

CYPRESS-FAIRBANKS ISD 2019-2020 PROPOSED BUDGET

JUNE 24, 2019

Budget Update

- ❖ 86th Legislative Session Priorities
 - Public school funding
 - Property tax relief
- ❖ Preliminary budget based on Senate version of HB 3 as of May 16, 2019
- ❖ Governor signed HB 3 on June 11, 2019
 - Compromise of Senate and House versions
 - Includes school finance reform, property tax relief and non-administrative compensation

HB 3 for CFISD

❖ Pros

- Infuses funding into public education
- Includes new funding allotments to benefit students
- Recognizes importance of educators

❖ Cons

- Changes to current year property values
- Eliminates Cost-of-Education Index (CEI) of 1.16
- Formula transition grant expires after 2023-2024

HB 3 for CFISD

Statutory Change	Effect of Statutory Change
Basic Allotment	Increases to \$6,160 from \$5,140 (\$5,724)
Non-administrative Compensation	30% of gain in revenue
State Compression	\$.93 in 2019-2020; \$0.916498 in 2020-2021
Golden Pennies	Increases from 6 to 8
Special Education Allotment	Mainstream weight increases to 1.15
Dyslexia Allotment	New weight of .10
Compensatory Education Allotment	Weights based on census blocks (.225 to .275)
Bilingual Education Allotment	Added dual language weight of .15 for ELL

HB 3 for CFISD

Statutory Change	Effect of Statutory Change
Career & Technology Allotment	Expands funding to grades 7-8
Early Education Allotment	New weight of .10 for ED in K-3 to fund ½ Pre-K
Transportation Allotment	\$1.00 per mile; adds allowable miles
New Instructional Facilities Allotment	Raises cap on appropriation (\$1,000/ADA)
College Prep Assessment Reimbursement	New allocation to reimburse cost of college preparation assessment (SAT/ACT)
Certification Examination Reimbursement	New allocation to reimburse student certification exam fees

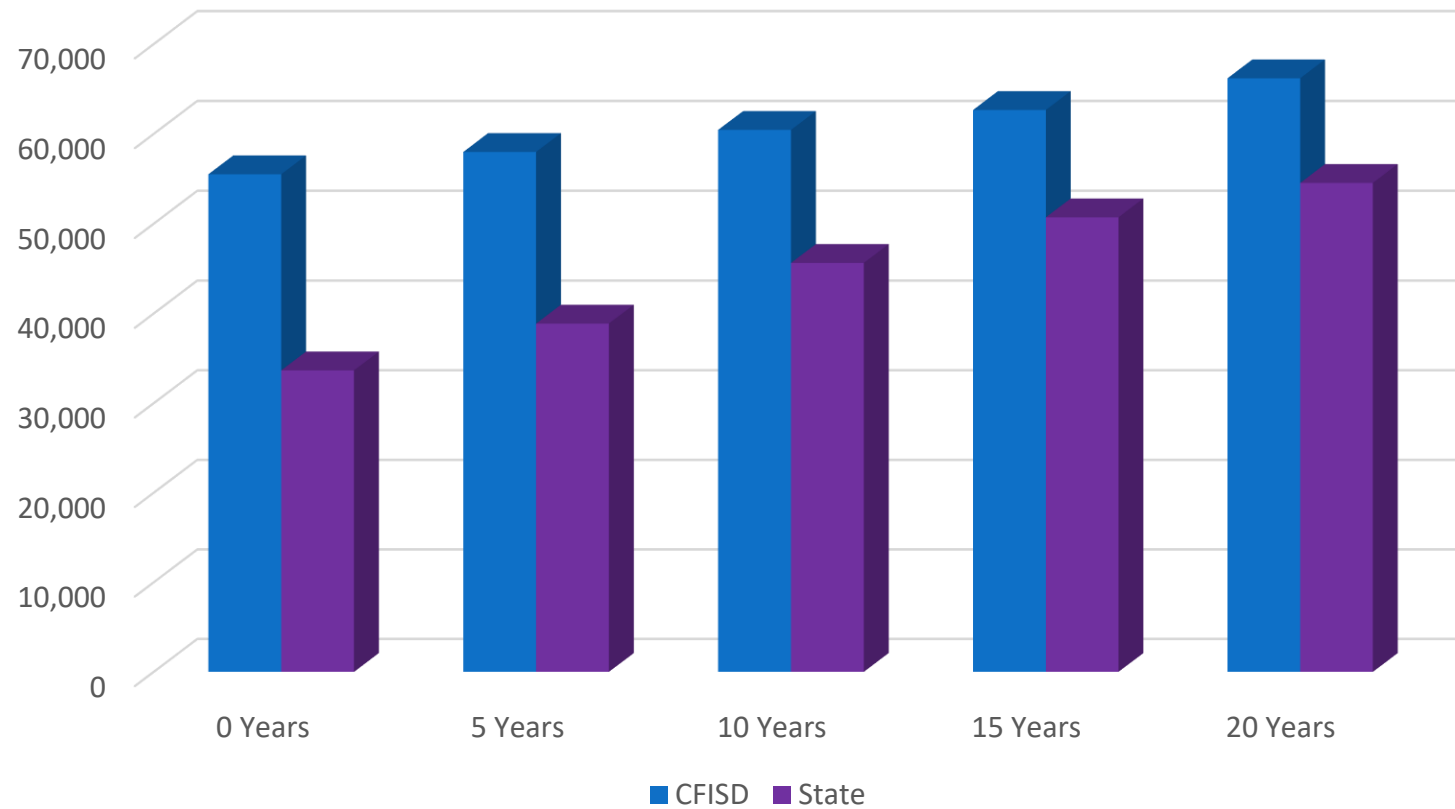
2019-2020 Budget

- ❖ Texas Education Agency needs to provide guidance in many areas
- ❖ Budget is conservative based on current understanding of:
 - State aid
 - Property taxes
 - Gain calculation
 - Required non-administrative raise
 - Economically disadvantaged census blocks

District Comparisons

- ❖ Need to be cautious of media releases and district comparisons due to:
 - Varying gains (CEI, Hurricane Harvey pennies)
 - Fast growth, mid-size and small district allotments
 - Models of gain computed differently from HB 3 required gain calculation
 - Varying economically disadvantaged percentages
 - June 30 vs August 31 fiscal years
 - Prior year district raises

CFISD vs Minimum Salary Schedule



CFISD Salary Increases Past Ten Years

Year	Teacher Scale	Paraprofessional/Hourly	Administrative
2009-2010	\$3,000	No Raise	No Raise
2010-2011	5.5%	5%	5%
2011-2012	No Raise	No Raise	No Raise
2012-2013	3%	3%	3%
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%

Teacher Salary Comparison 2018-2019

School District	0-Year Salary	5-Year Salary	10-Year Salary	15-Year Salary	20-Year Salary	Maximum Schedule
Aldine	\$52,500	\$54,343	\$55,507	\$57,335	\$61,329	\$83,029
Cypress-Fairbanks	54,000(1)	56,920(1)	58,737(1)	61,131(1)	64,658(1)	85,116(1)
Houston	52,530	53,040	55,620	57,184	59,956	74,360
Katy	53,000	53,835	57,625	58,980	61,830	74,945
Klein	52,600	54,870	55,712	58,922	60,322	73,329
Spring	52,275	53,328	54,947	57,752	60,696	63,160
Spring Branch	54,000(1)	55,550	57,550	59,650	62,150	74,900
Tomball	54,000(1)	55,868	57,618	59,718	62,618	65,818

HB 3 Required Salary Increase

- ❖ Any year that basic allotment increases, districts are required to allocate 30% (\$4.2 M) of their gain from the prior year towards compensation for full-time non-administrators:
 - Gain of \$48 M – Hurricane Harvey Pennies/SCE = Net Gain \$14.1 M
 - 75% (\$3.2 M) must be allocated to full-time classroom teachers, librarians, nurses and counselors, prioritizing differentiated compensation for classroom teachers with more than 5 years experience; and
 - 25% (\$1 M) must be allocated to full-time non-administrators

Budget Considerations 2019-2020

- ❖ Provide a starting teacher salary of \$55,500
- ❖ Provide salary increase for teachers, librarians, nurses and counselors of 3% with ≤ 5 years of experience and 3.5% for > 5 years of experience
- ❖ Eliminate attendance incentive and provide \$1,000 one-time payment for all teachers, librarians, nurses and counselors with \$500 paid in December 2019 and \$500 at end of contract/fiscal year 2020

Average
raise 5%

Budget Considerations 2019-2020

- ❖ Provide salary increase for all other employees at greater of 3% of midpoint or base
- ❖ Provide \$500 one-time payment for all other employees with \$250 paid in December 2019 and \$250 at end of contract/fiscal year 2020
- ❖ Provide funding for new teachers
- ❖ Provide funding for 29 elementary counselors (**SB 11**)

Budget Considerations 2019-2020

- ❖ Provide funding for increases in TRS, benefits and other miscellaneous expenses
- ❖ Recommending deficit budget, however:
 - District has a healthy fund balance
 - One-time payments to all employees not recurring
 - District added to fund balance in 2017-2018 and anticipates adding to fund balance in 2018-2019 (proposed deficit budgets)

Cost of Budget Considerations

Amount (millions)	Description
\$16.9	Cost of salary increase for teachers, librarians, nurses and counselors
\$ 8.5	Cost of two \$500 one-time payments for all teachers, librarians, nurses and counselors
\$ 7.3	Cost of salary increase for all other employees
\$ 3.5	Cost of two \$250 one-time payments for all other employees
\$ 6.1	Cost of new teachers
\$ 2.0	Cost of 29 elementary counselors
\$10.8	Cost of increases in TRS, benefits and other expenses

\$22.2 million
more than HB 3
required raise

General Fund Revenues 2019-2020

Source	Proposed Budget	Percent
Local Revenues	\$524,083,450	54.32%
State Revenues	419,454,637	43.48%
Federal Revenues	21,000,000	2.18%
Other Sources	200,000	0.02%
Total	<hr/> <u>\$964,738,087</u>	<hr/> <u>100.0%</u>

General Fund Expenditures 2019-2020

Object	Proposed Budget	Percent
Payroll Costs	\$891,803,404	89.88%
Contracted Services	55,496,585	5.59%
Supplies & Materials	29,334,278	2.96%
Other Operating	14,913,734	1.50%
Capital Outlay	708,685	0.07%
Total	\$992,256,686	100.0%
Surplus (Deficit)	(\$27,518,599)	

General Fund Expenditures 2019-2020

Function	Proposed Budget	Percent
Instruction	\$643,392,409	64.84%
Instructional Resources & Media	8,362,815	0.84%
C&I Staff Development	11,063,488	1.11%
Instructional Leadership	8,821,885	0.89%
School Leadership	51,504,017	5.19%
Guidance & Counseling	39,046,931	3.94%
Social Work Services	1,324,722	0.13%

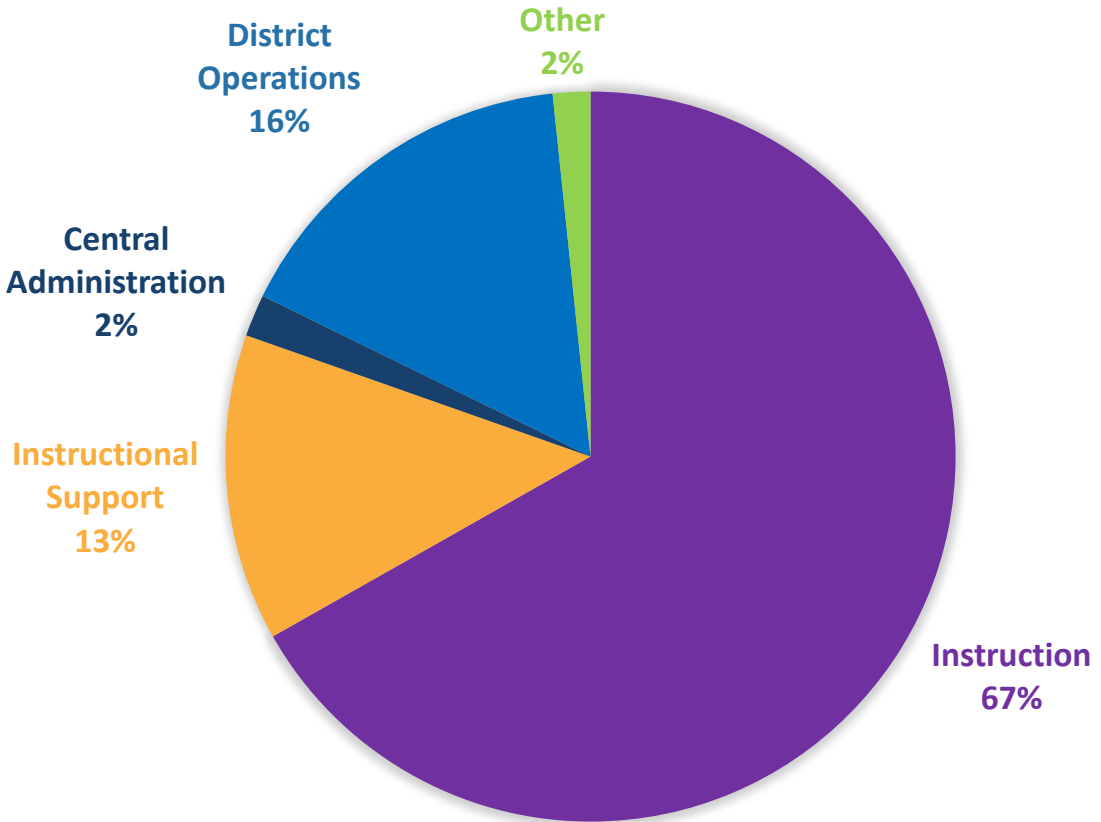
General Fund Expenditures 2019-2020

Function	Proposed Budget	Percent
Health Services	\$11,712,299	1.18%
Student Transportation	48,375,339	4.88%
Co/Extracurricular Activities	22,449,531	2.26%
General Administration	18,491,609	1.86%
Plant Maint & Operations	83,043,255	8.37%
Security & Monitoring Services	13,172,673	1.33%
Data Processing Services	15,052,665	1.52%

General Fund Expenditures 2019-2020

Function	Proposed Budget	Percent
Community Services	\$9,298,048	0.94%
Facilities Acquisition & Const	335,000	0.03%
Payments to Fiscal Agents SSA	1,390,000	0.14%
Payments to JJAEP	55,000	0.01%
Other Intergovernmental Chg	5,365,000	0.54%
Total	<u>\$992,256,686</u>	<u>100.0%</u>

General Fund Expenditures by Functional Area 2019-2020



Debt Service Fund Budget 2019-2020

Description	Proposed Budget
Revenues:	
Local	\$200,380,909
State	3,616,190
Federal	587,890
Total Revenues	<hr/> \$204,584,989 <hr/>
Expenditures:	
Debt Service	<hr/> \$204,584,989 <hr/>

Food Service Fund Budget 2019-2020

Description	Proposed Budget
Revenues:	
Local	\$16,296,335
State	316,875
Federal	44,817,559
Total Revenues	<hr/> <hr/> \$61,430,769
Expenditures:	
Food Service	\$60,437,454
Plant Maint & Operations	993,315
Total Expenditures	<hr/> <hr/> \$61,430,769

Proposed Tax Rates 2019-2020

Description	Tax Rate*
Maintenance & Operations	\$0.97
Interest & Sinking	0.40
Total	<u>\$1.37</u>

*Decrease of \$0.07 from 2018-2019 tax rate of \$1.44

Financial Integrity Rating System of Texas (FIRST) Requirement

- ❖ Indicator #20: Board Discussion of Property Values
 - Did the school board members discuss the district's property values and the funding lag at a board meeting that takes place within 120 days of the district adopting the budget?
 - Affected districts prior to HB 3

Questions