



PROMOTING EXCELLENCE • CREATING THE FUTURE

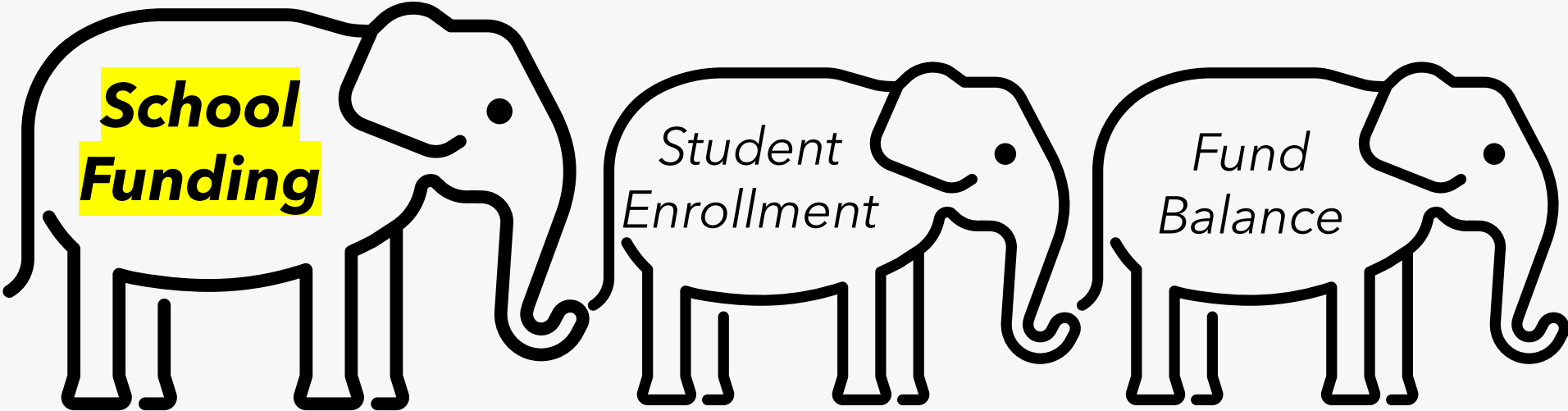
23-24 BUDGET PRESENTATION #4

MID-YEAR BUDGET & FINANCE UPDATE

Calallen ISD | March 4, 2024

2023-24 BUDGET UPDATE...

BUDGET ELEPHANTS ARE BACK AGAIN!





MID-YEAR BUDGET & FINANCE UPDATE

23-24 Fiscal Year End Projections

REMINDER

1% variation for

\$45,000,000 revenue or expense

=

±\$450,000



2023-24 REVENUE CONSIDERATIONS

- Increase in Golden Penny Yields **+\$1M**
- **No Legislative Investment in School Funding**



Description	Budget	Mid Year Est.	Financial Impact
Chapter 313 Revenue	\$2,000,000	\$1,539,340	(\$460,660)
SHARS Federal Revenue	\$350,000	\$201,390	(\$148,610)
Enrollment & ADA Decline	3,937 3,681.095	3,887 3,577.243	(\$730,000)
Total			(\$1,339,270)

FINANCIAL IMPACTS - REVENUE



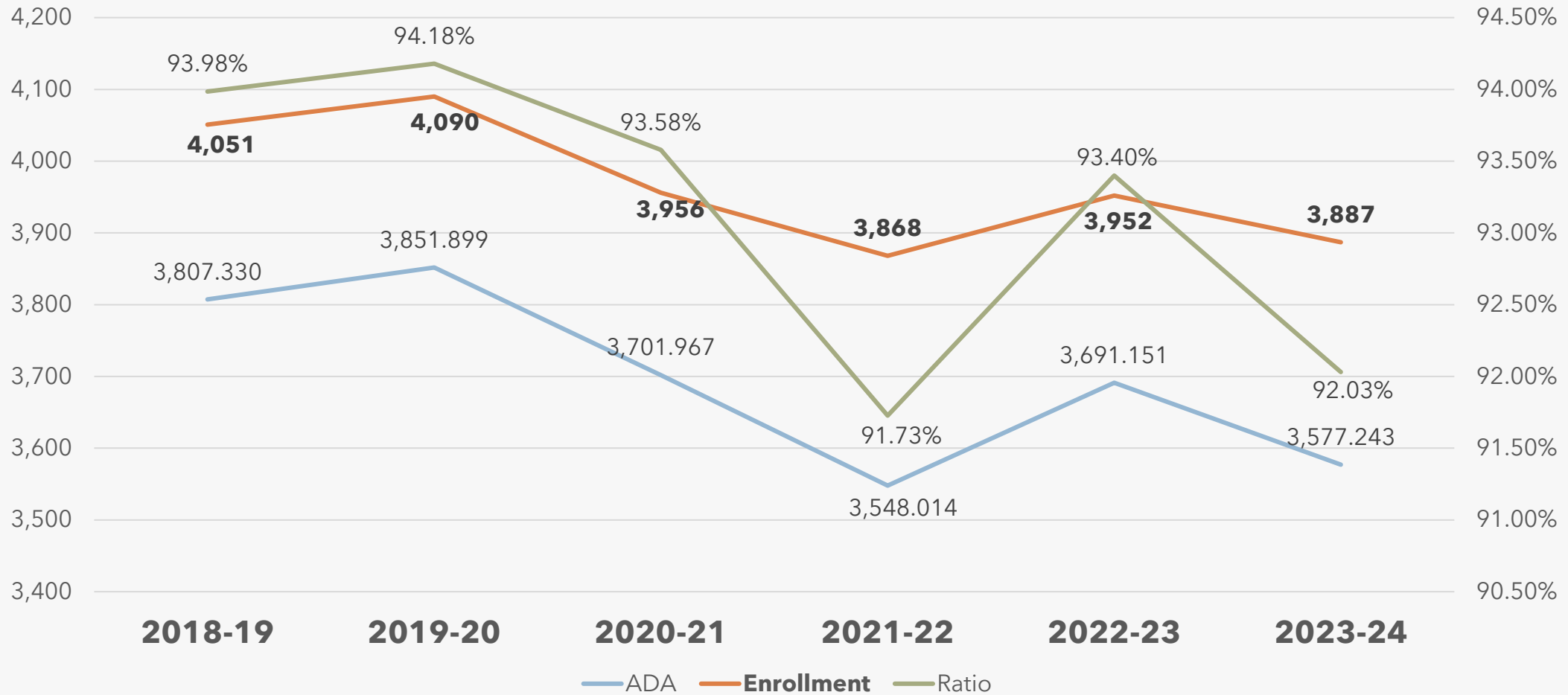
Fiscal Year	October Snapshot Enrollment	Final ADA	ADA Attendance Ratio
2018-19	4,051	3,807.330	94.0%
2019-20	4,090	3,851.899	94.2%
2020-21	3,956	3,701.967 3,852.814 HH	93.6%
2021-22	3,868	3,548.014 3,648.044 HH	91.7%
2022-23	3,952	3,691.151	93.4%
2023-24 Budget	3,937	3,681.095	93.5%
2023-24 Mid-Year Est.*	3,887	3,577.243	92.0%

ADA & ENROLLMENT INFORMATION

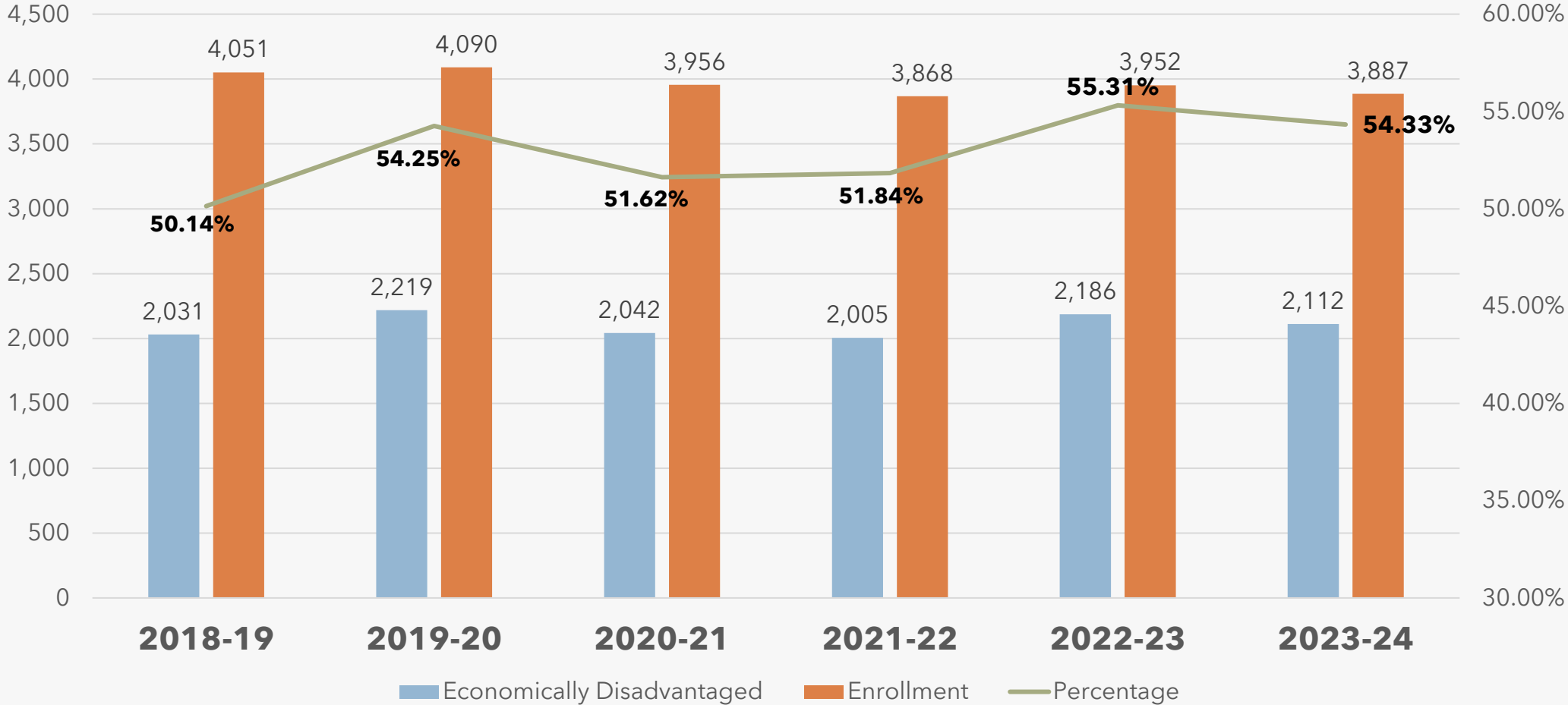
**Mid-Year Estimate based on 1st-4th Six Weeks Actual Data*



ADA, ATTENDANCE, & ENROLLMENT



ENROLLMENT VS. ECONOMICALLY DISADVANTAGED



GENERAL FUND REVENUE

	2020-21 Audited Financials	2021-22 Audited Financials	2022-23 Audited Financials	2023-24 Budget	2023-24 Mid-Year Est.
Property Taxes	\$18,399,995	\$18,630,512	\$19,297,546	\$15,900,000	\$15,864,000
Other Local	\$275,662	\$421,949	\$1,583,151	\$850,000	\$955,000
State Revenue	*\$19,701,764	\$18,211,661	\$18,234,020	\$22,500,000	\$22,286,000
TRS On-Behalf	\$2,103,919	\$2,158,605	\$2,363,761	\$2,174,819	\$2,403,000
Federal Revenue	\$376,665	\$432,374	\$492,781	\$400,000	\$226,000
Subtotal	\$40,858,005	\$39,855,101	\$41,971,258	\$41,824,819	\$41,734,000
CH 313s	\$1,427,406	\$2,779,118	\$2,060,227	\$2,000,000	\$1,539,340
COVID-19	\$347,042	\$14,175			
Total	\$42,632,452	\$42,648,393	\$44,031,485	\$43,824,819	\$43,273,340
<i>Tax Collection Growth</i>	2.55%	1.25%	3.58%	-17.61%	-17.79%
<i>State Funding Growth</i>	2.88%	-7.56%	0.12%	23.40%	22.44%
<i>YOY Growth w/o CH 313 & Others</i>	1.48%	-2.45%	5.31%	-0.35%	-0.57%



HISTORY OF ENTITLEMENT

Local vs. State Share

Fiscal Year	Local Property Tax Collections	FSP State Funding	Total Entitlement
2017-18	\$17,373,790	\$15,729,063	\$33,102,853
2018-19	\$18,113,333	\$16,689,161	\$34,802,494
2019-20*	\$17,942,639	\$19,149,891*	\$37,092,530
2020-21*	\$18,399,995	\$19,701,764*	\$38,101,759
2021-22	\$18,630,512	\$18,211,661	\$36,842,173
2022-23	\$19,284,150	\$18,163,434	\$37,447,584
2023-24 Budget	\$15,900,000	\$22,500,000	\$38,400,000
2023-24 Mid Year Est.	\$15,864,000	\$22,286,000	\$38,150,000

*COVID ADA Hold Harmless & Supplant with ESSER Grant Funds



2023-24 EXPENSE CONSIDERATIONS

- 10% Budget Cuts **-\$650,000**
- Transportation - reduce bus purchases **-\$300,000**
- Staffing reductions - 8 Positions through attrition **-\$520,000**

- **5% increase** in Property Insurance Premiums
- **+**Safety & Security Budget



GENERAL FUND EXPENSES

	2020-21 Audited Financials	2021-22 Audited Financials	2022-23 Audited Financials	2023-24 Budget	2023-24 Mid Year Est
Payroll	\$32,438,973	\$33,016,629	\$35,546,708	\$35,918,327	\$35,675,000
Non-Payroll	\$7,876,080	\$8,364,449	\$10,827,171	\$9,923,253	\$9,595,000
<i>Transfers Out</i>	\$473,103	\$329,756	\$696,319	\$500,000	\$150,000
Total Expenses	\$40,788,156	\$41,710,834	\$47,070,198	\$46,341,580	\$45,420,000
<i>YOY Payroll Increase</i>	1.04%	1.78%	7.66%	0.79%	0.36%
<i>YOY Increase</i>	4.87%	2.26%	12.85%	-1.55%	-3.51%



GENERAL FUND – FUND BALANCE

	2020-21 Audited Financials	2021-22 Audited Financials	2022-23 Audited Financials	2023-24 Budget	2023-24 Mid Year Est
Total Revenue	\$42,632,452	\$42,648,394	\$44,031,485	\$43,824,819	\$43,273,340
Total Expense	(\$40,788,156)	(\$41,710,834)	(\$47,070,198)	(\$46,341,580)	(\$45,420,000)
Net Roll/ Loss	\$1,844,296	\$937,560	(\$3,038,713)	(\$2,516,761)	(\$2,146,660)
<i>Beg Fund Balance</i>	\$21,293,322	\$23,137,618	\$24,075,178	\$21,036,465	\$21,036,465
End Fund Balance	\$23,137,618	\$24,075,178	\$21,036,465	\$18,519,704	\$18,889,805





LOOKING AHEAD...

FUTURE SPECIAL SESSIONS?

- What was included in the State Budget but did not pass?

- ~~Property Tax Relief~~

- **School Funding**

- Teacher Pay
- School Choice
- Virtual Education

- Rumor: Special Session on School Funding will take place in October 2025 - \$4B to spend

Unlikely to see another Special Session. The 89th Regular Sessions begins 1/1/2025 and would impact the 2025-26 budget.



IMPACT OF NO SCHOOL FINANCE BILL

Inflation-Adjusted Basic Allotment

**Impact to
CISD:
~~\$5.6M~~ \$7.4M**

Adjusting the basic allotment for **estimated** inflation from 2019 **through 2023** (14.5% ~~19.7%~~) would mean a **\$1200** increase.

BA	Increase from Current BA	Two-Year Statewide Total Cost
\$6,160	--	--
\$6,260	\$100	\$1.443 billion
\$6,360	\$200	\$2.896 billion
\$6,460	\$300	\$4.353 billion
\$6,560	\$400	\$5.812 billion
\$6,660	\$500	\$7.272 billion
\$6,760	\$600	\$8.732 billion
\$6,860	\$700	\$10.194 billion
\$6,960	\$800	\$11.656 billion
\$7,060	\$900	\$13.118 billion
\$7,160	\$1,000	\$14.581 billion



GENERAL FUND – 5 YEAR PROJECTIONS

	2022-23 Audited Financials	2023-24 Mid Year Est	2024-25 Estimates	2025-26 Estimates	2026-27 Estimates
Total Revenue	\$44,031,485	\$43,273,340	\$42,573,075	\$42,531,021	\$42,758,521
Total Expense	(\$47,070,198)	(\$45,420,000)	(\$46,343,059)	(\$47,056,411)	(\$47,779,942)
Net Roll/ Loss	(\$3,038,713)	(\$2,146,660)	(\$3,805,984)	(\$4,525,389)	(\$5,021,421)
<i>Beg Fund Balance</i>	\$24,075,178	\$21,036,465	\$18,889,805	\$15,083,821	\$10,558,431
End Fund Balance	\$21,036,465	\$18,889,805	\$15,083,821	\$10,558,431	\$5,537,010

Assumes:

- **No future legislative investment in school funding**
- 4% Property Value growth
- ~~Conservative enrollment growth based on PASA, and 93.5% attendance~~
- **NO ENROLLMENT or ATTENDANCE growth**
- 1.5% Raises, and 1% Non-payroll expense inflation
- Recapture payments beginning in 2024-25 estimated to be \$200k per year



GENERAL FUND – 5 YEAR PROJECTIONS

	2022-23 Audited Financials	2023-24 Mid Year Est	2024-25 Estimates	2025-26 Estimates	2026-27 Estimates
Total Revenue	\$44,031,485	\$43,273,340	\$43,101,075	\$43,533,021	\$44,197,521
Total Expense	(\$47,070,198)	(\$45,420,000)	(\$46,322,059)	(\$47,016,411)	(\$47,722,942)
Net Roll/ Loss	(\$3,038,713)	(\$2,146,660)	(\$3,220,984)	(\$3,483,389)	(\$3,525,421)
<i>Beg Fund Balance</i>	\$24,075,178	\$21,036,465	\$18,889,805	\$15,668,821	\$12,185,431
End Fund Balance	\$21,036,465	\$18,889,805	\$15,668,821	\$12,185,431	\$8,660,010

Assumes:

- **No future legislative investment in school funding**
- 4% Property Value growth
- ~~Conservative enrollment growth based on PASA, and 93.5% attendance~~
- **Gaining 70 students per year, and 92.5% attendance**
- 1.5% Raises, and 1% Non-payroll expense inflation
- Recapture payments beginning in 2024-25 estimated to be \$200k per year



FUND BALANCE CONSIDERATIONS

- Per TEA, the ideal fund balance is 3 month's operating expenses, or ***\$11.5 million for CISD***
- 2023-2024 estimated fund balance: **\$18,889,805**
 - \$7 million assigned for Property Insurance Deductibles
 - **\$11.9 million unassigned**
- Reasons to continue to maintain a healthy fund balance:
 - Cash flow
 - Hurricane or other disaster, increased insurance deductible is 3% or \$7 million
 - Single large taxpayer, represents 18% of our tax base, or a \$2.5 million risk
 - Future Legislative session impacts
 - HB3 impact of fixed income diet



FUND BALANCE CONSIDERATIONS

- 2023-2024 estimated fund balance: **\$18,889,805**
 - \$7 million assigned for Property Insurance Deductibles
 - **\$11.9 million unassigned**
- Property Insurance Deductibles
 - Named Storm Deductible: 3% per occurrence, per location/\$500K Minimum
 - CHS - \$2.42M Deductible
 - Admin - \$500K Deductible
 - All Other Wind/Hail Deductible: 1% per occurrence, per location/\$250K Minimum
 - CHS - \$800k Deductible
 - Admin - \$250K Deductible



LET'S DISCUSS THE....



WHAT FACTORS WE CAN CONTROL?

- Staffing Levels
- Compensation Levels
- Campus & Department Budgets
- Property Tax Rates
- Special Allotments & Grants



WHAT FACTORS WE CANNOT CONTROL?

- Enrollment & Attendance
- School Funding
- Inflation
- Insurance Premiums
- Property Tax Values



2024-25 BUDGET OPTIONS SUMMARY

- VATRE - M&O Tax Rate Election (recapture consequences)
- Staffing Reductions
- Scheduling & Program Eliminations
- Campus & Department Budget Cuts
- Planned Use of Fund Balance (i.e. no budget cuts with raises)



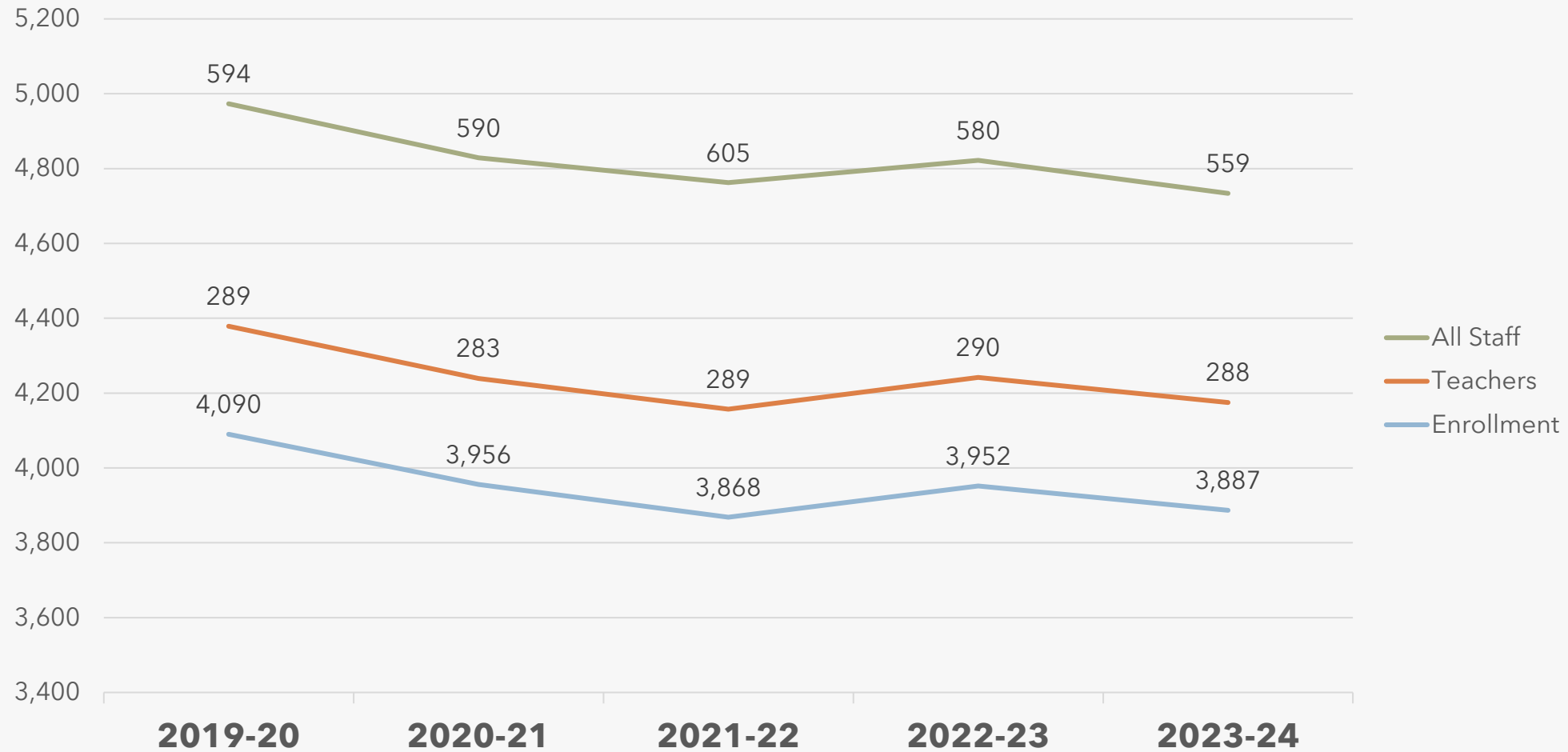
VATRE

- School District Voter-Approval Tax Rate Elections (VATRE)
- Garner the remaining 3.17 cents of Tier II Tax Rate that was voter approved prior to HB3 (2019)
- Recapture effects
- May not be a viable option

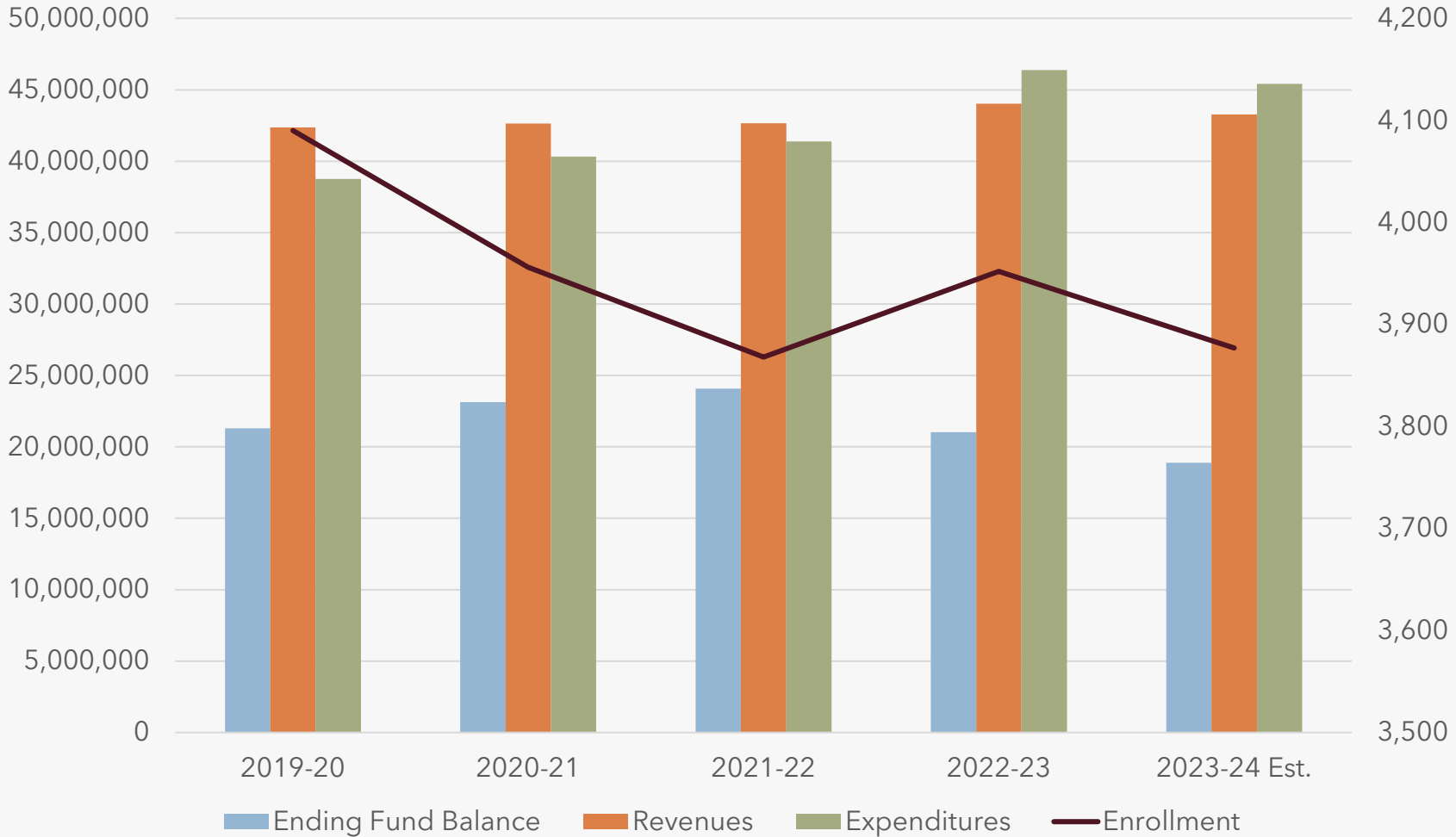
	Tax Year 2018	Tax Year 2019
M&O Tier One Tax Rate	1.00	0.93
M&O Tier Two Tax Rate	0.17	0.1383
Golden Pennies	0.06	0.08
Copper Pennies	0.11	0.0583
Total M&O Tax Rate	1.17	1.0683



STAFF VS. ENROLLMENT

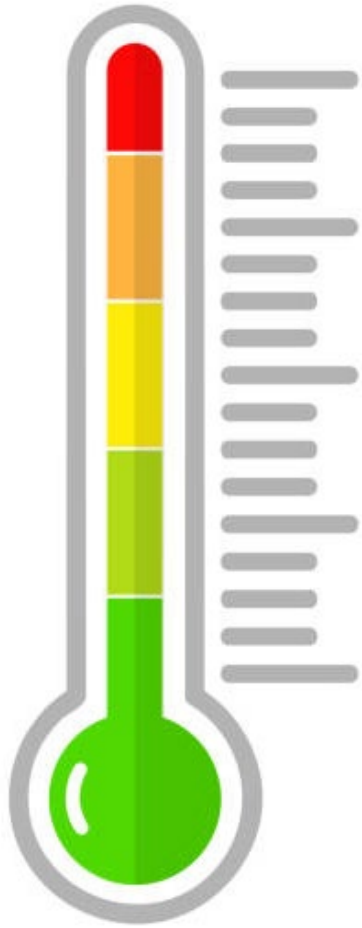


GENERAL FUND VS. ENROLLMENT



2024-25 COMPENSATION OPTIONS

DISTRICT FUNDING RISK LEVEL



Implement TASB Pay Scale Recommendations & Equity Adjustments, and Give Pay Raises

Implement TASB Pay Scale Recommendations & Equity Adjustments, and One-time Stipends In Lieu of Pay Raises

Save TASB Pay Scale Recommendations & Equity Adjustments for Next Year, and Give Pay Raises

Save TASB Pay Scale Recommendations & Equity Adjustments for Next Year, and One-time Stipends In Lieu of Pay Raises



2024-25 COMPENSATION OPTIONS

- Regardless of the option chosen, how will we fund any 2024-25 compensation increases?
 - Fund Balance
 - Position Reductions through Attrition
 - Other Budget Reductions



2024-25 STAFFING OPTIONS

- Increase Class Size Ratios
- Reduce Positions through Attrition



2024-25 STAFFING OPTIONS




Budgeting in
Current Climate

Teacher Count Vs. Enrollment

Region Two

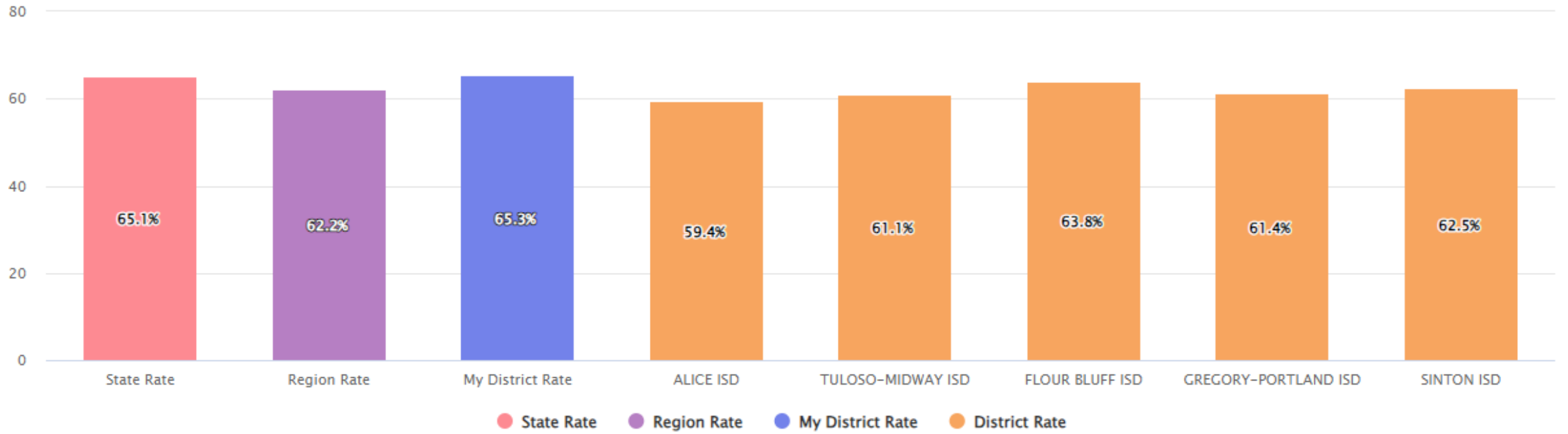
	19-20	20-21	21-22	22-23
Teachers (FTEs)	6,679	6,700	6,606	6,522
Enrollment	101,213	96,980	94,866	96,042
Ratio	15.2	14.5	14.4	14.7

CISD 14.1 13.9 13.3 13.6

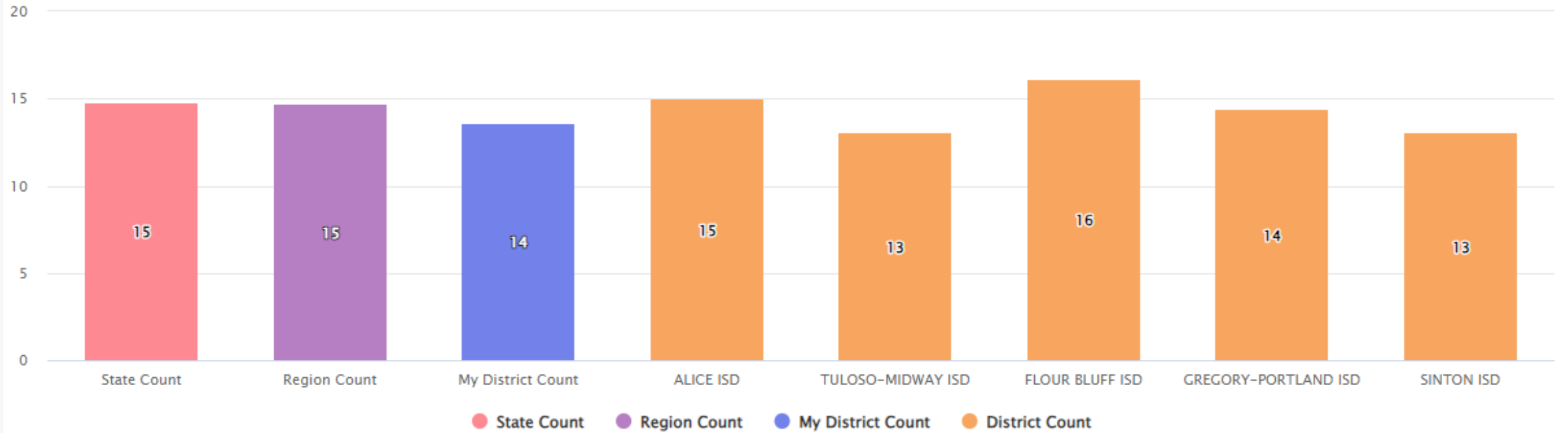
23-24 = 13.4



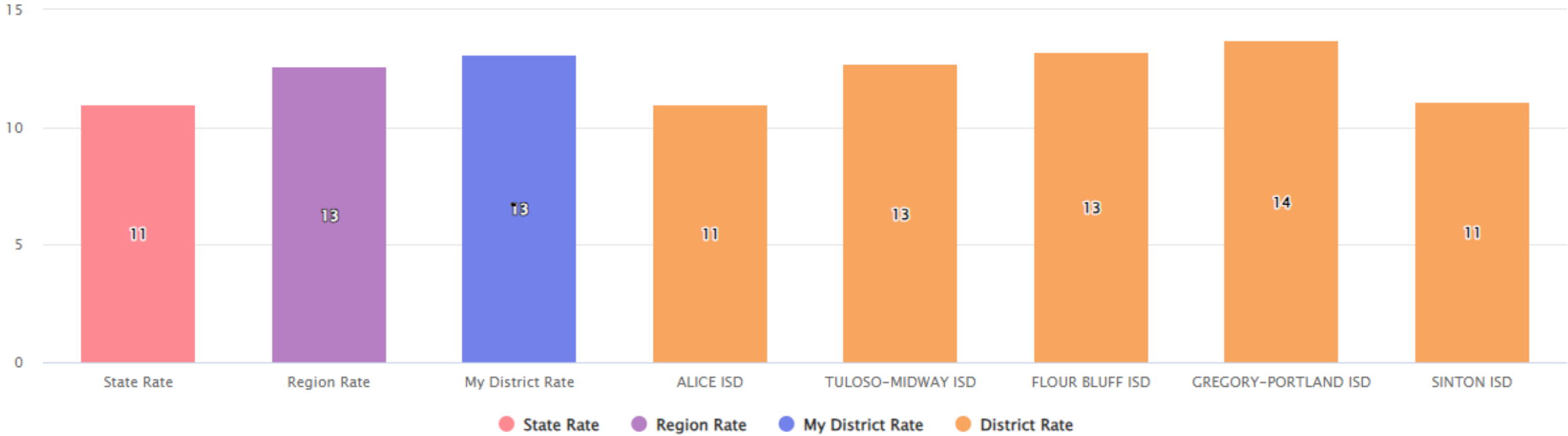
22-23 Staff Information – Instructional Staff Percent – Instructional Staff Percent



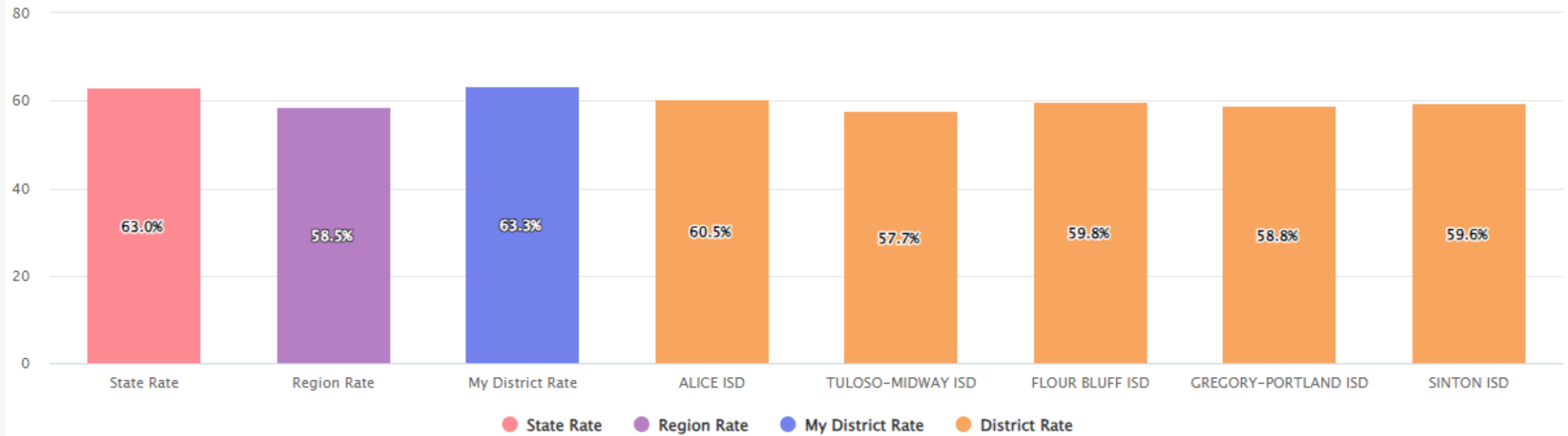
22-23 Staff Information – Number of Students per Teacher – Number of Students per Teacher



22-23 Staff Information - Average Years of Experience - Teachers



22-23 Staff Information – Instructional Expenditure Ratio – Instructional Expenditure Ratio



2024-25 STAFFING OPTIONS




Budgeting in
Current Climate

Total Staff Vs. Enrollment

Region Two

	19-20	20-21	21-22	22-23
Total Staff	14,073	14,097	14,122	14,213
Enrollment	101,213	96,980	94,866	96,042
Ratio	7.2	6.9	6.7	6.8

CISD 6.9 6.7 6.4 6.8

23-24 = 6.9



2024-25 SCHEDULING OPTIONS

- Look for efficiencies and cost savings in master scheduling:
 - Electives/Programs
 - PLC Periods/Department Head Periods
 - Athletic Periods/OC & DC Planning



2024-25 SCHEDULING OPTIONS




Budgeting in
Current Climate

Staffing Studies

Master Schedule at Some Campuses May Lead to Inefficiencies

Campus	Est. Cost of >1 Planning/Conf. Period
Senior High School	\$575,000
High School	\$570,000
Middle School #1	\$251,000
Middle School #2	\$134,000
Intermediate School #1	\$287,000
Intermediate School #2	\$215,000
Total	\$2,032,000



2024-25 SCHEDULING OPTIONS



Budgeting in
Current Climate



Staffing Studies

	Cost
Maintaining two planning periods at secondary campuses	\$2.0 million
Maintaining professional support FTE levels at Senior HS & HS	\$0.6 million
Maintaining 8-period day vs. 7-period day	\$0.6 - \$0.8 million
Continue offering elective courses with low-enrollment levels	\$0.3 million
Maintaining central admin ratios	\$0.2 million
Continue funding no-duty periods	\$0.1 million
TOTAL	\$3.8 million



CAMPUS & DEPARTMENT BUDGETS

Campus/ Department	Base Allotment Methodology	Additional Allotment Methodology	Factors
High School	\$240 per student	Special Student Populations	Attendance, Academic Improvement, & UIL Success
Middle School	\$150 per student	Special Student Populations	Attendance, Academic Improvement, & UIL Success
Magee	\$140 per student	Special Student Populations	Attendance, Academic Improvement, & UIL Success
West	\$140 per student	Special Student Populations	Attendance, Academic Improvement, & UIL Success
East	\$100 per student	Special Student Populations	Attendance, Academic Improvement, & UIL Success
Wood River	\$100 per student	Special Student Populations	Attendance, Academic Improvement, & UIL Success
Athletics	\$235 per CHS & CMS student	-	UIL Success
Curriculum	\$95 per student	Special Student Populations	Academic Improvement
Maintenance	\$1.00 per sqft	Capital Outlay Projects	-
Sped	\$95 per student	Instructional Settings	Academic Improvement
Technology	\$165 per student	Capital Outlay Projects	-
Transportation	\$7,000 per vehicle	Capital Outlay Projects	-

CAMPUS & DEPARTMENT BUDGETS

Campus/ Department	20-21 Budgets	21-22 Budgets	22-23 Budgets	23-24 Budgets	23-24 Budget Change
High School	512,046	520,389	536,549	478,011	-10.91%
Middle School	125,451	138,044	174,696	157,472	-9.86%
Magee	-	-	71,621	64,459	-10.00%
West	70,132	72,382	70,840	63,756	-10.00%
East	59,238	60,738	61,093	54,984	-10.00%
Wood River	56,834	58,334	59,471	53,524	-10.00%
Athletics	503,210	503,210	521,695	513,976	-1.48%
Curriculum	489,334	505,662	488,779	432,532	-11.51%
Maintenance	761,000	883,500	889,237	759,813	-14.55%
Sped	140,438	140,438	152,675	137,407	-10.00%
Technology	813,320	961,120	1,042,370	1,072,980	+2.94%
Transportation <i>w/o buses</i>	294,650	294,650	405,300	361,300	-10.86%

GENERAL FUND EXPENSES

	2020-21 Audited Financials	2021-22 Audited Financials	2022-23 Audited Financials	2023-24 Budget	2023-24 Mid Year Est
Payroll	\$32,438,973	\$33,016,629	\$35,546,708	\$35,918,327	\$35,675,000
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YOY Payroll Increase	1.04%	1.78%	7.66%	0.79%	0.36%
YOY Increase	4.87%	2.26%	12.85%	-1.55%	-3.51%

Payroll %

79.5%

79.2%

75.5%

78.5%



HOW THE DISTRICT SPENDS EACH \$1

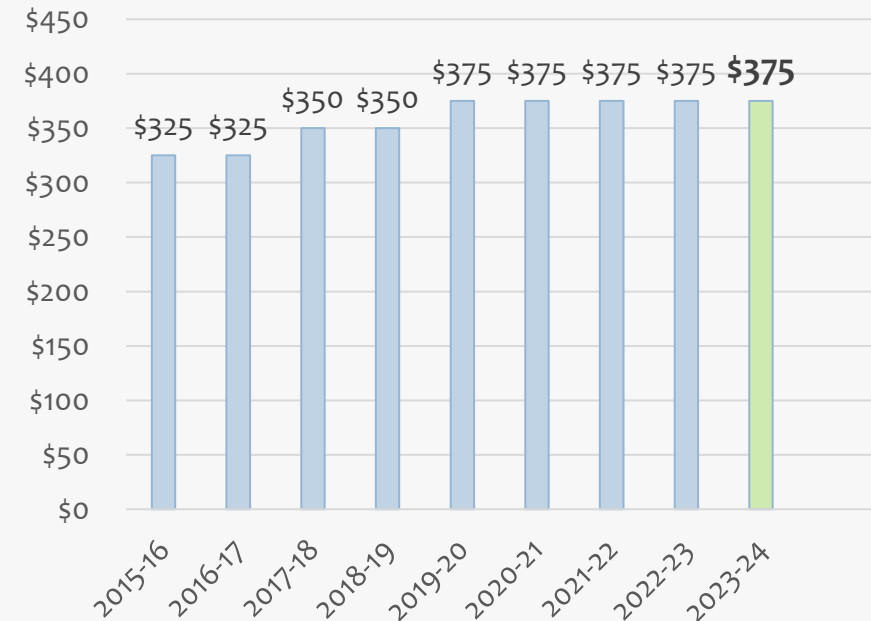
80¢ - PAYROLL 7.25 ¢ - OPERATIONS 6.5¢ - INSURANCE & UTILITIES
5.5¢ - INSTRUCTION & SUPPORT 0.75¢ - ADMIN & OTHER



SALARY AND BENEFITS HISTORY

Fiscal Year	% Increase	187 Day Teacher Increase	Starting Teacher Salary	Other Employee Increase	Other
2019-20	3.4%	\$1,450	\$48,570	\$0.75 <i>Per hour</i>	
2020-21	1.5%	\$800 <i>+Additional adjustment for steps 2-20</i>	\$48,750	1.5% <i>of midpoint</i>	\$500 <i>December retention stipend</i>
2021-22	3.0%	\$1,658	\$50,000	3.0% <i>of midpoint</i>	\$500 <i>December retention stipend</i>
2022-23	Avg. of 4.8%	\$2,750 <i>Avg.</i>	\$51,000	2.0% <i>of midpoint</i>	\$1,000 <i>December retention stipend</i>
2023-24	1.5%	\$880	\$51,500	1.5% <i>of midpoint</i>	N/A

District Contribution to Health Insurance Premiums



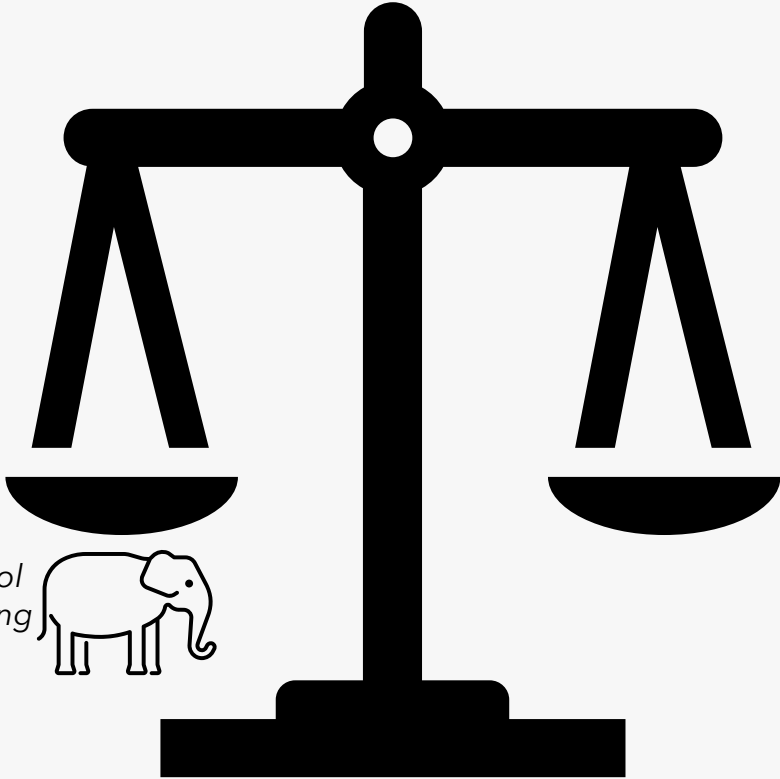
Total Cost to the District for 2023-24 Increases: \$470,000

Note: These salary schedules and adjustments do not reflect any statutorily required salary allotments that could be enacted during the ongoing 88th Texas Legislative Session. The District reserves the right to adjust salary amounts for the 2023-24 school year in response to legislative changes or increases in school funding.



2024-25 BUDGET PLANNING.....

District Financial Well-Being



Student Achievement, Inflation, Staff Recruitment & Retention, Campus & Department Needs

***Finding the right balance is going to require difficult decisions & tough conversations. To be successful we need to be informed and united in our decisions.*



2024-25 BUDGET PLANNING.....

- District Stakeholder Input - Meetings with Principals & Departments
- Board Budget Workshops
- TASB Salary Study - Kickoff April 2024, Completion End of June 2024





QUESTIONS,
COMMENTS, and
DISCUSSION....