



SMARTER SCHOOL SPENDING

FOR STUDENT SUCCESS

2022-2023 Budget Update
Board of Education Meeting
Tuesday, June 14, 2022



Fort Worth
INDEPENDENT SCHOOL DISTRICT

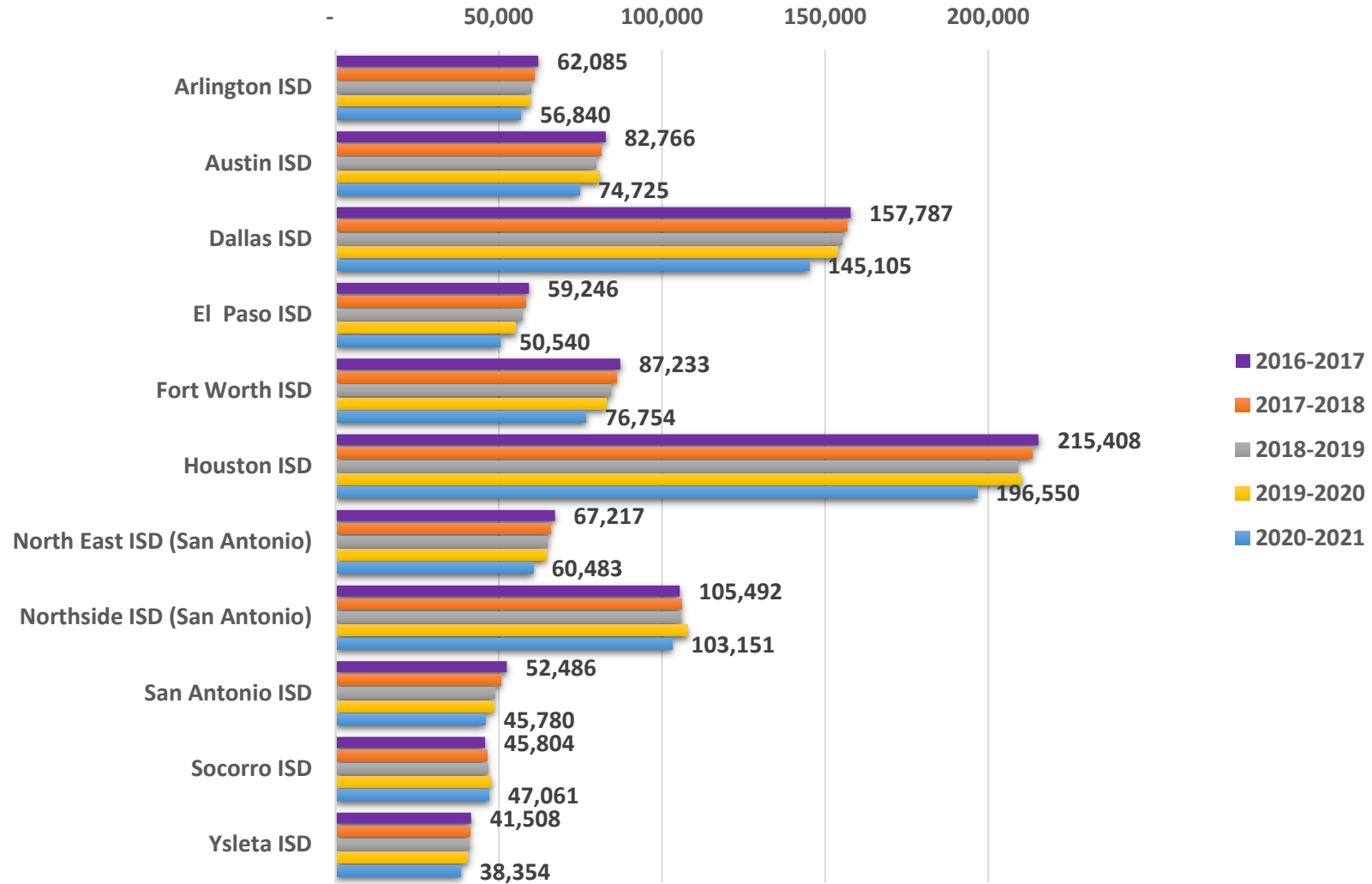
2022-2023 Budget Update

- Key Issues (Enrollment, ADA and Inflation)
- Publication of Required Legal Notices
 - Proposed Tax Rate Information
- Preliminary Budgets for 2022-2023
 - General Fund, Debt Service, Food Service
- Budget Adoption – Key Dates
- Plan of Action to Issue Debt

Key Issues

- Enrollment and ADA trends
- Inflation information

Enrollment by Major Urbans as defined by TEA



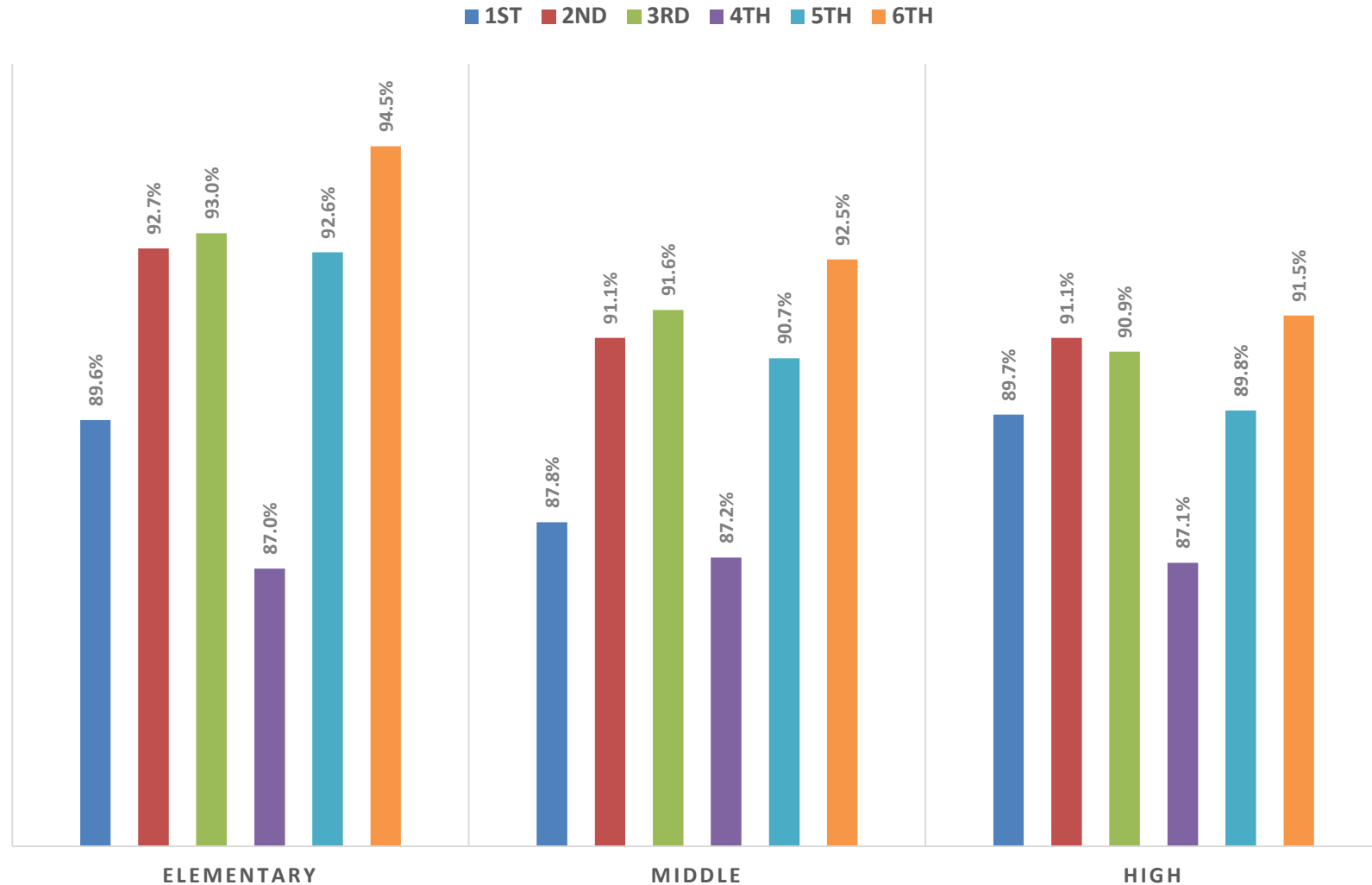
Net Transfers Out of FWISD

- 9 charter schools represent 88% of the Transfers Out
- 2 ISDs have more than 400 Transfers Out

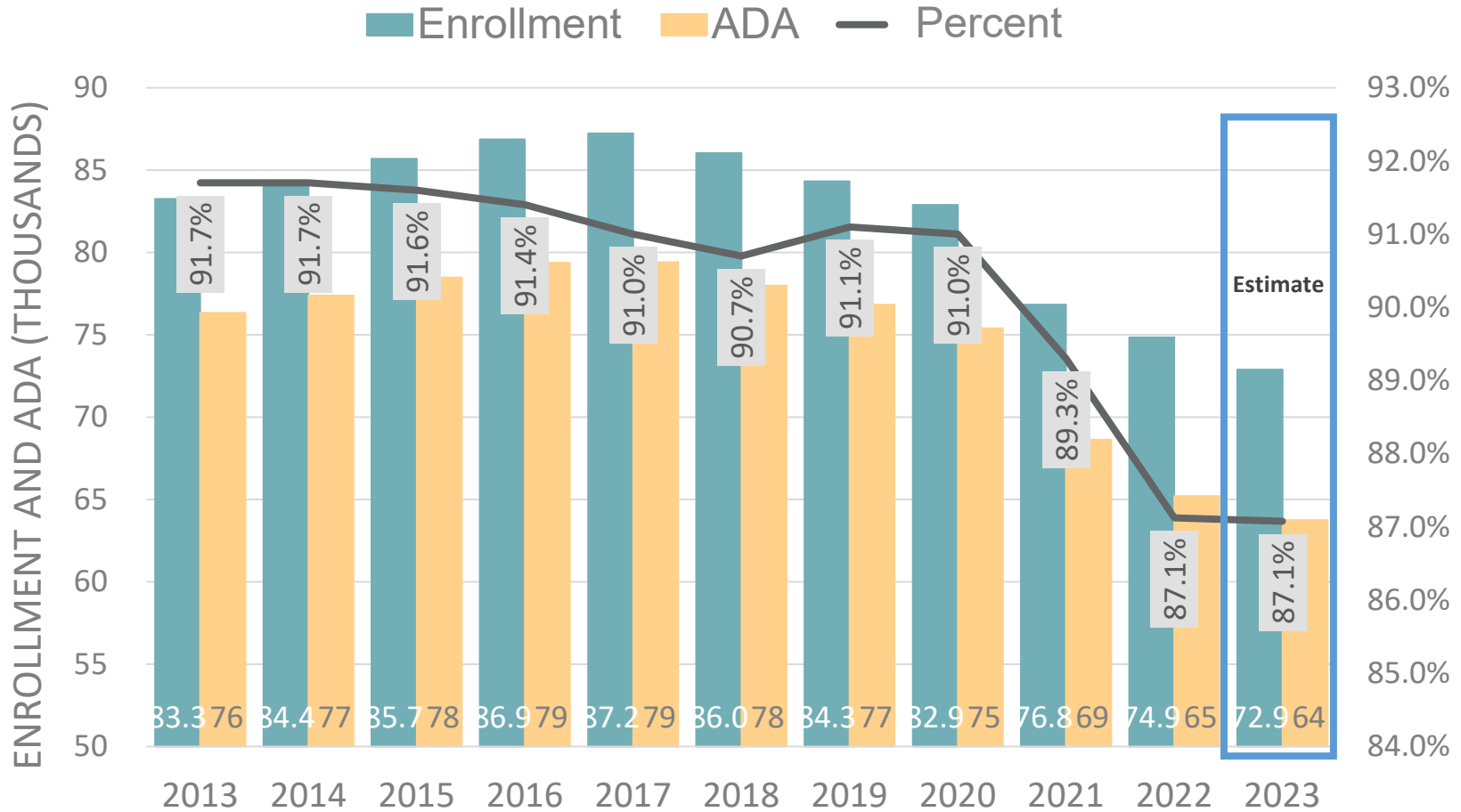
Transfers Out:	
Arlington ISD	500
White Settlement ISD	408
Other ISDs (less than 400)	1,381
ISD Transfers Out	<u>2,289</u>
Great Hearts Texas	475
Harmony Public Schools	836
High Point Academy	507
IDEA Public Schools	1,966
International Leadership of Texas	1,933
Newman International Academy of	411
Texas Can Academies	652
Trinity Basin Preparatory	1,468
Uplift Education	3,763
Other Charters (less than 400)	1,636
Charters Transfers Out	13,647
Total Transfers Out	15,936
Less: Transfers In	<u>84</u>
Net Transfers Out	<u><u>15,852</u></u>

Source: TEA Student Transfer Report 2021-22 Region XI Fort Worth - Fort Worth ISD -220905 as of October 29, 2021; report reflects 16,034 transfers out but certain counts or percentages are not available to comply with FERPA.

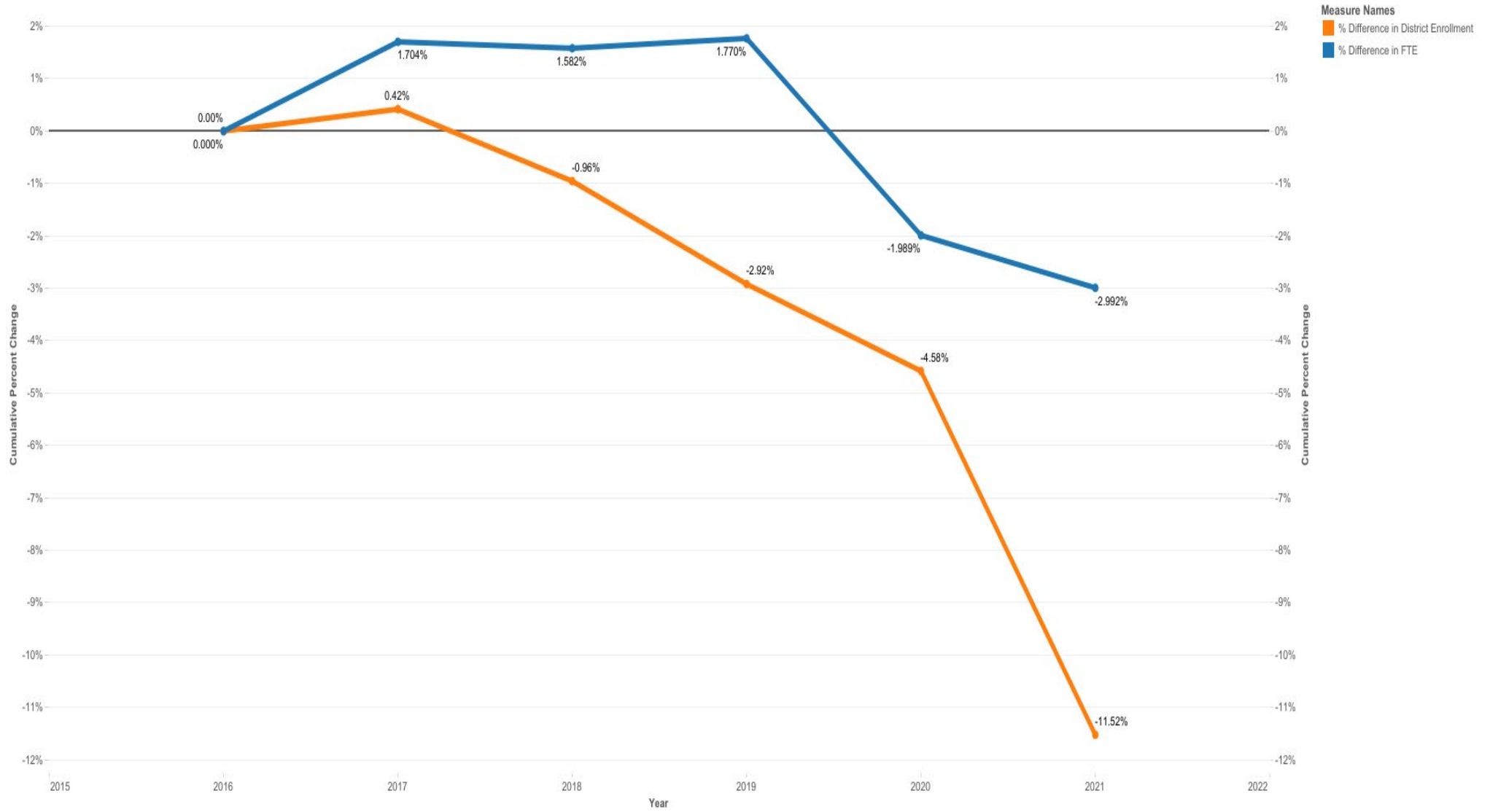
FWISD 2021-22 Six Weeks Average Daily Attendance (ADA)



Snapshot Enrollment and Average Daily Attendance (ADA)



FTE Change versus Enrollment Change
 Cumulative Change from Base Year
 District: FORT WORTH ISD
 Position(s): TEACHER
 Source: data consists of data obtained via a TEA PIR request



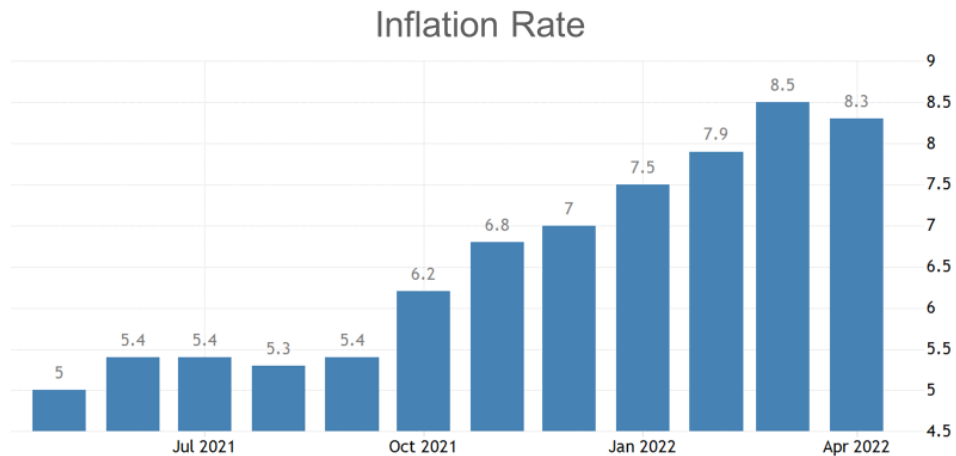
Inflation Information

Annual inflation rate in the US slowed to 8.3% in April

Energy prices increased 30.3%

Food prices jumped 9.4%

Despite the slowdown in April which suggests that inflation has probably peaked, the inflation is unlikely to fall to pre-pandemic levels any time soon and will remain above the Fed's 2% target for a long time as supply disruptions persist and energy and food prices remain elevated.



United States Inflation Rate							
In the United States, unadjusted Consumer Price Index for All Urban Consumers is based on the prices of a market basket of: food (14 percent of total weight), energy (9.3 percent), commodities less food and energy commodities (19.4 percent) and services less energy services (57.3 percent). The last category is divided by: shelter (32.1 percent), medical care services (5.8 percent) and transportation services (5.5 percent).							
Actual	Previous	Highest	Lowest	Dates	Unit	Frequency	
8.30	8.50	23.70	-15.80	1914 - 2022	percent	Monthly	1982-1984=100, NSA

Publication of Required Legal Notices

- Publication of Notices
- Proposed Property Tax Rate Overview

Notice of Public Meeting to Discuss Budget and Proposed Tax Rate

- Required notice
- Published in Fort Worth Star Telegram on Monday, June 13, 2022

NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

The Fort Worth ISD will hold a public meeting at 5:30 PM, June 28, 2022 in FWISD Teaching and Learning Center at 1050 Bridgewood Drive, Fort Worth, Texas 76112. The purpose of this meeting is to discuss the school district's budget that will determine the tax rate that will be adopted. Public participation in the discussion is invited.

The tax rate that is ultimately adopted at this meeting or at a separate meeting at a later date may not exceed the proposed rate shown below unless the district publishes a revised notice containing the same information and comparisons set out below and holds another public meeting to discuss the revised notice.

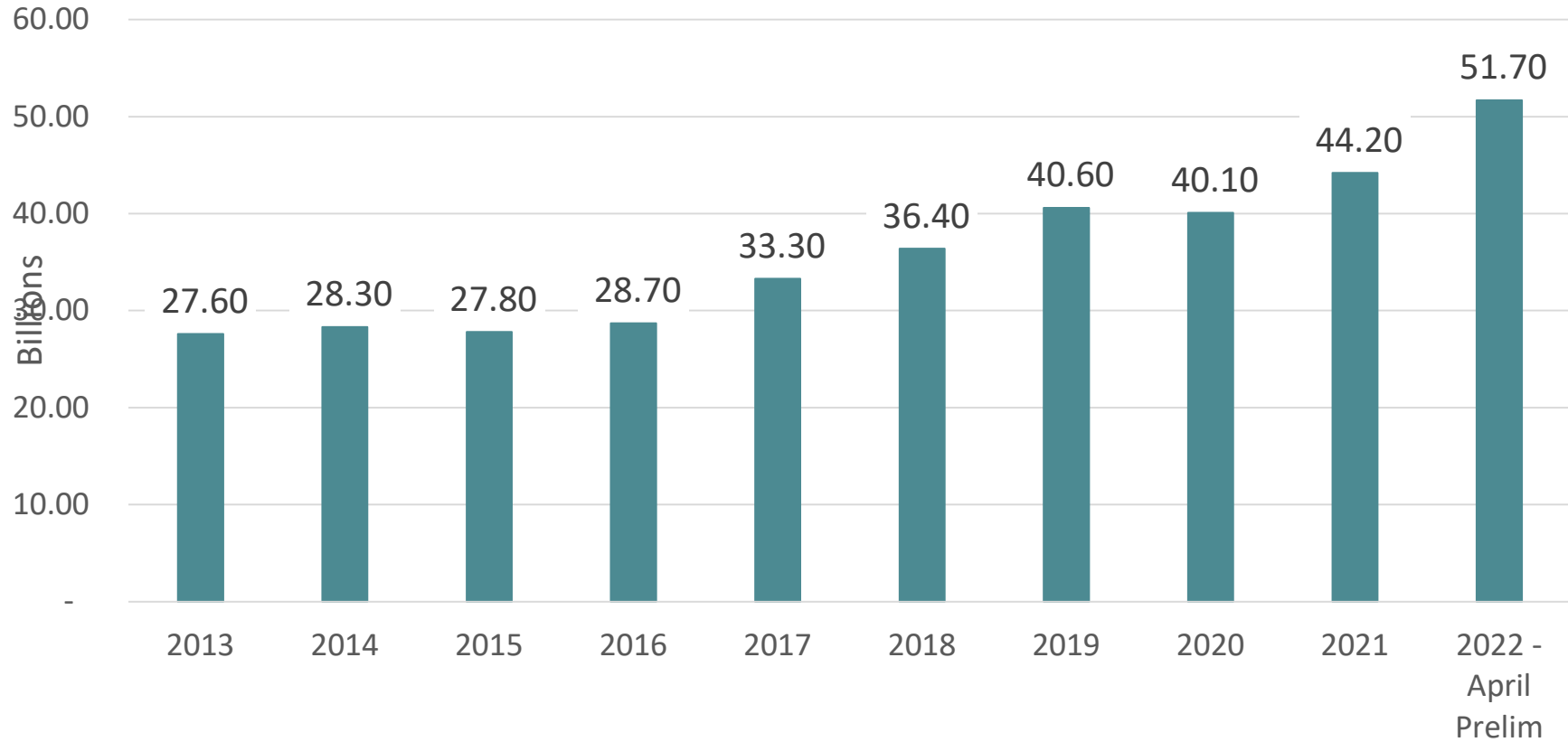
Visit Texas.gov/PropertyTaxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

Maintenance Tax	\$1.051200/\$100 (proposed rate for maintenance and operations)				
School Debt Service Tax Approved by Local Voters	\$0.292000/\$100 (proposed rate to pay bonded indebtedness)				
Comparison of Proposed Budget with Last Year's Budget					
The applicable percentage increase or decrease (or difference) in the amount budgeted in the preceding fiscal year and the amount budgeted for the fiscal year that begins during the current tax year is indicated for each of the following expenditure categories.					
Maintenance and operations	-5.31 % decrease				
Debt Service	13.56 % increase				
Total Expenditures	-3.25 % decrease				
Total Appraised Value and Total Taxable Value (as calculated under Section 26.04, Tax Code)					
	Preceding Tax Year	Current Tax Year			
Total appraised value* of all property	\$59,797,709,556	\$65,363,268,178			
Total appraised value* of new property**	\$1,130,854,013	\$951,425,851			
Total taxable value*** of all property	\$47,302,001,443	\$51,836,127,718			
Total taxable value*** of new property**	\$1,021,864,410	\$805,496,814			
*Appraised value is the amount shown on the appraisal roll and defined by Section 1.04(8), Tax Code. ** "New property" is defined by Section 26.012(17), Tax Code. *** "Taxable value" is defined by Section 1.04(10), Tax Code.					
Bonded Indebtedness					
Total amount of outstanding and unpaid bonded indebtedness* \$1,179,925,000					
*Outstanding principal.					
Comparison of Proposed Rates with Last Year's Rates					
	Maintenance & Operations	Interest & Sinking Fund*	Total	Local Revenue Per Student	State Revenue Per Student
Last Year's Rate	\$1.051200	\$0.292000	\$1.343200	\$8,772	\$3,803
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	\$1.031350	\$0.292000	\$1.323350	\$9,383	\$3,373
Proposed Rate	\$1.051200	\$0.292000	\$1.343200	\$9,955	\$3,375
*The Interest & Sinking Fund tax revenue is used to pay for bonded indebtedness on construction, equipment, or both. The bonds, and the tax rate necessary to pay those bonds, were approved by the voters of this district.					
Comparison of Proposed Levy with Last Year's Levy on Average Residence					
	Last Year		This Year		
Average Market Value of Residences	\$206,172		\$240,831		
Average Taxable Value of Residences	\$152,417		\$158,969		
Last Year's Rate Versus Proposed Rate per \$100 Value	\$1.343200		\$1.343200		
Taxes Due on Average Residence	\$2,047.27		\$2,135.27		
Increase (Decrease) in Taxes			\$88.00		
Under state law, the dollar amount of school taxes imposed on the residence homestead of a person 65 years of age or older or of the surviving spouse of such a person, if the surviving spouse was 55 years of age or older when the person died, may not be increased above the amount paid in the first year after the person turned 65, regardless of changes in tax rate or property value.					
Notice of Voter-Approval Rate: The highest tax rate the district can adopt before requiring voter approval at an election is \$1.343200. This election will be automatically held if the district adopts a rate in excess of the voter-approval rate of \$1.343200.					
Fund Balances					
The following estimated balances will remain at the end of the current fiscal year and are not encumbered with or by a corresponding debt obligation, less estimated funds necessary for operating the district before receipt of the first state aid payment.					
Maintenance and Operations Fund Balance(s)	\$339,446,642				
Interest & Sinking Fund Balance(s)	\$69,752,087				
A school district may not increase the district's maintenance and operations tax rate to create a surplus in maintenance and operations tax revenue for the purpose of paying the district's debt service.					

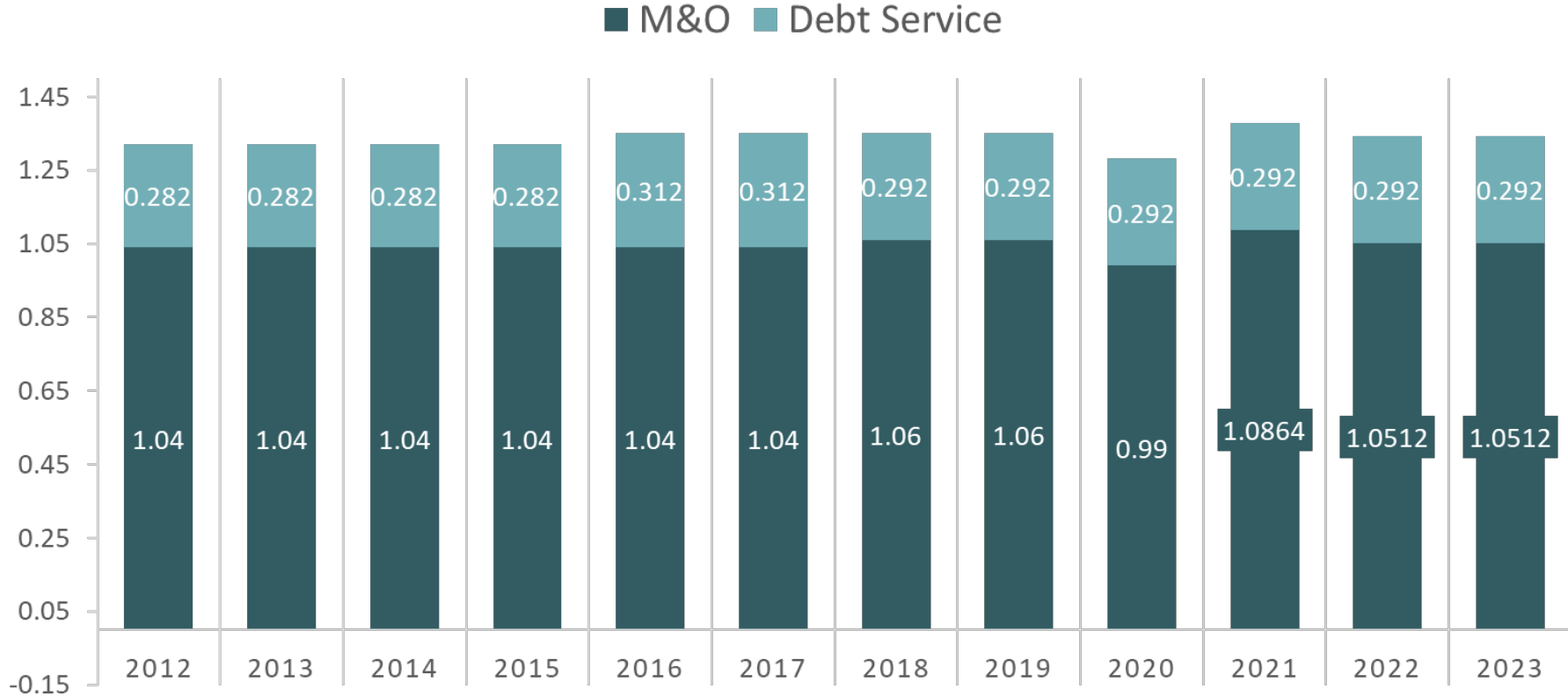
Tax Rates Proposed

- Proposed Maintenance and Operations tax rate for next year is the same rate as current year (\$1.0512)
 - That rate could go lower if final local property values increase by more than the statewide average
 - Local values will be available in late July
- Proposed Interest and Sinking tax rate is expected to remain unchanged (\$0.2920)
- Rates will be considered for adoption in August 2022

Assessed Property Valuation



Property Tax Rates



Note: The 2022-2023 M&O Tax Rate will be determined based on Certified Values received by the District on or about July 25, 2022. The 2022-2023 Fort Worth ISD M&O compressed rate is currently below the 2022-2023 rate issued by the state in February 2022.

Proposed Budgets for 2022-23

- General Fund, Debt Service, Food Service

Key Assumptions for 2022-2023 General Fund Budget

2022-2023 General Fund Revenue Assumptions

- Declining Enrollment Projections
- Assessed Value and Tax Rate Considerations

2022-2023 General Fund Expenditure Assumptions

- 4% Mid-Point Pay Increase for Staff
- No Increase for Employee Health Insurance
- Overall Reductions in the General Fund
- Utilization of ESSER II Funds

2022-2023 General Fund Budget

FUNCTION	ESTIMATED APPROPRIATIONS	6100's/6200-6699	OBJECT	ESTIMATED REVENUE	GENERAL FUND 199
11	Instruction	451,199,513	5700	Local	485,767,031
12	Instruction Resources and Media Services	12,453,876	5800	State	260,945,145
13	Curriculum and Instructional Staff Development	11,588,543	5900	Federal	29,419,955
21	Instructional Administration	15,604,617	7900	Other Resources	3,000,000
23	School Administration	52,130,748			
31	Guidance and Counseling Services	48,301,359			
32	Social Work Services	5,160,819			
33	Health Services	11,801,053			
34	Student Transportation	24,581,334			
35	Food Services	472,192			
36	Cocurricular/Extracurricular Activities	19,090,722			
41	General Administration	23,664,497			
51	Plant Maintenance and Operations	93,406,299			
52	Security and Monitoring Services	12,966,454			
53	Data Processing Services	25,719,627			
61	Community Services	5,275,169			
71	Debt Service	3,000,000			
81	Facilities Acquisition & Construction	-			
95	Payments to Juvenile Justice Alt Ed Programs	97,629			
97	Tax Increment Financing	-			
99	Other Intergovernmental Charges	3,000,000			
Total Estimated Appropriations		819,514,450			
				Total Estimated Revenue	779,132,132
				Total Estimated Appropriations	819,514,450
				Excess Revenue/Appropriations and Change in Fund Balance	(40,382,318)
				<i>Beginning Fund Balance (Audited 2021)</i>	281,399,838
				<i>Ending Fund Balance (Unaudited)</i>	241,017,520

2022-2023 Debt Service Budget

OBJECT	ESTIMATED REVENUE	DEBT SERVICES FUND 599
5700	Local	147,846,385
5800	State	1,581,259
5900	Federal	-
Total Estimated Revenue		149,427,644
FUNCTION	ESTIMATED APPROPRIATIONS	
71	Debt Service	120,472,163
Total Estimated Appropriations		120,472,163
Excess Revenue/Appropriations and Change in Fund Balance		28,955,481
<i>Beginning Fund Balance (Audited 2021)</i>		58,270,492
<i>Ending Fund Balance (Unaudited)</i>		87,225,973

2022-2023 Food Service Budget

OBJECT	ESTIMATED REVENUE	FOOD SERVICE FUND 701
5700	Local	2,496,373
5800	State	253,000
5900	Federal	42,488,300
Total Estimated Revenue		45,237,673
FUNCTION	ESTIMATED APPROPRIATIONS	
35	Food Services	45,172,673
51	Plant Maintenance and Operations	65,000
Total Estimated Appropriations		45,237,673
Excess Revenue/Appropriations and Change in Fund Balance		-
<i>Beginning Fund Balance (Audited 2021)</i>		5,389,942
<i>Ending Fund Balance (Unaudited)</i>		5,389,942

Budget Adoption Dates

- Key upcoming dates related to Budget Adoption

Budget Adoption Timeline

- Budget must be adopted by the Board of Trustees prior to July 1, 2022
- Board meeting scheduled for June 28, 2022

Plan of Action to Issue Debt

- This plan outlines key points related to the first issuance of bonds authorized under the 2021 Bond Program

Plan of Action to Issue Debt

- Size of Issuance: \$150 million
- Bond Authorization: 2021 Bond Program – Passed in November 2021 (\$1.2 billion authorization)
- Parameters Resolution
 - Outlines key terms for upcoming transactions (max issuance amount, interest, length of authorization)
 - May need an updated Reimbursement Resolution
- Working with Financial Advisors, Bond Counsel* and Disclosure Counsel*
- Select Underwriting Team* – Senior Manager and Co-Managers

*Selected from Board-approved Lists



Fort Worth
INDEPENDENT SCHOOL DISTRICT

FORT WORTH INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2022
2022 CASH DEFEASANCE
Timetable of Events*

June							July							August							September						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4						1	2		1	2	3	4	5	6					1	2	3
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13	4	5	6	7	8	9	10
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20	11	12	13	14	15	16	17
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27	18	19	20	21	22	23	24
26	27	28	29	30			24/31	25	26	27	28	29	30	28	29	30	31				25	26	27	28	29	30	

June 14, 2022	(Tuesday)	Board workshop to present summary plan of finance Distribute 1st draft of the POS to Internal Group (District, BC, FA)
June 15, 2022	(Wednesday)	Launch Investor Relations website (Press Release on Bondlink site)
June 22, 2022	(Wednesday)	Receive comments on the 1st draft of POS.
June 27, 2022	(Monday)	Distribute 2nd draft of the POS to Internal Group (District, BC, FA)
June 30, 2022	(Thursday)	Apply for PSF Guarantee on the Bonds.
July 6, 2022	(Wednesday)	Receive comments on the 2nd draft of POS.
July 11, 2022	(Monday)	Distribute 3rd draft of the POS to Working Group
Week of July 18th		Rating conference call.
July 18, 2022	(Monday)	Receive comments on the 3rd draft of POS.
Week of July 25th		Due diligence call.
July 26, 2022	(Tuesday)	Regular Board Meeting to Approve Bond Order
July 29, 2022	(Friday)	Distribute POS for final signoff
August 5, 2022	(Friday)	Post POS
August 16, 2022	(Tuesday)	Price Bonds / Defeasance Bonds
August 19, 2022	(Friday)	Bond Counsel sends legal documents to the Attorney General's Office.
September 6, 2022	(Tuesday)	Closing

*Preliminary, subject to change.

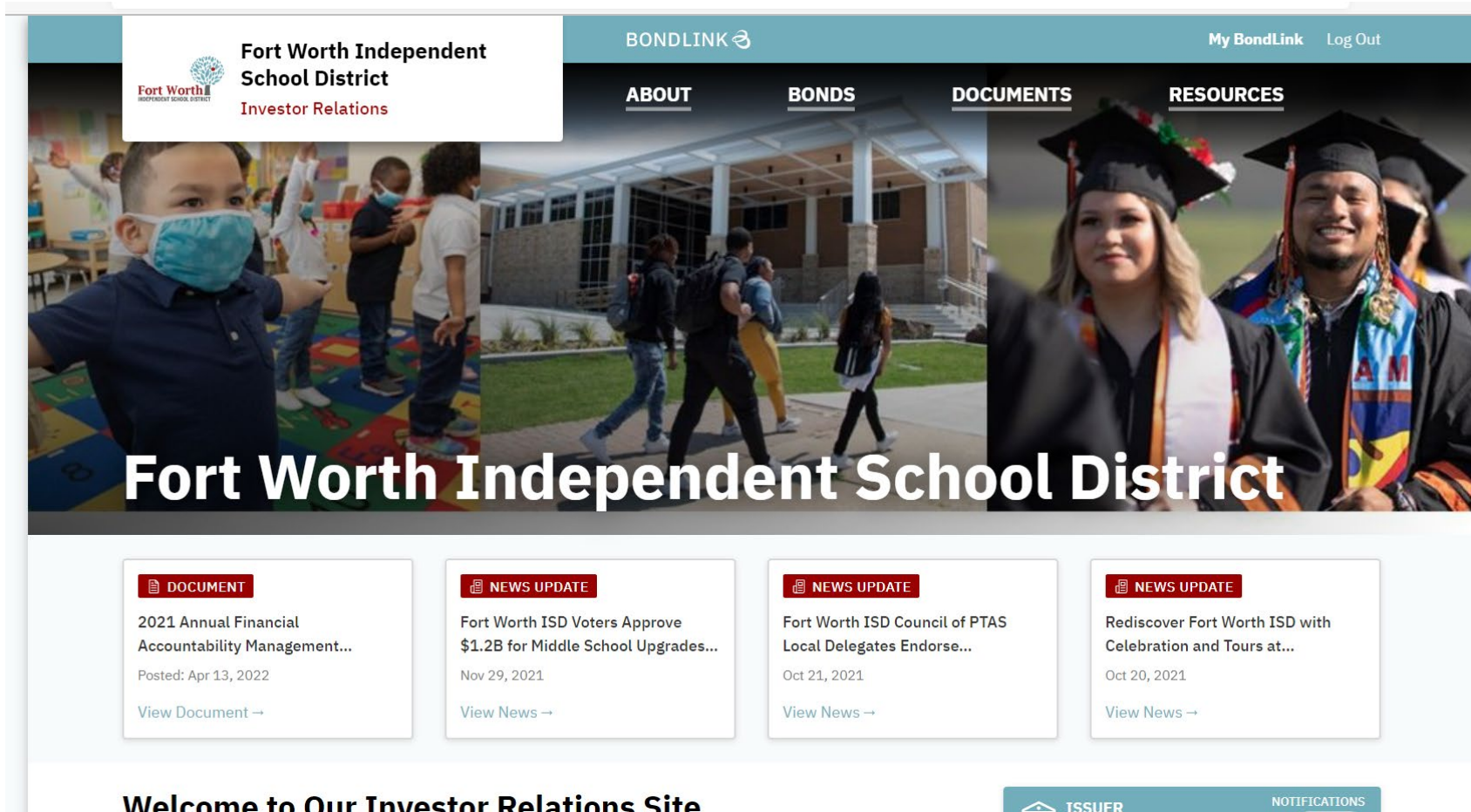
(As of 5/31/2022)

Investor Relations

- Launch a new open-access investor relations website which provides a single location for investors to access the data and documents that outline the credit features of the school district's financing programs
- Improve transparency to investors, credit agencies and the public
- Contracted with BondLink to launch the website
- Linked to District's Financial Transparency link



Investor Relations Webpage



- www.fortworthisdbonds.com

Key Dates for Plan of Action to Issue \$150 million

- June 14, 2022 – Present Plan of Action at Board Workshop
- June 15, 2022 – Launch Investor Relations website
- July 26, 2022 - Parameters order will be presented to board for consideration
- August 5, 2022 – Post POS
- August 16, 2022 – Price bonds
- September 6, 2022 – Close bonds

Questions?



SMARTER SCHOOL SPENDING

FOR STUDENT SUCCESS

2022-2023 Budget Update –
Compensation

Board of Education Meeting

Tuesday, June 14, 2022



Fort Worth
INDEPENDENT SCHOOL DISTRICT

Compensation

- Compensation

Proposed Compensation Increase

“Mid-Point” of Pay Range same dollar amount to all individuals in the same pay grades

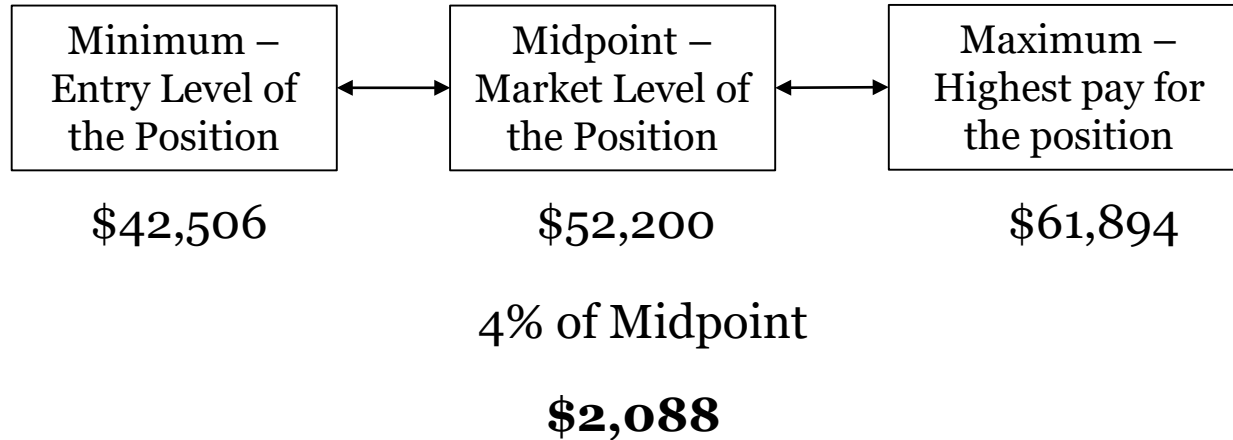
- Each employee in a grade receives the same dollar raise.
- Keeps the integrity of the salary structure.
- All employees within their pay grade to grow at an equal pace.
- Increases ensure that employees who are below the minimum receive a marginally higher amount which causes employees to move up within the pay range.

Proposed Compensation Increase

“Mid-Point” Model used by TEA Major Urbans

- Arlington ISD
- Austin ISD
- Dallas ISD
- El Paso ISD
- North East ISD
- Northside ISD
- San Antonio ISD – *TBD*
- Socorro ISD
- Ysleta ISD

Midpoint Model – Example 1



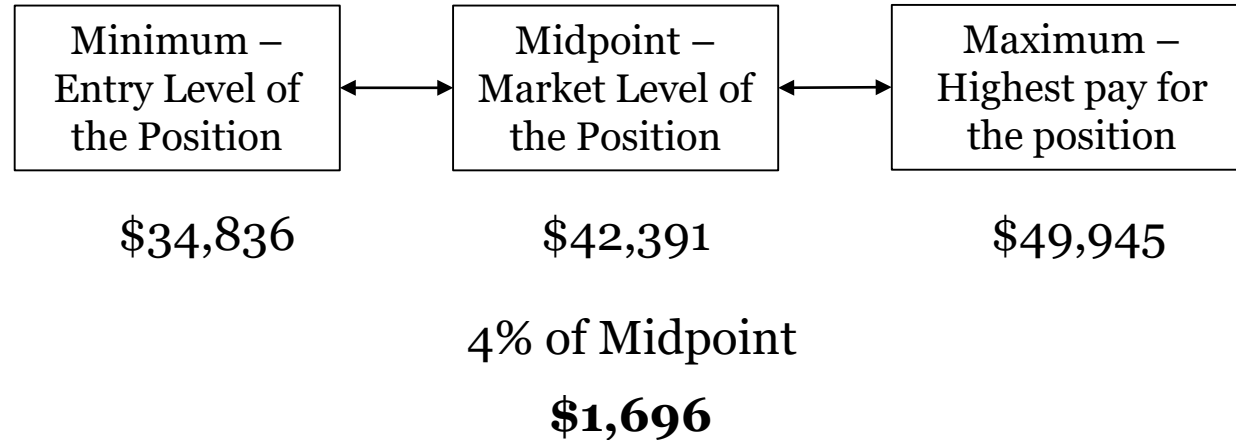
Example: Admin Assist IIa – Level 106 – Midpoint is \$52,200 at 240 days

Employee @\$44,000 would receive \$2,088 or 4.74% pay increase

Employee @\$60,000 would receive \$2,088 or 3.48% pay increase

Note: This example is using the current 2021-22 Compensation Manual; changes in pay plan will occur due to TASB recommendations implemented for 2022-23.

Midpoint Model – Example 2



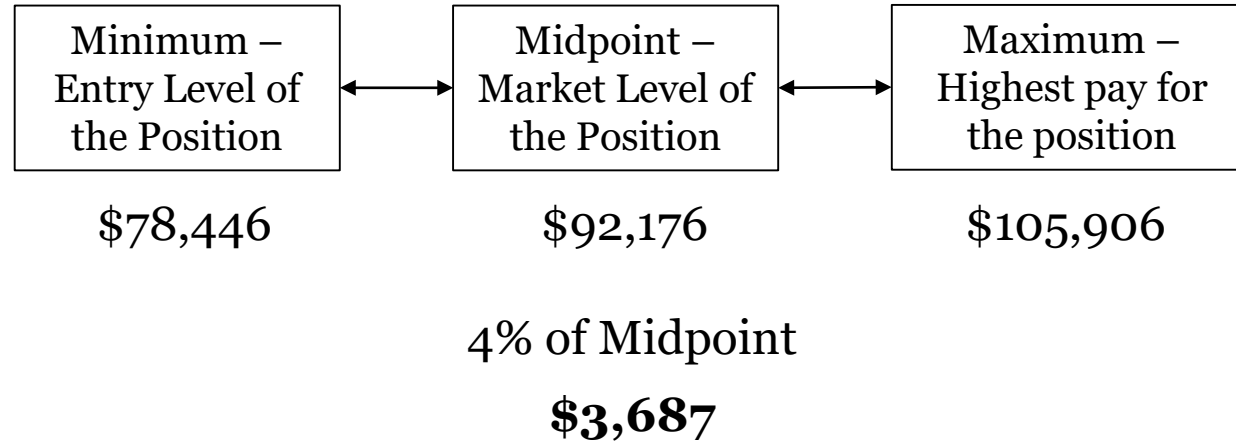
Example: Custodian III – Head MS Level 305 – Midpoint is \$42,391 at 245 days

Employee @\$36,000 would receive \$1,696 or 4.71% pay increase

Employee @\$48,000 would receive \$1,696 or 3.53% pay increase

Note: This example is using the current 2021-22 Compensation Manual; changes in pay plan will occur due to TASB recommendations implemented for 2022-23.

Midpoint Model – Example 3



Example: Assistant Principal – HS Level 403 – Midpoint is \$92,176 at 215 Days

AP @\$80,000 would receive \$3,687 or 4.6% pay increase

AP @\$100,000 would receive \$3,687 or 3.68% pay increase

Note: This example is using the current 2021-22 Compensation Manual; changes in pay plan will occur due to TASB recommendations implemented for 2022-23.

History of Pay Increases from 2014-15 to 2021-22

SY	Percentage Increase
14-15	3% of MD or salary whichever is greater
15-16	2% of salary plus a onetime 1% bonus
16-17	2% of salary
17-18	2% of salary
18-19	2% of salary
19-20	2% of MD or salary whichever is greater plus HB3
20-21	2% of MD or salary whichever is greater
21-22	4% of MD or salary whichever is greater

Additional Considerations - Teachers

- Teachers Pay Plan
 - Proposed Teachers Salary Schedule for Base Salary Only
 - 4% increase calculated from the base Bachelor's Degree Salary
 - Entry level (Year O) is \$60,000
 - Stipends for Teachers for Masters or Doctorate will be **added** to the Proposed Base Salary
 - Proposed Teachers Master's Degree stipend is \$1,400 and Teachers Doctorate degree is \$3,000 (teacher will receive only one stipend –highest qualifying stipend)
 - Hold harmless provision for stipends will be implemented

Teacher – Example 1

- Teacher on the Teachers Current Year 15 Salary Schedule with a Bachelor's Degree – Salary \$65,477
- Salary Schedule being proposed increase for 22-23 – move to 16 years: \$68,096
- Base increase of \$2,619
- Base increase - 4.00%

Note: May be subject to change due to finalization of schedules.

Teacher – Example 2

- Teacher at Teachers Current Year 15 Salary Schedule with a Master's Degree - \$66,672 (Base \$65,477)
- Salary Schedule being proposed increase for 22-23 – move to 16 years: \$ 68,096 plus \$1,400 stipend for Master's Degree (Total \$69,496)
- Base increase of \$2,619
- Base increase of 4.00%
- Increase in Stipend: \$205

Note: May be subject to change due to finalization of schedules.

Teacher – Example 3

- Teacher at Teachers Current Year 22 Salary Schedule with a Master's Degree - \$70,010 (Base \$68,411)
- Salary Schedule being proposed increase for 22-23 – move to 23 years : \$71,147 plus \$1,400 stipend for Master's Degree plus HH stipend of \$199 (Total \$76,968)
- Base increase of \$2,736
- Base increase of 4.00%
- No change in the stipend

Note: May be subject to change due to finalization of schedules.

Additional Considerations

- **Nurses, Counselors and Librarians**
 - Placed on the Campus Professional Support to align with the market
 - Allows additional flexibility for placement of new hires and aligns current employees to market
 - Utilize the new Midpoint model within their pay level to calculate salary for 2022-23
 - Reviewing placement and structure considerations

Proposed Compensation Increase – 4% of Mid-Point (Including Fringe)

	<u>% from MP</u>	<u>Current Pay</u>	<u>Proposed with 4%</u>	<u>Increase with Fringe</u>	<u>Employees</u>
Teachers*	4%	\$ 312,327,385	\$ 326,067,214	\$ 15,251,211	4,838
Counselors, Librarians, Nurses	4%	\$ 33,588,354	\$ 35,004,274	\$ 1,571,670	475
Administrative, Operations & Other Staff	4%	\$ 204,099,061	\$ 212,369,404	\$ 9,180,080	4,157
Grand Total		\$ 550,014,800	\$ 573,440,892	\$ 26,002,961	9,470

Proposed Starting Teacher Pay - \$60,000*

*Pending final recommendation from Talent Management
and outcome from TASB Compensation Study

Note: General fund only.

Alternative Proposal for Compensation*

- What would the cost be if there was a varied pay increase as follows?:
 - Para-professionals and hourly employees @ 6%
 - Classroom teachers, librarians and counselors @ 5%
 - Campus administrators and district support staff (Coordinators and below) @ 4%
 - Central office administrators director and above @ 3%

*Received from Dr. Michael Ryan, Member, Board of Trustees on 6/6/22

Proposed Compensation Increase – Various off Mid-Point (Including Fringe)

Various Percent, Mid Point

	<u>Percent</u>	<u>Current Pay</u>	<u>Proposed with Various % on Mid Point</u>	<u>Increase with Fringe</u>	<u>Employees</u>
Campus Admin & Dist Supp	4% \$	118,399,541 \$	123,259,854 \$	5,394,947	1,995
Central Office Admin	3% \$	21,584,260 \$	22,355,544 \$	856,125	186
Para-Prof & Hrly	6% \$	64,115,260 \$	67,485,473 \$	3,740,937	1,976
Teachers, Nurses, Librarians, Counselors	5% \$	345,915,739 \$	364,761,479 \$	20,918,771	5,313
Grand Total		\$ 550,014,800	\$ 577,862,350	\$ 30,910,780	9,470

Note: General fund only.

Proposed Compensation Increase – Various, Base Salary (Including Fringe)

Various Percent on Base Salary

	<u>Percent</u>	<u>Current Pay</u>	<u>Proposed with Various % on Base Salary</u>	<u>Increase with Fringe</u>	<u>Employees</u>
Campus Admin & Dist Supp	4% \$	118,399,541	\$ 123,135,523	\$ 5,256,940	1,995
Central Office Admin	3% \$	21,584,260	\$ 22,231,788	\$ 718,756	186
Para-Prof & Hrly	6% \$	64,115,260	\$ 67,962,176	\$ 4,270,076	1,976
Teachers, Nurses, Librarians, Counselors	5% \$	345,915,739	\$ 363,211,526	\$ 19,198,324	5,313
Grand Total	\$	550,014,800	\$ 576,541,012	\$ 29,444,095	9,470

Note: General fund only.

Questions?