

School Board Action Report



DATE: June 18, 2008
FROM: Dr. Maria Goodloe-Johnson, Superintendent
LEAD STAFF: Don Kennedy, Phone: 252-0086, drkennedy@seattleschools.org
**STRATEGIC THEME/
FOCUS AREA:** Business and Operational Effectiveness

TITLE AND BRIEF DESCRIPTION

FY 2008-09 Capital Fund Budget For Introduction: June 18, 2008
For Action: July 9, 2008

TIMELINE FOR IMPLEMENTATION/EVALUATION

Revenues and Expenditures implementing this budget will occur during FY 2008-09.

RECOMMENDED MOTION

I recommend approval of the following motion:

I move the adoption of Resolution 2007/08-26, adopting the FY 2008-09 Capital Fund Budget.

ISSUE

The FY 2008-09 Capital Fund Budget is recommended at \$229,394,023. This level of expenditures supports \$208,540,021 of scheduled program costs and \$20,854,002 of reserves.

Funding to support the FY 2008-09 capital budget is estimated at \$229,394,023 and is comprised of two components: first, a cumulative fund balance of \$375,922,326 for end of FY 2007-08, and secondly, new revenues of \$47,057,429 for FY 2008-09. The bulk of new revenues are from capital levy receipts estimated at \$29,221,667.

Each year the District adopts a Capital Fund Budget, covering expenditures during the next fiscal year for construction projects, technology projects, and equipment. Two voter-approved capital levies are the primary source of capital fund budget revenues. The levies are Building Excellence II (BEX II) and Buildings, Technology and Academics II (BTA II). Building Excellence III (BEX III) is funded by a voter approved bond issue.

The Capital Eligible Projects (CEP) fund is the only non-voter funded program in the Capital Fund. The CEP fund has limited revenue capacity and is used for isolated capital projects.

This resolution approves full use of accumulated Capital Fund budget capacity for financial execution of capital programs.

BEST PRACTICES

The Capital budget will:

- Provide funding for construction projects, technology projects and equipment.
- Allow scheduled implementation of capital projects
- Improve school buildings creating enhanced student learning environment
- Allow compliance with District and State rules and regulations

RESEARCH AND DATA SOURCES

Data provided by Capital construction and Technology departments.

POLICY IMPLICATION

Policy G01.00 requires the Superintendent to present an annual budget to the school Board by the second meeting in June and states that the Board will adopt the budget as soon as it is practical.

RCW 28A.505.120 requires school districts to adopt a balanced budget.

RCW 28A.505.040 requires school districts to submit an approved budget to the local Educational Service District no later than August 31.

FISCAL IMPACT

Allows construction projects, technology projects and equipment purchases to continue as planned.

Revenue Source: Funding for capital budget activity is supported by a combination of revenue generated in FY2008-09, the partial use of proceeds from the BEX III bonds sold in FY2006-07, and the carryover of ending funds balances in the other capital funds. Revenue sources for FY2008-09 include levy collections, investment earnings, state matching funds, property sales, and lease/rental receipts.

Expenditure: Expenditures in this action will allow continuing support for the 2008-09 capital projects of Seattle Public Schools.

COMMUNITY ENGAGEMENT

As part of the budget process, notice has been placed in the newspaper to invite the public to provide feedback and comments. The public hearing is scheduled for June 25th 2008.

CONCLUSION / RECOMMENDATION

Approval of the Capital Fund Budget is necessary in order to allow scheduled implementation of capital projects. Because approval is for Capital Fund Budget capacity, the flexibility to reprogram and reprioritize capital requirements will still be possible. This resolution approves the recommended Capital Fund Budget, as introduced to the Board on June 18, 2008.

ATTACHMENTS

[Recommended Capital Budget Book](#)
[Resolution 2007/08-26](#)

SEATTLE SCHOOL DISTRICT NO. 1
RESOLUTION 2007/08-26

RESOLUTION 2007/08-26

WHEREAS, the Board of Directors of Seattle School District No. 1, in compliance with RCW 29A.505.050 and 28A.505.060, has held a hearing on the budget for September 1, 2008 to August 31, 2009;

WHEREAS, the Board of Directors has given due consideration and has fixed and determined the Capital Fund appropriation for expenses to be \$229,394,023;

NOW, THEREFORE BE IT RESOLVED that the above-referenced Capital Fund Budget for FY 2008-09 be adopted.

BE IT FURTHER RESOLVED that the secretary file copies of the adopted budget with the Puget Sound Service District No. 121 in accordance with RCW 28A.505.060.

Cheryl Chow, President

Michael DeBell, Vice President

Mary Bass, Member

Sherry Carr, Member

Peter Maier, Member

Harium Martin-Morris, Member

Steve Sundquist, Member

ATTEST

Dr. Maria Goodloe-Johnson,
Secretary, Board of Directors
Seattle School District No. 1
King County, Washington