



PROMOTING EXCELLENCE • CREATING THE FUTURE

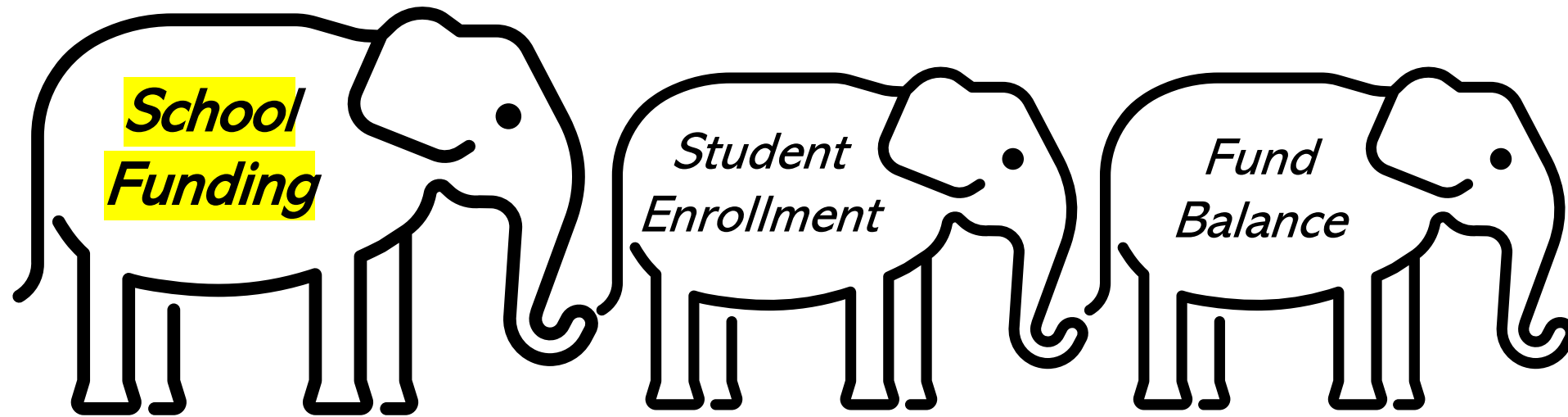
2024-2025 BUDGET PRESENTATION #4

TAX RATE, YEAR END, AND
PROPOSED BUDGETS

Calallen ISD | August 26, 2024

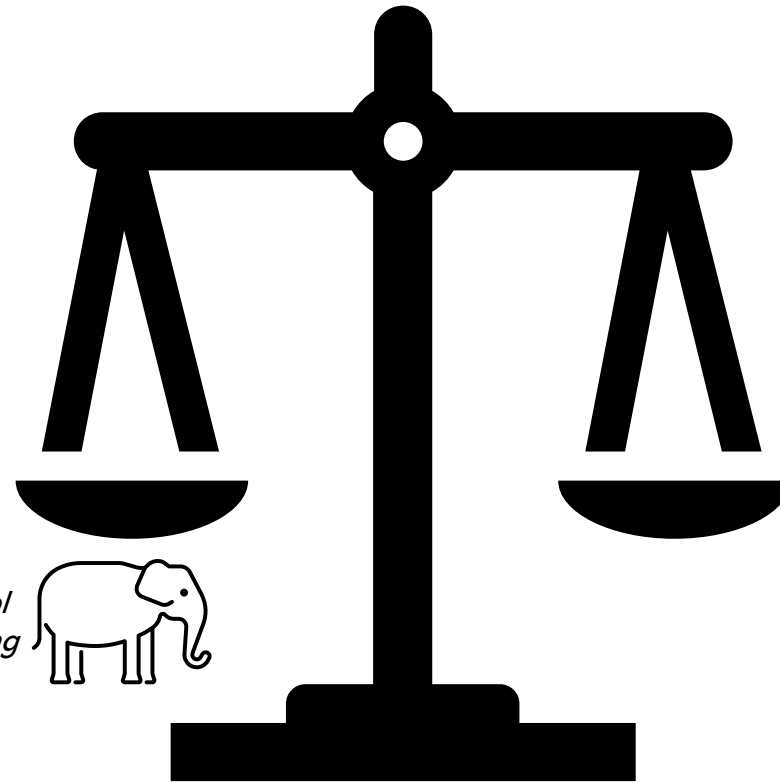
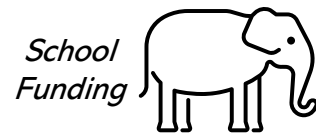
2024-25 BUDGET PLANNING...

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.

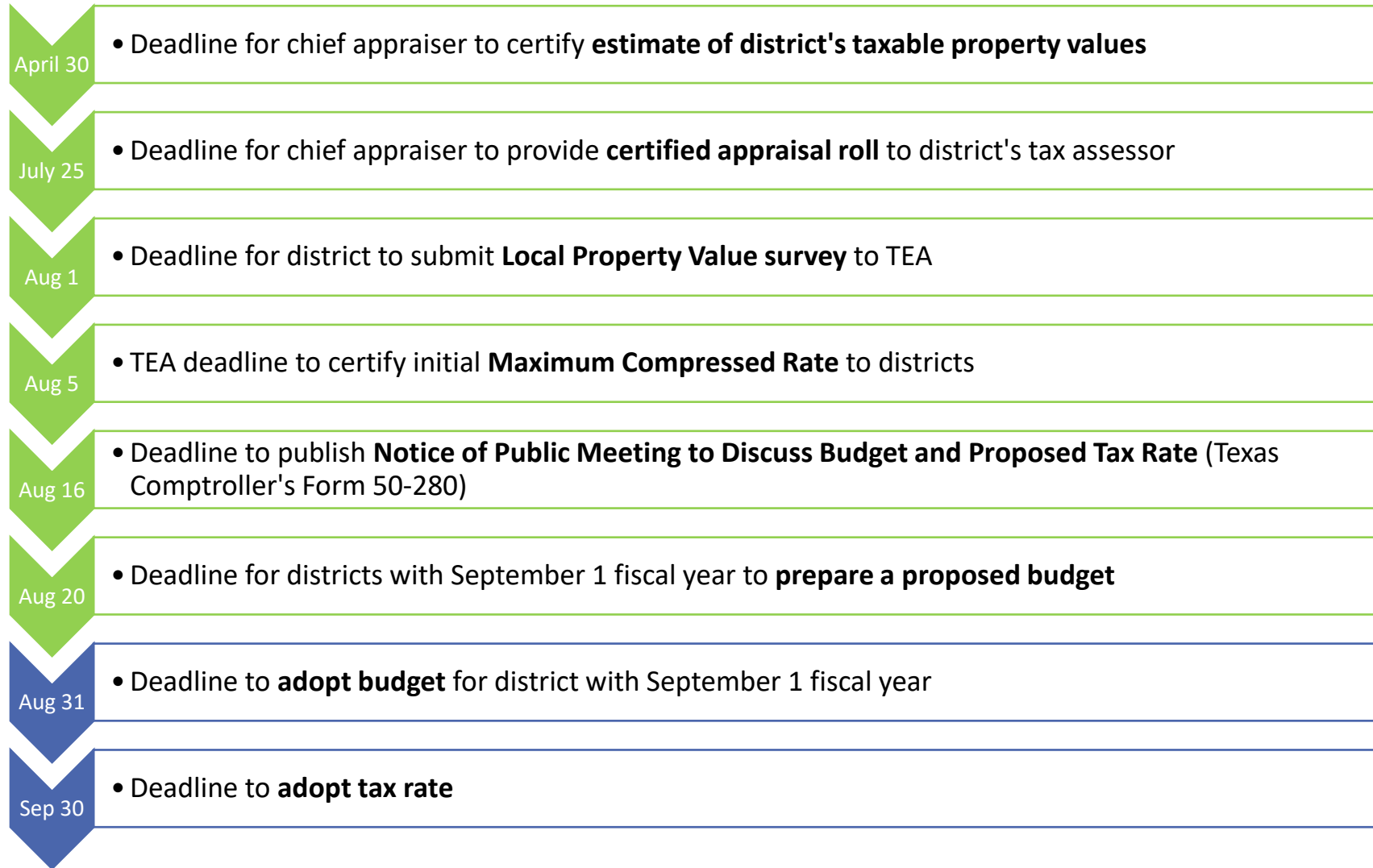
BA	Increase from Current BA	Two-Year Statewide Total Cost
\$6,160	--	--
\$6,260	\$100	\$1.443 billion
\$6,360	\$200	\$2.896 billion
\$6,460	\$300	\$4.353 billion
\$6,560	\$400	\$5.812 billion
\$6,660	\$500	\$7.272 billion
\$6,760	\$600	\$8.732 billion
\$6,860	\$700	\$10.194 billion
\$6,960	\$800	\$11.656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



BUDGET FACTORS

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

DISCLAIMERS AND CONSIDERATIONS

- On a \$45 million budget, a 1% variation in revenue or expense is **\$450,000**
- **\$1 million** will pay the annual salaries of approximately **18 teachers**
- The main sources of school district funding are:
 - Local Funding –Property Tax Collections
 - State Funding –Foundation School Program, driven by Student Counts and Attendance, Property Values and Growth, and Hold Harmless Laws
 - Federal Funding –SHARS and Indirect Cost from Federal Grants
- HB3 introduced a “**fixed income diet**” for Texas School Districts, funding has not been adjusted for inflation.
- 5 year projections becoming increasingly complicated and more difficult
 - HB 3, COVID-19, HB 1525, Property Tax Compression, and Future Legislative Sessions

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: **\$18,730,805**
 - \$4 million assigned for Property Insurance Deductibles
 - **\$14.7 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



TAX RATE INFORMATION

*2024-2025 Notice of Public Meeting to Discuss Budget and
Proposed Tax Rate*

Published: Corpus Christi Caller Times – August 15, 2024 Edition

*By law, cannot adopt a budget or tax rate higher than what is
posted on the notice.*

PROPERTY TAX VALUES, RATES, & COLLECTIONS

	2022-23 Certified Tax Year 2022	2023-24 Certified Tax Year 2023	2024-25 Certified Tax Year 2024
M&O Value	\$2,155,983,400	\$2,142,045,020	\$2,806,807,106
Value Growth	9.9%	-0.6%	31.0%**
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	\$19,800,000
I&S Value	\$2,905,046,213	\$2,916,319,523	\$2,998,635,679
Value Growth	9.3%	0.4%	2.8%
Tax Rate	0.243	0.2504	0.2708
Tax Collections	\$6,779,445	\$6,771,984	\$7,500,000

** Tax Year 2024 M&O Value Growth is predominately due to expiring Chapter 313 agreements which added \$573.5M to the values. Growth net of these expiring Chapter 313 agreements is 3.36%.

IMPACT TO DISTRICT HOMEOWNERS

	2023 Certified Values	2024 Certified Values	Difference
Average Home Value	\$269,161	\$287,545	+\$18,384
HS Exemption	\$100,000	\$100,000	No change
Average Home Taxable Value	\$169,161	\$187,545	+\$18,384
M&O Tax Rate	0.7695	0.7695	No change
M&O Tax	\$1,301.69	\$1,443.16	+\$141.46
I&S Tax Rate	0.2504	0.2708	+0.0204
I&S Tax	\$423.58	\$507.87	+\$84.29
Total Tax Due on Average Home Value	\$1,725.27	\$1,951.03	+\$225.76

2024 TAX RATE ADOPTION

- The Proposed Tax Rate **EXCEEDS** the No-New-Revenue M&O Tax Rate
 - Tax Rate Resolution Language Required
 - District Website Homepage Language Required
 - "THE TAX RATE WILL EFFECTIVELY BE RAISED BY 3.78% PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$28.06"
 - Footnote on agenda item and board motion language
 - *"For clarification purposes, the M&O tax rate is not increasing from tax year 2023 to tax year 2024, instead it remaining the same at 0.7695. The Board is adopting a tax rate for 2024 which exceeds the M&O no-new-revenue tax rate, and is therefore, required by law, to use the specific language on our ordinance. The percent increase in the ordinance is equal to the percent that the adopted M&O tax rate exceeds the M&O NNR tax rate, not the percent increase or decrease when compared to last year's tax rate."*

2024 TAX RATE ADOPTION

- The Proposed Tax Rate Raises MORE M&O Taxes
 - Tax Rate Resolution Language Required
 - District Website Homepage Language Required
 - "THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE."
- The Proposed Tax Rate EXCEEDS the Rate to Maintain
 - Supermajority Record Vote Require



CONSTRUCTION FUNDS UPDATES

*Discuss 2018 Bond, 2021 Maintenance Tax
Notes, and Magee Intermediate Repair
Financial Updates*

2018 BOND PROJECTS *FUND 618 SUMMARY*

	Bond Budget	Total Revenue	
Bond Proceeds	\$39,500,000	\$39,500,000	
Interest Earnings	-	\$1,620,407	
Total Bond Revenue	\$39,500,000	\$41,120,407	
	Bond Budget	Total Projected Costs	Remaining Budget
West Intermediate	\$13,500,000	\$20,856,429	(\$7,356,429)
Science Wing	\$10,000,000	\$11,099,192	(\$1,099,192)
AG Science Expansion	\$1,000,000	\$2,094,568	(\$1,094,568)
Athletic Projects	\$2,690,000	\$3,134,813	(\$444,813)
Other Projects – Partially Completed	\$8,440,000	\$4,432,147	\$4,007,853
Postponed Projects	\$3,800,000	\$110,631	\$3,689,369
General Planning Costs	\$70,000	\$136,711	(\$66,711)
Total Bond Expenses	\$39,500,000	\$41,864,492	(\$2,364,492)
Total Bond Funds Remaining		(\$744,085)	

2021 MAINTENANCE TAX NOTES

Project	Amount
Proceeds	\$4,890,000
Interest/Premiums	\$148,623
Total Revenue	\$5,038,623
2021 Summer RTU Projects	\$2,635,368
2022 Magee RTU Project	\$1,280,370
Multipurpose Turf Repairs	\$41,385
HS Auditorium Upgrades	\$189,666
MS Audio/Visual Project	\$94,267
Engineering Fees RTU Projects	\$565,028
AG Barn Repairs	\$129,479
Safety & Security	\$103,060
Expense Total	\$5,038,623

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF CALALLEN INDEPENDENT SCHOOL DISTRICT:

SECTION 1. RECITALS, AMOUNT AND PURPOSE OF THE NOTES. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The Notes are hereby authorized to be issued and delivered in the aggregate principal amount of \$4,890,000 for the maintenance, repair, rehabilitation and replacement of school facilities in the Issuer, including replacing roofs, HVAC equipment, parking lots and other school facilities and to pay costs of issuance of the Notes.

Planned Use of Remaining Proceeds from August 2023:

- Safety & Security
- AG Barn Electrical & Plumbing Upgrades

SUMMARY OF CONSTRUCTION FUNDS

	Proceeds	Expenditures	Impact to the General Fund
2018 Bond Projects	\$41,120,407	\$41,864,492	FY 22-23 \$650,695 FY 23-24 \$100,000 FY 24-25 \$0
2021 Maintenance Tax Notes	\$5,026,663	\$4,998,517	FY 22-23 \$0 FY 23-24 \$0
Magee Intermediate Repairs	\$2,217,414	\$2,259,162	FY 22-23 \$41,748
Totals			FY 22-23 \$692,443 FY 23-24 \$100,000 FY 24-25 \$0



FINANCE UPDATE & PROPOSED BUDGETS

23-24 Fiscal Year End Projections

24-25 Proposed Budgets

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%

CHAPTER 313 AGREEMENTS

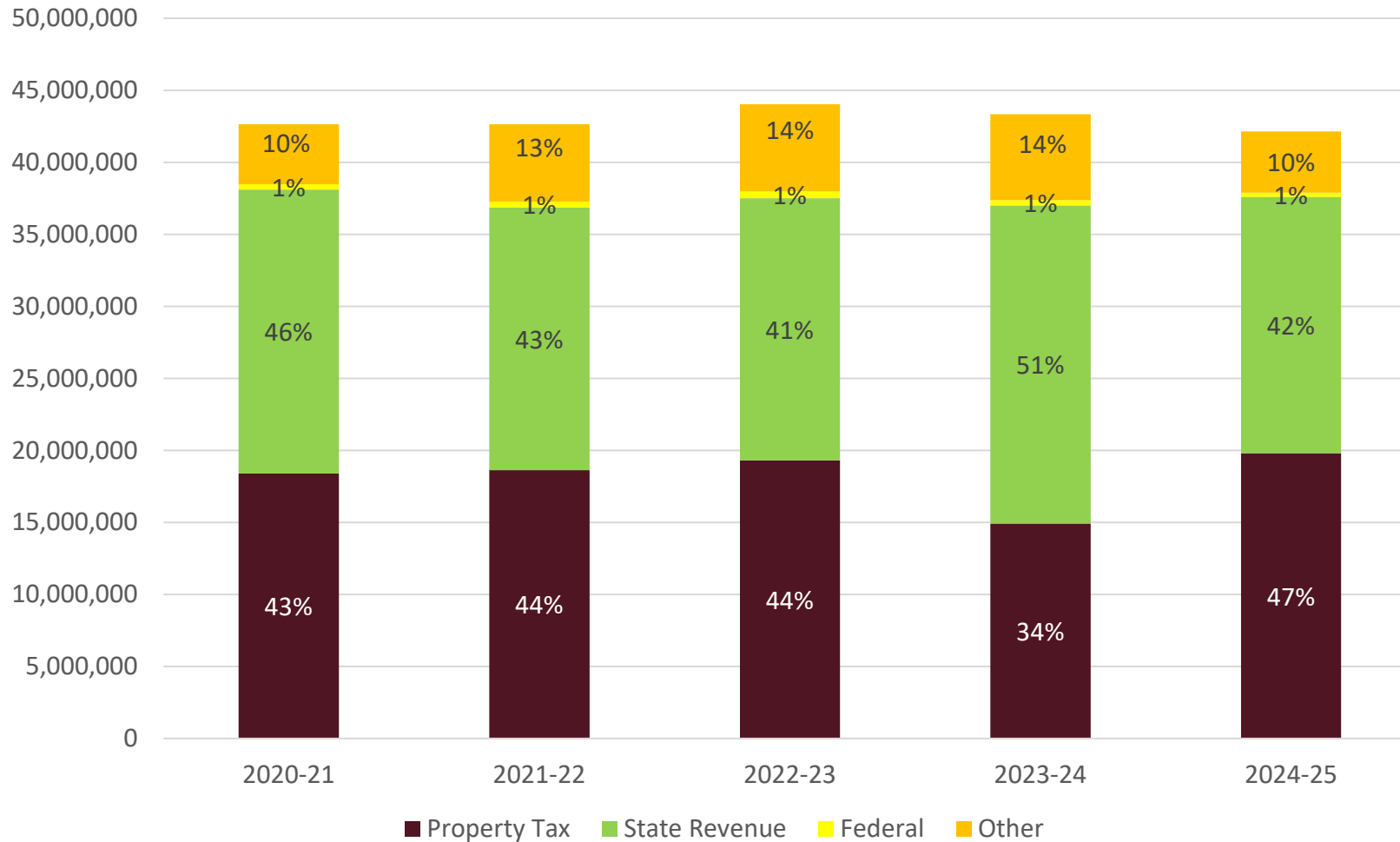
Additional Revenue From 313 Agreements											
Estimates as of 5/3/2024											
		TexStar Project #341		Equistar Project #305		Epic Project #1230		Equistar Project #1777		Combined	
Tax	Fiscal	Hold Harmless	"Share"	Hold Harmless	"Share"	Hold Harmless	"Share"	Hold Harmless	"Share"	to be paid to	
Year	Year	"Rev Loss"	w/CISD	"Rev Loss"	w/CISD	"Rev Loss"	w/CISD	"Rev Loss"	w/CISD	CISD	
2014	2014-15	0	0		0					0	
2015	2015-16	0	0		0					0	
2016	2016-17	1,164,376	0	1,524,285	0					2,688,661	
2017	2017-18	19,301	383,502	5,073,889	345,000					5,821,692 3,133,031	
2018	2018-19	256,373	371,679	4,119	1,945,143					2,577,314 (3,244,378)	
2019	2019-20	866,494	378,430	4,358	379,733					1,629,015 (948,299)	
2020	2020-21	78,124	610,946	0	361,315	0	377,021			1,427,406 (201,609)	
2021	2021-22	15,691	673,402	3,923	360,878	1,339,943	385,281			2,779,118 1,351,712	
2022	2022-23	15,367	587,396	3,312	378,179	711,169	364,804			2,060,227 (718,891)	
2023	2023-24	174,212	474,170	48,657	363,831	113,665	364,805			1,539,340 (520,887)	
2024	2024-25	0	0	0	381,500	0	384,176			765,676 (773,664)	
2025	2025-26	0	0	0	381,500	0	384,176	0	0	765,676 0	
2026	2026-27	0	0	0	381,500	0	384,176	0	0	765,676 0	
2027	2027-28	0	0	0	0	0	384,176	0	0	384,176 (381,500)	
2028	2028-29	0	0	0	0	0	384,176	0	0	384,176 0	
2029	2029-30	0	0	0	0	0	384,176	7,447,032	0	7,831,208 7,447,032	
2030	2030-31	0	0	0	0	0	384,176	687,010	0	1,071,186 (6,760,022)	
2031	2031-32	0	0	0	0	0	384,176	0	0	384,176 (687,010)	
2032	2032-33	0	0	0	0	0	384,176	0	0	384,176 0	
2033	2033-34	0	0	0	0	0	384,176	0	0	384,176 0	
2034	2034-35	0	0	0	0	0	0	0	0	0 (384,176)	



GENERAL FUND REVENUE

	2021-22 Audited Financials	2022-23 Audited Financials	2023-24 Year End Estimate	2024-25 Proposed Budget
Property Taxes	\$18,630,512	\$19,297,546	\$14,925,000	\$19,800,000
Other Local	\$421,949	\$1,615,513	\$1,493,000	\$1,280,000
State Revenue	\$18,211,661	\$18,201,658	\$22,080,000	\$17,800,000
TRS On-Behalf	\$2,158,605	\$2,363,761	\$2,448,000	\$2,251,471
Federal Revenue	\$432,374	\$492,780	\$370,000	\$300,000
Subtotal	\$39,855,101	\$41,971,258	\$41,316,000	\$41,431,471
CH 313s	\$2,779,118	\$2,060,227	\$1,539,340	\$700,000
Other Misc	\$14,175	\$0	\$476,000	\$0
Total	\$42,648,393	\$44,031,485	\$43,331,340	\$42,131,471

GENERAL FUND – REVENUE BY SOURCE



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**
- 7% Budget Cuts **-\$345,000**

SALARY AND BENEFITS

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

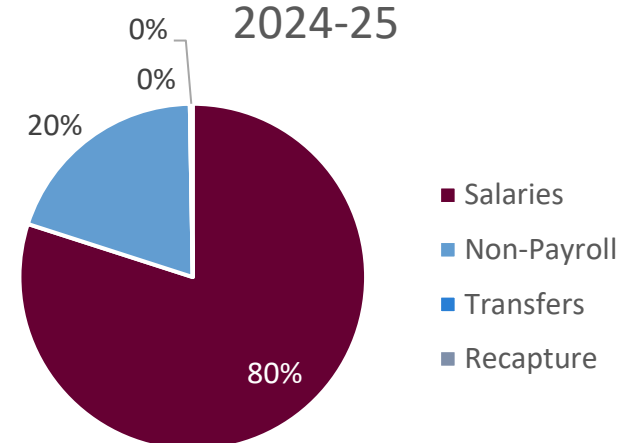
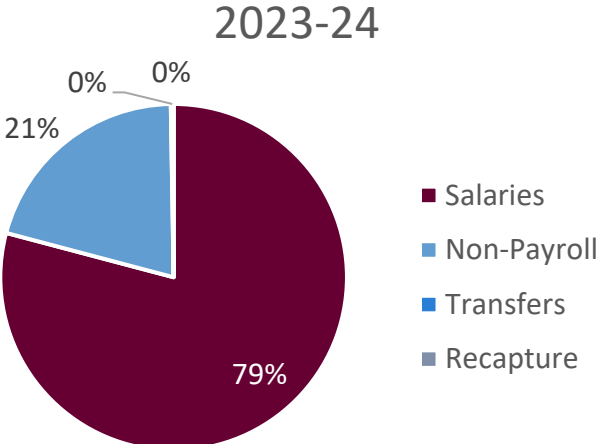
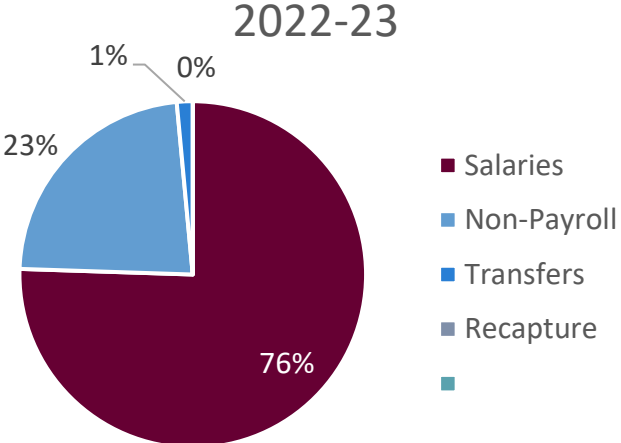
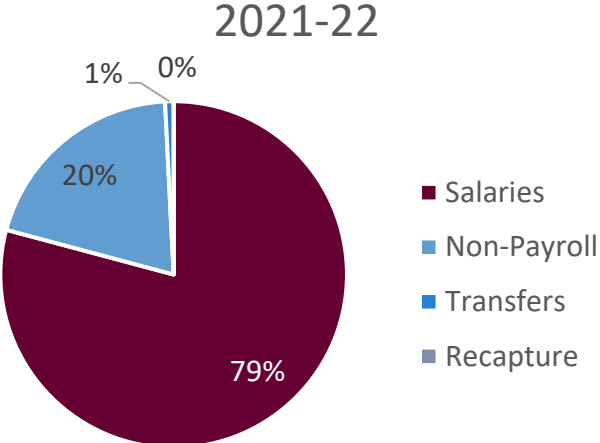
- Summary
 - Postpone adoption of TASB Pay Plan recommendations
 - Cost to the District : **\$505,000**
 - No increase to District Contribution to Health Insurance Premiums - \$375/month
 - Offset 7% Budget Cuts

GENERAL FUND EXPENSES

	2021-22 Audited Financials	2022-23 Audited Financials	2023-24 Year End Est.	2024-25 Proposed Budget
Instruction	\$24,425,745	\$25,578,836	\$26,224,946	\$26,185,174
Instructional Support	\$6,551,011	\$7,472,784	\$7,552,260	\$7,917,837
Central Administration	\$1,418,897	\$1,523,471	\$1,592,319	\$1,543,252
District Operations	\$8,237,816	\$10,919,139	\$9,282,488	\$9,629,347
Debt Service	\$462,617	\$589,195	\$584,596	\$591,500
Other	\$284,992	\$290,454	\$272,875	\$300,000
Subtotal	\$41,381,078	\$46,373,879	\$45,509,484	\$46,167,110
Transfer Out/Recapture	\$329,756	\$696,319	\$120,000	\$0
Recapture	\$0	\$0	\$0	\$125,000
Total Expenses	\$41,710,834	\$47,070,198	\$45,629,484	\$46,292,110

GENERAL FUND

EXPENSES BY OBJECT



GENERAL FUND - FUND BALANCE

	2021-22 Audited Financials	2022-23 Audited Financials	2023-24 Year End Estimate	2024-25 Proposed Budget
Total Revenue	\$42,648,394	\$44,031,485	\$43,331,340	\$42,131,471
Total Expense	(\$41,710,834)	(\$47,070,198)	(\$45,637,000)	(\$46,292,110)
Net Roll/Loss	\$937,560	(\$3,038,713)	(\$2,305,660)	(\$4,160,639)
Beg Fund Balance	\$23,137,618	\$24,075,178	\$21,036,465	\$18,730,805
End Fund Balance	\$24,075,178	\$21,036,465	\$18,730,805	\$14,570,166

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)	(\$2,305,660)
2024-25 Est	\$42,131,471	\$46,292,110	(\$4,160,639)	TBD

*COVID ADA Hold Harmless & Supplant with ESSER Grant Funds

FOOD SERVICE FUND - 240

	2021-22 Audited Financials	2022-23 Audited Financials	2023-24 Year End Est.	2024-25 Proposed Budget
Federal	\$2,896,830	\$2,122,853	\$2,079,182	\$1,965,000
State/Local	\$295,415	\$814,888	\$895,325	\$975,000
Revenue Total	\$3,192,245	\$2,937,740	\$2,974,508	\$2,940,000
Payroll	\$1,152,451	\$1,183,391	\$1,184,837	\$1,246,255
Food	\$1,179,034	\$1,291,635	\$1,228,220	\$1,510,000
Other	\$163,746	\$322,786	\$757,420	\$833,000
Expense Total	\$2,495,231	\$2,797,811	\$3,170,477	\$3,622,380
Net Roll/Loss	\$697,014	\$139,929	(\$195,969)	(\$682,380)
End Fund Balance	\$1,056,187	\$1,196,116	\$1,000,147	\$317,767

DEBT SERVICE FUND - 511

	2021-22 Audited Financials	2022-23 Audited Financials	2023-24 Year End Est.	2024-25 Proposed Budget
Property Taxes/Local	\$6,268,837	\$6,896,916	\$6,934,027	\$7,625,000
State Revenue	\$45,464	\$150,474	\$778,739	\$750,000
Revenue Total	\$6,314,601	\$7,047,390	\$7,712,766	\$8,375,000
Bond Payments	\$6,300,284	\$6,803,993	\$7,122,585	\$8,420,000
Fees	\$4,800	\$3,750	\$5,375	\$10,000
Expense Total	\$6,305,084	\$6,807,743	\$7,127,960	\$8,430,000
Net Roll/Loss	\$9,216	\$239,647	\$584,806	(\$55,000)
End Fund Balance	\$744,443	\$984,090	\$1,568,896	\$1,513,896



LOOKING AHEAD

Future Projections & Financial Impacts

GENERAL FUND - 5 YEAR PROJECTIONS

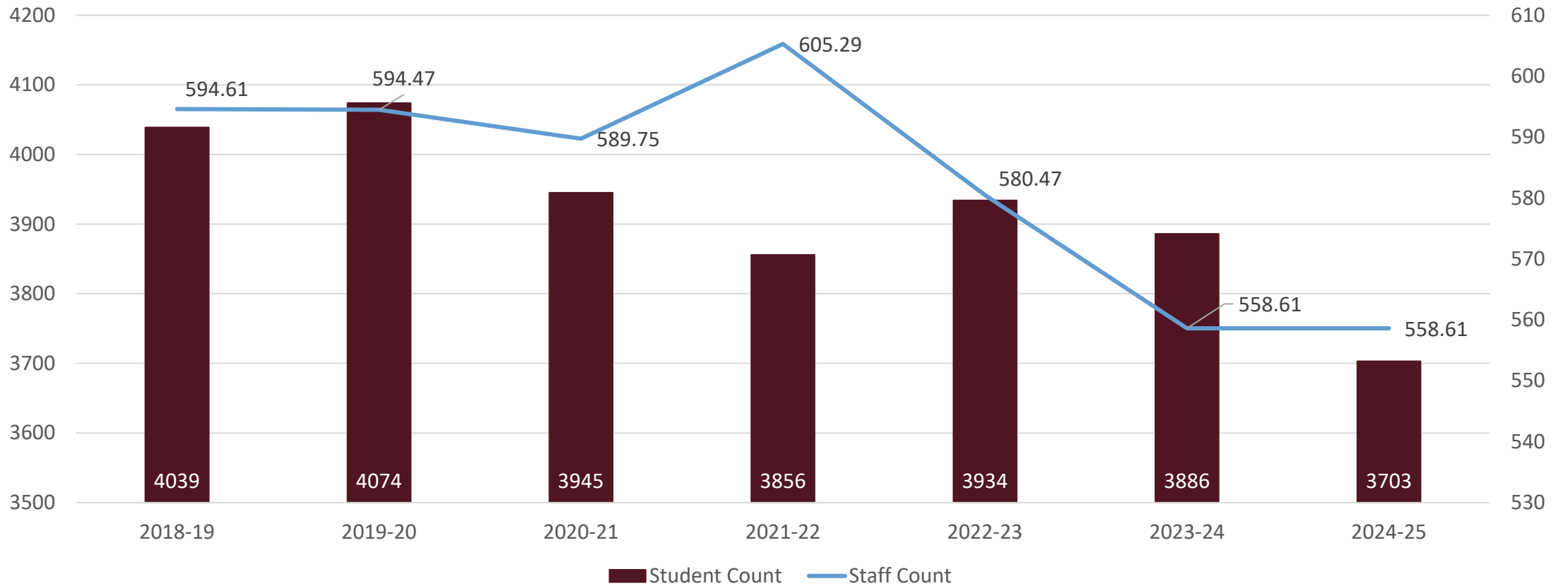
	2023-24 Year End Estimate	2024-25 Proposed Budget	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Total Revenue	\$43,331,340	\$42,131,471	\$42,926,500	\$44,057,430	\$43,369,279
Total Expense	(\$45,637,000)	(\$46,292,110)	(\$41,148,928)	(\$48,046,466)	(\$48,960,031)
Net Roll/Loss	(\$2,305,660)	(\$4,160,639)	(\$4,222,427)	(\$3,989,036)	(\$5,590,752)
Beg Fund Balance	\$21,036,465	\$18,670,805	\$14,570,166	\$10,347,739	\$6,358,703
End Fund Balance	\$18,730,805	\$14,570,166	\$10,347,739	\$6,358,703	\$767,951

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

2025-26 AND BEYOND

Student vs. Student Counts



A graduation cap sits on top of a clear glass jar filled with coins. The background is a blurred classroom scene with students and a teacher. The text "2024-25 PROPOSED BUDGETS" is overlaid in the center.

2024-25 PROPOSED BUDGETS

The image is a collage with a white background. On the left, a black graduation cap with a gold tassel sits on a clear glass filled with silver coins. In the center, a large, dark, jagged-edged silhouette of a group of people is superimposed over the background. On the right, a person is shown from the side, writing on a piece of paper with a pen. The overall theme is education and financial planning.

**QUESTIONS,
COMMENTS, AND
DISCUSSION...**