

Bryan ISD – Budget Discussions 2018-19

JUNE 21, 2018

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.

Agenda

- Budget Timeline
- Summary April '18 workshop
- Preliminary Compensation Plan
- Property Values History
- Revenue Projections
- General Fund Expense Estimates
- 2018-19 Projected Budget
- Budget Reconciling Options
- Fund Balance
- Debt Service
- Group Benefits

Timeline – Budget Adoption

Date	Description
6/25/2018	3 rd Budget Workshop
7/23/2018	Update on the 2018-19 Budget
7/25/2018	Final date for certified property values
8/6/2018	Final review of the budget by Board of Trustees prior to adoption
8/9/2018	Advertise the public hearing and budget adoption in the newspaper and website
8/20/2018	Public hearing on the budget and tax rate-adopt the tax rate and budget

Summary Budget Workshop April 2018

- Total enrollment growth has been relatively flat for the past 2 years with a decline in the total number in kindergarten with some growth potential for 2018-19 based on historical birth rates.
- Enrollment and potential transfers to charter schools are a concern and need to be monitored for planning purposes.
- Property value growth for the 2017-18 year was 12% which will be hard to match for 2018-19. Based on history, a 6% to 8% property value growth is a reasonable budget assumption.
- Budget priorities for 2018-19
 - Improved learning environment through improved literacy and high expectations for the climate and culture of the campus (culture & climate committee formed, additional SPED staffing, etc)
 - Quality staff recruitment and retention (additional stipends, salary adjustments, continuation of BEST, potential pay increases for employment groups, etc.)

Preliminary Compensation Plan

Teachers, Counselors and other Instructional Professionals:

- Increase the starting teacher pay from \$42,500 to \$43,500
- Provide a pay increase for eligible returning teachers (amount yet to be determined)

Transportation:

- Adjust the hire in pay schedule for bus drivers and bus monitors (Approved May 21, 2018)
- Provide a general pay increase for returning eligible staff (Approved bus drivers and bus monitors May 21, 2018)
- Implement a more aggressive attendance incentive plan (Approved May 21, 2018)
- Research the implementation of a recruiting plan

School Nutrition and Custodial Services:

- Adjust the hire in pay schedule (Approved May 21, 2018)
- Continue with an attendance incentive program
- Provide a general pay increase for returning eligible staff (Approved auxiliary positions May 21, 2018)

Pay scale – paraprofessional, auxiliary, administrative & professional:

- Adjust the minimum and maximums due to market changes (Approved May 21, 2018)
- Recommend a general pay increase (Approved for paraprofessional and auxiliary staff May 21, 2018) (amount to be determined for administration & professional)

Other:

- Stipend and salary changes for internal equity and market comparisons

Historical Property Value Growth

Year	% Growth
2008-09	10.07%
2009-10	5.03%
2010-11	2.28%
2011-12	6.54%
2012-13	4.51%
2013-14	5.36%
2014-15	12.09%
2015-16	5.03%
2016-17	3.67%
2017-18	12.40%
Average 10 years	6.70%

2018-19 Revenue Projections

REVENUE	7% PPV No Stu Gro	7% PPV -100 Stu	8% PPV No Stu Gro	8% PPV -100 Stu
State Revenue	\$ 49,011,254	\$ 48,382,510	\$ 49,098,458	\$ 48,469,048
Property Taxes	81,855,000	81,855,000	82,620,000	82,620,000
	130,866,254	130,237,510	131,718,458	131,089,048
TRS on Behalf	6,418,200	6,418,200	6,418,200	6,418,200
Other Local	1,480,000	1,480,000	1,480,000	1,480,000
Federal	1,210,000	1,210,000	1,210,000	1,210,000
	9,108,200	9,108,200	9,108,200	9,108,200
Estimated Total Revenue	\$ 139,974,454	\$ 139,345,710	\$ 140,826,658	\$ 140,197,248

The above chart represents estimated revenues based on 7% and 8% property value growth. One example for each shows no student growth with a second example showing the same percentage property value growth but with a reduction in student enrollment of 100.

Preliminary General Fund Expenses 2018-19

Budgeted Expenditures - 2017-18 (Amendment 1)		\$ 141,155,141
Plus:		
Culture & Climate Improvement Program (net)	\$ 540,000	
SRO Contract Changes	\$ 140,000	
Rider 78 HQ PK Spend Requirement	\$ 195,000	
Stipend Increases	\$ 227,960	
Custodial Staff FTEs (5)	\$ 125,000	
Early College High School MOU with Blinn College	\$ 65,000	
Eduphoria	\$ 33,000	
Auxiliary & Paraprofessional Raises	\$ 558,000	
Special Education FTEs & Adjustments	\$ 675,000	\$ 2,558,960
Less:		
Net reduction of positions due to enrollment changes	\$ (990,000)	\$ (990,000)
Preliminary General Fund Expenses before Raises		\$ 142,724,101

2018-19 Projected Budget

	7% PPV No Student Growth	7% PPV -100 Students	8% PPV No Student Growth	8% PPV -100 Students
Estimated Total Revenue	\$139,974,454	\$139,345,710	\$140,826,658	\$140,197,248
Estimated Total Expenditures	\$142,724,101	142,724,101	\$142,724,101	\$142,724,101
Estimated Negative Budget	-\$2,749,647	-\$3,378,391	-\$1,897,443	-\$2,526,853
Estimate 1.5% Raises for Administration & Professionals and \$1,000 for Teachers	-\$1,475,000	-\$1,475,000	-\$1,475,000	-\$1,475,000
Estimated 2018-19 Budget with Raises	-\$4,224,647	-\$4,853,391	-\$3,372,443	-\$4,001,853

Reconciling Options– General Fund

Discontinue BEST compensation program	\$ 1,500,000
◦ Module III for 2017-18 would be paid in December 2019	
Bus Purchases – hold for alternate funding	\$ 500,000
WADA increase for CTE program growth	<u>\$ 127,087</u>
Options Available for discussion	\$ 2,127,087

Still Pending – final property values, enrollment, review of current year projections

Summary of Instructional Substitute Costs

<u>Year Prior to BEST Implementation</u>	<u>Total Cost</u>	<u>Percentage Change</u>
Costs for 2015-16 Through May of 2016	\$905,654	
<u>2 Years Since BEST Implemented</u>		
Costs for 2016-17 Through May of 2017	\$892,577	-1.4%
Costs for 2017-18 Through May of 2018	\$898,022	-0.8%

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 (Transferred to cover negative fund balance)	\$ 1,000,000
	<u>\$ 1,000,000</u>
➤ BEST	\$ 7,250,000
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.

Debt Service

Estimated Debt Service

Property taxes at \$.28 per \$100 valuation	\$ 22,023,620
State revenue – hold harmless due to homestead exemption	<u>\$ 200,000</u>
Estimated debt service revenue	\$ 22,223,620
Principal & Interest prior issues	\$21,278,619
Estimated Call of future debt (savings)	\$ 889,186
Estimated Fees	<u>\$ 7,500</u> <u>\$ 22,175,305</u>
Estimated (Over)/Under Collections	(\$ 48,315)

Group Benefits

Group Benefits Financial Position

For the seven months ending March 31, 2018:

Revenue	\$ 11,147,083
Expenses	<u>\$ 12,180,685</u>
Net loss	(\$ 1,033,602)
Fund Balance 9/1/17	(\$ 371,174)
Plus transfer from General Fund	1,000,000
Less current operating loss	<u>(\$ 1,033,602)</u>
Estimated current fund balance	(\$ 404,776)

Questions
