Financial Stewardship in Arlington School District

By Dr. Kris McDuffy, Superintendent and Ms. Deb Borgens, Executive Director of Finance

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Arlington School District is one of 295 school districts in the State of Washington. While each district is unique in its demographics, needs, community support, and funding issues, there are many laws and regulations that govern how all districts are managed. During the current economic times, school districts are challenged to meet the many educational requirements while experiencing uncertainty about funding.

The Washington State Constitution establishes the education of all children as the paramount duty of the State. It requires the State to make ample provision for a uniform system of public schools. To carry out its constitutional responsibility, the State dedicates almost half of all State General Fund resources to support of the public schools.

The General Fund is used to account for the day-to-day operations of the district. Other funds are used to account for specialized activities. These include the Capital Projects Fund for the acquisition of land, equipment, and facilities; the Debt Service Fund for redemption of bonds and payment of interest; the Transportation Vehicle Fund for the acquisition and maintenance of pupil transportation equipment; the Associated Student Body Fund for student activities; and Trust Funds for donations dedicated for specific uses. In 2013-2014, Arlington School District received $50,986,160.94 from all General Fund revenue sources.

The Arlington School District spent 94.4% of its operating budget directly on student learning. The largest expenditure area for Arlington School District was in the area of instruction. About 72.0% of all expenditures were for teaching and the classroom, while another 6.2% was spent on administering the school buildings. The cost of operating, upkeep and management of school buildings and facilities accounted for 8.1% of all expenditures. The cost of transporting students by bus accounted for 5.0% of all district spending. Providing 381,053 breakfasts and lunches for pre-school through high school students was another 3.1% of the General Fund budget.

Not included in the above descriptions of student learning activities costs are the expenses needed to provide direct support to schools, such as the records management, health services, student activities/athletics, family communication and administrative support. These costs accounted for 5.6% of the General Fund expenditures.

There has been a large gap between current state funding and what it really costs to provide children with the education described in the state-mandated learning standards called the Essential Academic Learning Requirements (EALRs). This funding gap was exemplified during the McCleary trial heard at our State’s Supreme Court. In January 2012, the Washington State Supreme Court ruled unanimously that the State of Washington was violating its constitutional “paramount duty” to amply fund the education of all K-12 students. The Court declared that the State must amply fund education first before any other programs or operations. The Court retained jurisdiction over the case to ensure that its ruling is enforced and that the State fully funds K-12 education by 2018. We have seen the State make progress toward that end; however, there is a long way to go over the next two years to reach that mandate.

While we have been living in turbulent and uncertain times, we have continued to make great progress. Here are just a few recent celebrations of our financial stewardship:
Our Fund balance raised from .3% in 2008 to just over 10% these past three years.

Washington state’s report on Financial Health of School Districts went up from a 2.05 total weighted score in 2008 to a 3.25 out of a weighted score of 4.0 in 2014.

Our District was cited as one of the most efficient school districts in the state by the State Auditor’s Office in 2011.

Our District was recognized as one of the best school districts in the state for high achieving/low spending by the Center for American Progress in their report *Return on Educational Investment - A District-by-District Evaluation of U.S. Educational Productivity* in 2011.

Additional information regarding the Arlington School District budget can be found on the District’s website at [http://www.asd.wednet.edu/financialservices](http://www.asd.wednet.edu/financialservices). You may also call Dr. Kristine McDuffy, Superintendent, at 360-618-6202 or Deb Borgens, Executive Director of Financial Services, at 360-618-6203.