

# 2023-24 Budget Development Update

Board Special Meeting

May 9, 2023



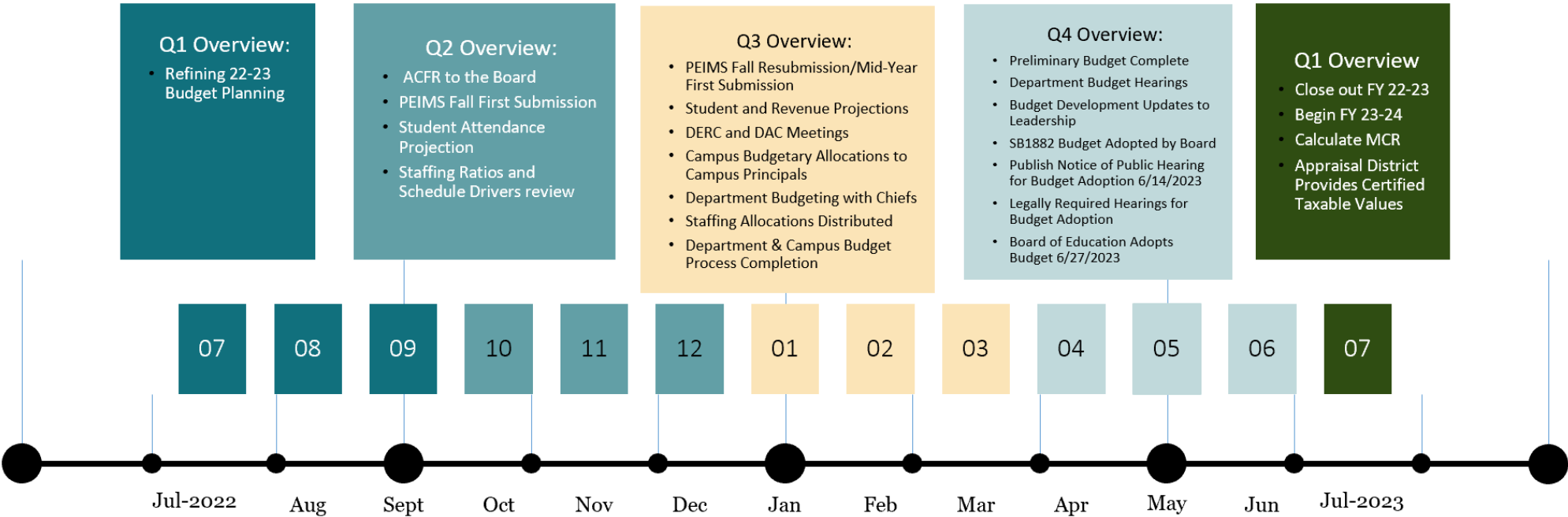
# 2023-2024 Budget Workshop Objectives

- Build on the foundation of the Board Finance Committee Meetings
- First look at the budget for 23-24 at the full Board level
- Preliminary assumptions have been made with information available (*calculations are subject to change*)
- Introduction of the AROI concept into the 23-24 budget process
- Goal is to adopt a budget at the June 27, 2023 meeting



# 2023-24 Smarter School Spending for Student Success

## Budget Development Calendar Overview



# 2023-2024 Key Revenue Assumptions

- Uncertainty of the 88<sup>th</sup> 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



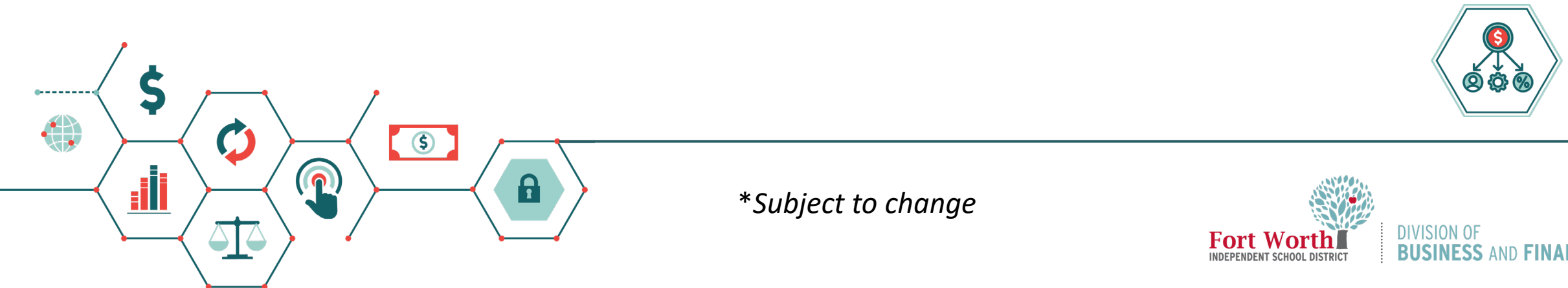
# 2023-2024 Key Expenditure Assumptions

- Uncertainty of the 88<sup>th</sup> 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)



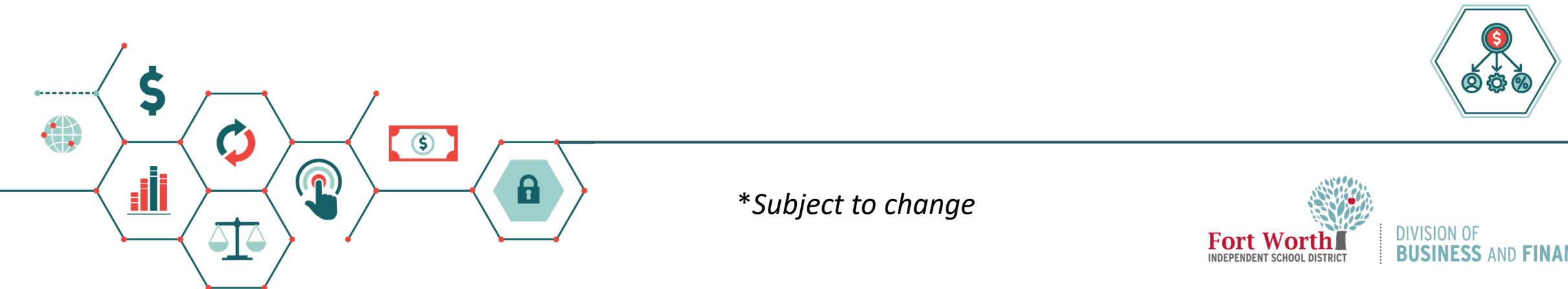
# Legislative Uncertainties and Assumptions\*

- HB100 Finance School Bill
- Basic allotment (BA) increase in 2023-24 to \$6,250 and in 2024-25 to \$6,300 (currently at \$6,160)
  - Requires 50% of the increase in funding to increase compensation with 75% of that amount dedicated to increasing the average total compensation per employed classroom teachers, full-time librarians, counselors, or nurses. (63,544 x \$90 = \$5,718,960)
- Changes ADA to enrollment in certain allotments

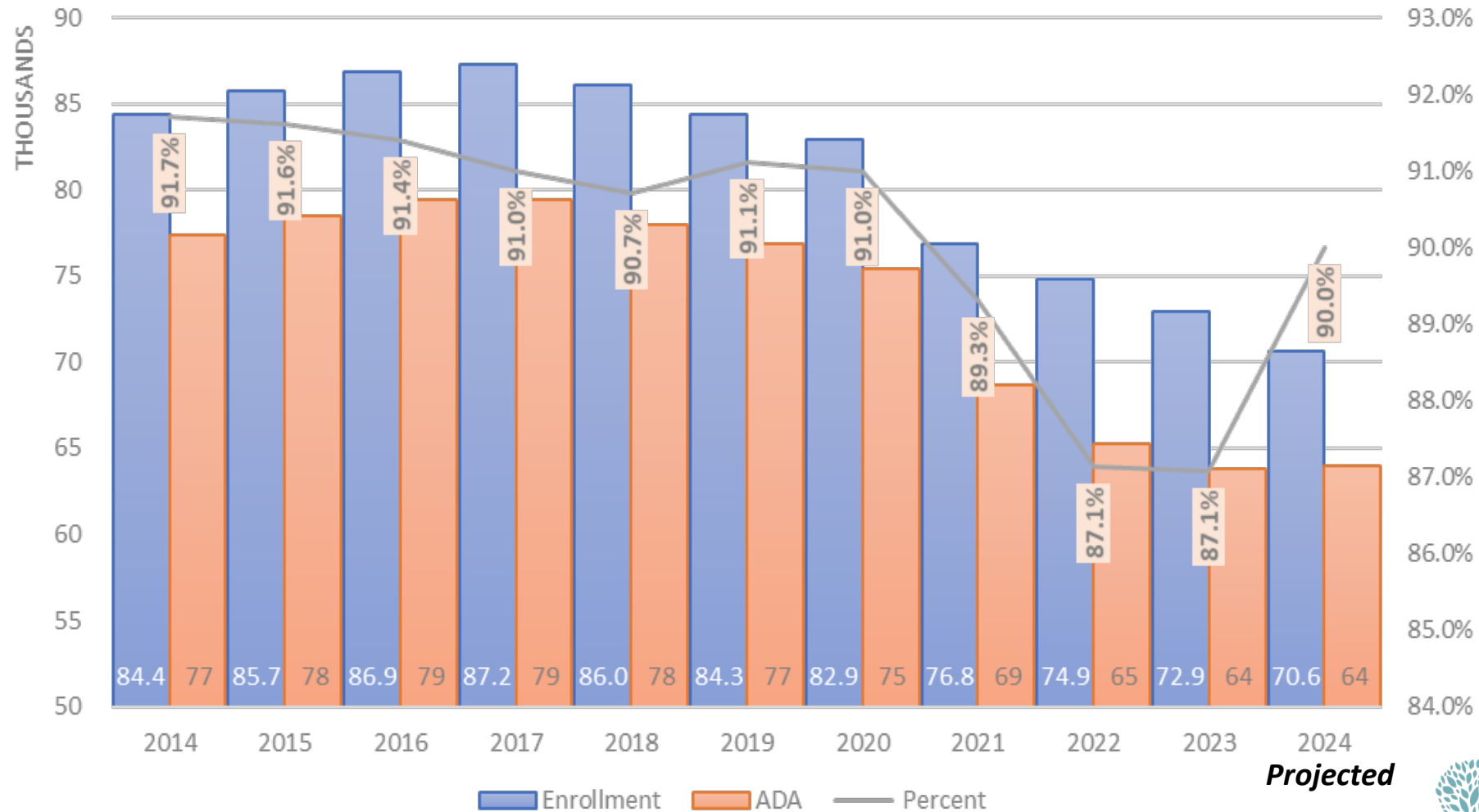


# Legislative Uncertainties and Assumptions\*

- Increase in the Transportation Allotment from \$1.54 per mile for special education transportation to \$1.67 per mile
- Proposes to include CTE FTEs in regular program ADA beginning in 2024-25
- Proposes to increase Comp Ed allotment by increasing each weight by .0005 in 2024-25



# Enrollment vs ADA



**Projected**





# General Fund Revenue

|   | 2021-2022<br>Actuals | 2022-2023<br>Original Budget | 2022-23<br>Projected | 2023-2024<br>Proposed<br>(current law) | 2023-2024<br>Proposed<br>(HB100) |
|---|----------------------|------------------------------|----------------------|--|----------------------------------|
| <b>Revenues</b>                                     |                      |                              |                      |  |                                  |
| 5700 Local and intermediate sources                 | \$468,499,180        | \$485,767,032                | \$539,019,410        | \$525,022,041                          | \$524,304,975                    |
| 5800 State program revenues                         | 296,511,490          | 260,945,145                  | 270,766,844          | 258,549,211                            | 270,491,961                      |
| 5900 Federal program revenues                       | 44,125,777           | 29,419,955                   | 31,274,402           | 16,385,807                             | 16,385,807                       |
| 7900 Other Sources                                  | 217,146              | 3,000,000                    | 4,937,939            | 500,000                                | 500,000                          |
| <b>TOTAL REVENUES</b>                               | <b>\$809,353,593</b> | <b>\$779,132,132</b>         | <b>\$845,998,595</b> | <b>\$800,457,059</b>                   | <b>\$811,682,743</b>             |
| <b>Changes from Projected 2023 to Proposed 2024</b> |                      |                              |                      | <b>(\$45,541,536)</b>                  | <b>(\$34,315,852)</b>            |

*Actual ADA*

*65,213*

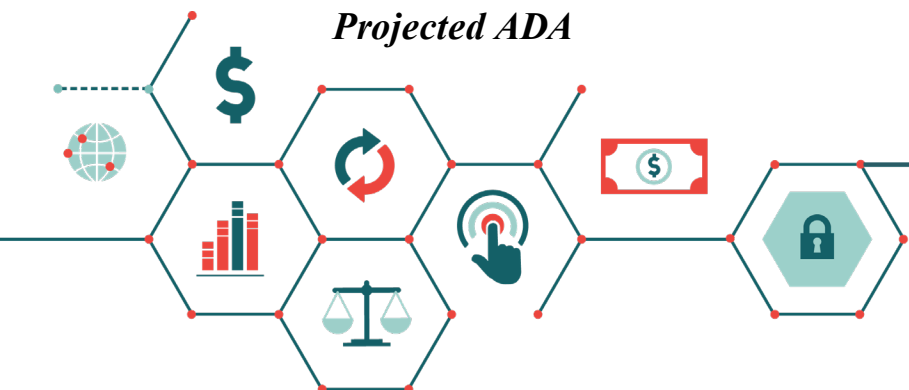
*63,764*

*63,764*

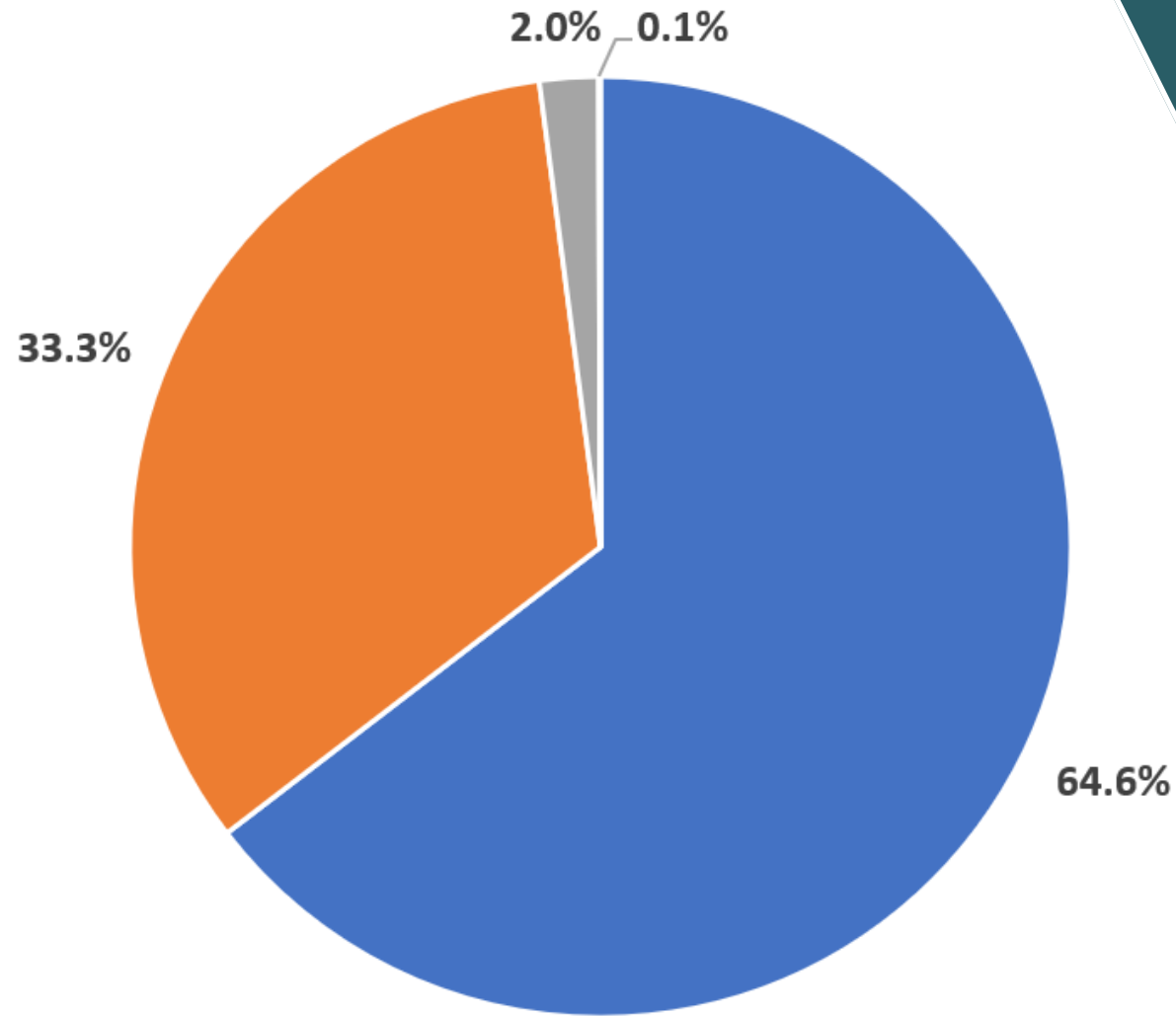
*Projected ADA*

*63,544*

*63,544*



# General Fund Revenue



■ Local ■ State ■ Federal ■ Other Resources



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# General Fund Expenditures

| FUNCTION  | ESTIMATED APPROPRIATIONS                         | 2021-2022<br>ACTUAL<br>GENERAL FUND | 2022-2023<br>ORIGINAL<br>GENERAL FUND | 2022-2023<br>PROJECTED<br>GENERAL FUND | 2023-2024<br>PROPOSED<br>GENERAL FUND<br>(CURRENT) | 2023-2024<br>PROPOSED<br>GENERAL FUND<br>(HB100) |
|---|--|-------------------------------------|---------------------------------------|--|--|--|
| 11  | Instruction                                      | 405,791,883                         | 451,199,513                           | 452,465,819                            | 464,282,276  | 464,282,276                                      |
| 12  | Instruction Resources and Media Services         | 11,306,546                          | 12,453,876                            | 12,457,880                             | 12,009,021   | 12,009,021                                       |
| 13  | Curriculum and Instructional Staff Development   | 12,339,933                          | 11,588,543                            | 14,743,993                             | 10,804,723   | 10,804,723                                       |
| 21  | Instructional Administration                     | 14,203,646                          | 15,604,617                            | 15,696,489                             | 16,209,007   | 16,209,007                                       |
| 23  | School Administration                            | 49,059,357                          | 52,130,748                            | 52,276,810                             | 52,962,151   | 52,962,151                                       |
| 31  | Guidance and Counseling Services                 | 43,785,574                          | 48,301,359                            | 45,535,917                             | 46,762,098   | 46,762,098                                       |
| 32  | Social Work Services                             | 4,250,240                           | 5,160,819                             | 4,382,679                              | 5,041,040  | 5,041,040  |
| 33  | Health Services                                  | 9,981,298                           | 11,801,053                            | 10,534,021                             | 13,160,958   | 13,160,958                                       |
| 34  | Student Transportation                           | 20,523,852                          | 24,581,334                            | 28,107,578                             | 25,601,789   | 25,601,789                                       |
| 35  | Food Services                                    | 1,423,613                           | 472,192                               | 559,085                                | 426,724  | 426,724  |
| 36  | Cocurricular/Extracurricular Activities          | 16,962,129                          | 19,090,722                            | 21,384,782                             | 20,131,072   | 20,131,072                                       |
| 41  | General Administration                           | 22,124,956                          | 23,664,497                            | 24,136,082                             | 25,449,305   | 25,449,305                                       |
| 51  | Plant Maintenance and Operations                 | 85,862,940                          | 93,406,299                            | 92,881,855                             | 96,060,378   | 96,060,378                                       |
| 52  | Security and Monitoring Services                 | 11,419,605                          | 12,966,454                            | 13,520,408                             | 15,353,594   | 15,353,594                                       |
| 53  | Data Processing Services                         | 21,642,159                          | 25,719,627                            | 30,597,260                             | 29,460,659   | 29,460,659                                       |
| 61  | Community Services                               | 4,859,913                           | 5,275,169                             | 5,258,851                              | 5,042,513  | 5,042,513  |
| 71  | Debt Service                                     | 831,021                             | 3,000,000                             | -                                      | 3,000,000  | 3,000,000  |
| 81  | Facilities Acquisition & Construction            | 355,491                             | -                                     | 9,611,221                              | -  | -  |
| 91  | Contracted Instructional Services Public Schools | -                                   | -                                     | 2,405,572                              | 9,358,523  | 8,656,435  |
| 95  | Payments to Juvenile Justice Alt Ed Programs     | 24,510                              | 97,629                                | 97,629                                 | 45,000   | 45,000   |
| 97  | Tax Increment Financing                          | -                                   | -                                     | -                                      | -  | -  |
| 99  | Other Intergovernmental Charges                  | 2,772,413                           | 3,000,000                             | 2,889,867                              | 2,963,095  | 2,963,095  |
| <b>Total Estimated Appropriations</b>                           |  | <b>\$ 739,521,079</b>               | <b>\$ 819,514,451</b>                 | <b>\$ 839,543,798</b>                  | <b>\$ 854,123,924</b>                              | <b>\$ 853,421,836</b>                            |
| <b>Excess Revenue/Appropriations and Change in Fund Balance</b> |  | <b>69,832,514</b>                   | <b>(40,382,319)</b>                   | <b>6,454,797</b>                       | <b>(53,666,865)</b>                                | <b>(41,739,093)</b>                              |
| <b>Fund Balance - Beginning</b>                                 |  | <b>281,399,838 *</b>                | <b>351,232,352 *</b>                  | <b>351,232,352 *</b>                   | <b>357,687,149</b>                                 | <b>357,687,149</b>                               |
| <b>Fund Balance - Ending (Unaudited)</b>                        |  | <b>\$ 351,232,352</b>               | <b>\$ 310,850,033</b>                 | <b>\$ 357,687,149</b>                  | <b>\$ 304,020,283</b>                              | <b>\$ 315,948,055</b>                            |

\*Audited fund balances as reflected in financial statements

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

**One-time purchases included in proposed budget:**

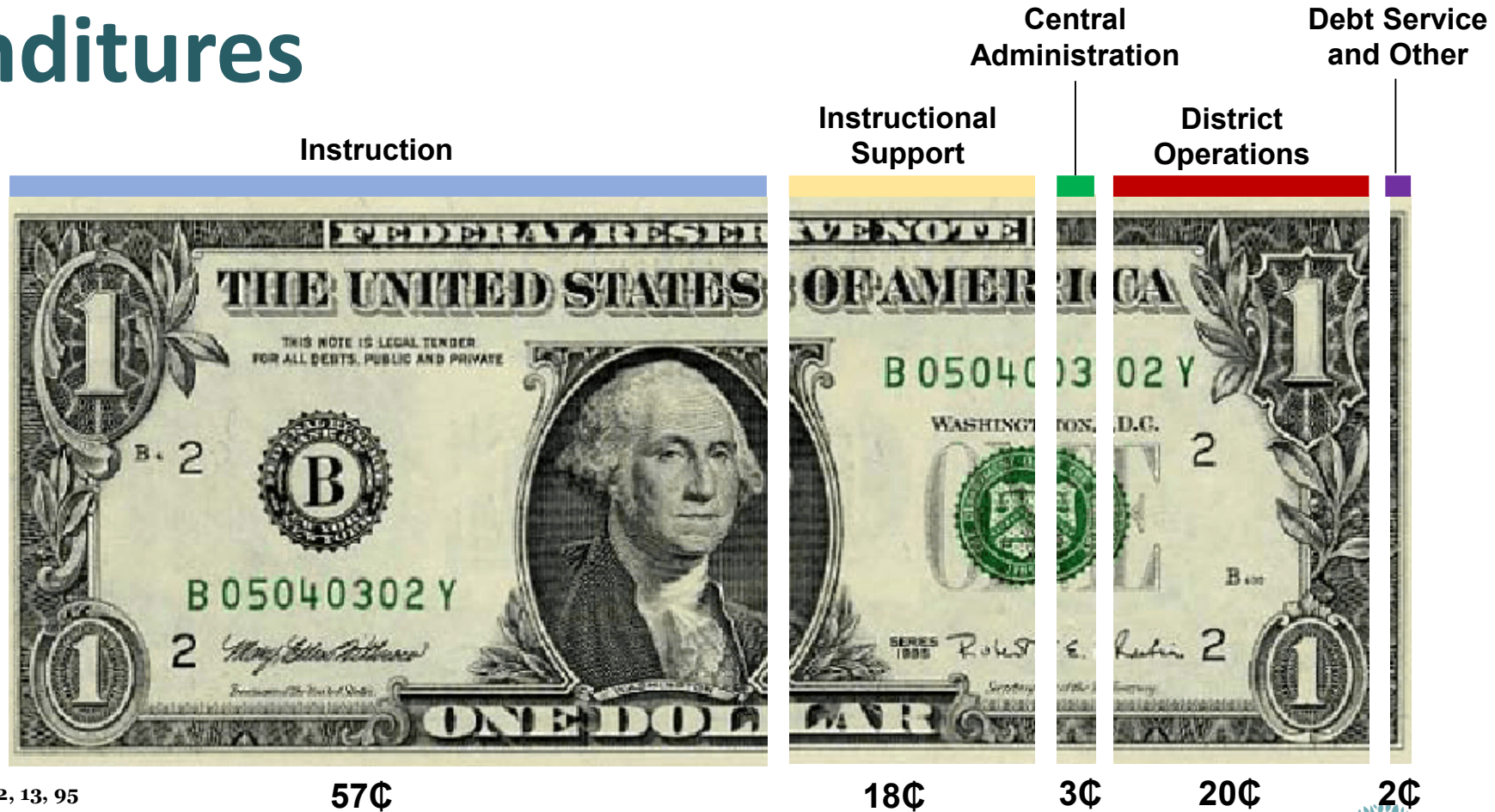
|                                 |                      |
|---------------------------------|----------------------|
| Textbook Gap Funding (one-time) | 9,461,218            |
| IT Student Laptops (one-time)   | 7,850,000            |
| <b>Sub-total</b>                | <b>\$ 17,311,218</b> |

**Net excess revenue/appropriations  
without extraordinary items**

**\$ (24,427,875)**



# General Fund Expenditures



Instruction - functions 11, 12, 13, 95

Instructional Support – functions 21, 23, 31, 32, 33, 36

Central Administration – function 41

District Operations – functions 51, 52, 53, 34, 35

Debt Service and Other – functions 61, 71, 81, 91, 92, 93, 97, 99



DIVISION OF  
BUSINESS AND FINANCE

# Debt Service Fund

|  | 2022 Actual          | 2023 Revised Budget  | 2023 YTD*            | 2023 Projected       | Proposed 2024        |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Revenues</b>  |                      |                      |                      |                      |                      |
| 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            |
| <b>TOTAL REVENUES</b>                                  | <b>\$129,986,513</b> | <b>\$142,754,558</b> | <b>\$142,398,096</b> | <b>\$146,807,079</b> | <b>\$159,258,363</b> |
| <b>Expenditures</b>                                    |                      |                      |                      |                      |                      |
| 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           |
| <b>TOTAL EXPENDITURES</b>                              | <b>\$117,936,261</b> | <b>\$140,498,865</b> | <b>\$140,402,140</b> | <b>\$140,402,140</b> | <b>\$149,228,071</b> |
| 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)          | -                    | -                    | -                    | -                    |
| <b>Net Change in Fund Balance</b>                      | <b>\$10,868,919</b>  | <b>\$2,255,693</b>   | <b>\$1,995,956</b>   | <b>\$6,404,939</b>   | <b>\$10,030,292</b>  |
| Fund balance - beginning                               | 58,270,492           | 69,139,411           | 69,139,411           | 69,139,411           | 75,544,350           |
| Fund balances - ending                                 | <b>\$69,139,411</b>  | <b>\$71,395,104</b>  | <b>\$71,135,367</b>  | <b>\$75,544,350</b>  | <b>\$85,574,642</b>  |
| <b>Target - 20% of next fiscal year's requirements</b> | <b>20.00%</b>        |                      |                      | <b>20.00%</b>        | <b>20.00%</b>        |
| <b>Beginning of year fund balance %</b>                | <b>49.41%</b>        |                      |                      | <b>49.24%</b>        | <b>50.62%</b>        |
| <b>EOY Projected fund balance %</b>                    | <b>49.21%</b>        |                      |                      | <b>50.62%</b>        | <b>62.62%</b>        |

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



# Food Service Budget

|   | 2022 Actual         | 2023 Revised Budget | 2023 YTD*           | 2023 Projected      | Proposed 2024       |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>                                   |                     |                     |                     |                     |                     |
| 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          |
| <b>TOTAL REVENUES</b>                             | <b>\$49,503,622</b> | <b>\$46,327,532</b> | <b>\$34,069,787</b> | <b>\$48,153,041</b> | <b>\$52,729,263</b> |
| <b>Expenditures</b>                               |                     |                     |                     |                     |                     |
| 35 Food Services                                  | \$43,108,517        | \$46,298,932        | \$33,131,784        | \$48,124,441        | \$51,114,457        |
| 51 Maintenance & Operations                       | 31,360              | 28,600              | 21,615              | 28,600              | 35,674              |
| <b>TOTAL EXPENDITURES</b>                         | <b>\$43,139,877</b> | <b>\$46,327,532</b> | <b>\$33,153,399</b> | <b>\$48,153,041</b> | <b>\$51,150,131</b> |
| Excess (deficiency) of revenues over expenditures | 6,363,745           | -                   | 916,388             | -                   | 1,579,132           |
| <b>Net Change in Fund Balance</b>                 | <b>\$6,363,745</b>  |                     | <b>\$916,388</b>    |                     | <b>\$1,579,132</b>  |
| 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        | \$13,332,819        |
| <b>Beginning of year fund balance %</b>           | <b>12.49%</b>       |                     |                     | <b>24.41%</b>       | <b>22.98%</b>       |
| <b>EOY Projected fund balance %</b>               | <b>25.37%</b>       |                     |                     | <b>22.98%</b>       | <b>23.70%</b>       |

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

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





**2023-2024 PROPOSED BUDGETS**  
**GENERAL FUND (HB100), DEBT SERVICE FUND AND FOOD SERVICE FUND**

| OBJECT   | ESTIMATED REVENUE   | GENERAL FUND 199   | DEBT SERVICE FUND 599 | FOOD SERVICE FUND 701 |
|----------|---|--------------------|-----------------------|-----------------------|
| 5700     | Local   | 524,304,975        | 155,564,363           | 2,176,933             |
| 5800     | State   | 270,491,961        | 3,693,999             | 69,126                |
| 5900     | Federal   | 16,385,807         | -                     | 50,483,205            |
| 7900     | Other Resources   | 500,000            |                       |                       |
|          | <b>Total Estimated Revenue</b>                                  | <b>811,682,743</b> | <b>159,258,363</b>    | <b>52,729,264</b>     |
| Function | Estimated Appropriations  |                    |                       |                       |
| 11       | Instruction   | 464,282,276        | -                     | -                     |
| 12       | Instruction Resources and Media Serv.                           | 12,009,021         | -                     | -                     |
| 13       | Curriculum and Instructional Staff Develop.                     | 10,804,723         | -                     | -                     |
| 21       | Instructional Administration                                    | 16,209,007         | -                     | -                     |
| 23       | School Administration   | 52,962,151         | -                     | -                     |
| 31       | Guidance and Counseling Services                                | 46,762,098         | -                     | -                     |
| 32       | Social Work Services  | 5,041,040          | -                     | -                     |
| 33       | Health Services   | 13,160,958         | -                     | -                     |
| 34       | Student Transportation  | 25,601,789         | -                     | -                     |
| 35       | Food Services   | 426,724            | -                     | 51,114,457            |
| 36       | Cocurricular/Extracurricular Activities                         | 20,131,072         | -                     | -                     |
| 41       | General Administration  | 25,449,305         | -                     | -                     |
| 51       | Plant Maintenance and Operations                                | 96,060,378         | -                     | 35,674                |
| 52       | Security and Monitoring Services                                | 15,353,594         | -                     | -                     |
| 53       | Data Processing Services  | 29,460,659         | -                     | -                     |
| 61       | Community Services  | 5,042,513          | -                     | -                     |
| 71       | Debt Service  | 3,000,000          | 149,228,071           | -                     |
| 81       | Facilities Acquisition & Construction                           | -                  | -                     | -                     |
| 91       | Contracted Instructional Services Public Schools                | 8,656,435          | -                     | -                     |
| 95       | Payments to Juvenile Justice Alt Ed Prog.                       | 45,000             | -                     | -                     |
| 97       | Tax Increment Financing   | -                  | -                     | -                     |
| 99       | Other Intergovernmental Charges                                 | 2,963,095          | -                     | -                     |
|          | <b>Total Estimated Appropriations</b>                           | <b>853,421,836</b> | <b>149,228,071</b>    | <b>51,150,131</b>     |
|          | <b>Excess Revenue/Appropriations and Change in Fund Balance</b> | (41,739,093)       | 10,030,292            | 1,579,133             |
|          | <b>Fund Balance - Beginning (Projected)</b>                     | <b>357,687,149</b> | <b>75,544,350</b>     | <b>11,753,687</b>     |
|          | <b>Fund Balance - Ending (Projected)</b>                        | <b>315,948,055</b> | <b>85,574,642</b>     | <b>13,332,820</b>     |

# Proposed 2023-24 Budgets



DIVISION OF  
BUSINESS AND FINANCE

# Compensation

Recommendations from Talent Management  
Dr. Raul Pena





# Pending Items

- Legislative outcomes
- Finalize compensation
- Review any TRS changes (after May 29, 2023)
- Review and align Capital Plans to available funding
- Additional budget requests are in the process of review
- Utilization 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 Steps

- May 23, 2023 – Proposed Budget Update to the Board
- May 29, 2023 – Legislative session ends
- June 14, 2023 – Publish Notice of Public Hearing on Budget and on FWISD website
- June 14, 2023 – Proposed Budget Board Workshop
- June 19-23, 2023 – Board Mini-Sessions (if requested)
- June 27, 2023 – Board adopts budget
- June 30, 2023 – 22-23 Fiscal Year ends





**THANK  
YOU!**



**Fort Worth**  
INDEPENDENT SCHOOL DISTRICT  
Division of Business and Finance



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