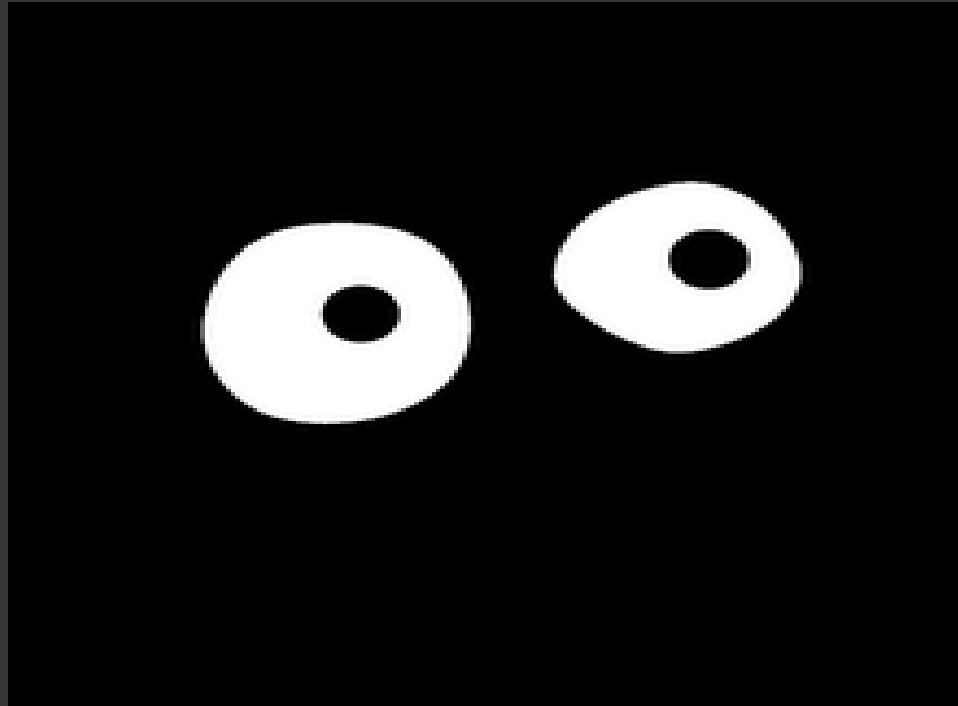




2017-18 Budget and Public Hearing June 28, 2017

Presented by Susan Smith Leland
Interim Assistant Superintendent of Finance and Operations
Budget Staff:
Jason Franklin, Executive Director
Barbara de Kruyf
Patti Goodall
Ron Ellis



**Is anyone home in
Olympia???**

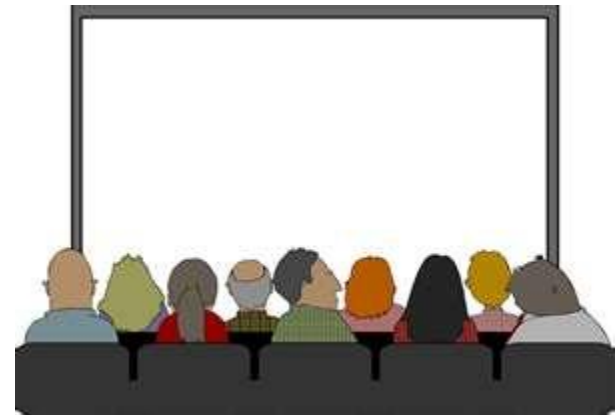
Sound fiscal management supports great schools



2017-18 Budget

- **Public Hearing Topics**

- Review general fund recommendations
- Review other funds
- Discuss fund balance
- Accept public comment



- **Expected board actions upon adoption**

- Budget Resolution sets appropriations for ALL funds
- Sets preliminary tax levies for calendar year 2018

School District Funds

- School districts are organized and operate on a fund basis. A fund is a fiscal and accounting entity...
- School districts are authorized to have several types of funds with different purposes:
 - General Fund is used to account for the general operations of the district
 - Capital Projects is used for acquisition or construction of major capital facilities including purchase of equipment and energy audits
 - Transportation Vehicle Fund is used to provide for the purchase and major repair of buses
 - Debt Service Fund is for the accumulation of resources for, and the payment of, long-term debt principal and interest.
 - ASB Fund is a special revenue fund allowed under Washington State law to account for student body fund revenue and expenditures.
 - Trust and Agency Funds to account for assets held by the district in a trustee capacity.

District goals

- P/K-12 achievement
- College and career ready
- Equity and access
- Recruit and retain a diverse, high-quality staff
- Maintain a unreserved fund balance of 5%

District Assumptions –

With no budget indicators from the legislature...

- Funds are provided to support student needs in the classroom
- Funds are targeted towards district initiatives and priorities
- State pass through on salaries
 - 2.4% less prior biennium only of 1.8% = +.6%
- Benefit rate at \$780 per employee FTE
- Increase of up to 25% employer paid pension costs
- Levy collection with same formula used in 2017
- Updated state and federal categorical revenues and expenditures as we know them
- No RIF in certificated staff on May 15th
- Conservative enrollment projection

District Initiatives and Priorities

- West Hill Now and Renton Innovation Zone – fully funded school requests
- Full-time counselor in each elementary school
- PK-2 behavior supports through enhanced funding for development of a multi-tiered system of supports (MTSS)
- Enhanced staffing to meet student needs
- Opening of Risdon Middle School and related staffing
- Planning for new Sartori Elementary School
- Continue focus on district wide safety and security

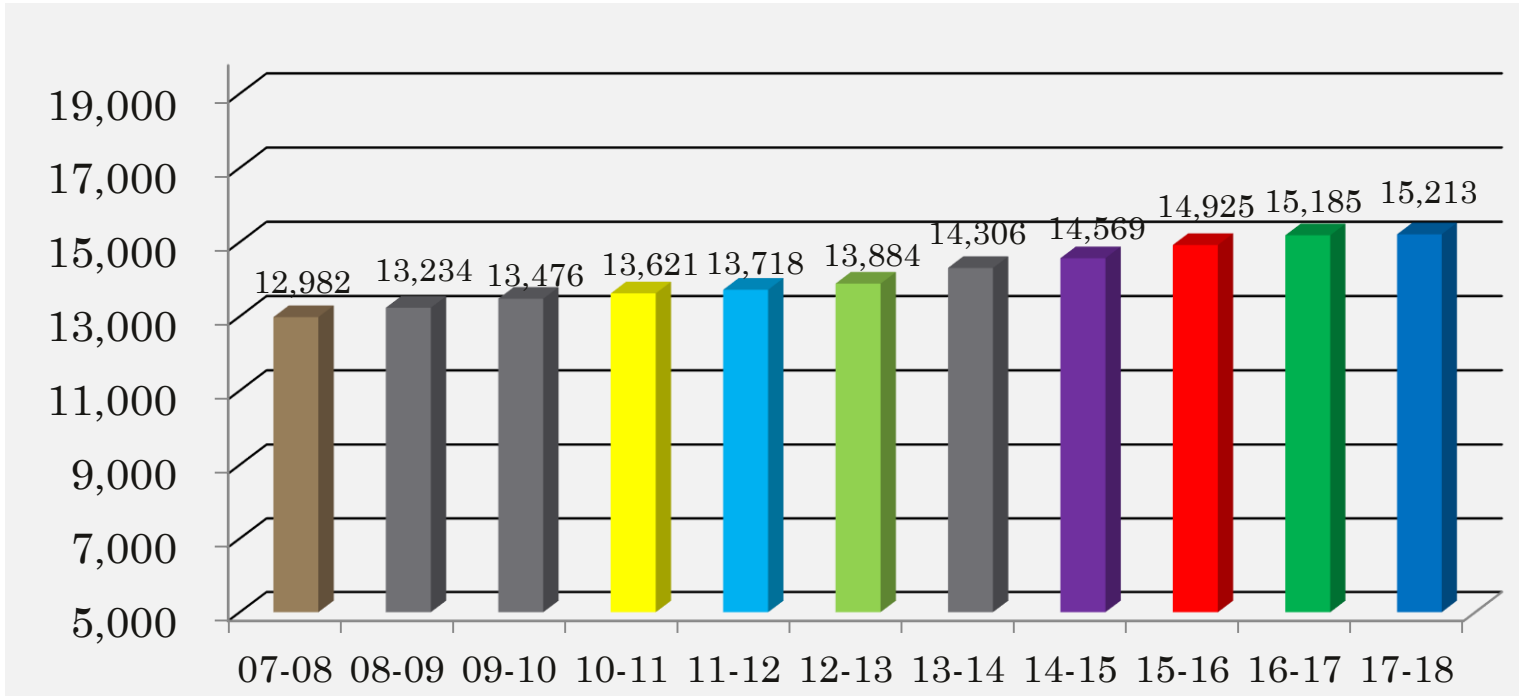
Enrollment Projection

Modified Medium Range Forecast (w/o Running Start)

	Actual October 2016 Headcount	Actual October 2016 FTE	Projected October 2017 Headcount	Projected 2017-18 AAFTE
Total Enrollment	15,298	15,106	15,401	15,213
Elementary (K-5)	7,706	7,695	7,744	7,760
Middle (6-8)	3,273	3,266	3,380	3,385
High (9-12)	4,319	4,145	4,277	4,068

Enrollment History by FTE

(Annual Average FTE)



- Does not include FT Running Start, Dropout engagement or ALE

Revenue Assumptions

- 15,874 Full Time Equivalent Students
 - (including Running Start, ALE etc.)
- 1,156 Vocational Education Students
- 2,243 Special Education Students
 - 2,112 – 3 to 21 year olds
 - 131 – 0 to 2 year olds
- Increased levy collection
- Built in \$8 million in budget capacity
 - In case they decide to fully fund BEA

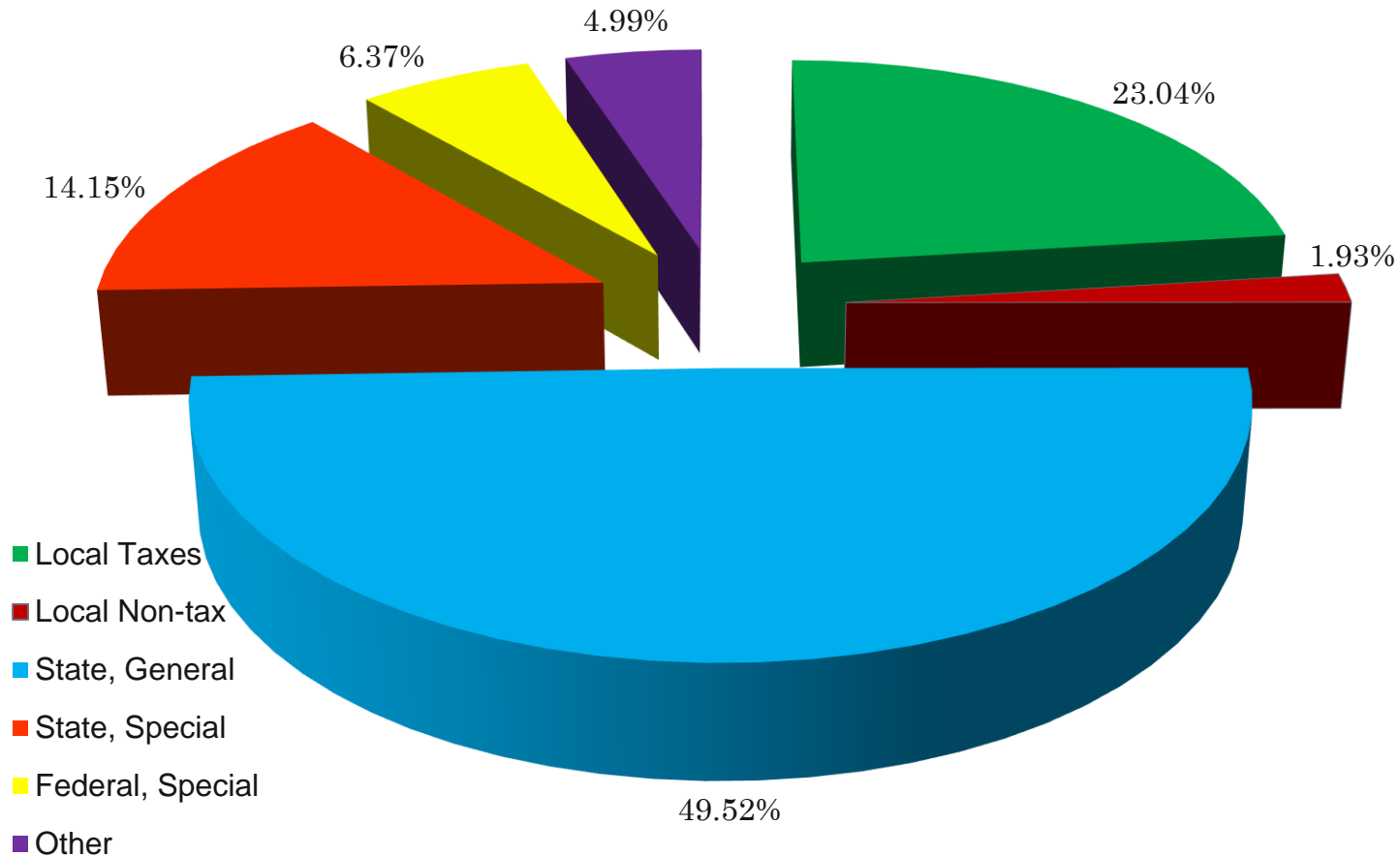


2017-18 Revenue Summary

• Local Taxes	\$ 50,073,431
• Local Non-Tax	\$ 4,198,500
• State, General	\$107,627,271
• State, Special	\$ 30,741,718
• Federal, General	\$ 5,500
• Federal, Special	\$ 13,846,017
• Other	<u>\$ 10,835,900</u>
• Total	<u>\$217,328,337</u>

2018 tax collection set @ \$51,550,600

2017-18 Revenue



Total Revenue - \$217,328,337

(Includes \$8 million for capacity)

Levy Collections

	2016	2017	2018
Levy – General	43,500,000	49,581,000	53,077,000
Less rollback		<u>-3,476,923</u>	<u>-1,526,400</u>
Actual Levy		46,104,077	51,550,600
Levy – Debt Service	47,585,000	27,000,000	27,000,000
Levy – Capital Projects (Technology)	8,000,000	8,000,000	8,500,000
Levy – Capital Projects (Capital Construction)		18,500,000	17,500,000
<u>Tax Rate: (per \$1000 of AV)</u>			
General	2.36	2.31	2.43
Debt Service	2.59	1.35	1.27
Capital Projects (Technology/Construction)	.44	1.33	1.23
Total	5.39	4.99	4.93

Levy projections based on 2017 formula

Tax rates from ESD112 Financial Advisors

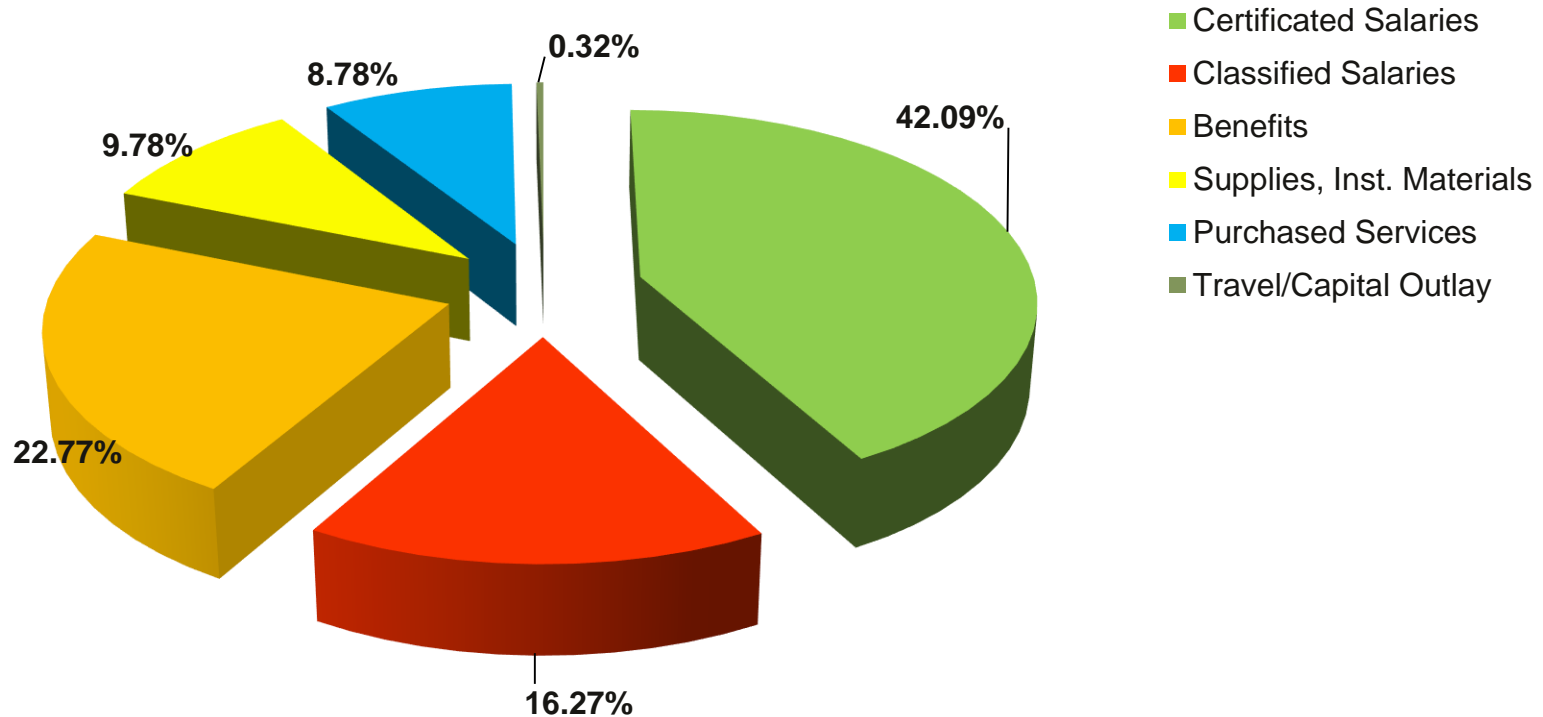
Expenditure by Program

▪ Regular Instruction	\$	116,935,635
▪ Special Education	\$	30,861,566
▪ Vocational Ed	\$	6,559,724
▪ Compensatory Education	\$	14,355,463
▪ Other Instructional Programs	\$	8,213,825**
▪ Community Services	\$	1,308,372
▪ Support Services	\$	38,683,754
<u>TOTAL</u>	\$	<u>216,918,337</u>

**includes \$8 million in capacity

Expenditure by Object

2017-18



Total Expenditure - \$216,918,337

(includes \$8 million in budget capacity)

2017-18 MSOC Certification

The 2016 Legislature added a sentence to the very end of the budget requiring that districts disclose during the budget hearing the use of the MSOC monies provided by the state. **We use all MSOC monies provided by the state for it's intended purpose.**

Fund Balance Restoration

- Restoration Completion –
 - Preliminary estimates indicate fund balance to meet board target of 5% at the end of 2016-17 (at 4.38% end of 2015-16)
 - If not, will adjust the budget in the fall for the balance of the needed restoration



General Fund – Fund Balance

• Beginning Fund Balance	\$15,200,000
• Non-spendable	\$ 351,448
• Restricted	\$ 2,406,552
• Assigned	\$ 2,692,000
• Unassigned	\$ 9,750,000
• Ending Fund Balance	\$15,610,000
• Non-spending	\$ 355,000
• Restricted	\$ 2,098,083
• Assigned	\$ 2,711,000
• Unassigned	\$ 10,445,917

Estimated Beginning and Ending Fund Balances meet
5% policy without contingency

Other Funds

Capital Projects Fund

- Opening of Risdon Middle School
- Planning for a new Sartori Elementary
- Continuing support of technology training and staff
- Continuing support for critical facility needs
- Energy projects
- Safety and security upgrades
- Technology hardware

Fall of 2017

Opening Risdon Middle School



Capital Projects Fund

Beginning Fund Balance	\$35,766,000
Projected Revenues	\$38,316,000
Projected Expenditures	\$61,250,000
Transfers Out to General Fund	\$1,850,000
<u>Ending Fund Balance</u>	<u>\$10,982,000</u>

2018 Tax Collection Set at \$26,000,000

Includes \$10 million in contingency

Debt Service Fund

- Taxes collected by the county are deposited in this fund
- Payments made for outstanding bonds approved by the voter
- Payments made for outstanding bonds obligated by the district as non-voted debt

Debt Service Fund

Beginning Fund Balance	\$ 15,623,000
Revenues	\$ 27,500,000
Expenditures	\$ 28,050,000
<u>Ending Fund Balance</u>	<u>\$ 15,073,000</u>

2018 Tax Collection Set at \$27,000,000

Transportation Vehicle Fund

- Revenue Source: State depreciation
- Used to purchase replacement buses
- Current bus fleet: 118 buses
- Average age: 8 years
- Oldest year: 1998
- 2 fully depreciated



Transportation Vehicle Fund

- Budget authorizes the purchase of buses under our plan

Beginning Fund Balance	\$ 693,000
Revenues	\$ 1,260,700
Expenditures	\$ 1,943,700
<u>Ending Fund Balance</u>	<u>\$ 10,000</u>

Associated Student Body Fund

Budget Adoption Authorizes:
Fund Raisers
Expenditure Capacity



Beginning Fund Balance	\$ 991,690
Revenues	\$ 1,833,783
Expenditures	\$ 1,799,229
<u>Ending Fund Balance</u>	<u>\$ 1,026,244</u>

2017-18 Budget

- **Next steps**

- Wait until the legislature passes their budget
- If changes, will bring back to the board for an update

- **Questions**