



2021-22 DISTRICT BUDGET PLAN – ALL FUNDS

Current fiscal year status report and building a foundation for 2021-22

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Topics

Fiscal Year 2020-21

- ✓ Enrollment Trends
- ✓ Budget Status
- ✓ Fund Balance Projection
- ✓ Key Items Affecting Net Position

Fiscal Year 2021-22

- ✓ Financial Context
- ✓ Enrollment Projections
- ✓ Projected Revenues
- ✓ Budget Priorities

The background of the slide is a photograph of Nelsen Middle School. The building is a two-story structure with a brick lower level and a light blue upper level. A large eagle logo is mounted on the blue section above the entrance, with the words "NELSEN MIDDLE SCHOOL" in blue lettering below it. To the left, a brick section features a sign that reads "NELSEN MIDDLE SCHOOL" and "School Picnic June 20". A tall, modern light pole stands to the left of the building. A green diagonal overlay covers the bottom left portion of the image, containing the title and subtitle text.

General Fund Fiscal Year 2020-21

Current mid-year results and an estimate
of year-end expectations.

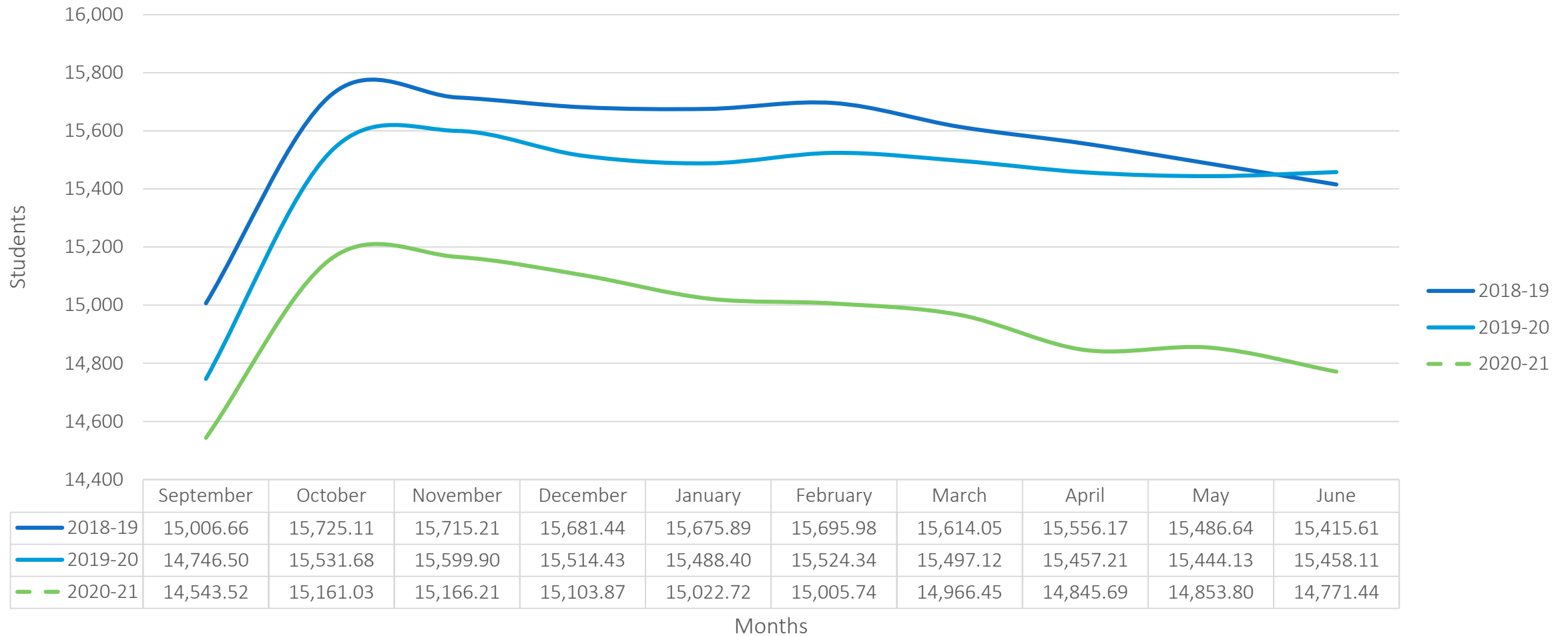
A young girl with dark hair in a ponytail, wearing a pink patterned jacket and a backpack with a cartoon character, is walking away from the camera down a long, brightly lit school hallway. The hallway has white walls, wooden doors, and a carpeted floor. The perspective is from behind the girl, looking down the length of the corridor. The image is overlaid with a dark blue geometric shape on the left side containing the title, and a green bar below it containing the subtitle. A green circle with the number 4 is in the bottom right corner.

Enrollment Trends

Current student enrollment and its impact on financial outcomes

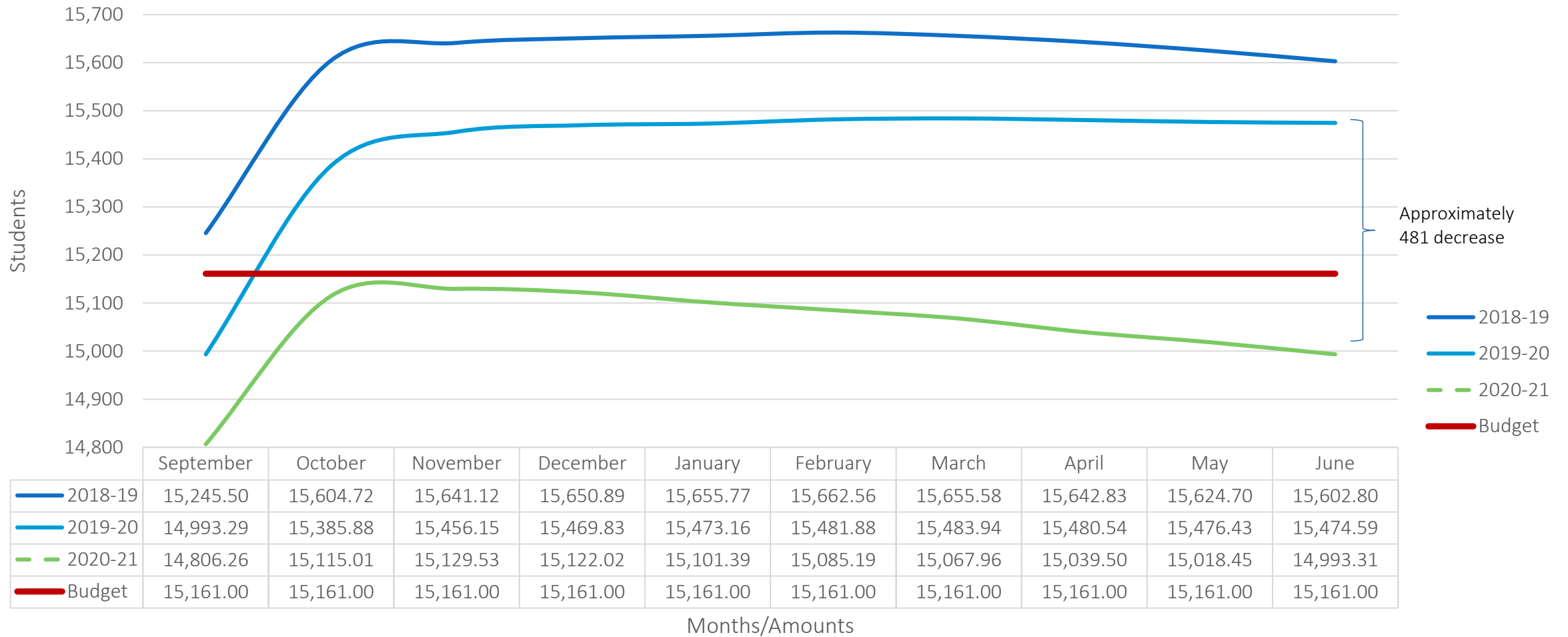
Full-Time Equivalent (FTE) Enrollment Trend

Through Fiscal Year 2020-21



Annual Average Full-Time Equivalent Trend (AAFTE)

Through Fiscal Year 2020-21



Enrollment Take-Aways

- Overall student enrollment decline.
- COVID 19 event has magnified the enrollment decline.
- Future projections are subjective.
- Affects local levy revenues as well as state apportionment.
- The decline continues to interrupt historical patterns of growth.
- Suggests a conservative approach in future budget modeling is warranted.



An approximate 460 student decrease impacted by trended and COVID 19 events.



General Fund Budget Status

An update on the current budget status and a
forecast of a performance trajectory

General Fund Revenue Summary

2020-21

Description	Original Budget	Revised Budget	Projected Activity	Fund Balance Impact
Local Taxes	\$ 40,084,651	\$ 40,084,651	\$ 39,983,804	\$ (100,847)
Local Non-Tax	4,995,741	4,995,741	1,742,947	(3,252,794)
State, General Purpose	148,399,153	150,234,161	147,856,256	(3,377,905)
State, Special Purpose	49,396,826	46,922,413	41,642,020	(5,280,393)
Federal, General Purpose	4,500	4,500	4,500	-
Federal, Special Purpose	16,527,529	19,020,787	19,159,188	138,401
From Other School Districts	895,764	895,764	414,538	(481,226)
From Other Entities	1,741,701	1,727,248	1,702,222	(25,026)
Other Financing Sources	803,959	803,958	633,029	(170,929)
Total Operating Revenues	262,849,824	264,689,223	253,138,504	(11,550,719)
Capacity	8,000,000	6,160,601	-	(6,160,601)
Total Authority	270,849,824	270,849,824	253,138,504	(17,711,320)

Revenue Focal Points



\$264,689,223

General Fund
Operating Budget



\$253,138,504

General Fund
Projected Revenues



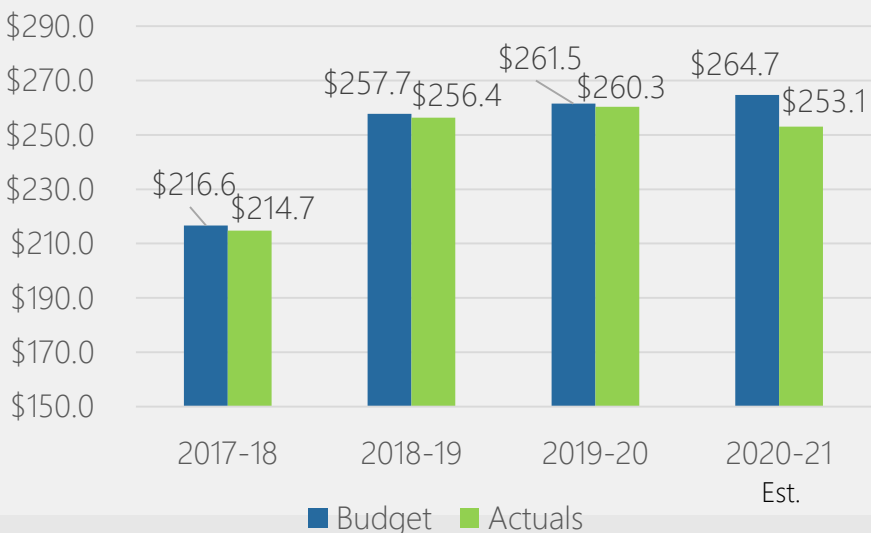
(\$11,550,719)

Revenue Shortfall

Current Year Revenue Shortfall

From fiscal year 2020-21, the District anticipates an annual revenue collections decrease by \$11.5 million.

4.3%



General Fund Expenditure Summary

Description	Original Budget	Revised Budget	Projected Activity	Fund Balance Impact
Certificated Salaries	\$ 114,974,201	\$ 115,611,949	\$ 112,108,168	\$ 3,503,781
Classified Salaries	51,093,755	51,250,087	45,130,579	6,119,508
Employee Benefits and Payroll Taxes	66,878,288	67,388,583	64,242,296	3,146,287
Supplies and Materials	16,939,816	21,622,317	8,989,238	12,633,079
Purchased Services	19,828,993	21,191,591	19,444,209	1,747,382
Travel	381,827	418,515	10,476	408,039
Capital Outlay	222,934	524,235	676,945	(152,710)
Total Operating Expenses	270,319,814	278,008,277	250,601,911	27,405,366
Capacity	8,000,000	312,537	-	312,537
Total	278,319,814	278,319,814	250,601,911	27,717,903

COVID 19 – ESSER Funds (CARES Act)

Revenue and Expenditure Summary

ESSER I	Revenues	Activity	Remaining
Grant (\$ 3,925,007)			
Fiscal Year 2019-20	\$ 1,552,996	\$ (1,552,996)	\$ -
Fiscal Year 2020-21			
Through June	2,372,011	(2,372,011)	-
Remaining thru August	-	-	-
Totals	3,925,007	(3,925,007)	-

Expenditure Focal Points



\$278,008,277

General Fund
Operating Budget
(Net of Capacity)



\$250,601,911

General Fund
Projected Expenditures
(Net of Capacity)



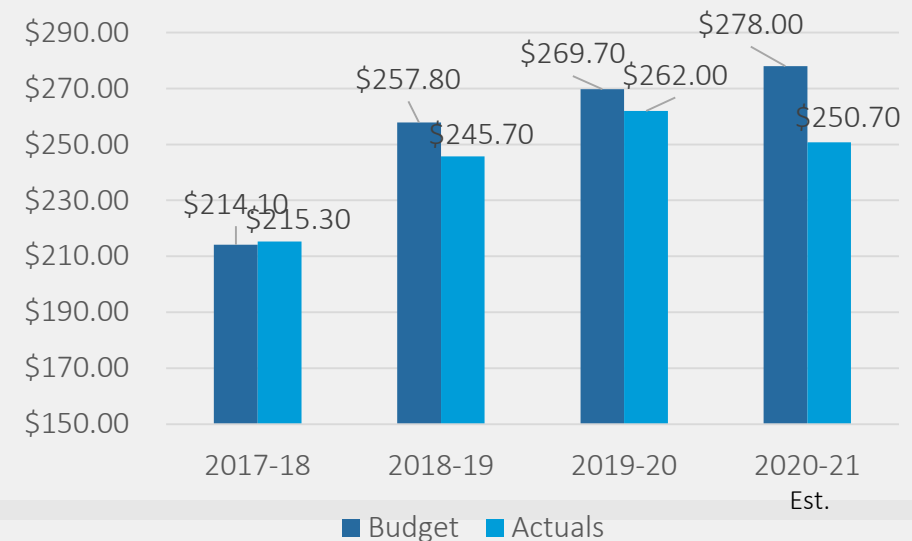
\$27,405,366

Fiscal Expenditure
Plan decrease

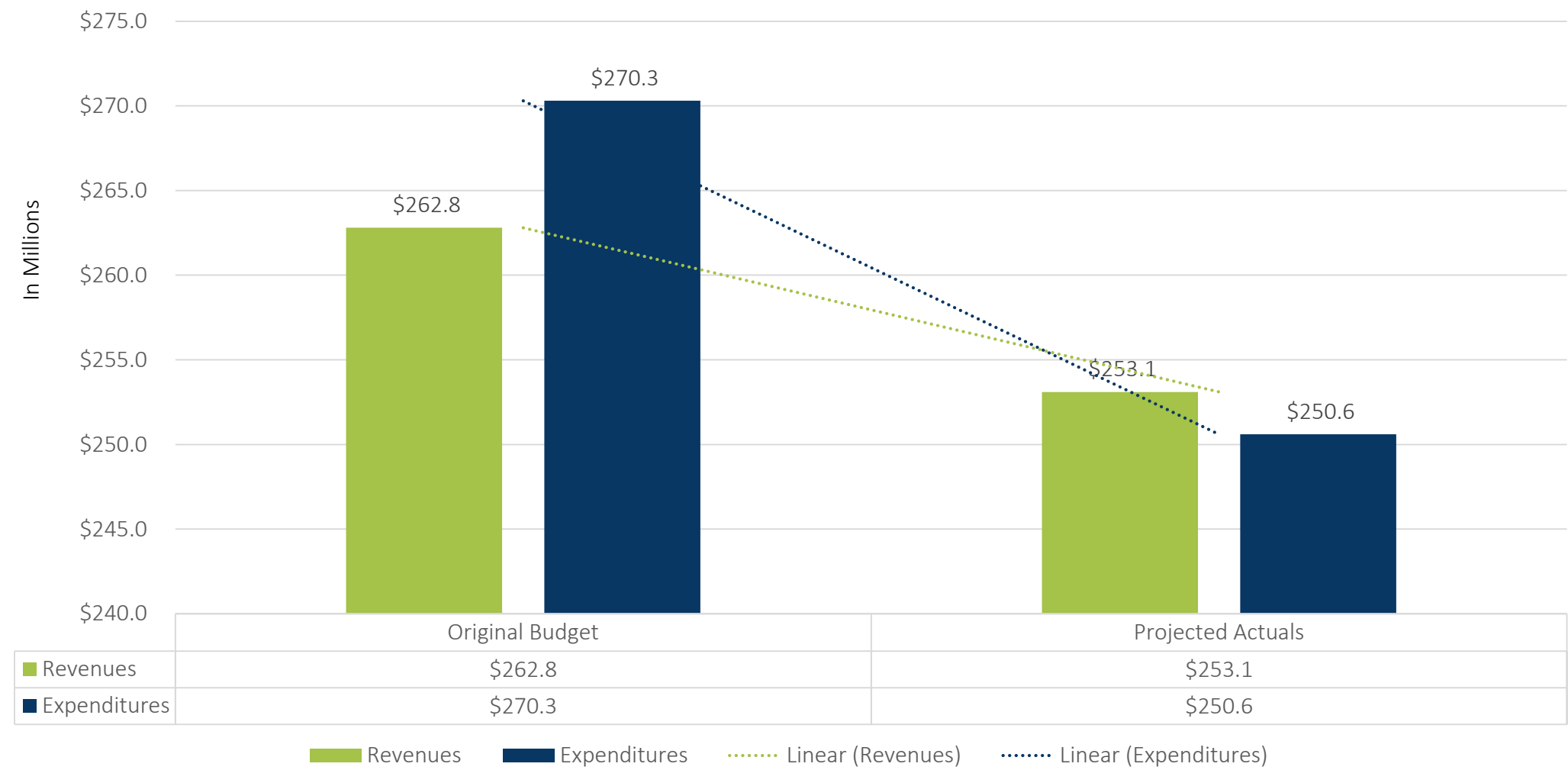
Current Year Expenditure Budget Decrease

For fiscal year 2020-21, the District anticipates an annual expenditure total to decrease by \$27.4 million.

9.9%



Revenues Vs. Expenditures Recap

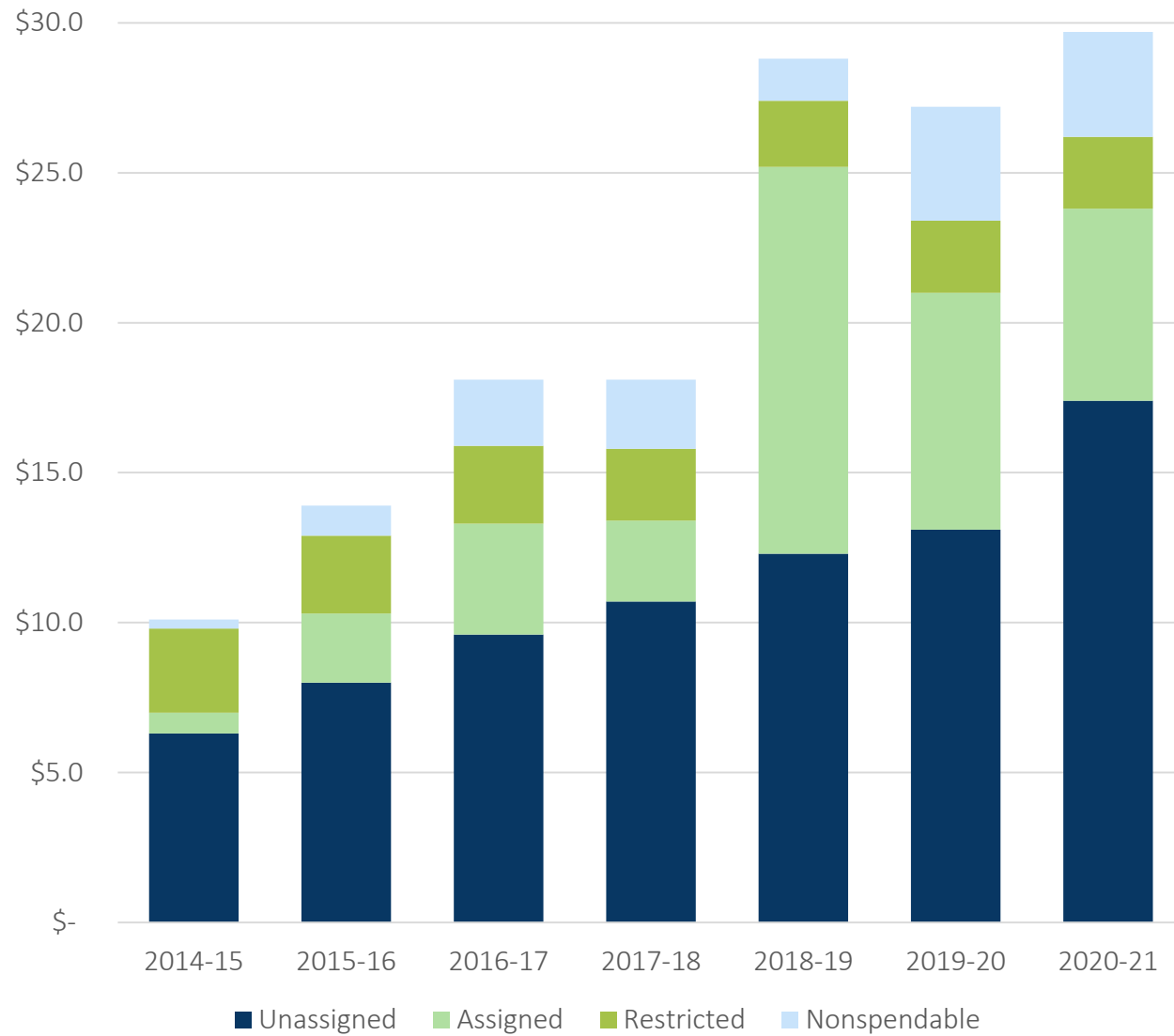


Fund Balance Projections

Impacts on fund balance and resources as they transition from year-to-year

Fund Balance Projection





Fund Balance Year-Over-Year

A \$2.5 million increase
results in a minor
rebalancing of the fund
balance

A photograph of a classroom with several students sitting at their desks. In the background, a whiteboard displays a subtraction problem:
$$\begin{array}{r} 549 \\ + 663 \\ \hline 1212 \end{array}$$
 Below this, it says "Total: 1212" and "Superhero: 1212". The text "Key Items Affecting Net Position" is overlaid on the left side of the image in a large, white, sans-serif font.

Key Items Affecting Net Position

An update on the current budget status and a forecast of a performance trajectory

Key Items Affecting Our District



- 2020-21 Budgeted Structural Deficit (\$7.5 Million)
- COVID 19 Impact Funding:
 - ✓ ESSER II Funds (CRSSA Act) - \$15.2 Million
 - ✓ ESSER III Funds (ARP ACT) - \$34.1 Million
- Schools Reopening
- Student Academic and SEL needs

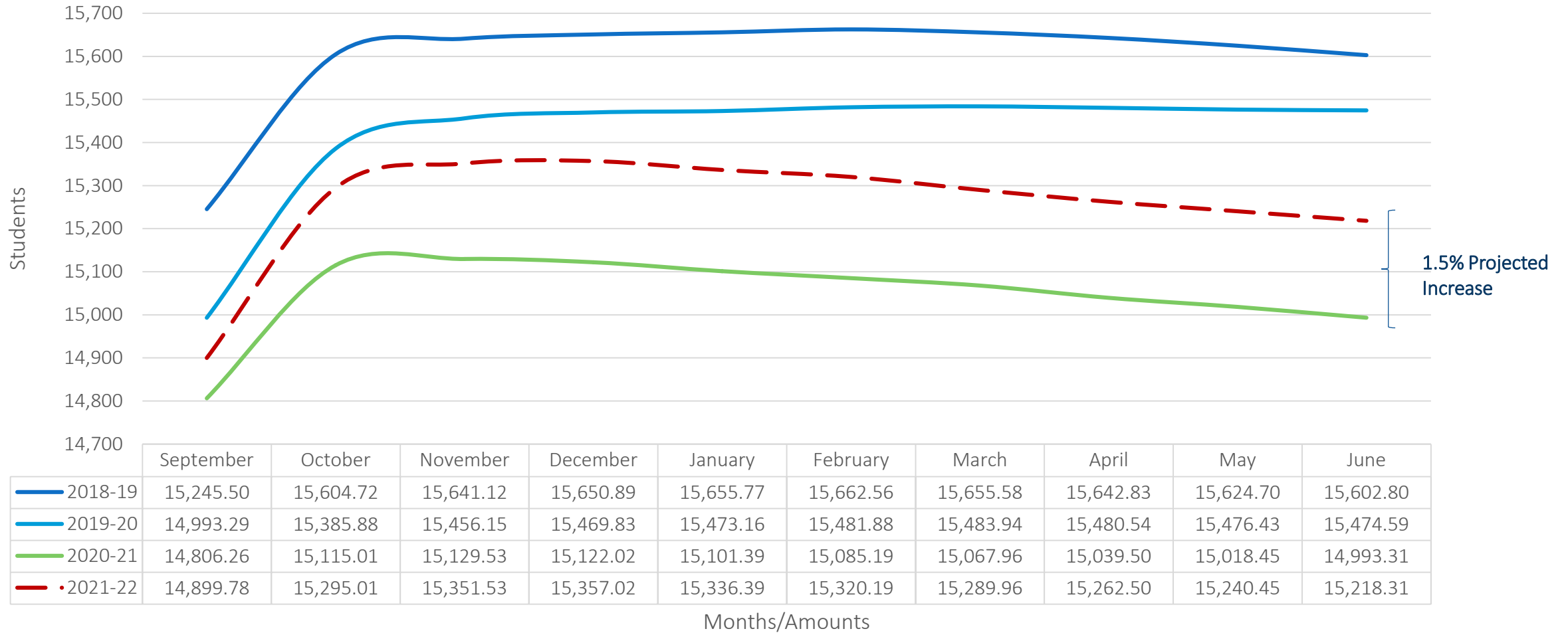


General Fund Fiscal Year 2021-22

A look toward next fiscal and the budget challenges.

Annual Average Full-Time Equivalent Trend (AAFTE)

Projected For Fiscal Year 2021-22



General Fund Revenue Preliminary Estimates

(With Enrollment Adjustments and Without Structural Changes)

Description	2020-21 Budget	Changes	2021-22 Revenue Estimates
Local Taxes	\$ 40,084,651	\$ (63,641)	\$ 40,021,010
Local Non-Tax	4,995,741	(1,005,981)	3,989,760
State, General Purpose	150,814,753	492,210	151,306,963
State, Special Purpose	46,962,020	(1,201,192)	45,760,828
Federal, General Purpose	4,500	500	5,000
Federal, Special Purpose	18,907,272	26,862,975	45,770,247
From Other School Districts	895,764	(262,468)	633,296
From Other Entities	1,724,250	(391,337)	1,332,913
Other Financing Sources	803,958	-	803,958
Total Estimated Operating Revenues	265,192,909	24,431,066	289,623,975
Capacity	5,656,915	2,343,085	8,000,000
Total Authority	270,849,824	26,774,151	297,623,975

General Fund Expenditures Preliminary Estimates

(With Enrollment Adjustments and Without Structural Changes)

Description	2020-21 Revised Budget	Projected Changes	2021-22 Expenditure Estimates
Certificated Salaries	\$ 116,343,642	\$ 5,229,506	\$ 121,573,148
Classified Salaries	51,241,567	2,689,808	53,931,375
Employee Benefits and Payroll Taxes	67,384,389	(1,485,548)	65,898,841
Supplies and Materials	20,202,173	14,552,318	34,754,491
Purchased Services	22,118,644	(1,314,138)	20,804,506
Travel	416,575	(37,778)	378,797
Capital Outlay	524,235	(301,301)	222,934
Total Operating Expenses	278,231,225	19,332,867	297,564,092
Capacity	88,589	7,911,411	8,000,000
Total	278,319,814	27,244,278	305,564,092

General Fund Expenditures Preliminary Estimates

(With Structural Adjustments highlighted)

Description	2020-21 Revised Budget	Balancing Changes	2021-22 Expenditure Estimates
Certificated Salaries	\$ 116,343,642	\$ 5,229,493	\$ 121,573,135
Classified Salaries	51,241,567	2,689,808	53,931,375
Employee Benefits and Payroll Taxes	67,384,389	(1,485,548)	65,898,841
Supplies and Materials	20,202,173	14,552,318	34,754,491
Purchased Services	22,118,644	(1,314,138)	20,804,506
Travel	416,575	(37,778)	378,797
Capital Outlay	524,235	(301,301)	222,934
Capacity	88,589	7,911,411	8,000,000
Balancing Adjustments Needed	-	(7,940,117)	(7,940,117)
Total Operating Expenses	278,319,814	19,304,161	305,564,092

Budget Plan Without ESSER Supplemental Resources



\$260,636,057

General Fund
Revenue Budget
(No Capacity or ESSER)



\$268,576,174

General Fund
Projected Expenditures
(Without Structural Changes or ESSER)



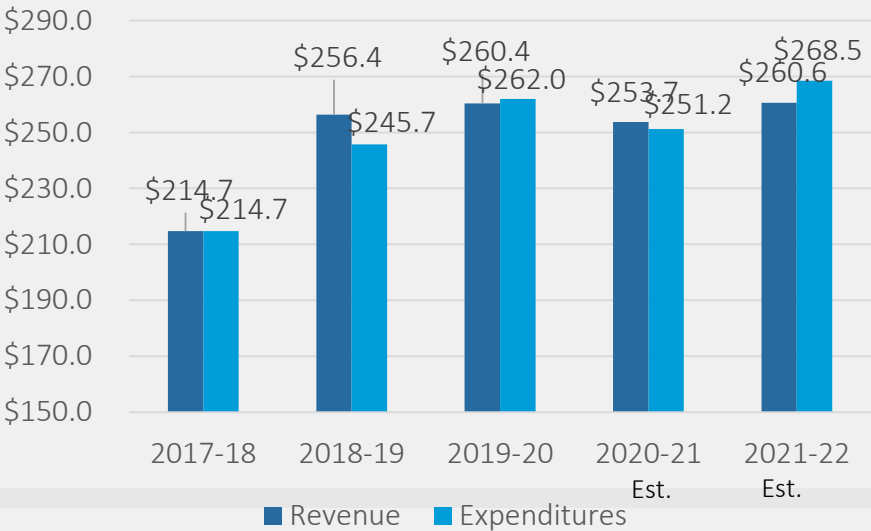
\$7,940,117

Projected Budget
Deficit

Continued Structural Deficit

For fiscal year 2021-22, the District forecasts an annual budget imbalance of \$7.9 million.

3.0%



COVID 19 – ESSER II & III

Supplemental Resources

ESSER II	General Fund	Capital Projects Fund	Total
2021-22	\$ 9,744,979	\$ 3,500,000	\$ 13,244,979
2022-23	426,818	1,500,000	1,926,818
Total	10,171,797	5,000,000	15,171,797
ESSER III	General Fund	Capital Projects Fund	Total
2021-22	14,873,301	-	14,873,301
2022-23	14,873,301	-	14,873,301
2023-24	4,323,398	-	4,323,398
Total	34,070,000	-	34,070,000



Budget Plan With ESSER Supplemental Resources



\$289,623,975

General Fund
Revenue Budget
(No Capacity)



\$297,564,092

General Fund
Projected Expenditures
(Without Structural Changes)

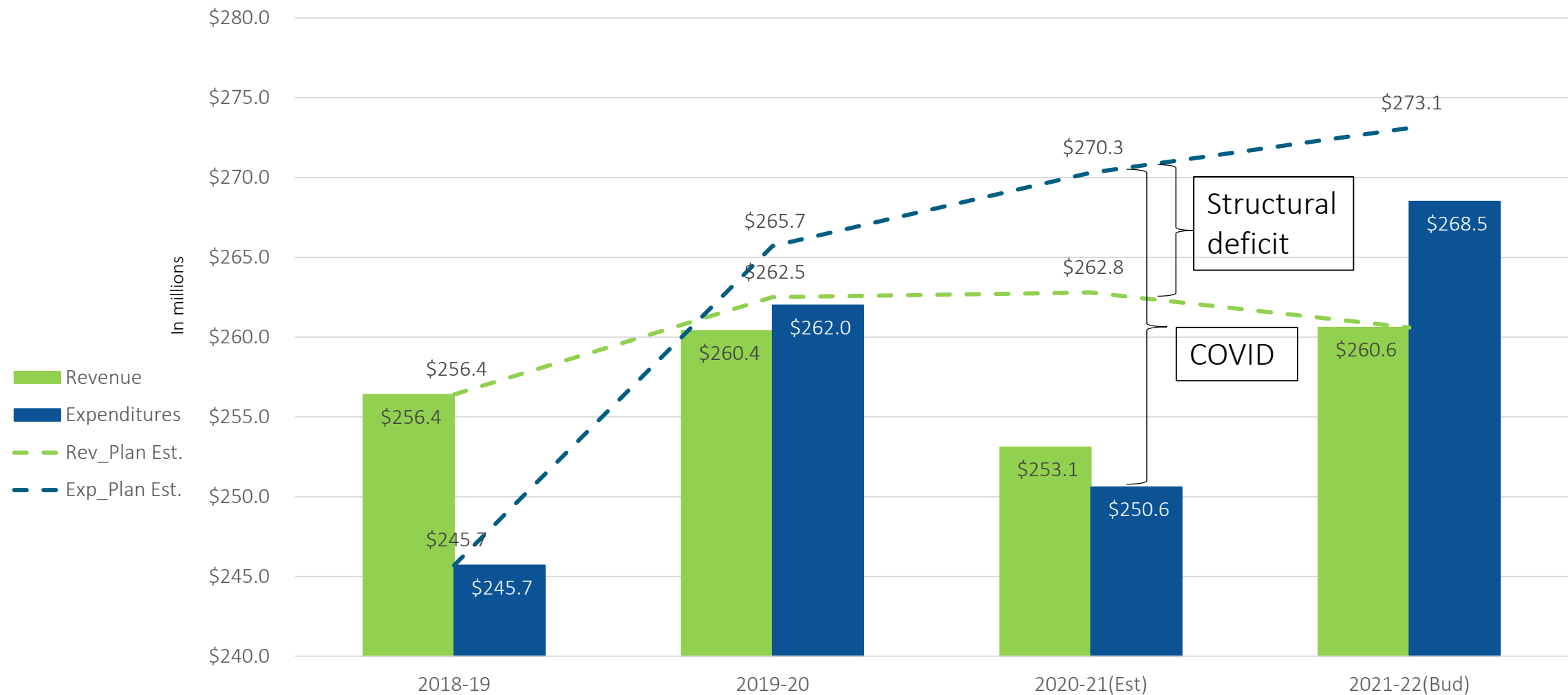


\$7,940,117

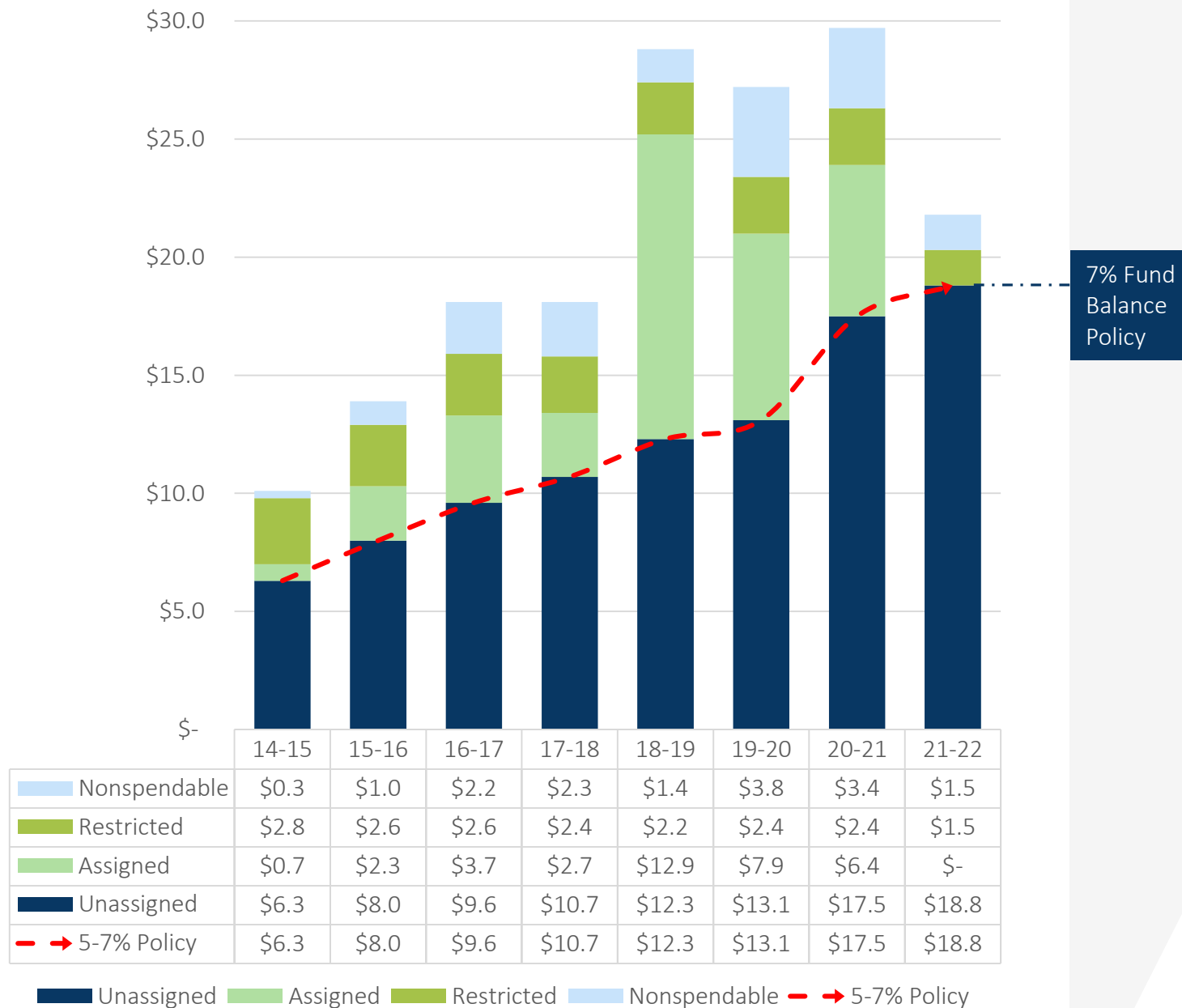
Projected Budget
Deficit

Renton School District

Revenue versus Expenditure History (Actuals vs Plan Estimates)



Note: Does not include ESSER resources

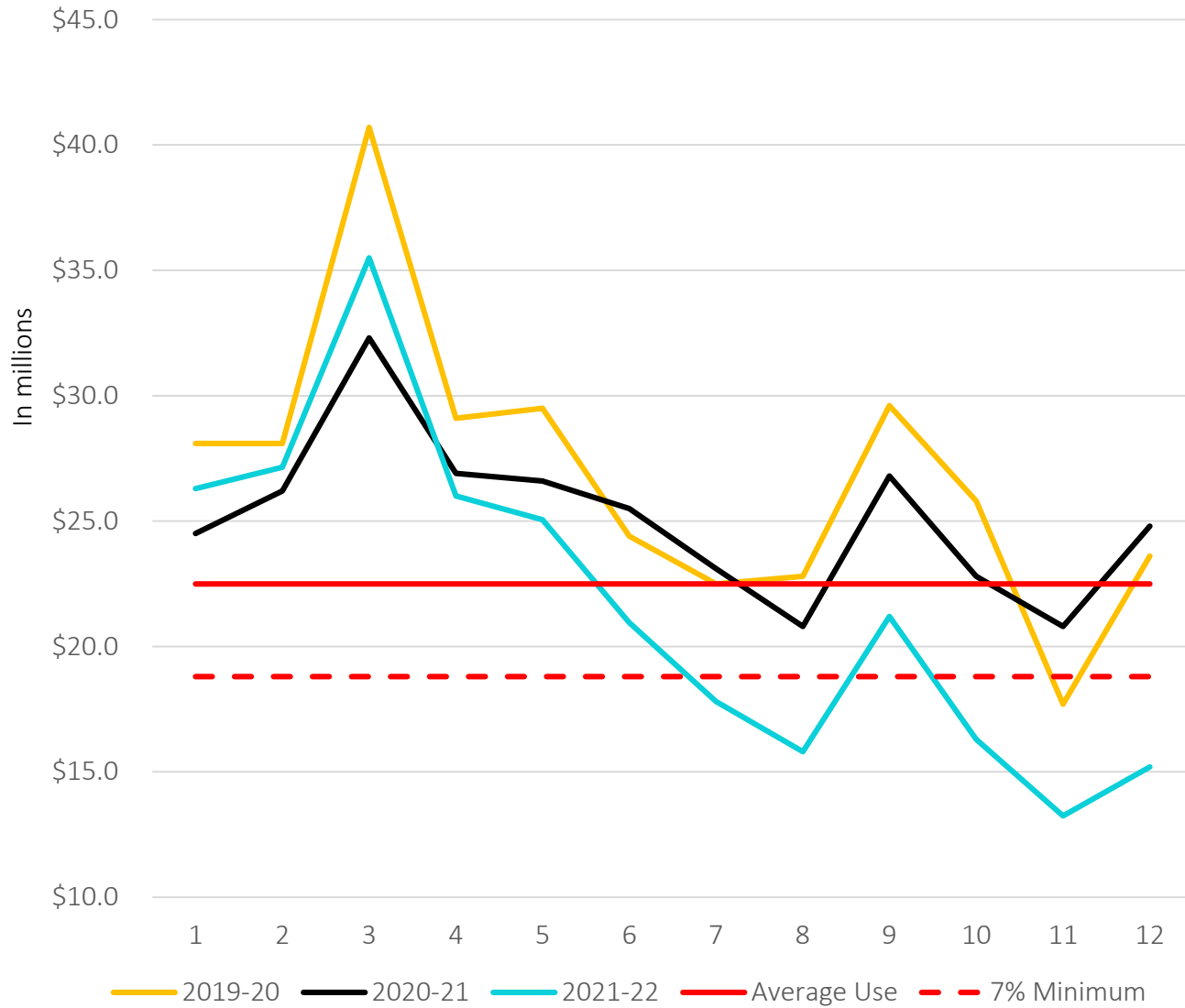


Fund Balance Projection

(Without Structural Changes)

A \$7.9 million deficit results in a significant reduction of the fund balance beyond operational capacity.

(7% Calculation excludes ESSER program expenditures)



Projected General Fund Cash Flow

Decreases in the fund balance drops the average cash balances in the County Treasury



Other Funds Fiscal Year 2021-22

Financial plans for other operating funds
in the District.

Capital Projects Fund

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities.

Description	Amount
Beginning fund balance	142,999,483
Projected revenues	104,729,440
Projected expenditures	(170,084,060)
Transfers to the General Fund	(800,000)
Ending fund balance	\$ 76,844,863

Note: The transfer to the General Fund is Technology Levy supporting software licensing for instruction.

Debt Service Fund

Debt service funds account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

Description	Amount
Beginning fund balance	\$ 16,401,129
Projected revenues	33,947,700
Projected expenditures	31,463,438
Ending fund balance	\$ 18,885,391

Associated Student Body (ASB) Fund

The Associated Student Body Fund is considered a Special Revenue Fund. Its purpose is to account for the proceeds of student body revenue sources that are legally restricted to expenditures for the student body.

Description	Amount
Beginning fund balance	\$ 987,605
Projected revenues	624,677
Projected expenditures	1,118,549
Ending fund balance	\$ 493,733

Transportation Vehicle Fund

The Transportation Vehicle Fund is also considered a Special Revenue Fund. Its purpose is to account for the proceeds of vehicle depreciation revenue sources that are legally restricted to expenditures for the purchase of vehicles.

Description	Amount
Beginning fund balance	\$ 2,092,459
Projected revenues	898,362
Projected expenditures	2,092,459
Ending fund balance	\$ 898,362

Next Steps

- July 14, 2021 – Recommendations to the Board and First Public Hearing
- August 11, 2021 – Second Public Hearing and Final Adoption

THANK YOU
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