# BUDGET ADVISORY COMMITTEE

## Meeting #1




BELTON ISD

# Agenda

01

**PURPOSE & OUTCOME**

Review the charter and goals & objectives to outline our work

02

**MEET OUR TEAM**

Introduction to who is in the room and will be working together

03

**SCHOOL FINANCE 101**

Understand the basics of how Texas public schools are funded

04

**WHERE DOES THE MONEY GO?**

Activity for tables to determine the budget breakdown

05

**BUDGET UPDATE & NEXT STEPS**

Learn more about our current budget deficit & what needs to be done

06

**REDUCTION DISCUSSIONS**

Activity for tables to generate and prioritize potential budget reductions

# 01
# PURPOSE & OUTCOME

# PURPOSE

## BUDGET ADVISORY COMMITTEE CHARTER

The Budget Advisory Committee is established to discuss solutions for the efficient and effective allocation of resources within our school district. The team's primary objectives are:

### ENHANCE UNDERSTANDING

Budget process, school finance, challenges & implications

### GATHER INPUT

Diverse stakeholder feedback to inform the budget development & revision process

### COLLABORATE ON BUDGET OPTIMIZATION

Explore reduction strategies that minimize impact on students & staff

### FACILITATE COMMUNICATION

Conduit for transparent and ongoing budget information shared with all stakeholders

# OUTCOME

The Budget Advisory Committee aims to help prioritize budget reduction strategies while prioritizing student success, staff well-being, and community trust.

The team's efforts will result in:

- **A WELL-INFORMED & ENGAGED SCHOOL COMMUNITY**
- **RECOMMENDED PRIORITIES THAT OPTIMIZE RESOURCES**



# Actions & Milestones

## AUGUST

Charter approved by board and committee membership finalized

## SEPTEMBER

Budget Advisory Committee Meeting #1

## OCTOBER

Budget Advisory Committee Meeting #2

## NOVEMBER

Budget Advisory Committee Meeting #3

## DECEMBER

Findings & recommendations presented to the Board Budget Committee

## JANUARY

Findings & recommendations presented to the full board

# 02
# MEET THE TEAM



# IN THE ROOM



PARENTS



COMMUNITY MEMBERS



STAFF



STUDENTS

# Facilitator

## Jim S. Vaszauskas, Ed.D.

- 39 years in public education
- Teacher, coach, campus administrator, superintendent
- National Superintendent Certification through AASA
- Retired from Mansfield ISD
- Consultant and Director of Client Relationships with MOREgroup

# TABLE INTRODUCTIONS

Share your name, affiliation with the district, and interest in the budget process.

# 03
# SCHOOL FINANCE 101

# Operating & Debt Funds

The general fund & debt service fund receive taxes and state funding. Both own a portion of the total tax rate.




TAX RATE SET BY TEA & ADOPTED BY THE BOARD

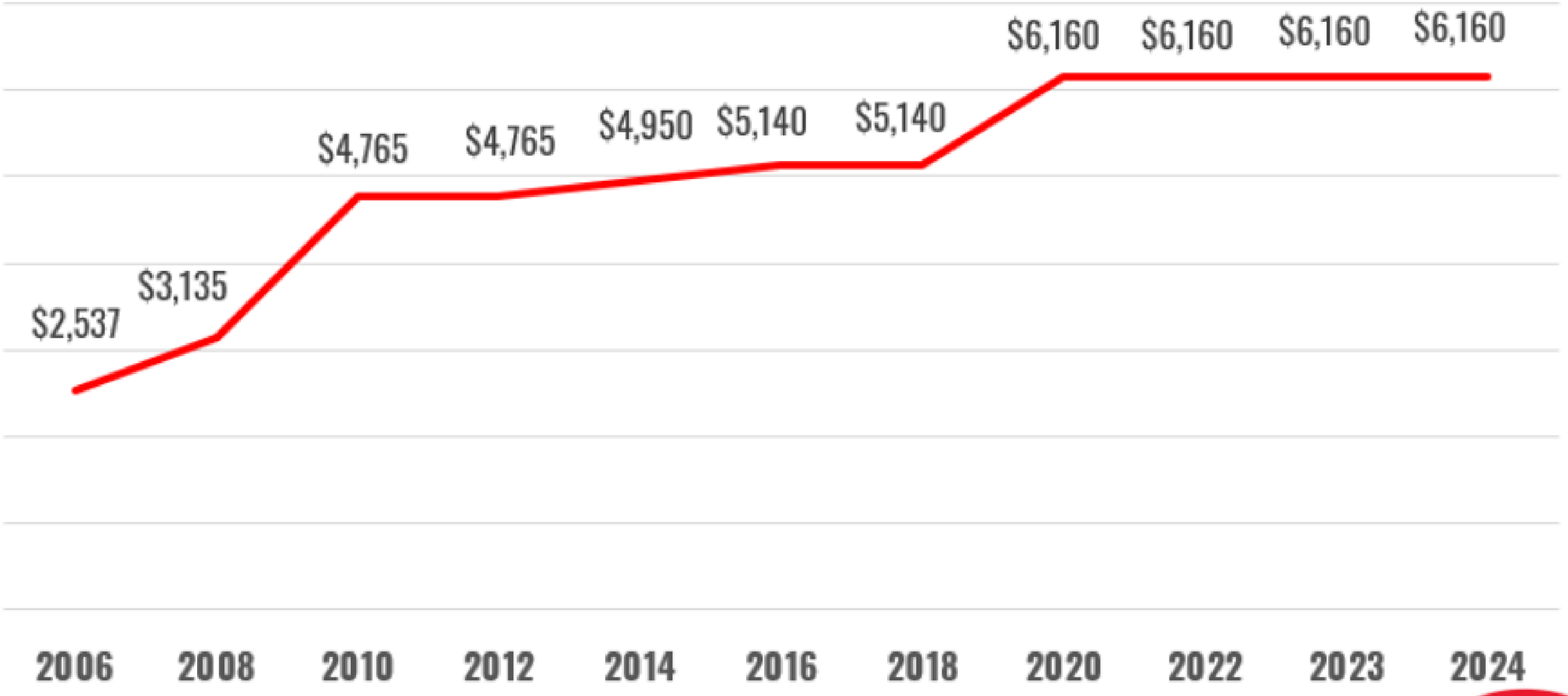
TAX RATE SET BY THE BOARD

SALARIES, SUPPLIES, UTILITIES, ETC.

PRINCIPLE & INTEREST ON BONDS

# Basic Allotment

## HB 3 increased the basic allotment to $6,160 per student in fiscal year 2020



# State Formula Funding




SALARIES, SUPPLIES, UTILITIES, ETC.




PRINCIPLE & INTEREST ON BONDS

**Number of Students in Attendance**
**X Basic Allotment of $6,160 =**
**Regular Program funding +**
**Adjustments for Weighted Funding =**
**Funding Entitlement**

**State Funding Formula:**

**Tax Collections**

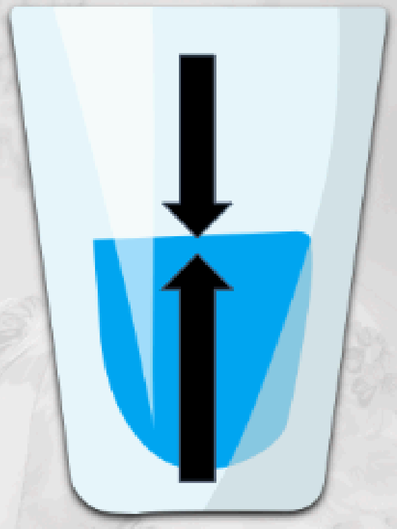
**+ State Funding**

**– Recapture**

**Funding Entitlement**

# Funding Fluidity

Increased property values means less State aid is needed to fund districts
The funding formulas are controlled by the state legislature.



**MORE STATE AID NEEDED**

**LOWER PROPERTY TAX COLLECTIONS**



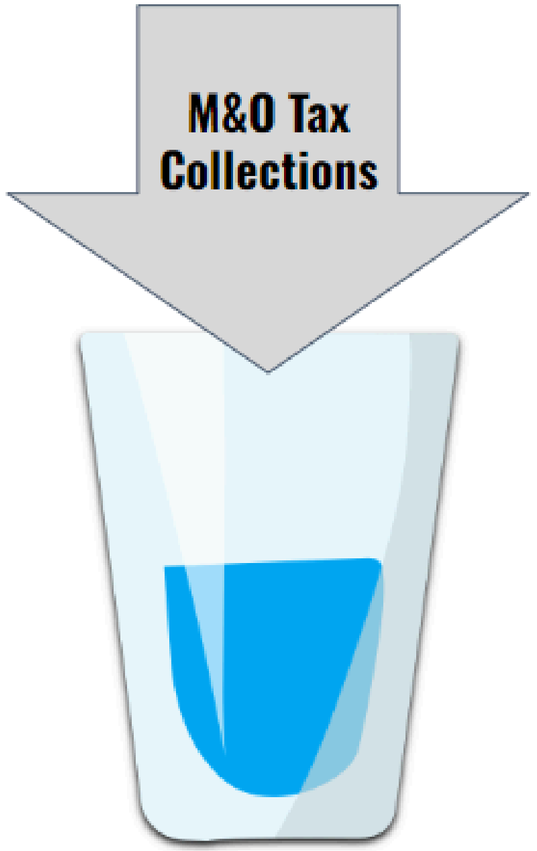
**LESS STATE AID NEEDED**

**GREATER PROPERTY TAX COLLECTIONS**

Property wealthy districts receive tax collections in excess of their entitlement and pay it back to the State in the form of recapture.

# BISD - Local Funding

Local property tax collections are added first.



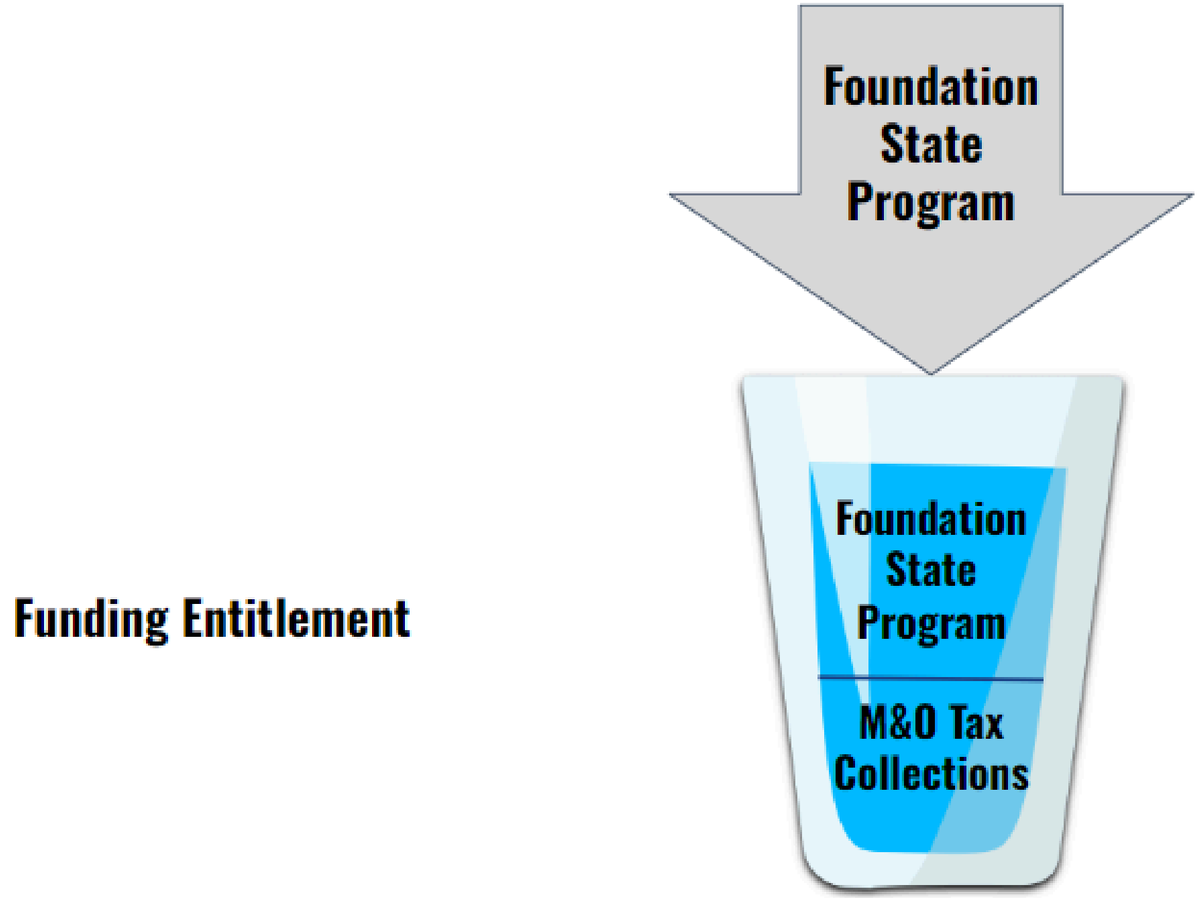

**Funding Entitlement**

**Belton ISD is not property wealthy.**

**We do not generate enough tax collections to cover our total entitlement.**

# BISD - State Funding

State funding is then added to reach full funding.



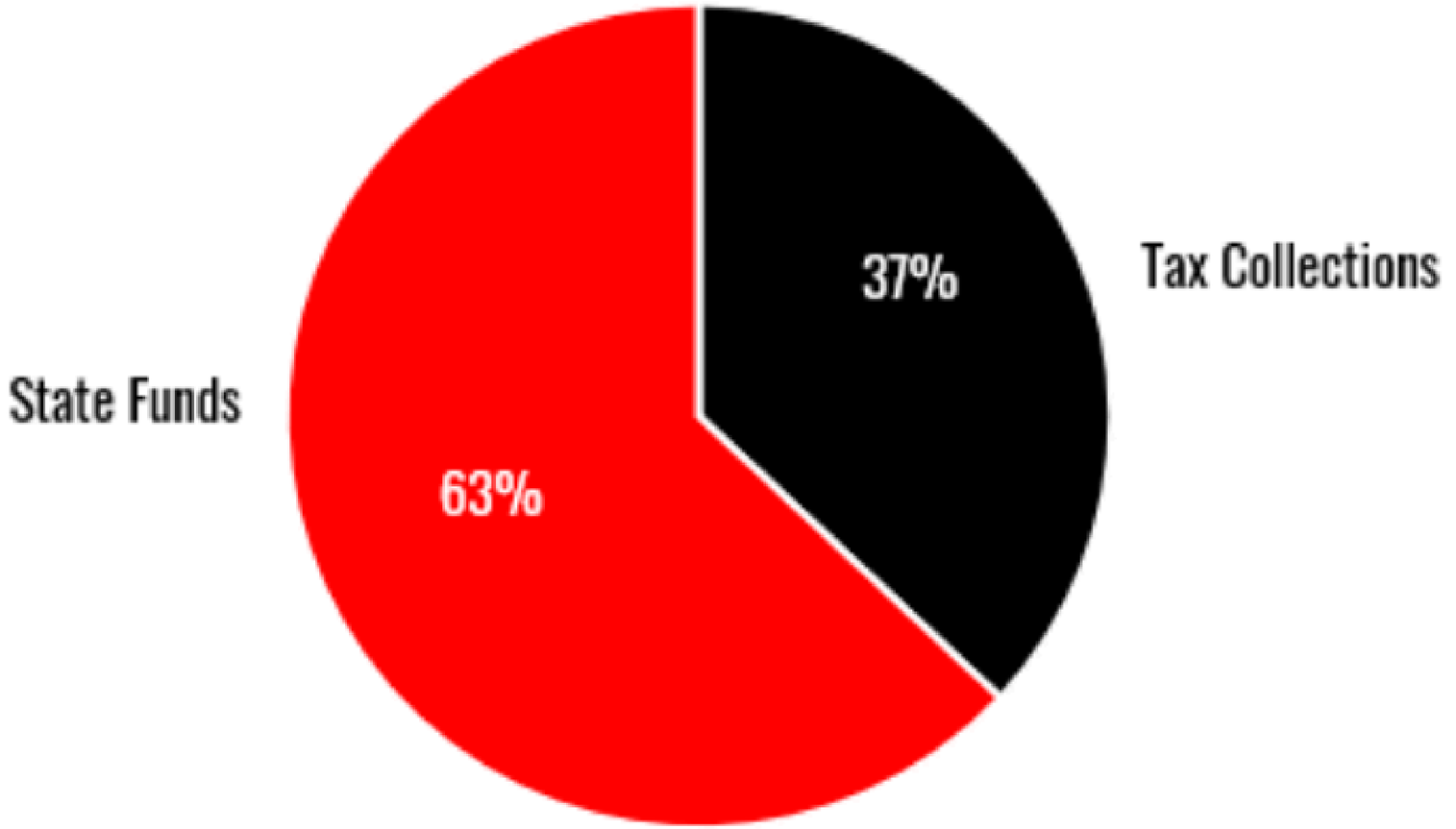
# Funding Per Student

## A student eligible for special education and economically disadvantaged

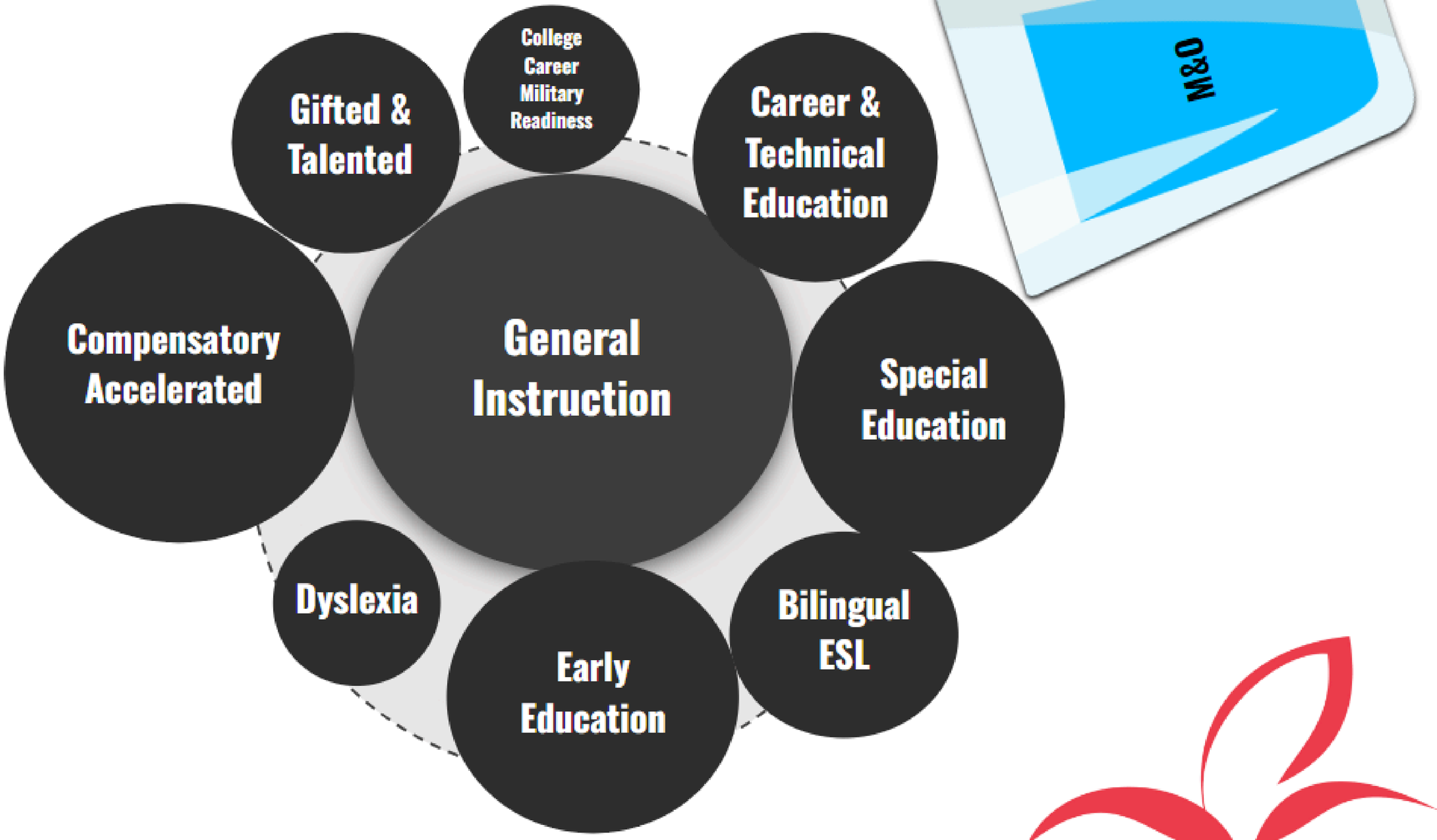
| Attendance | 100% | 95% | Difference |
|---|---|---|---|
| Basic Allotment | $6,160 | $5,852 | $308 |
| Special Education | $1,232 | $1,170 | $62 |
| Economically Disadvantaged | $1,386 | $1,317 | $69 |
| | $8,778 | $8,339 | $439 |

# Funding Proportions

Belton ISD generates 37% of its per student funding from tax collections. State funding is needed to reach full entitlement..



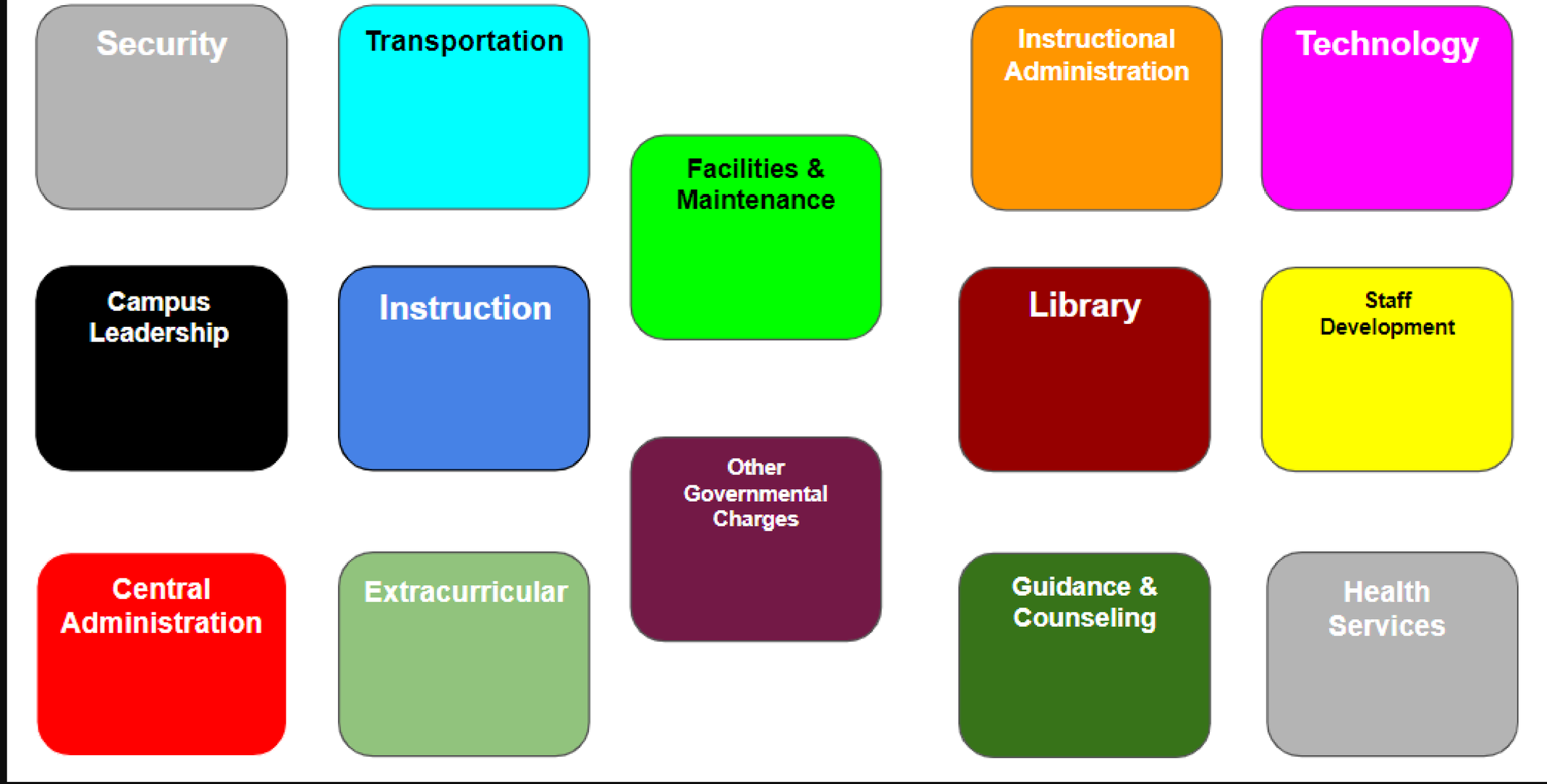
# State Program Allotments



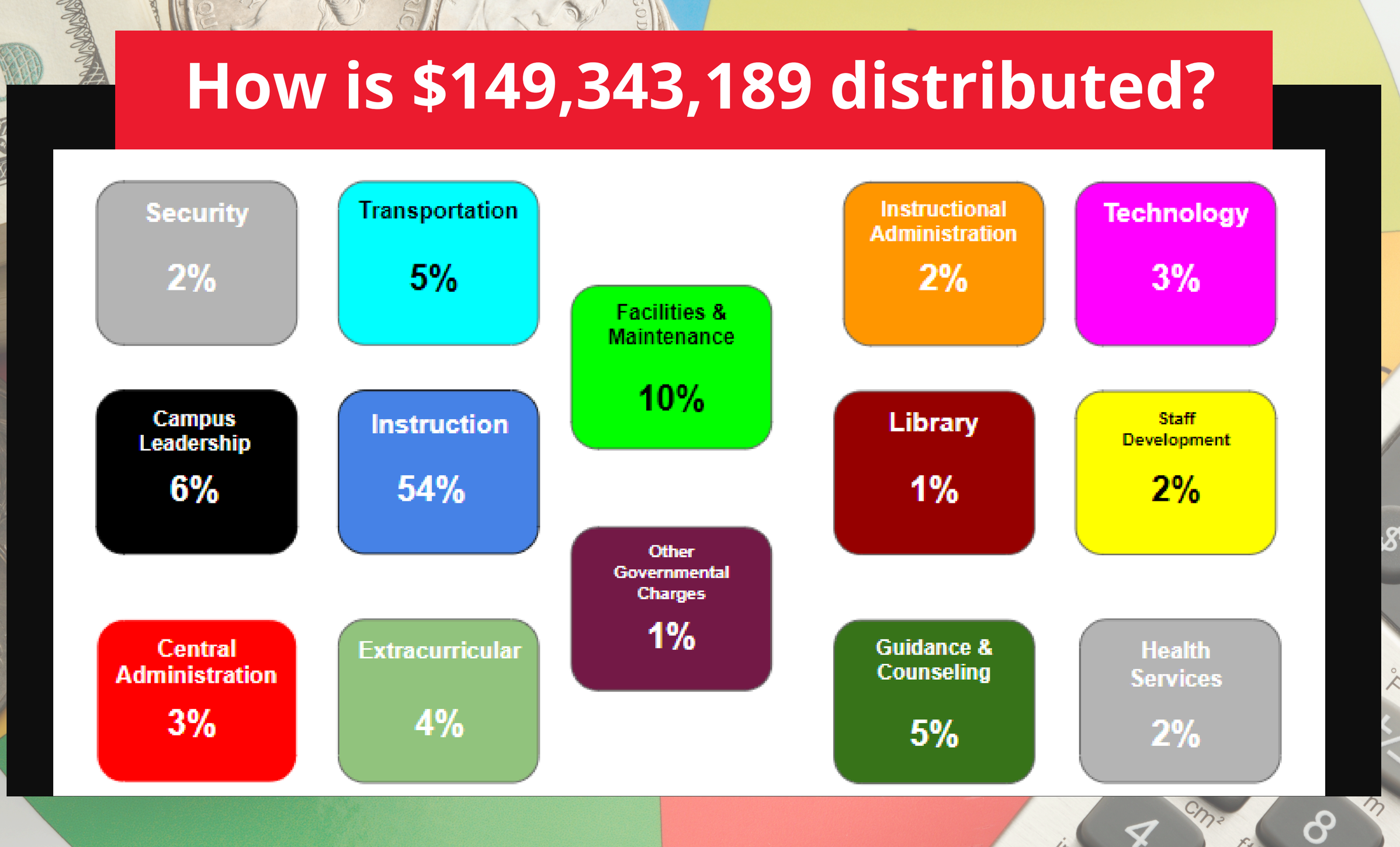

QUESTIONS

# 04
# WHERE DOES THE MONEY GO?

# How is $149,343,189 distributed?



# How is $149,343,189 distributed?



# 05
# CURRENT BUDGET REALITIES

# What We Have Already Done...

Over the course of the last two budget cycles, BISD has made substantial cuts to the budget that include:

**$4.9M reductions**

| CATEGORY | NUMBER OF FTES |
|---|---|
| ADMIN DISTRICT | 3 |
| EDUCATIONAL AIDE | 28 |
| NON_TEACHER PROFESSIONAL CAMPUS | 1 |
| SUPPORT CAMPUS | 22 |
| CUSTODIAN | 10 |
| TEACHER | 38.36 |

| |
|---|
| CAMPUS & DEPARTMENT BUDGET REDUCTIONS |
| ADDITIONAL DEPARTMENT BUDGET REDUCTIONS |
| DEFERMENTS |
| SAFETY GRANT (ARMED SECURITY) |

# Timeline & Assumptions

| December 2023 | January 2024 | February 2024 | March 2024 | April 2024 | May 2024 |
|---|---|---|---|---|---|
| Board approves FY 2022-23 audited financial statements | Submit FY 2022-23 financial statements to TEA<br><br>Communication of 2024-25 budget process & timeline<br><br>**State Comptroller releases 2023-24 state values** | **Approval of 2024-25 budget assumptions**<br><br>Budget Workshop<br><br>Calculate campus budget allocations | Release campus allocations & departmental budgets<br><br>Begin staffing review & salary planning. | Continue staffing review & salary planning.<br><br>**CAD releases preliminary property values for 2024-25** | Finalize campus & departmental budgets<br><br>Finalize salary planning |

## 2023-2024 Budget Year

| June 2024 | July 2024 | August 2024 | September 2024 | October 2024 | November 2024 |
|---|---|---|---|---|---|
| **Approve compensation**<br><br>Budget Workshop | **CAD releases certified values for 2024-25**<br><br>**TEA compresses M&O tax rate -(MCR)**<br><br>**Truth-in Taxation**<br><br>Final budget draft | **Publish notice of public hearing**<br><br>Hold public hearing<br><br>**Adopt 2024-25 budget**<br><br>**Adopt 2024-25 tax rate** | 2024-25 Tax rate adoption deadline<br><br>Begin audit of FY 2023-24 financial statements | **TEA issues 2023-24 Near-Final Summary of Finances - Publication of Final State Funding for 2023-24** | CAD submits 2024-25 property values to State Comptroller |

## 2024-2025 Budget Year

# Additional Budget Impacts

**The Legislature increased the basic allotment only *once* since 2016, that was in *2019*.**




**SALARIES, SUPPLIES, UTILITIES, ETC.**

- While still growing, BISD **enrollment growth** has slowed
- Fast-growth **allotment decrease**
- Lower student **attendance**
- Salary **increases**
- 19% **inflation**
- 50% **reduction** in SHARS (federal) funding
- Unfunded or underfunded **mandates**.
  - Example: Requirement for armed security guards ($1 M)
- ESSER (federal COVID stimulus) **ended**

# Additional Budget Impacts

## Funding Per Student

A student eligible for special education and economically disadvantaged

| Attendance | 100% | 95% | Difference |
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## TRANSPORTATION

FUNDING = $1.2 MILLION

EXPENDITURES = $6.3 MILLION

The basic allotment for public education in the State of Texas has remained flat since 2020.

## School Cost Inflation 2019 vs. 2024

Schools, just like our households and businesses, are seeing increased costs for fuel, energy, food, and supplies.

BELTON ISD

Fuel
**+55.5%**

General Insurance Policies
**+140%**

Construction Costs
**+62.4%**

Health Insurance Costs
**+13.5%**

Food Service
**+34.6%**

2024-25 budget shortfall

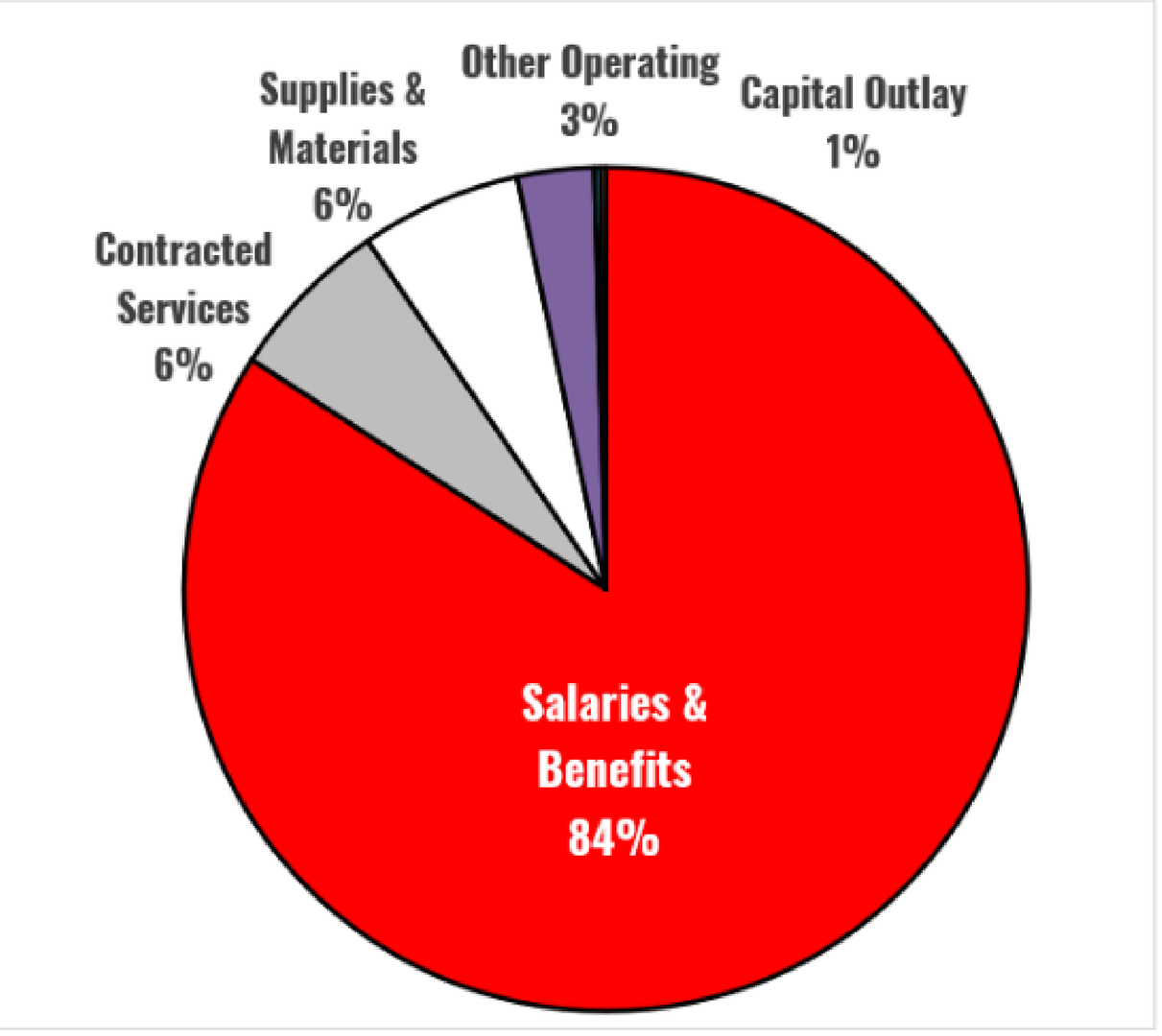
**$-8.1 Million**

Schools no longer have the same buying power as they did in 2019 when the $6,160 basic allotment was set. Since 2019, inflation has increased by 22% according to the Consumer Price Index. That means in order to have the same buying power as they did after HB3 was passed five years ago, schools would need the basic allotment to be over $7,500.

# General Fund Budget

## General Fund

| | | |
|---|---|---|
| Local | $ | 49,638,740 |
| State | | 91,789,048 |
| Federal | | 1,275,000 |
| **Total Revenue** | | **142,702,788** |
| Salaries & Benefits | | 126,950,883 |
| Contracted Services | | 9,510,924 |
| Supplies & Materials | | 9,293,491 |
| Operating Costs | | 4,439,160 |
| Principal & Interest | | 354,683 |
| Capital Outlay | | 310,550 |
| **Total Expenditures** | | **150,859,691** |
| **Change to Fund Balance** | $ | **(8,156,903)** |



# THE EDUCATION DOLLAR




54¢
Instruction

10¢
Facility Maintenance

5¢
Counseling

4¢
Extracurricular

3¢
Technology

2¢
Instructional Support

2¢
Safety/Security

1¢
Library

1¢
Other

2¢
Staff Development

2¢
Health Services

3¢
District Leadership

5¢
Transportation

6¢
Campus Leadership

# 06
# REDUCTION DISCUSSION

# HOW TO ELIMINATE $8.1M BUDGET DEFICIT



**GENERATE IDEAS**



**EVALUATE IDEAS**




**PRIORITIZE IDEAS**



**RECOMMEND IDEAS**

# Reduction Lenses




MAKES MEANINGFUL PROGRESS

MINIMIZE IMPACT ON THE CLASSROOM EXPEREINCE

LONG-TERM FINANCIAL SUSTAINABILITY (EX. DEFERMENTS)

# TABLE DISCUSSIONS

Thinking through the three lenses, brainstorm reduction ideas.

# NEXT STEPS



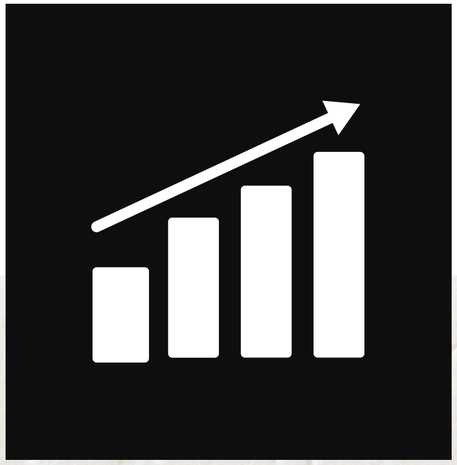
## COMMITTEE

Research & get input from peer groups about potential budget reductions and send ideas to us: michael.morgan@bisd.net

## DISTRICT

Collaborate with department & campus administrators for ideas and feedback on potential budget reductions

# THANK YOU










BELTON ISD