



SMARTER SCHOOL SPENDING

FOR STUDENT SUCCESS

2019-2020 Board Workshop

April 16, 2019

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Fort Worth
INDEPENDENT SCHOOL DISTRICT



2019-2020 Budget Workshop



Agenda

- ❖ Legislative Update
- ❖ 2019-2020 Preliminary General Fund Budget Update
- ❖ Operation Efficiency Study
- ❖ 2019-2020 Preliminary Budgets Debt Service
- ❖ 2018-2019 Child Nutrition Fund Budget
- ❖ Next Steps



Legislative Update

House Bill 3 provides for significant changes to the school finance formulas:

- Increase spending on public education by \$9B next biennium- \$2.7B of which would fund property tax rates reduction.
- Based on Legislative Budget Board projection, Fort Worth ISD would receive:
 - FY 2020 = an additional \$63.3M or \$851 more per student;
 - FY 2021 = an additional \$69M for \$940 more per student.
- These amounts are not final, and will likely change after the legislative process is completed.

Preliminary Budget Update – Inclusive of HB3

	<u>Audited 2017-2018</u>	<u>Projected 2018-2019</u>	<u>Preliminary** 2019-2020</u>
Revenue	759,091,662	745,852,036	732,514,914
HB3 Initial Revenue Estimate			63,296,577
Total Revenue	759,091,662	745,852,036	795,811,491
6100 - Payroll Costs	(642,928,204)	(651,525,628)	(665,014,378)
HB3 Compensation Alternative			(15,824,144)
Other Operating Cost	(93,442,820)	(101,279,553)	(105,253,962)
Fund 198 Tax Ratification Election Funds	(6,694,610)	(16,627,881)	(24,019,756)
Total Expenses	(743,065,634)	(769,433,062)	(810,112,241)
Excess/(Deficiency) of Revenue over expenses	16,026,028	(23,581,026)	(14,300,749)
Net Transfer in	7,295,242	-	-
Increase/(Decrease) in Fund Balance	23,321,270	(23,581,026)	(14,300,749) *

Ending Audited Fund Balance 6/30/2018	<u>213,282,187</u>	* Spend @ 92% of Budget @ 98% of 18-19 budget	18-19 estimate 6200 - 6600
		1% = \$1.1M	

** 2019-2020 Based on current year funding formula with a reduction of approximately 2,000 students, 7.5% increase in tax base, and preliminary values certified by the state on January 31, 2019. 2% of Mid-Point raise included



Preliminary Budget Update – Inclusive of HB3

Reluctance to put validity on estimated Budget deficit due to :

- 1) Uncertainty of how the 25% of the basic allotment will be apportioned out by pay type.
- 2) Mandated requirements of extra funding on Evaluation Effectiveness Allotment and School Safety Allotment.
- 3) Uncertainty of final bill provisions.



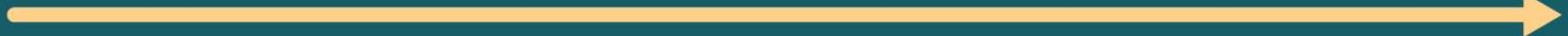
Operational Efficiency Study

The Operation Efficiency Study –
Educational Resource Strategies, (ERS).

- Reviewed staffing district-wide (additional emphasis on secondary staffing levels and schedules).
- Analysis of duplication of services, software and systems to reduce redundancy.
- Review of other operating expenditures of the District in relationship to peer districts.



Data Sources



Data required by ERS:

- 2017-2018:
 - Student Performance
 - Staffing Guidelines
 - Purchasing/Financial Information
- 2018-2019:
 - Budget Data
 - School Data Base
 - Course Schedules
 - Student Demographics
 - Position Control Reports
- Focus Group Input/Surveys
- Comparison to large urban districts with similar demographics/size



Areas to be Covered



Board Report on April 23, 2019 to include:

- Secondary Class Size/Teacher Utilization/Schedules
- Course Offerings (POCs and SOCs) - Sustainability
- Curriculum Development and Alignment-Academic Strategy
- PD aligned with Academic Strategy
- Obtaining full ROI on Personnel Assigned to Campuses
- Departmental Staffing Levels
- Reducing Duplication/Redundancy of Purchases District-Wide

2019-2020 Preliminary Budget Update – Debt Service Fund

	ESTIMATED REVENUE	DEBT SERVICES FUND 599
	Local	112,742,733
	State	1,628,293
	Federal	-
	Total Estimated Revenue	114,371,026
FUNCTION	ESTIMATED APPROPRIATIONS	TOTAL
71	Debt Service	102,195,188 *
	Total Estimated Appropriations	102,195,188
	Excess Revenue/Appropriations and Change in Fund Balance	12,175,838
	Fund Balance - Beginning (Unaudited)	49,015,639
	Fund Balance - Ending (Unaudited)	61,191,477

Revenue based on 7.5% increase in tax base for 19-20

* Current Amortization before issuance of remaining 2017 authorized bonds(\$587.4M). 9

2018-2019 – Child Nutrition Fund

	ESTIMATED REVENUE	PROPOSED AMENDED BUDGET	ANNUAL PROJECTION
	Local	3,000,000	2,941,212
	State	260,000	258,243
	Federal	48,290,000	48,299,174
	Indirect Cost	(1,450,000)	(1,448,057)
	Total Estimated Revenue	50,100,000	50,050,572
FUNCTION	ESTIMATED APPROPRIATIONS		
35	Food Services	50,600,000	50,512,026 *
51	Plant Maintenance and Operations	30,000	29,142
	Total Estimated Appropriations	50,630,000	50,541,168
	Excess Appropriations/Revenue and Change in Net Position	(530,000)	(490,596)
	Net Position - Beginning (Unaudited)	5,383,193	5,383,193
	Net Position - Ending (Unaudited)	4,853,193	4,892,597

* Net of depreciation which will be determined in June and amended for accordingly.



2019-2020 Budget Development

Next Steps

- Board Workshop 5/7/2019
- Budget update to BOE 5/21/2019
- Board Workshop 6/4/2019
- Budget Update to BOE 6/11/2019
- Budget Adoption 6/25/2019

Questions





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