



2016-17 Budget and Public Hearing

June 8, 2016

Presented by Susan Smith Leland
Interim Assistant Superintendent of Finance and Operations
Budget Staff:
Barbara de Kruyf
Ron Ellis

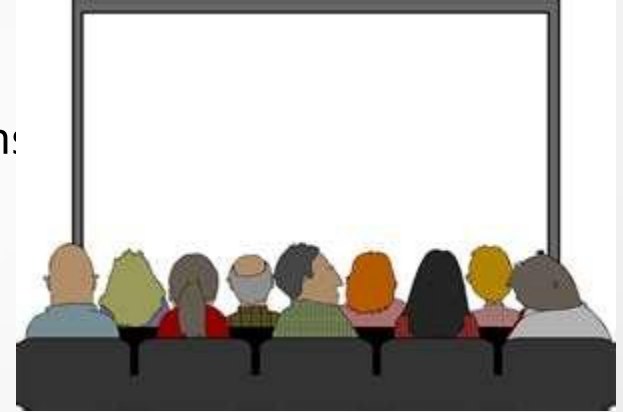
Sound fiscal management supports great schools



2016-17 Budget

- **Public Hearing Topics**

- Review general fund recommendation:
- Review other funds
- Discuss fund balance
- Accept public comment



- **Expected board actions upon adoption**

- Budget Resolution sets appropriations for ALL funds
- Sets preliminary tax levies for calendar year 2017

School District Funds

- School districts are organized and operate on a fund basis. A fund is a fiscal and accounting entity...
- School districts are authorized to have several types of funds with different purposes:
 - General Fund is used to account for the general operations of the district
 - Capital Projects is used for acquisition or construction of major capital facilities including purchase of equipment and energy audits
 - Transportation Vehicle Fund is used to provide for the purchase and major repair of buses
 - Debt Service Fund is for the accumulation of resources for, and the payment of, long-term debt principal and interest.
 - ASB Fund is a special revenue fund allowed under Washington State law to account for student body fund revenue and expenditures.
 - Trust and Agency Funds to account for assets held by the district in a trustee capacity.

District goals

- P/K-12 achievement
- College and career ready
- Equity and access
- Recruit and retain a diverse, high-quality staff
- Maintain a unreserved fund balance of 5%

Budget – what has happened since...



- 2015 Legislature
- Major K-12 enhancements for the biennium –
 - Full funding of MSOC
 - Further reduction of high poverty class size K-3 (4 new schools/10 total)
 - Additional funding of all day kindergarten (5 new schools/13 total)
 - Educator COLA (1.8% and 1.2%) for all state-funded employees
 - One-biennium salary increase (1.2% and .6%) for all state-funded employees
 - State funded health benefit rate increase from \$768 to \$780

2016 Legislature:

- Increased salaries by 1.8%
- Fully funded full day kindergarten
- Continued to reduce class size in K-3
- Limited the districts ability to fully collect recently passed levy

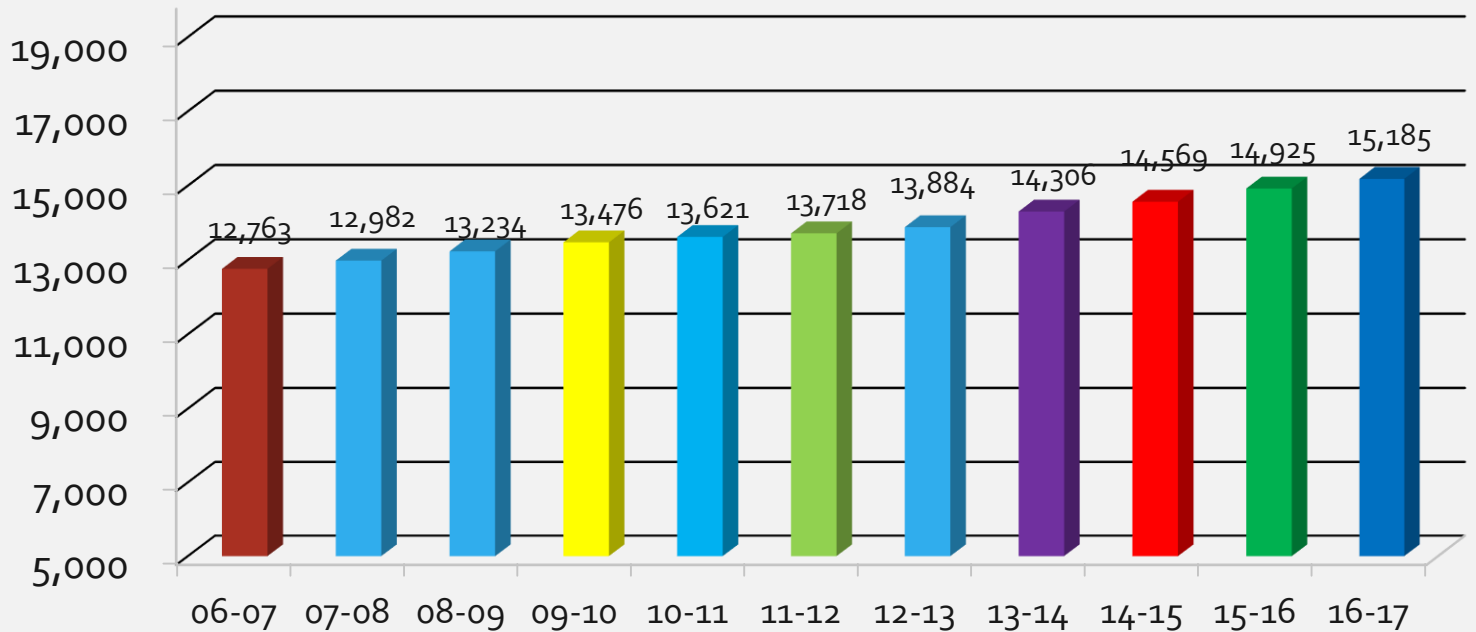
Enrollment Projection

Modified Medium Range Forecast (without Running Start)

	Actual October 2015 Headcount	Actual October 2015 FTE	October 2016-17 Headcount	Projected 2016-17 AAFTE
Total Enrollment	15,255	15,022.8	15,355	15,185
Elementary (K-5)	7,721	7,661.5	7,865	7,905
Middle (6-8)	3,222	3,218.1	3,255	3,272
High (9-12)	4,312	4,143.2	4,235	4,008

Enrollment History by FTE

(Annual Average FTE)



- 15-16 estimated
- Does not include FT Running Start, Dropout engagement or ALE

Revenue Assumptions

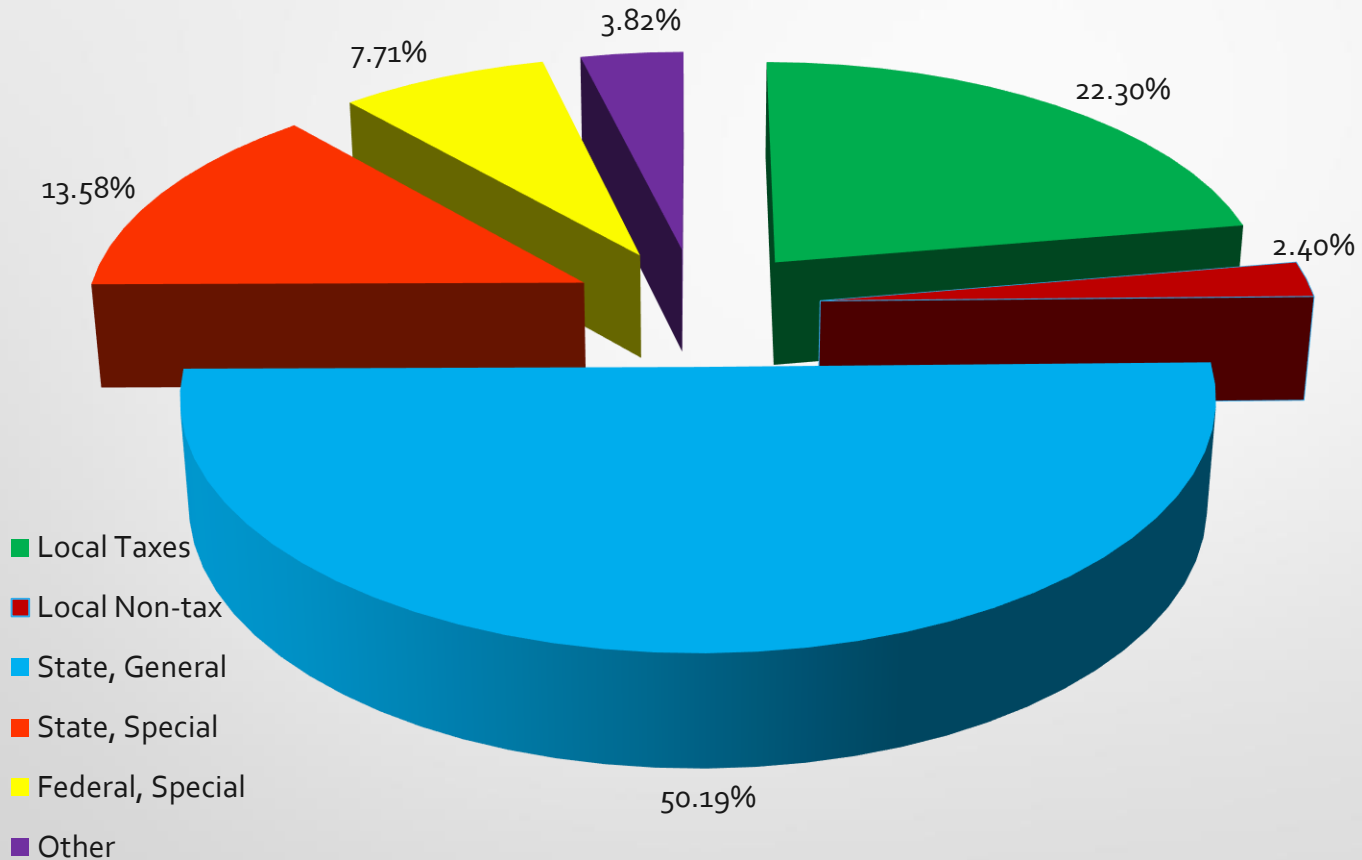
- 15,842 Full Time Equivalent Students
 - (including Running Start, ALE etc.)
- 1,113 Vocational Education Students
- 2,195 Special Education Students
 - 2,102 – 3 to 21 yr olds
 - 93 – 0 to 2 yr olds
- Increased levy collection
- Built in \$6 million in budget capacity



2016-17 Revenue Summary

• Local Taxes	\$ 45,568,751
• Local Non-Tax	\$ 4,903,096
• State, General	\$102,550,297
• State, Special	\$ 27,749,795
• Federal, General	\$ 7,800
• Federal, Special	\$ 15,748,951
• Other	<u>\$ 7,799,141</u>
• Total	<u>\$ 204,327,831</u>

2016-17 Revenue



Total Revenue - \$204,327,831

(Includes \$6 million for capacity)

Levy Collections

	2015	2016	2017
Levy – General	41,600,000	43,500,000	49,581,000
Less rollback			-3,476,923
Actual Levy			46,104,077
Levy – Debt Service	29,590,000	47,585,000	27,000,000
Levy – Capital Projects (Technology)	8,000,000	8,000,00	8,000,000
Levy – Capital Projects (Capital Construction)			18,500,000
<u>Tax Rate: (per \$1000 of AV)</u>			
General	2.41	2.36	2.31
Debt Service	1.71	2.59	1.35
Capital Projects (Technology/Construction)	.46	.44	1.33
Total	4.58	5.39	4.99

General Fund

- Assumptions:
 - No significant mid-year state impacts to K-12 funding, local levies or levy equalization
 - Actual enrollment will not be less than projected
- Expenditure changes:
 - Funds provided to support student needs in the classroom
 - Includes state pass through and negotiated agreements for salary and benefit increases
 - Funds district initiatives and priorities
 - Funds provided for increased fixed costs –
 - McKinney-Vento, transportation, classroom supplies and instructional materials, major maintenance,

District Initiatives and Priorities

- West Hill Now – fully funded school requests
- Staffed based on Legislative priorities for class size K-3
- District support for IB, PSAT/SAT tests, language fluency tests etc.
- Enhance funding for development of a multi-tiered system of supports (MTSS)
- Enhanced staffing to meet student needs
- Preparation for opening of Risdon Middle School
- Planning for new Sartori Elementary School
- Development of district wide safety and security focused programs
 - District Safety and Security Department
 - District Motor Pool
- Restore some key program reductions



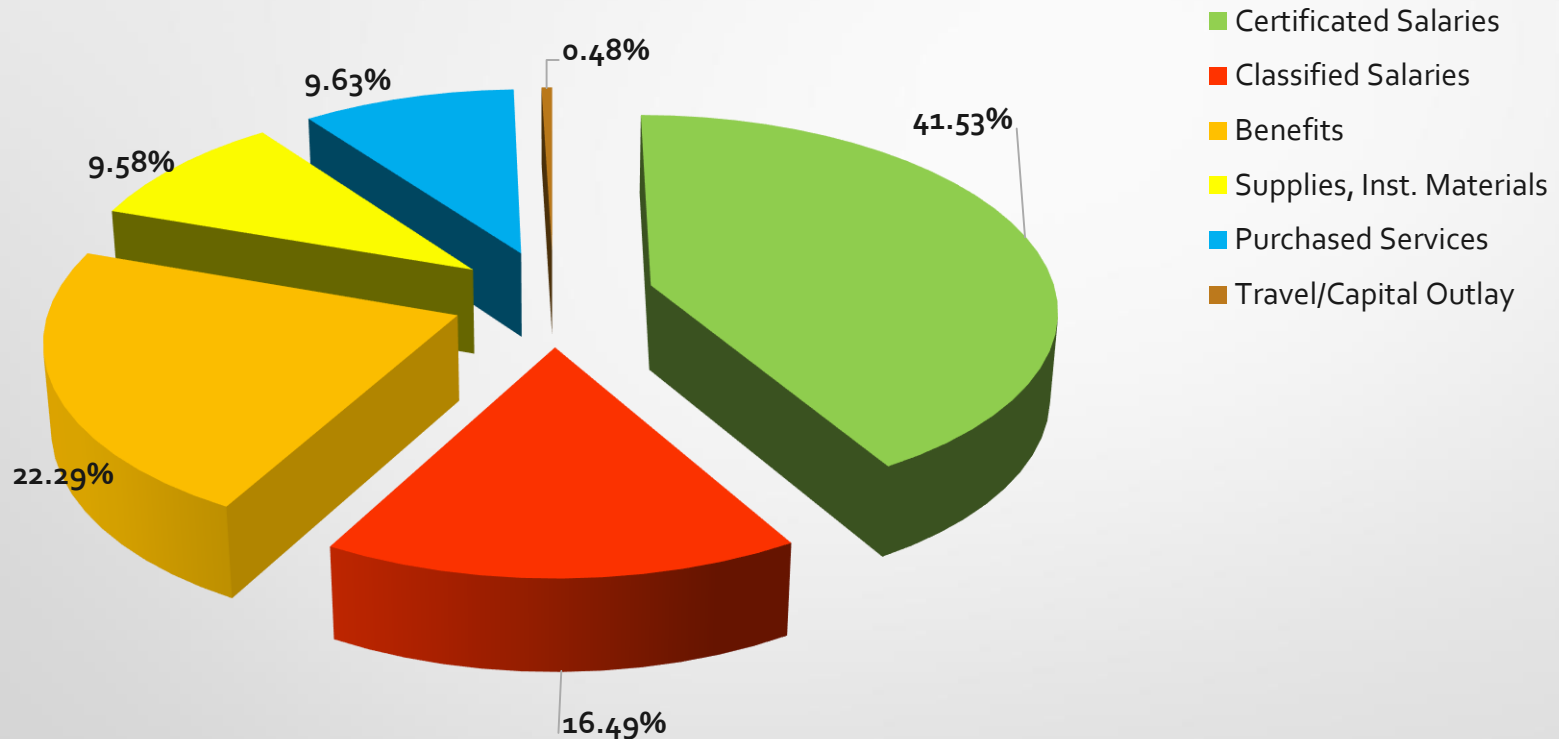
Expenditure by Program

▪ Regular Instruction	\$	108,180,389
▪ Federal Stimulus	\$	546,838
▪ Special Education	\$	30,880,310
▪ Vocational Ed	\$	6,322,605
▪ Compensatory Education	\$	13,533,948
▪ Other Instructional Programs	\$	6,204,998 **
▪ Community Services	\$	1,352,737
▪ Support Services	\$	37,306,006
<u>TOTAL</u>	\$	<u>204,327,831</u>

**includes \$6 million in capacity

Expenditure by Object

2016-17



Total Expenditure - \$204,327,831

(includes \$6 million in budget capacity)

2016-17 MSOC Certification

The 2016 Legislature added a sentence to the very end of the budget requiring that districts disclose during the budget hearing the use of the MSOC monies provided by the state. We use all MSOC monies provided by the state for it's intended purpose.

Renton School District No. 403 2016-2017 MSOC Disclosure

Combined 1191 MSOC from F-203

Regular Instruction (Column A)	\$ 17,215,122
Grades 9-12 Additional (Column I)	\$ 673,557
* Total MSOC Allocation	\$ 17,888,679

** Objects of Expenditure from F-195	Totals	Prg 01	Prg 02	Prg 03	Prg 97
Object 5 - totals	\$ 6,756,748	\$ 4,493,879	\$ 322,896	\$ -	\$ 1,939,973
Object 7 - totals	\$ 12,933,307	\$ 4,294,354	\$ 231,902	\$ 261,586	\$ 8,145,465
Object 8 - totals	\$ 129,359	\$ 60,729	\$ 1,000	\$ -	\$ 67,630
Object 9 - totals	\$ 170,999	\$ 12,923	\$ -	\$ -	\$ 158,076
* Total Budgeted 5-9 Expenditures	\$ 19,990,413				

*** Difference** **\$ (2,101,734)**

*The aggregate MSOC amounts and the difference between these amounts is to be disclosed as part of the budget hearing.

** To determine which expenditures to include in the calculation, reference the language below from the supplemental budget.

Per the Supplemental Budget Section 502(8)(a)(ii) pages 206-207:

(ii) For the 2016-17 school year, as part of the budget development, hearing, and review process required by chapter 28A.505 RCW, each school district must disclose: (A) The amount of state funding to be received by the district under (a) and (d) of this subsection (8); (B) the amount the district proposes to spend for materials, supplies, and operating costs; (C) the difference between these two amounts; and (D) if (A) of this subsection (8) (a) (ii) exceeds (B) of this subsection (8) (a) (ii), any proposed use of this difference and how this will improve student achievement.

(Note: If the MSOC allocations exceed MSOC expenditures, the district must report any proposed use of the difference and how this use will improve student achievement.)

This tool is provided as a courtesy only. It is the district's responsibility to interpret the MSOC disclosure requirements and calculations.

Fund Balance Impact for 2015-16 and 2016-17

- Preliminary estimates indicate fund balance to meet board target of 5% at the end of 2015-16
- If not, will adjust the budget in the fall for the balance of the needed restoration



Capital Projects Fund

- Completion of Risdon Middle School
- Planning for a new Sartori Elementary
- New portables for elementary class size
- Continuing support of technology training and staff
- Continuing support for critical facility needs
- Energy projects
- Safety and security upgrades
- Technology hardware



Capital Projects Fund

Beginning Fund Balance	\$60,839,500
Projected Revenues	\$30,200,600
Projected Expenditures	\$69,721,659
Transfers Out to General Fund	\$ 1,318,141
<u>Ending Fund Balance</u>	<u>\$20,000,300</u>

Debt Service Fund

- Taxes collected by the county are deposited in this fund
- Payments made for outstanding bonds approved by the voter
- Payments made for outstanding bonds obligated by the district as non-voted debt
- **2017 Tax Collection Set at \$27,000,000**

Debt Service Fund

Beginning Fund Balance	\$ 13,299,800
Revenues	\$37,065,200
Expenditures	\$44,619,000
<u>Ending Fund Balance</u>	<u>\$ 5,746,000</u>

TRANSPORTATION VEHICLE FUND

- Revenue Source: State depreciation
- Used to purchase replacement buses
- Current bus fleet: 115 buses
- Average age: 8 years
- Oldest year: 1997
- 8 fully depreciated



Transportation Vehicle Fund

- Budget authorizes the purchase of buses under our plan

Beginning Fund Balance	\$ 931,818
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Revenues	\$ 744,082
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Expenditures	\$ 1,400,000
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<u>Ending Fund Balance</u>	<u>\$ 275,900</u>
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Associated Student Body Fund

	Revenues	Expenditures
Student Body	936,192	773,359
Athletics	412,402	485,222
Clubs/Classes	712,900	731,174
Private Monies	81,715	73,883

Associated Student Body Fund

Budget Adoption Authorizes:

- Fund Raisers
- Expenditure Capacity



Beginning Fund Balance	\$	1,047,588
Revenues	\$	2,143,297
Expenditures	\$	2,063,638
<u>Ending Fund Balance</u>	\$	<u>1,127,247</u>

2016-17 Budget

- **Next steps**

- Adoption

- 2016-17 Budget

June 22, 2016

- **Questions**

