



# 2019-20 BUDGET PUBLIC HEARING JUNE 12, 2019

**Presented by:**

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**SOUND FISCAL MANAGEMENT  
SUPPORTS GREAT SCHOOLS WITH  
OPTIONS FOR ALL STUDENTS.**



## District Core Values

### Service

We serve our students, staff, families, and communities.

### Excellence

We strive for excellence in all that we do.

### Equity

We remove barriers and pursue outcomes that enable all students to realize their potential and maximize their future opportunities.

WE ARE THE RENTON SCHOOLS!!!!



# 2019-20 Budget Hearing Topics

## Public hearing

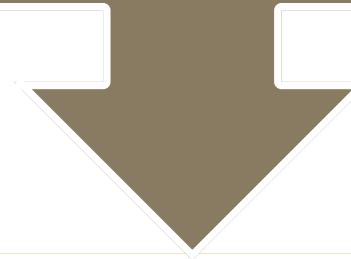
- Review general fund recommendations
- Review other funds
- Discuss fund balance
- Accept public comment

## Expected board actions upon adoption

- Budget Resolution sets appropriations for ALL funds
- Sets preliminary tax levies for calendar year 2020

# 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	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.	Transportation Vehicle Fund is used to provide for the purchase and major repair of buses	Trust and Agency Funds to account for assets held by the district in a trustee capacity.
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# GENERAL FUND

(USED TO ACCOUNT FOR THE GENERAL OPERATIONS OF THE DISTRICT)



# Our Story...

We have worked hard to build financial stability in our District

First time in 5 years we do not have a balanced budget - \$8.248 million shortfall

Carrying over some unanticipated revenue and savings to help with the shortfall in 2019-20

No cuts to staff but will continue to make strategic reductions when possible to prepare for 2020-21

Plan impacts overall fund balance

Plan impacts unreserved, undesignated fund balance

# District Budget Assumptions

- Funds are provided to support student needs in the classroom
- Funds are targeted towards district initiatives and priorities
- Conservative enrollment projection
- Levy collection reduced \$5.8 million (a total of \$12.7 million in 2 years)
- State pass through on salaries
  - *2.0% Implicit Price Deflator (IPD) rate increases*
  - *Benefit rates reflect the change to the SEBB in January 2020*
- Updated state and federal categorical revenues and expenditures

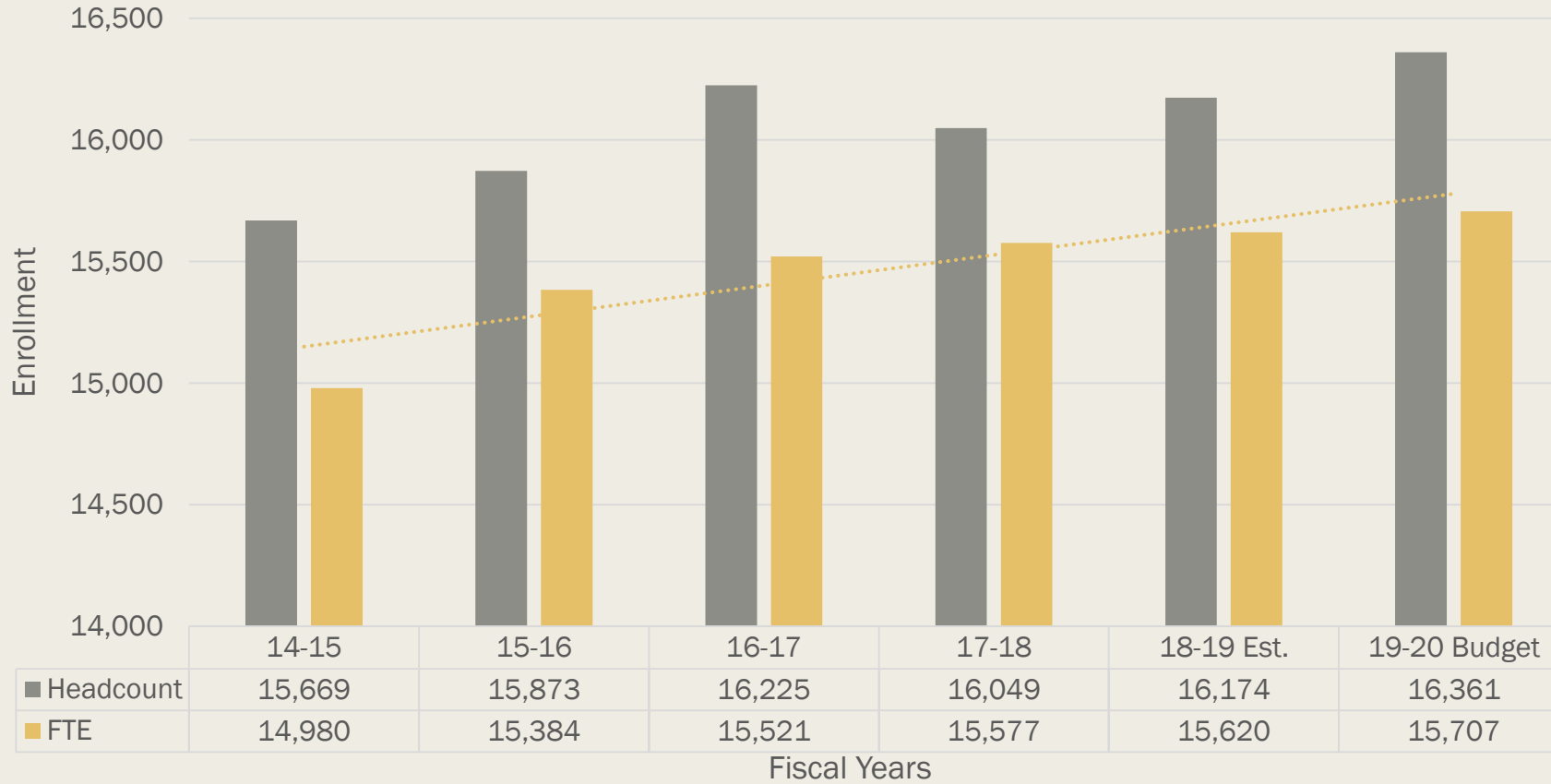


# District Initiatives and Priorities

- Expanding programs and locations for early learning
- Development of a Roadmap for graduating all students with options
- Continuing our work in the Renton Innovation Zone
- Training and supporting staff in improving skills as we implement a multi-tiered system of supports (MTSS)
- Add formula qualified staff to achieve 17.5:1 K-3
- Continue development on district wide student and staff safety

# Enrollment History

(Annual Average FTE vs. Headcount)



Headcount FTE Linear (FTE)



# Revenue Assumptions

15,707 Full Time Equivalent Students

- *(including Running Start, ALE etc.)*

1,112 Vocational Education Students

2,243 Special Education Students

- 2,242 – 3 to 21 year
- 151 – 0 to 2 year

Unable to collect full voter approved levy of \$56 million

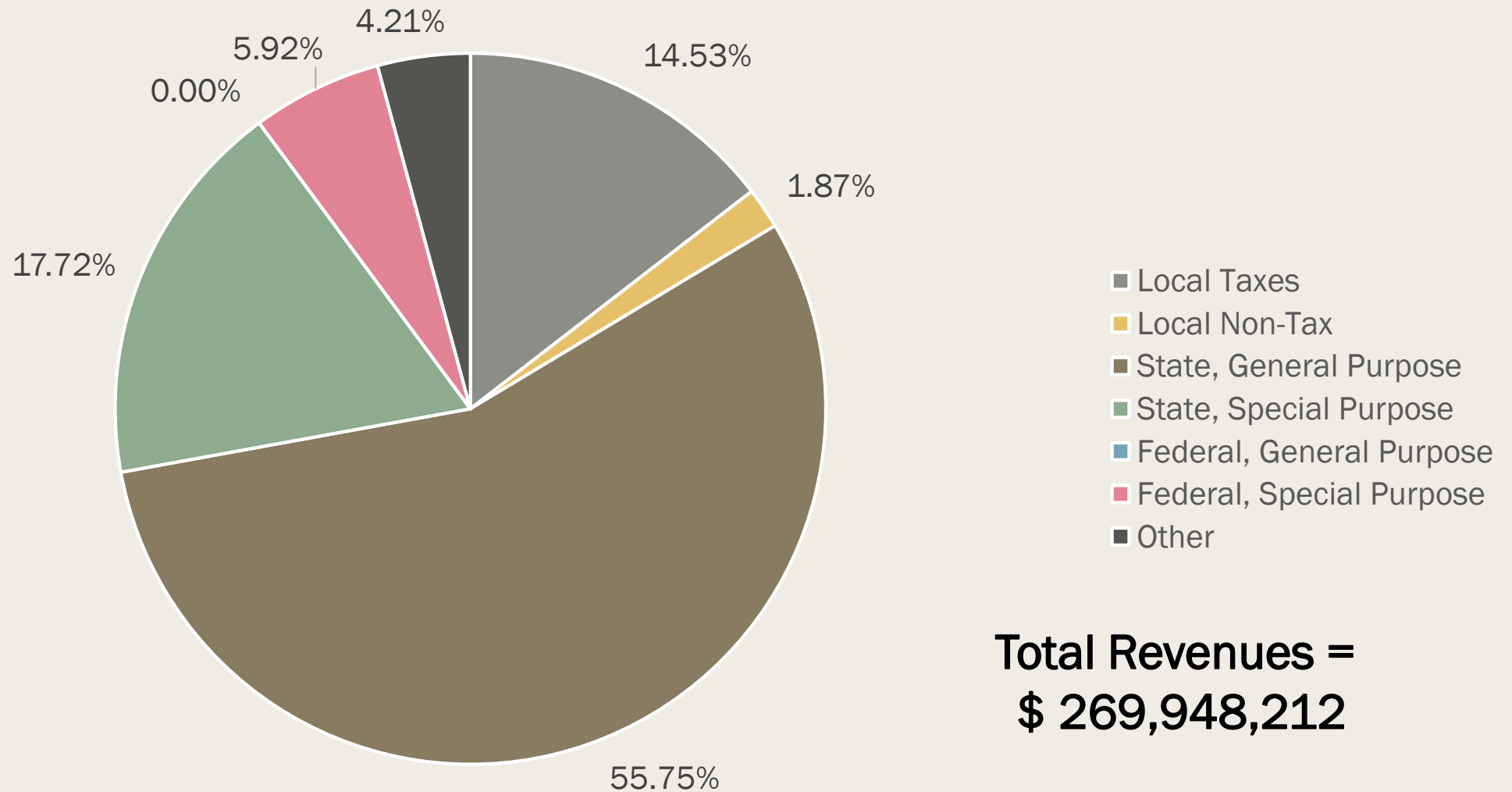
Revenues less than expenditures

Built in \$8 million in budget capacity

# General Fund Revenue Summary

Revenue Type	Amount
Local Taxes	\$ 39,216,113
Local Non-Tax	5,034,926
State, General Purpose	150,491,744
State, Special Purpose	47,844,849
Federal, General Purpose	3,000
Federal, Special Purpose	15,981,580
Other	11,376,000
Total	\$ 269,948,212

# General Fund Revenue Percentages



# Levy Collections – by calendar year

Levy Description	2018	2019	2020
Levy – General	\$ 53,077,000	\$ 57,151,000	\$56,000,000
Less rollback	<u>-397,000</u>	<u>-18,592,172</u>	<u>-15,965,388</u>
Actual Tax Levy	52,680,000	38,558,828	<u>40,034,612</u>
Levy – Debt Service	27,000,000	26,500,000	24,956,000
Levy – Capital Projects (Technology)	8,500,000	9,000,000	9,500,000
Levy – Capital Projects (Capital Construction)	17,500,000	16,000,014	14,900,000
Tax Rate: (per \$1,000 of assessed value)	2018	2019	2020
General	\$ 2.27	\$ 1.50	\$1.44
Debt Service	1.19	1.03	.90
Capital Projects (Technology/Construction)	1.15	.97	.88
<b>Total</b>	<b>\$ 4.61</b>	<b>\$ 3.50</b>	<b>\$3.28</b>

\*Tax rates from ESD112 Financial Advisors

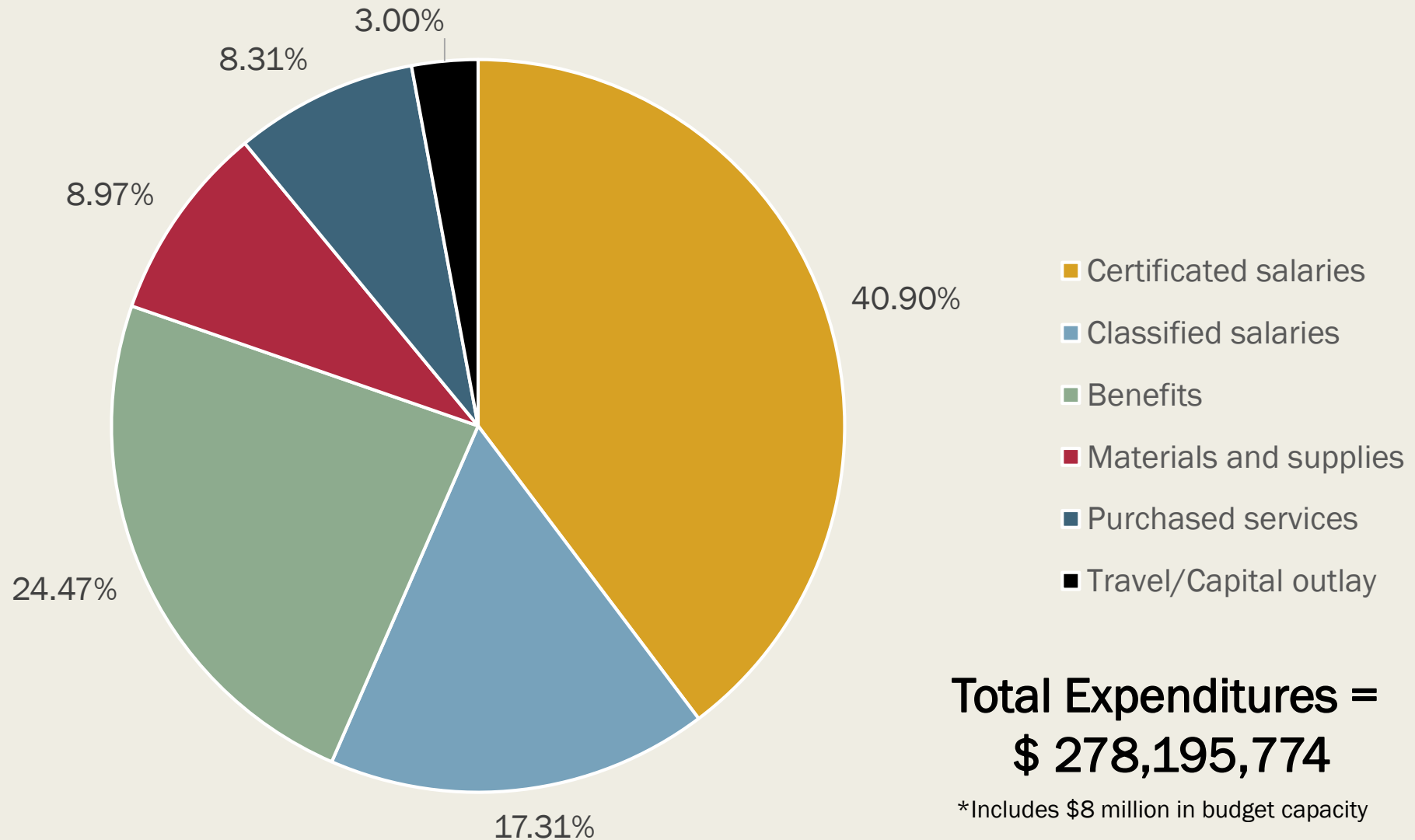


# Expenditure by Program

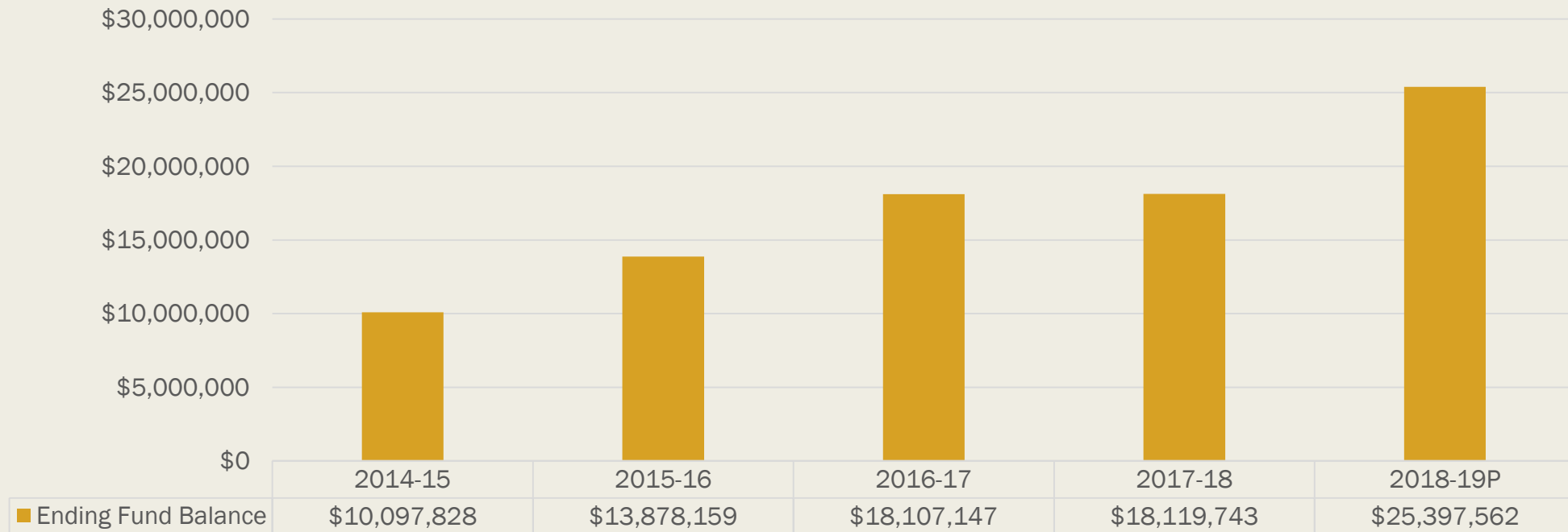
Program Description	Amount
Regular instruction	\$ 142,776,793
Special education	44,373,577
Vocational education	10,851,964
Compensatory education	21,267,759
Other instructional programs	8,844,878
Community services	3,145,648
Support services	46,935,155
<b>Total</b>	<b>\$ 278,195,774</b>

\*Includes \$8 million in capacity

# Expenditure by Object Percentages



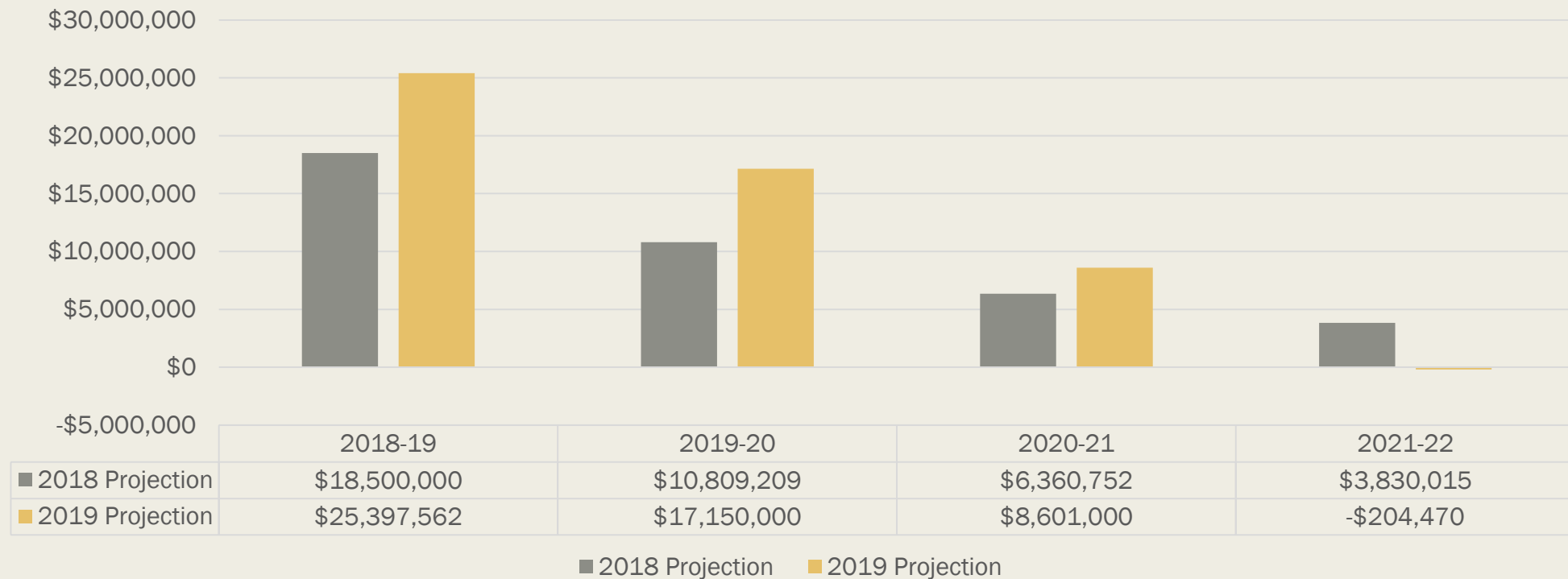
# Meeting our financial targets – From recovery to stability 2014-15 to present



\*2018-19 projection  
includes \$6 million in  
unanticipated revenue  
and other savings carried  
over to prevent budget  
reductions in 2019-20

# Future concerns for financial stability...

## 2019 - 2023



If we carry forward our \$8.3 million shortfall adding 3% per year this is where we could be. The District will have to either receive additional revenue or make future cuts, or both, to maintain a stable fiscal future.

# General Fund – Fund Balance

Beginning fund balance	25,397,562
Non-spendable	1,675,000
Restricted	2,205,000
Assigned	8,967,562
Unassigned*	12,550,000

Ending fund balance	17,150,000
Non-spendable	1,675,000
Restricted	2,105,000
Assigned	670,000
Unassigned*	12,700,000

\*Estimated beginning balance, without contingency, meets the 5% policy. The ending fund balance, without contingency, **does not meet 5% policy of \$13,509,789. It is at 4.7%.**

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.

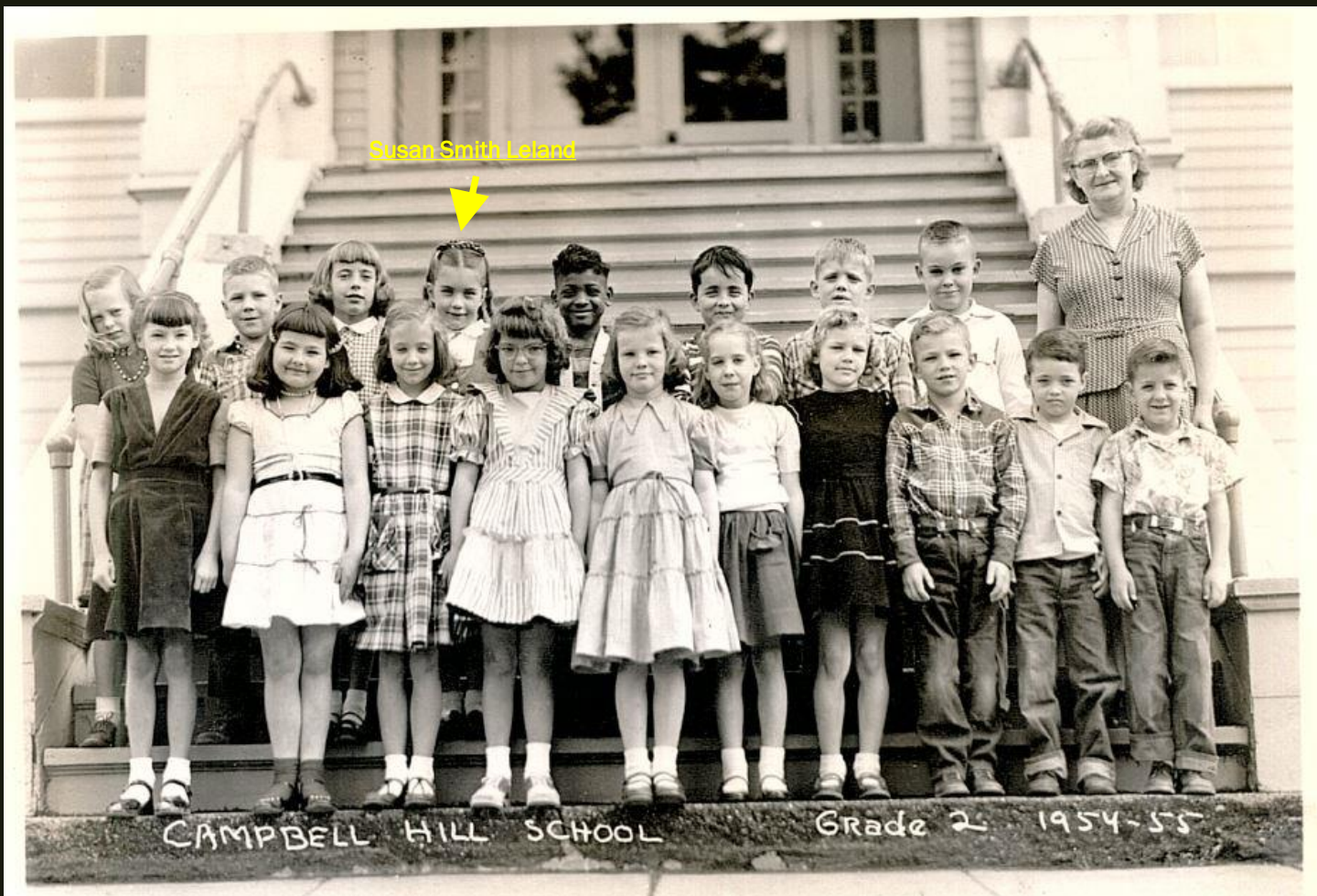
## 2019-20 MSOC Certification



Other Funds

# Capital Projects Fund

- Planning for a new elementary school
- Complete land purchase for new elementary school site
- Major construction projects and planning
- Continuing support of technology training and staff
- Continuing support for critical facility needs
- Energy projects
- Safety and security upgrades
- Technology hardware



# THE FUTURE- FALL 1954

# THE FUTURE – Fall 2018



# Capital Projects Fund Summary

Description	Amount
Beginning fund balance	\$ 11,830,000
Projected revenues	51,806,100
Projected expenditures	45,589,929
Transfers to the General Fund	1,173,000
Ending fund balance	\$ 16,873,171

\*2020 Tax Collection Set at \$24,400,000

# Debt Service Fund Summary

Description	Amount
Beginning fund balance	\$ 16,390,000
Projected revenues	25,552,200
Projected expenditures	27,037,863
Ending fund balance	\$ 14,904,337

\*2020 Tax Collection Set at \$24,500,000



# Associated Student Body Fund

Description	Amount
Beginning fund balance	\$ 1,050,000
Projected revenues	1,415,589
Projected expenditures	1,408,471
Ending fund balance	\$ 1,057,118

\*Budget authorizes fundraiser and extracurricular activity

# Transportation Vehicle Fund

Description	Amount
Beginning fund balance	\$ 972,000
Projected revenues	814,600
Projected expenditures	912,700
Ending fund balance	\$ 783,818

\*Budget authorizes the purchase of buses under our plan

# Next Steps

- Take public comment
- Address public interest
- Update with any final changes
- Bring a completed finalized budget to the board for approval on June 26, 2019
- Sine Die