

Bryan ISD – Budget Preliminary Discussions 2018-19

FEBRUARY 5, 2018

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District Goals

1. Meet the educational needs of every student by continually addressing teaching and learning so all students reach their maximum potential.
2. Maintain a high quality workforce to support student success.
3. Optimize resources to support district goals and student success.
4. Successfully implement the District Realignment Project.
5. Proactively improve communication and perception of BISD by engaging the students, community and district employee.

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Agenda

- TRE Summary
- School Funding Summary
- Enrollment History and Projections
- Property Values
- Revenue Scenarios
- Budget Priorities
- Budget Timeline

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Tax Ratification Election Summary (TRE)

- Voters approved a tax rate increase for the General Fund in October of 2017.
- That election increased the Maintenance and Operations side of the tax rate from \$1.04 to \$1.06.
- The tax rate for debt services was lowered by Trustees from \$0.31 to \$0.28.
- The \$1.06 increased the estimated revenue for the General Fund as follows:
 - Property taxes \$ 3 million
 - State Revenue \$ 1.4 million
- Of the estimated \$4.4 million additional revenue approximately \$3 million was needed to balance the budget that was adopted for 2017-18.
- Any increase above the \$1.06 will require voter approval.

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School Funding Summary for BISD

The 2017 Legislative session did not bring additional funds for Bryan ISD.

Factors comprising District revenue include –

- Enrollment and Attendance
- Special Populations as they affect the weighted average daily attendance
- Property values
- Tax rate

Enrollment must grow for additional revenue.

Property value growth must continue at the same or higher rate as the prior year or a one year decline in total revenue occurs.

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Revenue Concerns for BISD

Total enrollment growth has been relatively flat for the past 2 years with a decline in the total number in kindergarten.

Looking back to the birth year for kindergarten, birth rates in the Brazos County area and the State have been declining with the Fall of 2013 being the peak - the Fall 2017 being the lowest and Fall 2018 showing a slight increase and trending upward for 2019 and 2020. (Based on demographers data.)

Charter Schools continue to compete for our students – while some charters appear to be declining in enrollment a new Charter School is scheduled to open in the Fall of 2018 (International Leadership).

Based on only a slight increase in the kindergarten birth rate for 2018 and a new Charter School, a no student growth scenario is the highest scenario for consideration along with scenarios for a decline in enrollment.

Property Value growth for the 2017-18 year was close to 12% which will be hard to match for 2018-19.

A dip from 12% without student growth will result in a one year decline in state revenue due to the lag in property value reporting within the state funding formula.

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Enrollment Projections

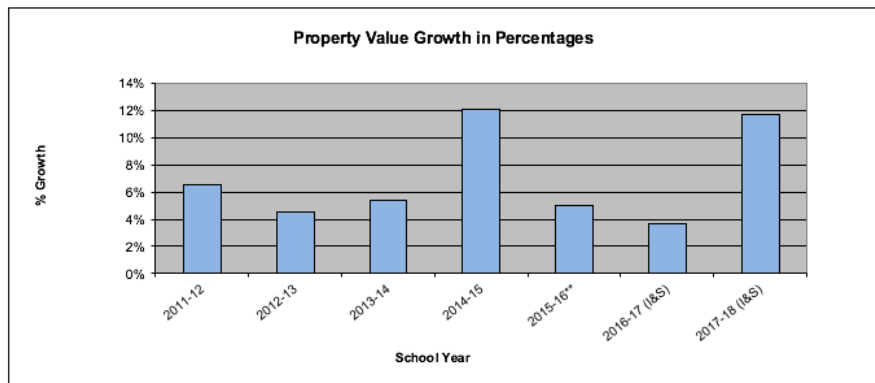
Grade		2016-17	2017-18	Estimated 18-19			
				Scenario 1 (No Growth)	Scenario 2 (Less 100)	Scenario 3 (Less 200)	Scenario 4 (Less 300)
ELEM	(EE) PK - 4	7,030	6,817	6,638	6,538	6,438	6,338
INT	5 - 6	2,409	2,401	2,465	2,465	2,465	2,465
MS	7 - 8	2,266	2,299	2,370	2,370	2,370	2,370
HS	9 - 12	4,545	4,687	4,758	4,758	4,758	4,758
Total		16,250	16,204	16,231	16,131	16,031	15,931

Increases from 2017-18 in the no growth scenario is due to the application of normal grade promotion trends.

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Property Value Growth Trends



2014-15 had a similar growth percentage as 2017-18 and followed with close to 5% and included a 13% decline in mineral values.

Based on history, a 6% to 8% property value growth is a reasonable budget assumption.

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Revenue Scenarios w/ 6% Prop Value Growth

	2017-18 (Amended at \$1.06)	2018-19 (No Growth 6% PPV)	18-19 -100 6% PPV	18-19 -200 6% PPV	18-19 -300 6% PPV
SUMMARY OF TOTAL STATE/LOCAL M&O REVENUE:					
M&O Rev From State	\$ 55,626,755	\$ 48,527,346	\$ 47,899,604	\$ 47,271,860	\$ 46,644,116
M&O Rev From Local Taxes	\$ 72,169,811	\$ 76,500,000	\$ 76,500,000	\$ 76,500,000	\$ 76,500,000
M&O Rev From Local Taxes	\$ 4,330,189	\$ 4,590,000	\$ 4,590,000	\$ 4,590,000	\$ 4,590,000
2017-18 NET TOTAL STATE/TAXES M&O REVENUE	\$ 132,126,755	\$ 129,617,346	\$ 128,989,604	\$ 128,361,860	\$ 127,734,116
Add'l (Less) than amended 17-18		(2,509,408.94)	\$ (3,137,151)	\$ (3,764,895)	\$ (4,392,639)

The above reflects state and property tax revenue only. TRS on behalf and other resources are not included. Special student populations are budgeted at constant.

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Revenue Scenarios w/ 8% Prop Value Growth

	2017-18 (Amended at \$1.06)	2018-19 (No Growth 8% PPV)	18-19 -100 8% PPV	18-19 -200 8% PPV	18-19 -300 8% PPV
SUMMARY OF TOTAL STATE/LOCAL M&O REVENUE:					
M&O Rev From State	\$ 55,626,755	\$ 48,701,351	\$ 48,072,275	\$ 47,443,199	\$ 46,814,122
M&O Rev From Local Taxes	\$ 72,169,811	\$ 77,943,396	\$ 77,943,396	\$ 77,943,396	\$ 77,943,396
M&O Rev From Local Taxes	\$ 4,330,189	\$ 4,676,604	\$ 4,676,604	\$ 4,676,604	\$ 4,676,604
2017-18 NET TOTAL STATE/TAXES M&O REVENUE	\$ 132,126,755	\$ 131,321,351	\$ 130,692,275	\$ 130,063,199	\$ 129,434,122
Add'l (Less) than amended 17-18		(805,403.94)	\$ (1,434,480)	\$ (2,063,556)	\$ (2,692,632.94)

The above reflects state and property tax revenue only. TRS on behalf and other resources are not included. Special student populations are budgeted at constant.

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Budget Priorities for 2018-19

Priority	Action	Budget Committed
Retain students and monitor enrollment and adjust accordingly	<ul style="list-style-type: none"> ➤ Staying informed of enrollment and the affect charters and area private schools may have ➤ Adjusting staffing guidelines and budget allocations accordingly 	
Improve the learning environment through improved literacy and high expectations for the climate and culture of the campus	<ul style="list-style-type: none"> ➤ Professional Development ➤ Addition of Assistant Principal at the High School Level . ➤ Culture and Climate Committee formed ➤ Review school safety for any areas of needed improvement 	\$ 75,000
Quality staff recruitment and retention	<ul style="list-style-type: none"> ➤ Stipends approved for Special Education areas and Instructional Coaches (Improve retention and hiring) ➤ Continuation of BEST ➤ Review salary markets and possibly recommend changes to the minimum and maximum pay amounts for auxiliary, paraprofessional, and professional/admin pay ➤ Review and make recommended increases to teacher and campus professional staff salaries. 	\$ 236,860

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Budget Priorities for 2018-19 cont..

Priority	Action	Budget Committed
Successful Implementation of the grade realignment	<ul style="list-style-type: none"> ➤ Continue to review elementary, intermediate and high school schedules, curriculum and staffing for increased efficiency and student achievement making recommendations as needed. 	

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Compensation & Benefits

Current Starting Teacher Salary (10 Month)	\$ 42,500
Current health care benefit per employee per month	\$ 435 (\$5,220 annually)
Employee life insurance coverage	\$ 20,000
Estimated cost to the General Fund of a 1% salary increase	\$ 960,000

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Fund Balance as of 8-31-17

Fund Balance	Amount
Non-spendable:	
➤ Inventory and prepaid expenses	\$ 931,170
➤ Purchase Order carryovers	\$ 265,427
	<u>\$ 1,196,597</u>
Committed:	
➤ Technology	\$ 1,000,000
➤ Catastrophic Events (Ins deductibles)	\$ 1,250,000
➤ Maintenance Projects	\$ 3,000,000
➤ Group Benefits Risk Pool	\$ 1,000,000
➤ BEST	\$ 1,000,000
	<u>\$ 7,250,000</u>
Unassigned (Available)	\$ 30,546,321

The Board shall attempt to maintain an unreserved fund balance in the general fund that would cover 60 to 90 days of operating expenses. This ranges from \$21.8 to \$32.8 million.

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Budget Timeline (Board of Trustees)

Date	Description
12/2017	Finance Committee Update
02/05/2018	Budget Workshop
04/2018	2 nd Budget Workshop
05/01/2018	Preliminary property values received
05/2018	Compensation Plan Presented (Salaries & Stipends)
06/2018	Update on the Proposed Budget
07/25/2018	Certified Property Values Due
08/06/2018	Final Budget Update
08/20/2018	Public hearing on the budget and tax rate – adopt the tax rate and budget

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Questions

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