

# 2024-25 Budget (Proposed)

Budget Hearing: June 5, 2024

Presented by:

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Jason Franklin, CPA, Executive Director, Finance & Business Services



# Budget Requirements

- Must be created for all established District funds in the format prescribed by the Office of the Superintendent of Public Instruction (F195)
- Budget must be prepared and presented to the Board for review during an annual budget hearing and must be adopted not later than August 31
  - ✓ Our Fiscal Year runs September 1 through August 31
- The General Fund budget expenditures may not exceed the sum of estimated revenues and unassigned fund balance
- The budget is a plan. It can and will change, but it is a key component of our transparency in budgeting and communicates our financial plan for our educational model



# General Fund Summary

*Our basic education program, categorical programs, local/community programs, and operations comprise our General Fund.*



Description	Amount
Beginning Fund Balance	\$ 20,601,442
Projected Revenues	293,590,157
Revenue Capacity	8,000,000
Appropriations Authority (expenditures and transfers)	-304,635,560
Appropriations Capacity <sup>1</sup>	-5,225,611
Projected Ending Fund Balance (3% Unrestricted Fund Balance)	\$ 12,330,428

Net change in assets is budgeted at -\$8,271,013

*Note 1 – 1% of expenditures are programmed for attrition savings and underutilized appropriations*

# General Fund – Expenditures by Program and Object Comparison



Functional Use	2023-24 Budget	2024-25 Current	Change
Regular Instruction	\$ 140,387,982	\$ 145,070,611	\$ 4,682,629
Targeted Assistance	16,551,928	-	-16,551,928
Special Education	48,918,476	55,271,984	6,353,508
Vocational Education	16,017,400	18,166,009	2,148,609
Compensatory Education	23,213,785	24,175,508	961,723
Other Programs	5,890,564	6,997,012	1,106,448
Community Services	2,962,062	3,089,949	127,887
Support Services	54,052,997	57,090,098	3,037,101
Totals	307,995,194	309,861,171	1,865,977

Object Use	2023-24 Budget	2024-25 Current	Change
Salaries - Certificated Employees	\$ 136,582,106	\$ 136,928,644	\$ 346,538
Salaries - Classified Employees	55,908,368	58,618,215	2,709,847
Employee Benefits	65,733,711	67,354,704	1,620,993
Supplies and Resources	22,105,011	21,111,308	-993,703
Purchased Services	26,357,873	25,340,032	-1,017,841
Travel	1,085,191	185,334	-899,857
Capital Outlay	222,934	322,934	100,000
Totals	307,995,194	309,861,171	1,865,977

# General Fund – Expenditure Changes by Program



Program Comparison	2023-24 Budget	2024-25 Current	Change
Basic Education	\$175,427,957	\$180,223,863	\$ 4,795,906
Targeted Assistance/ESSER (Federal)	16,551,928	-	-16,551,928
Special Education	48,918,476	55,271,984	6,353,508
Career & Technical Education (CTE)	16,017,400	18,166,009	2,148,609
Title Programs (Federal)	6,676,035	7,646,368	970,333
Learning Assistance (LAP -State)	8,287,914	8,608,522	320,608
Transitional Bilingual (STBIP – State)	5,834,973	5,938,821	103,848
Early Childhood Education (ECEAP - State)	1,758,412	1,885,855	127,443
Nutrition Services	7,752,981	7,976,558	223,577
Transportation	11,260,041	13,960,288	2,700,247
Other Programs	9,509,077	10,182,903	673,826
Totals	\$307,995,194	\$309,861,171	\$ 1,865,977

# Materials, Supplies, and Operating Costs (MSOC)

*Required State Law Certification*

During the annual budget hearing, we are required to disclose the use of MSOC allocations provided by the state.

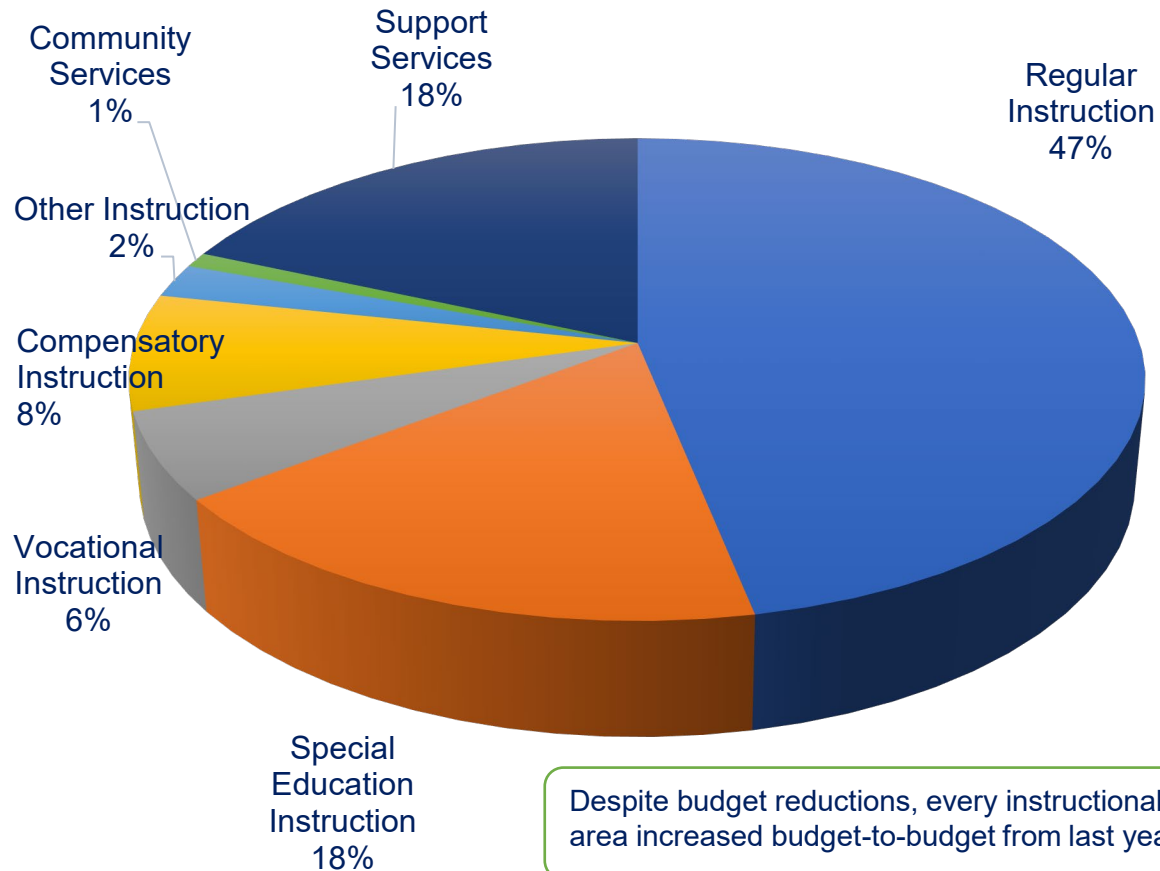
The District has allocated all MSOC monies provided by the state for its intended purpose and relies on local levy to bridge the gap.

Description	Amount
Basic education MSOC state allocation	\$ 18,576,902
District budgeted MSOC expenditures	20,296,658
Difference	\$ -1,719,756

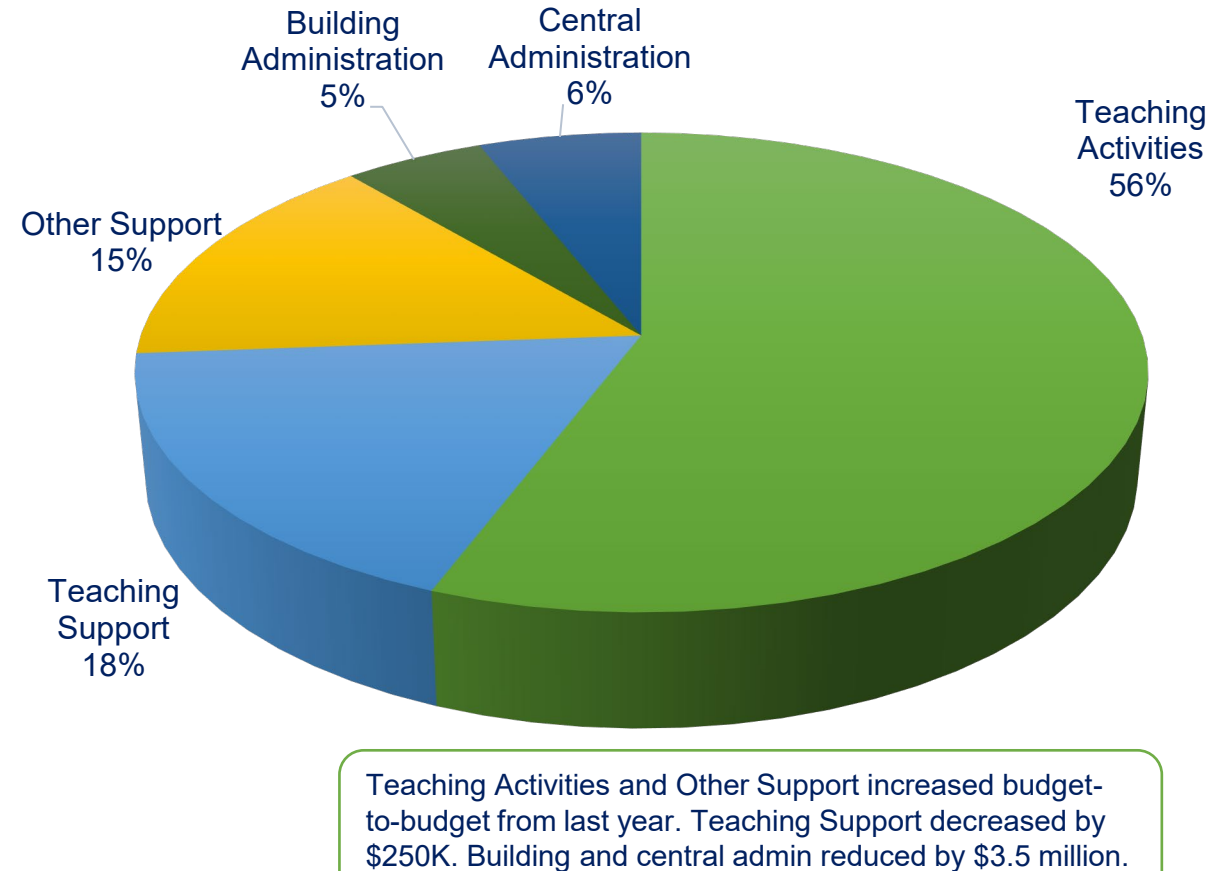


# Where Are Our Dollars Invested?

## 81% to Instruction

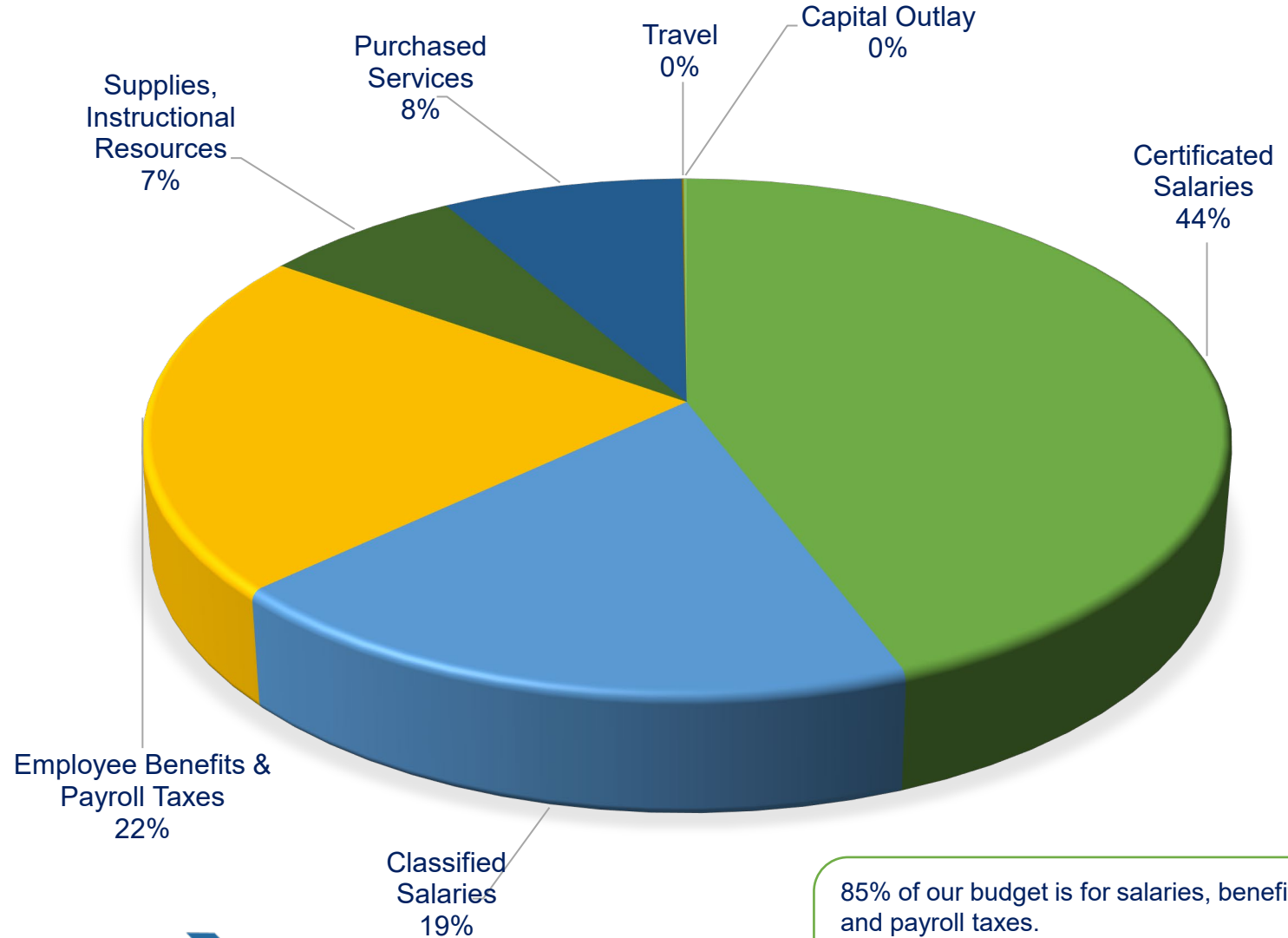


## 79% to Teaching/School Support



# Our Budget is 85% Staff

(Working with or supporting students)



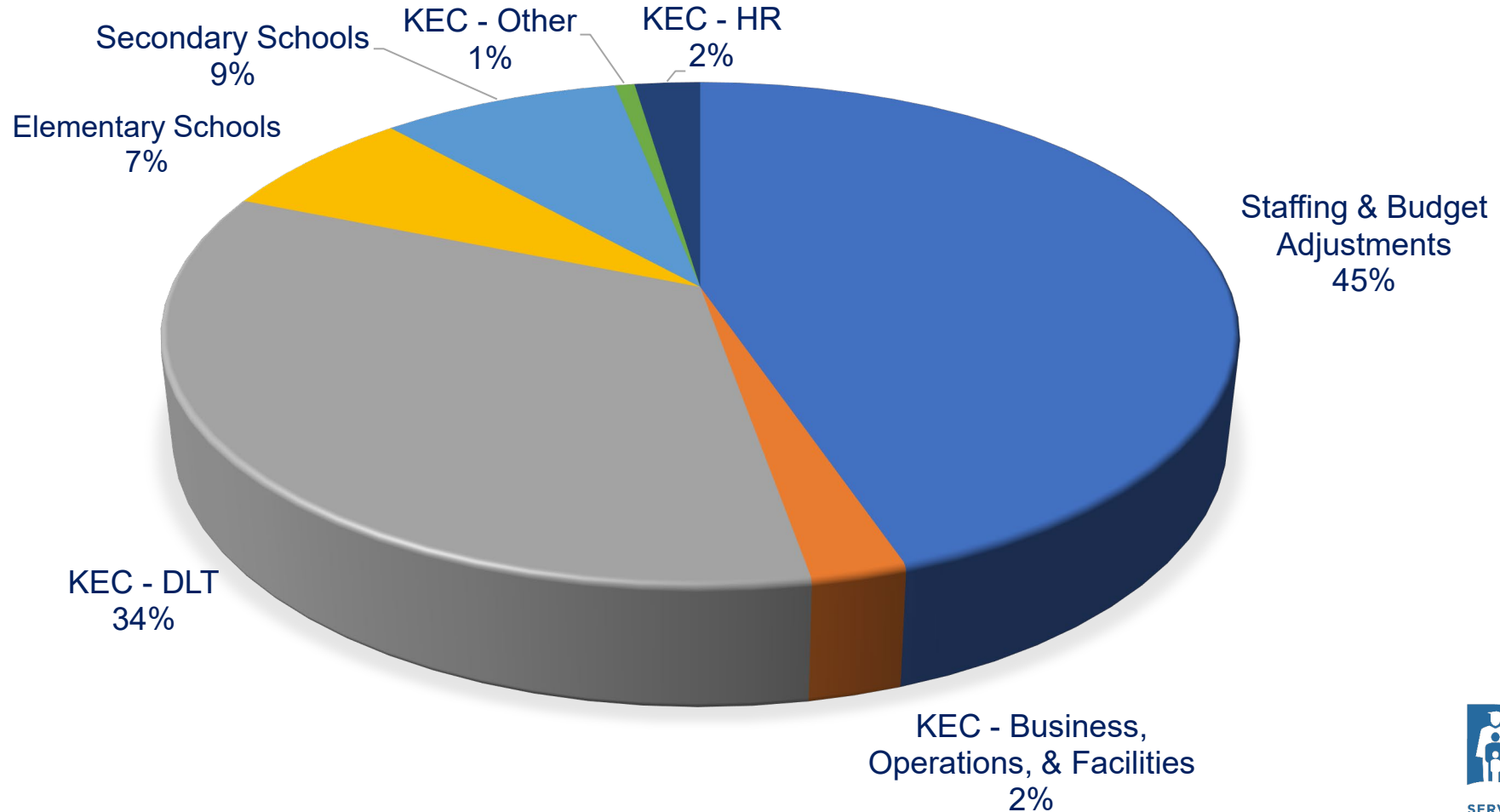
85% of our budget is for salaries, benefits, and payroll taxes.

Travel and Capital Outlay combined are \$508K





# General Fund Reductions



# Four Year Outlook (F195F)

	2024-25	2025-26	2026-27	2027-28
Projected Revenue	\$301,590,157	\$306,356,059	\$311,616,771	\$316,492,349
Projected Expenditures	309,861,171	316,958,421	321,632,542	326,375,823
Difference	(8,271,013)	(10,602,362)	(10,015,771)	(9,883,414)
Total Ending Fund Balance	\$12,330,428	\$1,728,066	(\$8,287,705)	(\$18,171,179)

These projected numbers are based on assumptions related to enrollment continuing to decline and inflationary increases. This model shows a possible future of our budget, but it is an estimate only.



# Capital Projects Fund

The Capital Projects Fund is used for the acquisition and construction/modernization of District facilities



Description	Amount
Beginning fund balance	\$307,148,109
Projected revenues	312,201,250
Expenditure authority	272,871,179
Transfers to General Fund	800,000
Change in net assets	38,530,071
Projected ending fund balance	\$345,678,180

*Note: The transfer to the General Fund is for the Technology Levy support of software licensing for instruction, which must be expended from the General Fund.*

# Capital Levies and Bonds



Activity	Projected Revenue	Expenditures	Net Change
Technology Levy	\$15,415,814	\$16,874,023	\$-1,458,209
Capital Levies	15,451,376	34,157,563	-18,706,187
Bond Programs	280,471,420	215,089,940	65,381,480
Other	862,640	7,549,653	-6,687,013
<b>Totals</b>	<b>\$312,201,250</b>	<b>\$273,671,179</b>	<b>\$38,530,071</b>

*Note: "Other" allocations provide budget expenditures for impact fee and capacity related allocations.*

# Debt Service Fund

*Debt service is for the receipt and expenditure of long-term debt principal and interest*



Description	Amount
Beginning fund balance	\$19,145,726
Projected revenue	62,065,344
Expenditures	60,451,538
Change in net assets	1,613,806
Projected ending fund balance	\$20,759,532

# Debt Service Fund

Property Tax Collections	Tax Rates (Per \$1,000 of Assessed Valuation)	New Bond Sales (2022 Authority)	Equitable Schools
Calendar Year 2024	\$1.58	\$ -	
Calendar Year 2025	\$1.62	\$ 275,000,000	

ACTIVE BOND ISSUANCES	Amount Authorized	Amount Outstanding	Current Due (P & I)
2014 UT General Obligation & Refunding	\$ 37,800,000	\$ 23,875,000	\$ 12,409,563
2015 UT General Obligation	44,865,000	28,610,000	1,123,050
2016 UT General Obligation & Refunding	58,545,000	49,250,000	2,444,375
2017 UT General Obligation & Refunding	44,005,000	38,145,000	7,383,250
2020 UT General Obligation	100,500,000	95,800,000	4,147,000
2022 UT General Obligation & Refunding	51,525,000	22,595,000	1,490,500
2023 UT General Obligation	299,345,000	285,345,000	30,453,800
<b>Total Active Bond Issuances</b>	<b>\$ 636,585,000</b>	<b>\$ 543,620,000</b>	<b>\$ 59,451,537</b>



# Associated Student Body (ASB) Fund

*ASB is a special revenue fund for revenue and expenditures legally restricted to student body activities (Cultural, Athletic, Recreational, Social)*



Description	Amount
Beginning fund balance	\$1,235,014
Projected Revenues	1,273,902
Expenditures	-1,434,720
Change in net assets	-160,818
Projected ending fund balance	\$1,074,196

# Associated Student Body Fund

- ASB Budget plans are created by the students with their advisors, and approved by the students and principals for incorporation into the District's annual budget
- ASB's continue to recover fiscally from the pandemic closures

Activity	Projected Revenue	Expenditures	Net Change
General Student Body	\$408,616	\$472,719	-\$64,103
Athletics	353,111	429,588	-76,477
Classes	54,895	70,040	-15,145
Clubs	435,820	433,340	2,480
Private Funds	21,460	29,033	-7,573
Totals	\$1,273,902	\$1,434,720	-\$160,818





# Transportation Vehicle Fund

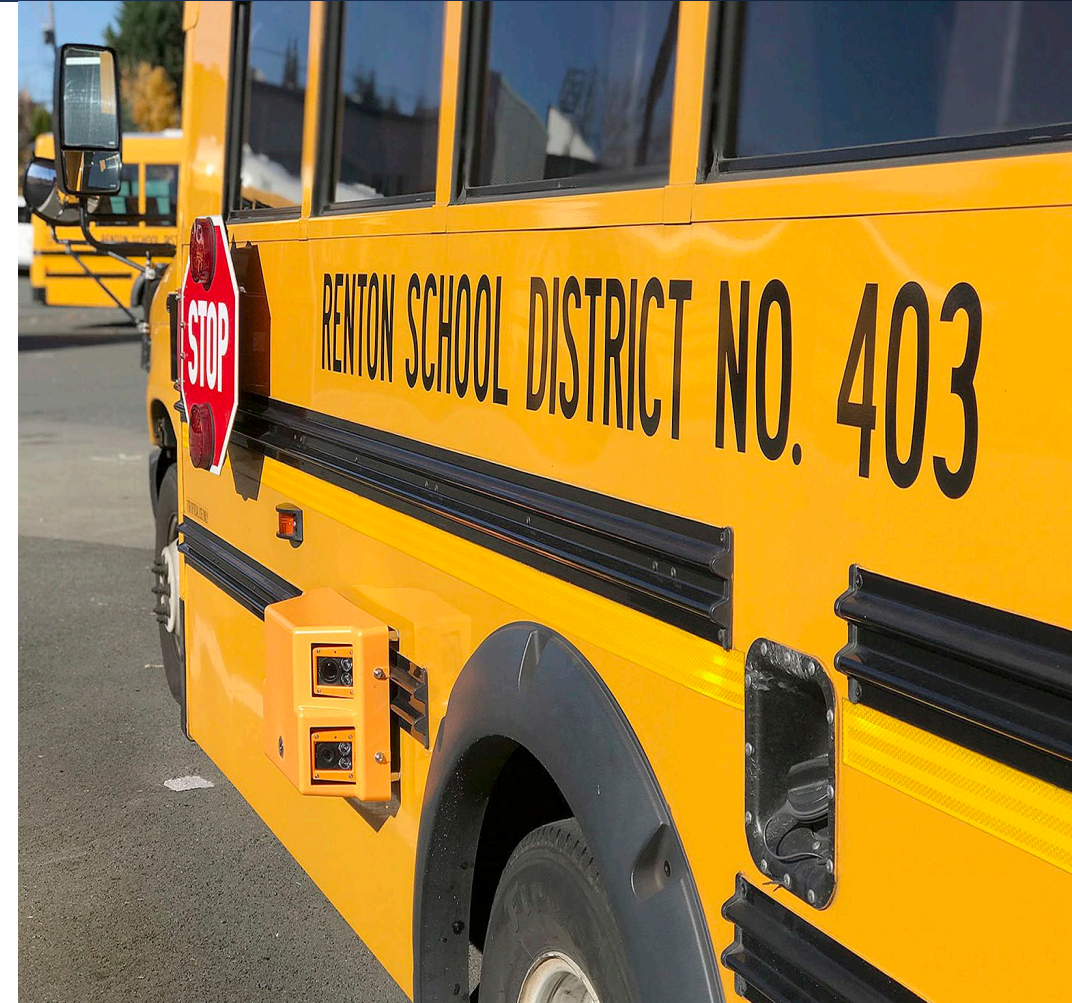
- TVF is used for the purpose of purchasing new buses
- This fund does not include labor or other operating fees for school transportation
- Revenues come from state-funded depreciation and/or general fund transfers



# Transportation Vehicle Fund

*This is also a special revenue fund for vehicle depreciation revenues legally restricted to expenditures for vehicle purchases*

Description	Amount
Beginning fund balance	\$2,355,513
Projected revenue	1,759,693
Expenditures	-2,355,514
Change in net assets	-595,821
Projected ending fund balance	\$1,759,692



# Budget Outlook

- Interfund Loan likely needed if cash flow is insufficient due to revenue timing
  - A resolution to authorize this will be presented at a later date
- Budget plan shows expending \$8.3 million more than expected revenue
  - Projected 3% ending fund balance
- Additional adjustments ahead
- Long legislative session this winter with critical outcomes to be monitored closely



# Next Steps

- Copies of the budget available for public review on our website at:  
<https://www.rentonschools.us/departments/business-services/budget>
- Any feedback from the board of directors, administration, or the public may be incorporated in the final budget
- ESD will review budget and provide feedback and preliminary approval
  - Revenue projections reviewed/finalized in May
- Board will vote to adopt the budget on June 26





Thank you. Questions?

