A young girl with curly hair is smiling and looking towards the camera. In the background, a whiteboard has the equation $4 \times 5 = 20$ written on it. The numbers 4, 5, and the equals sign are written in blue, while the number 20 is written in red. A hand is visible holding a white marker with a red cap, positioned as if it just finished writing the equation.
$$4 \times 5 = 20$$

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

SCHOOL FINANCE

ADVOCACY TEAM

SCHOOL FINANCE

ADVOCACY TEAM

WELCOME

Jennifer Blaine, Ed.D.

SBISD Superintendent of Schools

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

AGENDA

- **Welcome** – Jennifer Blaine, Superintendent
- **Open Special Board Meeting**
- **Advocacy Team Purpose, Scope and Norms**
- **SBISD School Finance 101 Presentation**
- **Closing remarks/Upcoming meetings**
- **Adjourn Special Meeting**

Linda Buchman

Associate Superintendent
Communications & Community Engagement

PURPOSE & SCOPE

The SFAT members will work collaboratively and cooperatively with the Superintendent and the superintendent's administrative designees and resource personnel for the three-fold purpose, as follows:

Develop a cadre of parents and community members who are informed about Spring Branch ISD's historical, current and future financial position, that may include, but not be limited to, the areas noted below:

- *SBISD financials and historical perspectives*
- *The State funding model for public education, generally, and Recapture, specifically*
- *SBISD revenue sources, limitations and opportunities*
- *Legislative impacts*
- *Competitive position*

Develop team members as key communicators to increase community awareness and understanding of SBISD's financial picture resulting from the State funding model for public education.

Develop team members' capacity and willingness to serve as advocates for SBISD regarding the public-school funding model in general, and recapture (Revenue in Excess of Entitlement), specifically, during the upcoming 88th Texas Legislative Session.

PURPOSE & SCOPE

Members are expected to attend school-finance-focused community meetings in early 2023 and to advocate on behalf of Spring Branch ISD in January-May 2023 before and during the 88th Legislative Session.

Members also are expected to serve as key communicators to expand awareness of the implications of the State school-finance model on SBISD to increase community action on behalf of the district.

ATTEND
ADVOCATE
COMMUNICATE
ACTION

Limitations:

The SFAT will focus on educating and engaging its members as described in the three-fold purpose statement above and is not charged with making specific budget recommendations.

Additional areas of focus from which the SFAT should refrain include recommendations regarding boundaries of district facilities, closure of district facilities, instructional arrangements and/or educational pedagogy and district policy.

District Commitments to the Advocacy Team



provide all associated materials in a timely manner



provide committee members with multiple opportunities to provide **insight and feedback**



provide committee members with transparent two-way communication as questions or needs arise

OUR NORMS



**Every
Child**



**Collective
Greatness**



**Collaborative
Spirit**



**Limitless
Curiosity**



**Moral
Compass**

SCHOOL FINANCE

ADVOCACY TEAM

OVERVIEW

Christine Porter

Associate Superintendent
Finance

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT



SCHOOL FINANCE

101

Texas School Finance 101

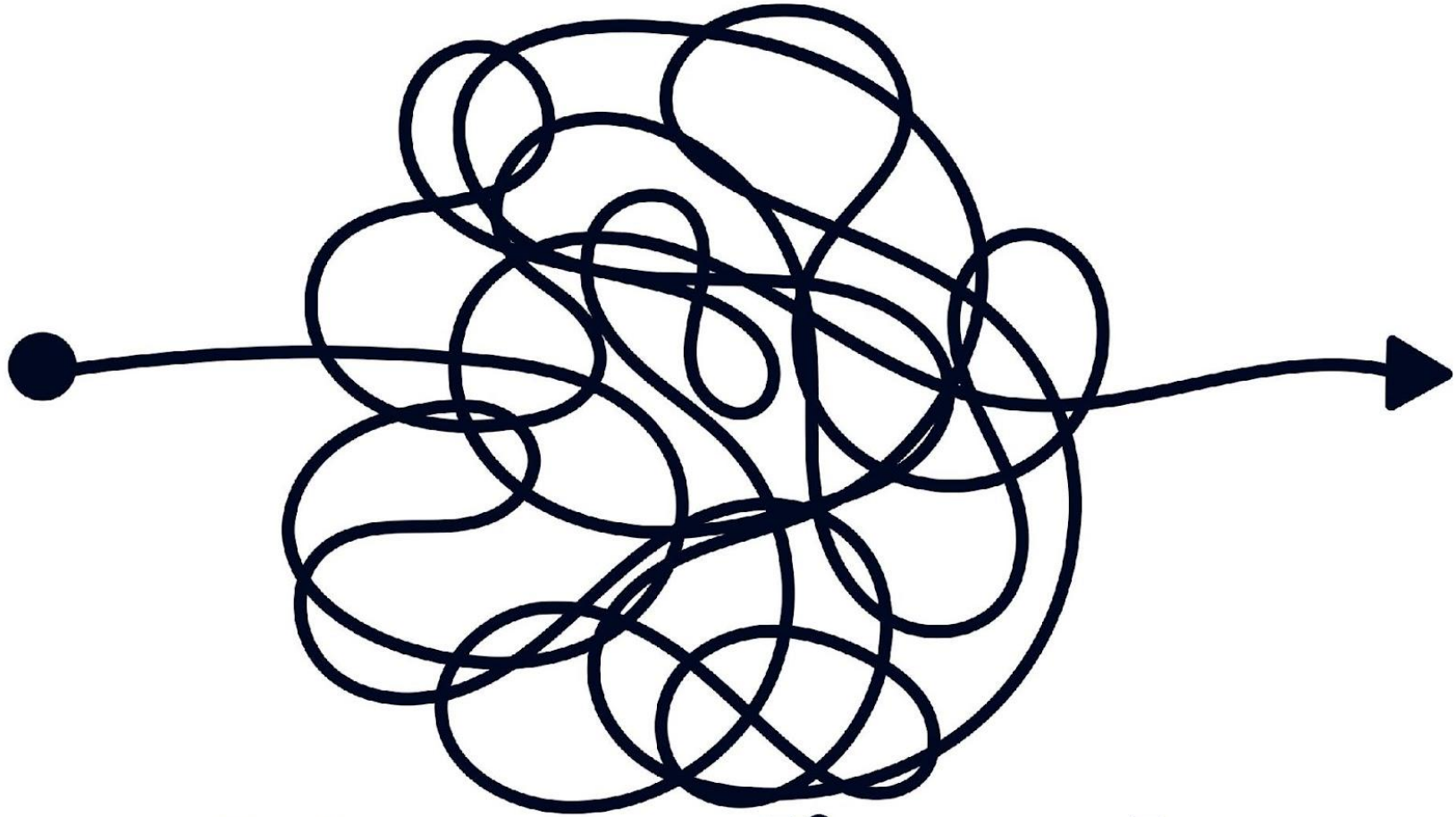
What's happening?

Over **5 million** students

\$50 billion for maintenance
and operations

(\$3.2 billion) in Recapture

**SCHOOL
FINANCE**



It's complicated.

**SCHOOL
FINANCE**



Principles of Texas School Finance

Equity

Adequacy

Efficiency

Texas Constitution

"A general diffusion of knowledge being essential to the preservation of the liberties and rights of the people, it shall be the duty of the Legislature of the State to establish and make suitable provision for the support and maintenance of an efficient system of public free schools."

-Texas Constitution (1876)



Texas Constitution

***"No state ad valorem taxes** shall be levied upon any property within this State."*

-Texas Constitution (added in 1968)

Education is to be funded by the state.

Texas Education Code

It is the policy of this state that the provision of public education is a state responsibility and that a thorough and efficient system be provided and **substantially financed through state revenue sources** so that **each student enrolled in the public school system shall have access to programs and services that are appropriate to the student's educational needs** and that are **substantially equal to those available to any similar student**, notwithstanding varying local economic factors.

TEC 48.001(a)



ACKNOWLEDGE DISTRICT COST DIFFERENCES

Texas Education Code

The public school finance system of this state **shall adhere to a standard of neutrality** that provides for substantially equal access to similar revenue per student at similar tax effort, considering all state and local tax revenues of districts after acknowledging all legitimate student **and district cost differences.**

TEC 48.001(b)



FOUNDATION **SCHOOL PROGRAM** (FSP)

Texas' system for distributing state aid to school districts & charter schools

Calculated using statutory formulas



Funded through a combination of state aid and local tax revenue

GENERAL FUND 

Three Essential Drivers Texas School Funding

Student
Counts

Property
Values

Tax
Effort

SCHOOL
FINANCE

STUDENT COUNTS

A young man with short brown hair, wearing a light blue long-sleeved shirt and a black watch, is seen from the back, raising his right hand in a classroom setting. The background is blurred, showing other students and desks.

ENROLLMENT

**AVERAGE DAILY
ATTENDANCE (ADA)**

**FULL-TIME
EQUIVALENTS (FTES)**

**WEIGHTED AVERAGE
DAILY ATTENDANCE
(WADA)**

STUDENT COUNTS

A background image showing a student from behind, wearing a light blue shirt and a black watch, with their arms raised in a classroom setting. Other students are visible in the background, some with their arms raised.

ENROLLMENT

**AVERAGE DAILY
ATTENDANCE (ADA)**

**FULL-TIME
EQUIVALENTS (FTES)**

**WEIGHTED AVERAGE
DAILY ATTENDANCE
(WADA)**

STUDENT COUNTS

ENROLLMENT

Basis of **budget/hiring decisions**

AVERAGE DAILY ATTENDANCE (ADA)

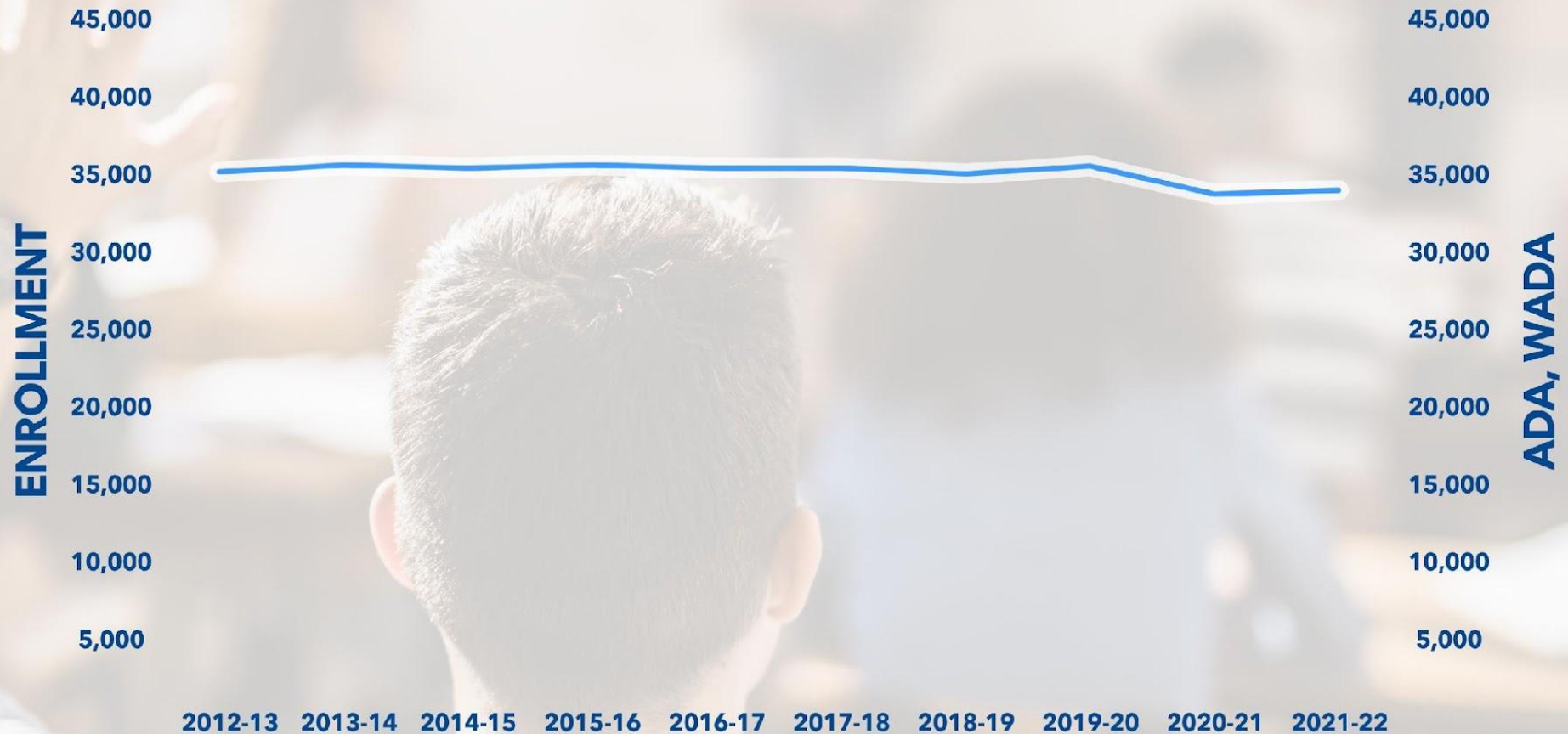
Basis of **State payment to district**

WEIGHTED AVERAGE DAILY ATTENDANCE (WADA)

Basis of **district Recapture Payment to the State**

STUDENT COUNTS

ENROLLMENT



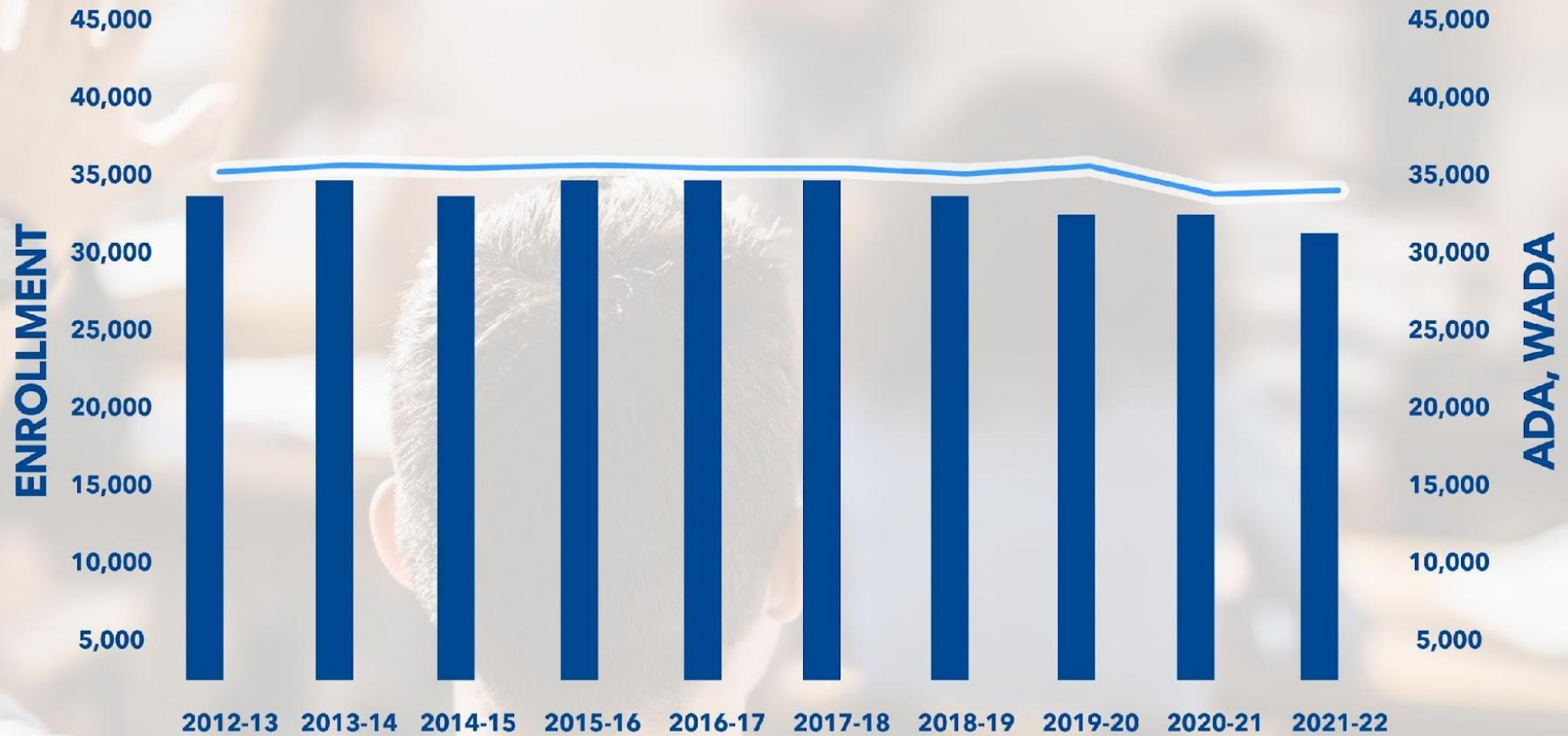
ADA

WADA

ENROLLMENT

STUDENT COUNTS

AVERAGE DAILY
ATTENDANCE COUNTS
(ADA)



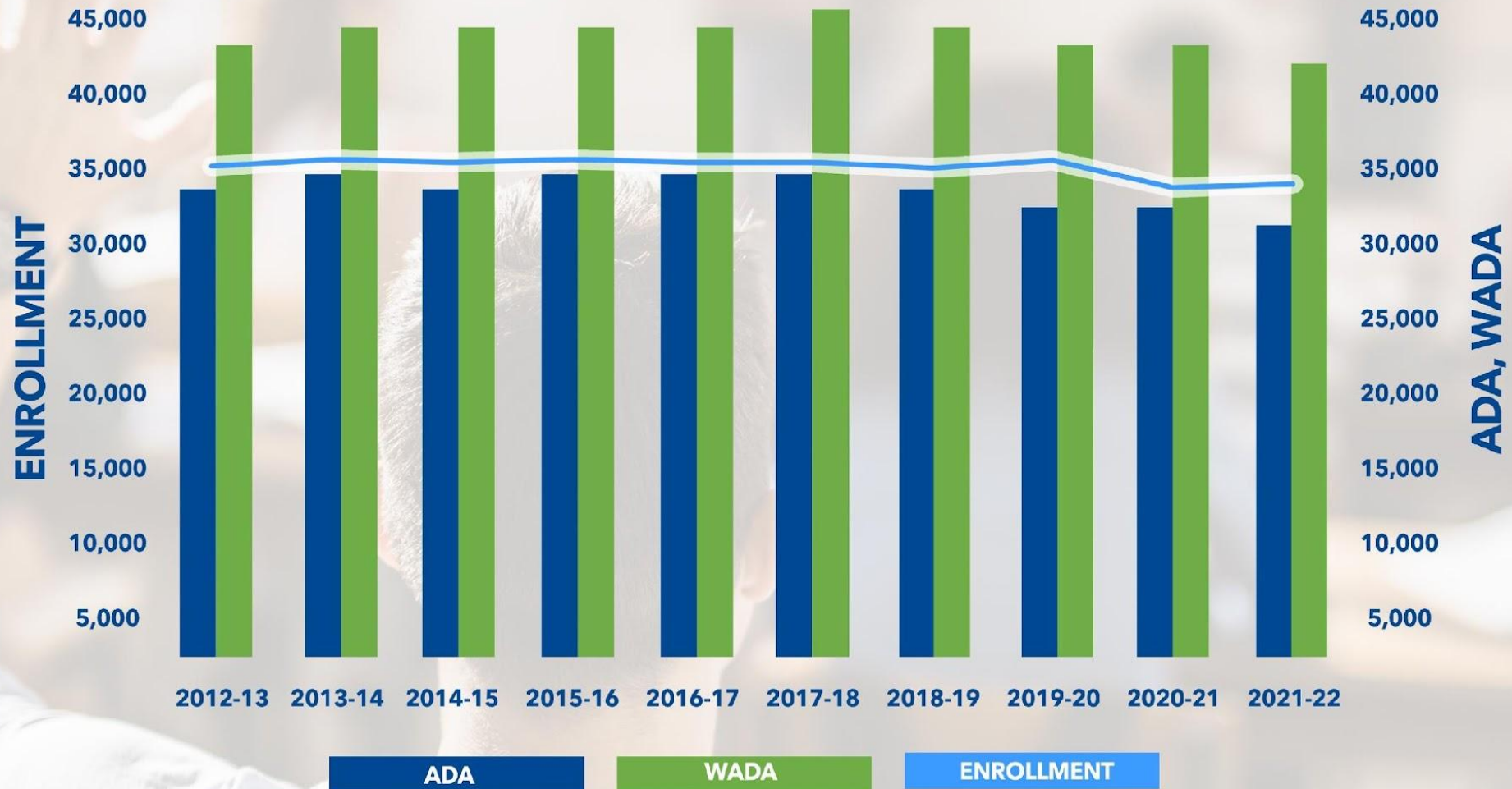
ADA

WADA

ENROLLMENT

STUDENT COUNTS

WEIGHTED AVERAGE DAILY
ATTENDANCE COUNTS
(WADA)



PROPERTY VALUES



LOCAL VALUES

HARRIS COUNTY
APPRAISAL
DISTRICT

(HCAD)

STATE VALUES

COMPTROLLER
PROPERTY
VALUE
STUDIES

(PVS)

PROPERTY VALUES



HCAD VALUE

BASIS ON WHICH
DISTRICT
RECEIVES
PROPERTY
TAXES

PVS VALUE

BASIS ON WHICH
STATE
FUNDING
FOR
SCHOOL
DISTRICT

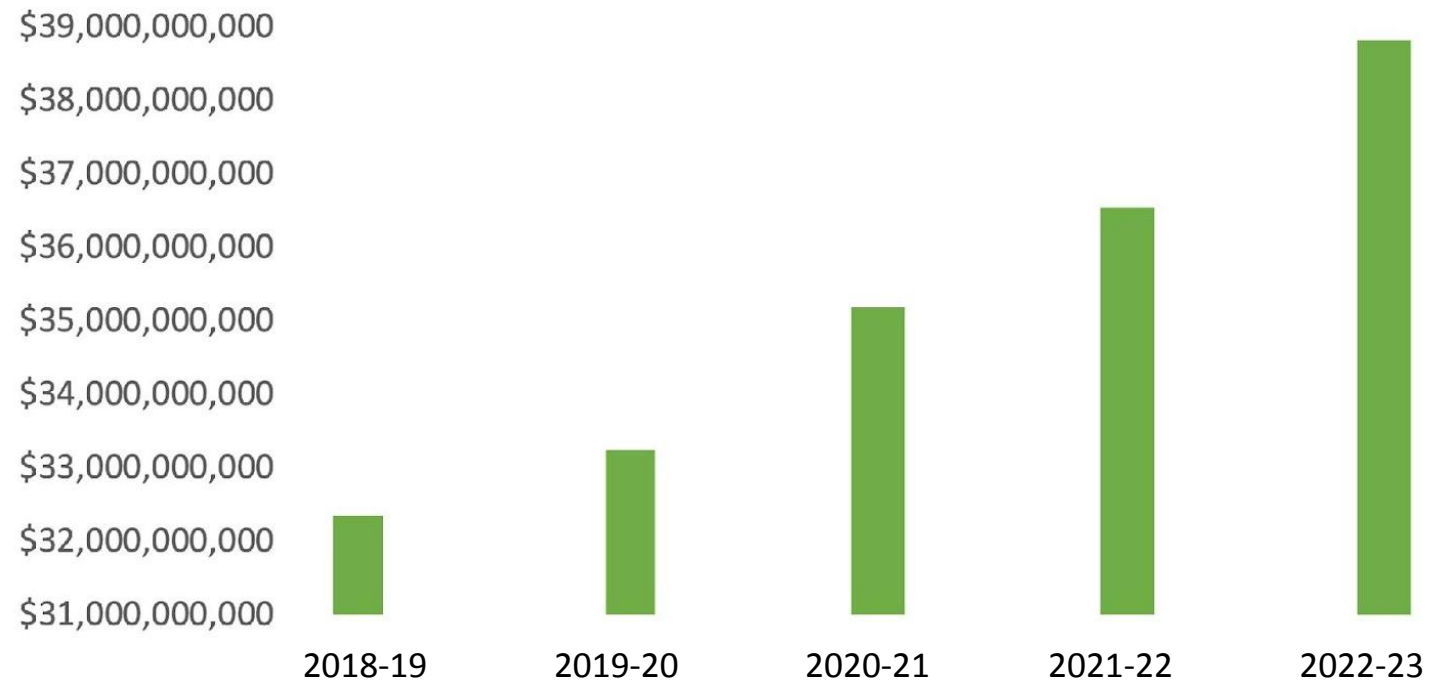


PROPERTY VALUES

LOCAL VALUES

HARRIS COUNTY
APPRAISAL
DISTRICT

(HCAD)

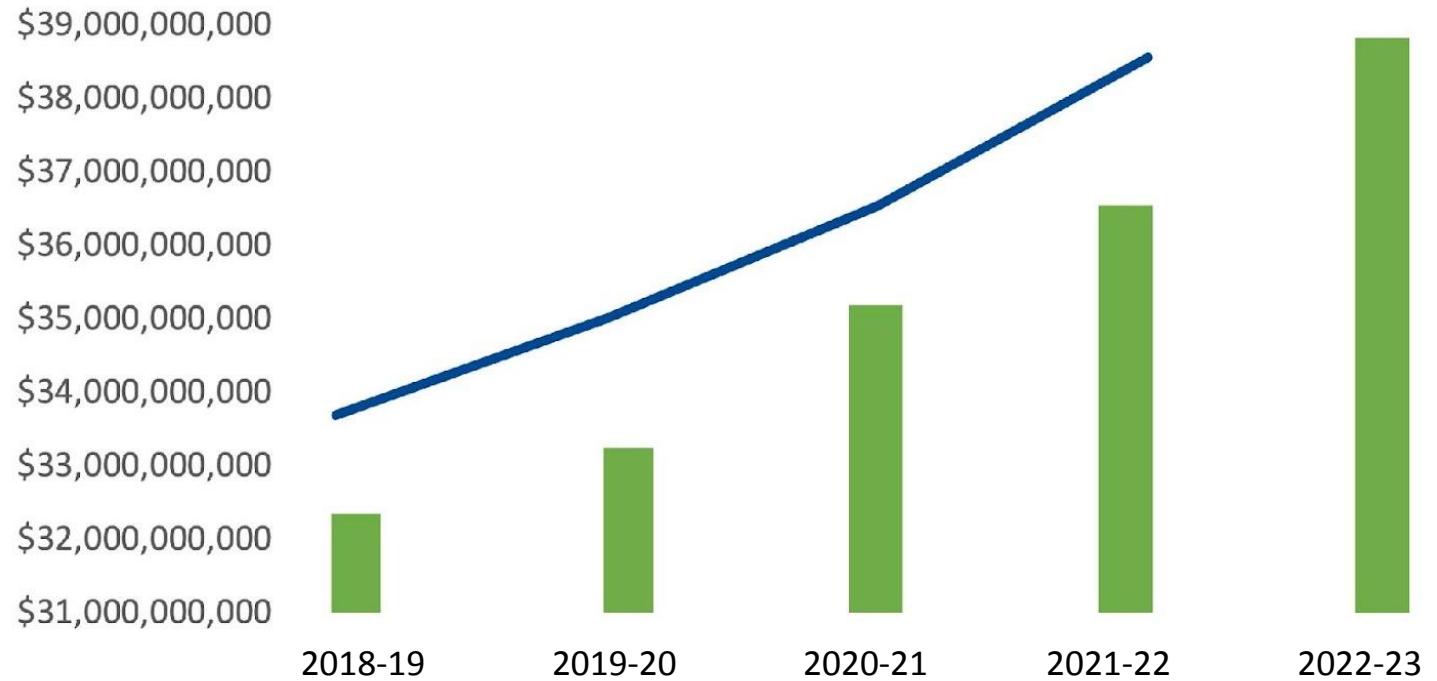


PROPERTY VALUES

STATE VALUES

COMPTROLLER
PROPERTY
VALUE
STUDIES

(PVS)





TAX EFFORT

TAX RATES

TAX REVENUE
(COLLECTIONS)



TAX EFFORT

TAX RATES

Tax Rate is split into two parts:

- **Maintenance and Operations (M&O)**
- **Interest and Sinking (I&S)**



TAX EFFORT

REVENUE/COLLECTIONS

- **Property Taxes**

- **General Fund**

- Covers day-to-day operations
 - Subject to Recapture

- **Debt Service Fund**

- Pays interest and principal on bonds previously approved by voters
 - Cannot be used for operational expense
 - Not subject to Recapture

TAX \$ EFFORT



TAX RATE

USED TO
CALCULATE
PROPERTY TAX
REVENUE
TO BE
RECEIVED

TAX REVENUE

USED
TO SUPPORT
THE
DISTRICT
BUDGET



TABLE TALK

FOUNDATION **SCHOOL PROGRAM** (FSP)

**COST
BURDEN**

FOUNDATION SCHOOL PROGRAM (FSP)

BIG PICTURE

TOTAL COST OF
SYSTEM IS A
SHARED **STATE**
& **DISTRICT COST**



FOUNDATION SCHOOL PROGRAM (FSP)

COST BURDEN

TOTAL COST OF
SYSTEM IS A
SHARED **STATE**
& **DISTRICT COST**



THE STATE:

MORE STUDENTS
THE STATE PUTS
MORE FUNDING
INTO PUBLIC
EDUCATION

FOUNDATION SCHOOL PROGRAM (FSP)

COST BURDEN

TOTAL COST OF SYSTEM IS A SHARED **STATE** & **DISTRICT COST**



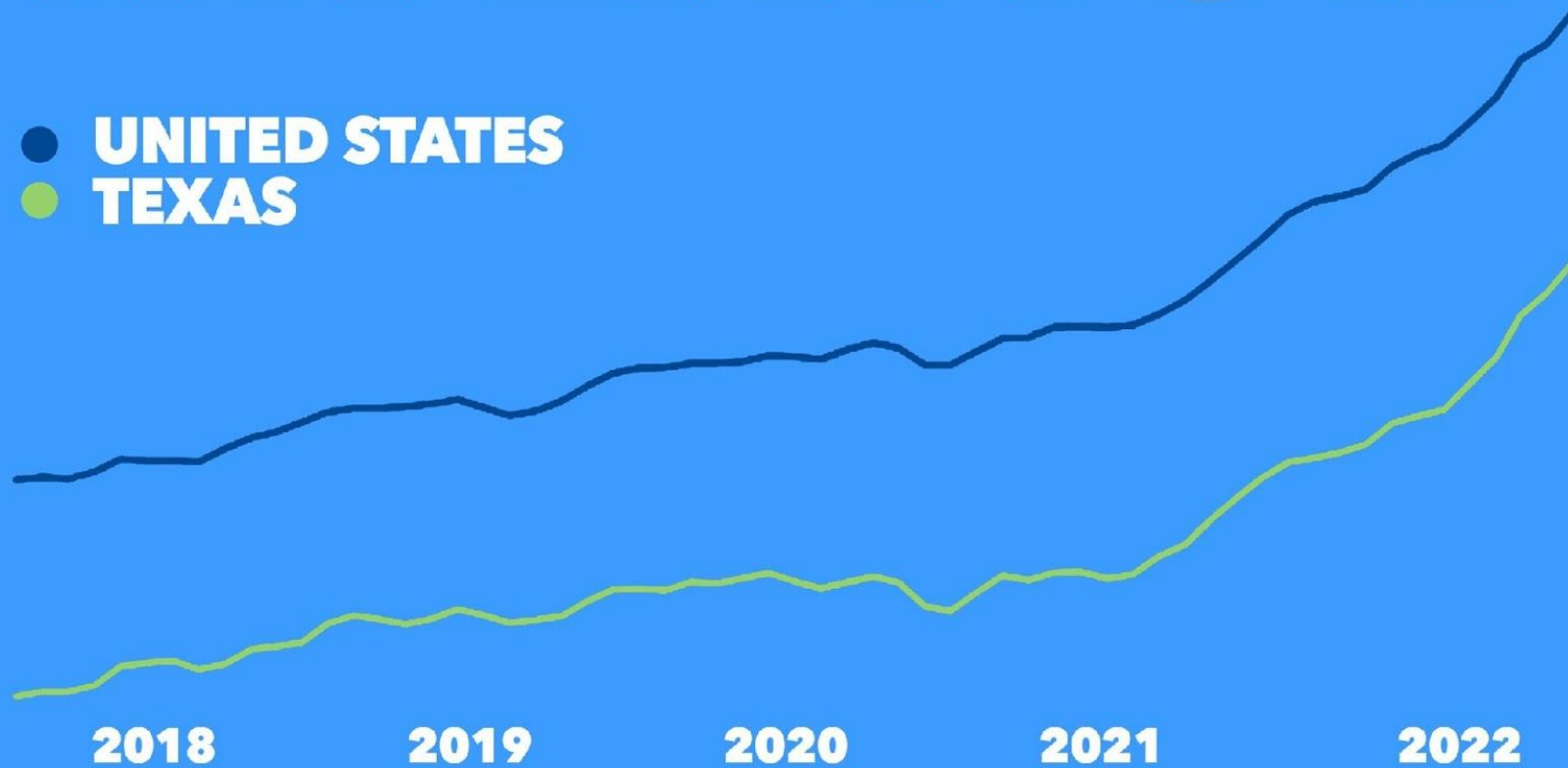
DISTRICT:

DISTRICT PAYS FOR INCREASED COST DUE TO GENERAL INFLATION

(UNLESS FORMULAS ARE CHANGED)

INFLATION

- UNITED STATES
- TEXAS



EXCLUDES FOOD AND ENERGY

INFLATION

- UNITED STATES
- TEXAS

**TEXAS INFLATION IS UP 12.4%
SINCE SEPTEMBER 2019**



EXCLUDES FOOD AND ENERGY

A stylized map of Texas is shown in the background, composed of several overlapping shapes in different shades of blue. The top right portion of the map is a light blue rectangle. The rest of the map is a darker blue shape that follows the outline of Texas. The text is overlaid on these shapes.

A COMPARISON

**TEXAS SCHOOL
DISTRICTS**

A group of five diverse school children (three girls and two boys) are smiling and looking towards the camera. They are wearing backpacks and holding books. The image is overlaid with a semi-transparent map of the United States. The text is centered over the map.

1,026 Districts
***Vastly* different demographics**

***Vastly* different ENROLLMENT**



San Vicente ISD:
<10 students
Rural area

Spring Branch ISD:
39th largest
33,636 students

Houston ISD:
189,563 students
Metro area

Vastly different PROPERTY WEALTH



Wink-Loving ISD:

Dollars collected from
General Fund
per student:

\$218,230

Boles ISD:

Dollars collected from
General Fund
per student:

\$372

Spring Branch ISD:

Dollars collected from
General Fund
per student:

\$10,451

Vastly different DEMOGRAPHICS

Santa Anna ISD: ●
Percentage of students identified as Economically Disadvantaged

100%

● **Highland Park ISD:**
Percentage of students identified as Economically Disadvantaged

0%

● **Spring Branch ISD:**
Percentage of students identified as Economically Disadvantaged

59%

A light blue silhouette of the state of Texas is centered on a dark blue background. The text is overlaid on the map.

RECAPTURE
\$75 Million

AHA Moment



SPRING BRANCH

INDEPENDENT SCHOOL DISTRICT

**BY THE
NUMBERS**

*Enrollment as of Oct. 2022. All other data - PEIMS Fall 2021.

Demographics

■ 46 Schools

■ 70+ Languages

33,636

Students Enrolled*

59%

Economically Disadvantaged

36%

English Learners

58%

Hispanic

27%

White

7%

Asian

5%

African American

3%

Other



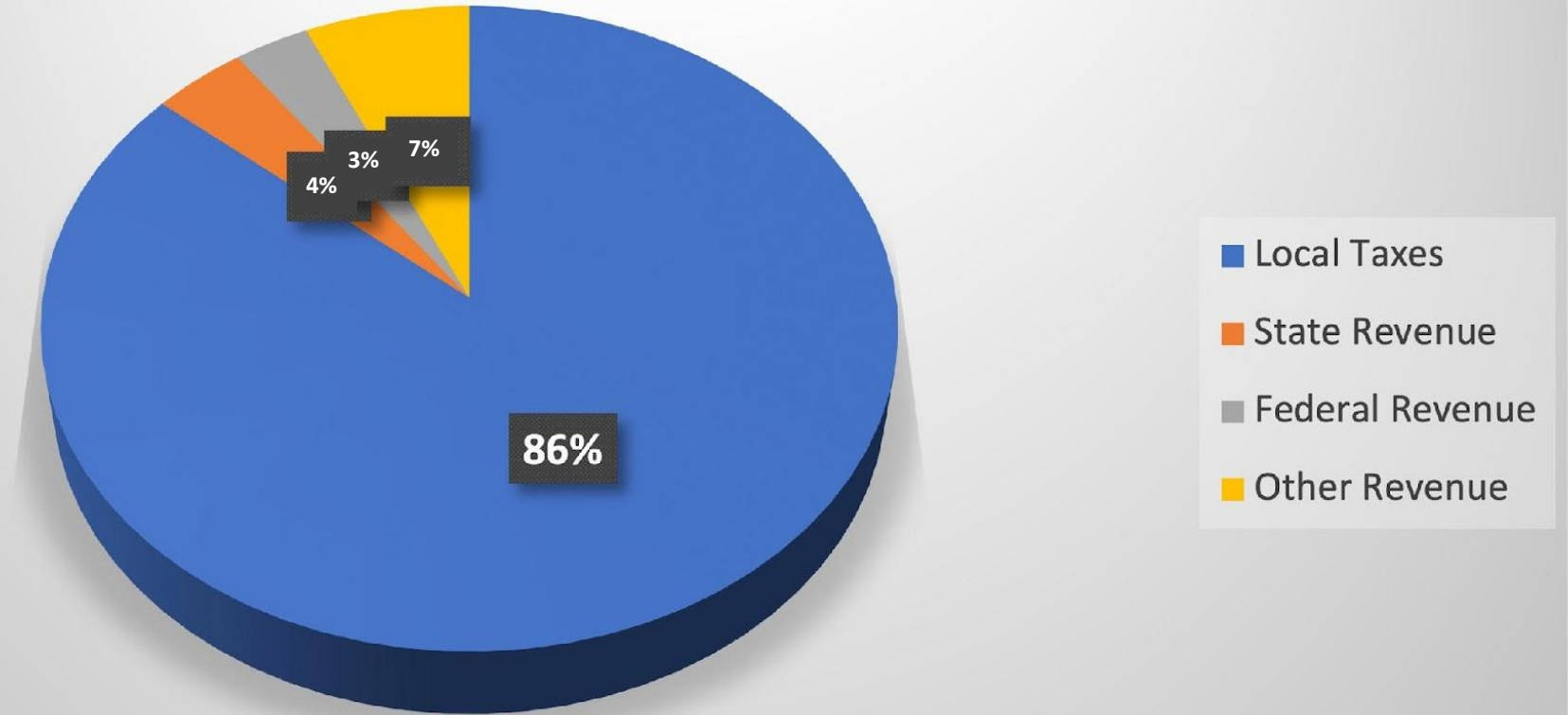
SBISD BUDGET

APPROVED JUNE 20, 2022

	Adjusted FY22 Budget	Preliminary FY23 Budget
Tax Revenue	\$ 340,136,205	\$ 353,839,292
State Funding	19,869,934	15,983,622
Other Revenue	37,419,549	40,958,458
Recapture	(68,150,496)	(74,894,174)
Total Revenues Less Recapture	329,275,192	335,887,198
Payroll Costs	298,071,184	307,403,045
Contract Services/Supplies/Other Operating	39,575,757	49,451,670
Debt Service	906,150	-
Capital Outlay	2,805,735	646,000
Total Expenditures	341,358,826	357,500,715
Other Sources(Uses)	1,882,434	50,000
Change in Fund Balance	\$ (10,201,200)	\$ (21,563,517)
Ending Fund Balance	\$ 107,238,079	\$ 85,674,562
Fund Balance as a % of Expenditures	31.4%	24.0%

REVENUES

FY23 Revenue Budget



TAX REVENUES

2022 TOTAL TAX RATE

\$1.2688 PER \$100 OF PROPERTY VALUE

TWO PARTS

MAINTENANCE & OPERATIONS (M&O) - GENERAL FUND - **\$0.9643**

INTEREST & SINKING (I&S) - DEBT SERVICE FUND - **\$0.3045**

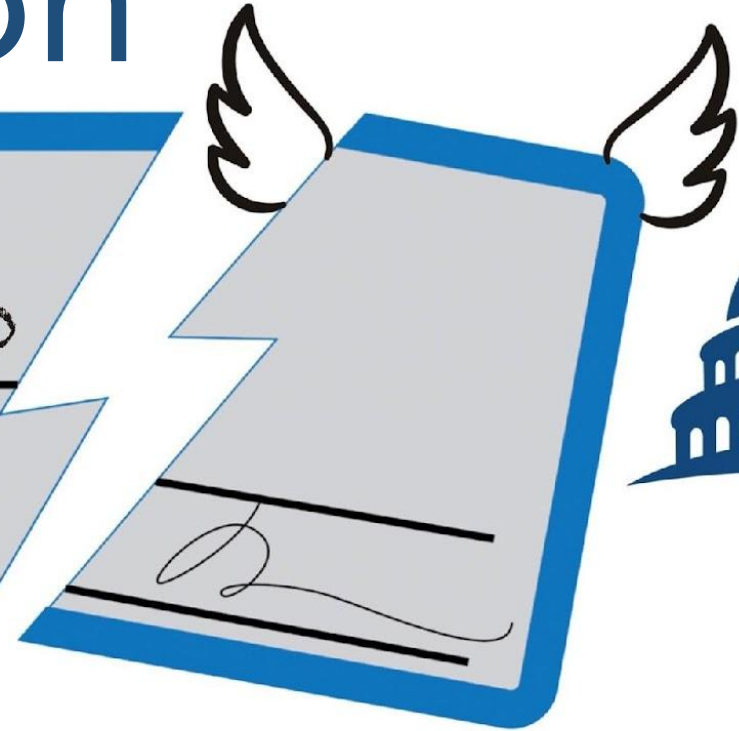
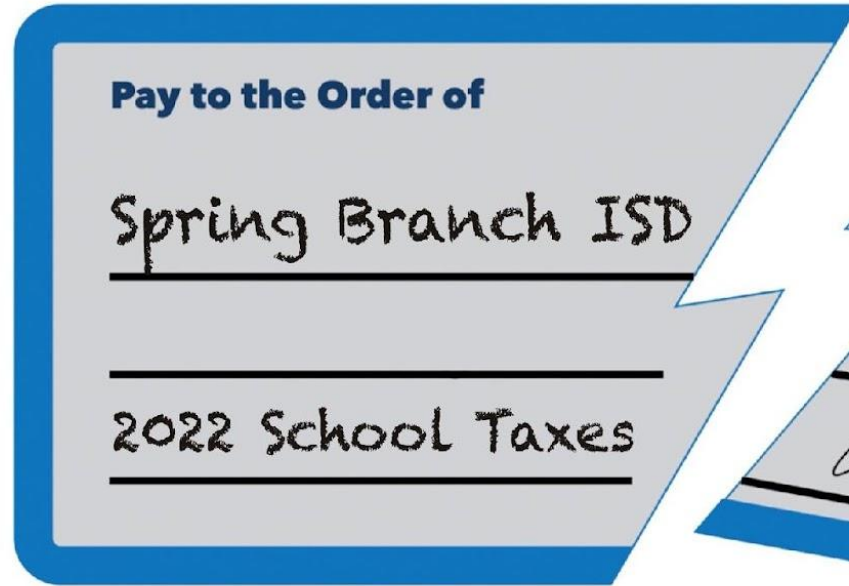
TAX EFFORT

TAX RATES

<u>Fiscal Year</u>	<u>Maintenance & Operations</u>	<u>Interest & Sinking</u>	<u>Total</u>
2023	\$ 0.96430	\$0.30450	\$ 1.26880
2022	0.99980	0.30450	1.30430
2021	1.00280	0.30450	1.30730
2020	1.01648	0.30450	1.32098
2019	1.11000	0.28450	1.39450

TAX REVENUES

\$1 Million



\$790,000
STAYS IN SBISD

\$210,000
RECAPTURE

EXPENDITURES

Where does my dollar go?



RECAPTURE

The State determines what we keep and what we pay based on current formulas.

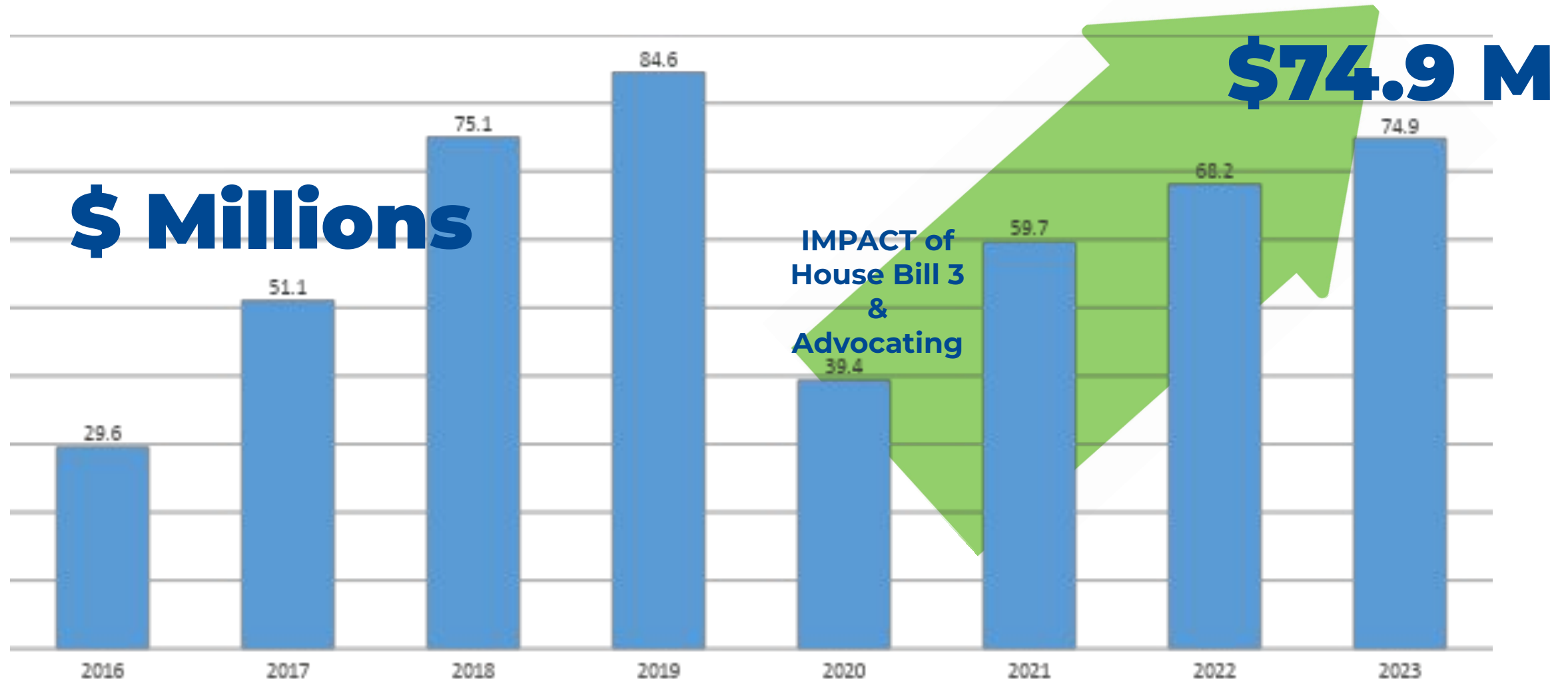
"Local Revenue in Excess of Entitlement"

"Robin Hood"

"Chapter 49"

Recapture

We are approaching pre-House Bill 3 RECAPTURE. This is not sustainable.



Actual amounts for FY2016 – 2021 and budgeted amounts for FY2022 and FY2023

RECAPTURE



STATE BUDGETS **\$3.2 BILLION**
IN RECAPTURE FROM DISTRICTS TO FUND
PUBLIC EDUCATION

2022/2023

SBISD IS BUDGETED TO SEND **\$75 MILLION** TO STATE

HOW DO WE **INCREASE REVENUE** FOR OUR DISTRICT?

MORE STUDENTS

&

LEGISLATIVE CHANGES

RECAPTURE

MORE STUDENTS

Increases ADA

receive approximately \$100,000
additional from state

Increases WADA

pay approximately \$600,000
less recapture to state

Total additional money: \$700,000

ALSO, increases expenditures
more teachers, more supplies, more costs



**100 MORE
STUDENTS**

**=
\$700K**

RECAPTURE

LEGISLATIVE CHANGES

Adjust formula for direct revenue

- Basic Allotment - amount per student
- Increase of **\$100**
- Receive **\$450,000** more from state
- Pay **\$4.1 million less** in RECAPTURE

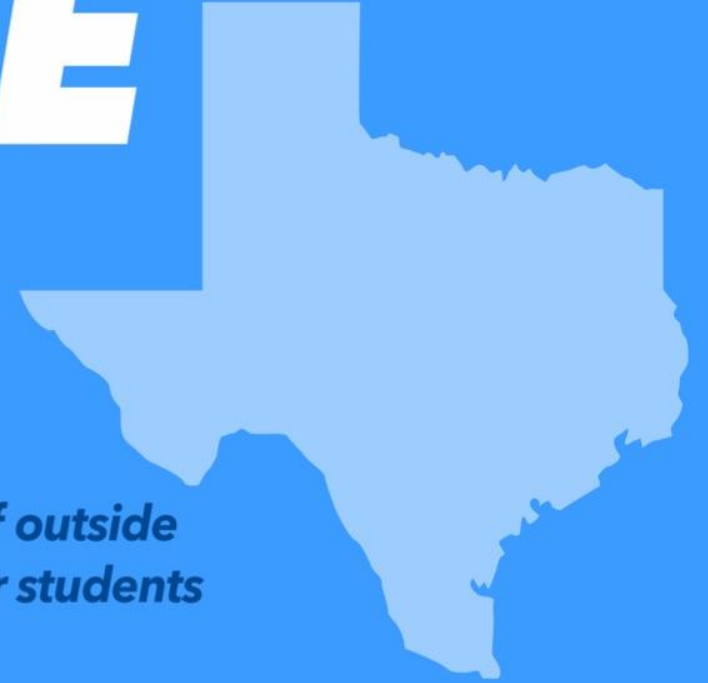
Adjust formula for RECAPTURE

Some type of cap or return to Chapter 49 districts

Basic Allotment
UP **\$100**

=
\$4.5M

RECAPTURE



- \$ STATE DECIDES** how much revenue per penny of tax rate we keep in SBISD for our students
- \$ Property value increases GO TO THE STATE**
- \$ State dictates** how much per student we keep - **REGARDLESS** of outside forces such as **INFLATION** or **INCREASED COST** of educating our students
- \$ Inflation actually BRINGS MORE MONEY TO THE STATE**
- \$ NO MECHANISM** to give increases to school districts - unless the Legislature acts
- \$ State is projecting almost \$30 billion in excess revenue**

RECAPTURE

SUMMARY

District PROPERTY VALUES determine how much we collect per penny.

LEGISLATURE decides how much of those pennies we get to keep.



SCHOOL FINANCE

ADVOCACY TEAM

Q & A

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

SCHOOL FINANCE

ADVOCACY TEAM

ENGAGEMENT ACTIVITY

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

The Thoughtexchange Process



SHARE

Submit Thoughts

Let stakeholders provide feedback on issues that matter to them.



STAR

Prioritize Thoughts

Enable stakeholders to consider and communicate which ideas are most important.



DISCOVER

Reveal What Matters

Stakeholders discover what they collectively care about the most.



Welcome

This Exchange was created by Spring Branch
ISD

What are your top three takeaways from today's
presentation?

Language

English



translated by Google



Go

Here's how it works



Share your thoughts



Rate thoughts shared by others



View thoughts important to the group



Next

Share thoughts

Spring Branch ISD asks

What are your top three takeaways from today's presentation?

Share your first thought

150 characters remaining

Say why it's important

150 characters remaining

Rate thoughts

Submit your thought



SCHOOL FINANCE

ADVOCACY TEAM

EXIT TICKET

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

SCHOOL FINANCE

ADVOCACY TEAM

CLOSING


Jennifer Blaine, Ed.D.

SBISD Superintendent of Schools

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

MEETING DATES

~~Wednesday, October 19~~
Wednesday, October 26
Wednesday, November 2
Wednesday, November 16

A young girl with curly hair is smiling and looking towards the camera. In the background, a whiteboard has the equation $4 \times 5 = 20$ written on it. The girl's hand is visible, holding a white marker. The overall scene is bright and educational.
$$4 \times 5 = 20$$

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

SCHOOL FINANCE

ADVOCACY TEAM