



# 2020-21 DISTRICT BUDGET DEVELOPMENT UPDATE

Current fiscal year status report and building a foundation for 2020-21

Presented By:

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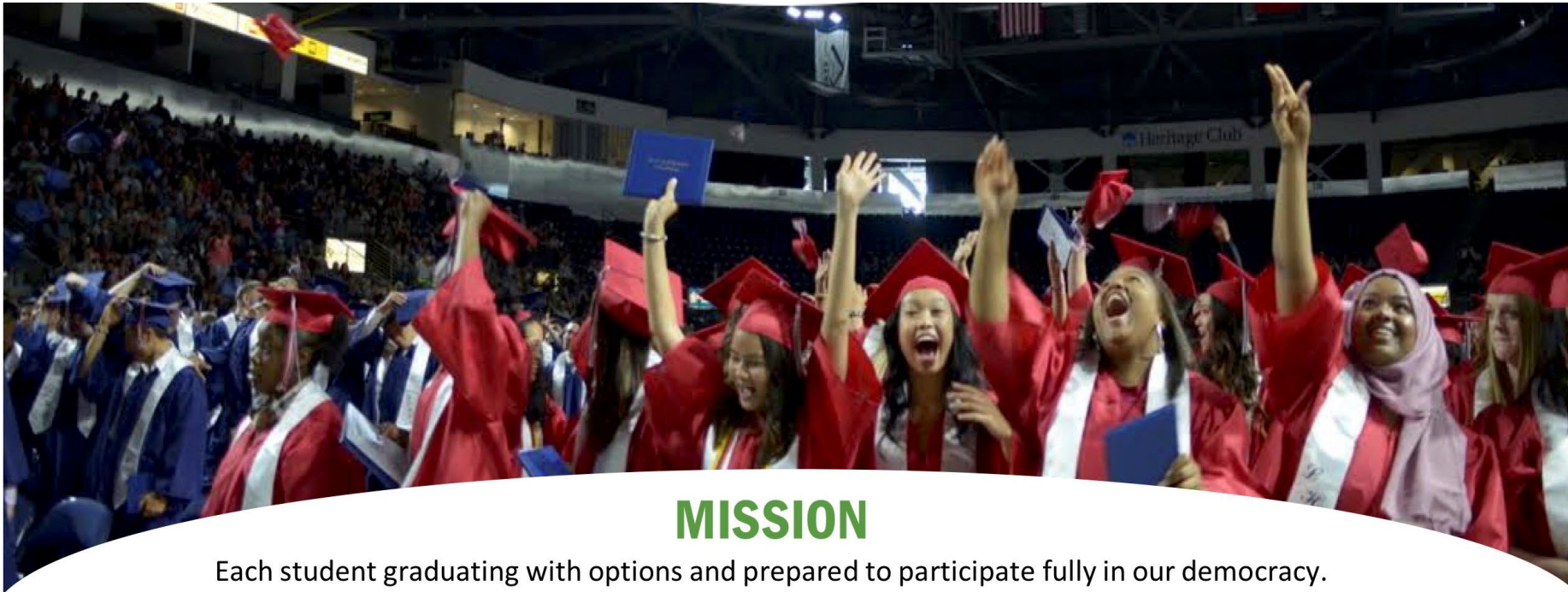


A photograph of a large, multi-story brick building, likely a school or institutional structure. The building features a prominent entrance with a set of stairs and a small arched portico. There are several windows with decorative elements. A large tree is in the foreground on the left, and a smaller tree is on the right. The sky is blue.

# Topics

1. Mission and Core Values
2. Budget Priorities Aligned With The District's Strategic Framework
3. Enrollment Update
4. Legislative Session Outcomes
5. Revenue Projections
6. Expenditure Projections
7. Budget Reductions
8. Fund Balance
9. Budget Trends





## MISSION

Each student graduating with options and prepared to participate fully in our democracy.

## 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

# Budget Priorities Aligned With The District's Strategic Framework

## 2019-2020 District Strategic Framework



## 2020-21 Aligned Budget Priorities

### Family & Community Engagement

- Expand quality early learning opportunities for pre-school aged students
- Engage Families and our communities to increase regular on-time attendance

### Excellence in Learning & Teaching

- Implement differentiation and inclusive teaching practices to promote equitable learning opportunities for all students.
- Ensure students identify a post-secondary pathway and support team in creating a plan to achieve their goals

### Removing Barriers & Supporting Students

- Support students in developing the social-emotional skills necessary to increase meaningful learning and engagement in the school community
- Provide safe, welcoming schools for all students, families, staff, and community

### Family & Community Engagement

- Maintain family and community outreach
- Committed to early learning

### Excellence in Learning & Teaching

- Recruit and hire qualified classroom instructional staff
- Support professional development efforts
- Migrate towards State class size targets with K-3 at 17:1
- Provide enhancements to support RIZ work (+1 CIS, +1 CLS)
- Resource post-secondary pathways

### Removing Barriers & Supporting Students

- Invest in social-emotional supports
- Meet State MSOC requirements
- Improve safety and security in our schools



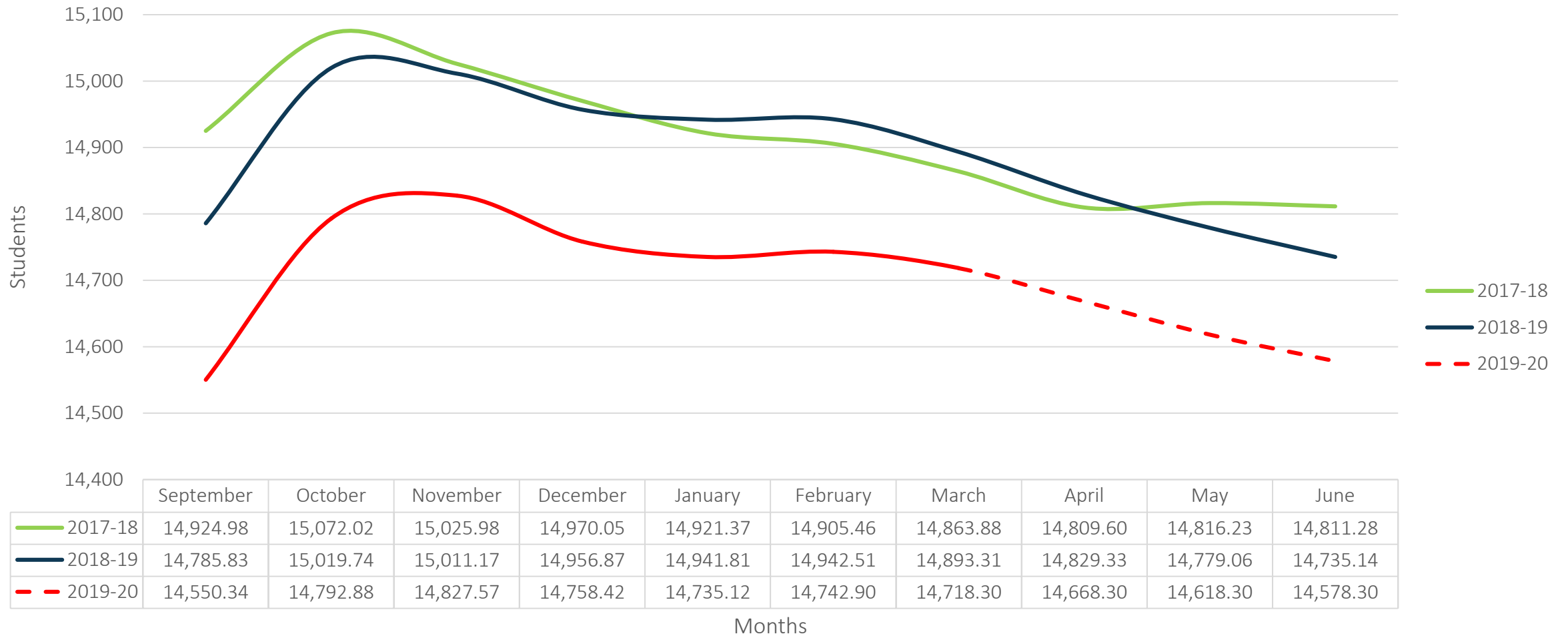
# Enrollment Update

Current student enrollment and its impact on financial outcomes



# Full-Time Equivalent (FTE) Enrollment Trend Update

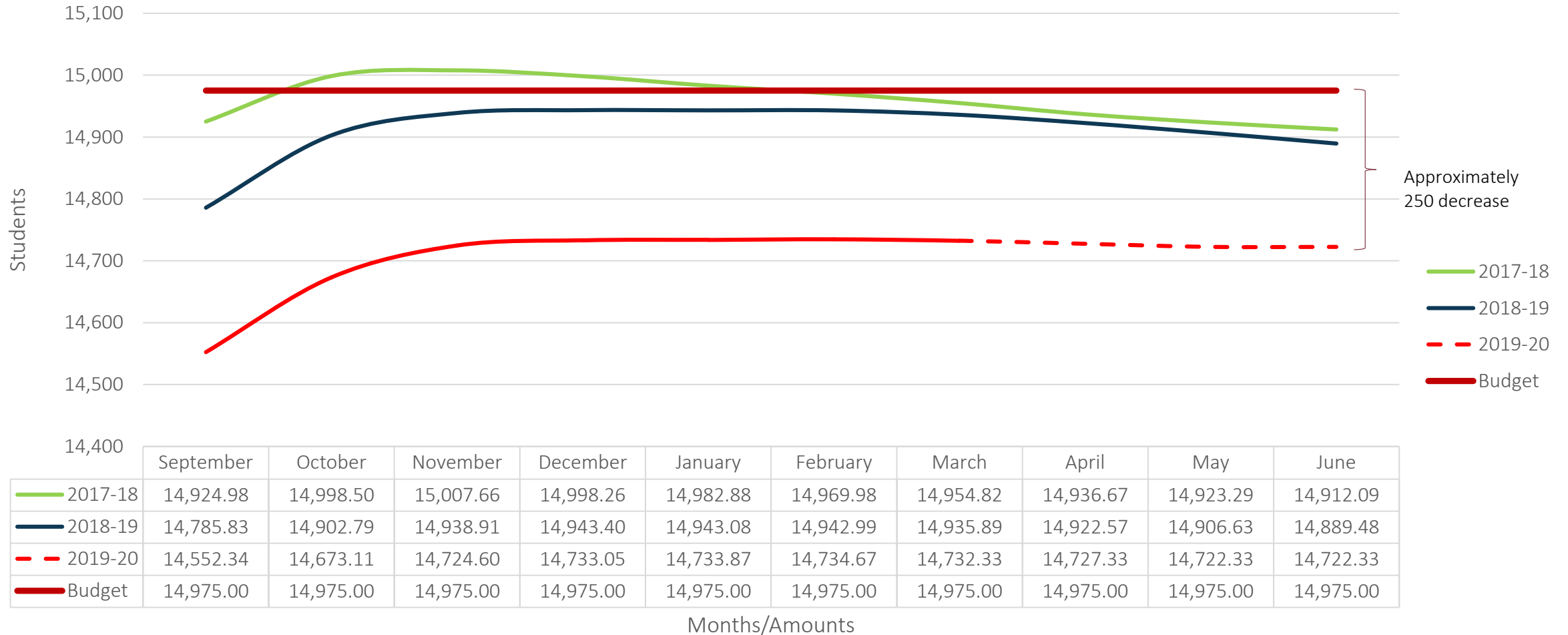
Three Fiscal Years



\* Data excludes the Alternative Learning Education (ALE), Running Start, and Open Doors programs.

# Annual Average Full-Time Equivalent Trend (AAFTE)

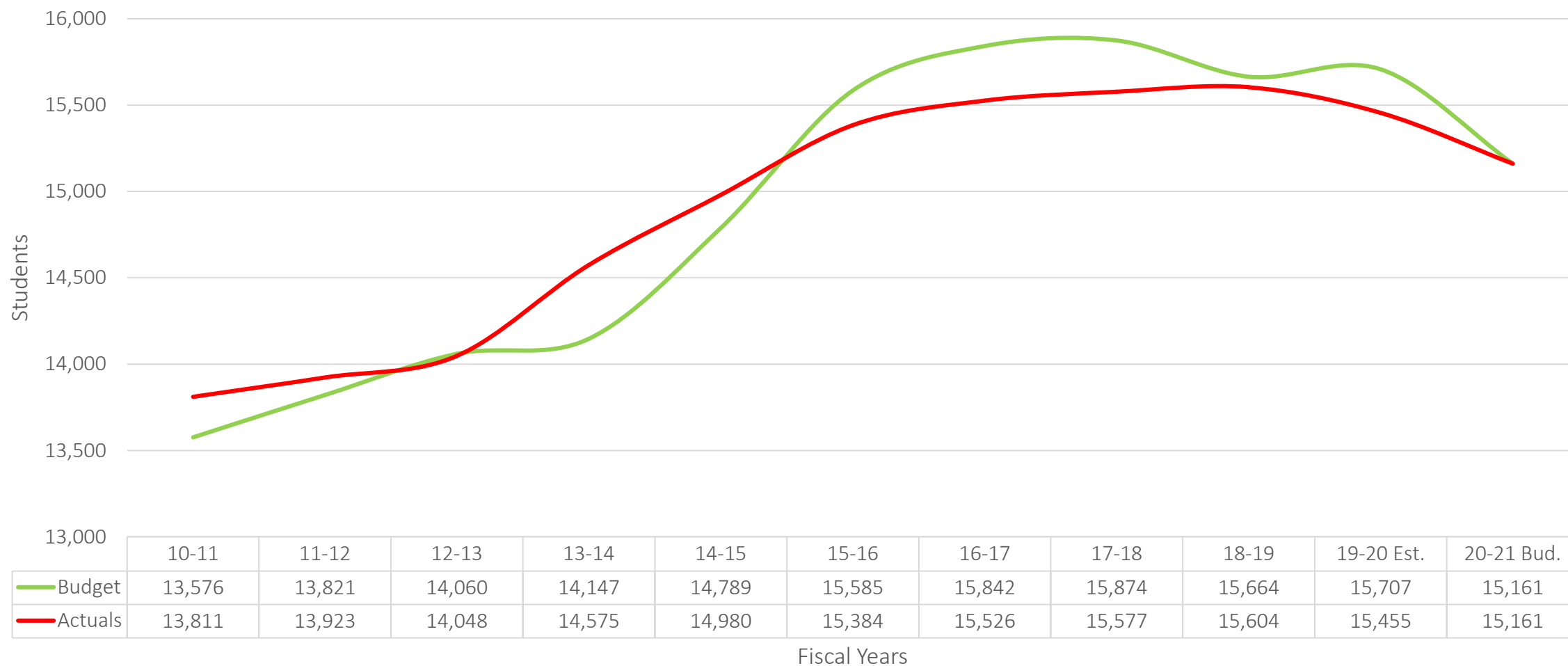
Three Fiscal Years + 2019-20 Budgeted AAFTE



\* Data excludes the Alternative Learning Education, Running Start, and Open Doors programs.

# Full-Time Equivalent (FTE) Enrollment Linear Trend

Through Fiscal Year 2019-20



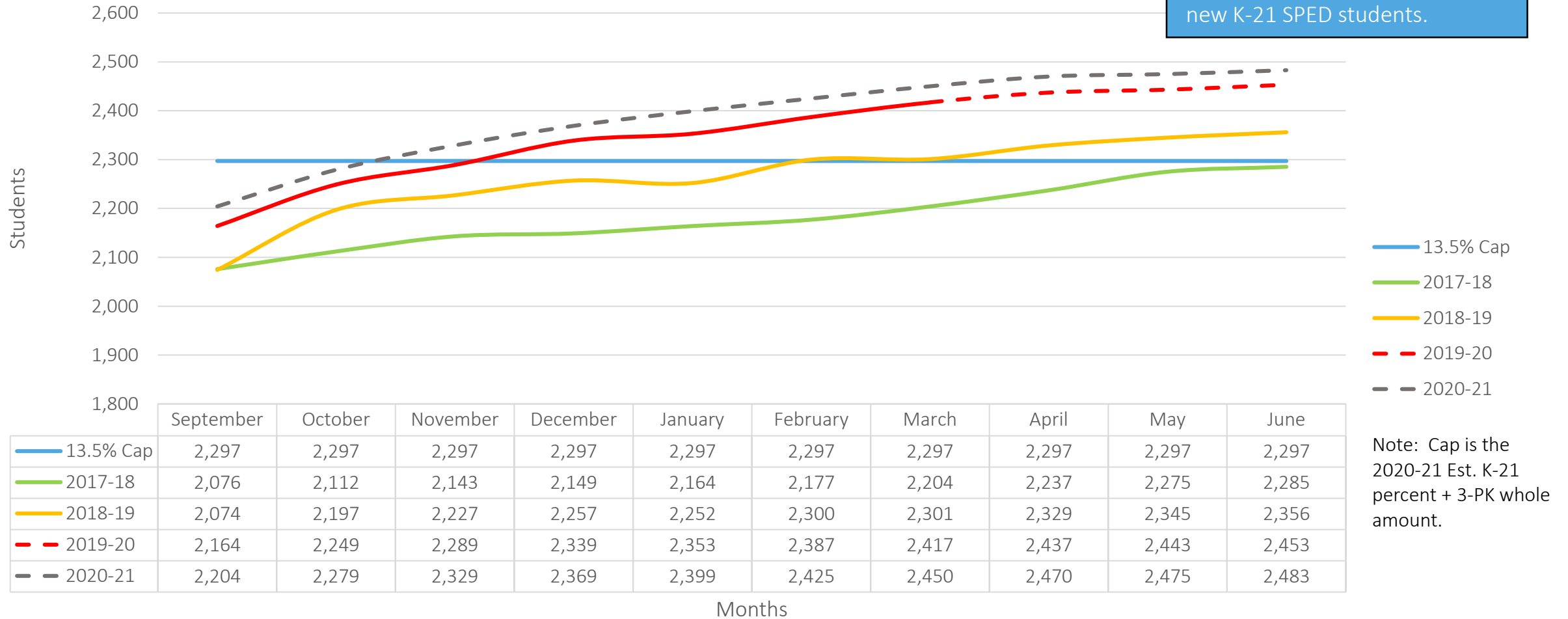
\* Data includes all programs.



# Special Education

## Ages 3-21 Full-Time Equivalent (FTE) Enrollment Trend Update Three Fiscal Years

Under current distribution rules, the District will not receive additional excess cost funding or new K-21 SPED students.



# Legislative Session Outcomes

What significant changes came out of  
the 2020 legislative session



# 2020 District Legislative Priorities



- **Local Levies** - We encouraged the Legislature to increase local option levy limits to \$3,500 per student and \$3.50 per/\$1,000 of assessed value for all districts for essential local programs.
- **Special Education** - For Renton School District and at the time, approximately \$7.5 million (16.6%) of our local levy was dedicated to supporting unfunded special education requirements. We urged the Legislature to provide additional funding to eliminate the current special education funding gap.
- **School Employees Benefits Board (SEBB)** - We encouraged the Legislature to revise funding formulas for unfunded SEBB cost increases imposed on local levies.
- **Preschool** - We urged the Legislature to expand early learning opportunities for all students, but especially low-income children (up to 200% of the Federal poverty guidelines), ages 3-4, and allow K-12 schools flexibility to participate in the delivery of these services.
- **Funding Formula** – We urged the Legislature to fund a more realistic model consistent with quality education standards.



# 2020 Legislative Funding Changes That Impacted Renton



- **Local Levies** - Unchanged
- **Special Education** – Slight increase for special education students that remain in a less restrictive environment for a minimum 80% of their day.
- **School Employees Benefits Board (SEBB)** – Equal reductions in the funding rate and premiums.
- **Preschool** – (0-2) Student services were reassigned to the Department of Children, Youth, and Families (DCYF) relieving the District as the service provider.
- **Funding Formula** –
  - a. Salaries increase equal to the Implicit Price Deflator (IPD) measure applied to funded positions
  - b. Inflationary increases on Materials, Supplies, and Operating Costs (MSOC)

# Revenue Projections

Current position interpreting revenue funding for fiscal year 2020-21



# Revenue Projections For Fiscal Year 2020-21

Summary Comparison From February 12 to April 30

- February 12

\$262.4 Million  
(Excluding Capacity)

- April 30

\$262.9 Million  
(Excluding Capacity)



# Property Taxes

Description	2019 for 2020	2020 for 2021
<b>Test #1: Assessed Valuation:</b>	<b>\$2.50</b>	<b>\$2.50</b>
Assessed Valuation	26,987,681,709	27,797,312,160
Projected Growth	Actual	3%
\$2.50 per Thousand	\$67,469,204	69,493,280
<b>Test #2: Per Student Amount:</b>	<b>\$2,563</b>	<b>\$2,627</b>
Applied Enrollment	\$15,577.67	\$15,405.18
Amount Per Student	\$39,917,779	\$40,462,668
<b>Lesser of Test #1 and Test #2</b>	<b>\$39,917,779</b>	<b>\$40,462,668</b>

Description	Fiscal Year Collection Amounts
Fall Collection (46.53%)	\$18,573,743
Spring Collection (53.15%)	\$21,505,908
<b>Projected Total School Year Levy</b>	<b>\$40,079,651</b>

# State Revenues

Description	Fiscal Year 2019-20	Fiscal Year 2020-21
Apportionment	\$130,414,049	\$130,474,066
Special Education Programs	32,249,014	32,849,398
Learning Assistance Programs	7,559,387	7,857,024
Transitional Bilingual Program	4,955,530	5,074,843
Highly Capable Program	491,252	498,810
Career Technical Education Programs	11,392,999	11,443,651
Food Services	104,394	89,705
Transportation	8,063,785	7,594,548
Other	1,932,530	1,998,608
<b>Total</b>	<b>197,162,940</b>	<b>197,880,653</b>

# Federal Revenues

Description	Fiscal Year 2019-20	Fiscal Year 2020-21
Federal Forests	3,000	3,000
Special Education Program	3,556,746	3,233,072
Title I Programs	5,297,892	4,879,242
Other Title Programs	847,781	844,930
Head Start Program	1,090,500	1,173,992
English Language Learners Program	399,052	365,018
Perkins	148,783	146,413
Food Services	4,235,128	4,440,128
Other	1,396,045	1,362,560
<b>Total</b>	<b>16,974,927</b>	<b>16,448,355</b>



# Total Revenue Projections



	2019-20	2020-21	
<u>Revenue Description</u>	<u>Revised Budget</u>	<u>Projected</u>	<u>Difference</u>
Property Taxes	\$39,216,113	\$40,084,651	\$868,538
Local Non-Tax	5,189,929	4,994,741	-195,188
State, General Purpose	148,199,068	148,396,898	197,831
State, Special Purpose	48,963,872	49,483,755	519,883
Federal, General Purpose	3,000	4,500	1,500
Federal, Special Purpose	16,971,927	16,443,855	-528,072
From Other Districts	702,000	895,764	193,764
From Other Entities	987,911	1,741,701	753,790
Other Financing Sources	<u>1,200,000</u>	<u>803,958</u>	<u>-396,042</u>
Total	\$261,433,819	\$262,849,823	\$1,416,004

# Expenditures

Estimated operating costs for the 2020-21 fiscal year in the General Fund





# Expenditure Projections For Fiscal Year 2020-21

Summary Comparison From February 12 to April 30

February 12 Estimate

\$275.7 Million  
(Excluding Capacity)

April 30 Budget

\$270.4 Million  
(Excluding Capacity)

\$5.3 Million Decrease  
From February



# Full-Time Equivalent Staffing Comparison

Description	Fiscal Year 2019-20	Fiscal Year 2020-21
Instructional	1,050.09	1,006.32
Special Education Programs	464.18	443.60
Career & Technical Education Programs	64.89	71.7
Learning Assistance Program	71.98	61.77
Transitional Bilingual Program	36.57	36.44
Federal Programs	28.86	44.79
Districtwide Support	166.91	163.01
Food Services	42.25	42.03
Transportation	102.14	91.25
Other	27.01	25.83
<b>Total</b>	<b>2,054.88</b>	<b>1,986.74</b>





## Staffing Costs Comparison (Salaries and Benefits)

Description	Fiscal Year 2019-20	Fiscal Year 2020-21
Instructional	\$130,951,880	\$127,251,222
Special Education Programs	39,622,304	41,550,295
Career & Technical Education Programs	7,698,705	8,816,762
Learning Assistance Program	7,455,039	7,150,373
Transitional Bilingual Program	4,041,069	4,159,365
Federal Programs	9,999,240	11,593,909
Districtwide Support	17,814,418	18,091,173
Food Services	3,754,238	3,922,030
Transportation	8,642,593	9,868,761
Other	2,714,806	2,729,839
<b>Total</b>	<b>\$232,694,292</b>	<b>\$235,133,730</b>

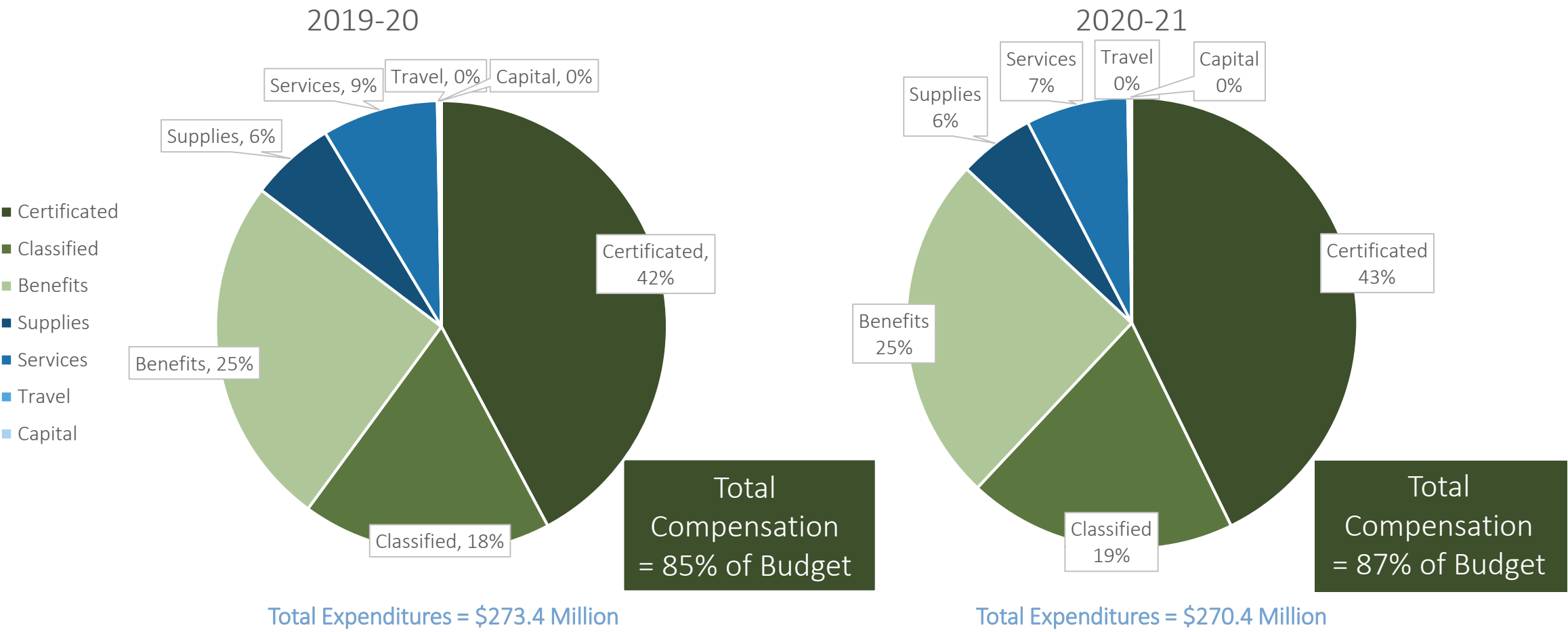


## Materials, Supplies, and Operating Costs (MSOC) (Without Capacity)

Description	Fiscal Year 2019-20	Fiscal Year 2020-21
Instructional	\$10,125,184	\$ 9,043,294
Special Education Programs	1,854,960	319,727
Career & Technical Education Programs	4,109,553	1,960,695
Learning Assistance Program	111,903	468,186
Transitional Bilingual Program	326,576	367,703
Federal Programs	3,560,029	2,646,161
Districtwide Support	12,143,279	12,059,521
Food Services	1,894,462	2,708,667
Transportation	2,934,607	2,888,082
Other	3,628,153	2,861,523
<b>Total</b>	<b>\$40,688,706</b>	<b>\$35,323,559</b>



# Expenditures By Major Object (Without Capacity)



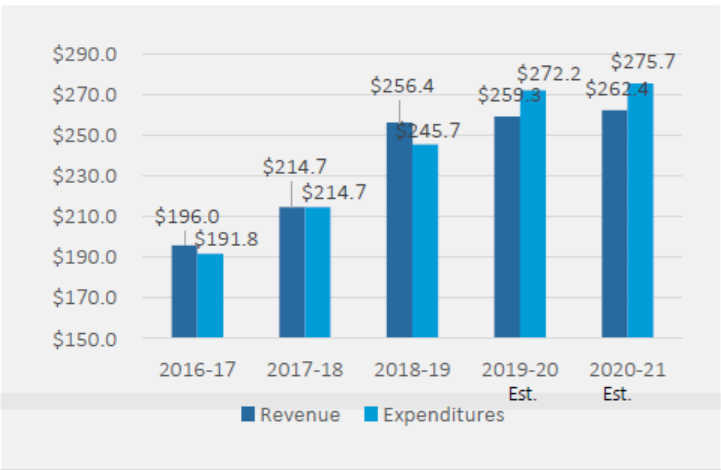
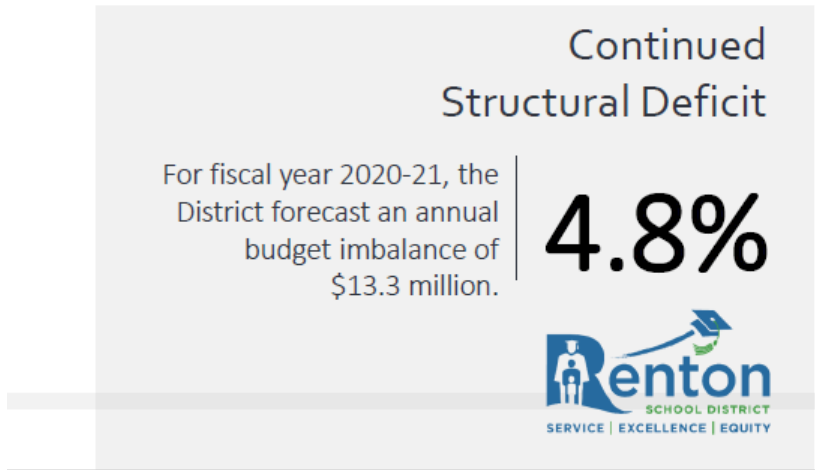
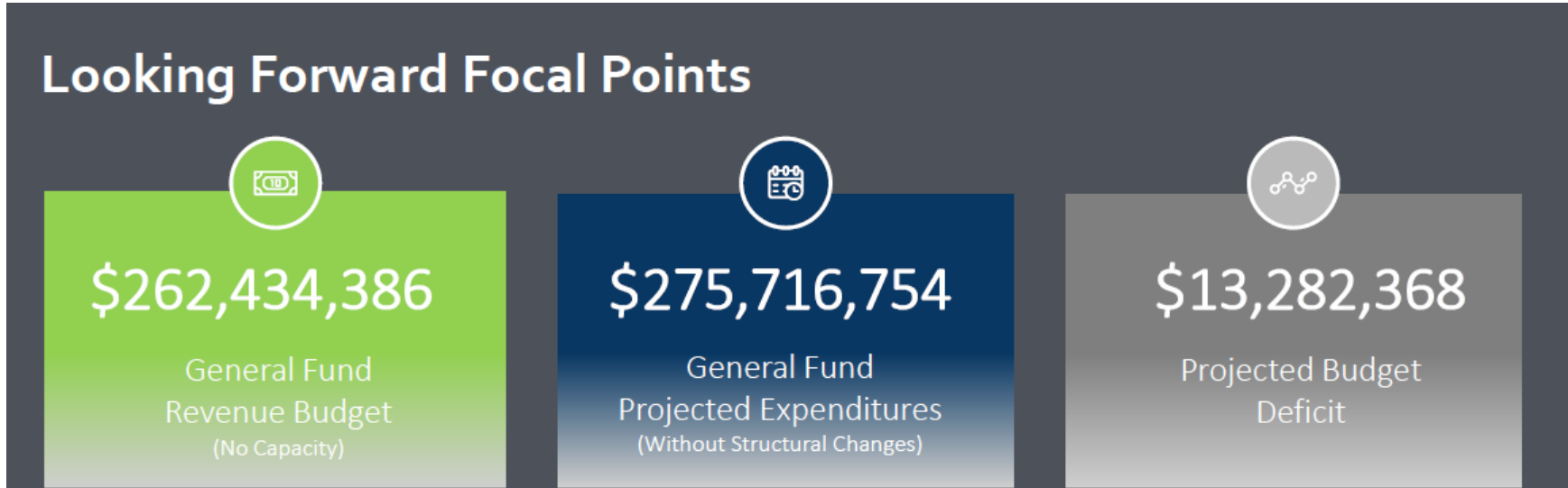
# Budget Reductions

Strategic review and targeted reduction  
in the General Fund





# February 12<sup>th</sup> Projections For Fiscal Year 2020-21



# Budget Reduction Process

## February 2020:

- Budget webpage and survey went live
- Staff presentations at all schools and with all departments
- Community budget meetings at Hazen, Lindbergh, and Renton High Schools
- Department leaders analyzed budgets and staffing
- Analyzed feedback from budget survey

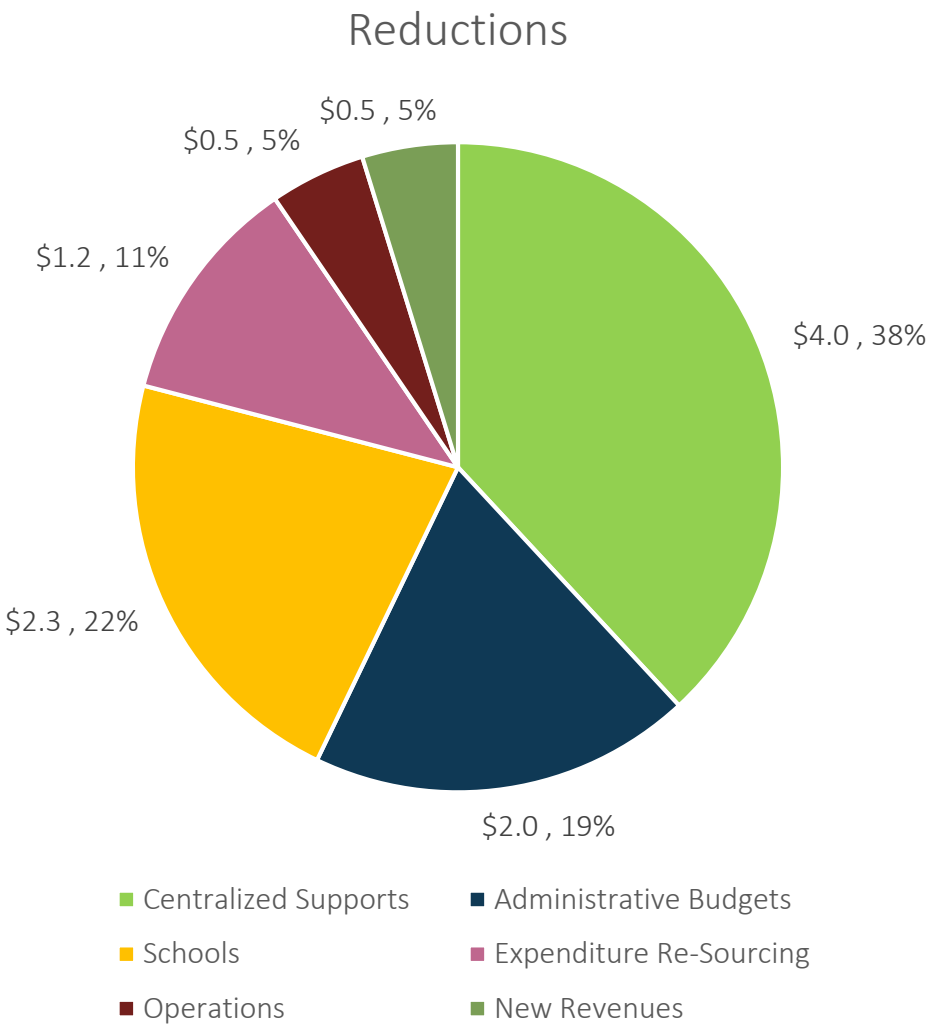
## February/March:

- Worked with Cabinet to determine budget reductions that were aligned to Survey Feedback, Core Values, and Guiding Principles



# Reduction Results Applied To Budget Development

Identified Amounts		
Description	(In Millions)	Percent
Centralized Supports	\$ 4,030,501	38%
Administrative Budgets	2,009,564	19%
Schools	2,279,856	21%
Realignment	1,241,968	12%
Operations	496,000	5%
New Revenues	500,000	5%
Total Adjustments	\$10,557,889	100%

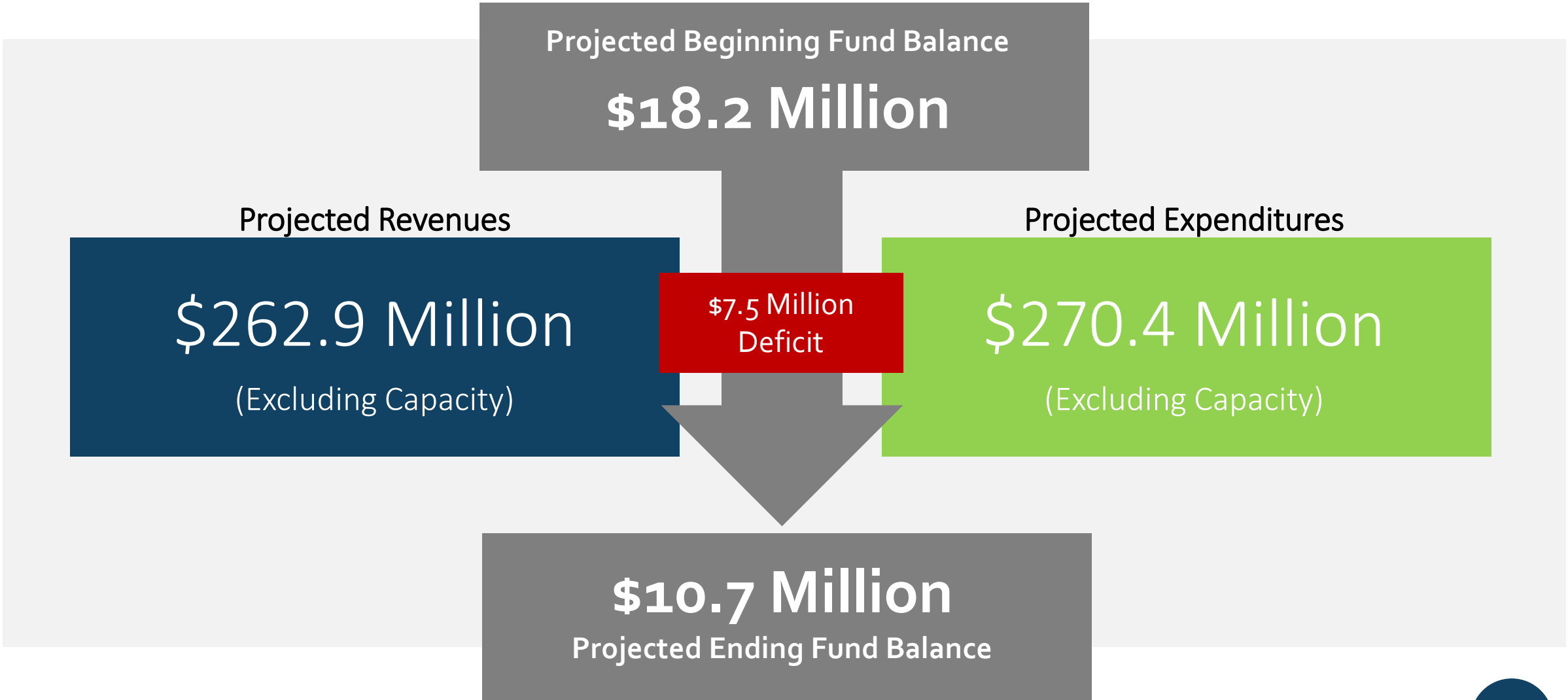


# Fund Balance

Strategic review and targeted reduction  
in the General Fund

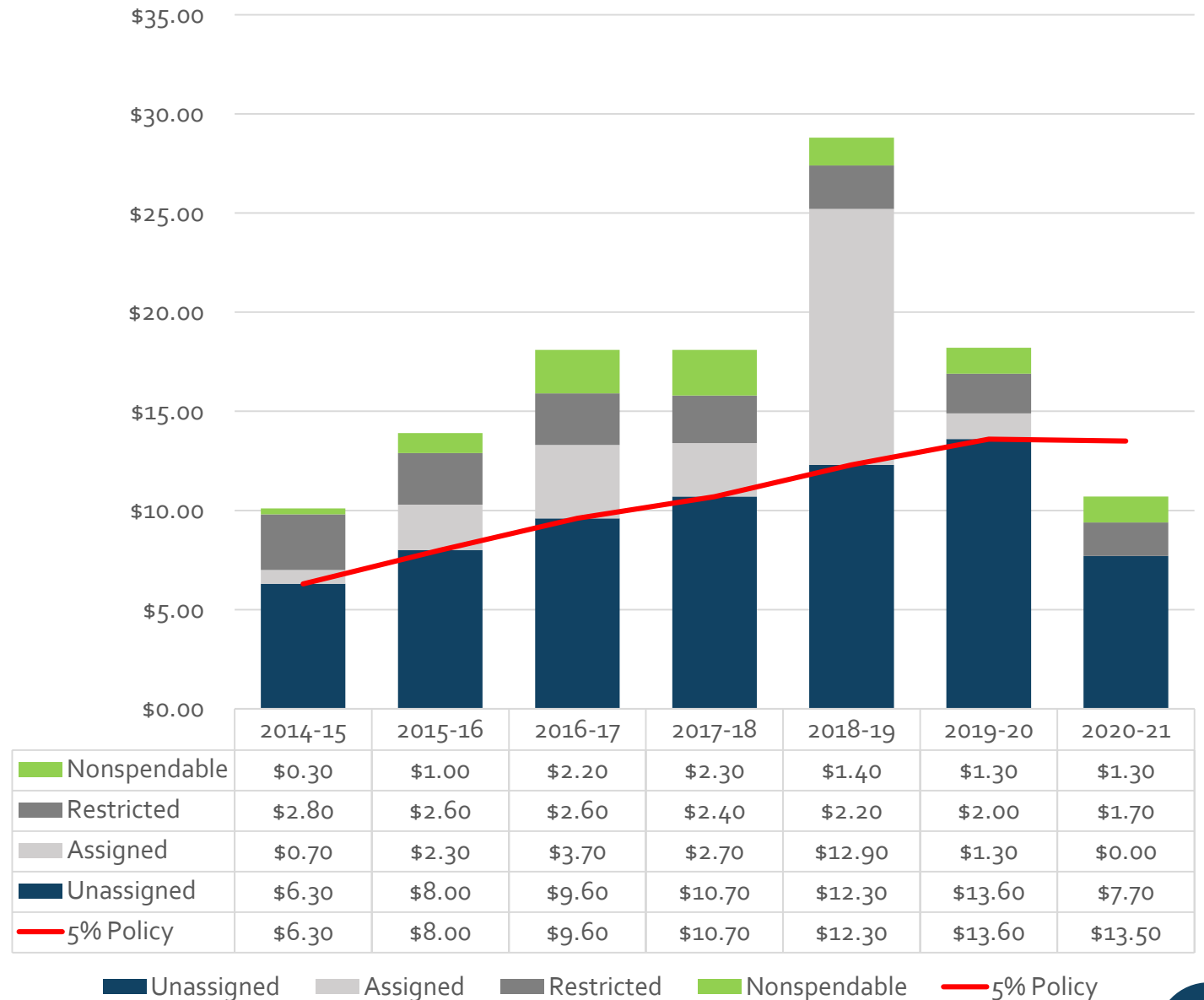


# 2020-21 Financial Projection Summary





# 2020-21 Fund Balance Estimate



# Budget Trends

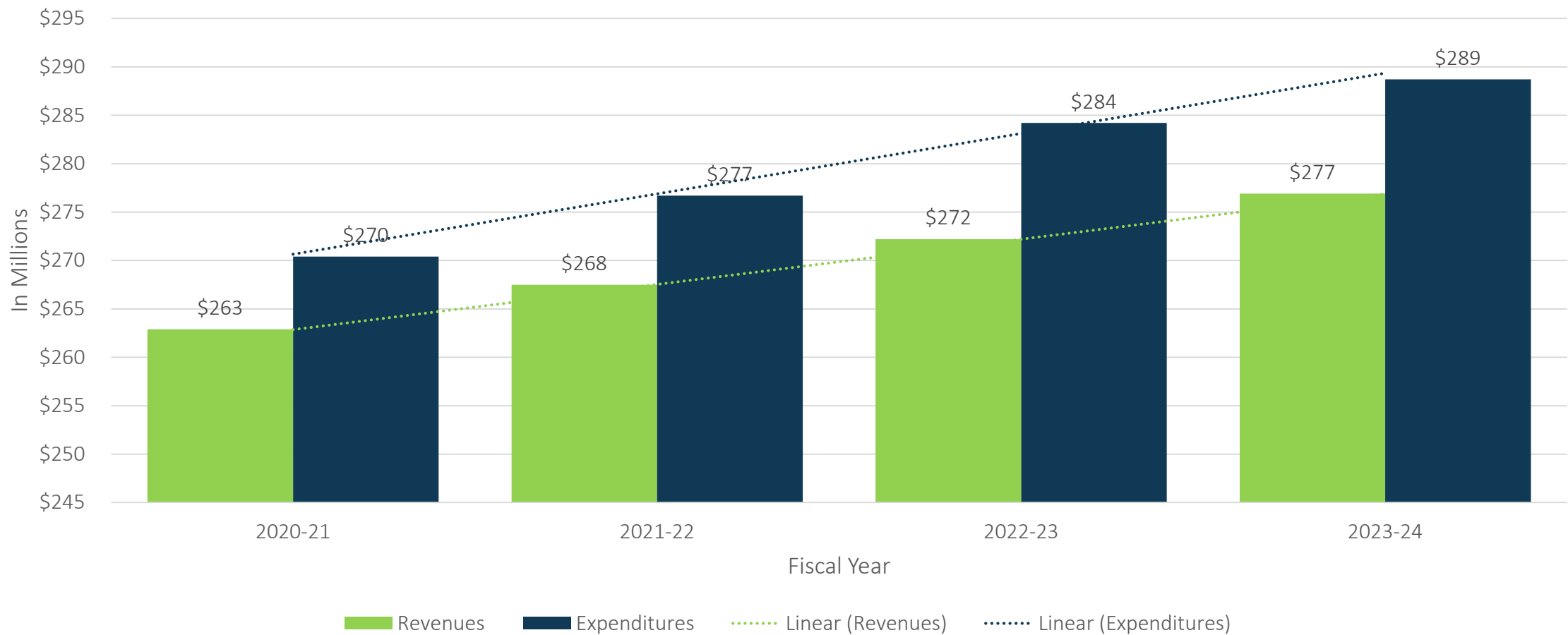
Structural elements of the projected budget that create challenges



# Budget Four-Year Outlook Summary

For School Years 2020-21 through 2023-24

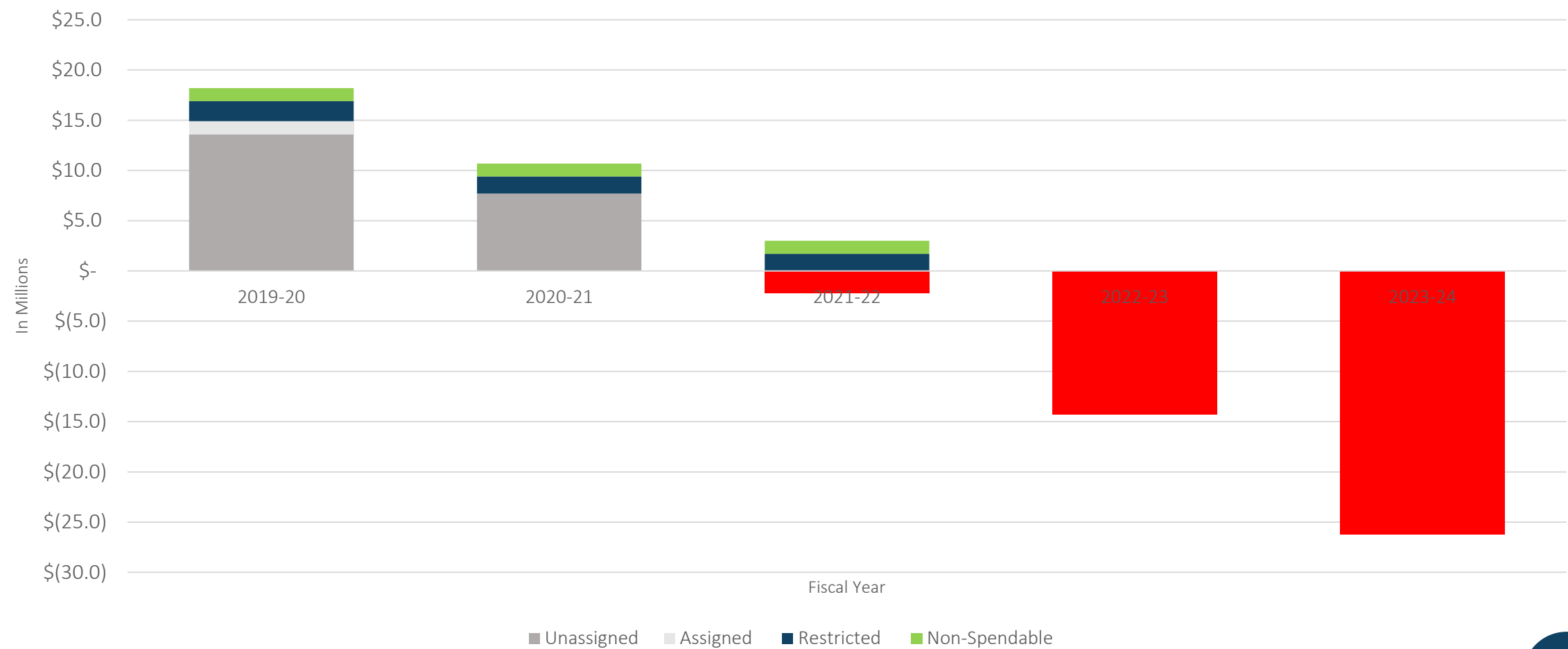
All numbers are estimates as of May 2020



# Fund Balance Four-Year Outlook Summary

For School Years 2020-21 through 2023-24

All numbers are estimates as of May 2020

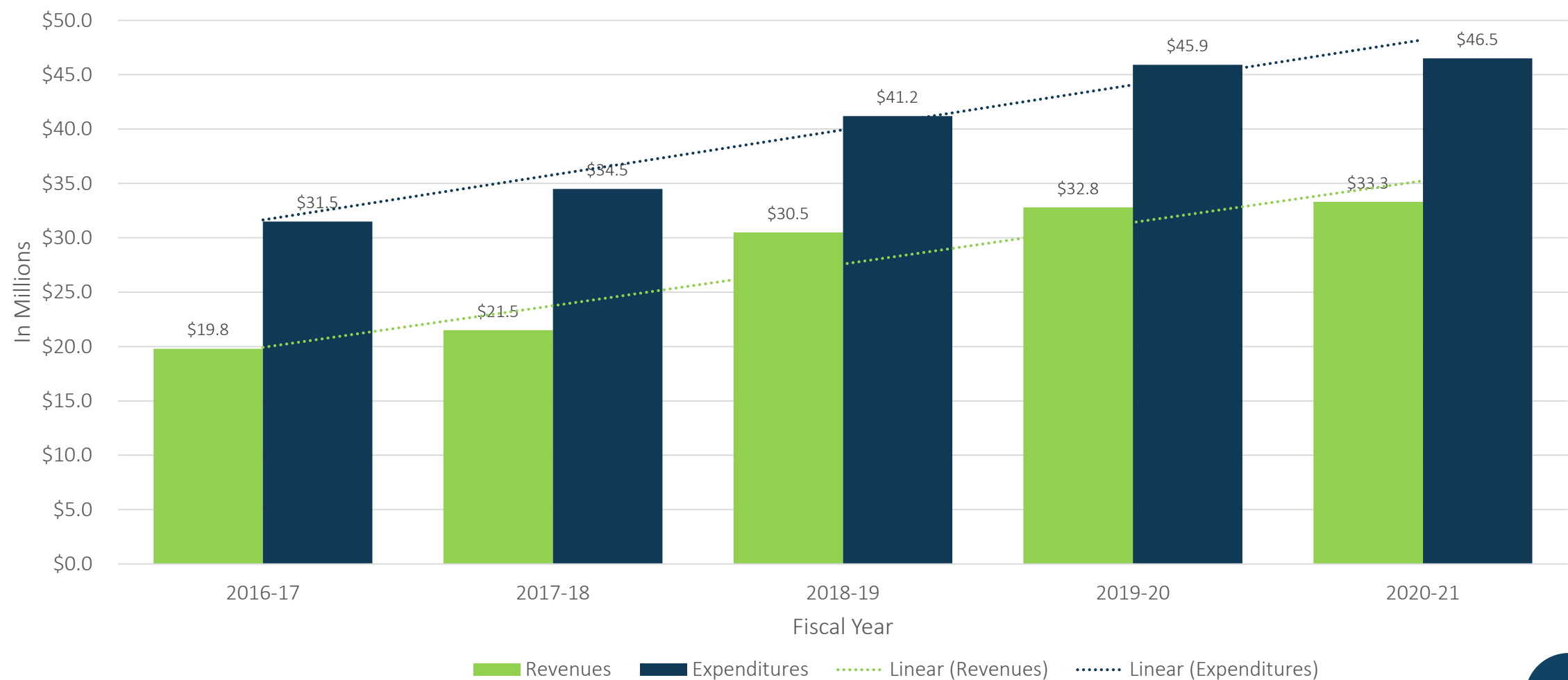




# Special Education Budget Impacts (Non-Federal IDEA) On The Local Levy

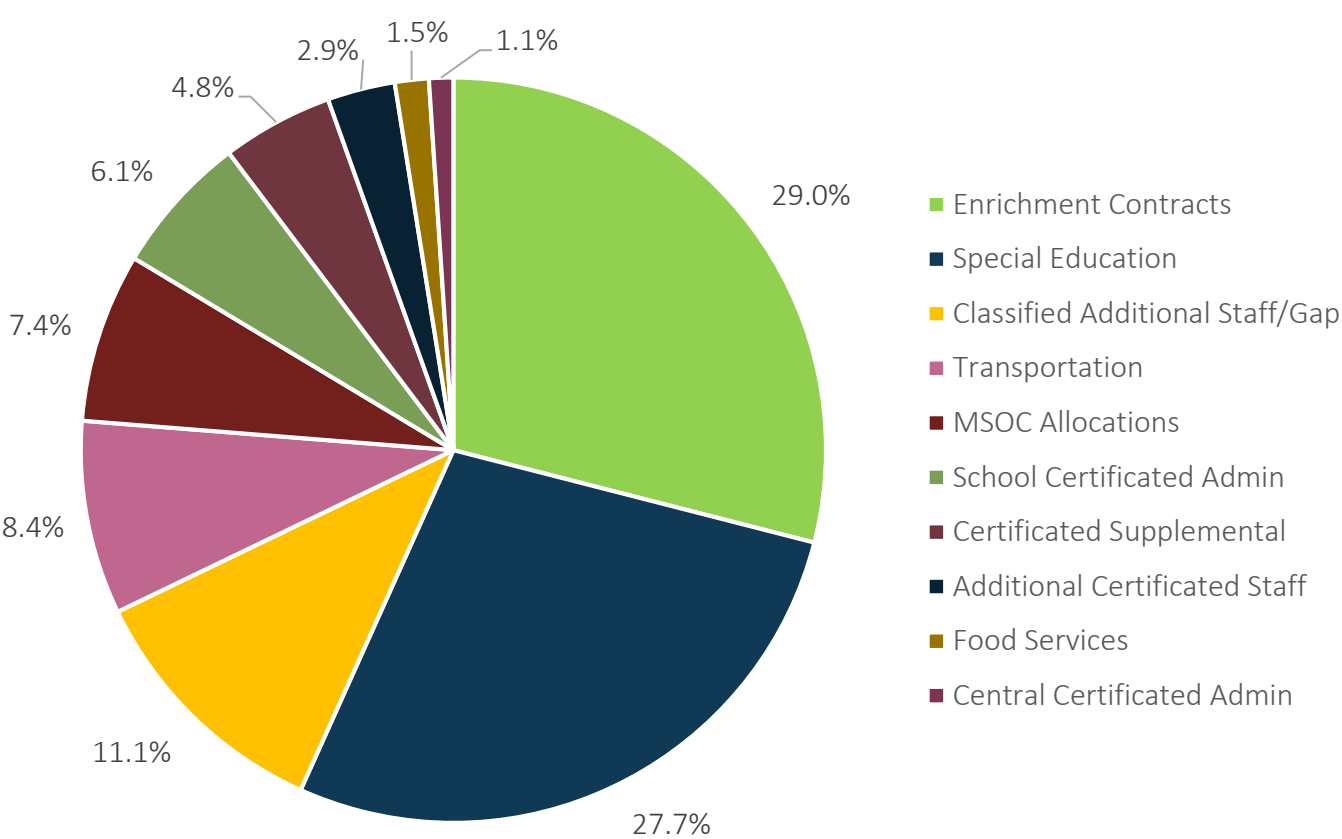
## Includes "o1" Instructional Program – Professional Development Allocations

### For School Years 2020-21 through 2023-24



# Levy and Fund Balance Consumption

Item	Costs (In Millions)
Enrichment Contracts	\$13.8
Special Education	13.2
Classified Additional Staff/Gap	5.3
Transportation	4.0
MSOC Allocations	3.5
School Certificated Admin	2.9
Certificated Supplemental	2.3
Additional Certificated Staff	1.4
Food Services	0.7
Central Certificated Admin	0.5
Total Levy Consumption	\$47.6



Totals reflect levy revenue of \$40.1 and reduction of fund balance amount of \$7.5.

## Budget Development Take-Aways

1. The information contained in this presentation will be used to create official required documents, F-195 & F-195F
2. Continued use of fund balance
3. The District must continue to close the district structural deficit







Thank You

