



**Proposed
General
Operating
Budget**
2023-2024

Budget Goals



**RETAIN AND RECRUIT
QUALITY STAFF**



**PRESERVE QUALITY OF
INSTRUCTION AND SERVICES**



**PRIORITIZE STUDENT AND
STAFF SAFETY**

Factors Influencing Budget Process

LEGISLATIVE
SESSION

ENROLLMENT &
ATTENDANCE

AVAILABLE
FEDERAL
FUNDING

RECRUITMENT
& RETENTION

NEW FACILITIES

INFLATION

INCREASE IN
PROPERTY
VALUES

UNFILLED
POSITIONS

Texas' Budget Surplus



Texas Rainy Day Fund
\$26.4B

Source: Texas Comptroller's Office

CFISD School Cost Inflation 2019 vs. 2022



TRANSPORTATION
20%



STUDENT DEVICES
33%



GENERAL
INSURANCE POLICIES
72%



CONSTRUCTION
COSTS
35%



FOOD SERVICE
25%



HEALTH INSURANCE
44%

Inflation Adjusted Basic Allotment

Basic Allotment	Increase From Current Basic Allotment	Two-Year Statewide Total Cost
\$6,160	---	---
\$6,260	\$100	\$1.443B
\$6,360	\$200	\$2.896B
\$6,460	\$300	\$4.353B
\$6,560	\$400	\$5.812B
\$6,660	\$500	\$7.272B
\$6,760	\$600	\$8.732B
\$6,860	\$700	\$10.194B
\$6,960	\$800	\$11.656B
\$7,060	\$900	\$13.118B
\$7,160	\$1,000	\$14.581B

Adjusting BA for estimated inflation from 2019 through 2023 (19.7%) results in a \$1,200 increase!

CSHB 1: Biennial State Budget

- Signed by Governor 6-18-23
- \$17.6 billion for property tax relief
 - ✓ \$5.3 billion for tax compression
 - ✓ No bills passed as the vehicle for allocating remaining funds
- \$2.4 billion for increase in golden penny yield
- \$588.5 million for limiting TRS-ActiveCare increases to 10%

CSHB 1: Biennial State Budget (cont'd)

- \$1 billion for TRS benefit enhancements (SB10 and HJR 2)
- \$5 billion for other school funding
 - ✓ \$300 million for school safety (HB 3)
 - ✓ \$500 million for quality instructional materials (HB 1605)
 - ✓ No bills passed as the vehicle for allocating remaining funds

SB 30: Supplemental Appropriations Bill

- Signed by Governor 6-9-23
- \$1.1 billion for school safety grants
- \$2 million for TEA to regulate school library books

HB 3: Safety and Security

- Signed by Governor 6-14-23
- Provides funding for school safety of \$10/ADA and \$15,000/campus
- Requires an armed school security officer at each campus during regular school hours
 - ✓ Board of Trustees may claim a good cause exemption
 - Lack of funding
 - Lack of personnel
 - Requires alternative standard

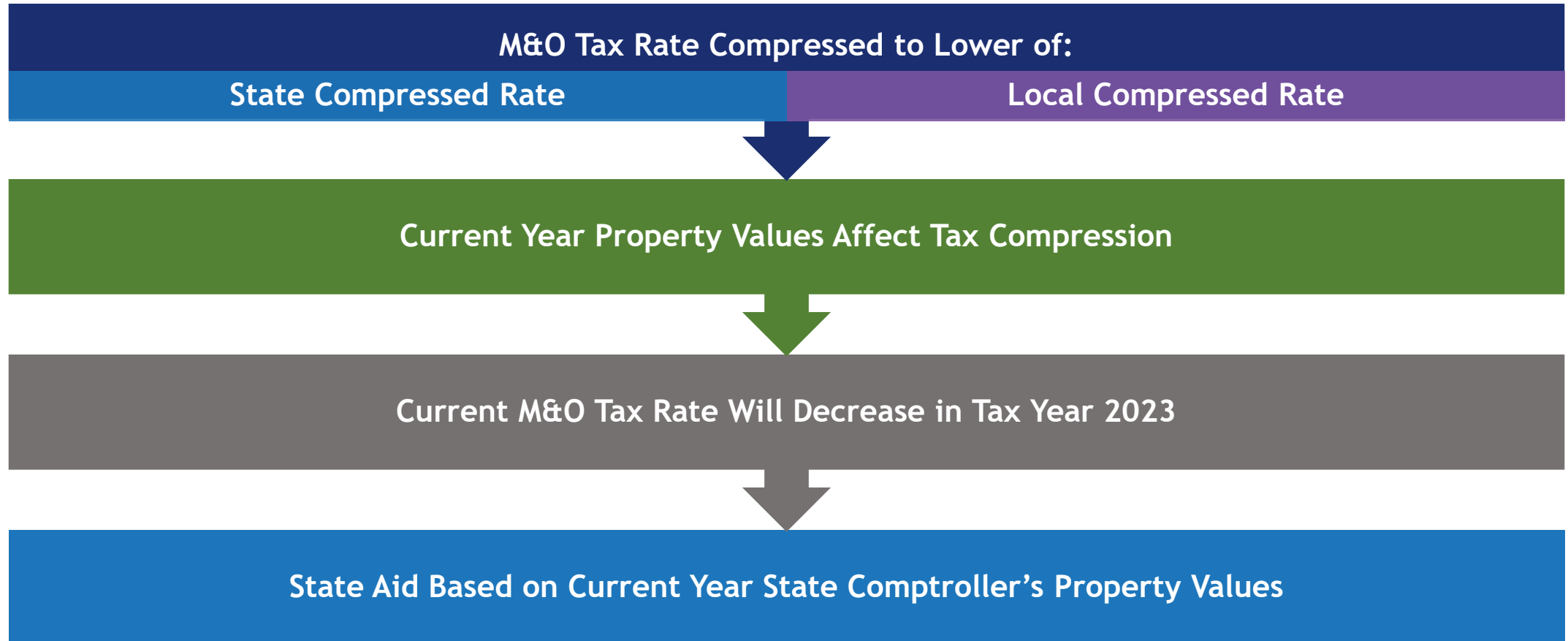
Special Session #1: Property Tax Relief

- HB 1 - Meyer: Passed the House and sent to Senate 6-2-23; House adjourned 5-30-23
 - ✓ Additional tax rate compression \$0.162
- SB 1 - Bettencourt: Passed the Senate on 5-30-23: House refused to take up
 - ✓ Increases homestead exemption from \$40,000 to \$100,000
 - ✓ Additional tax rate compression \$0.10

Property Tax Revenue and State Aid Funding

DESCRIPTION	ADOPTED BUDGET 2022-2023	PROPOSED BUDGET 2023-2024	INCREASE/ (DECREASE)
Property Tax Revenue	\$586,843,838	\$589,570,494	\$2,726,656
State Aid Funding	\$364,947,000	\$355,137,476	(\$9,809,524)
Total	\$951,790,838	\$944,707,970	(\$7,082,868)

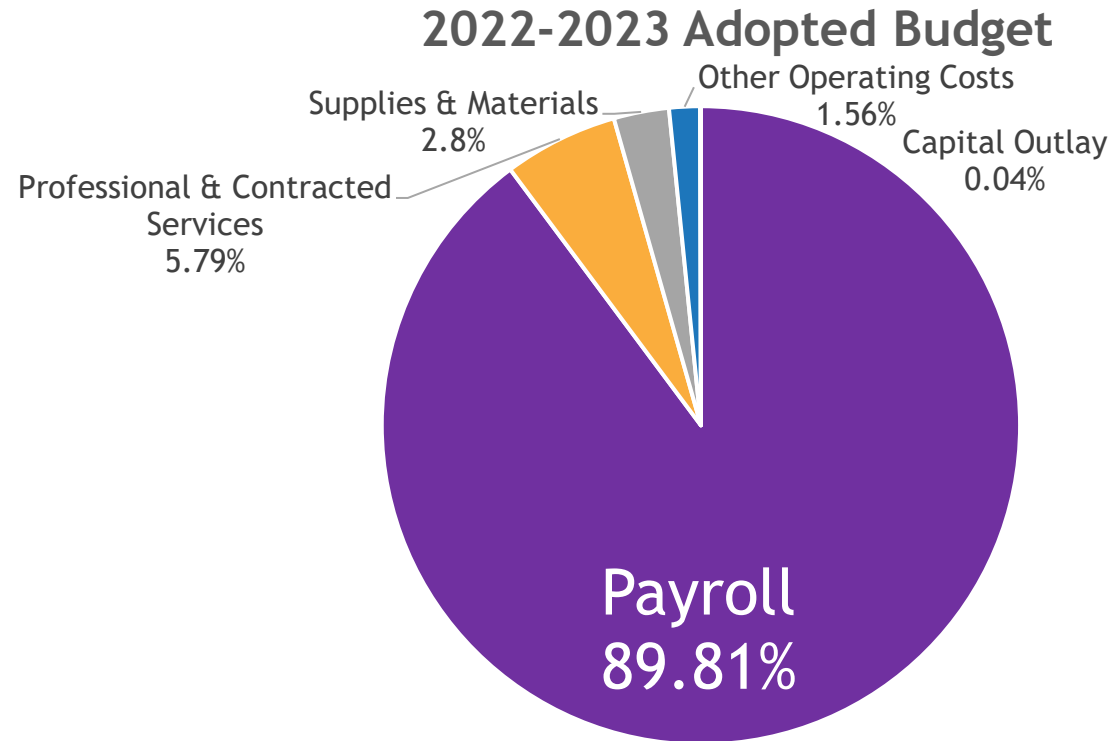
Property Values and Tax Compression



History of CFISD Salary Increases

YEAR	TEACHER SCALE	PARA/HOURLY	ADMIN
2013-2014	3%	3.5%	3%
2014-2015	\$2,600	3.25%	3.25%
2015-2016	\$2,000	5%	4%
2016-2017	2%	3%	2%
2017-2018	3%	3%	3%
2018-2019	3%	3%	3%
2019-2020	3% ≤ 5 years; 3.5% > 5 years; and \$1,000 one-time salary increase	3% and \$500 one-time salary increase	3% and \$500 one-time salary increase
2020-2021	Add \$1,000 one-time salary increase to base + 1% salary increase	Add \$500 one-time salary increase to base + 1% salary increase	Add \$500 one-time salary increase to base + 1% salary increase
2021-2022	5%	5% and \$1,000 stipend	5%
2022-2023	2% and \$1,000 stipend	2% and \$2,000 stipend	2% and \$1,000 stipend

General Fund Expenditures



■ Payroll ■ Professional & Contracted Services ■ Supplies & Materials ■ Other Operating Costs ■ Capital Outlay

Cost of Budget Considerations

DESCRIPTION	AMOUNT (MILLIONS)
Salary Increase of 3% on Greater of Midpoint or Base & Increase in Teacher Starting Salary to \$62,000	\$31.2
Increase in Campus Staff (\$12.5M Special Education)	\$14.6
Increase in Benefits & TRS	\$4.3
Increase in Insurance Premiums	\$2.6
Increase in Utility Costs	\$1.0
Operating Costs to Open New Facilities	\$9.0
Net Increase in HCAD Appraisal Fees, Election Expenses, Contracted Services, General Supplies, Other Operating, etc.	\$2.1

General Fund Revenues 2023-2024

SOURCE	PROPOSED BUDGET	PERCENT
Local Revenues	\$619,370,494	57.85%
State Revenues	423,808,208	39.59%
Federal Revenues	27,141,180	2.54%
Other Sources	200,000	0.02%
Total	\$1,070,519,882	100.00%

General Fund Expenditures 2023-2024

OBJECT	PROPOSED BUDGET	PERCENT
Payroll Costs	\$1,083,391,940	89.60%
Contracted Services	70,032,870	5.79%
Supplies & Materials	34,298,001	2.84%
Other Operating	20,936,412	1.73%
Capital Outlay	472,732	0.04%
Total	\$1,209,131,955	100.00%
Surplus (Deficit) Before Federal Funding	(\$138,612,073)	
Estimated Federal Funding	\$65,000,000	
Surplus (Deficit) After Federal Funding	(\$73,612,073)	

General Fund Expenditures 2023-2024

FUNCTION	PROPOSED BUDGET	PERCENT
Instruction	\$791,842,076	65.49%
Instructional Resources & Media	9,379,341	0.78%
C&I Staff Development	13,797,655	1.14%
Instructional Leadership	10,102,654	0.84%
School Leadership	57,266,336	4.74%
Guidance & Counseling	50,947,647	4.21%
Social Work Services	1,318,356	0.11%

General Fund Expenditures 2023-2024

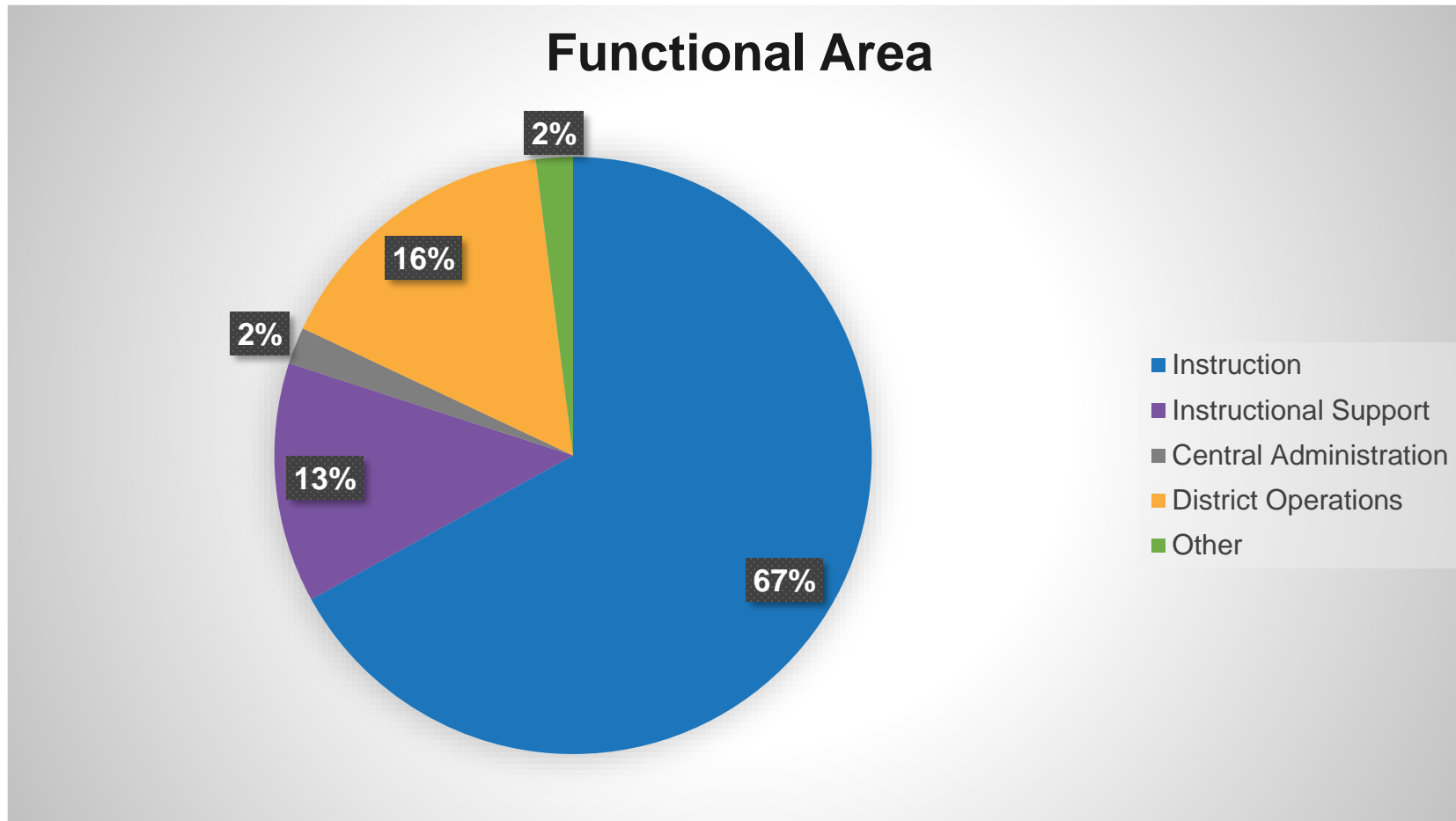
FUNCTION	PROPOSED BUDGET	PERCENT
Health Services	\$13,569,136	1.12%
Student Transportation	49,751,539	4.11%
Co/Extracurricular Activities	25,401,149	2.10%
General Administration	21,378,784	1.77%
Plant Maintenance & Operations	100,694,662	8.33%
Security & Monitoring Services	15,040,779	1.24%
Data Processing Services	24,632,721	2.04%

General Fund Expenditures 2023-2024

FUNCTION	PROPOSED BUDGET	PERCENT
Community Services	\$12,309,317	1.02%
Debt Service	2,848,576	0.24%
Facilities Acquisition & Construction	500,000	0.04%
Payments to Fiscal Agents SSA	1,833,260	0.15%
Payments to JJAEP	55,000	0.00%
Other Intergovernmental Charges	6,462,967	0.53%
Total*	\$1,209,131,955	100.00%

*Includes \$12.8M in accelerated instruction [TEC 29.081(b-1)]

General Fund Expenditures 2023-2024



Debt Service Fund Budget 2023-2024

DESCRIPTION	PROPOSED BUDGET
Revenues:	
Local	\$284,126,069
State	9,364,504
Federal	253,296
Total Revenues	\$293,743,869
Expenditures:	
Debt Service	293,743,869
Total Expenditures	\$293,743,869

Food Service Fund Budget 2023-2024

DESCRIPTION	PROPOSED BUDGET
Revenues:	
Local	\$19,105,545
State	297,647
Federal	51,287,168
Total Revenues	\$70,690,360
Expenditures:	
Food Service	69,422,100
Maintenance & Operations	1,238,260
Debt Service	30,000
Total Expenditures	\$70,690,360

Options for Budget 2023-2024



Increase Basic Allotment and/or Other State Funding

Requires legislative action in another special session

A \$50 increase in the basic allotment provides approximately \$7.3M



Modify Adjustment to State Property Values for OHE

Requires legislative action

Recognize 100% provides approximately \$62.1M

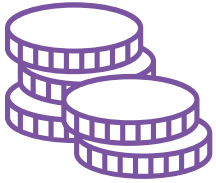


Remove Portion or All of 20% OHE

Requires Board approval and notification to appraisal district prior to July 1, 2023

District loses approximately \$49.2M in the general fund by providing 20% OHE

Options for Budget 2023-2024



Increase Maintenance and Operations Tax Rate

Requires Voter-Approval Tax Rate Election (VATRE)

VATRE of remaining \$0.12 provides approximately \$105.8M



Utilize Remaining Federal Stimulus Funds to Help Offset Deficit

Requires Board of Trustees approval

Approximately \$65M available to offset deficit



Utilize Portion of Fund Balance

Requires Board of Trustees approval

Minimum of 4 months of expenditures in fund balance recommended

Options for Budget 2023-2024



Increase Revenues

Form committee to discuss efficiencies, sources of new revenue and potential budget cuts

A 1% increase in ADA provides approximately \$7.4M



Reduce Expenditures

Form committee to discuss efficiencies, sources of new revenue and potential budget cuts

Approximately 90% of budget is payroll

MESSAGES TO LEGISLATORS

- Basic allotment critical for ALL districts
- 6th golden penny helps many districts
- Costs outside the classroom are also increasing
- Budgets are being built now
- Teachers are making employment decisions now
- Without increased funding, cuts may be on the horizon

QUESTIONS