

Lake Travis ISD

Budget Advisory Committee

Meeting #1 — December 9, 2024

Paul Norton, Superintendent

Pam Sanchez, Asst. Supt. of Business Services



Welcome & Introductions

Members include:

- Parents
- Community members
- Staff
- Students

Please share with the group:

- Your name
- Your connection with Lake Travis ISD



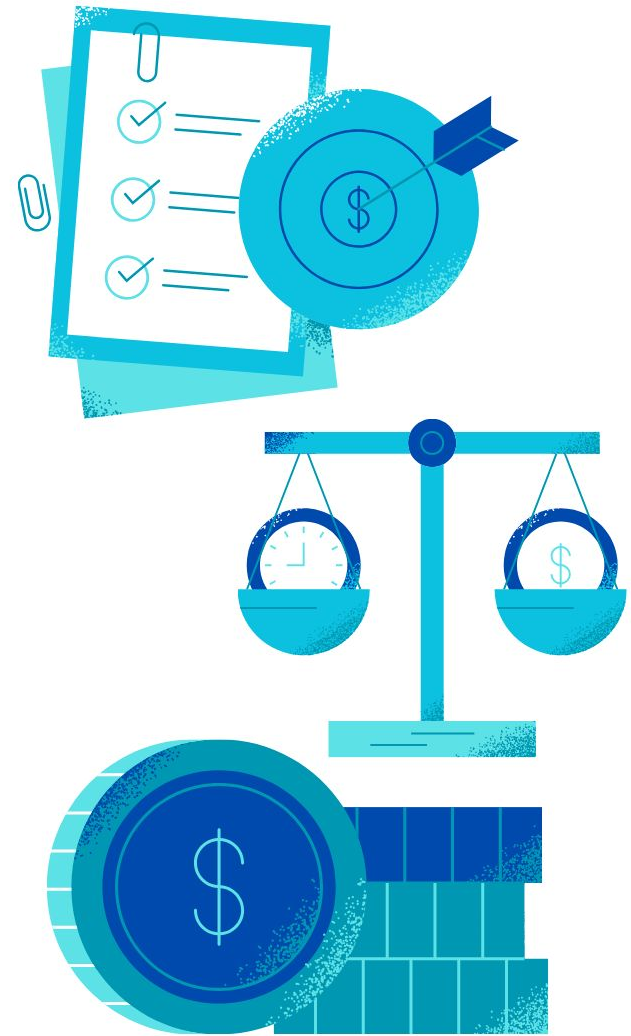
The background of the slide is a teal color with a pattern of white line-art icons related to finance and business. These icons include dollar signs, coins, banknotes, a calculator, a computer monitor displaying a bar chart, a clock, a briefcase, a stack of coins, a building with columns, and various bar and line graphs.

Purpose

- ❑ Understand school funding and budget process
- ❑ Gather input to inform budget development
- ❑ Discuss reduction strategies
- ❑ Collaborate on effective allocation of resources

Outcome

- ❑ **Transparency through stakeholder communication of ongoing budget development**
- ❑ **Help prioritize reduction strategies that optimize resources and minimize impact on students and staff**





School Finance 101

RYHT
School
Fund
Video



How Are Schools Funded?

Three basic variables:

1

Number of students in attendance

2

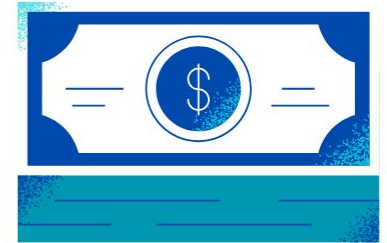
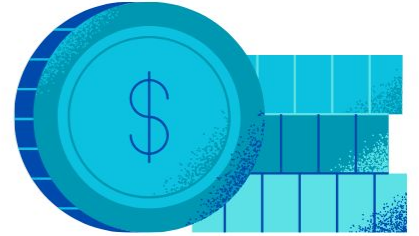
Property values

3

School district tax rate

How Are Schools Funded?

- A school district's total tax rate is comprised of Maintenance & Operations (M&O) and Interest & Sinking (I&S) tax rates
- In Texas, funding of public education is by means of local taxes and state funds and is based on daily student attendance and attendance in certain programs
- Amount of local tax revenue generated is based on property value appraisal and total tax rate levied
- State law determines the M&O tax rate through property tax compression
- Property values used to determine Lake Travis ISD homeowners annual tax payments include a 20% local optional homestead exemption resulting in tax savings of \$34 million



Tax Rate Components

School district taxes are divided into two “buckets”:

1

Maintenance & Operations (M&O)

Day-to-day operations & expenses for:

- Salaries (85% of budget)
- Student Services
- Instructional Supplies
- Utilities
- Maintenance
- Custodial Services
- Fuel
- Subject to Recapture

\$0.7381

M&O

2

Interest & Sinking (I&S)

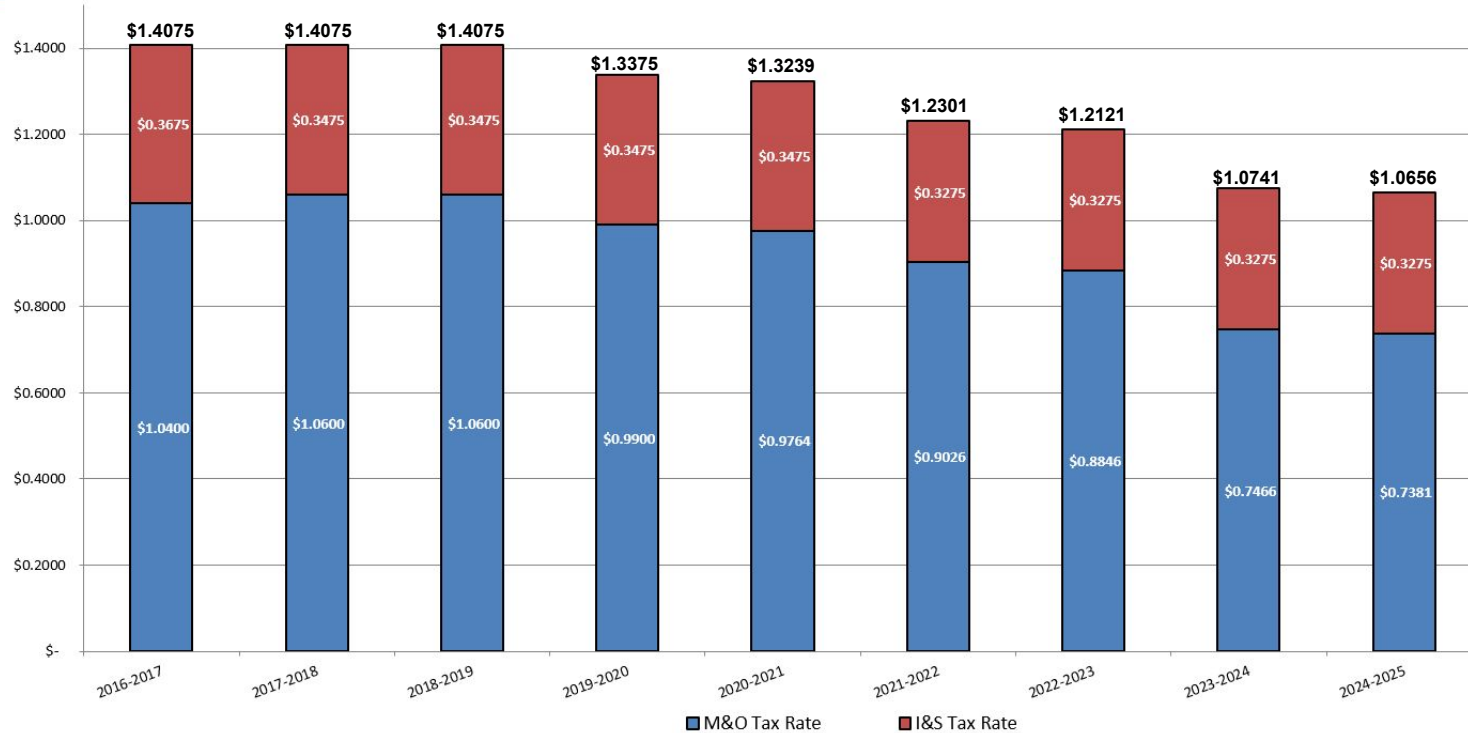
Principal & interest payments on debt issued for:

- New construction
- Renovations
- Heating & AC Systems
- Roofing
- Technology
- Buses
- Land

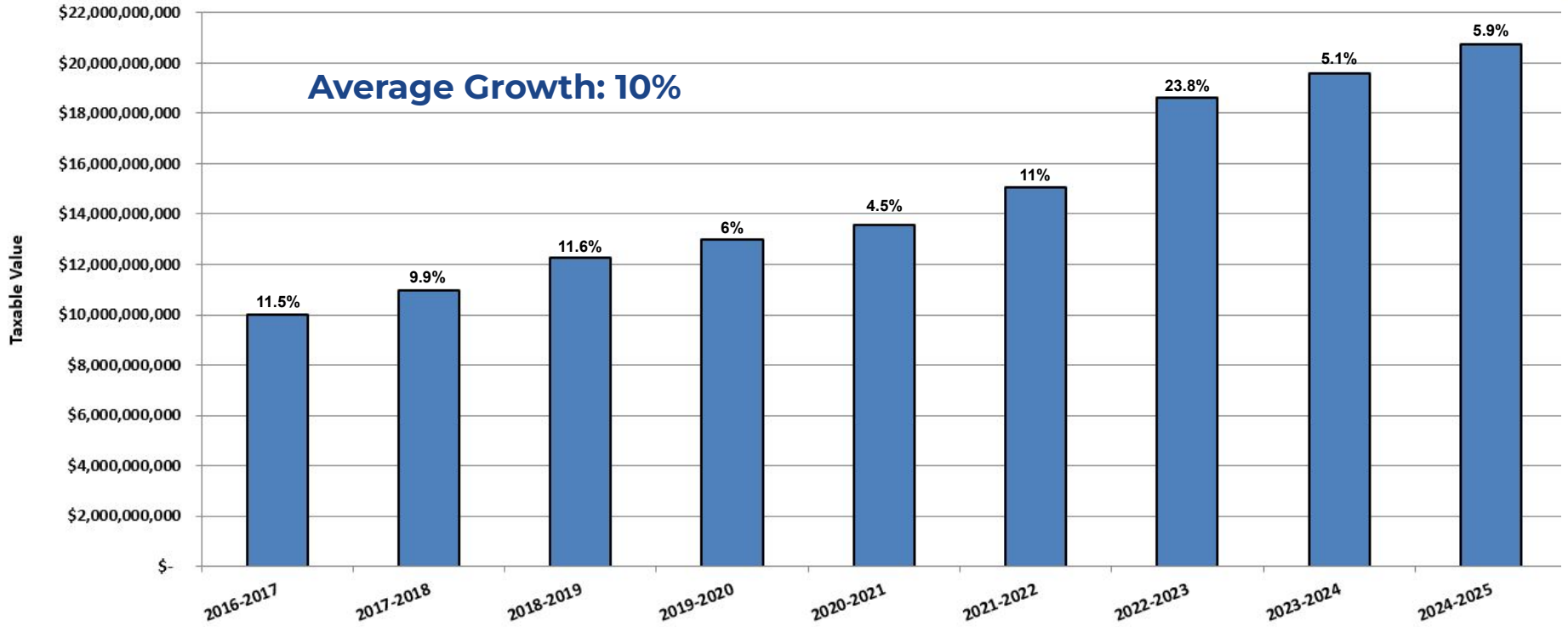
\$0.3275

I&S

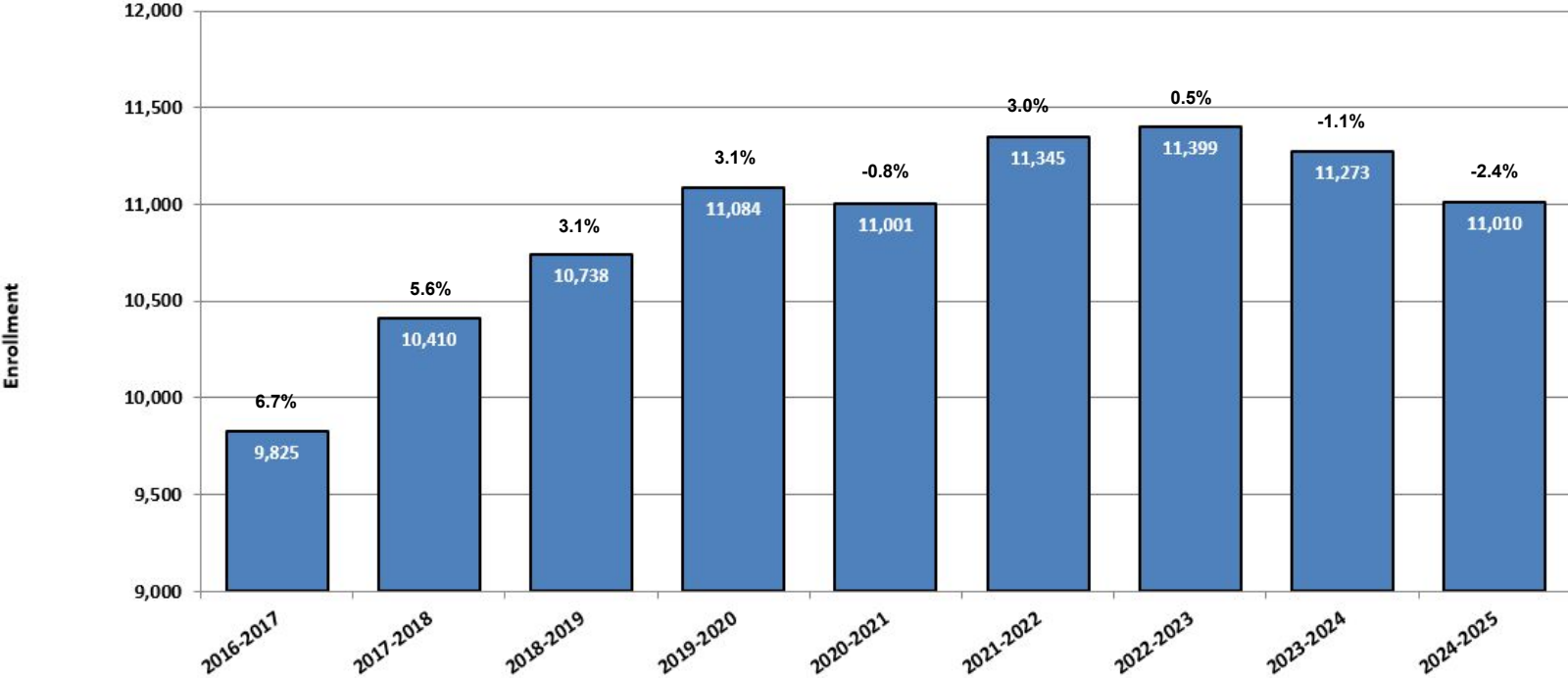
Tax Rate History



Property Value Growth

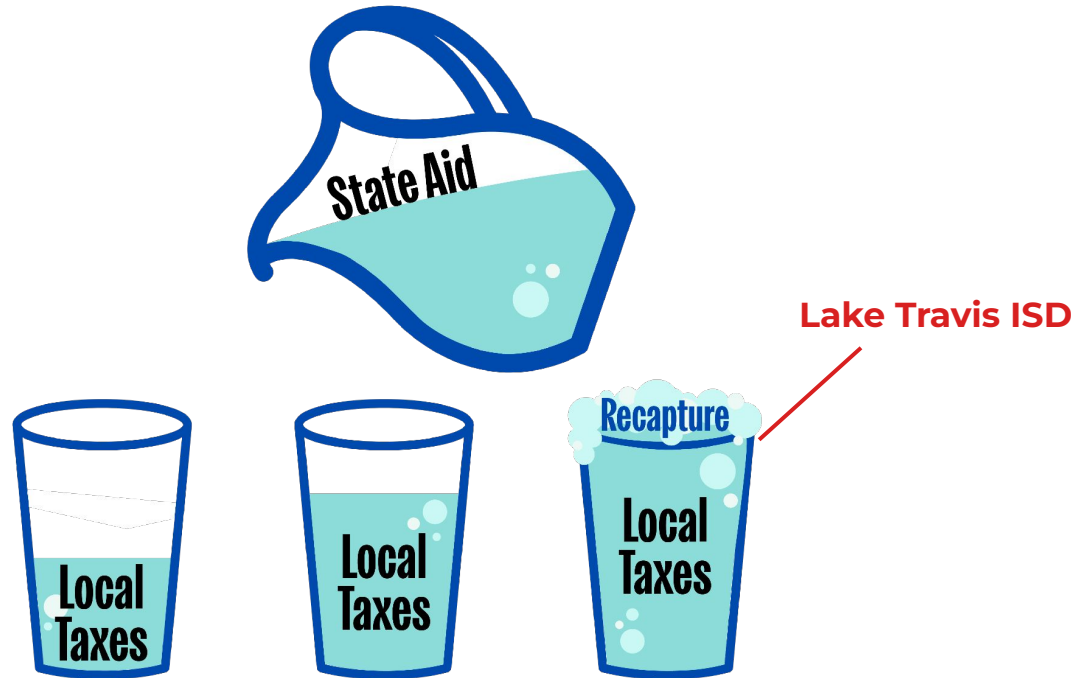


Student Enrollment Growth



Funding Balancing Act

The amount of money the state provides is based on local property taxes. When property tax revenue increases, the amount of funds received from the state decreases. **Lake Travis ISD does NOT benefit.**

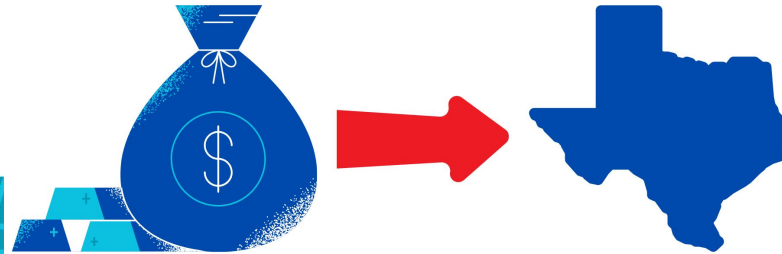


Funding Equalization

Property values within district boundaries hold higher appraised values than statewide averages.

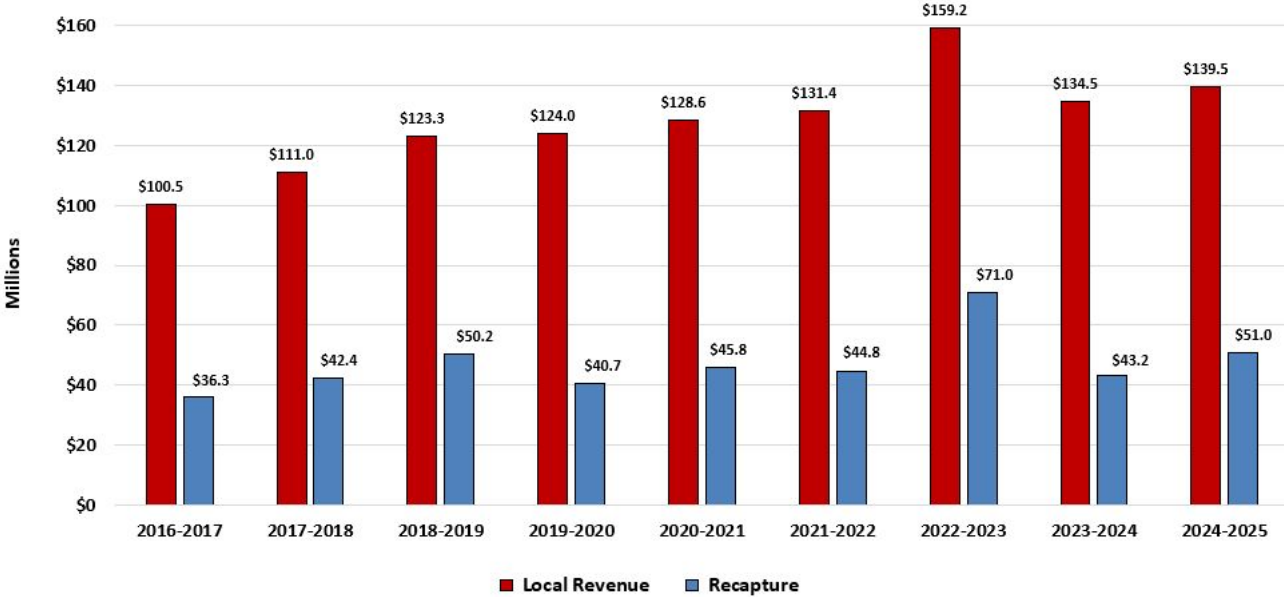
Therefore, Lake Travis ISD is considered a “property wealthy” district and is forced to send money to the State of Texas each year.

Lake Travis ISD will send an estimated **\$51 million** in taxpayer dollars to the State this school year.

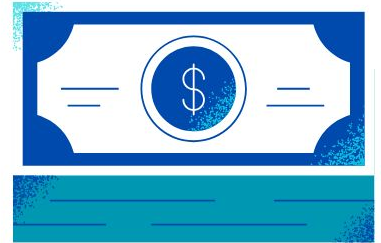
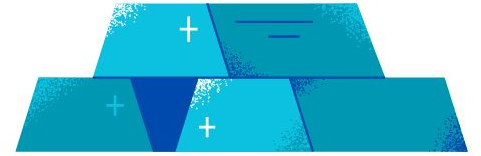
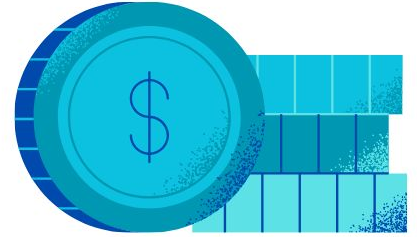


Local Tax Revenue & Recapture Payments

An average of 37% of every tax dollar levied is recaptured by the State



Questions?
Any surprises?



How is \$116,800,000 spent?

(General Operating budget net recapture)

Instruction

Extracurricular

Guidance &
Counseling

Other
Governmental
Charges

Health
Services

Security

Campus
Leadership

Technology

Instructional
Administration

Maintenance
& Custodial

Transportation

Library

Central
Administration

Staff
Development



How is \$116,800,000 spent?

(General Operating budget net recapture)



Education Dollar Breakdown



56¢

Salaries and Benefits

30¢

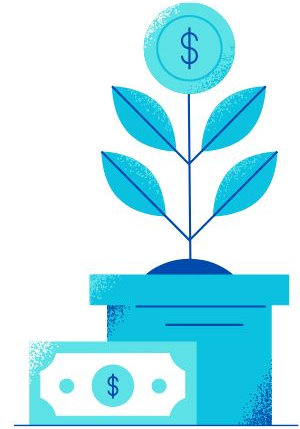
Recapture

14¢

Campus/Dept.
Budgets

Questions?

Any surprises?





Budget Realities: Where We Are

Budget Reductions Already Made

For the 2024-25 budget, vacant positions and contracted services were reduced to bring the projected deficit **from \$6.8 million to \$4 million.**

\$2.8 million in reductions



Position	Number of FTE
Administration	1
Teacher	1
Educational Aide	13
Professional	13
Campus Monitor/Annual Sub	23
Maintenance	3
Transportation	5
Total	59

General Operating Fund-Budget Amendment #1
2024-2025

Current Budget Projection

- Positions added to support student services
- Student enrollment decrease
- Property taxes decrease

**\$6 million
budget shortfall**

		2024-2025		2024-2025	
		Original Budget	Recommended Amendments	Amended Budget	
<u>Revenues</u>					
5711	Current Year Taxes	\$ 140,500,000	\$ (1,000,000)	\$	139,500,000
5700	Other Local Revenues	\$ 7,650,000	\$ -	\$	7,650,000
5800	State Program Revenues	\$ 14,126,764	\$ 200,000	\$	14,326,764
5900	Federal Revenue	\$ 158,500	\$ -	\$	158,500
	TOTAL REVENUES	\$ 162,435,264	\$ (800,000)	\$	161,635,264

		2024-2025		2024-2025	
		Original Budget	Recommended Amendments	Amended Budget	
<u>Expenditures</u>					
11	Instruction	\$ 67,261,000	\$ 300,000	\$	67,561,000
12	Instructional Resources	\$ 1,071,983	\$ -	\$	1,071,983
13	Staff Development	\$ 1,400,016	\$ -	\$	1,400,016
21	Instructional Administration	\$ 2,361,963	\$ -	\$	2,361,963
23	School Administration	\$ 5,828,584	\$ -	\$	5,828,584
31	Guidance & Counseling	\$ 5,784,061	\$ (300,000)	\$	5,484,061
32	Social Work Services	\$ 475,689	\$ -	\$	475,689
33	Health Services	\$ 1,087,609	\$ -	\$	1,087,609
34	Transportation	\$ 4,846,547	\$ -	\$	4,846,547
35	Food Service	\$ 122,601	\$ -	\$	122,601
36	Co-Curricular Activities	\$ 2,745,259	\$ -	\$	2,745,259
41	General Administration	\$ 4,325,194	\$ -	\$	4,325,194
51	Plant & Maintenance	\$ 12,678,467	\$ -	\$	12,678,467
52	Safety & Security	\$ 1,696,927	\$ -	\$	1,696,927
53	Non-Instructional Data Processing	\$ 3,136,783	\$ -	\$	3,136,783
61	Community Services	\$ 528,009	\$ -	\$	528,009
71	Debt Service	\$ 275,000	\$ -	\$	275,000
81	Facilities/Construction	\$ 40,867	\$ -	\$	40,867
91	State Transfers (Recapture)	\$ 49,786,945	\$ 1,200,000	\$	50,986,945
92	Incremental WADA Costs	\$ -	\$ -	\$	-
93	Sp. Ed. Transfer Payments	\$ 66,760	\$ -	\$	66,760
95	JJAEF Transfer Payments	\$ 15,000	\$ -	\$	15,000
99	Travis County Appraisal District	\$ 1,050,000	\$ -	\$	1,050,000
	TOTAL EXPENDITURES	\$ 166,585,264	\$ 1,200,000	\$	167,785,264

		2024-2025		2024-2025	
		Original Budget	Recommended Amendments	Amended Budget	
<u>Other Resources and (Uses)</u>					
7990	Other Resources	\$ 150,000	\$ -	\$	150,000
8990	Other Uses	\$ -	\$ -	\$	-
	TOTAL RESOURCES & USES	\$ 150,000	\$ -	\$	150,000

1200	Excess (Deficiency) Of Revenues Over Expenditures	\$ (4,000,000)	\$ (2,000,000)	\$	(6,000,000)
3000	Beginning Fund Balance-9/1	\$ 41,663,675	\$ -	\$	41,663,675
3600	Ending Fund Balance-8/31	\$ 37,663,675	\$ -	\$	35,663,675

Campus Enrollment vs. Capacity

It is important to maintain efficient campuses which determines where programs are located.



Campus	Student Count (as of 10/25/24)	Capacity
Bee Cave ES	786	850
Lake Pointe ES	721	800
Lake Travis ES	737	950
Lakeway ES	524	850
Rough Hollow ES	702	850
Serene Hills ES	744	850
West Cypress Hills ES	591	850
Bee Cave MS	861	1,200
Hudson Bend MS	806	1,200
Lake Travis MS	968	1,200
Lake Travis HS	3,570	3,500

School Cost Inflation

2019 vs. 2024

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



Fuel

+47%



General
Insurance Policies

+107%



Construction
Costs

+133%



Health
Insurance Costs

+58%



Food Service

+48%



2024-25 Budget Shortfall

\$6 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.

Underfunded Mandates

Special Education State Funding Allotment

School Year <i>(in millions)</i>	2022-23	2023-24	2024-25
Weighted State Funding	\$9.10	\$10.68	\$10.87
Total Expenses	(\$15.61)	(\$18.69)	(\$18.91)
Underfunded	(\$6.51)	(\$8.01)	(\$8.04)

Other State Funding Allotments (2023-2024)

Program <i>(in millions)</i>	State Allotment	Total Expenses	Surplus/ (Deficit)
Dyslexia	\$0.57	(\$0.90)	(\$0.33)
Transportation	\$1.01	(\$5.64)	(\$4.63)
School Safety	\$0.27	(\$1.64)	(\$1.37)
Underfunded			(\$6.33)

Priorities: Reductions Should...



Minimize impact on students and staff



Be long-term and sustainable



Have a significant impact on financial goals

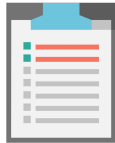
Reduction Strategies: How To Eliminate Budget Deficit



Brainstorm ideas



Evaluate ideas with focus on priorities



Generate a list of prioritized ideas



Recommend ideas to evaluate impact

Reduction Strategies: How To Eliminate Budget Deficit



List of Ideas:

1. _____
2. _____
3. _____
4. _____
5. _____

Next Steps

- ❑ Committee - Get input from others about potential budget reductions
- ❑ District - Gather data on list of prioritized budget reductions
- ❑ Send any questions or additional ideas to Pam Sanchez at sanchezp@ltidschools.org



Thank you!

The next Budget Advisory Committee meeting is scheduled for 5:30 pm on January 30, 2025 at LTISD Transportation Facility.

