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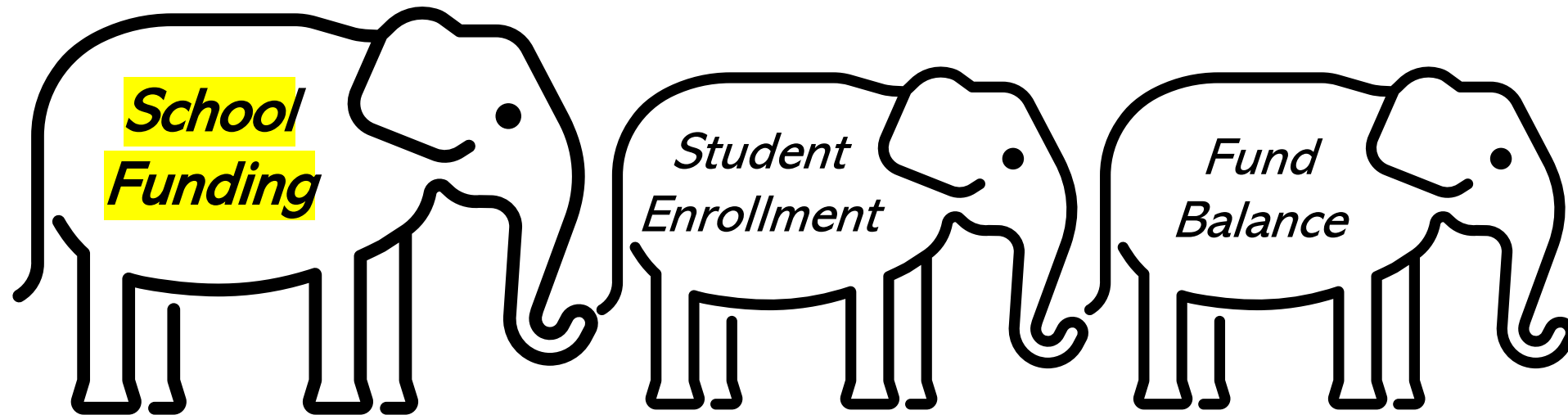
2024-2025 BUDGET PRESENTATION #2

BUDGET, FINANCE, AND SALARY
DISCUSSION

Calallen ISD | July 24, 2024

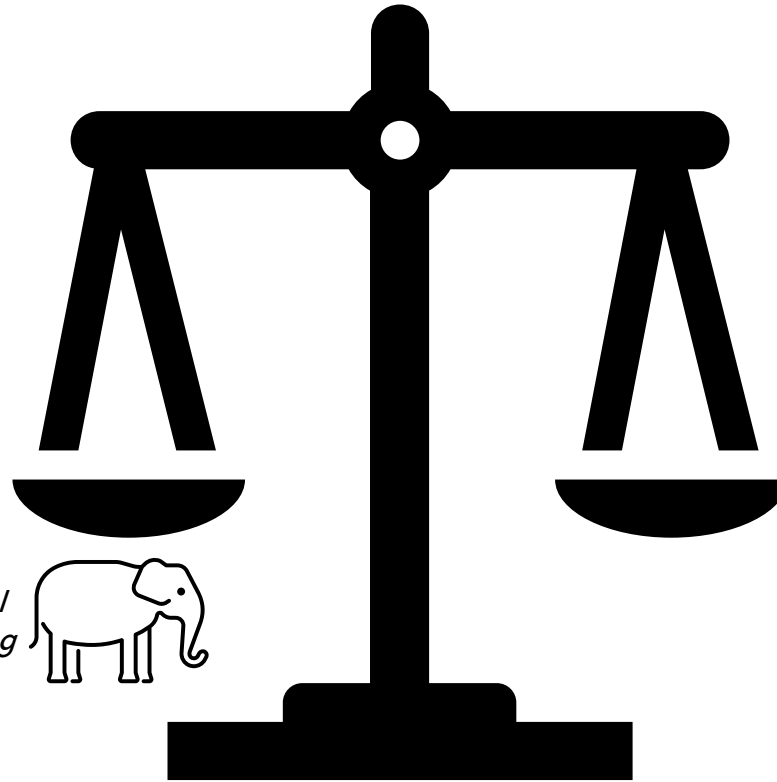
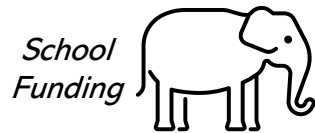
2024-25 BUDGET PLANNING...

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.

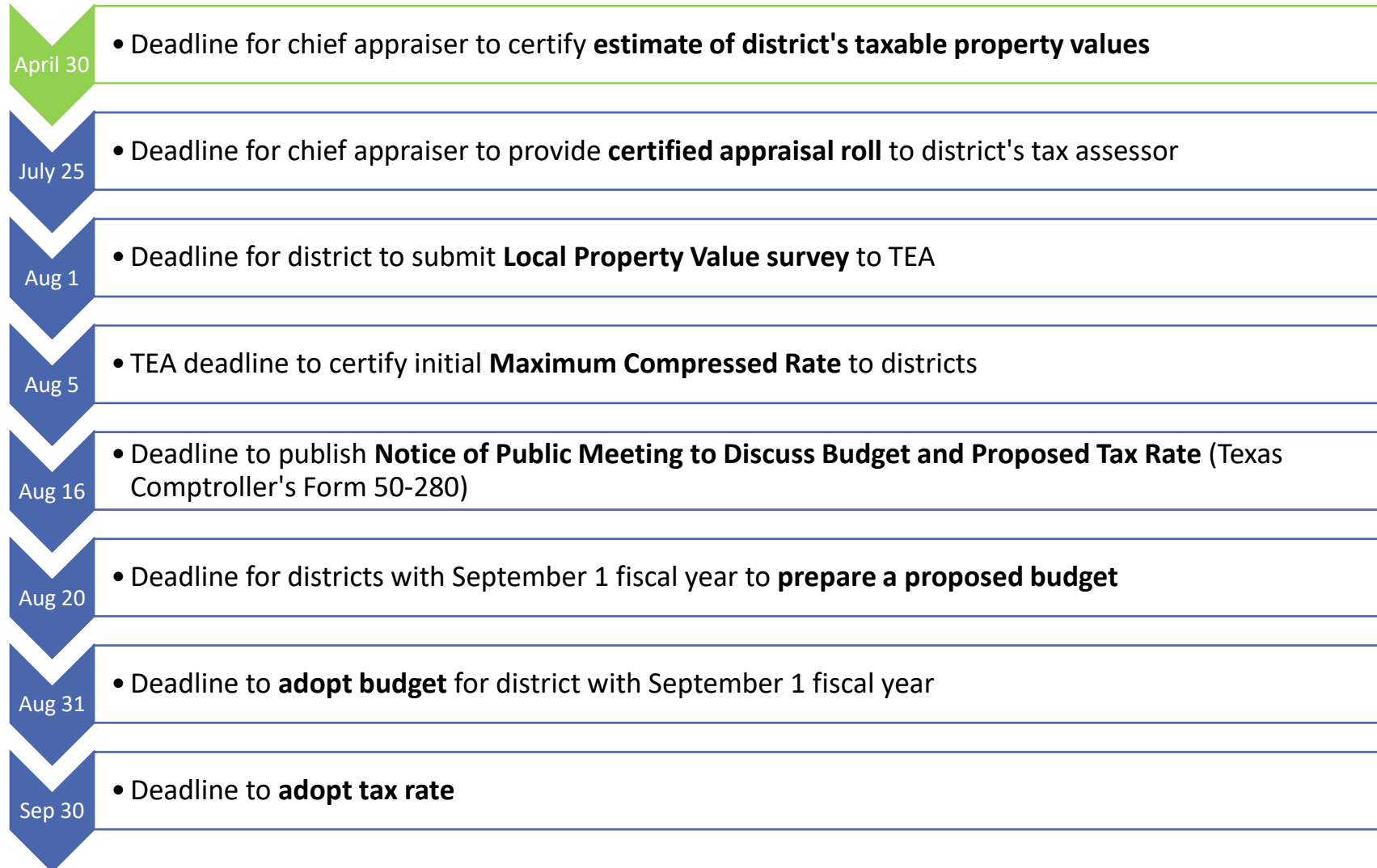
BA	Increase from Current BA	Two-Year Statewide Total Cost
\$6,160	--	--
\$6,260	\$100	\$1.443 billion
\$6,360	\$200	\$2.896 billion
\$6,460	\$300	\$4.353 billion
\$6,560	\$400	\$5.812 billion
\$6,660	\$500	\$7.272 billion
\$6,760	\$600	\$8.732 billion
\$6,860	\$700	\$10.194 billion
\$6,960	\$800	\$11.656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

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**
 - \$4 million assigned for Property Insurance Deductibles
 - **\$14.6 million unassigned**
- Reasons to continue to maintain a healthy fund balance:
 - Cash flow
 - Hurricane or other disaster, named storm insurance deductible is 3 % per occurrence, per location/\$500K Minimum
 - 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

A graduation cap sits on a glass jar filled with coins. The background features a dark silhouette of a crowd of people, with a person in a pink shirt visible on the right side. The overall scene is set against a light, textured background.

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	0.7965
Tax Rate Compression	(\$0.0467) or -4.7%	(\$0.1734) or -18.4%	No Change
Tax Collections	\$19,273,499	\$14,937,325	\$19,500,000
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	\$7,325,000

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	0.7695
2024-25	2024	68.55%	0.6855	>2.5% Value Growth	0.8555	0.7695



BUDGET & FINANCE UPDATE

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

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

* After careful consideration and deliberation – CISD Campuses, Departments, and Administration recommend prioritizing staff retention and recruitment through a 1.0% permanent raise, and additionally implementing an offsetting 7% campus and department budget cuts to protect the fund balance of the district

** Subsequent district financials are presented with the corresponding campus and department budget cuts – TASB Model 1 & 7% budget cuts, TASB Model 2 & 10% budget cuts, TASB Model 3 & 10% budget cuts

REVENUE CONSIDERATIONS

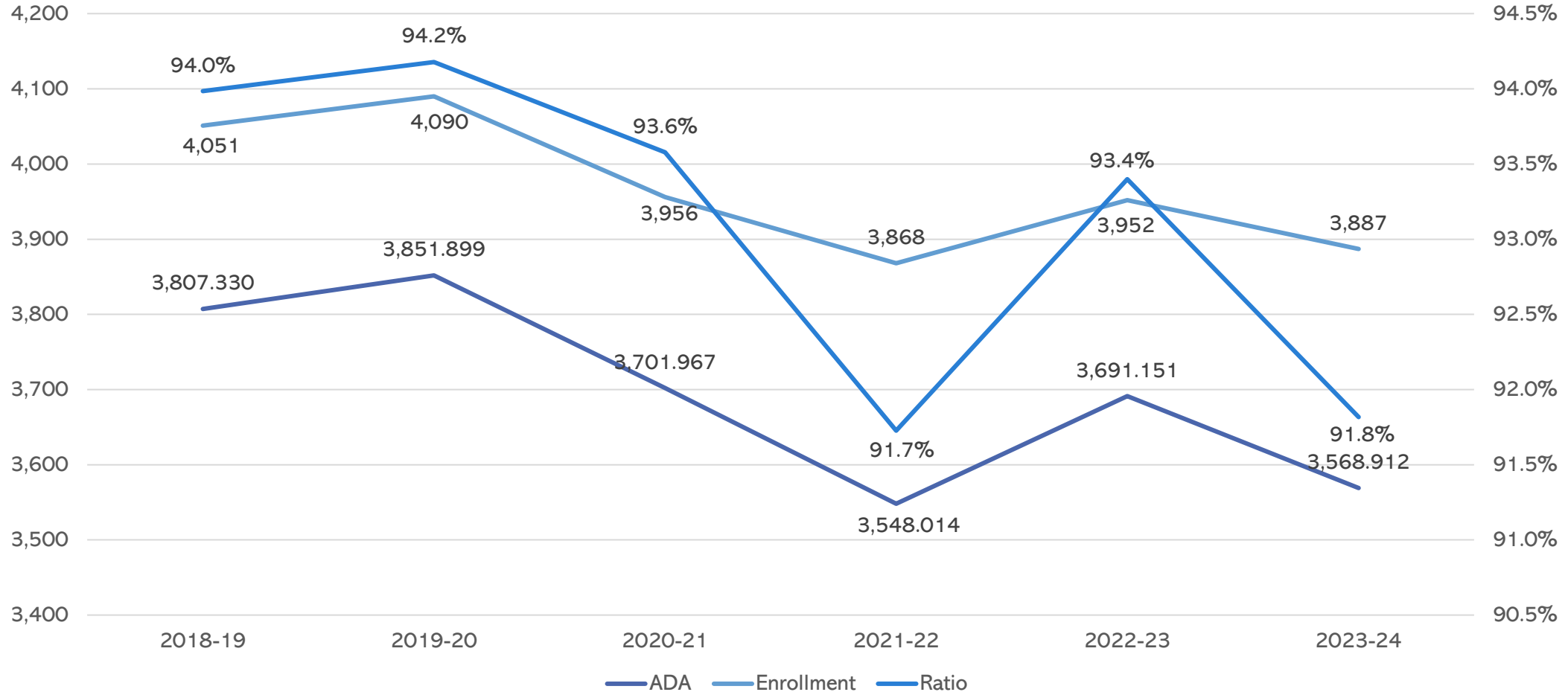
- 2023-24 Budget
 - No Legislative Investment in School Funding

- 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	3,915	3,621.362	92.5%

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	\$19,500,000
Other Local	\$421,949	\$1,615,513	\$1,505,000	\$1,280,000
State Revenue	\$18,211,661	\$18,201,658	\$22,110,000	\$18,200,000
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	\$41,568,201
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	\$42,268,201

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**
- Budget Cuts TBD

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	\$42,268,201	\$42,268,201	\$42,268,201
Total Expense	(\$45,640,000)	(\$46,145,000)	(\$46,145,000)	(\$46,365,000)
Net Roll/Loss	(\$2,365,660)	(\$3,876,799)	(\$3,876,799)	(\$4,096,799)
Beg Fund Balance	\$21,036,465	\$18,670,805	\$18,670,805	\$18,670,805
End Fund Balance	\$18,670,805	\$14,794,007	\$14,794,007	\$14,574,007

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	\$46,145,000	(\$3,876,799)	TBD
		\$46,145,000	(\$3,876,799)	
		\$46,365,000	(\$4,096,799)	

*COVID ADA Hold Harmless & Supplant with ESSER Grant Funds

GENERAL FUND - 5 YEAR PROJECTIONS

TASB Model 1	2023-24 Year End Estimate	2024-25 Est Budget	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Total Revenue	\$43,274,340	\$42,268,201	\$42,912,965	\$44,043,625	\$43,355,197
Total Expense	(\$45,640,000)	(\$46,145,000)	(\$47,024,900)	(\$47,920,488)	(\$48,832,069)
Net Roll/Loss	(\$2,365,660)	(\$3,876,799)	(\$4,111,935)	(\$3,876,863)	(\$5,476,871)
Beg Fund Balance	\$21,036,465	\$18,670,805	\$14,794,007	\$10,682,072	\$6,805,209
End Fund Balance	\$18,670,805	\$14,794,007	\$10,682,072	\$6,805,209	\$1,328,337
TASB Model 2 End Fund Balance		\$14,794,007	\$10,635,772	\$6,665,143	\$1,045,853
TASB Model 3 End Fund Balance		\$14,574,007	\$10,191,372	\$5,991,855	\$139,099

2025-26 AND BEYOND

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



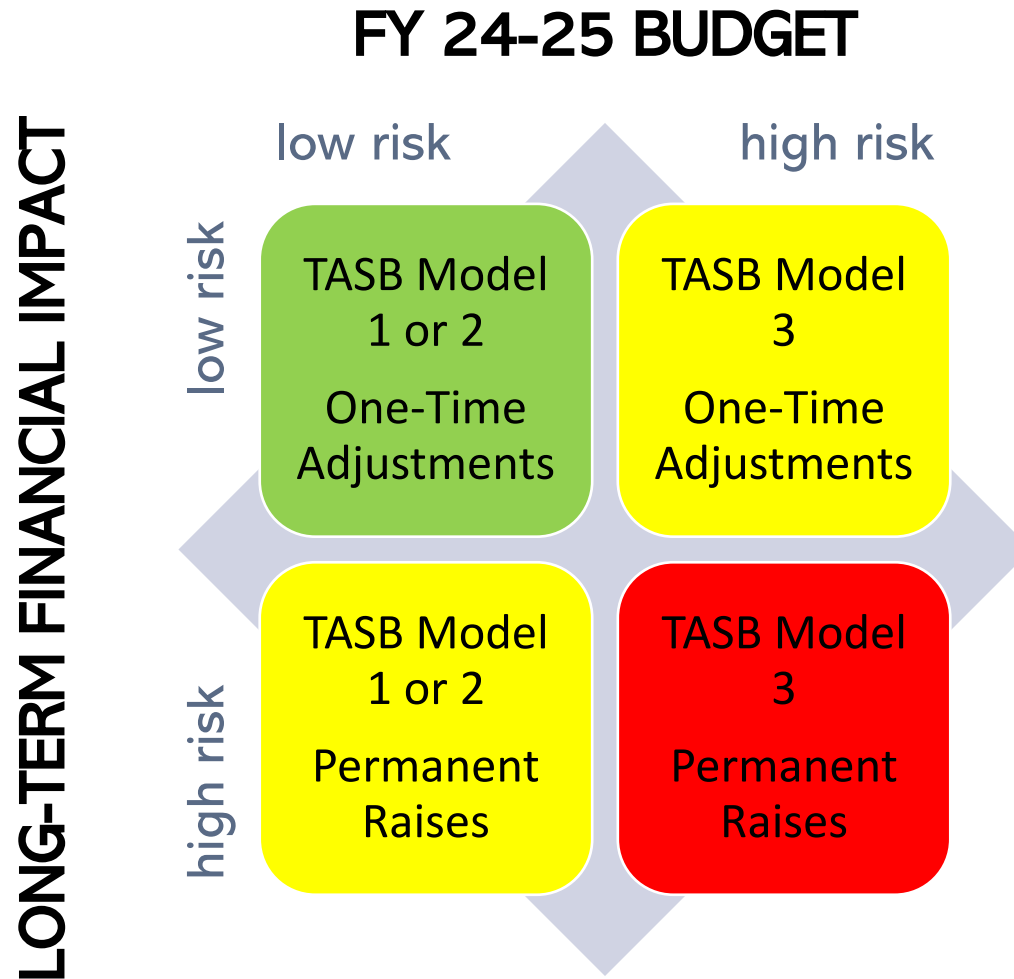
COMPENSATION PLAN DISCUSSION

*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



SALARY AND BENEFITS – TASB MODEL 1

Fiscal Year	% Increase	187 Day Teacher Increase	Starting Teacher Salary	Other Employee Increase	Other
2020-21	1.5%	\$800 +Additional adj steps 2-20	\$48,750	1.5% of midpoint	\$500 Dec retention stipend
2021-22	3.0%	\$1,658	\$50,000	3.0% of midpoint	\$500 Dec retention stipend
2022-23	Avg. of 4.8%	\$2,750 Avg.	\$51,000	2.0% of midpoint	\$1,000 Dec retention stipend
2023-24	1.5%	\$880	\$51,500	1.5% of midpoint	N/A
2024-25	1.0%	\$590	\$51,500	1.0% Of midpoint	N/A

- Summary
 - Postpone adoption of TASB Pay Plan recommendations
 - Cost to the District : **\$345,000**
 - No increase to District Contribution to Health Insurance Premiums - \$375/month
 - Offset **7% Budget Cuts**

SALARY AND BENEFITS – TASB MODEL 2

Fiscal Year	% Increase	187 Day Teacher Increase	Starting Teacher Salary	Other Employee Increase	Other
2020-21	1.5%	\$800 +Additional adj steps 2-20	\$48,750	1.5% of midpoint	\$500 Dec retention stipend
2021-22	3.0%	\$1,658	\$50,000	3.0% of midpoint	\$500 Dec retention stipend
2022-23	Avg. of 4.8%	\$2,750 Avg.	\$51,000	2.0% of midpoint	\$1,000 Dec retention stipend
2023-24	1.5%	\$880	\$51,500	1.5% of midpoint	N/A
2024-25	1.5%	\$885	\$52,000	1.5% Of midpoint	N/A

- Summary
 - Postpone adoption of TASB Pay Plan recommendations
 - Cost to the District : **\$505,000**
 - No increase to District Contribution to Health Insurance Premiums - \$375/month
 - Offset **10% Budget Cuts**

SALARY AND BENEFITS – TASB MODEL 3

Fiscal Year	% Increase	187 Day Teacher Increase	Starting Teacher Salary	Other Employee Increase	Other
2020-21	1.5%	\$800 +Additional adj steps 2-20	\$48,750	1.5% of midpoint	\$500 Dec retention stipend
2021-22	3.0%	\$1,658	\$50,000	3.0% of midpoint	\$500 Dec retention stipend
2022-23	Avg. of 4.8%	\$2,750 Avg.	\$51,000	2.0% of midpoint	\$1,000 Dec retention stipend
2023-24	1.5%	\$880	\$51,500	1.5% of midpoint	N/A
2024-25	1.5%	\$885	\$52,500	1.5% Of new midpoint	N/A

- Summary

- **Adopt TASB Pay Plan recommendations**
- **TASB Equity Adjustments**
- Cost to the District : **\$725,000**
- No increase to District Contribution to Health Insurance Premiums - \$375/month
- **10% Budget Cuts**

DISTRICT HEALTH INSURANCE CONTRIBUTIONS

- Curative Premium Summary:

Carrier Plan Name	EPO - In Network Only Curative EPO	PPO - In/Out of Network TSHBP HDHP	PPO - In/Out of Network Curative PPO	PPO - In/Out of Network TSHBP COPAY	PPO - In/Out of Network Curative PPO+	PPO - In Network Only TSHBP Aetna COPAY
Network	FirstHealth	HealthSmart - National	FirstHealth	HealthSmart - National	FirstHealth	Aetna
Monthly Premiums (After CISD \$375 Contribution)						
Employee	\$68.82	\$52.00	\$147.33	\$100.00	\$200.79	\$240.00
Employee+Spouse	\$866.75	\$793.00	\$1,086.44	\$954.00	\$1,236.00	\$1,232.00
Employee+Child(ren)	\$468.71	\$424.00	\$617.99	\$528.00	\$719.60	\$669.00
Employee+Family	\$1,263.85	\$1,155.00	\$1,553.79	\$1,379.00	\$1,751.18	\$1,599.00
Monthly Premium Comparisons (After CISD \$375 Contribution)						
Employee	\$16.82	32.35%	\$47.33	47.33%	(\$39.21)	-16.34%
Employee+Spouse	\$73.75	9.30%	\$132.44	13.88%	\$4.00	0.32%
Employee+Child(ren)	\$44.71	10.54%	\$89.99	17.04%	\$50.60	7.56%
Employee+Family	\$108.85	9.42%	\$174.79	12.68%	\$152.18	9.52%
Employee Only Scenarios (Assumes WITH BASELINE for Curative)						
Total Yearly Premium Cost	\$825.84	\$624.00	\$1,767.96	\$1,200.00	\$2,409.48	\$2,880.00
Primary Office Visits (2)	\$0.00	\$240.00	\$0.00	\$90.00	\$0.00	\$90.00
Specialty Office Visits (2)	\$0.00	\$240.00	\$0.00	\$140.00	\$0.00	\$140.00
Televisits (2)	\$0.00	\$60.00	\$0.00	\$0.00	\$0.00	\$0.00
Generic Prescription (12 months)	\$0.00	\$300.00	\$0.00	\$0.00	\$0.00	\$180.00
Specialty Prescription (12 months)	\$0.00	\$1,800.00	\$0.00	\$840.00	\$0.00	\$1,800.00
Total Yearly Out of Pocket Expenses	\$825.84	\$3,264.00	\$1,767.96	\$2,270.00	\$2,409.48	\$5,090.00
Difference from TSHBP	(\$2,438.16)		(\$502.04)		(\$2,680.52)	

- Estimated District Contribution Increase:

- Currently budget 70% at \$375 per month = **\$1,870,000**
- \$25 increments: 625 employees x \$300 per year = \$187,500 per year
- **“Full Coverage”** at \$522.34 per month: 625 employees x \$6,268.08 per year = **\$3,917,550**



QUESTIONS, COMMENTS, AND DISCUSSION...

MOTION LANGUAGE

I move to approve TASB Model ___ as presented. The approved compensation increases will be ___ (*choose one: one-time adjustments paid as annualized stipends -or- permanent raises*) and ___ (*choose one: will -or- will not*) be offset by campus and department budget cuts. The District reserves the right to adjust compensation for the 2024-25 school year in response to legislative changes or increases in school funding.

	TASB Model 1	TASB Model 2	TASB Model 3
Pay Plan Changes	No	No	Yes
% Increase	1.0%	1.5%	1.5%
Starting Teacher Salary	\$51,500	\$52,000	\$52,500
District Monthly Health Ins Contribution	\$375 (No Change)	\$375 (No Change)	\$375 (No Change)
Cost to the District	\$345,000	\$505,000	\$725,000
Offset Budget Cuts	7%	10%	10%*