

2024/2025
Budget Considerations
Phase I
Spring Branch ISD

October 23, 2023

Purpose

- Legislative update
- Budget review
- Considerations to address budget challenges

Legislative Update

April 2023

Supt Letter to Community

“...our elected officials have made it clear they **neither value nor care about public education**, or the students, families and communities we serve.”

– **JENNIFER BLAINE**

“The state has the **largest budget surplus in its history (\$33 billion)**. SBISD supports property tax relief. However, our legislators are **prioritizing property tax relief (\$17 billion proposed) over public schools (\$5 billion proposed)**. Without the needed funding – **public school districts like SBISD are being set up to fail.**”

– JENNIFER BLAINE

“We do not want to consider these drastic measures, but if the Legislature does not raise the basic allotment by at least \$1,000, ***we will have no choice.***”

– JENNIFER BLAINE

CONSIDERATIONS:

- Combine schools/change boundaries
- Change staffing models, including class sizes
- Eliminate 10-20% of SBISD staff
- ~~Remove the 20% local optional homestead exemption~~
- Discontinue the block schedule model for Stratford High School
- Reduce programming and/or institute pay-to-play models for athletics, performing and visual arts
- Discontinue choice and specialized programs
- Cut safety and security, counseling and mental health services
- Cut centralized instructional supports, including but not limited to, interventions, Dyslexia services, and college and career counseling
- Cut business and operations functions that support the district's safety, security and fiscal management
- Raise the tax rate



TEXAS LEGISLATURE

\$33 BILLION SURPLUS



What was left on the table? (\$17 BILLION)

\$12.5 billion for property tax relief

\$3.99 billion for school finance

\$500 million for private school vouchers

\$49.4 million for virtual education

School Safety

Will provide \$650,000 – \$750,000 in new funding for SBISD under the School Safety Allotment

Schools will be required to have at least one armed officer at every campus or apply an alternative standard if funding or personnel is unavailable.

Special Session

Senate Bill 2 (SB2) cut property tax rates by reducing the school district maximum compression rate

Homestead Exemption increased from \$40,000 to \$100,000

(Assuming passage of the amendment to the Texas Constitution in Nov. 2023)

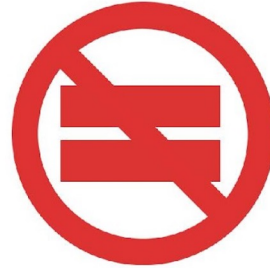


TAX RELIEF

=



**LOWER
RECAPTURE
PAYMENT**



**NEW MONEY
FOR
SCHOOLS**

SBISD BUDGET REVIEW

as presented to the SBISD Board of Trustees at the Sept. 11, 2023, Workshop Meeting

BUDGET

Spring Branch ISD
Board of Trustees
September 11, 2023

			A Last Year Unaudited SY 2022-2023 FY 2023 \$0.9643	B This Year Adjusted But SY 2023-2024 FY 2024 \$0.7744	C Next Year Estimated SY 2024-2025 FY 2025 \$0.7719
Audited SY 2020-2021 FY 2021 \$1.0028	Audited SY 2021-2022 FY 2022 \$0.9998				
State Revenue Calculation:					
Tax Collections (Current and Delinquent)	\$ 331,453,646	\$ 339,354,541	\$ 352,181,846	\$ 305,987,924	\$ 314,150,105
State Funding	22,791,449	20,470,730	21,694,186	21,485,753	21,097,630
Recapture	(59,724,360)	(64,424,029)	(79,851,349)	(21,833,948)	(28,843,623)
Net State Funding	294,520,735	295,401,242	294,024,683	305,639,729	306,404,112
Other Revenue:					
Penalty and Interest and Misc. Tax Revenue	2,200,293	2,355,751	2,484,384	1,950,000	1,950,000
Other Local Revenue	3,547,290	5,996,856	11,151,342	11,588,700	10,088,700
Other State Revenue	585,658	89,381	412	-	-
Prior Year Funding and Recapture Adjustment	(2,301,029)	(2,068,293)	1,909,390	-	-
TRS - State Contribution	17,954,422	17,805,349	19,072,956	19,000,000	19,000,000
Federal Revenue	12,377,047	17,391,847	18,099,284	9,350,000	8,350,000
Total Revenue	328,884,416	336,972,133	346,722,451	347,538,429	345,802,812
Expenditures:					
Payroll Costs	289,183,148	290,596,619	299,785,455	325,801,532	325,801,532
Contracted Services/Supplies/Other Operating	58,321,258	35,283,081	35,328,625	61,517,686	66,517,686
Debt Service	-	506,150	726,146	-	-
Capital Outlay	1,325,038	1,705,127	1,836,344	116,799	116,799
Total Expenditures	348,829,444	328,090,957	337,676,570	387,435,987	392,435,987
Other Sources (Uses)	292,047	1,482,656	697,966	4,050,000	50,000
Revenues Over(Under) Expenditures:	(19,652,981)	10,363,832	9,743,847	(35,847,558)	(46,583,175)
Ending Fund Balance	\$ 117,439,279	\$ 127,803,111	\$ 137,546,958	\$ 101,699,400	\$ 55,116,225
Fund Balance as a % of Expenditures	33.7%	39.0%	40.7%	26.2%	14.0%
ESSER Federal Funds (I/D in general fund)	7,369,252	47,921,526	57,305,401	5,819,542	
PEIMS/Projected Enrollment	33,288	33,545	33,649	33,533	33,533
WADA	41,833	42,043	42,453	42,563	42,564
ADA	30,725	30,605	30,431	30,431	30,431
Net State Funding Per Student Enrolled	8,848	8,806	8,738	9,115	9,137
Net State Funding per WADA	7,040	7,026	6,926	7,181	7,199

NOTES:

TEA supplanted \$18.1 million of ESSER funds for closure and enrollment "hold harmless".

BUDGET

Before and After SB2	A	B
	<u>Adjusted Bgt</u>	<u>SB 2</u> <u>Adjusted Bgt</u>
	7.50%	7.50%
	TAV Increase	TAV Increase
	<u>FY 2024</u>	<u>FY 2024</u>
	<u>\$0.9234</u>	<u>\$0.7744</u>
Tax Collections (Current and Delinquent)	\$ 368,184,651	\$ 305,987,924
State Funding	20,756,599	21,485,753
Recapture	(83,352,366)	(21,833,948)
Net State Funding	305,588,884	305,639,729
PEIMS/Projected Enrollment	33,533	33,533
Net State Funding Per Student Enrolled	9,113	9,115

COST REDUCTIONS

FY24 - Reductions				
	Tier 1	Tier 2	Tier 3	
Academics				
Non - Salary	\$ 146,000	\$ 432,125	\$ 10,000	
Salary	-	826,229	123,875	
Total	146,000	1,258,354	133,875	

- * Unfilled vacancies - Health Fitness Director / Dyslexia Specialist
- * Discontinue 5th and 8th grade District Sponsored Fine Arts field trips
- * Discontinue summer coding camp through Ed. Tech
- * Reduction in support for Catalyst schools
- * Reduction in contract support

Finance				
Non - Salary	-	430,000	-	
Salary	69,687	-	-	
Total	69,687	430,000	-	

- * Eliminated .5 of a Director position
- * Reduction in contingency & emergency funding

Communication & Community Engagement				
Non - Salary	31,500	35,000	-	
Salary	-	157,378	-	
Total	31,500	192,378	-	

- * Eliminated two positions
- * Reduction in Service Awards Program
- * Reduction in professional development and meeting cost

FY24 - Reductions				
	Tier 1	Tier 2	Tier 3	
Technology Services				
Non - Salary	36,500	175,500	56,000	
Salary	-	-	-	
Total	36,500	175,500	56,000	

- * Reduction in contracted desktop support
- * Reduction in after-hours Help Desk coverage
- * Discontinued Wi-Fi on buses
- * Eliminated Technology professional development contracts
- * Eliminated select district-wide software licenses

Total by Tier	\$ 331,867	\$ 2,476,677	\$ 549,994	
Total Reductions	\$ 3,358,538			

FY24 - Revenue				
	Tier 1	Tier 2	Tier 3	
Administration & Talent				
Revenue	159,883	-	-	
Total Revenue	159,883	-	-	

- * Increase ticket Prices
- * Actively pursuing marketing, advertising, and sponsorship opportunities

Total Impact	\$ 3,518,421			
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FY24 - Reductions				
	Tier 1	Tier 2	Tier 3	
Administration & Talent				
Non - Salary	36,000	88,445	147,290	
Salary	-	87,000	-	
Total	36,000	175,445	147,290	

- * Reorganize and eliminate division positions
- * Reduction in Talent, Athletics and Ground's department budgets

Operations				
Non - Salary	12,180	200,000	-	
Salary	-	45,000	-	
Total	12,180	245,000	-	

- * Reduction in printing costs
- * Reduction in custodial staff at non-school facilities
- * Reduction in Facility Services department budget

Superintendent				
Non - Salary	-	-	20,500	
Salary	-	-	192,329	
Total	-	-	212,829	


- * Eliminated Legal Counsel Position and related budget

ADDITIONAL REDUCTIONS:

- **2021/2022**
 - Leveraged ESSER funds to ensure business continuity (ability to supplant)
- **2022/2023**
 - Department reductions 10% - \$3 million
- **2023/2024**
 - ESSER reductions - \$20 million
 - Additional department reductions - \$3.5 million
 - Vacancy review

Inflationary Pressures 2018-19 vs 2022-23 (4 years)

Fuel	20.17%
Insurance	89.55%
--2023-2024 Bgt	130.65%
Teacher Retirement	48.01%
Food	15.47%
Vehicles	30.68%
Utilities	12.38%



Elementary Build - Total Project Cost

2007 Bond	2013-2015	\$25.6 million
2017 Bond	2022-2024	\$43.3 million

69.14%

Components **of the** **SBISD budget**

SUPPLIES & MATERIALS

\$14,731,967

3.13%

**OTHER
OPERATING COSTS**

\$10,875,070

2.31%

**CONTRACTED
SERVICES**

\$119,399,502

25.35%

PAYROLL COSTS

\$325,801,532

69.16%

FIXED ASSETS

\$116,769

0.03%

TOTAL

\$470,924,840

BEYOND
Our Control

BENEFITS

\$50.2 million



PROPERTY INSURANCE

\$5.6 million



UTILITIES
\$4.6 million



HCAD PAYMENT

\$3.5 million



LEGAL FEES

\$.6 million



RECAPTURE

\$83.5 million





\$150 MILLION

SUPPLIES & MATERIALS
\$14,731,967
3.13%

**OTHER
OPERATING COSTS**
\$10,875,070
2.31%

**CONTRACTED
SERVICES**
\$119,399,502
25.35%

PAYROLL COSTS
\$325,801,532
69.16%

FIXED ASSETS
\$116,769
0.03%

**PREVIOUS
TOTAL**
\$470,924,840

SUPPLIES & MATERIALS

\$14,611,693

4.55%

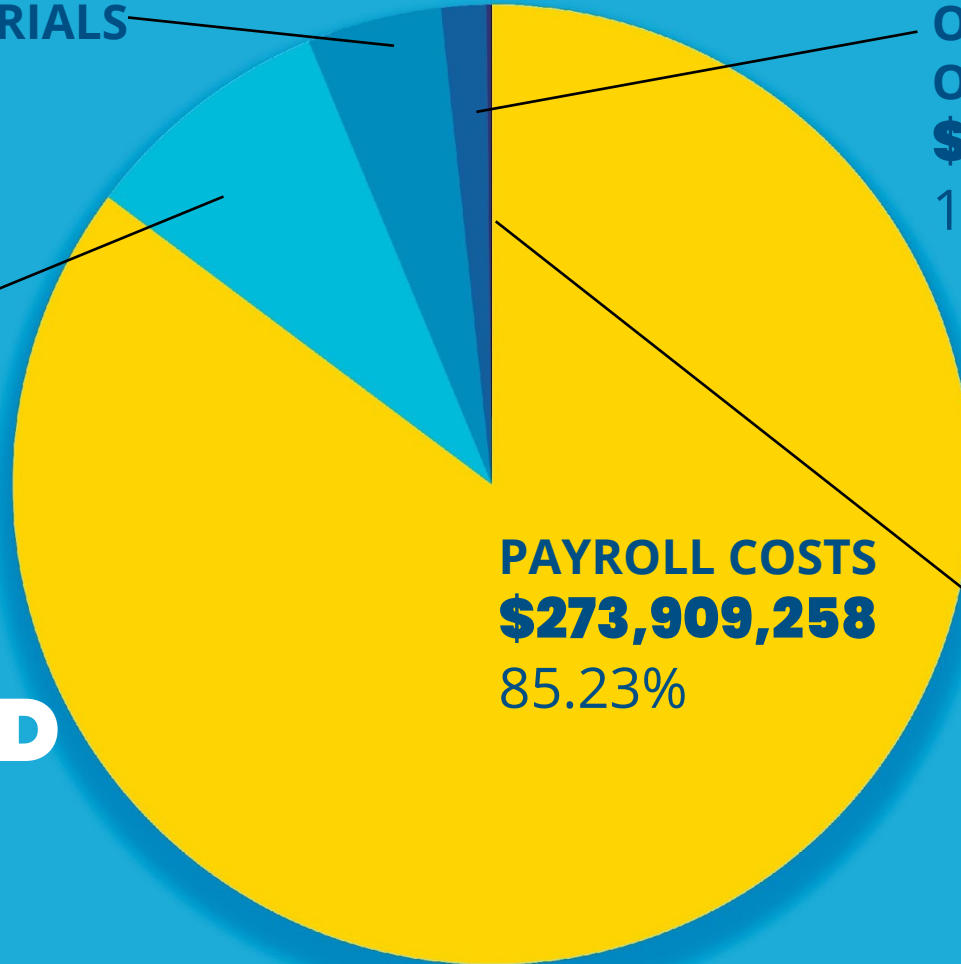
**CONTRACTED
SERVICES**

\$27,410,304

8.53%

**ADJUSTED
TOTAL**

\$321,387,778



PAYROLL COSTS

\$273,909,258

85.23%

**OTHER
OPERATING COSTS**

\$4,871,653

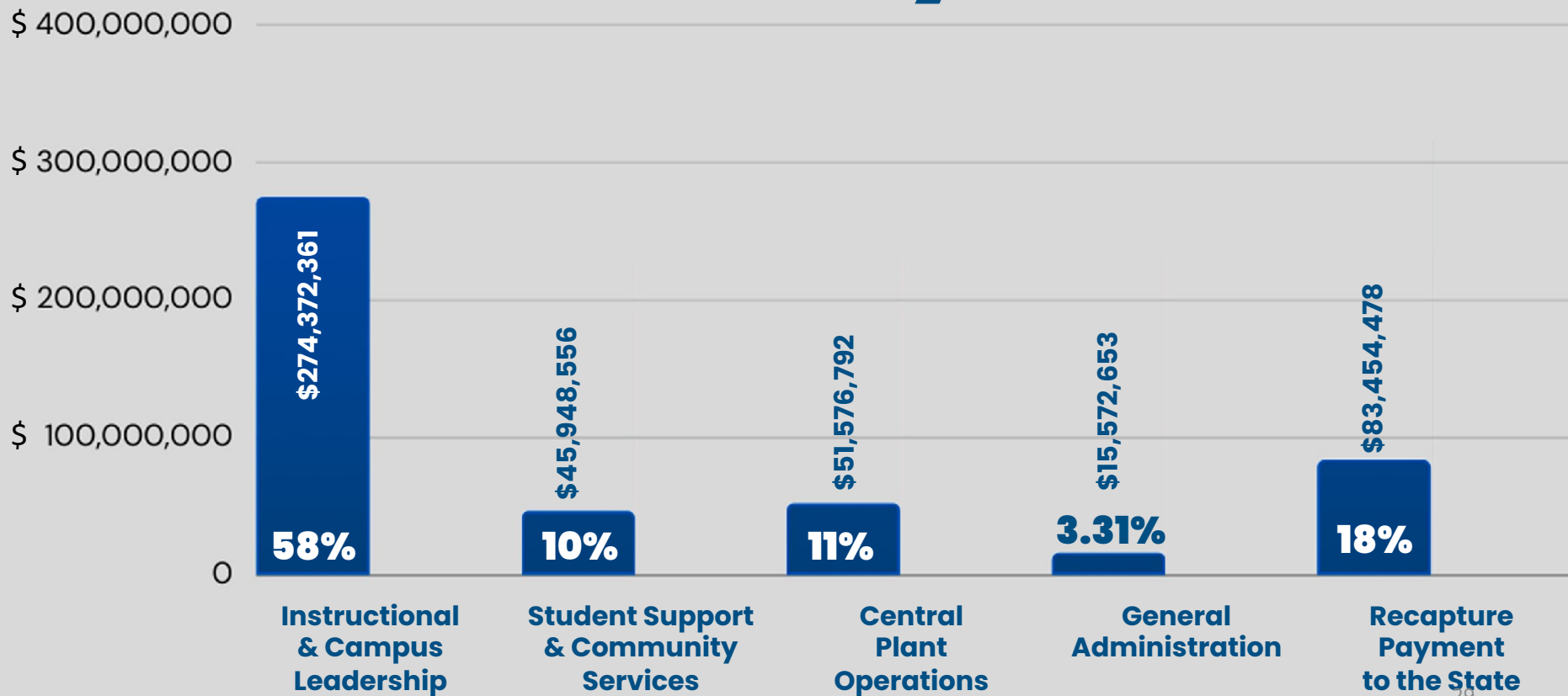
1.52%

FIXED ASSETS

\$584,870

0.18%

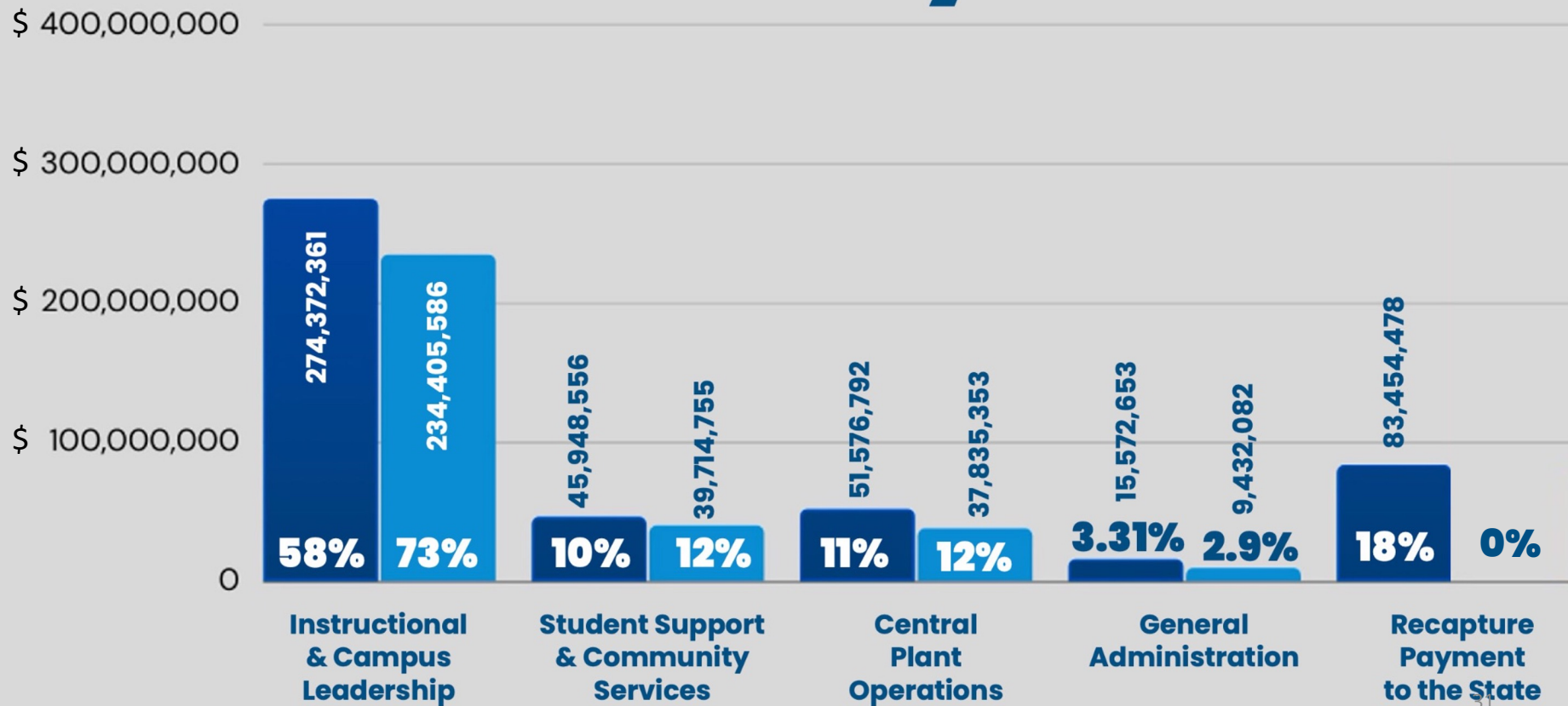
General Fund by Function





\$150 MILLION

General Fund by Function



BOTTOM LINE

\$35 million

reduction in 24/25 needed

\$35 million

reduction in 24/25 needed

Includes:

- **Maintain fiscally responsible fund balance/alignment with policy**
- **Fully fund HB3**
 - **Armed police officers at every campus**
- **Provide raises**

Budget Status to date

- SY 2023-2024
 - \$35.8M budgeted use of fund balance
- SY 2024-2025
 - Current expenditure levels are not sustainable to maintain safe fund balance
 - 88th Legislative Session unfunded safety mandate
 - Additional armed officers = \$1.75M
 - Raises for staff
- No Special Session legislation providing any additional funding to public schools has been approved by the Governor

Special Session Overview to Date

- Governor's Call
 - Education Freedom, Border Security, Public Safety, & Ending COVID Restrictions
- Senate Bill 2
 - Double security allotment (\$1 million)
 - Increased basic allotment by \$75 (\$3.5 million)
 - Pass through teacher payment - \$3,000 (\$6.5 million)
- House Bill 1
 - Initial review does not show funding that addresses the needs of school districts

Considerations to Address **Budget Challenges**

Considerations

- 1) Facility Planning & Usage
 - a) School Closure
- 2) Early Childhood
 - a) Pre-K Programming
 - b) Pre-K Tuition
- 3) Facility Planning & Usage
 - a) Bond Programs
- 4) High School Student: Teacher Ratio
- 5) High School Schedule

Facility Planning & Usage

School Closure

Capacity and Enrollment Data

Table 1: Six-Year Snapshot Enrollment: 2018-2019 to 2023-2024 and Capacity




<u>Campus</u>	<u>2018 - 2019</u>	<u>2019 - 2020</u>	<u>2020 - 2021</u>	<u>2021 - 2022</u>	<u>2022 - 2023</u>	<u>2023 - 2024</u>	<u>6-Year Trend</u>	<u>23-24 minus</u> <u>Maximum Capacity</u>	<u>Maximum</u> <u>Capacity</u>
HME	526	505	408	382	354	353		-358	711
RGE	793	801	735	700	711	712		-264	976
TFE	498	479	467	429	405	432		-275	707

Table 2: Current Capacity and Enrollment

	Treasure Forest (TFE)	Housman (HME)	Ridgecrest (RGE)
Maximum Capacity	707	711	976
Current Enrollment as of 9/29/23	434	356	711

2024-25 School Closure Recommendation

- Close Treasure Forest Elementary
- Relocate Treasure Forest students to Housman and Ridgecrest Elementary Schools to maximize facility usage, staffing, and programs
- Study campus/facility options for possible cost efficiencies
- **Projected Savings of \$1,696,167 (Salaries and utilities)**

Note:

Classroom teachers and teacher assistants follow students.
Excess staff fill vacancies district-wide.

Early Childhood **Pre-K Programming**

Current Pre-K Programs

Schools for Early Learning (e.g., Pre-K Centers)

- Bear Blvd, Panda Path, Lion Lane, Tiger Trail, Wildcat Way
- Currently serve 1,236 Pre-K 3 and Pre-K 4 students
- Panda Path is a leased facility, not owned by the district
- Wildcat Way has the most feeder elementary schools

Elementary Schools with Pre-K

- CBE, EWE, HBE, MDE, MWE, NHE, RCE, SOE, SWE, TWE, WCE, WVE
- Currently serves 378 Pre-K students

Pre-K Recommendations

Panda Path School for Early Learning

- Discontinue lease for Panda Path effective 2024-25 and close the campus.
 - Adjust Lion Lane boundary to include Cedar Brook, Edgewood, and Hollibrook Elementaries
 - Open up to 2 additional Pre-K classrooms at Hollibrook Elementary
- **Projected Savings of \$975,254 (salaries and lease)**

Balance Pre-K enrollment across the district at Schools for Early Learning

- Shift Memorial Drive Elementary Pre-K boundary to Bear Blvd
- Shift Shadow Oaks Elementary Pre-K boundary to Tiger Trail
- Move Nottingham Elementary Pre-K to Wildcat Way
- Relocate the Teen Childcare Program to Zebra Zone

Note:

Classroom teachers and teacher assistants follow students.

Excess staff fill vacancies district-wide.

Early Childhood **Pre-K Tuition**

2024-25 Pre-K Tuition

- SBISD tuition has not increased in the last 4 years
- TEA: maximum allowable tuition \$7,163 (\$796/mo)
- Districts are required to serve all eligible 4 year-olds and enrollment is open year round

Recommendation

- Increase Pre-K tuition rates to \$7,002 (\$778/mo) which remains below the state's allowable tuition rate and remains competitive with area Pre-K programs
- **No change to SBISD employee rate**
- **Projected Revenue increase of \$494,100**

Facility Planning & Usage **Bond Program**

Bond Program

- There are four remaining 2017 Bond Elementary School Replacement Projects:
 - Sherwood Elementary
 - Spring Shadows Elementary
 - Terrace Elementary
 - Thornwood Elementary

Bond Program

Recommendation

Pause the four remaining 2017 Bond Elementary School Replacement Projects to provide time for the district to conduct an operational cost review to:

- review enrollment history at the four elementary schools
- perform a District wide Demographic Study
- review attendance boundaries
- review Bond Programs' plans and schedules
- study campus/facility options for possible cost efficiencies
- study ongoing or long-term campus operational costs, such as staffing and building operations

Note:

This review would not take into consideration renovation and technology projects within the 2017 & 2022 Bond Programs.

High School **Student:Teacher Ratio**

High School Student:Teacher Ratio

- Current high school enrollment: 10,100
- Current ratio for FTE staffing
 - Low SES is 20:1
 - Non-Low SES is 23:1

Recommendation

- Proposed ratio for FTE staffing
 - Low SES is 20:1 and Non-Low SES is 25:1
- **Savings of \$1,755,000**

High School **Schedule**

Current High School Schedules

MHS, NHS, SWHS

- 7 class periods
 - MHS: 49 minutes/class
 - NHS: 52 minutes/class
 - SWHS: 50 minutes/class
- Staff teaches 5 of 7 or 6 of 7 periods.
- Students earn 7 credits per year.
- Students have 28 credit opportunities.

WAIS, SHS

- 8 class periods (A/B block)
 - SHS: 85 minutes
 - WAIS: 85 minutes
- Staff teaches 6 of 8 periods.
- Students earn up to 8 credits per year.
- Students have up to 32 credit opportunities.

**Comprehensive high schools share common start and end times.
Current Guthrie Center schedule does not maximize student access.**

Impacts of Misaligned Schedules

- Staffing models and some schedules are more expensive than others.
- Limited ability to leverage staffing across the system.
- Student experience and credit earning potential varies across system.
- Varied bell schedules impact our ability to:
 - offer every course to every student in the district.
 - maximize use of central CTE facilities.

* CTE Task Force Recommendation (2018) called for alignment of bell schedules.

High School Schedule Recommendation

- Adopt 7-period schedule for high schools
 - Most cost effective schedule
 - Leverages staffing across the system
- Add a 4th teaching block at Guthrie Center that maximizes student access and maintains TEA funding requirements
- Adjust high school start/end times
 - Add 15 minutes to the end of the high school day
 - Proposed 7:45 - 3:15
 - Align WAIS (6-12 schedule) to high school start/end times
 - Proposed 7:45 - 3:15

Summary

Budget Considerations

Summary Budget Considerations

Estimated Annual Net Savings	
Treasure Forest Closure	\$1,696,167
Pre-K Programming and Feeder Patterns	\$975,254
Pre-K Tuition increase	\$494,100
High School Student:Teacher Ratios	\$1,755,000
Total <u>Estimated</u> Annual Net Savings	\$4,920,521
Note: These amounts include <u>all</u> funding sources and is based on current enrollment and salary.	

Discussion

Further Studies **Under Review**

- Programming
- Choice
- Transfers
- Services