



PROMOTING EXCELLENCE • CREATING THE FUTURE

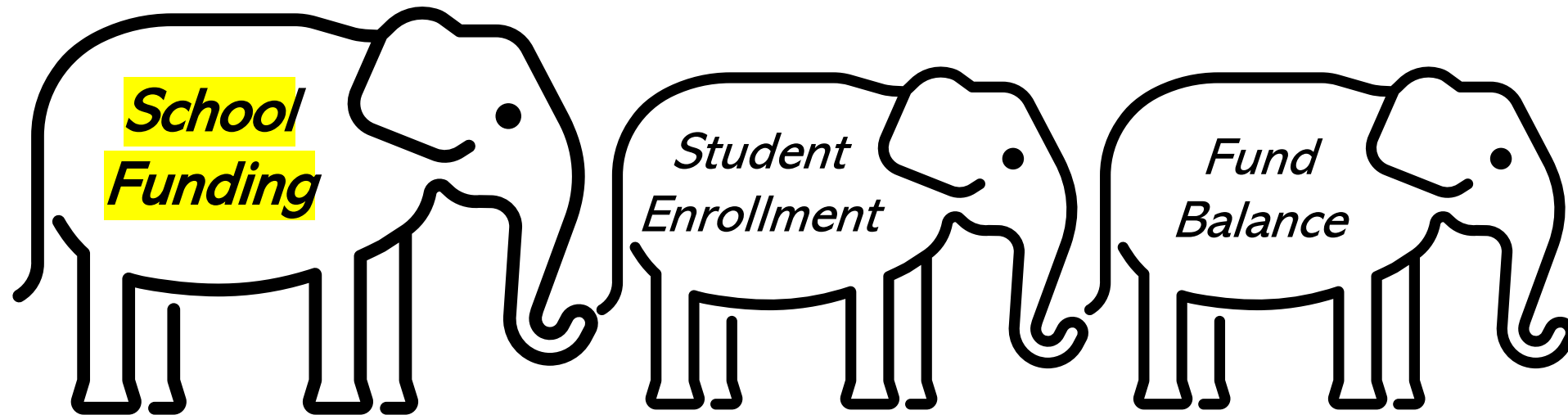
2024-2025 BUDGET PRESENTATION #1

DISCUSSION ON DISTRICT FUNDING,
PROPERTY TAXES, & BUDGET
PROJECTIONS

Calallen ISD | July 15, 2024

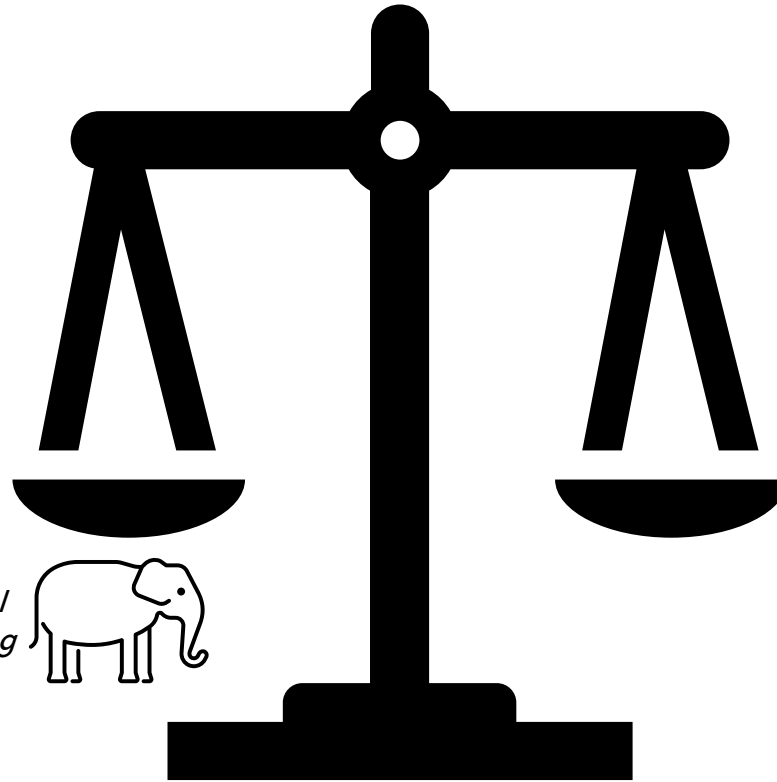
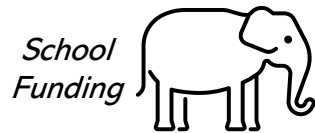
2024-25 BUDGET PLANNING...

BUDGET ELEPHANTS ARE BACK AGAIN!



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...

FINANCIAL IMPACT OF NO ADDITIONAL SCHOOL FUNDING

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.

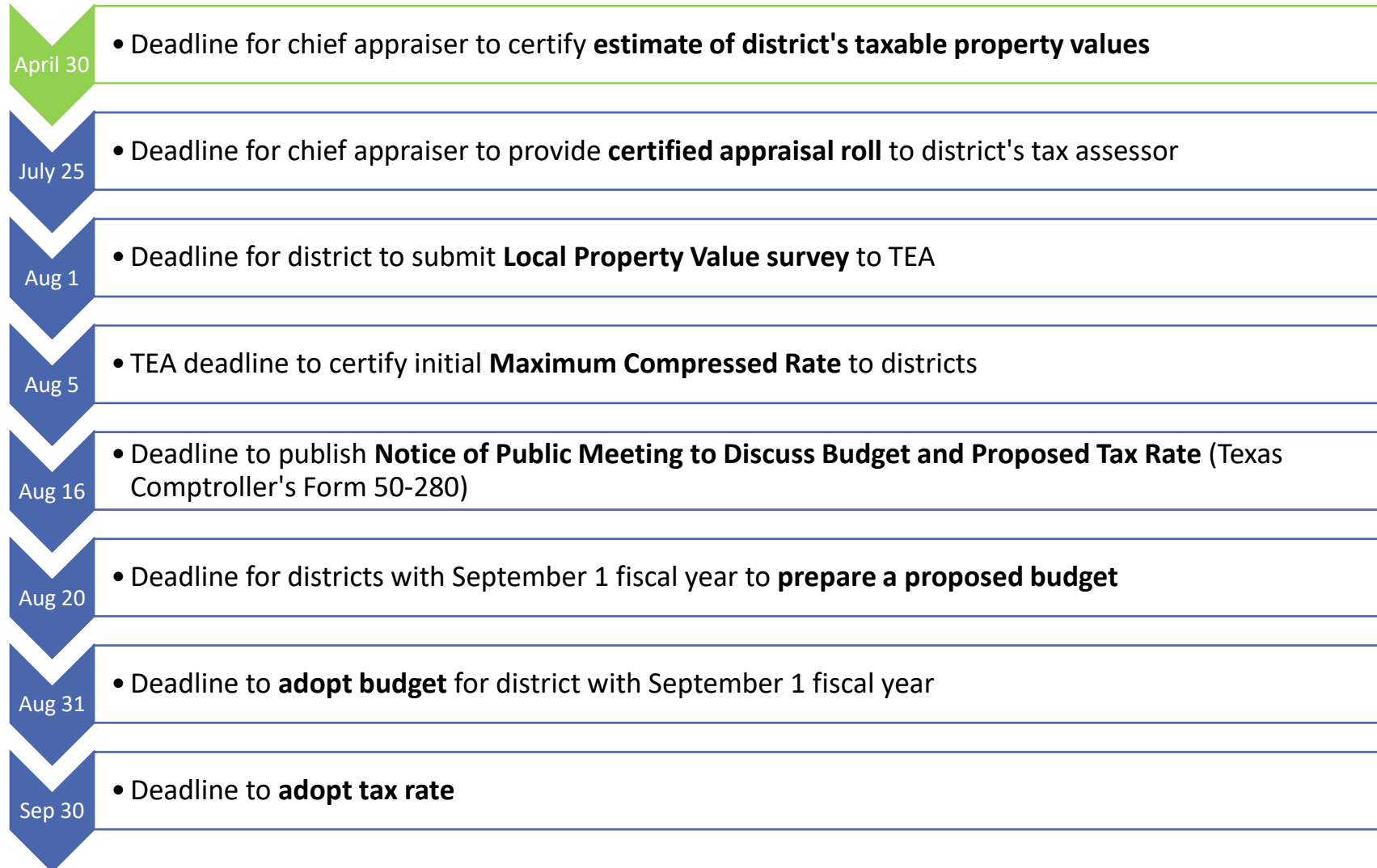
BA	Increase from Current BA	Two-Year Statewide Total Cost
\$6,160	--	--
\$6,260	\$100	\$1.443 billion
\$6,360	\$200	\$2.896 billion
\$6,460	\$300	\$4.353 billion
\$6,560	\$400	\$5.812 billion
\$6,660	\$500	\$7.272 billion
\$6,760	\$600	\$8.732 billion
\$6,860	\$700	\$10.194 billion
\$6,960	\$800	\$11.656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

Calallen ISD
Budget Calendar
Fiscal Year 2024-2025
Tax Year 2024 and Fiscal Year 2025

Timeframe	Board Meeting Dates	Action Needed	Responsible Parties
March - June		Review of 2023-2024 Budgets Estimate actual revenues and expenditures Submission of 2024-2025 budget requests	Assistant Superintendent Assistant Superintendent Principals and Directors
Late April		2024 <u>Estimated</u> Tax Values to CISD	Appraisal District
July	July 15, 2024 Regular Meeting	Budget Workshop w/ Board Preliminary Budget Information & Compensation Plan TASB Salary Study Recommendations	Supt/Asst Supt Board of Trustees
July	July 24, 2024 Special Meeting	Budget Workshop w/ Board Adopt Compensation Plan & Raises for 2023-2024	Supt/Asst Supt Board of Trustees
July 25th		2024 <u>Certified</u> Tax Values to CISD	Appraisal District
Early August		Tax Value Data Collection Due to TEA TEA Issues Tier 1 Tax Rate for the District	Assistant Superintendent TEA
Early August	August 12, 2024 Regular Meeting	Budget Workshop w/ Board Presentation of Notice to Set Tax Rate and Preliminary Budget *Board may adopt a tax rate lower than what is published	Supt/Asst Supt
August 15th		Notice of Hearing to Set the Tax Rate and Adopt the Budget PUBLISHED in Corpus Christi Caller Times *Must be published 10-30 days before hearing, 2024-2025 deadline August 16, 2024	Assistant Superintendent
Late August	August 26, 2024 Special Meeting	Conduct Hearing to Set the Tax Rate and Adopt the Budget Conduct Special Meeting to Approve: Final Budget Amendments for 2023-2024 Set Tax Rate for Tax Year 2024 Adopt Budgets for 2024-2025	Supt/Asst Supt Board of Trustees

2024-25 BUDGET CALENDAR

BUDGET AND TAX RATE TIMELINE



FACTORS WE CAN CONTROL

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

FACTORS WE CANNOT CONTROL

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



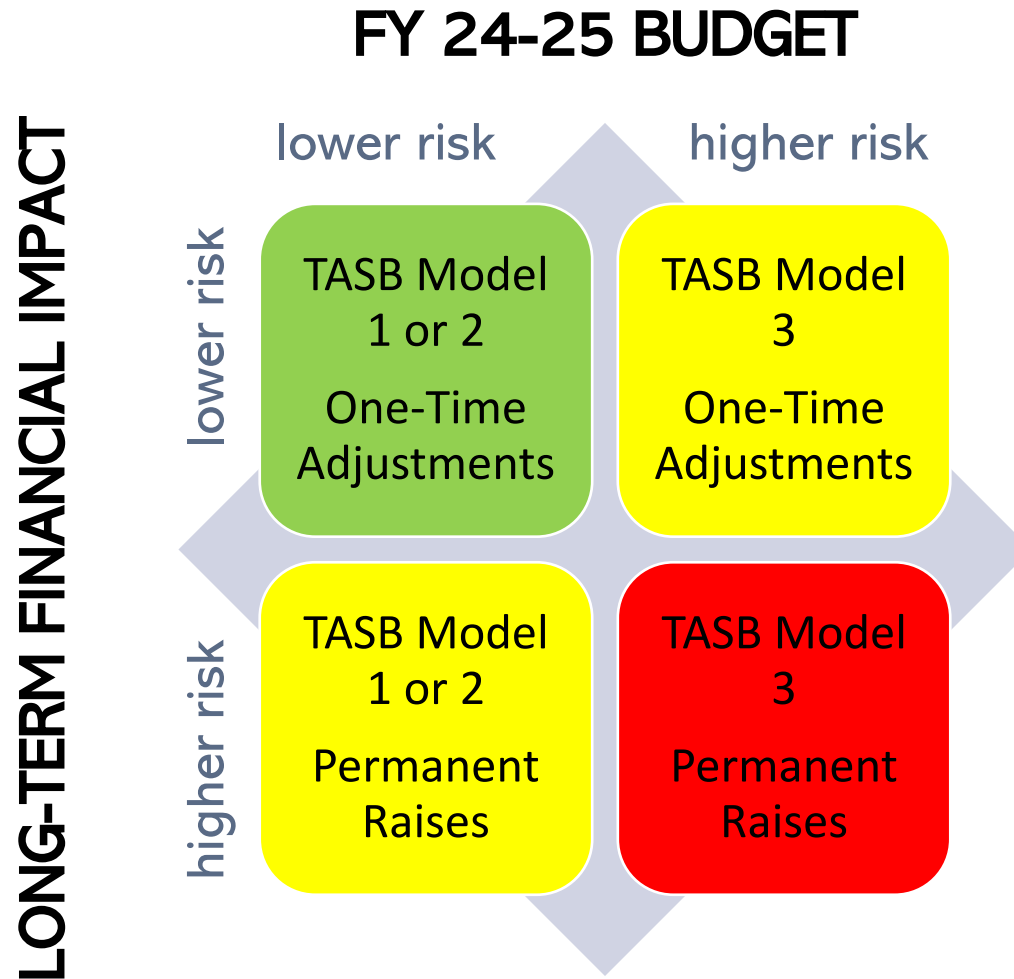
COMPENSATION PLAN DISCUSSION

*Salary & Benefits for the 2024-2025
School Year*

COMPENSATION INCREASES – OPTIONS

- TASB Recommendations
 - 3 Different Models to Consider
 - Models 1 & 2 – Lower Reoccurring Costs & More Flexibility to Adjust to Future Required Compensation Increases
- Compensation Increase Approaches
 - One-time Adjustments Paid as Annualized Stipends (TRS Eligible)
 - Permanent Raises

COMPENSATION INCREASES – OPTIONS



COMPENSATION INCREASES – FINANCIAL IMPACT

ONE-TIME ADJUSTMENTS APPROACH

	2024-25	2025-26	2026-27
Current Payroll Costs	\$35.0M	\$35.0M	\$36.4M
Raises	2% = \$700k	4% = \$1.4M	
Total Ongoing Payroll Costs	\$35.0M	\$36.4M	

PERMANENT RAISES APPROACH

	2024-25	2025-26	2026-27
Current Payroll Costs	\$35M	\$35.7M	\$36.4M or \$37.13M
Raises	2% = \$700k	2% = \$700k 4% = \$1.43M	
Total Ongoing Payroll Costs	\$35.7M	2% = \$36.4M 4% = \$37.13M	

A graduation cap sits on top of a clear glass jar filled with various coins. The background features a dark silhouette of a city skyline against a light, textured background. The overall composition suggests a connection between education and financial matters.

PROPERTY TAX INFORMATION

*Property Value, Tax Rate, and
Collections Projections*

PROPERTY TAX VALUES, RATES, & COLLECTIONS

	2022-23 Certified Tax Year 2022	2023-24 Certified Tax Year 2023	2024-25 Estimates Tax Year 2024
M&O Value	\$2,155,983,400	\$2,142,045,020	\$2,755,871,237
Value Growth	9.9%	-0.6%	28.7%
Tax Rate	0.9429	0.7695	0.7552
Tax Rate Compression	(\$0.0467) or -4.7%	(\$0.1734) or -18.4%	(\$0.0143) or -1.9%
Tax Collections	\$19,273,499	\$14,937,325	\$19,025,000
Collections Growth	3.3%	-22.5%	27.4%
I&S Value	\$2,905,046,213	\$2,916,319,523	\$2,947,699,810
Value Growth	9.3%	0.4%	1.1%
Tax Rate	0.243	0.2504	0.2708
Tax Collections	\$6,779,445	\$6,771,984	\$7,275,000

M&O TAX RATE COMPRESSION HISTORY

Fiscal Year	Tax Year	Tier 1 State Compr. %	Tier 1 Tax Rate Ceiling	Additional Local Compr.	Maximum M&O Tax Rate	Calallen ISD M&O Tax Rate
2018-19	2018	N/A	1.00	N/A	<u>1.1700</u>	1.1700
2019-20	2019	93%	0.93	N/A	<u>1.0683</u>	1.0683
2020-21	2020	91.64%	0.9164	>4.01% Value Growth	1.0864	0.9915
2021-22	2021	91.64% + \$0.03	0.9134	>2.8% Value Growth	1.0834	0.9896
2022-23	2022	89.71% + \$0.03	0.8941	>4.36% Value Growth	1.0641	0.9429
2023-24	2023	79.50% + \$0.1070	0.6880	>4.36% Value Growth	0.8580	0.7593
2024-25	2024	68.55%	0.6855	>2.5% Value Growth	0.8555	0.7552



BUDGET & FINANCE UPDATE

*23-24 Fiscal Year End Projections &
24-25 Preliminary Budget*

REVENUE CONSIDERATIONS

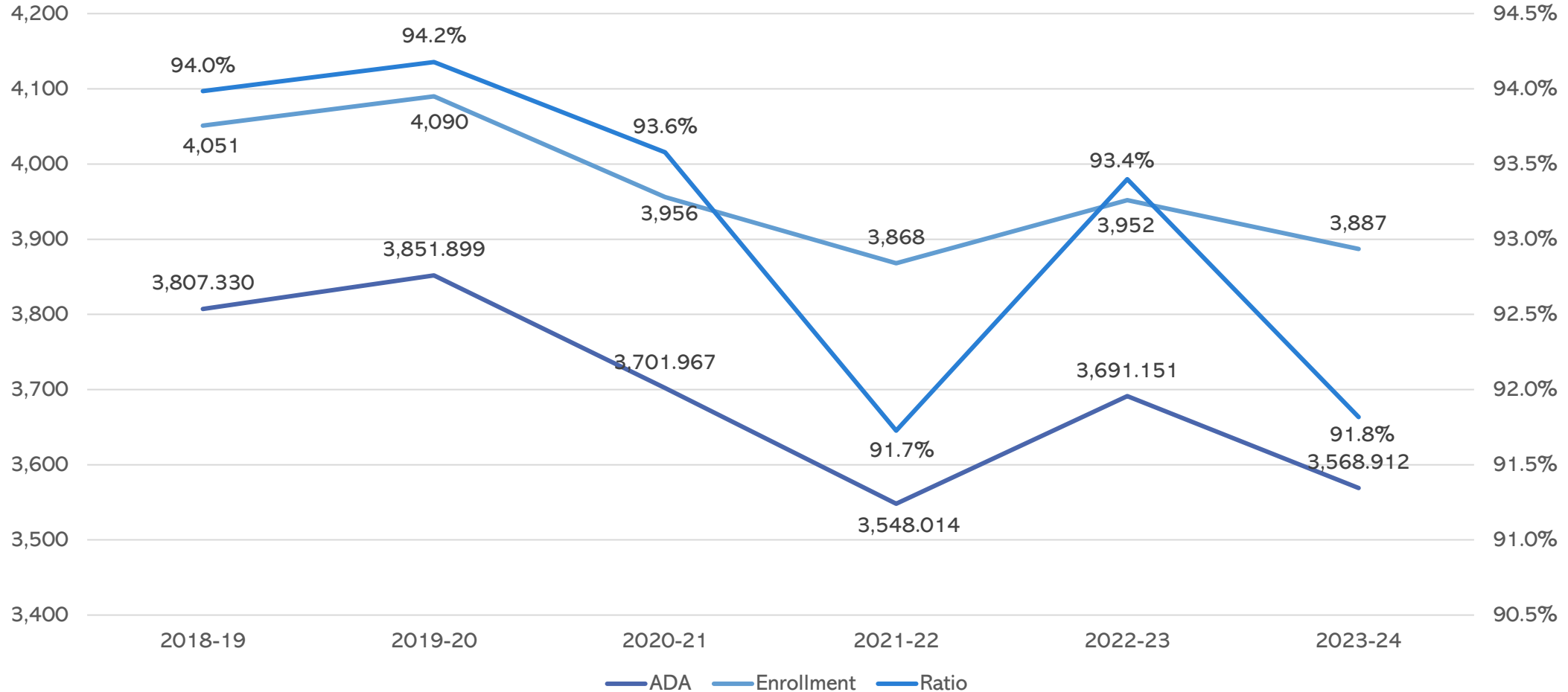
- 2023-24 Budget
 - No Legislative Investment in School Funding

- 2024-25 Budget
 - No Legislative Investment in School Funding
 - Chapter 313 Revenue **-\$800,000**

ADA & ENROLLMENT INFORMATION

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	3,690.834	93.4%
2023-24 Budget	3,937	3,681.095	93.5%
2023-24 Final	3,887	3,568.912	91.8%
2024-25 Budget	3,900	3,627.000	93.0%

ADA, ATTENDANCE, & ENROLLMENT



GENERAL FUND REVENUE

	2021-22 Audited Financials	2022-23 Audited Financials	2023-24 Year End Estimate	2024-25 Estimated Budget
Property Taxes	\$18,630,512	\$19,297,546	\$14,936,000	\$19,100,000
Other Local	\$421,949	\$1,615,513	\$1,505,000	\$1,280,000
State Revenue	\$18,211,661	\$18,201,658	\$22,110,000	\$18,400,000
TRS On-Behalf	\$2,158,605	\$2,363,761	\$2,240,000	\$2,238,201
Federal Revenue	\$432,374	\$492,780	\$340,000	\$350,000
Subtotal	\$39,855,101	\$41,971,258	\$41,131,000	\$41,368,201
CH 313s	\$2,779,118	\$2,060,227	\$1,539,340	\$700,000
Other Misc	\$14,175	\$0	\$604,000	\$0
Total	\$42,648,393	\$44,031,485	\$43,274,340	\$42,068,201

EXPENSE CONSIDERATIONS

- 2023-24 Budget

- 10% Budget Cuts **-\$650,000**
- Transportation – reduce bus purchases **-\$200,000**
- Staffing reductions – 8 Positions through attrition **-\$520,000**
- **5% increase** in Property Insurance Premiums
- Safety & Security Budget **+ \$520,000**

- 2024-25 Budget

- TSHBP Additional Contributions **+\$390,000**
- Property Insurance Premiums **-15% or -\$385,000**

GENERAL FUND EXPENSES & FUND BALANCE

	2021-22 Audited Financials	2022-23 Audited Financials	2023-24 Year End Estimate
Total Revenue	\$42,648,394	\$44,031,485	\$43,274,340
Total Expense	(\$41,710,834)	(\$47,070,198)	(\$45,640,000)
Net Roll/Loss	\$937,560	(\$3,038,713)	(\$2,365,660)
Beg Fund Balance	\$23,137,618	\$24,075,178	\$21,036,465
End Fund Balance	\$24,075,178	\$21,036,465	\$18,670,805

GENERAL FUND EXPENSES & FUND BALANCE

	2023-24 Year End Estimate	TASB Model 1 2024-25 Estimated Budget	TASB Model 2 2024-25 Estimated Budget	TASB Model 3 2024-25 Estimated Budget
Total Revenue	\$43,274,340	\$42,068,201	\$42,068,201	\$42,068,201
Total Expense	(\$45,640,000)	(\$46,390,000)	(\$46,550,000)	(\$46,850,000)
Net Roll/Loss	(\$2,365,660)	(\$4,321,799)	(\$4,481,799)	(\$4,781,799)
Beg Fund Balance	\$21,036,465	\$18,670,805	\$18,670,805	\$18,670,805
End Fund Balance	\$18,670,805	\$14,349,007	\$14,189,007	\$13,889,007

HISTORY OF ADOPTED BUDGETS

Fiscal Year	Budget - Revenue	Budget - Expense	Budget – Net Change to Fund Balance	Actual Net Change to Fund Balance
2018-19	\$38,323,989	\$40,427,771	(\$2,103,782)	\$4,600,763
2019-20*	\$40,163,651	\$41,361,939	(\$1,198,288)	\$3,473,798*
2020-21*	\$42,000,517	\$42,941,961	(\$941,444)	\$1,844,296*
2021-22	\$40,596,819	\$44,993,205	(\$4,396,386)	\$937,560
2022-23	\$41,468,816	\$47,529,995	(\$6,061,179)	(\$3,038,713)
2023-24	\$43,824,819	\$46,341,580	(\$2,516,761)	(\$2,365,660)
2024-25 Est	\$42,068,201	\$46,390,000	(\$4,321,799)	
		\$46,550,000	(\$4,481,799)	
		\$46,850,000	(\$4,781,799)	

*COVID ADA Hold Harmless & Supplant with ESSER Grant Funds

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: **\$18,670,805**
 - \$7 million assigned for Property Insurance Deductibles
 - **\$11.6 million unassigned**
- Reasons to continue to maintain a healthy fund balance:
 - Cash flow
 - Hurricane or other disaster, 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

- Per TEA, the ideal fund balance is 3 month's operating expenses, or ***\$11.5 million for CISD***
- 2023-2024 estimated fund balance: **\$18,670,805**
 - ~~\$7~~ **\$4** million assigned for Property Insurance Deductibles
 - ~~\$11.6~~ **\$14.6** million unassigned
- Property Insurance Deductibles
 - Named Storm Deductible: 3% per occurrence, per location/\$500K Minimum
 - CHS - \$2.75M Deductible
 - CMS - \$1.7M Deductible
 - West - \$600K Deductible
 - Magee - \$985K Deductible
 - Admin - \$500k Deductible

2024-25 BUDGET OPTIONS

1. No Raises **-\$300,000**
2. Campus and Department 10% Budget Cuts **-\$530,000**
3. Leave Vacancies in Positions and Stipends **-\$260,000**
4. Leave Budget as Proposed

2025-26 AND BEYOND

- Without Legislative Investment in School Funding, Balancing the Budget Would Require:
 - Reduction in Staff – Approximately 30 Positions
 - Campus and Department Budget Cuts
- Administration would begin this process in March 2025



QUESTIONS, COMMENTS, AND DISCUSSION...