, the person complained against may open the meeting to the public;
- Qualifications of an applicant for public employment or review of the performance of a public employee, but final actions must be taken in public and discussions affecting employees generally must be held in public;
- Qualifications of a candidate for appointment to elective office, but interviews and the final appointment must be held in public; and
- Discussion with legal counsel, of enforcement actions, litigation or potential litigation, if public discussion might result in an adverse legal or financial consequence. Amendments in 2001 provided a specific definition of potential litigation.

Special Meetings

Any meeting of the board that is not a regular meeting as set out in the board's policy for day, time and place, is a special meeting. A special meeting of the board may be called by the president or chair of the school board, or by a majority of the board.

Each member must receive written notice, either through the mail or personally delivered, at least 24 hours before the meeting. Any radio or television station or newspaper may file with the district a request to be notified of special meetings of the board. Any media outlet that has filed such a request must receive the same notification as board members, within 24 hours of the meeting. The notice requirements may be waived by any board member and are considered waived if the board member attends the meeting, even without official notice.

The notification must include the time, place of the special meeting and the business to be transacted. In the case of a special meeting, an agenda, or list of the business to be transacted, is required in advance of the meeting. This is not a requirement for regular meetings. The board cannot take final action at a special meeting on any matter not on the original notice and agenda. There is no similar restriction on regular meeting actions; those agendas may be amended to add new items even during the meeting.

A special meeting can be held for the purpose of holding an executive session. The meeting notice should state the general reason for the executive session. The special meeting is called to order, the president or chair announces the board is going into executive session, and the meeting can proceed. The minutes are brief, showing when the meeting was called to order, who was present, the general purpose for the executive session and any actions taken by the board, if any, when they return to open session.

Other Non Open Meetings

One thing that is not well understood is that a board discussion about strategies for collective bargaining negotiations is exempt from the open public meetings requirements. Chapter 42.30 RCW does not apply to: collective bargaining sessions with employee organizations, including contract negotiations, grievance meetings, and discussions relating to the interpretation or application of a labor agreement; or that portion of a meeting during which the governing body is planning or adopting the strategy or position to be taken by the governing body during the course of any collective bargaining, professional negotiations, or grievance or mediation proceedings, or reviewing the proposals made in the negotiations or proceedings while in progress. Such meetings do not need to be advertised.

There are additional exemptions from open public meetings which do not generally apply to school districts. (See RCW 42.30.140)

References

- Statutory requirements of the Open Public Meetings Act are found at Chapter 42.30 RCW.
- WSSDA's "Open Public Meetings. A Guide to Public Accountability for School Board Members and Superintendents" is found at <http://www.wssda.org/wssda/WebForms/En-US/Publications/opmaman.pdf>

G. PROFESSIONAL CONDUCT

Office of Professional Practices

The Office of Professional Practices, a division under the auspices of the Superintendent of Public Instruction, is charged with enforcement, including discipline of educational practitioners for violation of the Professional Code of Conduct. The office receives, investigates, and makes legal findings regarding complaints. A nine member professional advisory committee reviews appeals from proposed disciplinary actions. Educators who violate the code may be reprimanded or their license to practice may be suspended or revoked.

The Office of Professional Practices also reviews charges that an applicant for or the holder of professional certification lacks good moral character or personal fitness. These standards are set forth in WAC 180-86-013 and address commission of criminal acts and other behavior which endanger children.

Commission of criminal acts may not be directly related to professional conduct but they do reflect upon the trustworthiness of serving as a professional educator.

Role of the ESD Superintendent

ESD superintendents sometimes receive Code of Conduct complaints directly from citizens. WAC 181-86-105 covers the ESD superintendent's role and responsibility with such complaints. Should the ESD superintendent receive a complaint and determine that it warrants an investigation, he will consult with the district superintendent to determine the preferred course of action. Either the district superintendent or the ESD superintendent may conduct the investigation, but there is no requirement to duplicate investigations.

WAC 181-86-105 Duty of educational service district superintendent to investigate complaints. Each educational service district superintendent shall cause to be investigated all written and signed complaints, from whatever source, that allege that a certificated education professional within his or her educational service district is not of good moral character or personal fitness or has committed an act of unprofessional conduct. If the educational service district superintendent investigates and determines the facts are reliable and further investigation by the superintendent of public instruction is warranted, the educational service district superintendent shall forward the written complaint and the results of his or her investigation to the superintendent of public instruction: Provided, That if the educational service district superintendent, after consultation with the assistant attorney general assigned to his or her educational service district, determines that the substance of the complaint would not constitute grounds for reprimand, suspension, or revocation if true, then such educational service district superintendent need not investigate the complaint: Provided further, That if the educational service district superintendent receives a written assurance from the superintendent of public instruction, a district superintendent, or a chief administrative officer of an approved private school that such official is investigating or will investigate the same or a substantially similar complaint, the educational service district superintendent shall be deemed to have caused an investigation in compliance with this section.

References

- The Professional Educators Standards Board Code of Professional Conduct is found at [Chapter 181-87 WAC](#).
- Duties of the ESD to investigate at [WAC 181-86-105](#)
- OSPI's Office of Professional Practices web site is found at <http://www.k12.wa.us/ProfPractices/investigations/default.aspx>

LEGAL FOUNDATIONS OF SCHOOL FINANCE

Washington State's public school system is shaped by the State Constitution, state and federal law, administrative rules adopted by the Superintendent of Public Instruction and the State Board of Education, and by court decisions.

A. STATE CONSTITUTION

The primary legal foundation for the state's public schools is the State Constitution. Article IX reads as follows:

Section 1. "It is the paramount duty of the state to make ample provisions for the education of all children residing within its borders, without distinction or preference on account of race, color, caste, or sex."

Section 2. "The legislature shall provide for a general and uniform system of public schools ... and such ... normal and technical schools as may hereafter be established"

The "paramount duty" and "ample provision" language places a priority on education not found in most state constitutions. This constitutional priority on education was the basis of a 1977 lawsuit that reshaped the state's role in school finance.

B. STATE LAWS

The Revised Code of Washington

The Revised Code of Washington (RCW) consists of statutory law enacted by the state Legislature. Title 28A RCW encompasses the laws related to the common schools and establishes the organizational structure of the common school system. ("Common schools" are public schools operating a program for kindergarten through twelfth grade or any part thereof.)

Appropriations Acts

The other state laws that shape school finance are the state operating and capital budgets enacted by the Legislature and signed by the Governor. These are called Biennial Appropriations Acts because they provide funding for a two-year period. The Operating Appropriations Act determines the level of state funding for school district operations and provides detailed state funding formulas and requirements for receiving state funding. The Capital Appropriations Acts determine the amount of state matching money provided for school construction and renovation. Appropriation levels can be changed in "supplemental" budgets adopted after the initial biennial budget is approved. Federal funds are also appropriated in the Operating Appropriations Act. However, federal funding levels are determined primarily by the U.S. Congress. Appropriations acts have the force of law but are not codified in the RCW.

The laws enacted by the Legislature over the past 25 years have been shaped by two major developments: The court decisions of Judge Doran and the education reform movement. These are described below.

State Law References

The Washington State Legislature search site at <http://apps.leg.wa.gov/rcw/>

The Legislative Evaluation and Accountability Program committee budget site at <http://leap.leg.wa.gov/leap/budget/>

The EduPortal search site maintained for members by WASA at <http://www.myeduportal.com/login.asp?bhcp=1>

C. THE DORAN DECISIONS AND BASIC EDUCATION FUNDING

In response to a lawsuit initiated in 1976 by Seattle School District, State Superior Court Judge Doran directed the state Legislature to define and fully fund a program of basic education for all students in Washington. In the following legislative session, the Legislature adopted the Basic Education Act of 1977. The court case and this landmark law redefined the state role and continue to shape school funding policy in Washington.

Subsequent court decisions in the 1980's expanded the state's basic education responsibility. Special education, bilingual education, institutional education, learning assistance program, and pupil transportation are now considered "basic" and the state fully funds the formulas defined in law and in the appropriations act.

The state's basic education responsibility explains the unique character of school finance in Washington:

- Once a program is defined as "basic education," it becomes part of a state on-going entitlement program. The state may not reduce the funding level due to state revenue problems.
- Funding increases are often labeled "enhancements to basic education" and therefore are not an on-going entitlement.
- The basic education funding formula is not "cast in concrete"; it is the continuing obligation of the Legislature to review the formula as the education system evolves and changes.
- There is a state interest in limiting disparities in local levy revenues; the state levy lid law, and local effort assistance (levy equalization funding) reflect this interest.
- There is a state interest in controlling salary growth; the state salary allocation schedule and salary lid law assure relative uniform salaries for teachers statewide; differences in district pay levels are more often the result of supplemental pay, which is not a state responsibility.
- There is a keen interest in school district reporting of student FTE counts and staff experience and training; these drive state funding and are subject to audit by the State Auditor's Office.

D. EDUCATION REFORM

In the past ten years, education reform efforts have shaped state and federal education policy. Education reform reflects the recognition that in the information age, education is the key to individual success and the health of the economy. It is reinforced by efforts to improve government by focusing on performance (outcomes) rather than inputs. For education, the desired outcome is student achievement and the goal is improving student learning to meet the challenges of the 21st century.

As it now reads, the amended Basic Education Act requires that each school district shall make available to students enrolled in kindergarten at least a total instructional offering of 450 hours. In grades one through twelve, school districts must offer at least a district-wide annual average of 1,000 instructional hours. The program shall include the Essential Academic Learning Requirements (EALRs) under RCW 28A.655.060 and such subjects and activities as the school district determines to be appropriate for the education of the school district's students. The goal of the Basic Education Act reads as follows:

"The goal of the Basic Education Act for the schools of the state of Washington set forth in this chapter shall be to provide students with the opportunity to become responsible citizens, to contribute to their own economic well-being and to that of their families and communities, and to enjoy productive and satisfying lives. To these ends, the goals of each school district, with the involvement of parents and community members, shall be to provide opportunities for all students to develop the knowledge and skills essential to:

- (1) Read with comprehension, write with skill, and communicate effectively and responsibly in a variety of ways and settings.
- (2) Know and apply the core concepts and principles of mathematics; social, physical, and life sciences; civics and history; geography; arts; and health and fitness.
- (3) Think analytically, logically, and creatively, and to integrate experience and knowledge to form reasoned judgments and solve problems.

- (4) Understand the importance of work and how performance, effort, and decisions directly affect future career and educational opportunities. (RCW 28A.150.210.)”

Much of the school funding debate of the last ten years in Washington and nationally is over what strategies contribute most to improving student achievement.

Education reform remains a work in progress:

- One premise of education reform is that increased accountability for student achievement should be accompanied by additional flexibility in the use of resources. Recent reauthorizations of the federal Elementary and Secondary Education Act increased flexibility through such programs as the Rural Education Achievement Flexibility Program and the Local Flexibility Demonstration program for school districts. To date no significant progress has been made in increasing fiscal flexibility for state funds.
- State assessments are now in place for students in the third, seventh and tenth grades. To make assessment information more useful to policy-makers, systems are being designed and implemented to track student achievement over time and relate student achievement data to demographic, programmatic, and fiscal data.
- The task of redesigning curriculum and changing classroom teaching skills and lesson plans to align to EALRs is underway. New Grade Level Expectations (GLEs) provide coherence and specificity to the EALRs and are available or are in development for reading, math, science, and writing.

E. KEY FEDERAL LAW

No Child Left Behind Act of 2001 (NCLB)

The No Child Left Behind Act of 2001 (NCLB) reauthorized the Elementary and Secondary Education Act of 1965 (ESEA). The purpose of the reauthorized ESEA is to close the achievement gap by giving all children the opportunity to obtain a high-quality education that will enable them to meet challenging state academic achievement standards.

The new law represents the most sweeping changes to the ESEA since it was enacted. Its four central themes are: accountability for results; flexibility and local control; parental information and options; and an emphasis on teaching methods that have been proven to work. NCLB expands the federal government’s role in elementary and secondary education, mandating unprecedented national requirements.

Most notably, the federal government has now:

- Set minimum qualifications for teachers in all the nation’s public schools—whether or not the schools receive federal funding.
- Established a mandatory national deadline—school year 2013–14—by which all public schools are expected to bring all their children to a “proficient” achievement level.
- Required that states develop a single, statewide accountability system for all public school districts which tightens the definition of adequate yearly progress (AYP) by incorporating annual statewide measurable objectives for improved achievement by all students as well as specific subgroups (e.g. economically disadvantaged students, students from major racial and ethnic groups, students with disabilities, and Limited English Proficient (LEP) students).
- Required schools that do not meet state benchmarks for two consecutive years be identified as in need of improvement and develop improvement plans incorporating strategies from “scientifically based research”.
- Schools receiving Title I funds that continue to fall short of state benchmarks are subject to increasingly intensive interventions.
- Required school districts to offer a choice of public schools for all students attending Title I schools which are identified for school improvement.

- Mandated that school districts provide supplemental education services—a voucher-like program of extra tutoring. Under the new law, supplemental education services must be offered by Title I schools who do not meet AYP for a second time following initial identification for improvement.
- Required districts to spend an amount equal to 20% of their Title I funds for transportation of students who exercise a choice option or for supplemental education services, unless a lesser amount is needed.
- Expanded assessment requirements:
 - Annual assessments in reading or language arts and mathematics in Grades 3–8, and at least once in Grades 10–12, for all students by school year 2005–06.
 - Assessments in science at least once in each of three grade spans (Grades 3–5, 6–9, and 10–12) by school year 2007–08.
 - Annual assessments in English proficiency for all Limited English Proficient (LEP) students beginning in school year 2002–03.
 - Biennial state participation in National Assessment of Educational Progress (NAEP) reading and math assessments for 4th and 8th graders beginning in school year 2002–03 (provided the federal government bears the cost of administering this assessment).
- Required state and school district report cards to be published at the beginning of the school year, starting with the fall of 2002.

Through NCLB, Congress continued all of the major overarching fiscal provisions of ESEA. These include:

Supplement/Supplant – Under most U.S. Department of Education grants, states and school districts may use federal funds only to supplement (increase) and not to supplant (replace) state and local funds that would, in the absence of the federal funds, be made available for the education of students.

Maintenance of Fiscal Effort – School districts may receive funds under most NCLB programs only if they maintain their nonfederal spending for free public education (per student or in the aggregate) at a level of at least 90% of the previous year from one year to the next.

Title I Schoolwide Programs – Eligible schools are able to use their Title I, Part A funds, in combination with other federal, state, and local funds, in order to upgrade the entire educational program of the school and to raise academic achievement for all students. To be eligible as a Title I Schoolwide program, at least 40% (previously 50%) of the children enrolled in the school or residing in the school attendance area for the initial year of the schoolwide program must be from low-income families.

Individuals with Disabilities Education Act Amendments of 2004 (IDEA)

The Individuals with Disabilities Education Act (IDEA) is the primary federal program that authorizes state and local aid for special education and related services for children with disabilities. On December 3, 2004, President Bush signed the Individuals with Disabilities Education Improvement Act, a major reauthorization and revision of IDEA. The new law preserves the basic structure and civil rights guarantees of IDEA but also makes significant changes in the law. Most provisions of Public Law (PL) 108-446 go into effect on July 1, 2005. The requirements regarding “highly qualified” special education teachers became effective immediately upon signature.

The Individuals with Disabilities Education Act Amendments of 1997 significantly improved the educational opportunities for children with disabilities who are eligible for special education. IDEA 1997 focuses on teaching and learning, and establishes high expectations for eligible students to achieve real educational results.

The purpose of IDEA 1997 is to:

- Ensure that all eligible children have available to them a free appropriate public education (FAPE) that emphasizes special education and related services to meet their unique needs and prepare them for employment and independent living.
- Ensure that the rights of eligible children and their parents are protected.
- Assist states, localities, educational service agencies, and federal agencies to provide for the education of all eligible children.
- Assess and ensure the effectiveness of efforts to educate eligible children.

IDEA 1997 changes the focus of education for eligible children from one that merely provides them access to an education to one that improves results for all children in our education system. The law provides a strong role for parents in educational planning and decision making on behalf of their children. It focuses the student's educational planning process on promoting meaningful access to the general curriculum.

F. WASHINGTON ADMINISTRATIVE CODE

The Washington Administrative Code (WAC) consists of the policies, rules, and regulations adopted by agencies of the state in interpreting and carrying out state law. Changes to the WAC (sometimes called "rules") are adopted pursuant to the Administrative Procedures Act that requires public notice and hearing for any proposed rule. Agency authority to adopt rules is given in state law.

State Board of Education

The State Board of Education has the power and duty to "adopt rules to implement and ensure compliance with the program requirements" of the Basic Education Act (RCW 28A.150.220[4]). These administrative rules are found in Title 180 WAC. The State Board of Education (SBE) requires an annual review in October of each school district's kindergarten through twelfth grade program. The purpose is to determine compliance with the statutory basic education requirements and any supplemental basic education requirements the State Board may establish. Staff from the State Board of Education review each district's report and make recommendations to the SBE. The SBE annually certifies each school district as being in compliance or noncompliance. Basic education support, in an amount established by the SBE, may be permanently deducted for a school district certified as being in noncompliance unless the SBE provides a waiver. (WAC 180-16-195)

Statutory basic education requirements include minimum instructional hour offerings, students-to-classroom teacher ratio, the 180-day minimum school year, and certificated staff having current and valid certificates.

Superintendent of Public Instruction

The Superintendent of Public Instruction has "the power and duty to make such rules and regulations as are necessary for the proper administration of" laws authorizing reimbursement of school district programs. (RCW 28A.150.290) These administrative rules are found in Title 392 WAC.

The Superintendent of Public Instruction adopted chapter 392-121 WAC, which carries out laws governing distribution of basic education support to school districts, and chapter 392-122 WAC, which implements laws governing distribution of state monies to school districts for programs other than basic education apportionment and transportation allocations.

Academic Achievement and Accountability Commission

The Academic Achievement and Accountability Commission was created by the 1999 Legislature to provide oversight of the state's K-12 educational accountability system. The purpose of Washington's accountability system is to improve student learning and student achievement, so that each individual student will be given the opportunity to become a responsible citizen and successfully live, learn, and work in the twenty-first century. The commission's work was concluded by the 2005 legislature. The administrative rules are found in Title 3 WAC.

WAC References

- The Washington State Legislature search site at <http://www.leg.wa.gov/pub/WAC/>
- The “Common School Manual” is available in print or on CD
- The EduPortal search site maintained for members by WASA at <http://www.myeduportal.com/login.asp?bhcp=1>

G. ADDITIONAL REFERENCE

For additional information on the legal foundations of school finance, see the “Organization and Financing of Washington Public Schools” at http://www.k12.wa.us/safs/PUB/ORG/06/2006OrgFin_Final.pdf

SCHOOL FUNDING PRIMER

A. HOW IS MONEY ALLOCATED TO SCHOOLS?

Most of the large state entitlement programs (basic education, special education, learning assistance, and bilingual) are paid through apportionment formulas. Enrollment is the main driver of the funding formulas. Funding increases or decreases with the actual enrollment reported during the school year.

The basic education formula is extremely complex. Formula factors include:

- Varying staff/student ratios for different grade levels
- Separate staff unit allocations for administrative, instructional, and classified staff
- Weightings for the education and experience of staff (mix factors)
- Allocations for benefits and non-employee related costs (NERC)
- Enhanced funding for small schools
- Enhanced funding for vocational programs
- Separate rates for Running Start students

RCW 28A.150.260 says that the state allocation formula "shall be for state allocation and equalization purposes only and shall not be construed as mandating specific operational functions of local school districts . . . ". School districts retain responsibility for determining staffing levels. However, districts must employ at least 46 certificated instructional employees per 1000 students. School districts also set employee salaries and benefits in local negotiations with school employees. However, state law limits average certificated instructional staff salaries to the state allocated salary. The state budget also requires districts to demonstrate certain staffing levels in order to receive enhanced funding for K-4 and vocational staff.

State funding formulas for the other programs are simpler. The state special education allocation per student is based on 93.09 percent of the district's basic education allocation per student. Special education safety net funding is provided for districts that can demonstrate unusual needs. Bilingual funding is provided at a rate per annual average bilingual student. Pupil transportation funding is based on the actual miles students are transported by the district.

The large federal compensatory programs (programs for disadvantaged or special need students) are also funded through formulas.

Many of the smaller state and federal programs are funded through competitive grants. Districts must apply for competitive grants. Applicants are scored, and awards are made selectively. Successful applicants claim reimbursement for expenses incurred in providing the program.

B. WHEN DOES THE STATE DISTRIBUTE MONEY TO SCHOOLS?

The state distributes money monthly based on apportionment formulas and reimbursement claimed through the grants management process. The State Treasurer, who is the banker for the state, electronically transmits money to each county treasurer for each of the school districts headquartered in each county. The county treasurers are the bankers for the school districts.

C. HOW DO SCHOOL DISTRICTS RAISE LOCAL MONEY?

School districts can collect four types of local property tax levies. Each requires approval by a 60 percent "Yes" vote in a district-wide levy election. The four types are:

- General Fund (also called maintenance and operation, or M&O levies) – These can be approved for one to four years at a single election.
- Capital Project – These levies must be used for school facilities and other capital purposes. Levies can be for one to six years. (RCW 84.52.053)

- Debt Service (also called bond levies) – Voter approval of the levy allows the district to issue bonds (borrow money) and collect property taxes to repay principal and interest over the life of the bond (typically 30 years). Levies must be used to purchase land and build or renovate school buildings.
- Transportation Vehicle – These levies are used to purchase school buses and may be authorized for one or two year collections.

State law limits school district M&O levies. For most districts, the limit is 24 percent of the school district's state and federal funding for the previous school year (called the levy base). About 90 school districts have levy limits between 24 percent and 34 percent because of historical levels of levy passage prior to the establishment of the limit.

State Equalization and Tax Relief

The Legislature approved payments of State General Fund monies to match excess General Fund levies in eligible districts. These monies, known as local effort assistance (LEA), help school districts with above-average tax rates due to low property valuations. "Eligible districts" are those districts with a 12 percent levy rate, which exceeds the statewide average 12 percent levy rate. The district 12 percent levy rate is the tax rate needed to collect a levy equal to 12 percent of the district's levy base.

Super Majority Passage

All levy submissions to the voters require that 40% of the voters who voted at the last general election cast votes and that 60% of those voters cast an affirmative vote for the levy. (Constitutional exception to 40% requirement for maintenance and operations)

Limits on Submissions

No single levy proposition may be submitted to the voters more than twice in any twelve months.

Election Dates, Exception

Levy elections must be voted on specific dates: (Exception for acts of God)

1. The first Tuesday following the first Monday in February;
2. The second Tuesday in March; (party caucuses and presidential primary)
3. The fourth Tuesday in April;
4. The third Tuesday in May;
5. The primary election day in September; and
6. The first Tuesday after the first Monday in November. (general election)

Submission

Levy ballot issues must be submitted to county auditors in the form and format they require at least 45 days prior to the election date.

Certification of Amounts

Levy amounts must be annually certified to the county legislative authority by the board of directors for districts of the first class and by the ESD superintendent for districts of the second class.

Non-voted Debt

Within the constraints of debt limitation non-voted debt may be authorized by the board.

D. HOW DOES THE STATE HELP PAY FOR CONSTRUCTION OF SCHOOL FACILITIES?

The state assists school districts with the costs of construction and modernization of buildings used for instructional purposes. The state does not pay for school district administrative buildings, stadiums, or other non-instructional facilities, nor does the state pay for land purchases.

State assistance varies with the amount of assessed valuation for property tax purposes in each school district. The more wealth (property value) per pupil the district has, the lower the percentage of state

assistance. The minimum state matching percentage is 20 percent, and the maximum is 90 percent. The percentage of state assistance is applied to a cost allowance per square foot. These latter two values are set by the State Board of Education pursuant to law.

E. WHAT ARE THE SOURCES OF STATE MONEY FOR SCHOOL CONSTRUCTION?

Proceeds from the sale of timber on Common School Trust Lands are dedicated for state school construction matching payments. In recent years, these revenues have been insufficient and the legislature has found it necessary to appropriate money from other sources. The additional monies have come the state General Fund or from state-issued general obligation bonds.

F. WHO IS RESPONSIBLE FOR FINANCIAL MANAGEMENT OF SCHOOLS?

The locally-elected school district board of directors is ultimately responsible for the financial management of a school district. School boards hire a Superintendent that oversees the day-to-day management of the school district.

School districts operate within the constraints of:

- Laws passed by the U.S. Congress
- U.S. Department of Education regulations implementing federal law
- Laws and budgets passed by the Washington State Legislature
- OSPI and State Board of Education regulations implementing state and federal law

The complexity of school finance arises from the number of programs funded and from the many reporting, accounting, and audit requirements of each program. OSPI administers:

14 formula-driven state programs funded through the apportionment process

19 state grant programs

36 federal grant programs

Numerous programs funded under contracts between OSPI and school districts

School districts prepare an annual budget for public review and comment by July 10 of each school year. Budgets must be formally adopted by the school board before the beginning of the school year (September 1).

School districts account for all revenues and expenditures using standard account codes defined in the *Accounting Manual for Public School Districts in the State of Washington*. All expenditures are identified by program, activity, and object. Districts submit annual financial reports to OSPI.

The Washington State Auditor examines school district accounting practices and compliance with state and federal requirements for receiving funding.

Nine regional educational service districts (ESDs) assist districts in meeting state and federal requirements. ESDs also offer cooperative services and programs. ESDs are particularly helpful to small school districts.

G. ADDITIONAL REFERENCES

For additional information on school finance, see:

- "Organization and Financing of Washington Public Schools" at http://www.k12.wa.us/safs/PUB/ORG/06/2006OrgFin_Final.pdf
- "Accounting, Budgeting, and Financial Reporting Handbook" at <http://www.k12.wa.us/safs/INS/ABF/0708/hb.asp>
- "Accounting Manual for School Districts" at <http://www.k12.wa.us/safs/INS/ACC/0708/am.asp>
- School Apportionment and Financial Services, OSPI at <http://www.k12.wa.us/safs/>
- WASA's Ample School Funding Project at <http://www.wasa-oly.org/asfp.htm>

ESSENTIAL FINANCIAL SERVICES PROVIDED BY ESD 113

A. SCHOOL FINANCIAL SERVICES AND STATE REPORTS

RCW 28A.310.010) requires ESDs to provide services to the local districts, and assist the Superintendent of Public Instruction and the State Board of Education in the performance of their duties. Consulting and financial report processing services are included in these services and are funded by the state. These services are available to all districts. In addition, ESDs have statutory monitoring duties over second class school district finances (districts with fewer than 2000 FTE).

Financial Consulting Services

These are services delegated to the ESD by OSPI including but not limited to:

- interpretation of laws and regulations on school finance
- interpretation of the Accounting Manual for School Districts
- interpretation of OSPI financial bulletins and memorandums
- interpretation of Administrative, Budgeting, and Financial Reporting Policies and Procedures Handbook
- cash flow planning and monitoring – long and short term including Debt Service
- annual budget and financial statement review and approval
- technical assistance for Special Education Safety Net applications
- financial and management practice reviews and comparisons

Financial Report Processing

These are services delegated to the ESD by OSPI including but not limited to:

- student enrollment eligibility, counting and reporting timelines
- budget planning, estimating, hearing procedure, and reporting timelines
- monthly and annual financial statement reporting procedures and timelines
- personnel reporting procedures and timelines
- K-4 enhancement ratios
- application for basic education funding eligibility reporting procedures and timelines
- other

Contacts

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Phone 360.464.6752

Denise Wolff, Director – School Finance
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Phone 360.464.6751

Sonja Cox, State Reports Coordinator
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Phone 360.464.6750

B. CAPITAL REGIONAL DATA CENTER (CRDC)

The CRDC is a cooperative servicing 48 school districts plus ESD 113. The cooperative provides automated data processing, system training, and electronic communications services, and assists school districts with their fiscal and student data processing needs, including fiscal applications such as general ledger accounting, payroll, financial reporting, and personnel reporting; and student applications such as attendance, grades, scheduling, food service, and discipline.

Organization

Forty-eight public school districts and ESD 113 are members of the cooperative. The cooperative governing advisory board is composed of one representative from each member district who elect a five

member executive committee. ESD 113 Data Processing Cooperative (CRDC) is one of seven regional data center sites in the state. The Washington State Information Processing Cooperative (WSIPC), formed as an Interlocal cooperative by the nine educational service districts, provides financial and student record application software under a software license. CRDC purchases licenses from WSIPC for the software.

Service Level Agreement

The cooperative annually updates the Service Level Agreement (SLA) to clarify the mutual expectations of the school district and the CRDC.

The SLA also defines which services are included in the CRDC base fee. Additional services will be available on request for an additional fee. The goal is to provide districts with a full continuum of service choices while keeping the base fee from growing due to local choices which result in additional service costs. Costs of additional services will be born by the users of those services. The most significant of these is the support of third-party software and systems. Examples include OSPI's CSRS system and various library, food service, and transportation software systems used by member districts.

Coordinator Services

ESD 113 hires both fiscal analyst/trainers and student records coordinators. They are professionals whose primary goal is satisfied users. The quality of coordination services depends on district financial and student records requirements; the organization and interrelationship of the departments; and the skill and knowledge of the coordination staff. Specific coordination services are:

- technical application software services;
- communications systems advising; and
- integrating financial and student records systems with state requirements.

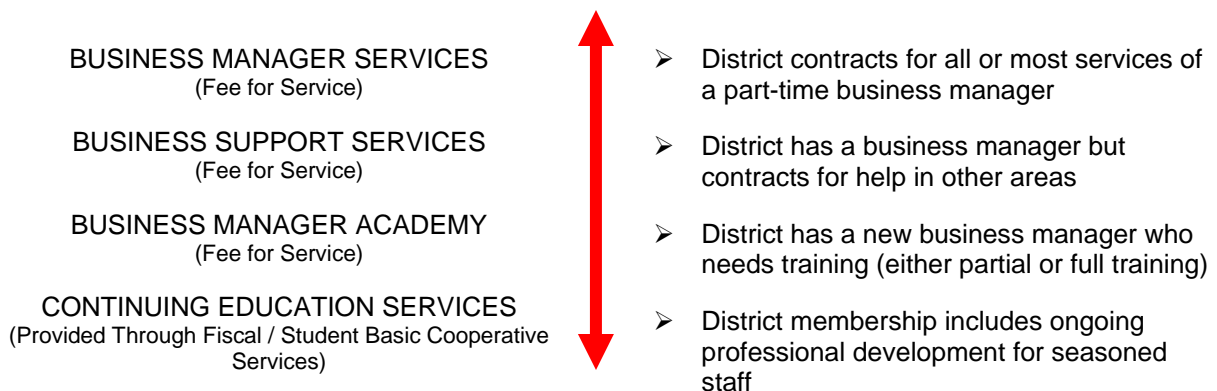
Cooperative Fee Structure

Membership rates are determined by the Executive Committee and published annually in March or April. Fees distinguish between districts utilizing financial services only, or utilizing both services. Minimum fees are set for those districts with FTE enrollments of less than 220. For other districts the fee is per annual average FTE reported on Form SPI P-223. All fees include the WSIPC software license fee.

Contact

Sue Furth, Data Center Manager
sfurth@esd113.k12.wa.us
Phone 360.464.6769

FULL CONTINUUM OF CRDC FISCAL SERVICES



C. School District Organization

A Regional Committee on School Organization is established by statute. (RCW 28A.315.105) It is comprised of a seven member lay citizen board who act as a group conducting public hearings under direction of rule and regulation of the State Board of Education, on school board and citizen petition requests to change the boundaries of local school districts. The ESD superintendent is secretary of the committee.

Contact

John Molohon, Assistant Superintendent for Financial Services

jmolohon@esd113.k12.wa.us

Phone 360.464.6752

D. Fiscal Agent Services

The ESD serves as fiscal agent for several small programs. These include:

- Lewis County Central Office Administrators
- Tri-County Athletic Association

Contact

Keley Brewster, Administrator – Internal Business

kbrewster@esd113.k12.wa.us

Phone 360.464.6755

MINDING YOUR BUSINESS

A successful district administration will have a strong relationship of trust, communication, and respect between the business manager and superintendent. While relying heavily on the business manager for expertise and follow-through, ultimately the superintendent is responsible for the financial condition of the school district.

How can you know things are operating appropriately and you are not headed for trouble? Here are some accountability benchmarks to look for from your business office.

A. PROCESSES TO REVIEW

There are monthly reports prepared each month which should go to the superintendent and board.

Monthly budget status report

This report should go to the board each month. Be sure the report provided the Board is generated from the accounting system, not created on a separate spreadsheet. The accounting system report ensures that the information provided to the Board reconciles to the monthly accounting records. There should not be any error messages on the report. Error messages indicate some process needs to be completed before the report is ready. Districts over 1000 FTE must prepare the report on a fund balance basis.

Monthly financial report

The administration of each school district is required to provide the board of directors of the district with a statement of financial condition monthly showing revenues, expenditures and changes in fund balance. While not required by law, reports which project the financial condition of the district for each month of the school year are helpful in managing the financial position of the district.

Monthly personnel status report

This report displays the combined responsibilities of the district's administrative staff for personnel management and budget control and indicates the:

- status of expenditures and commitments for salaries and wages
- number of certificated and classified positions planned in the budget
- amount of funds budgeted for those positions, summarized by program and/or responsibility area.
- number of positions actually filled and the amount of funds actually expended and encumbered in support of these positions in a manner that can be compared with budget.

A district's board of directors may use the personnel status report in conjunction with a monthly budget status report and the statement of financial condition to manage the financial position of the district.

These additional processes should be reviewed by the superintendent regularly.

Monthly reconciliation report

This report shows how values on the budget status report balance to the monthly County Treasurer's statement received by the district each month. Sample reports are available from OSPI and the ESD. Request that the report be done monthly and ask for a copy. Districts that do not reconcile regularly may not be posting all revenues or expenditures and show an incorrect fund or cash balance.

Grant claiming

Failure to maximize grants will result in less revenue than has been assumed in the budget process. Monitor grant claiming to verify that grant programs are in effect, and resources are being used as planned. Be sure indirects are being taken because state funding assumes those indirects are paying for part of the district office expenses.

Monthly calendar

A month-by-month listing of important tasks and due dates is available from the Small Schools Committee of WASBO. This calendar is useful in understanding the business office functions in any size district. However, for small districts where the new superintendent is also the primary business manager, this calendar is essential.

Budgets as a management tool

Budgets are initially developed as a planning tool. It answers questions like where are we going? How will we get there? What are our priorities? How much additional revenues and expenditures might come our way and should we create **capacity** for them? Any good plan is based on a multitude of educated guesses. Once the year has begun however, the guesses are steadily replaced by actual circumstances and facts. Guesses which were useful in June when the budget was built may be dangerous or misleading by December.

Once the year is begun, the original budget may be archived for reference. It still controls the board appropriation level (total allowed expenditures.) In its place, the district will be using a current budget which reflects actual information as it unfolds.

Revenue guesses from June are replaced by actual revenue calculations. Apportionment revenue is now based on actual enrollments and mix factors. Grants that you applied for are now either awarded or not, and the grant you budgeted as \$10,000 may now be budgeted as \$2,000 or even \$0. Capacity revenue should be eliminated.

Expenditure guesses from June are now replaced by a blend of actual expenditures from the initial months, and anticipated expenditures for the remaining months of the fiscal year. In addition, if a revenue stream has decreased, the related expenditures should also be decreased to avoid allowing non-existent dollars to be spent. Capacity expenditures should be eliminated.

When your budget is kept current in this manner, individual purchasing and staffing decisions can be guided by review of the budget. In addition, the bottom line shows at any moment whether the district spending is anticipated to exceed revenues for the year.

The annual processes should be monitored by the superintendent.

Budget development (Report F-195)

In today's environment with shrinking fund balances, there are three things a superintendent should monitor.

- Know where revenue and expenditure capacity are put. The accounting manual doesn't identify capacity, so it is recommended to use revenue code 8100 and expenditure code 79. Most importantly, revenue capacity should **equal** expenditure capacity. If they are not equal, the budget will create a misleading picture of ending fund balance.
- Know what indirects the district is taking and how much they contribute to district operation costs (expenditure program 97). State funding pays only a portion of district operations, the rest is designed to come from indirects.
- Know which programs spend more than they receive in revenues. Does fund balance, the basic education program, or the levy make up the difference?

Year-end closing (Report F-196)

Check the ending fund balance from the year-end report against the beginning fund balance for the new current year budget. Adjust the current budget if the ending fund balance is short of the budgeted beginning balance.

Additional communication processes should be reinforced by the superintendent.

Human resources office

Does the human resources office talk to business office? It is important that payroll accurately reflect all HR decisions. In addition, it is important that the business office knows when the HR department will be correcting

and updating state report S-275 personnel data because the potential change to staff mix factors based on these data has a direct impact on district apportionment revenues.

Building secretaries

Do the building secretaries talk to business office? It is important that all enrollments be well documented and reported accurately and timely to OSPI. Enrollment counts have a direct impact on district apportionment revenues. In addition, is the business office on top of the building ASB practices? ASB transactions and activities are a significant source of audit findings.

B. Data to Review

Enrollment

Review enrollment each month to compare your current enrollment to the amount the district budget is build on. If your current enrollment is lower or dropping, you may need to make budget cuts to offset the resultant drop in apportionment.

Revenues and expenditures

Are all transactions posted immediately to the accounting system? Missing data misleads decisions about the financial condition of the district.

C. Review OSPI Apportionment Reports

When they become available on the OSPI website about 5 days before the end of the month, look at your district reports.

The 1197 report shows grants and apportionment being received. You want to be sure the grant program funds are being expended (grant administrator) and that reimbursement is being claimed (business manager). Failure to maximize grants will result in less revenue than has been assumed in the budget process. Be sure indirects are being taken.

The 1191 reports show the staff mix (Section A on the first page) and K-4 Ratio (the bottom item on page two of apportionment F-2). Is your staff mix different than last month? Than the budgeted staff mix? Is the K-4 ratio maximized at 53.2?

The 1191E report shows the number of staff the basic education formula generates for your current enrollment. Compare this with your actual staff to see if you are over-staffed. This should be reviewed every year well before the May 15 RIFF date, so that you can keep your staffing in line with the funding.

References

- "School Business Managers Calendar" at <http://www.wasbo.org/associations/5217/files/BusManCalendar.pdf>
- Required Monthly Reports [WAC 392-123-110 through 132](#)
- Monthly apportionment reports [web site](#)

AREAS TO WATCH INCLUDING IMPORTANT LINKS

A. COMPULSORY ATTENDANCE (TRUANCY)

Districts are required to monitor attendance and report truancy to parents and Juvenile Court. These requirements are sometimes referred to as the "Becca Bill".

References

- Statutory requirements are found at Chapter 28A.225 beginning at section 010.
- Truancy reporting instructions published by OSPI are found at <http://www.k12.wa.us/truancy/>

B. NO CHILD LEFT BEHIND (NCLB) AND ADEQUATE YEARLY PROGRESS

ESD 113 prepared, for your use, links to documents and resources for school leaders to use in communication with local press and community members.

References

- NCLB instructions published by OSPI are found at <http://www.k12.wa.us/esea/>

C. ADMINISTRATIVE RESOURCE SERVICES

Administrative Resource Services Forms at <http://www.k12.wa.us/profpractices/adminresources/forms.aspx>

- Certificate of Election or Appointment of a School District Director Form SPI D-320
- Certificate of Appointment of School District Director Form SPI 282
- Request for Due Process Hearing for Special Education Services Form SPI 1521
- Notice of Appeal - for transfer of a student to a nonresident school district Form SPI M-666

Appendix:

New Superintendent Forms and Board Resolutions

RECOMMENDED DISTRIBUTION FOR NEW SUPERINTENDENT FORMS

Form	Title	Dist. Files	County Treasurer	County Auditor	ESD
A	Oath of Office	X		X	X
B	Certification of Manual Signature	X		X	
C	Authorization of Facsimile Signature	X			
D	Authorization of Warrant Signature	X	X		
E	Authorization to Invest Funds	X	X		
F	Designation of District Agent	X			
G	Designation of Auditing Officer	X			

State of Washington
SUPERINTENDENT OF PUBLIC INSTRUCTION
Olympia, Washington

OATH OF OFFICE

STATE OF WASHINGTON, Country of _____, ss.

I, _____, do solemnly swear (or affirm) that I will support the Constitution of the United States and the State of Washington and will faithfully perform the duties of Superintendent/Secretary of _____ School District No. _____ in the county of _____, state of Washington, according to the best of my ability.

Signed: _____

Address: _____

SUBSCRIBED AND SWORN TO (or affirmed) before me this ___ day of _____, 20 ___.

Signed: _____
(official administering oath)

(title of official)

Note: Signatures must be acknowledged by a district superintendent, a notary public, or other official authorized to administer oaths.

CERTIFICATION OF MANUAL SIGNATURE

(Sample of Manual Signature)

I, the undersigned affiant, being first duly sworn on oath, depose and say:

A. My name _____
(print or type)

B. I have been duly chosen and am qualified and acting as
_____ for _____
(name of position) (name of municipality)

C. The signature above is my true manual signature.

Signature

SUBSCRIBED AND SWORN TO before me this ____ day of _____, 20 ____.

*Notary Public in and for the state of Washington,
residing in _____ County*

Note: This affidavit is made to comply with Ch.86, WA Sess. Laws of 1969

AUTHORIZATION OF FACSIMILE SIGNATURE

Board Resolution No. _____

WHEREAS, Chapter 86, Laws of 1969, as codified in RCW 39.62 authorizes the use of facsimile signatures by any public officer in lieu of a manual signature to execute any “public security” or any “instrument of payment”;

WHEREAS, the statute further requires that before any authorized officer may use a facsimile signature plate or stamp, he/she must file a manual signature with the Secretary of State, duly certified while under oath; and

WHEREAS, _____, Superintendent/Secretary of Board, has filed Certificate of Manual Signature, duly certified under oath, with the Auditor of _____ County.

NOW, THEREFORE, BE IT RESOLVED that the facsimile plate or stamp, as imprinted below, for _____, Superintendent/Secretary, be accepted for use in lieu of a manual signature on any public security or any instrument of pay of _____ School District No. _____.

ADOPTED this _____ day of _____, 20____.

Facsimile: _____

Board President

Vice-President

Board Member

Board Member

Board Member

ATTEST:

Superintendent, Secretary to the Board

AUTHORIZATION OF WARRANT SIGNATURE

Board Resolution No. _____

WHEREAS, _____ has been designated as Superintendent/Secretary to the Board of School District No. _____ effective _____;

WHEREAS, the Secretary to the Board is required to sign all warrants ordered to be issued by the Board of Directors; and

WHEREAS, the number of payroll and all accounts payable warrants issued each month by School District if signed personally by the President of the Board would impose too great a task.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of _____ School District No. _____, _____ County, Washington, as follows.

- A. After the Board has audited all payrolls as provided in RCW 28A.330.090, authorization be given to the Board Secretary to draw and sign said warrants which will be specified by date, number, name, and the amount on the Payroll Warrant Register to be processed to the County Treasurer. The Payroll Warrant Register is to be signed by the President of the Board, or in his/her absence, the Vice-President or any Board member and countersigned by the Secretary to the Board, as provided by RCW 28A.330.080.
- B. After the Board has audited all bills as provided by RCW 28A.330.090, authorization be given to the Board Secretary to draw and sign said warrants which will be specified by date, number, name, and amount of one general certificate and processed to the County Treasurer. This certificate is to be signed by the President of the Board or, in his/her absence, the Vice President or any Board member and countersigned by the Secretary to the Board as provided in RCW 28A.330.080.

BE IT FURTHER RESOLVED that the signatures below are the true and correct signatures to appear on said warrants or certificates effective _____, 20__.

The _____ County Treasurer is hereby authorized to pay all warrants authorized by such signatures.

ADOPTED this ____ day of _____, 20__. **EFFECTIVE:** _____

Board President

Vice-President

Board Member

Board Member

Board Member

ATTEST:

Superintendent, Secretary to the Board

AUTHORIZATION TO INVEST FUNDS

Board Resolution No. _____

WHEREAS, _____ School District No. _____ will have General, Capital Projects, Transportation Vehicle, Debt Services and Associated Student Body Funds during 20__ - 20__ which will not be required for immediate use of the District; and

WHEREAS, it is the intent of the District to utilize resources so as to maximize use of the taxpayer's dollars.

IT IS HEREBY RESOLVED by the Board of Directors of _____ School District No. _____, _____ County, Washington, authorizes _____, Superintendent, or his designee, _____, Fiscal Officer, to continue to invest such funds as they become available effective _____.

DATED this _____ day of _____, 20____, pursuant to RCW 28A.320.310.320.

Board President

Vice-President

Board Member

Board Member

Board Member

ATTEST:

Superintendent, Secretary to the Board

DESIGNATION OF DISTRICT AGENT

Resolution No. _____

BE IT RESOLVED that the Board of Directors of _____ School District
No. _____, _____ County, designates _____
as Superintendent of the _____ School District No. _____; and as
Superintendent, _____ is hereby authorized to sign any and all Federal,
State, County, and City applications and all necessary Federal, State, County, and City reports
on behalf of the _____ School District No. _____.

DATED this _____ day of _____, 20____.

Board President

Vice-President

Board Member

Board Member

Board Member

ATTEST:

Superintendent, Secretary to the Board

DESIGNATION OF AUDITING OFFICERS

Resolution No. _____

WHEREAS, the Board of Directors of _____ is required to appoint the Auditing Officers of the School District.

IT IS HEREBY RESOLVED, by the Board of Directors of _____ School District No. _____, _____ County, Washington, that _____, Superintendent, and _____, Fiscal Officer, be designated as Auditing Officers of the District to perform duties as authorized.

DATED and approved this _____ day of _____, 20____.

Board President

Vice-President

Board Member

Board Member

Board Member

ATTEST:

Superintendent, Secretary to the Board

AUTHORIZATION OF STUDENT RELEASE/ACCEPTANCE

Board Resolution No. _____

WHEREAS, _____ has been designated as Superintendent/Secretary to the Board of _____ School District No. _____ effective _____; and

WHEREAS, because of the necessity of often times being requested to release attendance within a short period of time;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of _____ School District No. _____, _____ County, Washington, hereby authorizes _____, Superintendent/Secretary, to act on behalf of the District with regard to the release or acceptance of students at the _____ School District if it is found to be in the best interest of the District to do so.

ADOPTED this _____ day of _____, 20____.

Superintendent/Secretary to the Board

Board President

Vice-President

Board Member

Board Member

Board Member

ATTEST:

Superintendent, Secretary to the Board