

San Antonio Independent School District



Board Budget Workshop | June 4, 2022

Agenda

2022-2023 Budget Planning

SECTION I

- Session Goals
- Values Underlying our Budget Process:
- Overview of the budget process and timeframe

SECTION II

- Summary of Decision Points – Approved and Pending Items
- ESSER Fund Proposed Initiatives for 2022-23
- Self-funded Health & Dental Insurance Update
- Debt Service Fund Proposed Budget & Proposed District Tax Rate
- Child Nutrition Fund Proposed Budget

SECTION III

- General Fund Proposed Budget with Actions
- Long Term Financial Sustainability
- Next Steps
- Board Questions and Discussion

SECTION I

- Session Goals
- Values Underlying our Budget Process
- Overview of the budget process and timeframe

Goals for the Budget Workshop

PURPOSE - Develop and implement a District budget with a focus on how “To transform SAISD into a national model urban school district where every child graduates and is educated so that he or she is prepared to be a contributing member of the community.”

PROCESS - Continue discussion on 2022-2023 budget and solicit input from Board Trustees, community, and stakeholders on topics including ESSER grant initiatives, employee health and dental insurance, and plan for future budget sustainability. The Child Nutrition, Debt Service, and General Fund preliminary budgets proposed for board adoption on June 20, 2022 will be presented.

PAYOFF - Develop a District budget that meets the needs of *All* students, from an educational, social emotional and universal perspective that will gain acceptance from the community at large, educational stakeholder, and business community.

Values

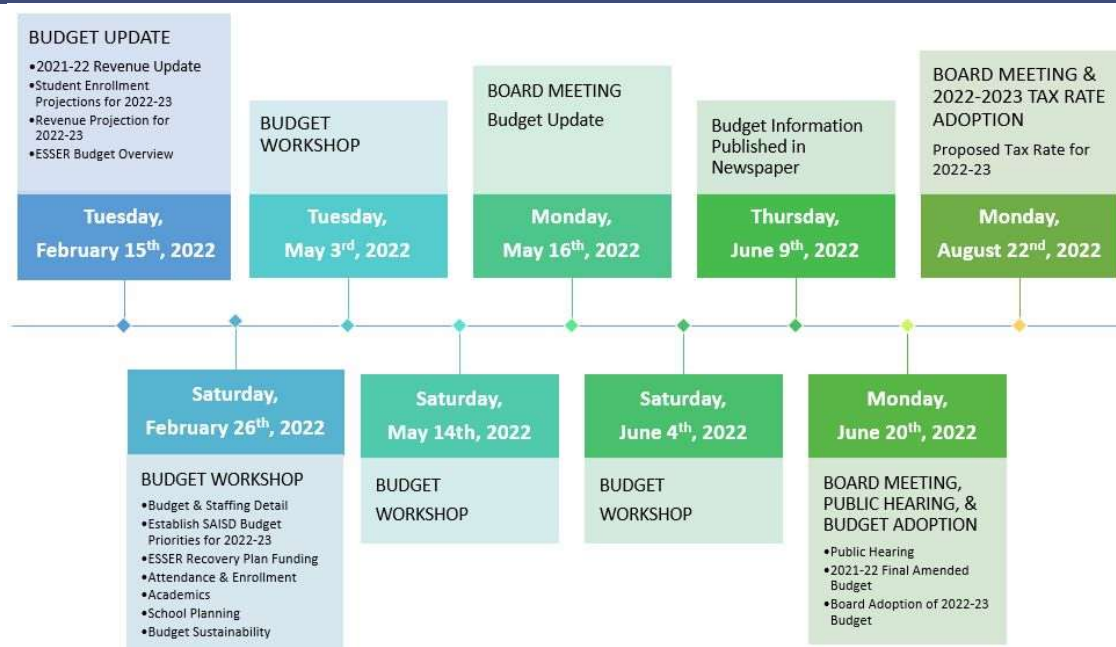
Underlying Our Budget Process

These **shared values** will guide our budget process:

- ✓ **Balanced** – We will share the good and the not so good.
- ✓ **Transparent** – We will build trust with stakeholders.
- ✓ **Understandable** – We will strive to keep it simple.

Overview of the Budget Process

Upcoming dates for the 2022-2023 Budget Process



SECTION II

- Summary of Decision Points – Approved and Pending Items
- ESSER Fund Proposed Budget & Initiatives for 2022-23
- Self-funded Health & Dental Insurance Update
- Debt Service Fund Proposed Budget
- Child Nutrition Fund Proposed Budget
- Proposed District Tax Rate

Summary of Decision Points for 2022-2023 Board Approved May 16, 2022

- Teacher Leader \$15,000 Stipends - approved to “sunset” as planned
- TIA “Additional Time” \$10,000 Stipends - approved to “sunset” as planned
- Principal, Assoc., & Asst. Principal Number of Calendar Days - approved as recommended
- Principal, Assoc., & Asst. Principal Pay Structure - approved to pause, GPI for 2022-2023
- Substitute Pay Rates - new rate schedule approved for 2022-2023
- Increase to Part-time Pay Rates -
 - \$12.00 part-time rate approved
 - \$16.00 part-time rate approved for Counselor Clerks and SEMS/SERS Clerks
- Compensation - General Pay Increase - as was approved on May 16, 2022:
 - 1% - District department personnel with base salary over \$100,000
 - 2% - Principals, Associate Principals, Assistant Principals, Network Principals and Network Associates
 - 3% - All other Campus and Department Personnel not in above two categories

Pending Decision Points for Board Consideration

- Bilingual Stipend - \$338,000
- Special Education Stipend - \$510,000
- Continuation of Longevity Stipend

Bilingual & Special Education Stipends Recommendation

Bilingual Stipend - Projected cost is \$338,000 annually

- Current Stipend is \$2,000.00
- Increase to \$3,000.00

Special Education Stipend - Projected cost is \$510,000 annually

Self-Contained (ACE/BAC/ECSE/DSP/VI/BSC) Stipend

- Current Stipend is \$2,000.00
- Increase to \$3,000.00

GEC Stipend

- Current Stipend is \$0.00
- New Stipend is \$2,000.00

*The proposed cost for both will be **\$848,000 annually**

Continuation of Longevity Stipend Recommendation

In 2014, the Board approved a one-time Longevity Stipend to recognize permanent, full-time employees after completion of 15 years of service with SAISD. Since then, the Board has approved the continuation of this program as part of the budget adoption, to recognize each new group of eligible employees that reach this milestone.

- The amount of the **“Longevity Stipend”** is **\$500.00**
- The one-time stipend would be paid in January 2023
- Guidelines for eligibility to receive this payment will be determined and communicated.
- The projected **# of eligible employees** is **118**
- The approximate **cost for this initiative** is **\$65,000** (non-recurring but subject to continuation each year)

The recommendation is to approve continuation of this stipend, and for the cost of the program to be included in the budget presented for adoption.

ESSER Grant Intent & Award Summary

ESSER GRANT AWARD SUMMARY	
GRANT TYPE	TOTAL GRANT AWARD
ESSER II	\$92,589,570
ESSER III	\$208,010,199
TOTAL ESSER II & III	\$300,599,769

- The intent of the ESSER statute is to prevent, prepare for, or respond to the COVID-19 pandemic, including its impact on the **social, emotional, mental health, and academic needs of students**.
- SAISD was awarded **ESSER II & III Grants totaling \$300.6 million**. Of that amount, **\$270.1 million** will be utilized for direct costs for initiatives outlined in support of continuing operations and a strong recovery.

ESSER II & III Grant - Allowable Costs

Per USDE guidance, LEAs may use ESSER I,II, and III grants for any of the following allowable uses *(key summary highlights)*:

- Providing principals with the resources necessary to address the **needs of their individual schools**.
- Developing and implementing procedures to improve the **preparedness and response efforts** of school district.
- Purchasing supplies to **sanitize and clean** the facilities of the LEA, including buildings operated by school district.
- Providing **meals to eligible students, providing technology for online learning** to all students.
- Purchasing **educational technology** (including hardware, software, and connectivity) for students, and may include assistive technology or adaptive equipment.
- Providing **mental health services and supports**
- Planning and implementing activities related to **summer learning and enrichment** and after-school programs
- Addressing the **academic impact of lost instructional time** and implementing various recovery activities.
- **School facility repairs and improvements** to enable operation of schools to reduce risk of virus transmission and exposure to environmental health hazards, and to support student health needs.
- Upgrade projects to **improve the indoor air quality** in school facilities, including filtering & purification.
- **Implementing public health protocols** to effectively maintain the health and safety of students, educators, and other staff.
- Other activities that are necessary to **maintain the operation of and continuity of services** in the LEA and continuing to employ existing staff of the LEA.

ESSER - New Areas of Investment for 2022-2023

Areas of Investment for 2021-2022, many continuing to 22-23

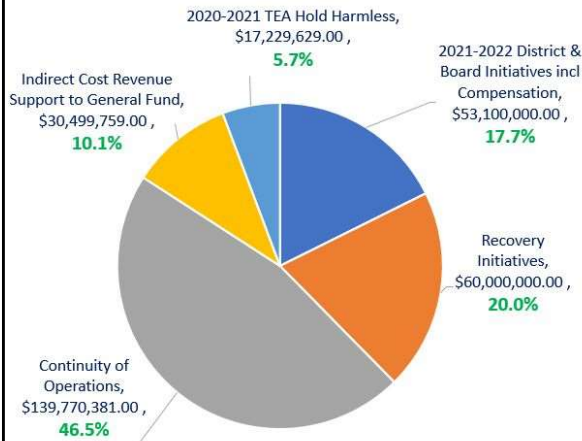


New areas of Investment planned for 2022-2023

- 💡 Upgrading safety measures in alignment with Senate Bill 11
- 💡 Safety & security professional development
- 💡 Communications tools
 - Two-way radios
 - Emergency communications applications
- 💡 Formula-driven, campus-based funding for academic recovery
- 💡 Tutoring and intervention support

ESSER GRANT - Plan for All Years

Initiatives in Support of Recovery and Continuity



ESSER FUND II & III Projected Budget	2020-2021	2021-2022	2022-2023	2023-2024	ALL YEARS
District & Board Initiatives for 2021-2022					
Extended Instructional Calendar		4,867,242	-	-	4,867,242
Personal Protective Equipment & Safety		2,444,400	1,661,400	1,661,400	5,767,200
Social Emotional Academic Development		6,101,144	4,590,719	5,092,073	15,783,936
Compensation Increase for 2021-22 (recurring)		8,893,874	8,893,874	8,893,874	26,681,622
Strong Recovery Support		10,740,402	2,941,427	7,494,110	21,175,939
Additional Recovery Support & Safety Initiatives					
Continuity of Operations	943,669	12,289,160	12,545,616	13,045,616	38,824,061
Indirect Cost Revenue Support to General Fund		48,715,622	43,925,006	47,129,752	139,770,381
2020-2021 TEA Hold Harmless		10,000,000	10,000,000	10,499,759	30,499,759
	17,229,629				17,229,629
TOTAL ESSER Projected Budget	18,173,299	104,051,843	84,558,043	93,816,585	300,599,769

\$53,100,000	17.7%	District & Board Initiatives for 2021-2022
\$60,000,000	20.0%	Additional Recovery Support & Safety Initiatives
\$139,770,381	46.5%	Continuity of Operations
\$30,499,759	10.1%	Indirect Cost Revenue Support to General Fund
\$17,229,629	5.7%	2020-2021 TEA Hold Harmless
\$300,599,769	100.0%	Total ESSER Projected Budget

Continued Investments from 2021-2022

Academic, Social, & Emotional Resources to Support Students and Families

- **High School Intensive Plan** - Each comprehensive high school will receive:
 - 2 Social Workers
 - 2 Family Engagement Specialists
 - 4 Academic Deans; 1 in each core area
 - 1 Instructional Coach, SEAD
 - 1 Behavior Specialist
 - 1 Special Education Resource Teacher
- Expanding student access to social work support by scaling up the partnership with Communities in Schools (CIS) to include 39 additional social workers.
- Expanding from 8 current LCSWs to 20 LCSWs that can assess, diagnose, and treat mental health disorders which cannot be done under the LMSW license
- Pilot extended work calendars for essential staff
- Certify 60 District staff in Youth Mental Health First Aid, and leverage curriculum day in August to ensure 100% of SAISD teachers have up-to-date training and support
- Educate students on mental health and how to seek help when needed

Continued Investments from 2021-2022

- Extracurricular Program Expansion at 9th & 10th Grades
- Asst. Principal and Counselor “Staffing guideline change” (31 added positions)
- Marketing, Student Enrollment, & Parent Engagement Initiatives
- Diversity & Inclusion Initiatives
- Special Education Additional Resources
- Literacy Academy Stipends
- 10 Additional Fine Arts Teachers
- 7 Additional GEC Special Education Teachers
- 5 Additional PTECH Teachers
- 4 Additional LOTC Teachers
- Additional Support for Positions in Support of Recovery

Investments for Continuity of Services and District Operations

- FACE Specialists
- School Counselors
- College Bound Advisors
- Licensed School Psychologists (LSSPs)
- Social Workers
- Campus Instructional Coaches
- Dyslexia Program Specialists
- STEM Coordinator
- Retention Specialists
- Bilingual Instructional Specialists
- Gifted & Talented Instructional Specialists
- Educational Technology Coordinators
- Mental Health Instructional Assistants
- Student Support Services, SEAD, Special Education Dept. Staff

Continued Investment in Personal Protective Equipment (PPE) & Safety Protocols

- MERV-13 Enhanced AC Filters and Rotation Schedule
- Custodial Supplies and Equipment, Sanitizer, Disinfectants, Sprayers
- Personal Protective Equipment depending on need, such as
 - Desk Shields,
 - Face Masks,
 - Mobile Dividers for Students

NEW for 2022-2023

Strong Recovery Support

- Supplemental Teachers
- SEAD Kindness Challenge
- Social Emotional Learning Supports
- Hall Monitors
- Tutoring and intervention support
- Additional resources for unforeseen emergencies

Safety Initiatives

- Upgrading safety measures in alignment with Senate Bill 11
 - Emergency Campus Communications and 2-Way Radios
 - Safety & Security Staff Professional Development
- Additional resources for unforeseen emergencies

ESSER-Funded Positions & Initiatives

Local (Continuing)

- 2021-2022 Compensation Increase
- School Counselors
- College Bound Advisors (at a reduced # for 23-24)
- FACE Specialists
- Behavior Analysts
- Social Workers
- Licensed School Psychologists (LSSPs)
- Retention Specialists
- Instructional Coaches
- Instructional Specialists
- SEAD Instructional Specialists
- Dyslexia Program Specialists
- Mental Health Instructional Assistants
- LOTC Teachers
- PTECH Teachers
- SEAD Department Staff
- Student Support Services Staff
- STEM Coordinator

Supplemental (Non-Recurring)

- High School Intensive Support
 - 2 Social Workers
 - 2 Family Engagement Specialists
 - 4 Academic Deans; 1 in each core area
 - 1 Instructional Coach, SEAD
 - 1 Behavior Specialist
 - 1 Special Education Resource Teacher
- Emergency Campus Communications
- Campus 2-Way Radios
- Personal Protective Equipment & Supplies (provided until no longer needed)
- Instructional Materials
- Literacy Academy Teacher Stipend
- Expansion of Communities in Schools
- Parent Engagement Initiatives
- Marketing & Enrollment
- Diversity & Inclusion Initiatives
- Special Education Supplemental Resources, (including contracted svcs, PD)
- Recovery Support Teachers
- SEAD Kindness Challenge
- Social Emotional Learning Curriculum
- Hall Monitors
- Tutoring & Intervention Support
- Additional Resources for Unforeseen Emergencies
- Extra-curricular Program Expansion (fine arts, athletics)

SAISD Benefits Financial Review & 2023 Recommendations

June 4, 2022



2023 Employee Benefits Overview

The Employee Benefits Committee Recommendations:

- No premium increases to the District Employees
- No deductible increase or copay increase to the Health plans
- Lower premiums on ancillary coverages
- Stabilize the dental plan funds by transitioning to fully insured

SAISD Year over Year Medical/Pharmacy/Dental Plan Costs

2020:

Fixed Costs/Medical Claims/RX Claims: \$48,719,650 (\$621.76 Per employee per month)
Dental: \$2,628,174 (\$33.61 Per employee per month)

2021:

Fixed Costs/Medical Claims/RX Claims: \$50,233,061 (\$661.83 Per employee per month)
Dental: \$2,938,304 (\$38.67 Per employee per month)

2022 through April:

Fixed Costs/Medical Claims/RX Claims: \$16,545,294
-Projected at \$49,791,000 through 12.31.22 (\$679.65 Per employee per month)
-Headcount enrolled average in 2021 was 6,325 and 2022 average is 6,111

Dental: \$984,593 (\$40.08 Per employee per month) - \$52,014 over contributions for 2022, fully insured option through RFP process

2022 RFP Process Procurement Released 14 Employee Benefit Bids

The Employee Benefits Committee met for three afternoons May 16 – 18 to review and score all bids.

Medical	Voluntary Accident Insurance
Dental	Voluntary Critical Illness Insurance
Pharmacy Benefit Manager	Voluntary Pet Insurance
Employer Paid & Voluntary Life Insurance	Voluntary Legal Insurance
Employee Assistance Program	Voluntary Gym Program
Voluntary Vision Insurance	FSA – HSA Administration
Voluntary Disability Insurance	COBRA Administration

- No commissions paid on any lines of coverage
- All voluntary plan rates decreasing for SAISD and SAISD Employees
- Pet and Legal Insurance as new options

Employee Benefits Budget Summary for 2022-2023

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT 2023 BENEFIT PLAN BUDGET

	2022 Plan Year	2023 Plan Year Projected	2023 Plan Year Projected Post RFP / Board Recommendations	Estimated Projected Increase 2023	Percentage
Medical Claims	\$34,694,695	\$36,211,090	\$36,211,090		
Pharmacy Claims	\$14,061,584	\$14,667,742	\$13,082,661		
Pharmacy Administrative Costs	\$432,123	\$293,520	\$293,520		
Pharmacy Rebates	-\$4,202,534	-\$3,903,000	-\$3,600,000		
Dental Plan Costs	\$3,026,453	\$3,177,776	\$3,025,000		
Stop Loss Premiums	\$1,414,986	\$1,436,825	\$1,436,825		
Administrative Fees	\$2,890,348	\$2,628,483	\$2,628,483		
ESTIMATED ANNUAL EMPLOYEE & EMPLOYER COST	\$52,317,655	\$54,512,436	\$53,077,579		
ESTIMATED ANNUAL EMPLOYEE CONTRIBUTIONS MEDICAL	\$11,862,561	\$11,862,561	\$11,862,561		
ESTIMATED ANNUAL EMPLOYEE CONTRIBUTIONS DENTAL	\$1,460,103	\$1,460,103	\$1,460,103		
ESTIMATED NET ANNUAL COST TO SAISD	\$38,994,991	\$41,189,772	\$39,754,915	\$759,924	1.95%

2022 - 2023 Preliminary Debt Service Budget

Proposed for Board Adoption on June 20, 2022

The Interest & Sinking (I&S) Fund tax rate will remain at the same level for the 2022-2023 school year. (\$0.48125 per \$100 of property valuation)

The district is planning to sell \$400 Million of Bonds from the 2020 \$1.3 Billion authorization on July 12, 2022. This is the 2nd sale of Bonds for the 2020 authorization, and will support both the construction and technology bond programs.

As always, the District will seek the Texas Permanent School Fund (PSF) guarantee for our bonds, affording us the benefit of the AAA rating for the State of Texas.

DEBT SERVICE FUND (\$)	2021-2022 \$0.48125 I&S TAX RATE YEAR END ESTIMATE		2022-2023 \$0.48125 I&S TAX RATE PROPOSED BUDGET	
REVENUES				
LOCAL - PROPERTY TAX	\$107,305,299	99.0%	\$115,555,071	98.2%
LOCAL - INVESTMENT EARNINGS	40,700	0.0%	\$30,000	0.0%
STATE ADDT'L AID DUE TO HOMESTEAD EXEMPTION	1,089,249	1.0%	2,114,880	1.8%
TOTAL REVENUE	\$108,435,248	100.0%	\$117,699,951	100.0%
OPERATING EXPENDITURES				
PRINCIPAL on BONDS	\$50,690,000	47.1%	\$49,640,000	45.3%
INTEREST on BONDS	56,937,803	52.9%	59,332,668	54.2%
OTHER FEES	9,197	0.0%	500,000	0.5%
TOTAL EXPENDITURES	\$107,637,000	100.0%	\$109,472,668	100.0%
OPERATING SURPLUS / (DEFICIT)	\$798,248		\$8,227,283	
BEGINNING FUND BALANCE	\$128,680,602		\$129,478,850	
ENDING FUND BALANCE (1,2)	\$129,478,850		\$137,706,133	

NOTE 1 - Each year, Debt Service Fund Balance will increase as a result of the QSCB sinking fund long term asset.

For 21-22, the Fund Balance includes this asset will be valued at \$36.7M (estimated), and is projected to be \$39.5M for 22-23.

NOTE 2 - Fiscal Year for budget ends June 30th, while Fiscal Year for setting of tax rate ends August 31st.

2022 - 2023 Preliminary Child Nutrition Budget

Proposed for Board Adoption on June 20, 2022

The SAISD Child Nutrition Department continues to provide nutritious breakfast, lunch, snack, and supper meals to all District students at no cost. The Child Nutrition Department operates a student-centered program that helps combat hunger and food insecurity.

For the 2022-2023 school year, participation and financial projections are based on a 90% student attendance rate. Along with Child Nutrition programs across the country, our program sustained a decrease in participation due to lower student attendance.

The Child Nutrition team maintains fiscal responsibility through the monitoring of Key Performance Indicators (KPIs).

CHILD NUTRITION FUND (\$)	2021-2022 PROJECTED FINAL		2022-2023 PROPOSED BUDGET	
REVENUES				
A LA CARTE & CATERING REVENUE	\$871,566	2.0%	\$829,861	1.9%
STATE REVENUE	81,135	0.2%	\$161,016	0.4%
FEDERAL REVENUE	42,614,220	97.8%	42,488,082	97.7%
OPERATING REVENUE SUB-TOTAL	\$43,566,921	100.0%	\$43,478,959	100.0%
OPERATING EXPENDITURES				
SALARIES & BENEFITS	\$19,354,688	46.2%	\$20,422,392	47.0%
CONTRACTED SERVICES	1,407,072	3.4%	1,369,924	3.2%
FOOD/SUPPLIES	20,863,380	49.8%	21,342,819	49.1%
OTHER OPERATING	128,300	0.3%	149,714	0.3%
CAPITAL OUTLAY	154,816	0.3%	195,000	0.4%
TOTAL EXPENDITURES	\$41,908,256	100.0%	\$43,479,849	100.0%
OTHER SOURCES / (USES)	1,069	0.0%	890	0.0%
OPERATING SURPLUS / (DEFICIT)	\$1,659,734		\$0	
BEGINNING FUND BALANCE	\$774,854		\$2,434,588	
ENDING FUND BALANCE	\$2,434,588		\$2,434,588	

SAISD Tax Rate History and Preliminary Proposed Rate for 2022-2023



SECTION III

- General Fund Proposed Budget
- Long Term Financial Sustainability
- Next Steps
- Board Questions and Discussion

2022 - 2028 Budget Projections with Action

with 3%-2%-1% General Pay Increase

3%-2%-1% GPI in 2022-2023 (\$10,344,455 Recurring)	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
BASE EXPENDITURES 21-22	\$ 487,282,062	\$ 487,282,062	\$ 487,282,062	\$ 487,282,062	\$ 487,282,062	\$ 487,282,062	\$ 487,282,062
+ LOCAL EXP in ESSER	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000
+ KNOWN INCREASES/DEC	\$ (5,900,000)	\$ 6,712,633	\$ 7,286,684	\$ 6,374,664	\$ 6,488,064	\$ 6,128,964	\$ 6,128,964
TOTAL BASE EXPENDITURES	\$ 511,382,062	\$ 523,994,695	\$ 524,568,746	\$ 523,656,726	\$ 523,770,126	\$ 523,411,026	\$ 523,411,026
- LESS CAMPUS FTEs	\$ -	\$ (13,085,588)	\$ (13,085,588)	\$ (23,085,588)	\$ (25,585,588)	\$ (30,585,588)	\$ (36,585,588)
+/- DECISION POINTS	\$ -	\$ 14,651,560	\$ 13,255,329	\$ 20,455,329	\$ 20,455,329	\$ 27,655,329	\$ 27,655,329
- GUIDELINE CHANGE	\$ -	\$ -	\$ (7,500,000)	\$ (7,500,000)	\$ (10,000,000)	\$ (10,000,000)	\$ (10,000,000)
- DEPT BUDGET REDUCTION	\$ -	\$ (16,000,000)	\$ (23,500,000)	\$ (23,500,000)	\$ (28,500,000)	\$ (33,500,000)	\$ (39,500,000)
INITIATIVES & RIGHTSIZING	\$ -	\$ (14,434,028)	\$ (30,830,259)	\$ (33,630,259)	\$ (43,630,259)	\$ (46,430,259)	\$ (58,430,259)
FINAL PROJECTED EXPENDITURES	\$ 511,382,062	\$ 509,560,667	\$ 493,738,487	\$ 490,026,467	\$ 480,139,867	\$ 476,980,767	\$ 464,980,767
GENERAL FUND REVENUES	\$ 457,483,260	\$ 452,797,325	\$ 452,797,325	\$ 452,797,325	\$ 452,797,325	\$ 452,797,325	\$ 452,797,325
BUDGET SURPLUS / (DEFICIT)	\$ (53,898,802)	\$ (56,763,342)	\$ (40,941,162)	\$ (37,229,142)	\$ (27,342,542)	\$ (24,183,442)	\$ (12,183,442)
PROJECTED GENERAL FUND BALANCE	\$ 106,825,654	\$ 106,825,654	\$ 106,825,654	\$ 106,825,654	\$ 106,825,654	\$ 88,893,693	\$ 76,710,251
PROJECTED ESSER/STRATEGIC INIT. FUND AVAIL	\$ 208,527,668	\$ 131,764,327	\$ 70,823,165	\$ 33,594,023	\$ 6,251,481	\$ -	\$ -
TOTAL AVAILABLE RESOURCES	\$ 315,353,322	\$ 238,589,981	\$ 177,648,819	\$ 140,419,677	\$ 113,077,135	\$ 88,893,693	\$ 76,710,251

- Includes general fund revenue based on 44,676 students and 90% attendance for all years.
- Includes currently budgeted expenditures with all known changes for 2022-2023
- Includes planned department budget reductions and district rightsizing in future years.
- Incorporates decision points discussed, including a 3%-2%-1% tiered compensation plan.
- **This view shows progress made each year toward closing the budget gap.**

2022 - 2023 Preliminary General Fund Budget

with Tiered 3%-2%-1% General Pay Increase

Proposed for Board Adoption on June 20, 2022

The break-even budget proposed for 2022-23 is due to the utilization of ESSER grant funds for the following:
\$30.0 Million of general fund initiatives planned for the 2021-2022 budget (compensation and revenue shortfall), and
\$26.8 Million for additional shortfall due to 2021-2022 enrollment and attendance decline.

The cost of the proposed **3%-2%-1% general pay increase**, new stipends, increased part-time pay, and new substitute pay rates are covered with **\$16.0 million of department budget reductions** implemented by the District.

REVENUE / EXPENDITURE CATEGORY (\$ 000's)	ADOPTED BUDGET 2021-22	PROJECTED BUDGET 2022-23	ESSER GRANT to COVER SHORTFALL
LOCAL REVENUES	219,431,884 45.0%	222,642,362 49.2%	
STATE REVENUES	256,498,000 52.6%	218,654,963 48.3%	
FEDERAL REVENUES	11,600,000 2.4%	11,500,000 2.5%	56,763,342
OTHER RESOURCES	-	-	-
TOTAL REVENUES & OTHER RESOURCES	487,529,884 100.0%	452,797,325 100.0%	56,763,342
PAYROLL & OTHER	415,079,400 85.1%	378,555,428 83.6%	56,763,342
CONTRACTED SERVICES	42,127,400 8.6%	43,420,033 9.6%	
SUPPLIES & MATERIALS	23,042,450 4.7%	22,181,144 4.9%	
OTHER OPERATING	5,834,350 1.2%	6,983,724 1.5%	
CAPITAL OUTLAY	1,444,235 0.3%	1,656,106 0.4%	
OTHER USES (TRANSFERS OUT)	2,049 0.0%	890 0.0%	
TOTAL EXPENDITURES & OTHER USES	487,529,884 100.0%	452,797,325 100.0%	56,763,342
PROJECTED SURPLUS/(DEFICIT)	0	0	0

2022 - 2028 Budget Projections with Action with 3% General Pay Increase

3% GPI in 2022-2023 (\$10,815,889 Recurring)	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
BASE EXPENDITURES 21-22	\$ 487,282,062	\$ 487,282,062	\$ 487,282,062	\$ 487,282,062	\$ 487,282,062	\$ 487,282,062	\$ 487,282,062
+ LOCAL EXP in ESSER	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000
+ KNOWN INCREASES/DEC	\$ (5,900,000)	\$ 6,712,633	\$ 7,286,684	\$ 6,374,664	\$ 6,488,064	\$ 6,128,964	\$ 6,128,964
TOTAL BASE EXPENDITURES	\$ 511,382,062	\$ 523,994,695	\$ 524,568,746	\$ 523,656,726	\$ 523,770,126	\$ 523,411,026	\$ 523,411,026
- LESS CAMPUS FTEs	\$ -	\$ (13,085,588)	\$ (13,085,588)	\$ (23,085,588)	\$ (25,585,588)	\$ (30,585,588)	\$ (36,585,588)
+/- DECISION POINTS	\$ -	\$ 15,122,994	\$ 13,726,763	\$ 20,926,763	\$ 20,926,763	\$ 28,126,763	\$ 28,126,763
- GUIDELINE CHANGE	\$ -	\$ -	\$ (7,500,000)	\$ (7,500,000)	\$ (10,000,000)	\$ (10,000,000)	\$ (10,000,000)
- DEPT BUDGET REDUCTION	\$ -	\$ (16,000,000)	\$ (23,500,000)	\$ (23,500,000)	\$ (28,500,000)	\$ (33,500,000)	\$ (39,500,000)
INITIATIVES & RIGHTSIZING	\$ -	\$ (13,962,594)	\$ (30,358,825)	\$ (33,158,825)	\$ (43,158,825)	\$ (45,958,825)	\$ (57,958,825)
FINAL PROJECTED EXPENDITURES	\$ 511,382,062	\$ 510,032,101	\$ 494,209,921	\$ 490,497,901	\$ 480,611,301	\$ 477,452,201	\$ 465,452,201
GENERAL FUND REVENUES	\$ 457,483,260	\$ 452,797,325	\$ 452,797,325	\$ 452,797,325	\$ 452,797,325	\$ 452,797,325	\$ 452,797,325
BUDGET SURPLUS / (DEFICIT)	\$ (53,898,802)	\$ (57,234,776)	\$ (41,412,596)	\$ (37,700,576)	\$ (27,813,976)	\$ (24,654,876)	\$ (12,654,876)
PROJECTED GENERAL FUND BALANCE	\$ 106,825,654	\$ 106,825,654	\$ 106,825,654	\$ 106,825,654	\$ 106,825,654	\$ 86,536,523	\$ 73,881,647
PROJECTED ESSER/STRATEGIC INIT. FUND AVAIL	\$ 208,527,668	\$ 131,292,893	\$ 69,880,297	\$ 32,179,721	\$ 4,365,745	\$ -	\$ -
TOTAL AVAILABLE RESOURCES	\$ 315,353,322	\$ 238,118,547	\$ 176,705,951	\$ 139,005,375	\$ 111,191,399	\$ 86,536,523	\$ 73,881,647

- Includes general fund revenue based on 44,676 students and 90% attendance for all years.
- Includes currently budgeted expenditures with all known changes for 2022-2023
- Includes planned department budget reductions and district rightsizing in future years.
- Incorporates decision points discussed, including a 3% General Pay Increase.
- **This view shows progress made each year toward closing the budget gap.**

2022 - 2023 Preliminary General Fund Budget with 3% General Pay Increase Proposed for Board Adoption on June 20, 2022

The break-even budget proposed for 2022-2023 is due to the utilization of ESSER grant funds for the following:
\$30.1 Million of general fund initiatives planned for the 2021-2022 budget (compensation and revenue shortfall), and **\$27.2 Million** for additional shortfall due to 2021-2022 enrollment and attendance decline.

The cost of the proposed **3% general pay increase**, new stipends, increased part-time pay, and new substitute pay rates are covered with **\$16.0 million of department budget reductions** implemented by the District.

REVENUE / EXPENDITURE CATEGORY (\$ 000's)	ADOPTED BUDGET 2021-2022	PROJECTED BUDGET 2022-2023	ESSER GRANT to COVER SHORTFALL
LOCAL REVENUES	219,431,884 45.0%	222,642,362 49.2%	
STATE REVENUES	256,498,000 52.6%	218,654,963 48.3%	
FEDERAL REVENUES	11,600,000 2.4%	11,500,000 2.5%	57,234,776
OTHER RESOURCES	-	-	-
TOTAL REVENUES & OTHER RESOURCES	487,529,884 100.0%	452,797,325 100.0%	57,234,776
PAYROLL & OTHER	415,079,400 85.1%	378,555,428 83.6%	57,234,776
CONTRACTED SERVICES	42,127,400 8.6%	43,420,033 9.6%	
SUPPLIES & MATERIALS	23,042,450 4.7%	22,181,144 4.9%	
OTHER OPERATING	5,834,350 1.2%	6,983,724 1.5%	
CAPITAL OUTLAY	1,444,235 0.3%	1,656,106 0.4%	
OTHER USES (TRANSFERS OUT)	2,049 0.0%	890 0.0%	
TOTAL EXPENDITURES & OTHER USES	487,529,884 100.0%	452,797,325 100.0%	57,234,776
PROJECTED SURPLUS/(DEFICIT)	0	0	0

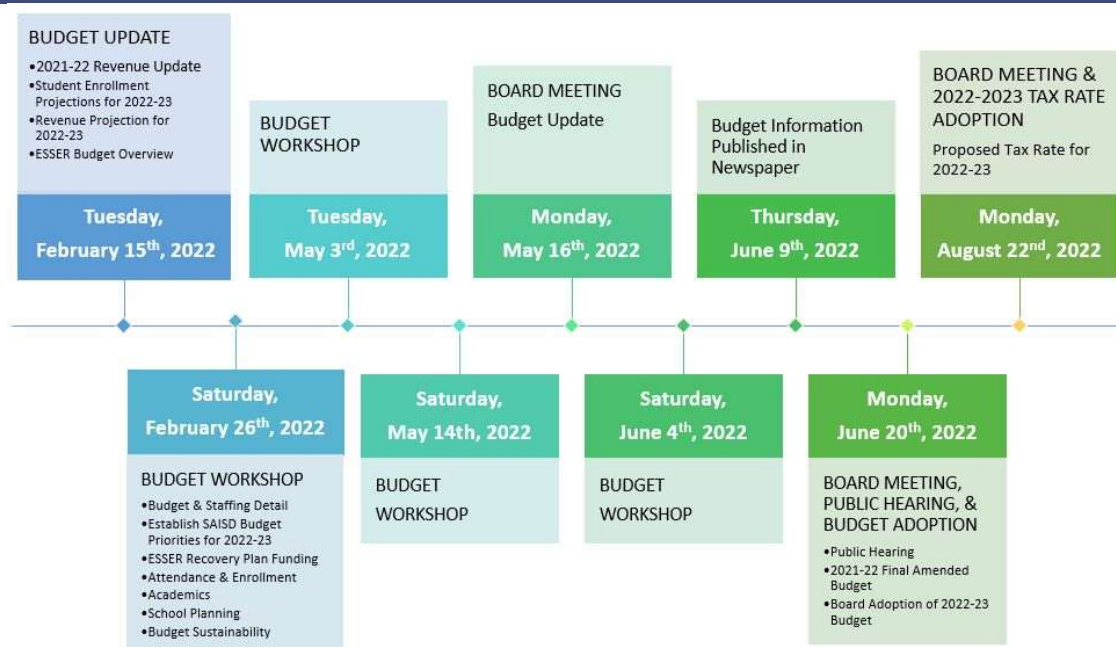
2022 - 2028

Long Term Financial Sustainability - Next Steps

- ESSER Funding to be utilized to provide strategic rightsizing of District's general fund budget over next 6 years.
 - Allowable general fund costs will be charged to the ESSER grant in order to set fund balance aside for use after grant expiration.
 - This is allowable and recommended by TEA in order to avoid disruption to district operations that could be caused by a fiscal cliff in 2023-2024, when the ESSER III grant expires.
- District will immediately begin discussions and planning for implementation of initiatives to address long-term sustainability, such as:
 - Facilities rentals/usage waivers
 - Facilities rightsizing
 - Opportunities for improved operating efficiency
 - Bond 2020 planning for future needs
 - Revisit campus staffing guidelines for equity

Overview of the Budget Process

Upcoming dates for the 2022-2023 Budget Process



Questions & Board Discussion



**“The budget is not just a collection of numbers,
but an expression of our values and aspirations.”
- Jacob Lew**