



SCHOOL DISTRICT BUDGETING BASICS

A crash course in Washington State school district budgeting.

Content Provided By: OSPI

Accounting Manual for Public School Districts

Topics

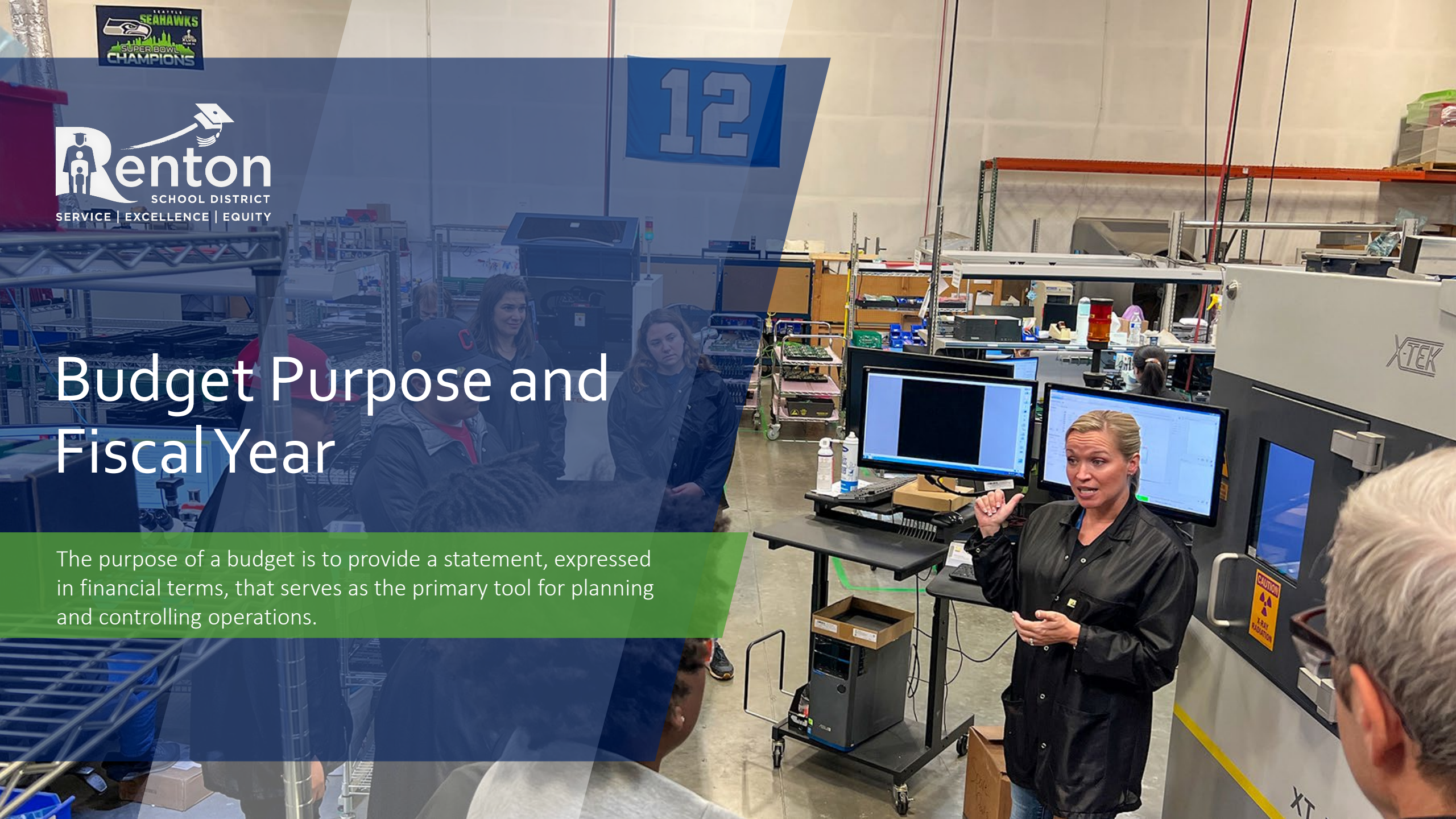
Budget 101

- ✓ Budget Purpose and Timing
- ✓ State Funding Model
- ✓ Enrichment Levies
- ✓ Budget Preparation
- ✓ Public Hearings and Extensions
- ✓ Things to Monitor



Budget Purpose and Fiscal Year

The purpose of a budget is to provide a statement, expressed in financial terms, that serves as the primary tool for planning and controlling operations.



Budget Purpose

A comprehensive budget must be integrated with the school district financial accounting system to ensure that objectives of planning, coordinating, evaluating, and controlling are attained. The primary objectives of the budget system are to:

- Assist the **formulation of an integrated plan** of operations and the understanding of how each of the school district's activities contributes to the overall mission
- Provide a **means of communication** between the various levels of management by stating the objectives of each program or activity within a school district and the resources necessary to achieve them. It also provides a means of justifying the overall budget.
- Integrate with the **accounting systems** to reflect expenditures and commitments to date and the balance of resources available.
- Provide a **means of measuring and guiding performance** by comparing planned (budgeted) expenditures and staffing levels against actual expenditures and staffing levels.
- Provide the **historical data** required for realistic budget preparation.

Budget Fiscal Year and Timing

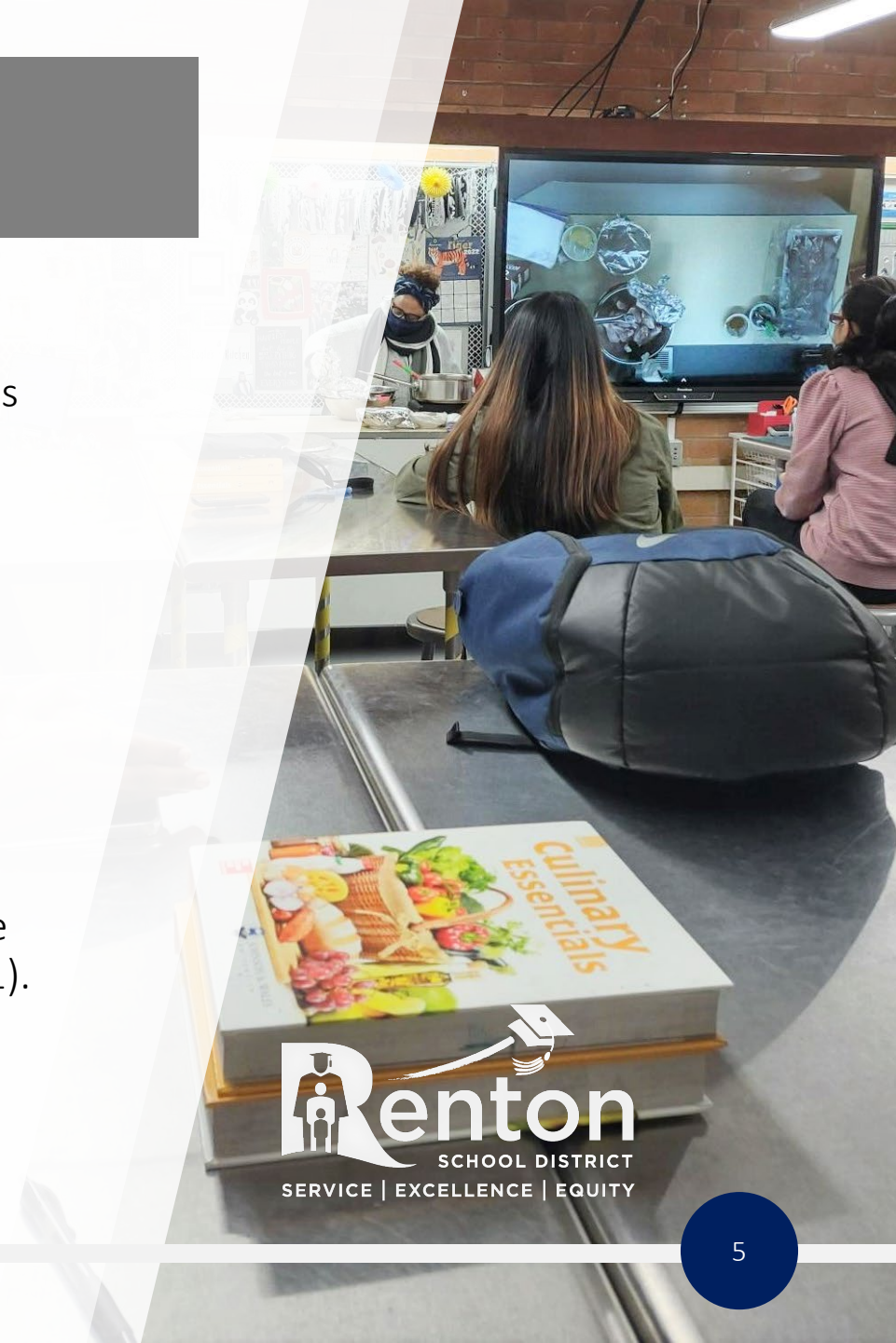
The period covered by the official budget is the fiscal year **September 1 through August 31**.

Some projects, grants, or programs have a fiscal period that differs from this fiscal year, and it may be necessary to prepare program budgets that cover a different time period.

The current official budget shall include **only the estimated revenues and expenditures occurring during the period** covered.

For school districts commencing **basic education programs prior to September 1**, the following activities are considered to be within the school year that commences September 1:

- School days scheduled prior to September 1.
- Staff days and activities in preparation for the school year included in employee collective bargaining contracts for the school year but occurring before September 1 (WAC 392-121-031).





Basic Education Funding Model

A basic education is an evolving program of instruction that is intended to provide students with the opportunity to become responsible and respectful global citizens, to contribute to their economic well-being and that of their families and communities, to explore and understand different perspectives, and to enjoy productive and satisfying lives.

Defining Basic Education



General Entitlement dollars are “allocations” only and are spent at the discretion of the district

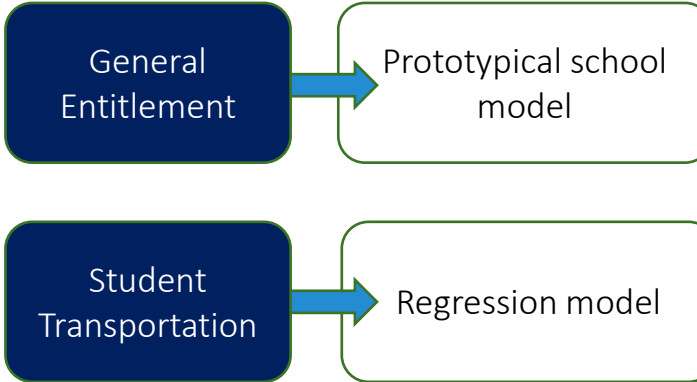
Funding for Special Education, Categorical Programs, and Student Transportation must be spent within each program. Flexibility within each program, however, exists.

What Determines Funding?

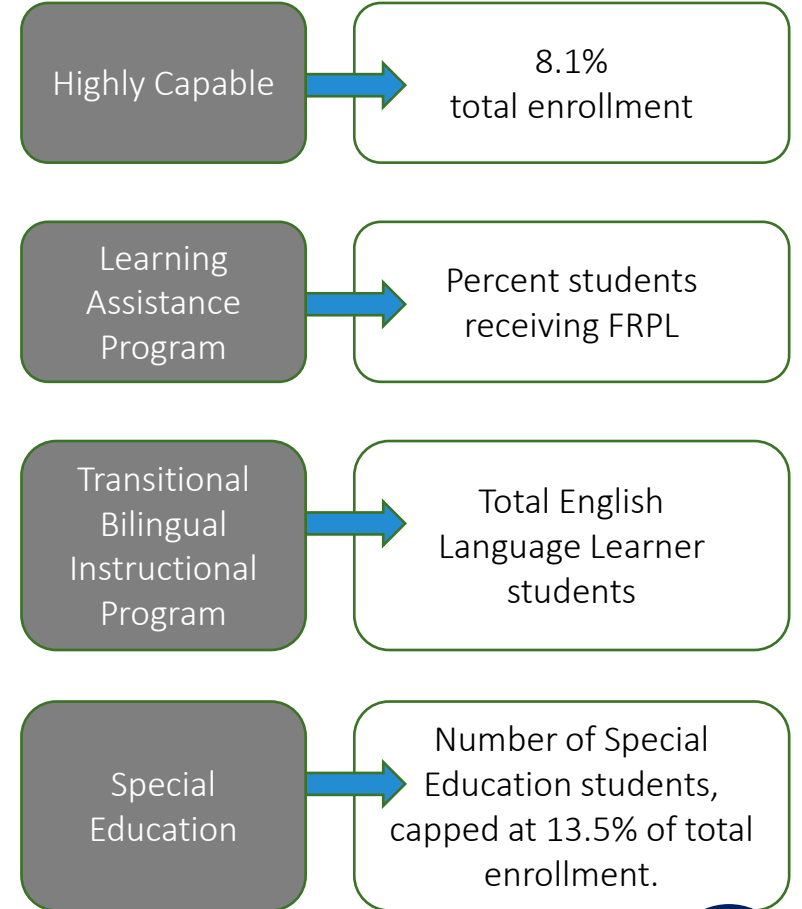
Basic Education funding is allocated in two ways: Calculations based on funding models or based on qualifying students



1. Model Based



2. Qualifying Students



Funding General Entitlement

Staff Salaries & Benefits

- The **prototypical school model** determines funding for school teachers and administrative and support staff
- Initial values were set by SHB 2776
- **Student to teacher ratios determine classroom teacher allocations**
- Funding for district wide support is also included in this allocation covered.

Materials Supplies & Operating Costs

- **Allocated to districts as a per student amount**
- Different student groups qualify for different MSOC allocations
- Current MSOC subcategories are:
 - a. Basic Education Allocation
 - b. 9-12 Increase (Lab Science)
 - c. Career and Technical Education (Exploratory and Preparatory)
 - d. Skills Centers



Current State Schools Funding Ratios

Position	Elementary Rate	Middle Rate	High School Rate
Enrollment	400	432	600
Principals	1.253	1.353	1.880
Librarian	0.663	0.519	0.523
Counselor ¹	0.826	1.549	1.549
Counselor (High Poverty) ¹	0.993	1.716	3.039
School Nurse ¹	0.246	0.612	0.582
Social Workers ¹	0.311	0.061	0.090
Psychologists ¹	0.104	0.017	0.035
Classified Additional Staff	0.936	0.700	0.652
Office Support	2.012	2.325	3.269
Custodians	1.657	1.942	2.965
Student/Staff Safety	0.079	0.092	0.141

1 – Prototypical formula items currently under review by the Washington State Legislature for modification.

How Many Students Generate One Full-Time Equivalent (FTE) Employee

Description	Elementary Rate			Middle Rate			High School Rate		
Enrollment	400			432			600		
Type	Factor	AAFTE	Staff	Factor	AAFTE	Staff	Factor	AAFTE	Staff
Principals	1.253	319	1.000	1.353	319	1.000	1.880	319	1.000
Librarian	0.663	603	1.000	0.519	832	1.000	0.523	1,147	1.000
Counselor	0.660	606	1.000	1.549	279	1.000	2.882	208	1.000
Counselor (High Poverty)	0.993	402	1.000	1.716	252	1.000	3.039	197	1.000
School Nurse	0.246	1,626	1.000	0.612	706	1.000	0.582	1,031	1.000
Social Workers	0.311	1,286	1.000	0.061	7,082	1.000	0.090	6,667	1.000
Psychologists	0.104	3,846	1.000	0.017	25,412	1.000	0.035	17,143	1.000
Classified Additional Staff	0.936	427	1.000	0.700	617	1.000	0.652	920	1.000
Office Support	2.012	199	1.000	2.325	186	1.000	3.269	184	1.000
Custodians	1.657	241	1.000	1.942	222	1.000	2.965	202	1.000
Student/Staff Safety	0.079	5,063	1.000	0.092	4,696	1.000	0.141	4,255	1.000

Defining Categorical Programs

Categorical Programs reach specific student populations and funds must be spent within each category:



The *Learning Assistance Program (LAP)* provides remediation for students scoring below grade level in reading, math and language arts. The LAP allocations are based on students in poverty, measured by eligibility for Free or Reduced-Price Lunch (FRPL).



The *Transitional Bilingual Instruction Program (TBIP)* funds school staff and training to teach English to students. The TBIP enrollment is forecast by the Caseload Forecast Council.



The *Highly Capable Program* provides instruction, activities, and services that accelerate learning and offer unique academic challenge for learners identified as highly capable.



All three programs operate in addition to core instruction.

Funding Special Education

Special Education funding is calculated from General Entitlement base on the individualized needs of the student and must be spent within the program.



Special Education

Funding is in “excess” of the General Entitlement allocation and is based on a district’s average Basic Education Allocation per student (BEA Rate). Special Education funding increases when salaries, benefits, and MSOC rates increase.

3 year – Pre-Kindergarten

Number of qualifying students * BEA rate * 1.15

K - 21 year

Number of qualifying students * BEA rate * .9908

Safety Net Allocations

Available to school districts with a demonstrated capacity for funding in excess of the funding provided (state and federal).



General Apportionment

General Entitlement is provided to Special Education based on the average amount of time a student spends in Special Education

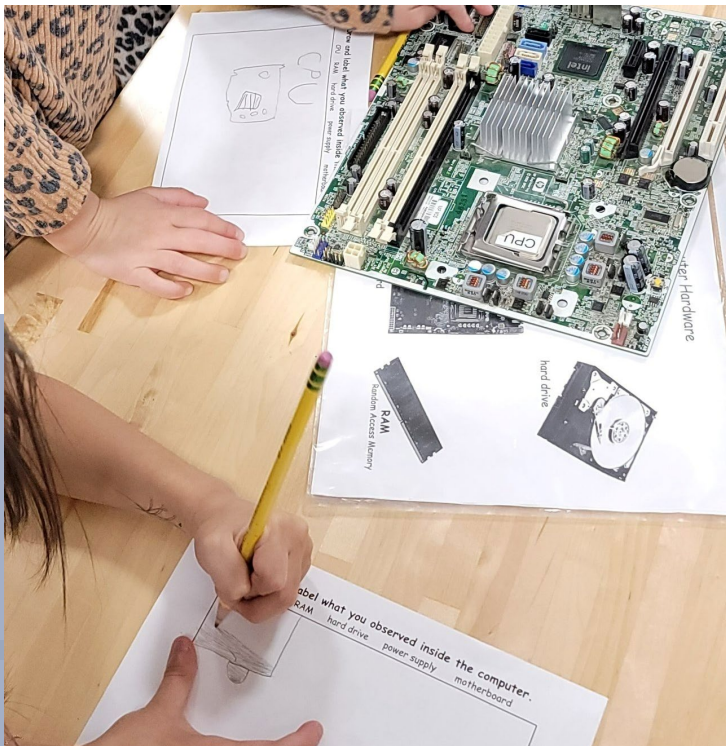
Funding Student Transportation

In 2013, a more comprehensive funding model for student transportation was created.

- The state's funding model for student transportation is called the Student Transportation Allocation Reporting System (STARS).
- The model is a regression model and takes into account ridership, distance, and other pertinent factors for allocations.
- Districts receive funding for Transportations Operations and Vehicle Replacement.
- Funding for each line item within student transportation is restricted to each line item for expenditure.

MSOC Allocations

All MSOC subcategories are funded at different levels along the same categories



Description	MSOC BEA	9-12 Increase
Total Per Student	\$ 1,476.25	\$ 199.26
Technology	178.11	43.84
Utilities and Insurance	414.25	-
Curriculum and Textbooks	163.69	47.82
Other Supplies and Library Materials	324.96	93.15
Library Materials	22.54	6.48
Instructional Professional Development	25.31	7.97
Facilities Maintenance	205.22	-
Security and Central Office	142.17	-



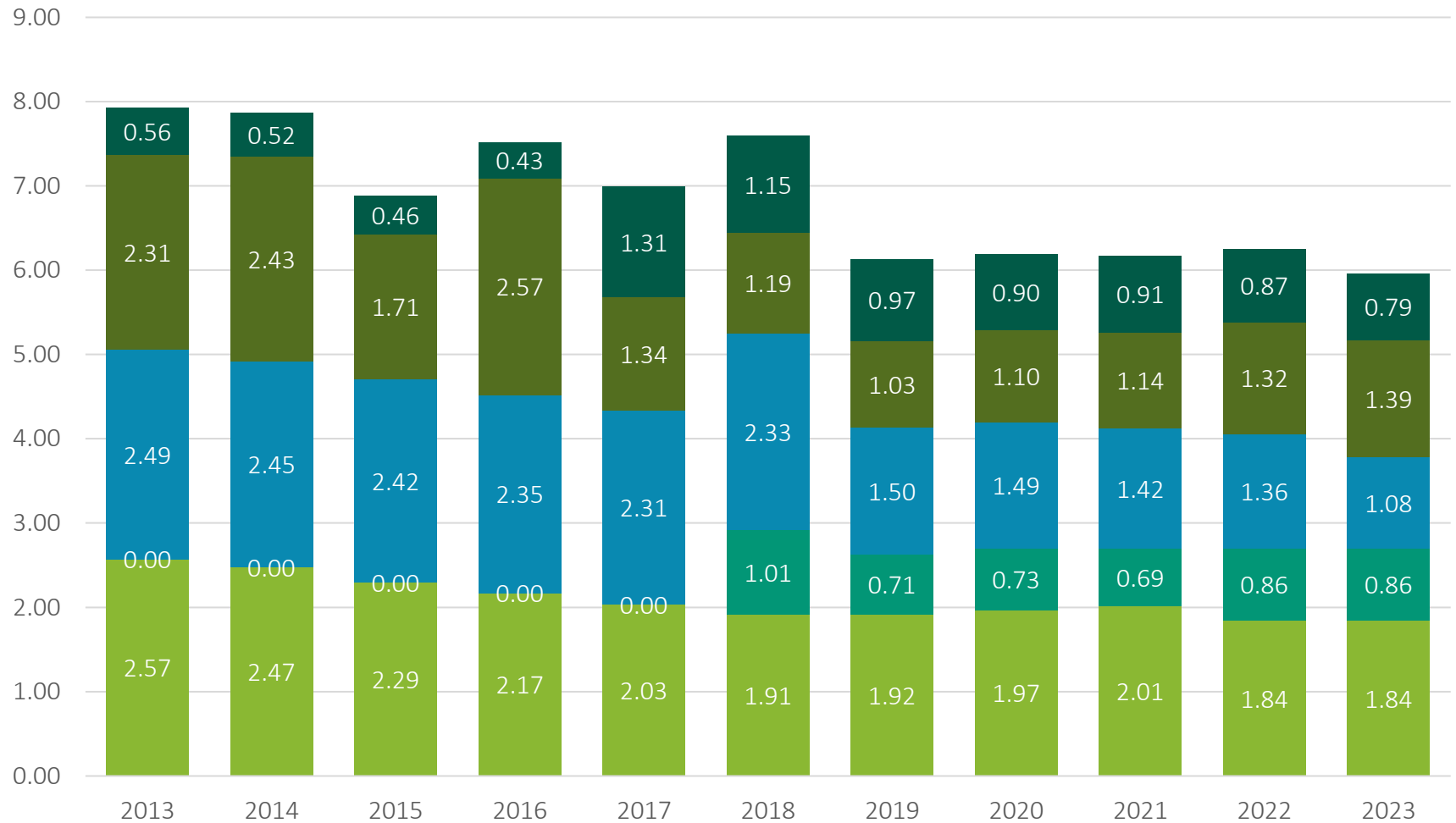
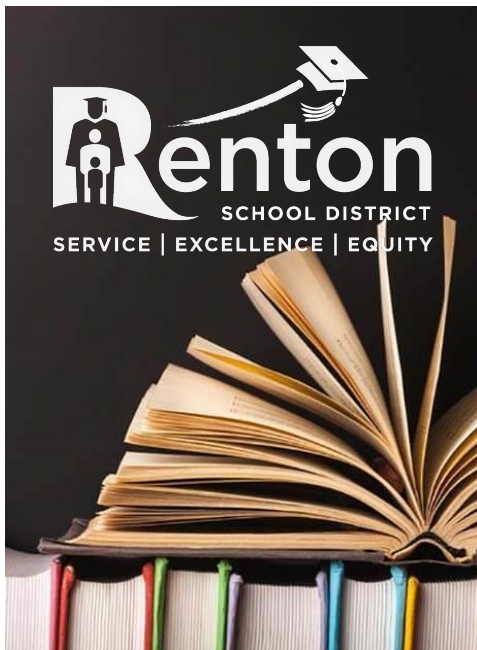
Tax Rates and Levies

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Renton School District

Combined Total Property Tax Rates

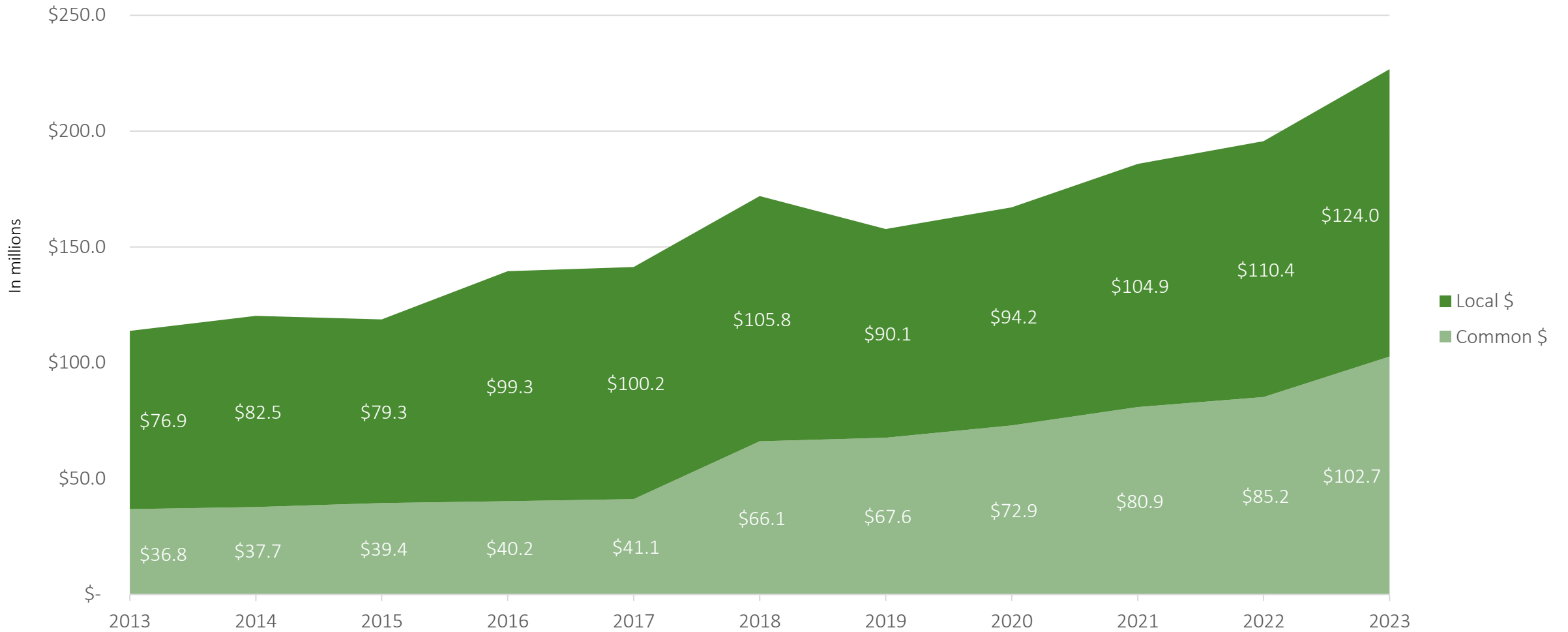
- Capital Projects/ Technology Levy
- Debt Service
- Enrichment (M&O) Levy
- State School Fund (Part II) McCleary
- State School Fund (Part I) Regular



*2022 SSF Part I/II under review by WA State Legislature

Renton School District

Revenue Generation From Assessed Valuation (All Funds)





Documents and Timelines

The District's budget is developed over a period of time where collaboration with stakeholders is harnessed and combined with State and Federal requirements.

The Budget Documents

Each fiscal year, the district's adopted official budget documents (Form F-195 and F-195F), shall be submitted in the format prescribed by OSPI.

For each fund, the budget shall contain the following:

- Estimated revenues and expenditures for the budgeted fiscal year, the current fiscal year, and actual revenues and expenditures for the last completed fiscal year.
- The beginning and ending restricted, committed and assigned fund balances for each fiscal year.
- Transfers (which are self-balancing) must be included when applicable.
- A four-year enrollment projection.
- A four-year summary of estimated revenues.
- A four-year summary of estimated expenditures.
- A four-year summary of the beginning and ending nonspendable, restricted, committed, assigned, and unassigned fund balances.

Multiple-Year Budget Plans

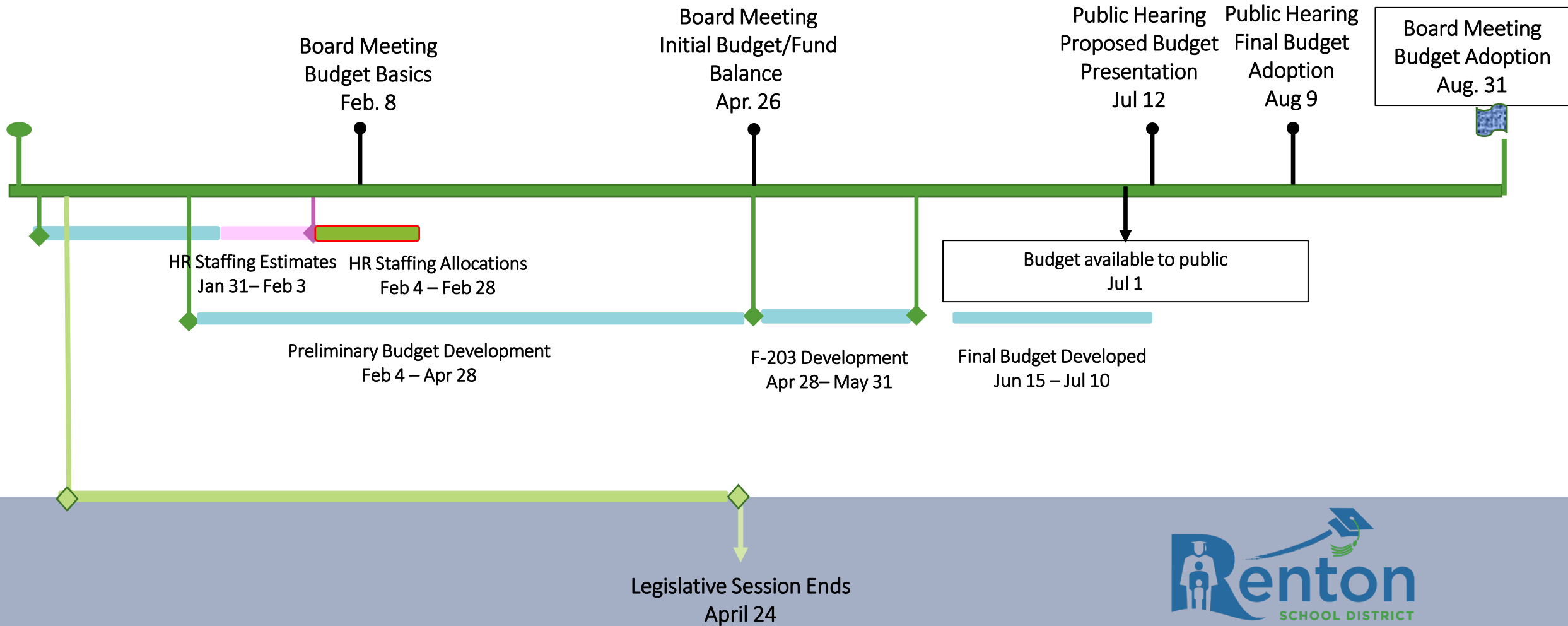
The purpose of the four-year budget plan summary and four-year enrollment projection, collectively referred to as a forecast, is to evaluate current and future fiscal conditions to guide policy and programmatic decisions.

A forecast is a fiscal management tool that presents estimated information based on past, current, and projected financial conditions.

This will help identify future revenue and expenditure trends that may have an immediate or long-term influence on school district policies, strategic goals, or community services.



School District Budget Calendar Requirements



Things We Are Monitoring

In the budget process, unknown factors are common and could change outcomes.



1. Current year fund balance estimates and potential changes
2. Enrollment impacts
3. Basic Education Funding Model:
 - IPD and its impact on compensation funding
 - SEBB Benefit rates
 - New staffing formula adjustments
4. Legislative initiatives:
 - Special Education – Funding Model Adjustments
 - Nutrition Services – Meal Reimbursement Rates
 - Transportation – STARS Model and Replacement Potential

THANK
YOU

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