



2023-24 Budget Development Update - May 2023

An updated view into the budget process and challenges for fiscal year 2023-24.

Topics

2023-24 Budget Development

- ✓ Updated Progress on the Budget Development
- ✓ Updated Beginning Balances Based on Prior Year
- ✓ General Fund Revenues/Expenditures Trajectory Updated
- ✓ Budget Development Fiscal Plan

Updated Progress on the Budget Development (General Fund)

With the closure of the 2023 Legislative Session, we begin to piece together the 2023-24 Budget with updated information.

Balanced Budgeting

A balanced budget occurs when planned revenues match or exceed the amount of planned expenses. The term is applied to government budgets, where revenues are relatively fixed and funding reserves are policy driven, so expense levels must be tightly controlled. A budget surplus arises when revenues exceed expenses, and a budget deficit occurs in the reverse situation.



Governmental accounting equation:

Revenues – Expenditures = Fund Balance

$$(R - E = FB)$$

Budget accounting equation:

Resources - Fund Balance = Appropriations

(Beginning Fund Balance + Revenues)

—

(Ending Fund Balance per 7% Policy)

=

(Expenditures + Transfers)

Managing the Budget – Updates from February

District Actions:

1. Recognizing revenues not included in original budget projections.
2. Shifting staff costs to other appropriate funding sources.
3. Eliminate underutilized budget amounts.
4. Eliminate unnecessary MSOC allocations.
5. Provide new allocations for Hilltop Heritage Elementary.

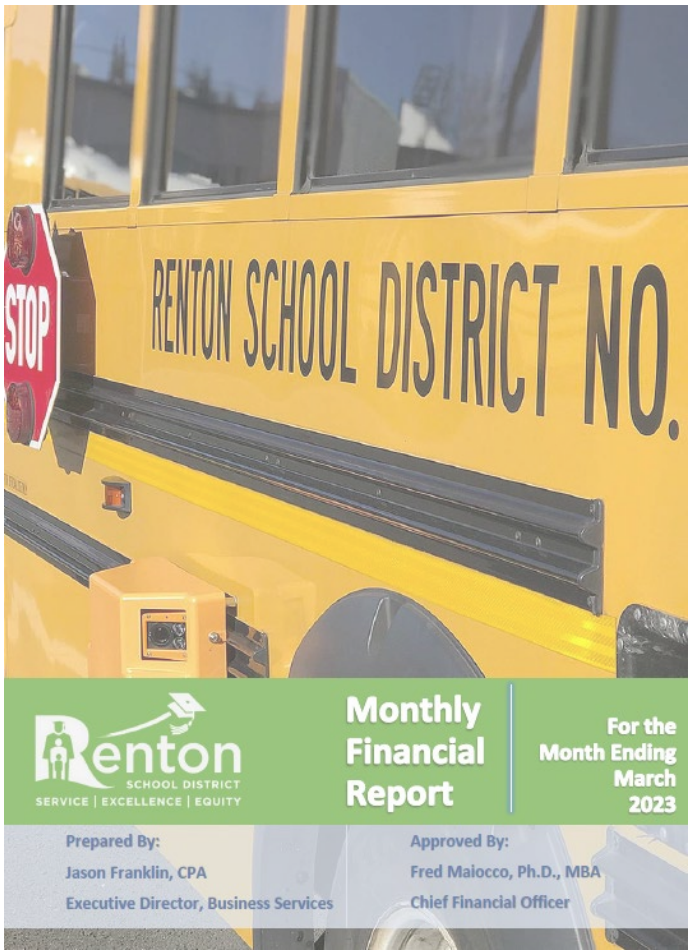
Legislative Actions:

1. Implicit Price Deflator (IPD) funded with a 3.7% increase across programs.
2. Counselor, Nurses, Social Workers, and Psychologists staffing ratio increases.
3. Special Education limit increase from 13.5% to 15.0%.
4. Special Education staffing ratio multiplier increases.
5. Retirement benefit rates reductions.

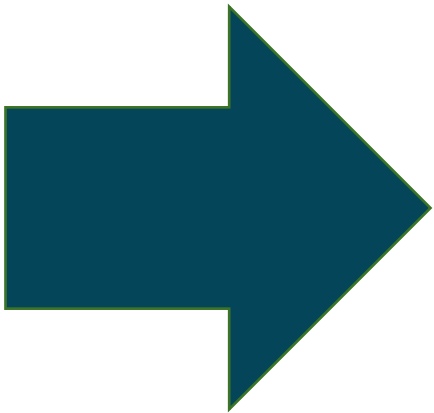


Renton School District

2023-24 Updated Beginning Balances Based on Prior Year



The March 2023, Monthly Financial Report, serves as our best estimate for fiscal year 22-23 financial estimates.



| Description | Amount (in millions) |
|---|-------------------------|
| Beginning Balance (FY 22-23) | \$ 28.0 |
| Revenues + Other Sources | 288.6 |
| Expenditures | (292.2) |
| <i>Change in Fund Balance</i> | <i>(3.6)</i> |
| Ending Fund Balance (FY 22-23) ¹ | 24.4 |

Note 1: The 2022-23 ending fund balance is a conservative estimate and subject to change as the year progresses.

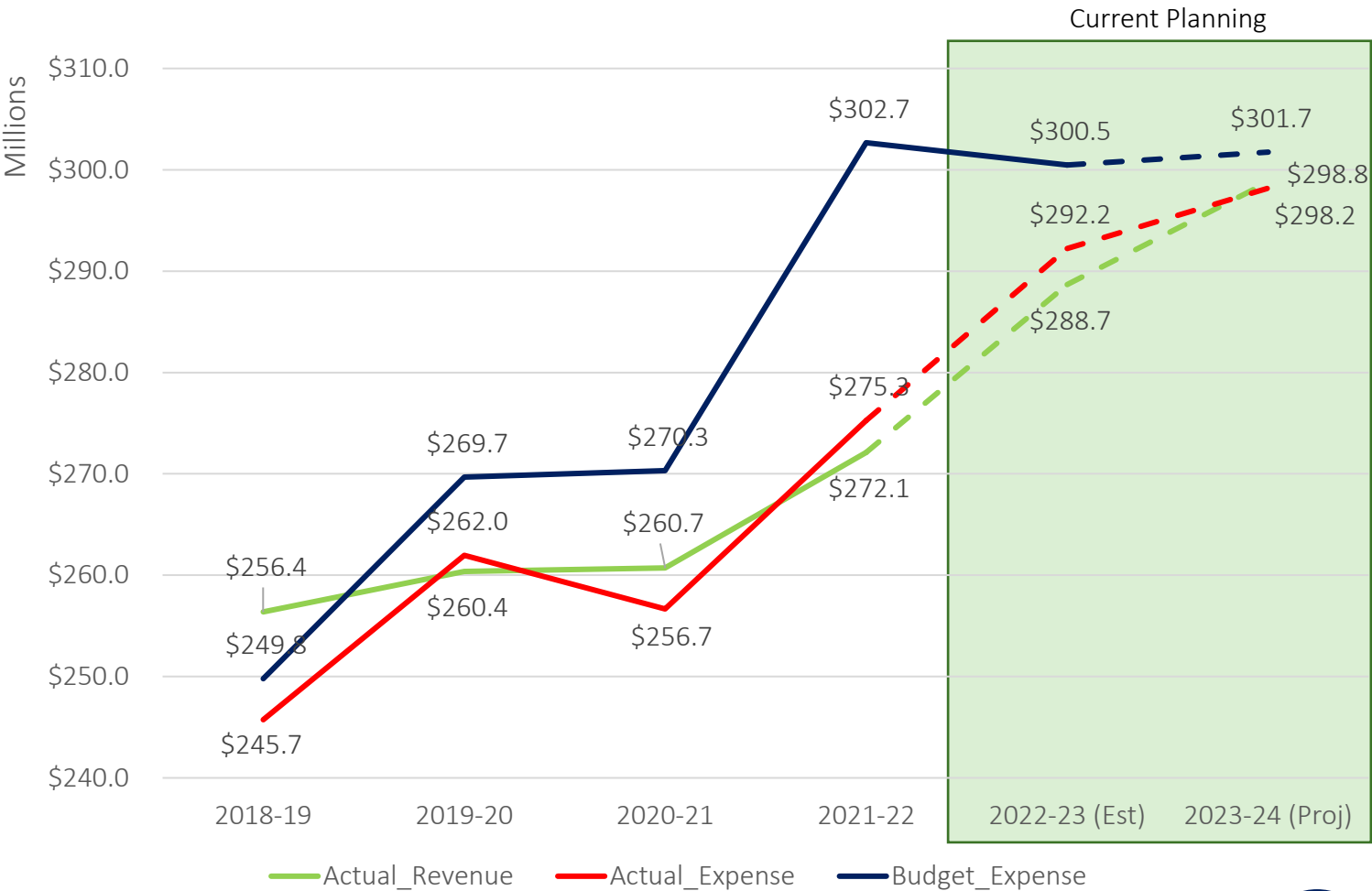
The March 2022, Monthly Financial Report, can be found in tonight’s board agenda under the consent agenda items or at the District’s website at <https://www.rentonschools.us/departments/business-services/financial-documents>.

Renton School District

General Fund Revenues/Expenditures Trajectory (Estimated April 2023)



- Important Points:
- Expenditures continue to out pace revenues.
 - Deficit spending will continue to stress the District’s ability to maintain its 7% fund balance policy.



Renton School District

2023-24 Budget Development Fiscal Plan (Estimated April 2023)



Preliminary Budget Plan before budget adjustments

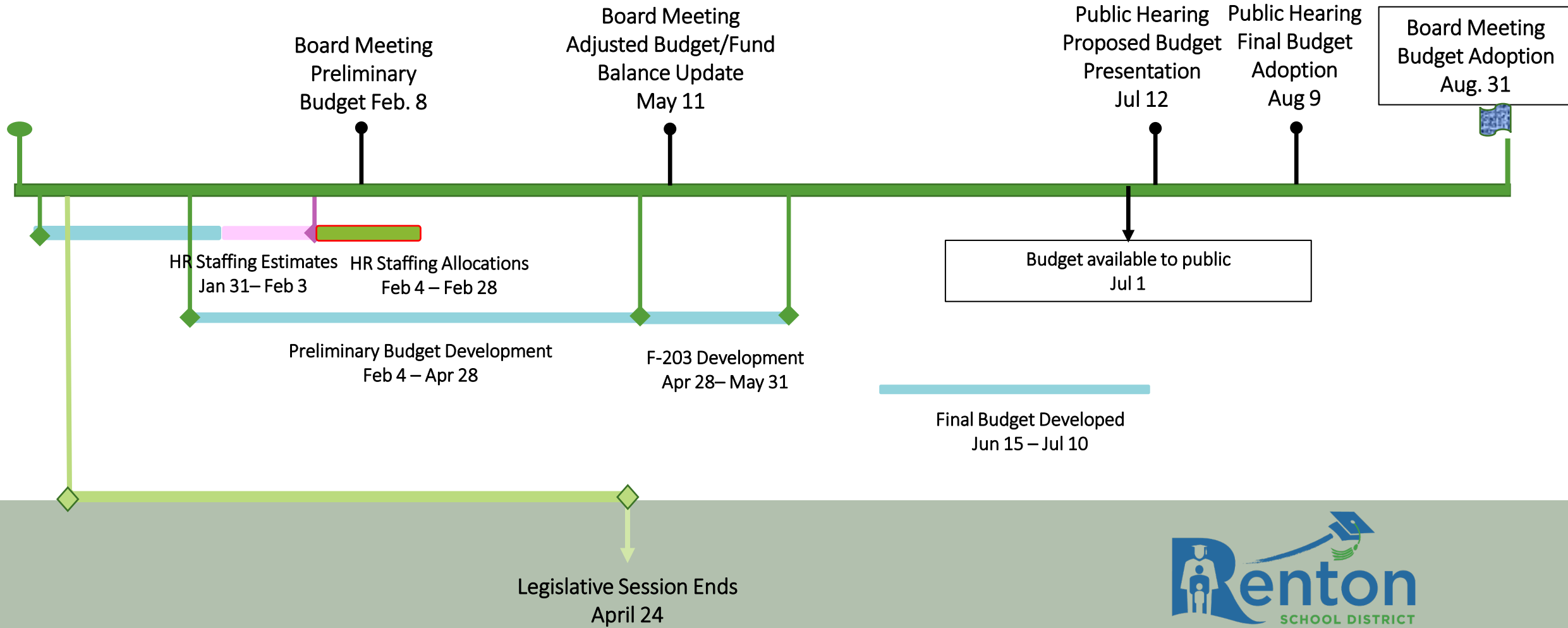
| Description | Amount (in Millions) |
|---------------------------------|-------------------------|
| Beginning Balance | \$ 18.8 |
| Revenues | 289.5 |
| Expenditures | (308.6) |
| <i>Attrition Estimate</i> | <i>6.4</i> |
| Ending Fund Balance (2%) | 6.2 |
| | |
| 2023-24 Cost Reduction Measures | (18.8) |

Adjustments made: \$15.1 million

Adjusted Budget Plan with changes made in budget development.

| Description | Amount (in Millions) |
|--|-------------------------|
| Original Beginning Balance Estimate | \$ 18.8 |
| → 2022-23 Resource/Cost Savings Adjustments | <u>5.6</u> |
| Adjusted Beginning Balance | 24.4 |
| 2023-24 Adjusted Estimated Revenues | 293.8 |
| 2023-24 Adjusted Estimated Expenditures | <u>(306.2)</u> |
| 2023-24 Fund Balance <i>before adjustments</i> | 12.0 |
| → 2023-24 Resource/Cost Savings Adjustments | 9.5 |
| <i>Attrition Estimate (Approximate 1%)</i> | <u>3.5</u> |
| Estimated Ending Fund Balance (includes 7% Unassigned Balance w/ Designations) | 25.0 |

School District Budget Calendar Requirements



THANK YOU

[www.rentonschools.us/
departments/business-
services](http://www.rentonschools.us/departments/business-services)

