

2020-21 BUDGET UPDATE

Chris Scott

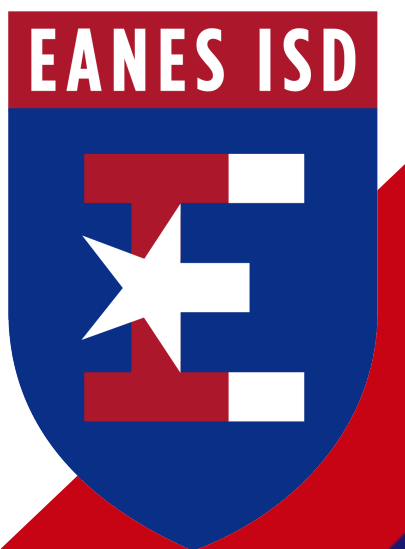
December 8, 2020



BUDGET DEVELOPMENT CALENDAR

DECEMBER 2020

- Amend 2020-21 Budget Based on Final TAV and Enrollment numbers
- Modify required 2021-22 FTE adjustment based on amended 2020-21 Budget
- Begin Development 2021-22 budget adjustment plan



2020-21 General Fund Budget

June Assumptions:

- 8,150 Students
- TAV Growth 3.8%
- M&O Tax Rate Dependent on VATRE
- No Salary Increase
- Reduction of 10 FTE
- Return to Normal School Operations



2020-21 General Fund Budget

June Assumptions:

- 8,150 Students
- TAV Growth 3.8%
- M&O Tax Rate Dependent on VATRE
- No Salary Increase
- Reduction of 10 FTE
- Return to Normal School Operations

December Update:

- 7,970 Students
- TAV Growth 3.8%
- M&O Tax Rate \$0.9964 / +2 Golden Pennies
- No Salary Increase
- Effective Reduction of More Than 10 FTE
- Modified School Operations due to Covid-19



Budget Impact of December Updates

June Projected Deficit:

(\$2.90M)

- 8,150 Students to 7,970 Students
- Approval of 2 Additional Golden Pennies
- Additional Unfilled FTEs

(\$0.61M)

\$3.30M

\$0.10M



Budget Impact of December Updates

June Projected Deficit:

(\$2.90M)

- 8,150 Students to 7,970 Students (\$0.61M)
- Approval of 2 Additional Golden Pennies \$3.30M
- Additional Unfilled FTEs \$0.10M
- Spending and Modified School Operations due to Covid-19



Covid-19 Budget Impacts

- Impacts on spending are large but not as impactful as on revenue
- Impact on revenue is significant.
 - Child Nutrition participation down (non-General Fund)
 - Child Development Center participation down (non-General Fund)
 - Other Enterprise Funds (Rentals, EZ Care, Community Ed) participation down



Covid-19 Budget Impacts

In a Typical Year

- Child Nutrition and CDC are self-funding programs
- Rentals, EZ Care, and Community Education generate profits which are used to supplement the General Fund by about \$1.4M

This Year

- Child Nutrition is projected to lose \$1.5M
- CDC's projected loss of \$800K can be covered by fund balances in other Enterprise Funds.
- Transfer to the General Fund from Rentals, EZ Care, and Community Education will be reduced to approximately \$400K
- Unreimbursed Covid related spending: \$300K



Budget Impact of December Updates

June Projected Deficit:

(\$2.90M)

- 8,150 Students to 7,970 Students (\$0.60M)
- Approval of 2 Additional Golden Pennies \$3.30M
- Additional Unfilled FTEs \$0.09M
- Spending and Modified School Operations due to Covid-19 (\$2.80M)



Budget Impact of December Updates

June Projected Deficit:

(\$2.90M)

- 8,150 Students to 7,970 Students
- Approval of 2 Additional Golden Pennies
- Additional Unfilled FTEs
- Spending and Modified School Operations due to Covid-19

(\$0.60M)

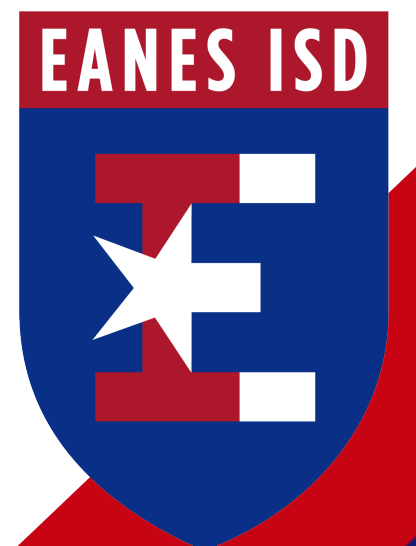
\$3.30M

\$0.10M

(\$2.8M)

December Projected Deficit:

(\$2.70M)



BUDGET PROJECTION

	2019-20
Tax Base Growth	6.0%
Projected Tax Rate	\$0.99
Golden Pennies	6
Projected Enrollment on Snapshot Date	8,167
Change in Staff FTE	0
Salary/Benefits % Change	4.5%
Projected Surplus/(Deficit)	(\$1.9M)

Projected Ending Fund Balance	\$24.9M
Fund Balance as % of Expenditures	30.6%



BUDGET PROJECTION

	2019-20	2020-21
Tax Base Growth	6.0%	3.8%
Projected Tax Rate	\$0.99	\$0.9964
Golden Pennies	6	8
Projected Enrollment on Snapshot Date	8,167	7,970
Change in Staff FTE	0	-10
Salary/Benefits % Change	4.5%	0%
Projected Surplus/(Deficit)	(\$1.9M)	(\$2.7M)
Projected Ending Fund Balance	\$24.9M	\$22.2M
Fund Balance as % of Expenditures	30.6%	26.6%



BUDGET PROJECTION

	2019-20	2020-21	2021-22
Tax Base Growth	6.0%	3.8%	6.1%
Projected Tax Rate	\$0.99	\$0.9964	\$0.9653
Golden Pennies	6	8	8
Projected Enrollment on Snapshot Date	8,167	7,970	8,152
Change in Staff FTE	0	-10	0
Salary/Benefits % Change	4.5%	0%	2.0%
Projected Surplus/(Deficit)	(\$1.9M)	(\$2.7M)	(\$600K)

Projected Ending Fund Balance	\$24.9M	\$22.2M	\$21.6M
Fund Balance as % of Expenditures	30.6%	26.6%	25.8%



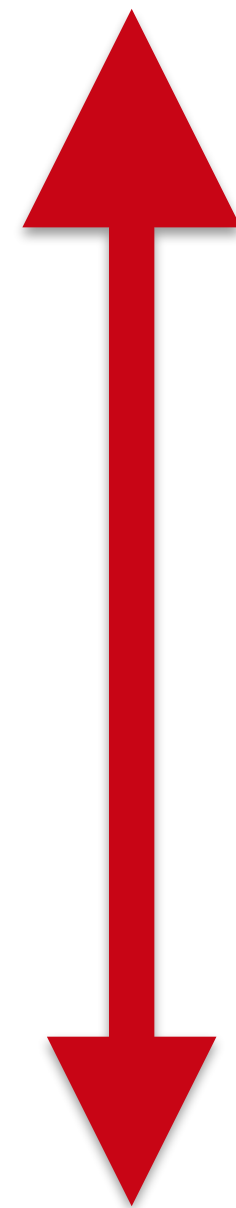
Budget Impact of Certain Variables

+/- 1% TAV Growth	\$130K
+/- 1% Salary / Benefits Change	\$610K
+/- 100 Students Enrolled	\$670K



BOARD INFLUENCE LEVELS

**DIRECT
INFLUENCE**



1

- Salaries & Benefits (May)
- Staffing (December-February) & (April - June)

**SOME
INFLUENCE**

2

- Draw on fund balance
- Action by the Texas Legislature (June of odd years)
- EEF Contribution (May or June)
- Enrollment (October)

**NO DIRECT
INFLUENCE**

3

- TAV Change (April, July)
- Unanticipated Revenues and Expenses
- Possible New Federal Aid



BOARD BUDGETING TOOL

	2020-21	2021-22	2022-23	2023-24	2024-25
Tax Base Growth	3.8%	6.1%	6.1%	6.1%	6.1%
Tier 1 Tax Rate (Automatically adjusted for 2.5% growth)	\$0.9164	\$0.8853	\$0.8553	\$0.8262	\$0.7982
Golden Pennies (Can increase to \$0.08 with TRE beginning in 2020-21)	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08
Total M&O Tax Rate	\$0.9964	\$0.9653	\$0.9353	\$0.9062	\$0.8782
Projected Enrollment on Snapshot Date	7,970	8,152	8,066	8,021	8,040
Projected Enterprise Fund Revenues as % of Historical Projection	29%	100%	100%	100%	100%
Projected EEF Funding as % of 2019-20 Donation	100%	100%	100%	100%	100%
Salary/Benefits % Change	0.0%	2.0%	2.0%	2.0%	2.0%
Exclude Administration from Salary/Benefits Change	No	No	No	No	No
Move from 5 to 6 Sections for High School Core Teachers	No	No	No	No	No
Move from 5 to 6 Sections for Middle School Core Teachers	No	No	No	No	No
Reduce FTE at Each Elementary	No	No	No	No	No
Eliminate 2 Central Office Positions	No	No	No	No	No
Eliminate 3 Elementary Assistant Principals	No	No	No	No	No
Eliminate 1 Assistant Principal from HS and Each MS	No	No	No	No	No
Eliminate 10 non-classroom Certified FTE (Ep's, Librarians , Etc)	No	No	No	No	No
Eliminate Additional Certified FTE	No	No	No	No	No
Eliminate Additional Non-Certified FTE	No	No	No	No	No
Eliminate Student Transportation Except as Required by Law	No	No	No	No	No
Other Expense % Change	1.5%	1.5%	1.5%	1.5%	1.5%
Budgeted Surplus / (Deficit)	(3,714,717)	(1,595,043)	(2,963,923)	(4,050,092)	(4,665,709)
Change in Number of Staff	-10.0	0.0	0.0	0.0	0.0
Projected Surplus / (Deficit)	(2,714,717)	(595,043)	(1,963,923)	(3,050,092)	(3,665,709)
Projected Ending Fund Balance	\$22,211,015	\$21,615,972	\$19,652,049	\$16,601,958	\$12,936,248
Fund Balance as % of Expenditures	26.6%	25.8%	23.0%	19.0%	14.5%

BOARD BUDGETING TOOL

	2020-21	2021-22	2022-23	2023-24	2024-25
Tax Base Growth	3.8%	9.1%	6.1%	6.1%	6.1%
Tier 1 Tax Rate (Automatically adjusted for 2.5% growth)	\$0.9164	\$0.8610	\$0.8317	\$0.8035	\$0.7776
Golden Pennies (Can increase to \$0.08 with TRE beginning in 2020-21)	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08
Total M&O Tax Rate	\$0.9964	\$0.9410	\$0.9117	\$0.8835	\$0.8576
Projected Enrollment on Snapshot Date	7,970	8,152	8,066	8,021	8,040
Projected Enterprise Fund Revenues as % of Historical Projection	29%	100%	100%	100%	100%
Projected EEF Funding as % of 2019-20 Donation	100%	100%	100%	100%	100%
Salary/Benefits % Change	0.0%	2.0%	2.0%	2.0%	2.0%
Exclude Administration from Salary/Benefits Change	No	No	No	No	No
Move from 5 to 6 Sections for High School Core Teachers	No	No	No	No	No
Move from 5 to 6 Sections for Middle School Core Teachers	No	No	No	No	No
Reduce FTE at Each Elementary	No	No	No	No	No
Eliminate 2 Central Office Positions	No	No	No	No	No
Eliminate 3 Elementary Assistant Principals	No	No	No	No	No
Eliminate 1 Assistant Principal from HS and Each MS	No	No	No	No	No
Eliminate 10 non-classroom Certified FTE (Ep's, Librarians , Etc)	No	No	No	No	No
Eliminate Additional Certified FTE	No	No	No	No	No
Eliminate Additional Non-Certified FTE	No	No	No	No	No
Eliminate Student Transportation Except as Required by Law	No	No	No	No	No

Other Expense % Change	1.5%	1.5%	1.5%	1.5%	1.5%
Budgeted Surplus / (Deficit)	(3,714,717)	(1,194,216)	(2,538,648)	(3,598,838)	(4,186,033)
Change in Number of Staff	-10.0	0.0	0.0	0.0	0.0
Projected Surplus / (Deficit)	(2,714,717)	(194,216)	(1,538,648)	(2,598,838)	(3,186,033)

Projected Ending Fund Balance	\$22,211,015	\$22,016,799	\$20,478,151	\$17,879,313	\$14,693,280
Fund Balance as % of Expenditures	26.6%	26.3%	24.0%	20.5%	16.5%

BOARD BUDGETING TOOL

	2020-21	2021-22	2022-23	2023-24	2024-25
Tax Base Growth	3.8%	6.1%	6.1%	6.1%	6.1%
Tier 1 Tax Rate (Automatically adjusted for 2.5% growth)	\$0.9164	\$0.8853	\$0.8553	\$0.8262	\$0.7982
Golden Pennies (Can increase to \$0.08 with TRE beginning in 2020-21)	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08
Total M&O Tax Rate	\$0.9964	\$0.9653	\$0.9353	\$0.9062	\$0.8782
Projected Enrollment on Snapshot Date	7,970	8,027	8,066	8,021	8,040
Projected Enterprise Fund Revenues as % of Historical Projection	29%	100%	100%	100%	100%
Projected EEF Funding as % of 2019-20 Donation	100%	100%	100%	100%	100%
Salary/Benefits % Change	0.0%	2.0%	2.0%	2.0%	2.0%
Exclude Administration from Salary/Benefits Change	No	No	No	No	No
Move from 5 to 6 Sections for High School Core Teachers	No	No	No	No	No
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Eliminate 2 Central Office Positions	No	No	No	No	No
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Eliminate 1 Assistant Principal from HS and Each MS	No	No	No	No	No
Eliminate 10 non-classroom Certified FTE (Ep's, Librarians , Etc)	No	No	No	No	No
Eliminate Additional Certified FTE	No	No	No	No	No
Eliminate Additional Non-Certified FTE	No	No	No	No	No
Eliminate Student Transportation Except as Required by Law	No	No	No	No	No

Other Expense % Change	1.5%	1.5%	1.5%	1.5%	1.5%
Budgeted Surplus / (Deficit)	(3,714,717)	(2,438,104)	(2,964,135)	(4,050,092)	(4,665,709)
Change in Number of Staff	-10.0	0.0	0.0	0.0	0.0
Projected Surplus / (Deficit)	(2,714,717)	(1,438,104)	(1,964,135)	(3,050,092)	(3,665,709)

Projected Ending Fund Balance	\$22,211,015	\$20,772,911	\$18,808,776	\$15,758,684	\$12,092,975
Fund Balance as % of Expenditures	26.6%	24.8%	22.0%	18.1%	13.6%