

2020-2021

Joint Budget Workshop

May 27, 2020



PRESENTED BY:

DR. ROBERT BOSTIC, SUPERINTENDENT

DEDREA L. NORMAN, CPA, RTSBA, CHIEF FINANCIAL OFFICER

JESUS AMEZCUA, PHD, CPA, RTSBA, INTERIM CHIEF FINANCIAL OFFICER

JOINT BUDGET WORKSHOP AGENDA MAY 27, 2020

1. Higginbotham Update
2. COVID-19 Implications
3. Strategies Initiatives
4. Assumptions in the General Fund Budget
 - a. Summary of Salary and Benefits Considerations
 - b. ADA
 - c. Property Tax Values Update
 - d. Proposed Tax Rate
5. Assumptions in the Child Nutrition Fund
6. Assumptions in the Debt Service Fund
7. Tax Rate and Budgets For Adoption



HIGGINBOTHAM UPDATE





COVID-19 IMPLICATIONS

Current Tax Collections

Stafford MSD
Tax Collections Summary
FY 2019-2020 & FY2018-2019

Account Code	Description	Month	FY 2019-2020			FY 2018-2019						
			Budget	Gen Fund	Debt Serv	Budget	Sept	Budget	Sept	Total		
				199	599	Total	April 2019	Actual (199)	Actual (599)			
5711	Current Year Taxes	September	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
		October	(780.75)	-	-	(780.75)	-	-	-			
		November	(552,643.19)	(161,640.48)	(714,283.67)	(435,451.90)	(112,345.96)	(1,413,152.84)				
		December	(4,387,442.48)	(1,266,413.09)	(5,653,855.57)	(5,477,365.45)	(2,475,904.42)	(2,273,345.91)				
		January	(10,051,453.40)	(2,901,300.99)	(12,952,754.39)	(9,596,578.12)	(8,934,079.93)	(207,206.14)	(163,173.68)			
		February	(8,598,232.98)	(2,505,118.92)	(11,103,351.90)	(803,128.86)	(632,459.40)					
		March	(1,218,847.83)	(64,814.43)	(1,283,662.26)							
		April	(53,242.61)	(21,914.65)	(75,157.26)							
	Total		25,457,316.00	(24,862,643.24)	7,404,548.00	(6,921,202.56)	(31,783,845.80)	25,708,463.00	(25,879,063.66)	6,586,310.00	(6,645,128.95)	(32,524,192.61)
5712	Prior Year Taxes	September		37,905.81	10,010.49	47,916.30	(5,780.73)	(1,058.25)				
		October		(16,930.06)	(4,629.27)	(21,559.33)	(3,120.15)	(570.02)				
		November		(4,236.39)	(956.92)	(5,193.31)	(126,282.85)	(24,384.22)				
		December		(5,864.06)	(1,424.31)	(7,288.37)	(7,558.63)	(1,382.73)				
		January		(9,952.06)	(2,387.58)	(12,339.64)	(23,965.57)	(4,477.54)				
		February		(5,307.13)	(1,222.92)	(6,530.05)	(67,039.82)	(12,277.12)				
		March		1,822.16	391.79	2,213.95	(2,048.32)	(345.63)				
		April		8,042.13	1,706.74	9,748.87	(1,678.57)	(190.37)				
	Total		230,000.00	5,480.40	30,000.00	1,488.02	6,968.42	100,000.00	(237,474.64)	15,000.00	(44,685.88)	(282,160.52)
5719	Penalty & Interest	September		(8,208.53)	(2,031.71)	(10,240.24)	(3,033.04)	(557.57)				
		October		(3,866.08)	(1,167.44)	(5,033.52)	(515.29)	(94.12)				
		November		(614.82)	(162.44)	(777.26)	(7,317.17)	(1,324.70)				
		December		(1,430.83)	(361.83)	(1,792.66)	(1,694.54)	(335.84)				
		January		(2,653.07)	(748.08)	(3,401.15)	(965.54)	(262.26)				
		February		(110,677.56)	(8,692.32)	(119,369.88)	(29,398.22)	(6,602.51)				
		March		(25,631.57)	(7,320.96)	(32,952.53)	(56,091.39)	(14,198.45)				
		April		(7,162.75)	(2,063.23)	(9,225.98)	(34,371.65)	(8,320.50)				
	Total		150,000.00	(160,245.21)	10,000.00	(22,548.01)	(182,793.22)	100,000.00	(133,386.84)	15,000.00	(31,695.95)	(165,082.79)
Total All Tax Collections				\$ (25,017,408.05)		\$ (6,942,262.55)	\$ (31,959,670.60)		\$ (26,249,925.14)		\$ (6,721,510.78)	\$ (32,971,435.92)

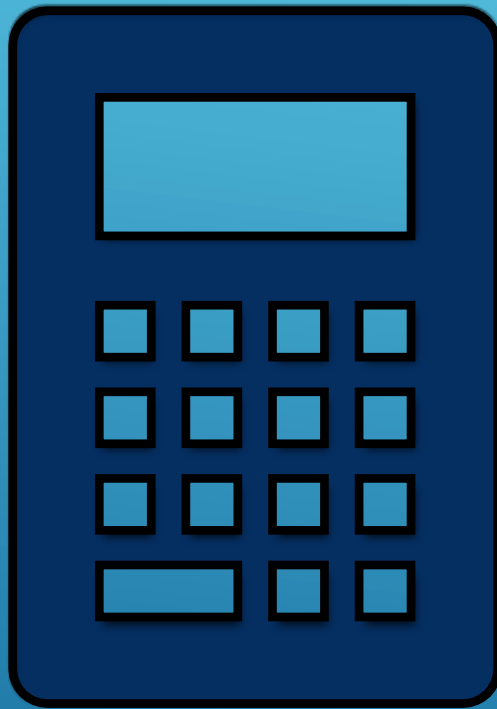


STRATEGIC INITIATIVES

STRATEGIC INITIATIVES

2019-2020 Adopted Board Goals	Recommended Strategic Priorities for FY 2020-2021
1. Flatten your organization (Move more people in the classroom or closer to the classroom)	1. Organizational Productivity: create an effective, agile, and responsive organization, while developing an effective organizational structure.
2. Move your best teachers to your toughest classrooms with low academic performance. (Pay them to move and set performance goals)	2. School Culture or Instructional Efficiency: create a culture of excellence by placing teachers in classrooms that will be conducive to high-quality instruction, while addressing the social, emotional and academic needs of students, while dramatically enhancing/increasing student performance.
3. Set performance goals and checkpoints and hold people accountable.	3. Performance Accountability: provide efficient fiscal management and transparency, provide cutting-edge technology to safeguard student and financial data, and operations systems to enhance student performance.
4. Have a good curriculum that follows the TEKS and follow it.	4. Curriculum Management: implement and manage a curriculum that is designed to support student learning by guiding educational experiences that will ensure all students are college and/or career ready.
5. Hire well. (Get "Rockstar's")	5. Talent Acquisition/Human Resources: create a culture of excellence by hiring and retaining highly qualified staff.
6. Move the right people to the right place on the SMSD train.(or bus)	6. Human Capital Management: align human capital with tasks and talents crucial for student success.

ASSUMPTIONS IN THE GENERAL FUND BUDGET



Summary of Salary and Benefits Considerations

Employer Contributions Recommended:

❖ Total of New FTEs for Immediate Consideration:

➤ Early Childhood Center (ECC) = 5 FTEs

- Expect the ECC to pay for itself
- There are several funding sources available to district (i.e. NINFA)

❖ New Middle School (NMS) = 3 FTEs

➤ Impact to Various Funds (i.e. federal funds)

❖ TRS Active Care

Continuous of \$225.00 per participating employee. Anticipate an increase in employee participation resulting from TRS Active Care New Plan: TRS Active Care Primary

- Estimated General Fund Impact - \$112,500 (recommend preparing budget for all employees, although current participation is at 270).

Summary of Salary and Benefits Considerations

Employer Contributions Recommended:

- ❖ Employee Assistance Programs
 - Estimated General Fund Impact - \$6,000

- ❖ Attendance and Retention Incentives Increase (from \$200 to \$250 per incentive)
 - Estimated General Fund Impact -\$50,000



95% Collection rate



Property Tax Values at 4% increase from prior year – Prelim @ 17%



ADA 3367

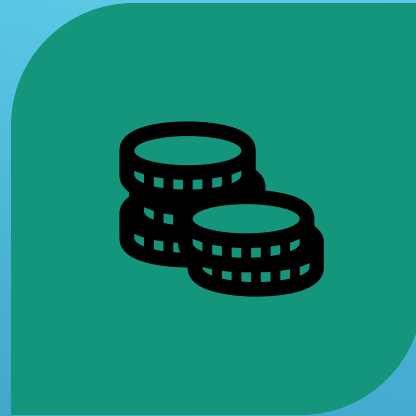
ASSUMPTIONS

BASED ON PROJECTED VALUES OF
\$2,676,609,115 @ 4% INCREASE

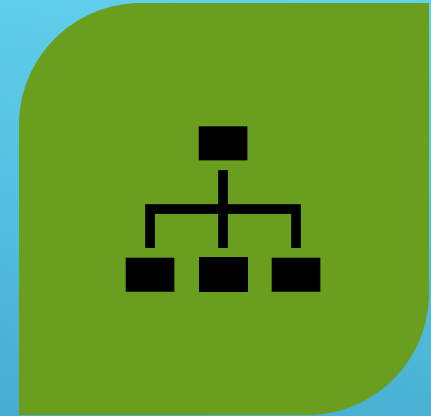
PRELIM 2019 TAX YEAR		2020 TAX YEAR		2021 TAX YEAR
2,672,532,331		2,676,609,115		2,676,609,115



**.93005 COMPRESSION
RATE TIER ONE**



**.04
CENTS ENRICHMENT**

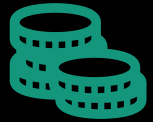


.97005 TIER TWO

TAX RATE FOR FY 19-20



**.916494 compression
rate tier one**



.05 cents enrichment



.966494 tier two

PROPOSED TAX RATE FOR FY 20-21

FY 19-20 PROJECTION BASED ON 3,367 ADA

ADDITIONAL INFO: (Not on TEA's Summary of Finances)		
SUMMARY OF TOTAL STATE/LOCAL M&O REVENUE:		
58.	M&O Rev From State (not including Fund 599 & I&S Hold Harmless)	6,866,472
59.	Gross M&O Rev From Local Taxes	\$25,024,355
60.	Tier 1 Recapture	\$0
61.	Recapture - Copper Penny Level	\$0
62.	Net M&O Revenue From Local Taxes	\$31,890,827
63.	Less: Credit Balance Due State (only if Line 58 is less than zero)	\$0
64.	Net 2019-20 TOTAL STATE/LOCAL M&O REVENUE	\$31,890,827
SUMMARY OF TOTAL RECAPTURE:		
65.	Tier I Recapture	\$0
66.	Recapture - Copper Penny Tier II Level	\$0
67.	Total 2019-20 Recapture	\$0
68.	Less: Formula Transition Grant Funding Credit Against Recapture (if applicable)	\$0
69.	Total 2019-20 Recapture Payments Due TEA	\$0

FY 20-21 PROJECTION BASED ON 3,367 ADA

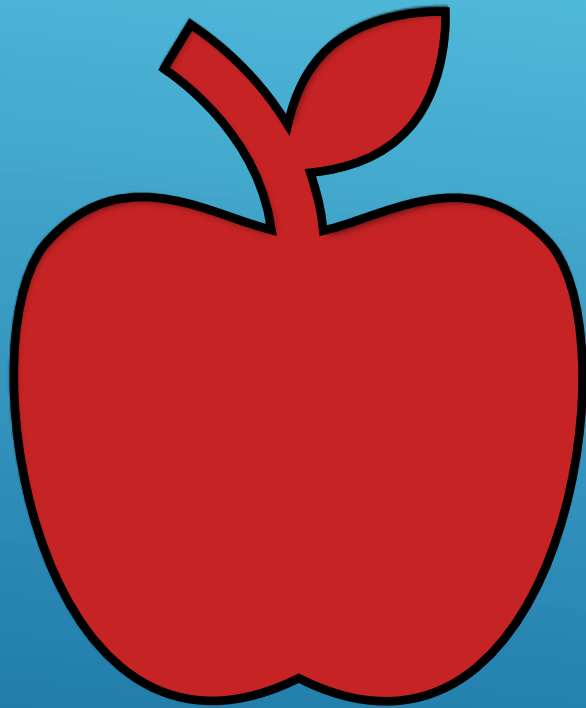
ADDITIONAL INFO: (Not on TEA's Summary of Finances)		
SUMMARY OF TOTAL STATE/LOCAL M&O REVENUE:		
58.	M&O Rev From State (not including Fund 599 & I&S Hold Harmless)	7,799,599
59.	Gross M&O Rev From Local Taxes	\$24,574,684
60.	Tier 1 Recapture	\$0
61.	Recapture - Copper Penny Level	\$0
62.	Net M&O Revenue From Local Taxes	\$32,374,284
63.	Less: Credit Balance Due State (only if Line 58 is less than zero)	\$0
64.	Net 2020-21 TOTAL STATE/LOCAL M&O REVENUE	\$32,374,284
SUMMARY OF TOTAL RECAPTURE:		
65.	Tier I Recapture	\$0
66.	Recapture - Copper Penny Tier II Level	\$0
67.	Total 2020-21 Recapture	\$0
68.	Less: Formula Transition Grant Funding Credit Against Recapture (if applicable)	\$0
69.	Total 2020-21 Recapture Payments Due TEA	\$0

Net Increase in Revenue: \$483,457

GENERAL FUND - BALANCED BUDGET

	GENERAL FUND
	2020-2021
Beginning Fund Balance / September 1	\$15,419,045
Total Budget:	
Local and Intermediate Revenues	\$24,574,685
State Program Revenues	\$7,799,599
Federal Program Revenues	\$522,000
TOTAL REVENUE	\$32,896,284
TOTAL EXPENDITURES	\$32,896,284
Net Change in Fund Balance	\$0
Ending Fund Balance / August 31	\$15,419,045

ASSUMPTIONS



ASSUMPTIONS IN THE CHILD NUTRITION FUND BUDGET

CHILD NUTRITION – BALANCED BUDGET

	CHILD NUTRITION
	2020-2021
Beginning Fund Balance / September 1	\$524,583
Total Budget:	
Local and Intermediate Revenues	\$336,346
State Program Revenues	\$11,000
Federal Program Revenues	\$1,853,017
TOTAL REVENUE	\$2,200,363
TOTAL EXPENDITURES	\$2,200,363
Net Change in Fund Balance	\$0
Ending Fund Balance / August 31	\$524,583

ASSUMPTIONS



ASSUMPTIONS IN THE DEBT SERVICE FUND BUDGET

DEBT SERVICE

	DEBT SERVICE
	2020-2021
Beginning Fund Balance / September 1	\$2,565,111
Total Budget:	
Local and Intermediate Revenues	\$7,219,780
State Program Revenues	\$39,000
Federal Program Revenues	\$0
TOTAL REVENUE	\$7,258,780
TOTAL EXPENDITURES	\$7,134,078
Net Change in Fund Balance	\$124,702
Ending Fund Balance / August 31	\$2,689,813

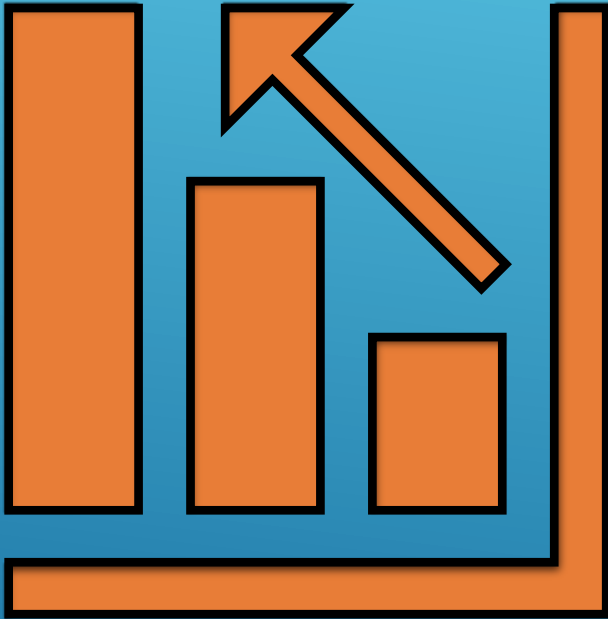
ASSUMPTIONS

DEBT SERVICE ASSUMPTIONS

Stafford Municipal School District
Annual Unlimited Tax Debt by Principal and Interest

<u>FYE</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2020	\$ 3,155,000.00	\$ 3,975,853.46	\$ 7,130,853.46
2021	2,800,000.00	4,329,076.40	7,129,076.40

TAX RATE AND BUDGETS FOR ADOPTION



TAX RATE FOR ADOPTION

NOTICE TO DISCUSS THE BUDGET AND PROPOSED TAX RATE

Notice of Public Meeting to Discuss Budget and Proposed Tax Rate

Comparison of Proposed Rates with Last Year's Rates

	Maintenance & Operations	Interest & Sinking Fund*	Total	Local Revenue Per Student	State Revenue Per Student
Last Year's Rate	0.97005	0.28000	1.25005	9,500	150
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	0.91640	0.28000	1.19640	7,285	297
Proposed Rate	0.96645	0.28000	1.24645	9,225	584

* The Interest and Sinking Fund tax revenue is used to pay for bonded debt on construction, equipment, or both. The bonds, and the tax rate necessary to pay those bonds, were approved by the voters of this district.

FUNDS FOR ADOPTION

	GENERAL FUND	CHILD NUTRITION	DEBT SERVICE
	2020-2021	2020-2021	2020-2021
Beginning Fund Balance / September 1	\$15,419,045	\$524,583	\$2,565,111
Total Budget:			
Local and Intermediate Revenues	\$24,574,685	\$336,346	\$7,219,780
State Program Revenues	\$7,799,599	\$11,000	\$39,000
Federal Program Revenues	\$522,000	\$1,853,017	\$0
TOTAL REVENUE	\$32,896,284	\$2,200,363	\$7,258,780
TOTAL EXPENDITURES	\$32,896,284	\$2,200,363	\$7,134,078
Net Change in Fund Balance	\$0	\$0	\$124,702
Ending Fund Balance / August 31	\$15,419,045	\$524,583	\$2,689,813

NEXT STEPS



Posting on the website

Posting of the public meeting for August 27, 2020

Adoption of the budget and tax rate

Implement the budget for FY 2020-2021

Upcoming Board and City Council Meetings

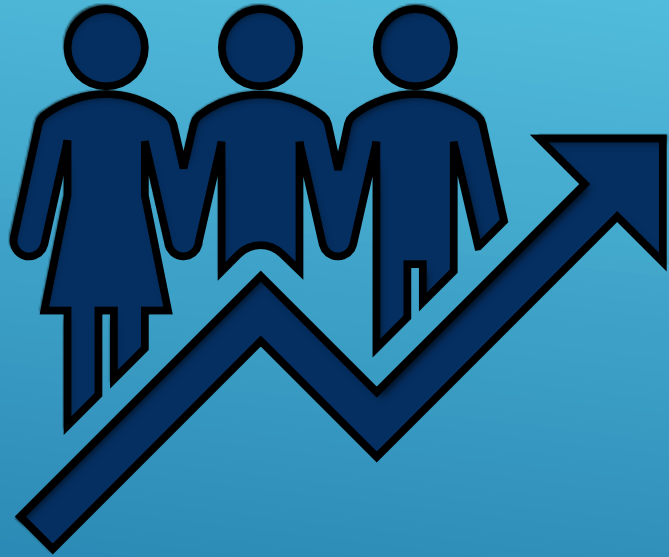
Wednesday, May 27, 2020

Wednesday, July 22, 2020

Thursday, August 13, 2020

Thursday, August 27, 2020





Dr. Robert Bostic, Superintendent

**Dedrea L. Norman, CPA, RTSBA,
CFO, Stafford MSD**

**Dr. Jesus Amezcua, CPA, RTSBA,
Harris County Dept of
Education**

SUMMARY

**I certify that the foregoing information
is true and accurate to the best of my
knowledge.**

**Dedrea L. Norman, CPA, RTSBA, Chief
Financial Officer**

