

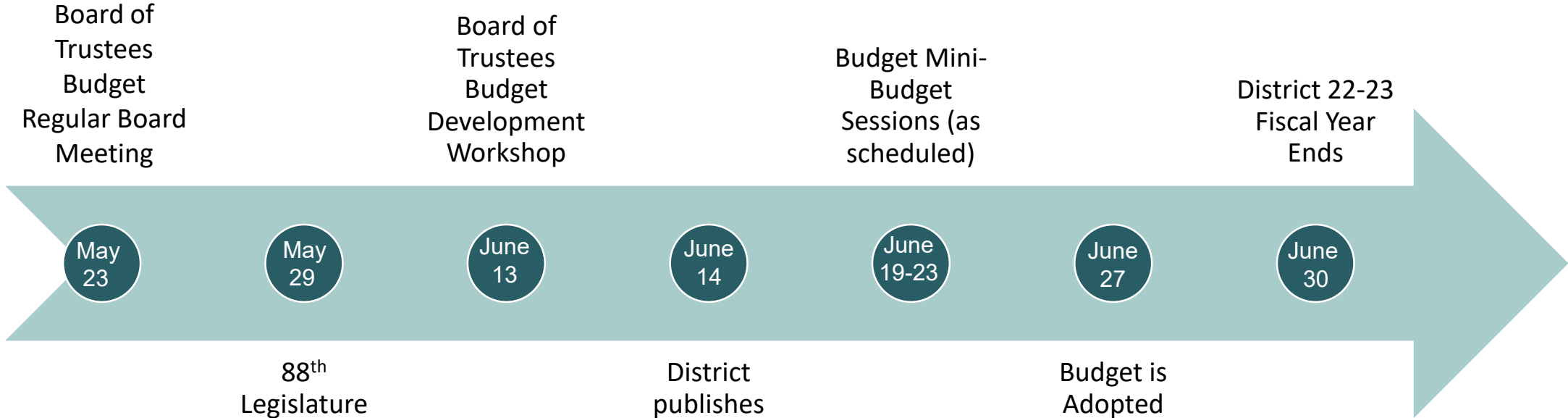
2023-2024 Budget Development Update

Board of Trustees Meeting

May 23, 2023

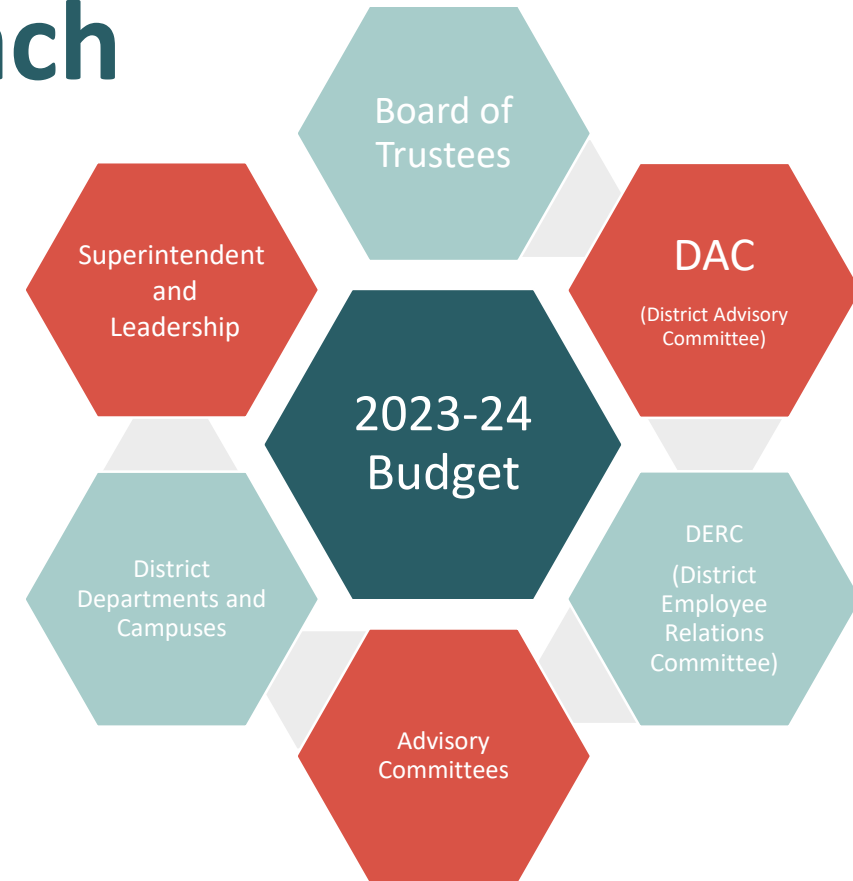


Timeline of 2023-2024 Budget Adoption



2023-2024 Budget Outreach

- Board Finance Committee Meetings; Board Budget Workshops; Mini-Sessions; Regular Board meetings
- Advisory Committees (Community/Business; Parent; Support Staff; Teacher)
- District Advisory Committee Meetings (March and May)
- District Employee Relations Committee Meetings (March and May)



2023-2024 Budget Assumptions

- Preliminary assumptions have been made with information available (*calculations are subject to change*)
- Revenue assumptions presented at the May 9th Budget Workshop
- Expenditure assumptions presented at the May 9th Budget Workshop

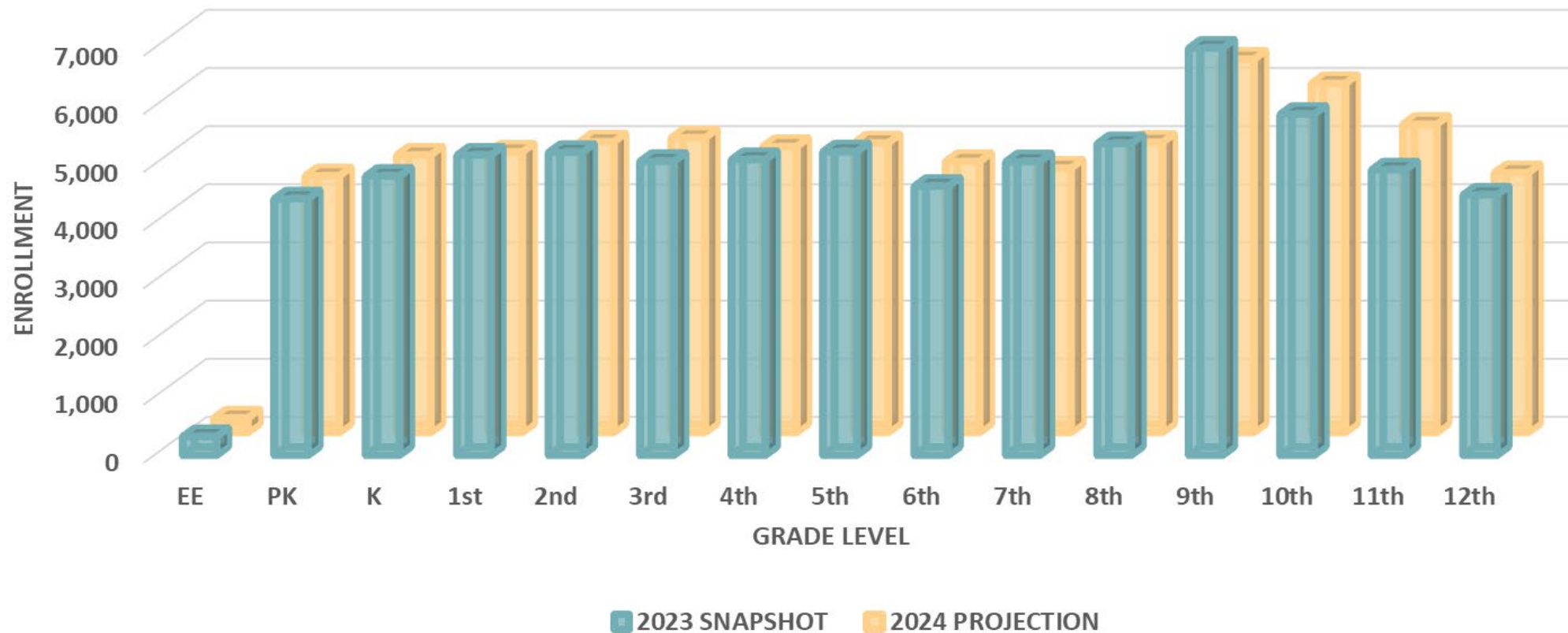


2023-2024 Key Revenue Assumptions

- Uncertainty of the 88th Legislature
- Loss of enrollment
- Increase in property values
 - Received preliminary values – 17.80% increase
- Improvement of investment earnings
- NIFA (New Instructional Facilities Allotment)
 - Rolling Hills Elementary
- TIA (Teacher Incentive Allotment)
- Recapture



ENROLLMENT BY GRADE LEVEL



2023 Snapshot 72,783
2024 Projection 70,604
Decline of 2,179 students

ADA 2023 – 64,712
ADA 2024 – 63,544
Decline of 1,168



DIVISION OF
BUSINESS AND FINANCE

2023-2024 Key Expenditure Assumptions

- Uncertainty of the 88th Legislature
- Balanced Budget Progress
- Compensation recommendations
- TRS insurance increases
- Restructuring/reorganization
 - Changes and realignment of budget owners
- Addition of Rolling Hills Elementary
- Potential increases in property and other insurances
- One-time purchases (IT and Textbook Gap Funding)



Legislative Uncertainties*

- Given the uncertainty of the finance bill legislation, recommendation is that we base our budget on no increased basic allotment or any other changes at this time.
- While monies have been set aside for this at the legislative level, it is difficult to predict if any of those dollars will actual flow to school districts
- Property tax relief bill passed in the House would keep school district revenues flat – replaces local dollars with state funds so no increase for districts



**Subject to change*

OBJECT	ESTIMATED REVENUE	2023-2024 PROPOSED GENERAL FUND (CURRENT)	2023-2024 PROPOSED GENERAL FUND (HB100)
5700	Local	519,067,626	524,304,975
5800	State	263,310,541	275,933,021
5900	Federal	16,385,807	16,385,807
7900	Other Resources	500,000	500,000
	Total Estimated Revenue	\$ 799,263,974	\$ 817,123,803
FUNCTION	ESTIMATED APPROPRIATIONS		
11	Instruction	456,268,624	456,268,624
12	Instruction Resources and Media Services	12,009,021	12,009,021
13	Curriculum and Instructional Staff Development	11,785,440	11,785,440
21	Instructional Administration	16,209,007	16,209,007
23	School Administration	52,962,151	52,962,151
31	Guidance and Counseling Services	46,762,098	46,762,098
32	Social Work Services	5,041,040	5,041,040
33	Health Services	13,160,958	13,160,958
34	Student Transportation	22,824,469	22,824,469
35	Food Services	426,724	426,724
36	Cocurricular/Extracurricular Activities	20,131,072	20,131,072
41	General Administration	25,484,305	25,484,305
51	Plant Maintenance and Operations	97,096,942	97,096,942
52	Security and Monitoring Services	15,927,638	15,927,638
53	Data Processing Services	29,960,659	29,960,659
61	Community Services	5,042,513	5,042,513
71	Debt Service	3,000,000	3,000,000
81	Facilities Acquisition & Construction	-	-
91	Contracted Instructional Services Public Schools	8,566,506	7,969,470
95	Payments to Juvenile Justice Alt Ed Programs	45,000	45,000
97	Tax Increment Financing	-	-
99	Other Intergovernmental Charges	2,963,095	2,963,095
	Total Estimated Appropriations	\$ 845,667,261	\$ 845,070,226
	Excess Revenue/Appropriations and Change in Fund Balance	(46,403,287)	(27,946,423)
	Fund Balance - Beginning	341,025,863	341,025,863
	Fund Balance - Ending (Unaudited)	\$ 294,622,576	\$ 313,079,440

General Fund Expenditures

2023-24 Proposed General Fund (current law)

One-time purchases:

Textbook Gap Funding	2,197,566
IT Student Laptops	7,100,000
Sub-total	\$ 9,297,566

Net excess
revenue/appropriations
without extraordinary
items

\$ (37,105,721)

**Proposed compensation model
increase included in Proposed GF
Budget - \$17,421,800**

Utilization of Fund Balance (Reserves)

- Based on preliminary estimates, District has sufficient assigned/unassigned fund balance to cover the Estimated Appropriations over Revenues of \$46,403,286
 - ✓ Projected days at 2022-2023 year-end based on Current Forecast: 147.80 Days
 - ✓ Projected days at 2023-2024 Fiscal Year End based on Current Projections: 126.72 Days
- Recommendation from TASBO* and GFOA* is to keep a minimum of 60 Days reserve in Unassigned Fund Balance
- FIRST Indicator looks at 75 days of Assigned/Unassigned Fund Balance to pass this test

**TASBO – Texas Association of School Business Officials
GFOA – Government Finance Officers Association*

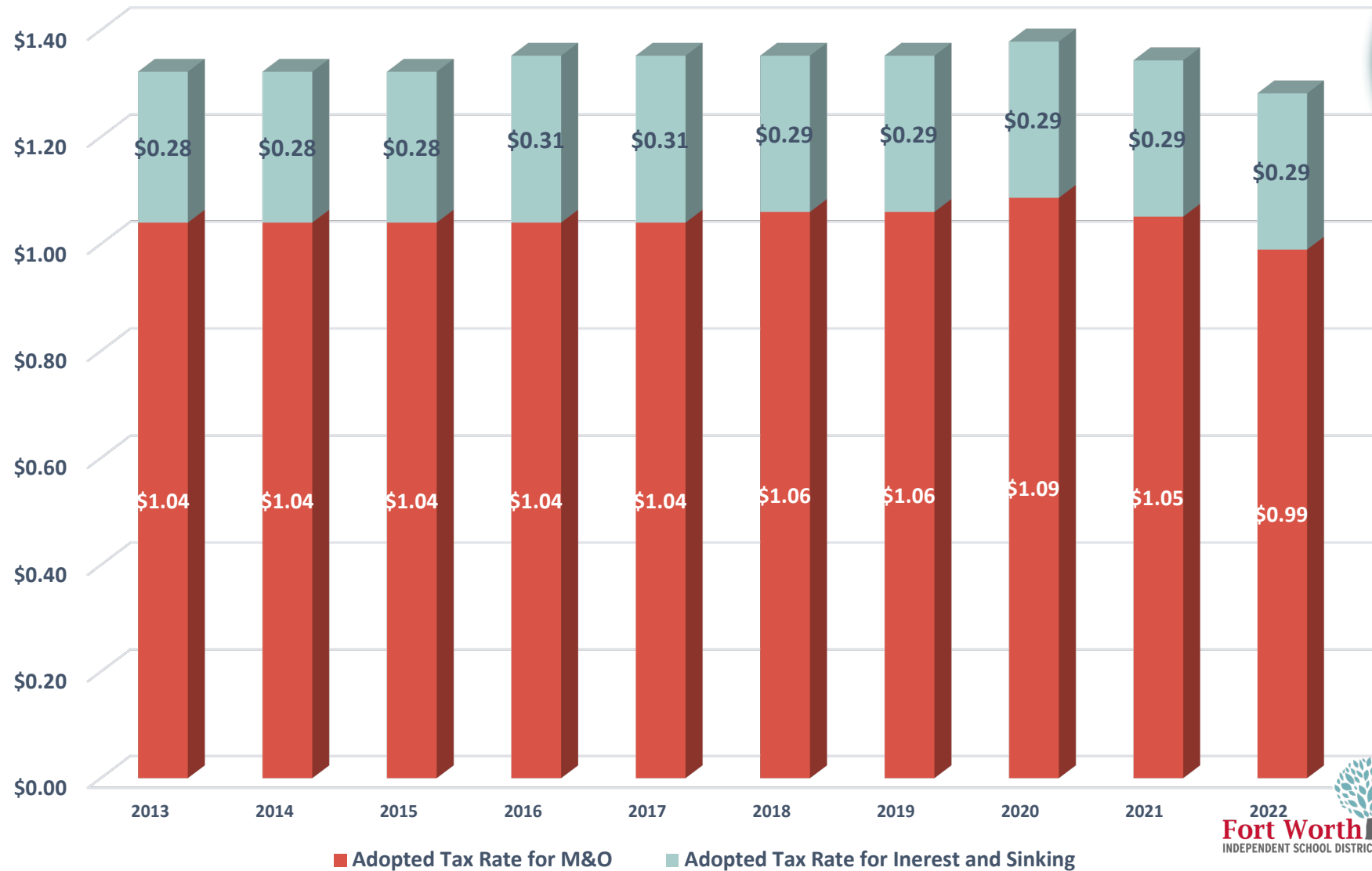
Debt Service Fund

	2022 Actual	2023 Revised Budget	2023 YTD*	2023 Projected	Proposed 2024
Revenues					
5700 Local and intermediate sources	\$128,200,219	\$140,258,284	\$138,247,092	\$142,656,075	\$155,564,363
5800 State program revenues	1,786,294	2,496,274	4,151,004	4,151,004	3,693,999
TOTAL REVENUES	\$129,986,513	\$142,754,558	\$142,398,096	\$146,807,079	\$159,258,363
Expenditures					
71 Principal	\$70,575,000	\$88,835,000	\$88,835,000	\$88,835,000	\$85,910,000
71 Interest and issuance costs	47,361,261	51,663,865	51,567,140	51,579,390	63,318,071
TOTAL EXPENDITURES	\$117,936,261	\$140,498,865	\$140,402,140	\$140,402,140	\$149,228,071
Excess (deficiency) of revenues over expenditures	12,050,252	2,255,693	1,995,956	6,404,939	10,030,292
Other Financing Sources (net)	(1,181,333)	-	-	-	-
Net Change in Fund Balance	\$10,868,919	\$2,255,693	\$1,995,956	\$6,404,939	\$10,030,292
Fund balance - beginning	58,270,492	69,139,411	69,139,411	69,139,411	75,544,350
Fund balances - ending	\$69,139,411	\$71,395,104	\$71,135,367	\$75,544,350	\$85,574,642
Target - 20% of next fiscal year's requirements	20.00%			20.00%	20.00%
Beginning of year fund balance %	49.41%			49.24%	50.62%
EOY Projected fund balance %	49.21%			50.62%	62.62%

*As of April 30, 2023 unaudited unadjusted for April closing.



History of M&O and I&S Tax Rates for FWISD from 2013 to 2022

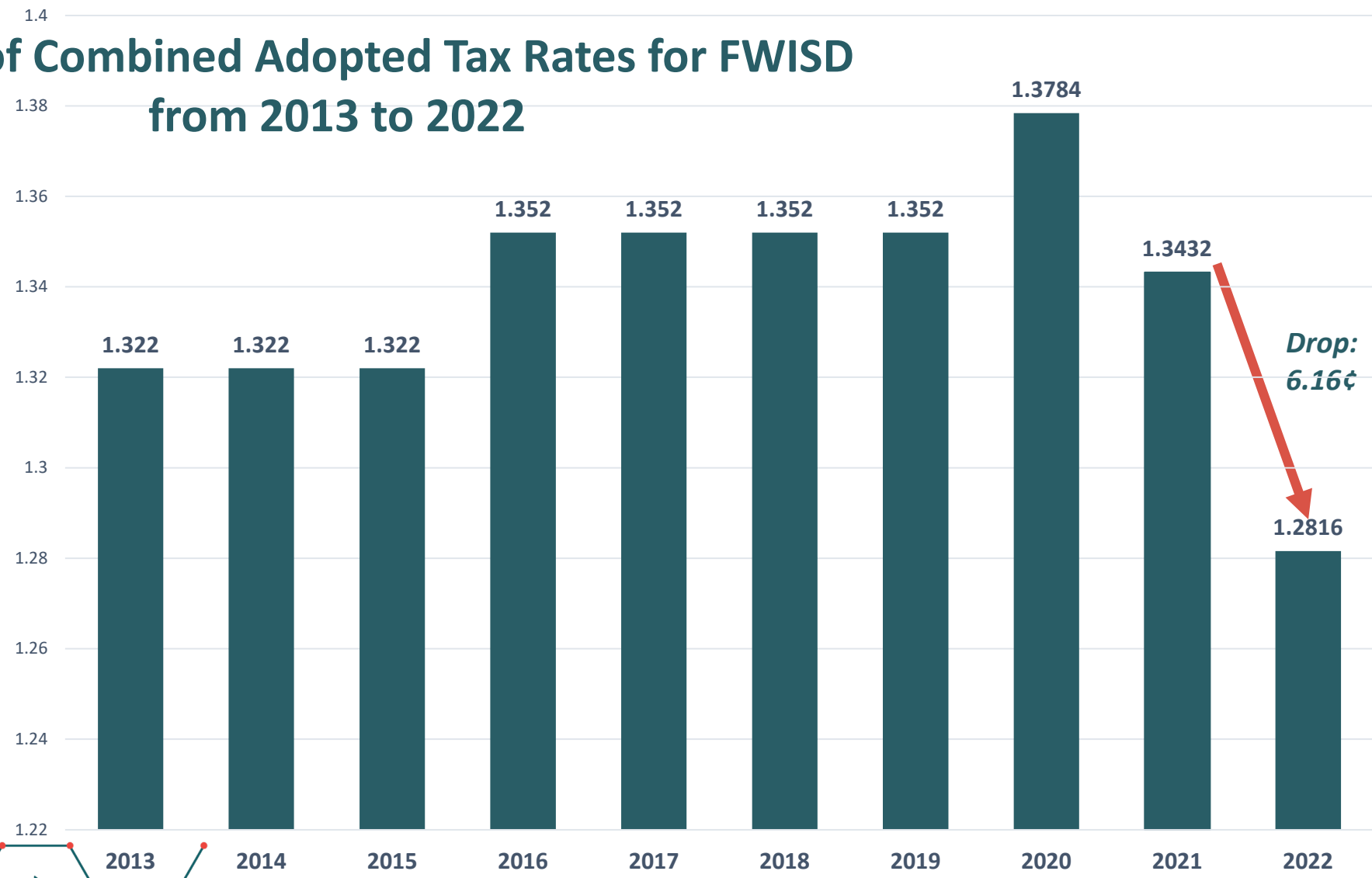


The District's I&S rate has stayed the same for the last five years.

\$1.2816
current
total rate

History of Combined Adopted Tax Rates for FWISD

from 2013 to 2022



The District's 2022 Tax Rate is the lowest it has been in 10 years.



TAX FACTS:

- THE CURRENT TAX RATE IS 10 CENTS LOWER THAN THE HIGHEST RATE FROM FY 2020.
- OVER THE PAST 10 YEARS, THE COMBINED TAX RATE HAS FLUCTUATED FROM \$1.32 (3YR. STREAK FROM 2013 -> 2015) TO \$1.35 (4YR. STREAK FROM 2016->2019) TO \$1.38 FOR JUST FY2020 (HIGHEST), IT LOWERED THE NEXT YEAR TO \$1.34 (2021) AND WAS AT IT'S LOWEST IN 2022 AT \$1.28.

Food Service Budget

	2022 Actual	2023 Revised Budget	2023 YTD*	2023 Projected	Proposed 2024
Revenues					
5700 Local and intermediate sources	\$1,227,633	\$2,932,084	\$1,619,658	\$4,757,593	\$2,176,933
5800 State program revenues		274,022	\$171,686	\$274,022	\$69,126
7900 State program revenues	48,275,989	43,121,426	32,278,442	43,121,426	50,483,204
TOTAL REVENUES	\$49,503,622	\$46,327,532	\$34,069,787	\$48,153,041	\$52,729,263
Expenditures					
35 Food Services	\$43,108,517	\$46,298,932	\$33,131,784	\$48,124,441	\$49,654,811
51 Maintenance & Operations	31,360	28,600	21,615	28,600	35,674
TOTAL EXPENDITURES	\$43,139,877	\$46,327,532	\$33,153,399	\$48,153,041	\$49,690,485
Excess (deficiency) of revenues over expenditures	6,363,745	-	916,388	-	3,038,778
Net Change in Fund Balance	\$6,363,745		\$916,388		\$3,038,778
Fund balance - beginning	5,389,942	11,753,687	11,753,687	11,753,687	11,753,687
Fund balances - ending	\$11,753,687	\$11,753,687	\$12,670,075	\$11,753,687	\$14,792,465
Beginning of year fund balance %	12.49%			24.41%	23.65%
EOY Projected fund balance %	25.37%			23.65%	27.06%

*As of April 30, 2023 unaudited unadjusted for April closing.

Proposed compensation model increase included in Proposed FS Budget - \$453,009



2023-2024 Benefit Changes



TRS-Active Care Potential Changes

- Potential increase in TRS

2022-2023 Fort Worth ISD TRS-ACTIVE CARE RATES FOR EMPLOYEES WHO DO NOT CONTRIBUTE TO TRS

COVERAGE LEVEL	TRS-ACTIVECARE		TRS-ACTIVECARE	TRS-ACTIVECARE	BAYLOR SCOTT & WHITE
	PRIMARY	TRS-ACTIVECARE HD	PRIMARY +	2	
EMPLOYEE ONLY	\$417.00	\$429.00	\$525.00	\$1,013.00	\$569.24
EMPLOYEE AND SPOUSE	\$1,176.00	\$1,209.00	\$1,284.00	\$2,402.00	\$1,431.08
EMPLOYEE AND CHILD(REN)	\$751.00	\$772.00	\$845.00	\$1,507.00	\$915.65
EMPLOYEE AND FAMILY	\$1,405.00	\$1,445.00	\$1,614.00	\$2,841.00	\$1,647.24

		District Monthly Contribution	District Annual Contribution	Proposed-Current Delta
Current District Enrollment	6439			
Current District Contribution	\$287	\$1,847,993	\$22,175,916	-
10% increase, if 100% borne by District	\$315.70	\$2,032,792	\$24,393,508	\$2,217,592
20% increase, if 100% borne by District	\$344.40	\$2,217,592	\$26,611,099	\$4,435,183



Target date to receive changes: May 30, 2023

New Pharmacy Vendor Starts Sept. 1, 2023

The TRS Board of Trustees chose Express Scripts (ESI) as the new pharmacy benefits manager for TRS-ActiveCare.

- This change ensures members receive the best pricing and services.
- The new contract will generate savings to help sustain health care benefits for participants and employers.
- CVS Caremark will continue to provide pharmacy benefits through the 2022-23 plan year. (ESI) coverage starts Sept. 1, 2023 — the first day of the 2023-24 plan year.
- Employees are encouraged to refill any prescriptions prior to the September 1, 2023 pharmacy change to avoid any disruptions in services, prior to receiving new prescription cards.

Welcome to MetLife Dental!

We've added...

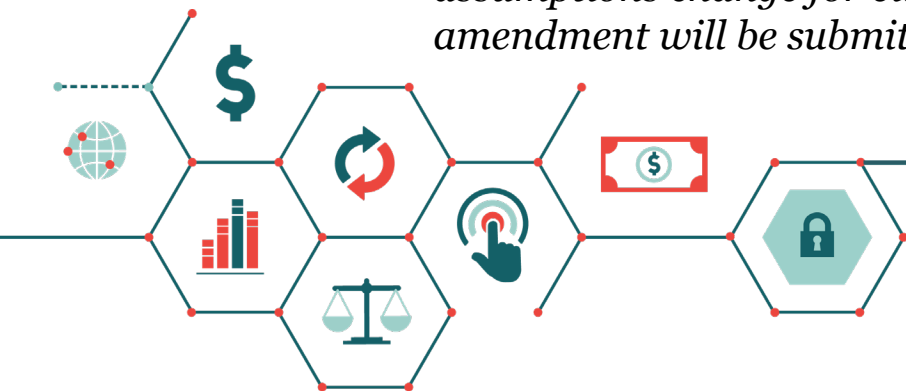
During the last pre-renewal meeting, our current provider proposed a rate increase for the 2023-2024 plan year, without adding any new plan benefits. Based on our current rates, claims, and usage data this increase was not acceptable. We've moved to a NEW PPO Dental Plan that offers our employees more dental benefits at a lower cost!

- Lower Premium Rates
- Orthodontia (braces) - Adults (Employee and Spouse) and Children now up to age 26
- \$250 increase in annual maximum benefit (if employee has cleaning and exam every year)
- Implant Coverage (not included in previous plan)
- No missing tooth clause (plan contributes to work on teeth missing before joining plan, not included in previous plan)
- 3-year rate guarantee

Pending Items

- Legislative outcomes
- Finalize compensation
- Review TRS changes (after May 29, 2023)
- Review and finalize Capital Plans and ABRs (Additional Budget Requests)
- Determine availability of ESSER III Funds

Notes: Final adjustments will be made based on the implementation of the compensation plan. As assumptions change for either revenue or expenditures during the course of the year, a budget amendment will be submitted to the board to reflect these changes.



Next Meeting

- June 13, 2023 – Proposed Budget Board Workshop





**THANK
YOU!**



Fort Worth
INDEPENDENT SCHOOL DISTRICT
Division of Business and Finance



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