

School Budget 101

November 29, 2023



Keller ISD-Intentionally Exceptional



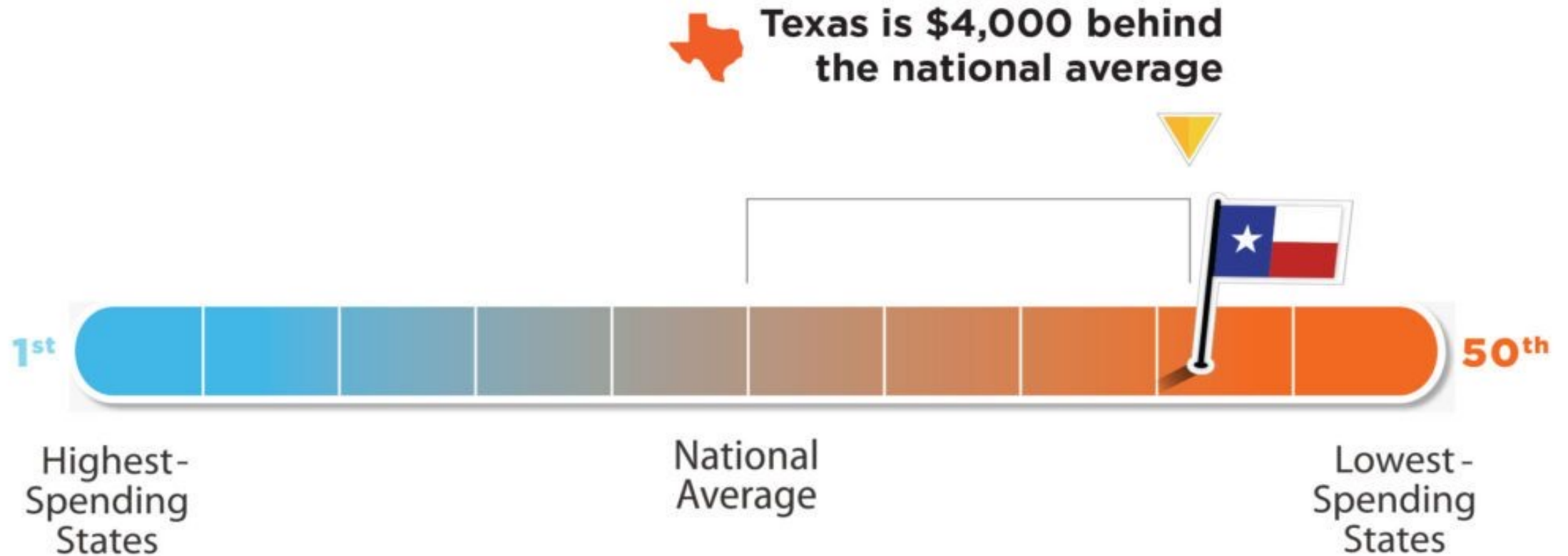
Circumstances Outside of District Control

- Inflation
- Insufficient and Complex State Funding Formula
- State “Robin Hood Scheme”
- Underfunded Mandates
- Flattening Enrollment and Student Attendance



Texas School Funding

Texas Ranks in the Bottom 10 in Per Pupil Spending



Not Alone

Texas schools await budget assistance from state



By [Daniel Weeks](#) | 3:44 PM Aug 10, 2023 CDT
Updated 3:44 PM Aug 10, 2023 CDT

With no new funding from the state, Texas schools are breaking the bank to pay for teacher raises

Lawmakers this year didn't approve extra money to help schools pay for raises despite having an unprecedented \$32 billion surplus — even after Gov. Greg Abbott commissioned a task force last year to improve teacher pay and retention.

Education

EDUCATION

Some Texas public schools facing budget concerns without legislative funding increases

by: [Monica Madden](#)

Posted: Jun 13, 2023 / 07:16 PM CDT

Updated: Jun 13, 2023 / 10:47 PM CDT

Why Texas school funding still isn't fair

Texas Public Radio | By [Camille Phillips](#)

Published October 20, 2023 at 9:30 AM CDT



School Cost Inflation 2019 vs. 2023

Schools, just like our households and businesses, have seen increased costs for fuel, insurance, utilities, and supplies. In addition, districts have continued to provide salary increases in order to retain and hire quality staff.



Fuel
+97%
\$583,604



Insurance
+204%
\$3,471,031



Utilities
+30%
\$2,073,834



Transportation
+14%
\$1,860,221



Staffing/Raises
+10%
\$22,411,768

Average inflation since August 2019 has increased by 17% according to the Consumer Price Index.



Insufficient, Complex State Funding Formula

- The primary funding of schools in Texas is what is known as the “Basic Allotment”
 - HB 3 in 2019 raised the basic allotment to \$6,160
 - Unless the Legislature takes action in the 4th Special Session schools will have gone 5 years without an increase.
 - The basic allotment would need to be over \$7,100 to compensate just for inflation.
- Average Daily Attendance (ADA) vs Enrollment Funding
- State “Robin Hood Scheme”



Texas School Funding Formula

$$\begin{aligned} & \$6,160 \text{ (Basic Allotment)} \times \text{ADA} + [\text{SPED} \times (1.10-1.15)] \\ & + [\text{DYS} \times .1] + [\text{CEA} \times (.225-.275)] + [(\text{BEA/DL}) \times (.05-.15)] \\ & + [\text{SSA} \times (9.72 \times \text{ADA})] + [\text{GTA} \times (.07 \times \text{ADA})] + [\text{CTE} \times (1.1-1.47)] \\ & + [(\text{PEGA} + \text{EEA}) \times .10] + [\text{CCMR} \times (\$2,000-\$5,000)] \\ & + [\text{FGA} \times (.15-.45)] + [\text{TIA} \times (\$3,000-\$12,000)] \\ & + [\text{MPA} \times \$1,800\text{qt}] + [\text{TA} \times \$1.00 \text{ reg mile}] \\ & + [\text{NIFA} \times \$1,000 \times \text{ADA}] + [\text{DRRPFA} \times \$275 \times \text{ADA}] + [\text{TA} \times (\text{varies})] \\ & + [\text{subject to more variables}] \end{aligned}$$

Key Formula Terms

ADA: Average Daily Attendance

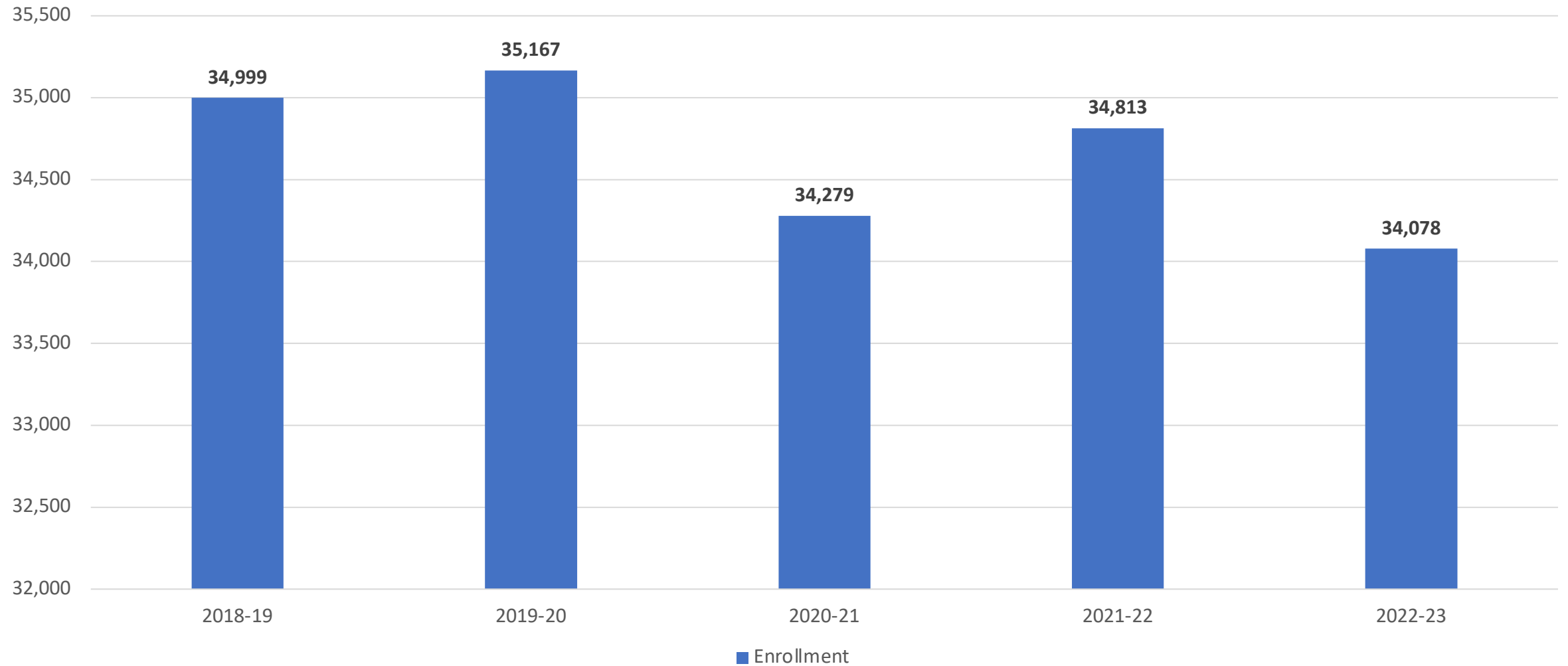
SPED: Special Education

GTA: Gifted & Talented

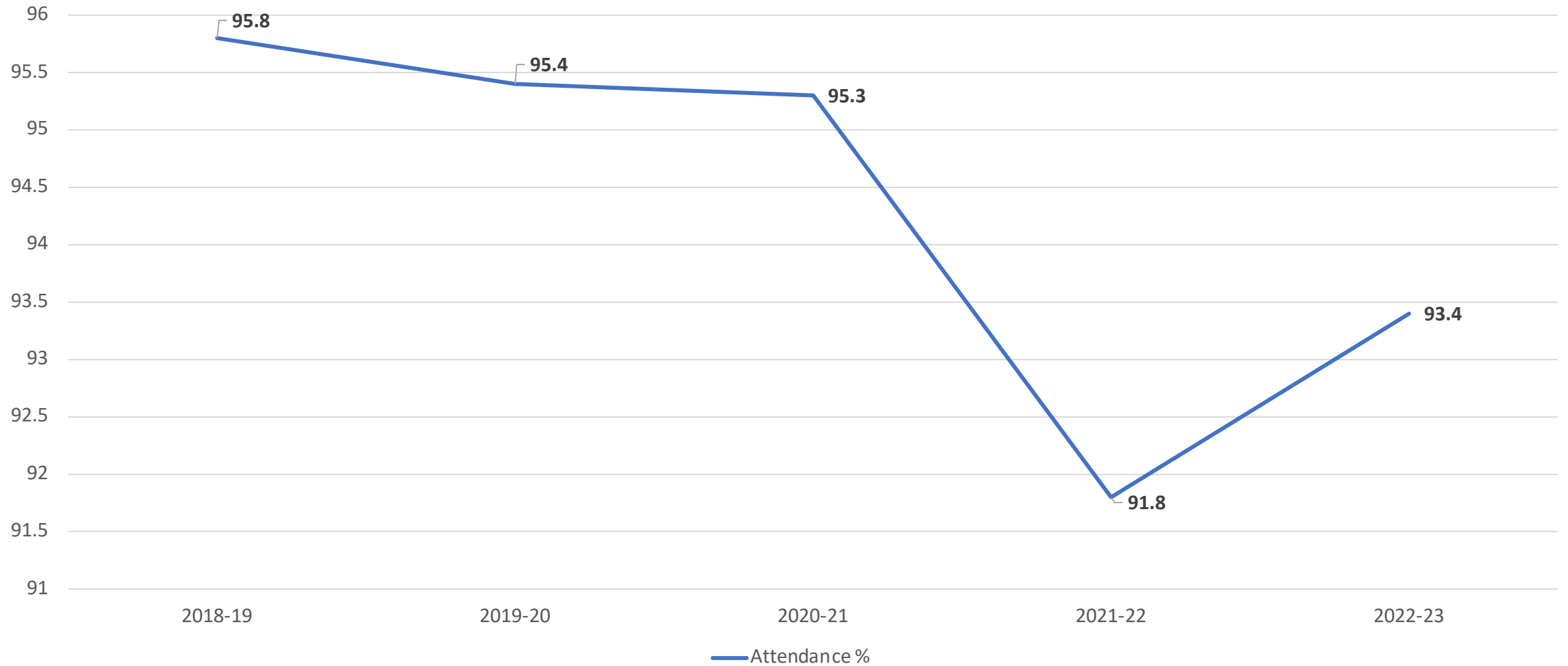
DYS: Dyslexia



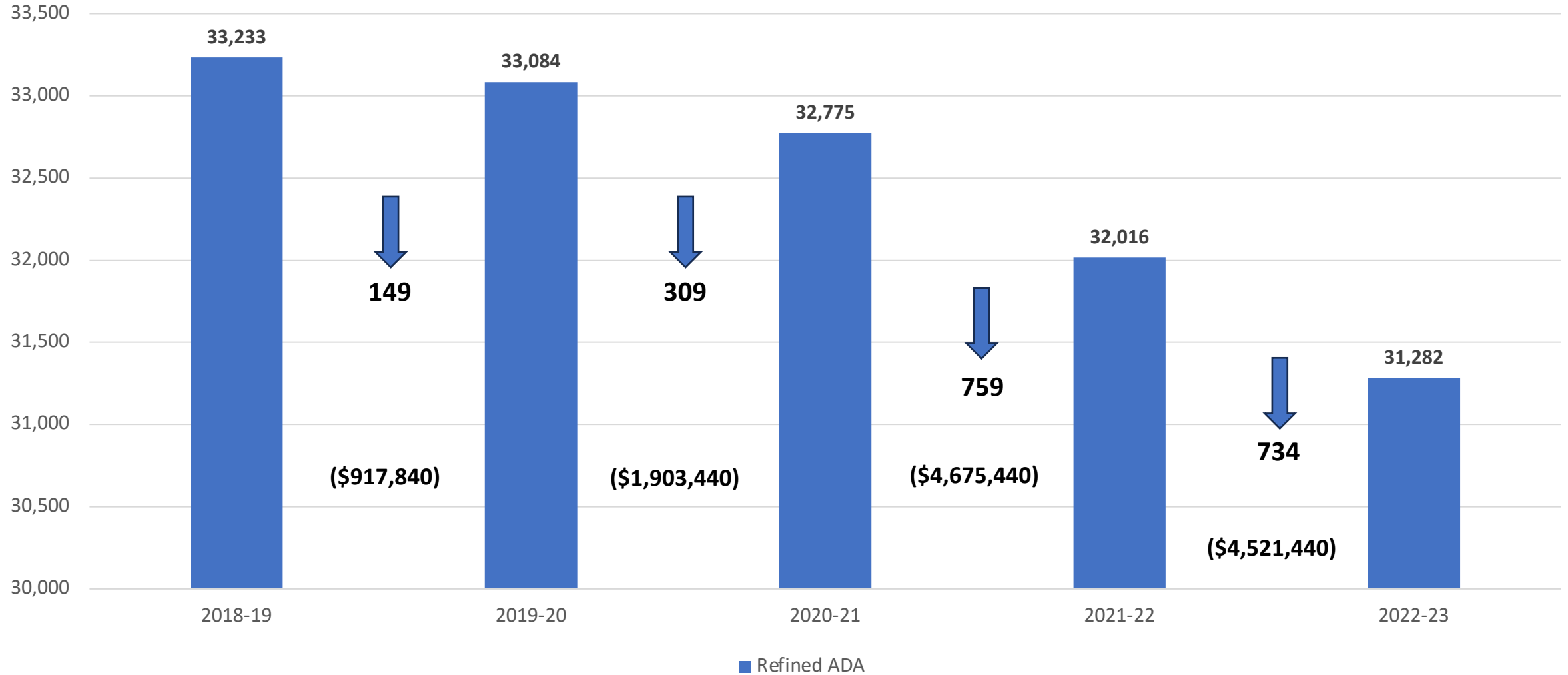
Declining Enrollment



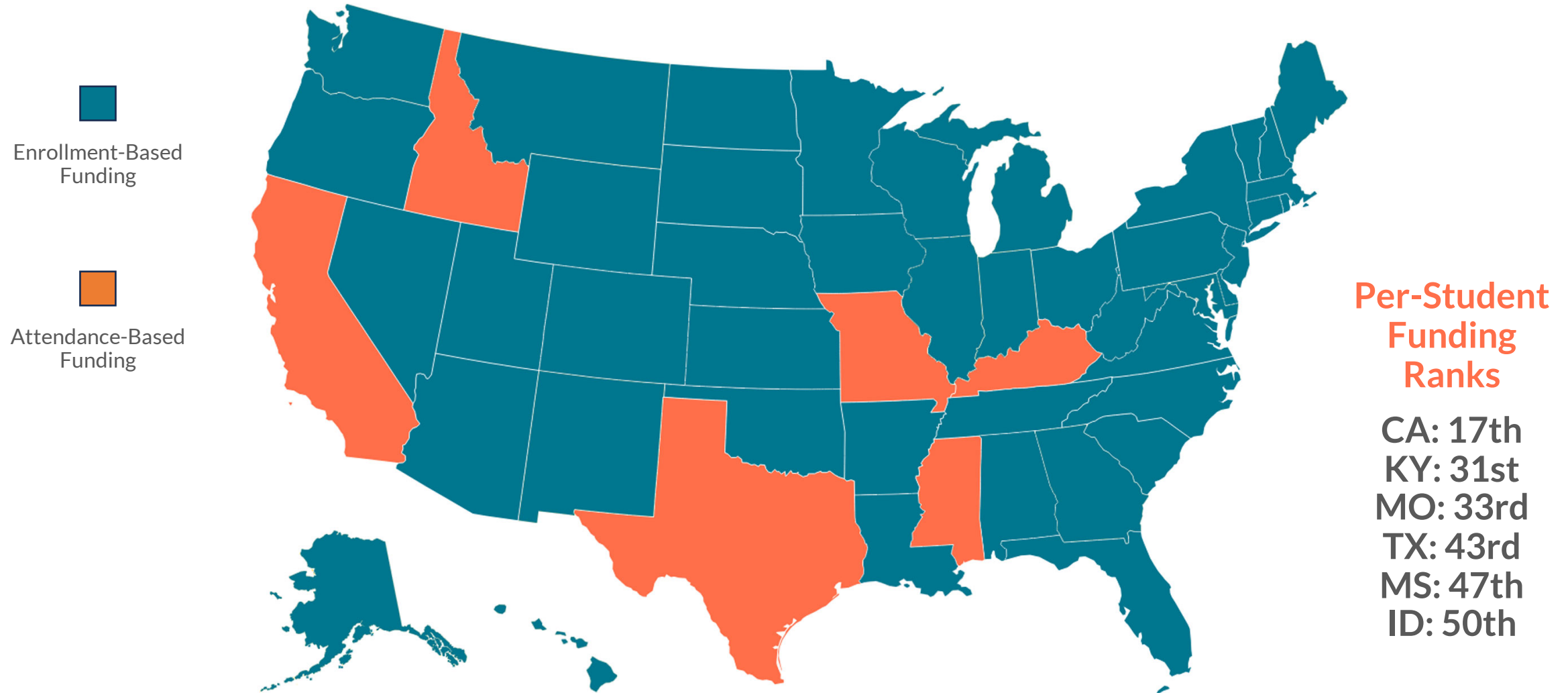
Declining Attendance



Declining Refined ADA & Funding Loss



Attendance-Based vs. Enrollment-Based



Underfunded Mandates from the State

- Special Education Program Spending Exceeds State Funding Requirement \$28 million
- HB3 (2019) Full Day Pre-K, Teacher Compensation, Reading Academies, Counseling, CCMR \$11.5 million
- STAAR Technology \$5 million
- HB 3 (2023) Safety & Security Requirements Above Funding \$4 million
- Dyslexia Program Spending Exceeds State Funding Requirement \$2.5 million
- Gifted & Talented Program Spending Exceeds State Funding Requirement \$1.0 million



State Budget Surplus

How could Texas spend its record \$32.7 billion surplus?

If Texas' budget surplus were distributed directly to Texans, it could pay for 12 years of school lunches, seven months of rent or 11,000 miles of travel from a household perspective.

BY **KAREN BROOKS HARPER, YURIKO SCHUMACHER AND ALEX**

MARCH 13, 2023 5 AM CENTRAL

TEXAS POLITICS

Where did Texas' record budget surplus come from?

by: [Daniel Marin](#)

Posted: Mar 21, 2023 / 06:05 AM CDT

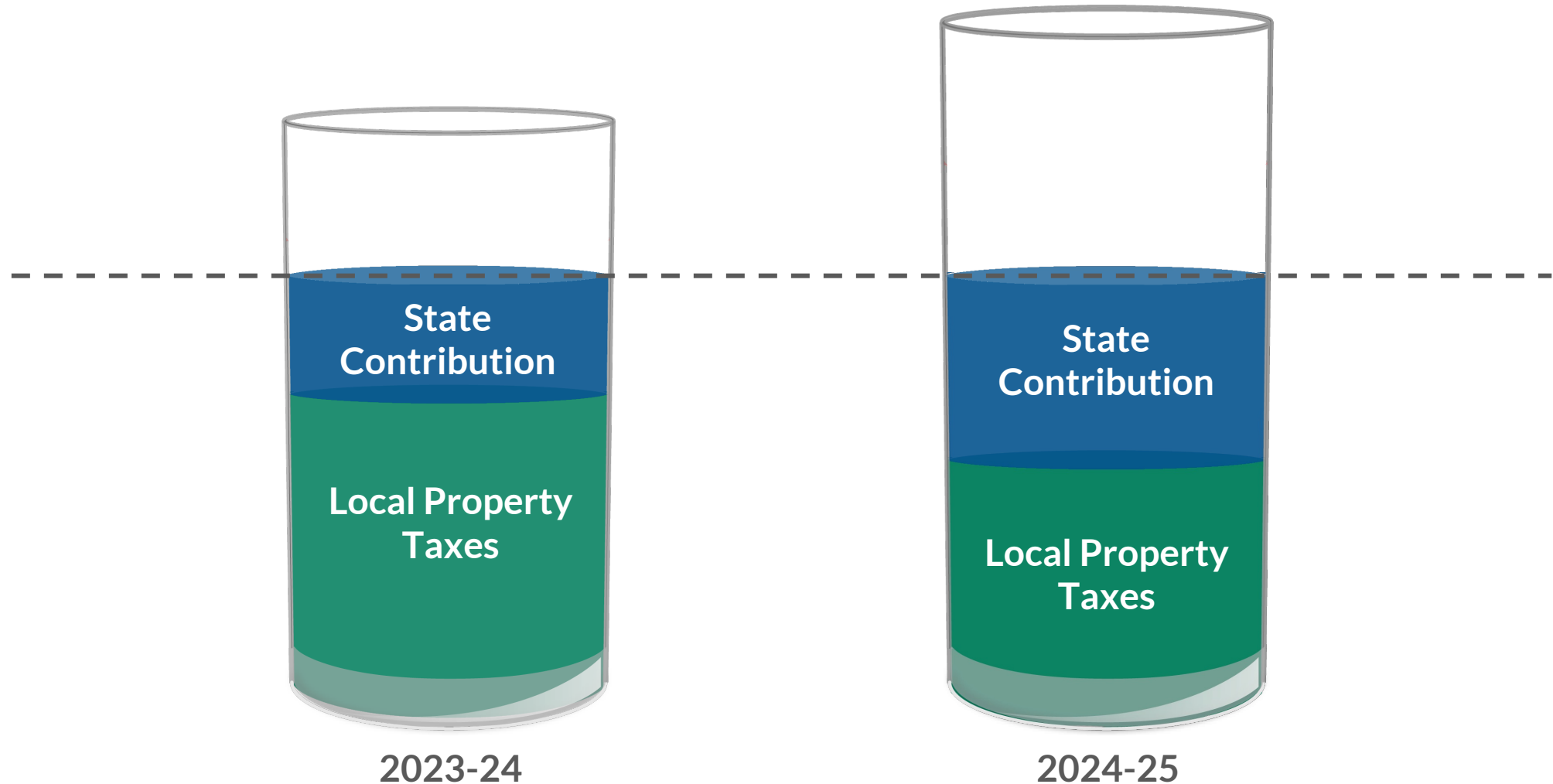
Updated: Mar 21, 2023 / 06:39 PM CDT

Texas will have an \$18.6 billion surplus and avoid a recession, comptroller projects

The updated comptroller's report raises the amount of revenue available to the state over the 2024-25 cycle to \$194.6 billion.

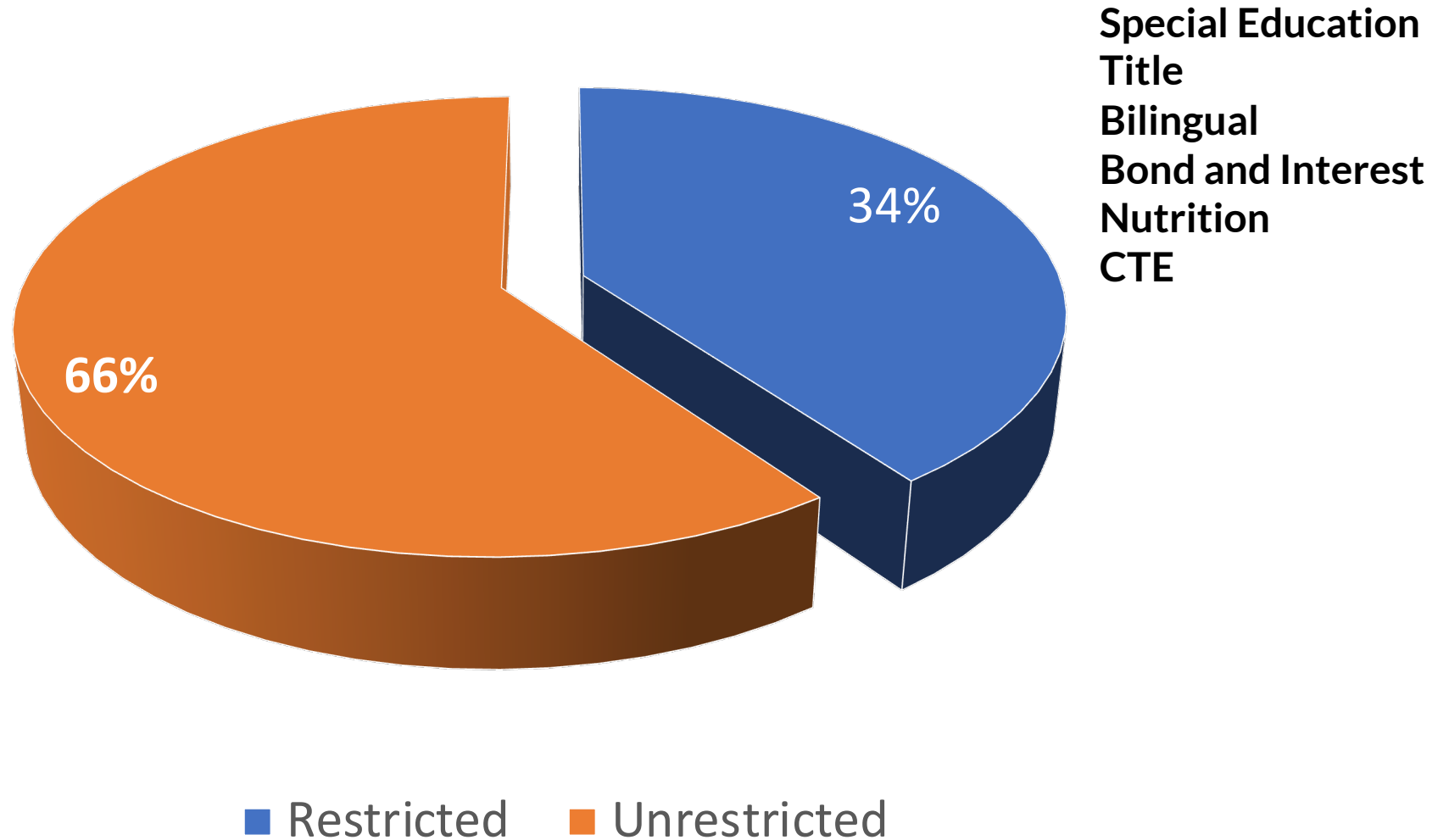


Cost of Educating a Student

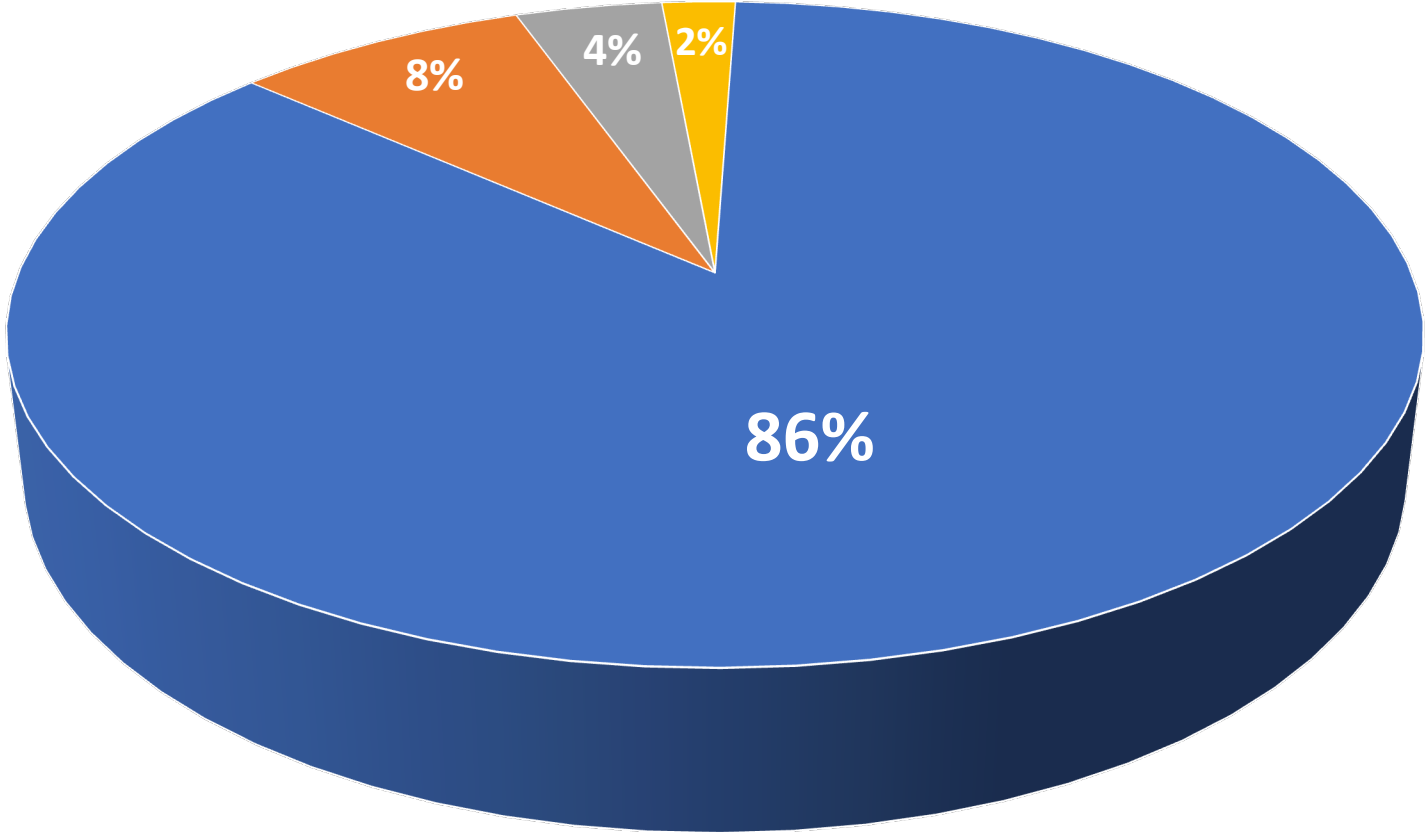


Restricted vs Unrestricted Funds

\$437 million



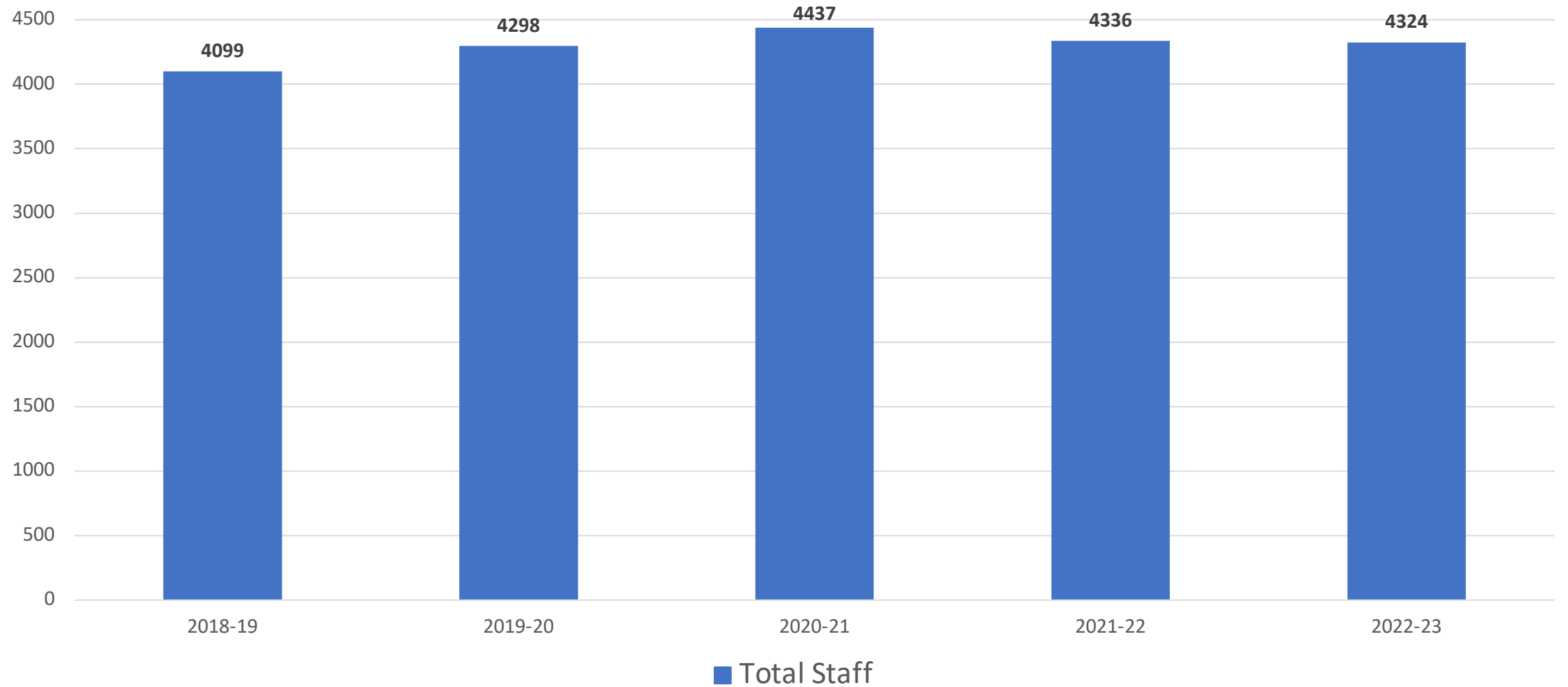
Expenditures-Where We Spend our Money



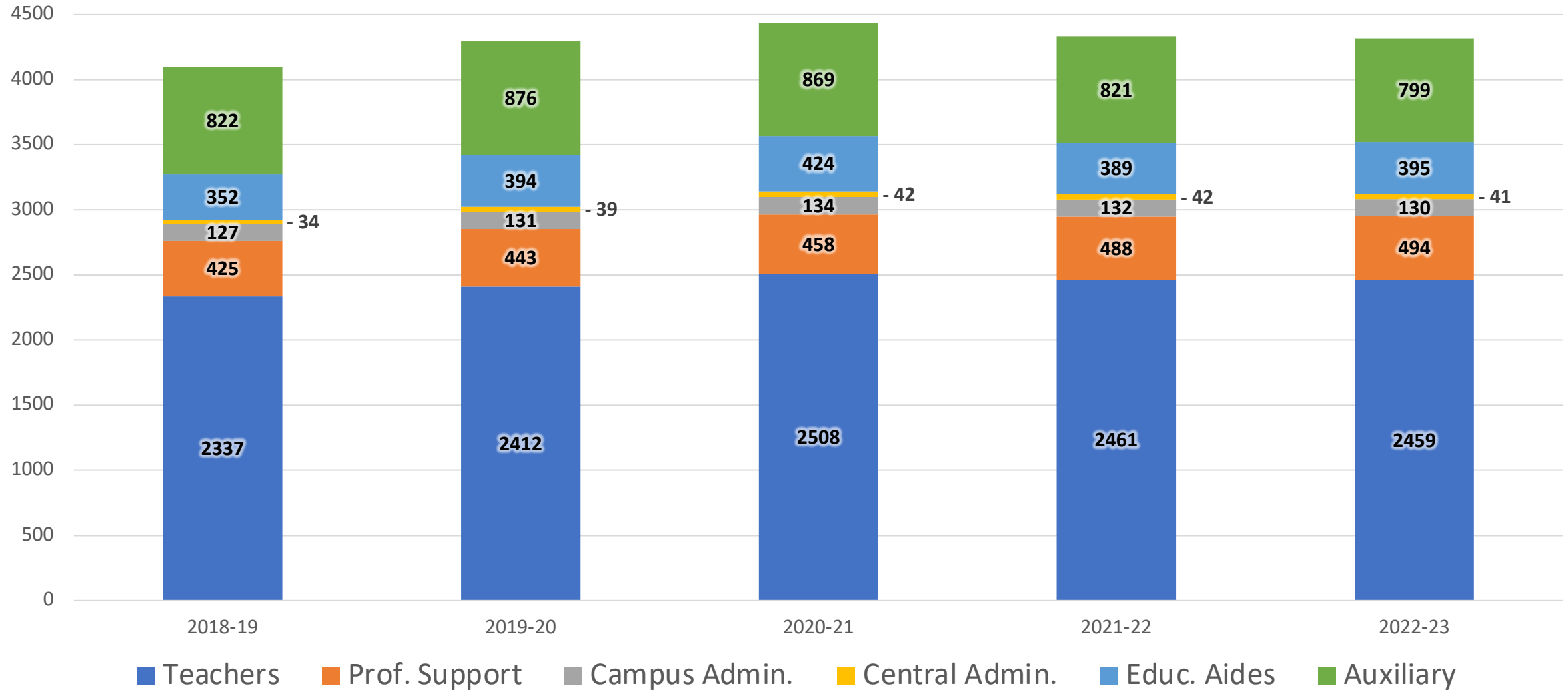
- Human Capital
- Contracted Services
- Supplies & Materials
- Other Operating Costs



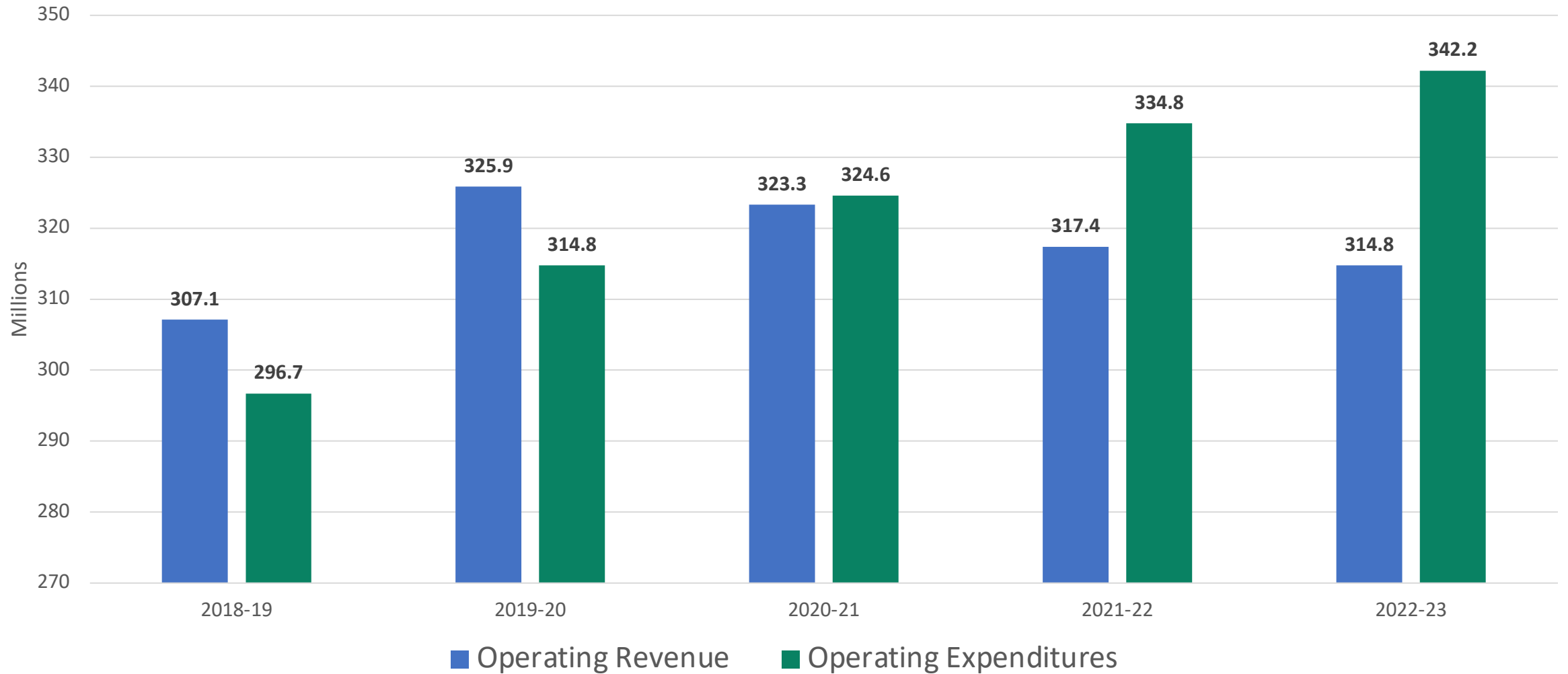
Total Staff



Total Staff by Category



Operating Revenue vs Expenditures

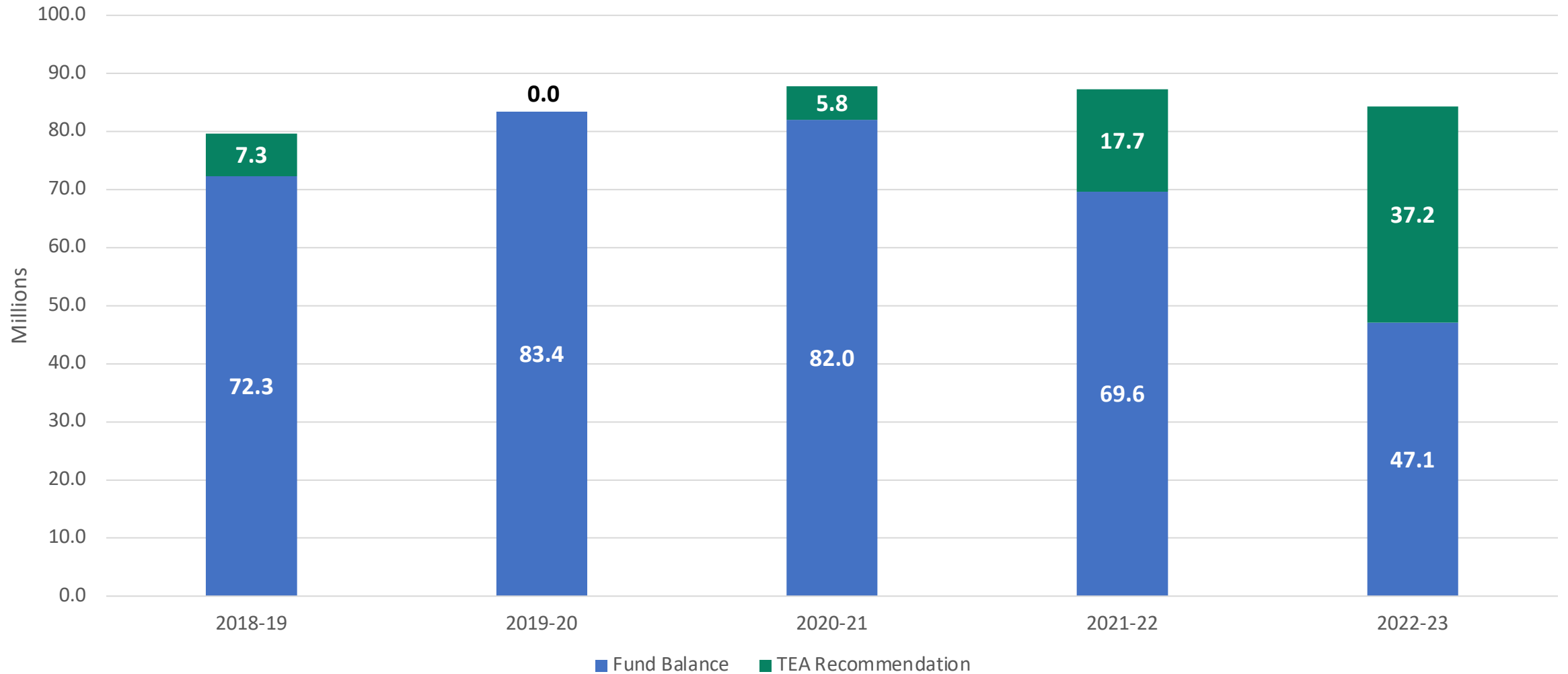


Increases to Operating Expenditures

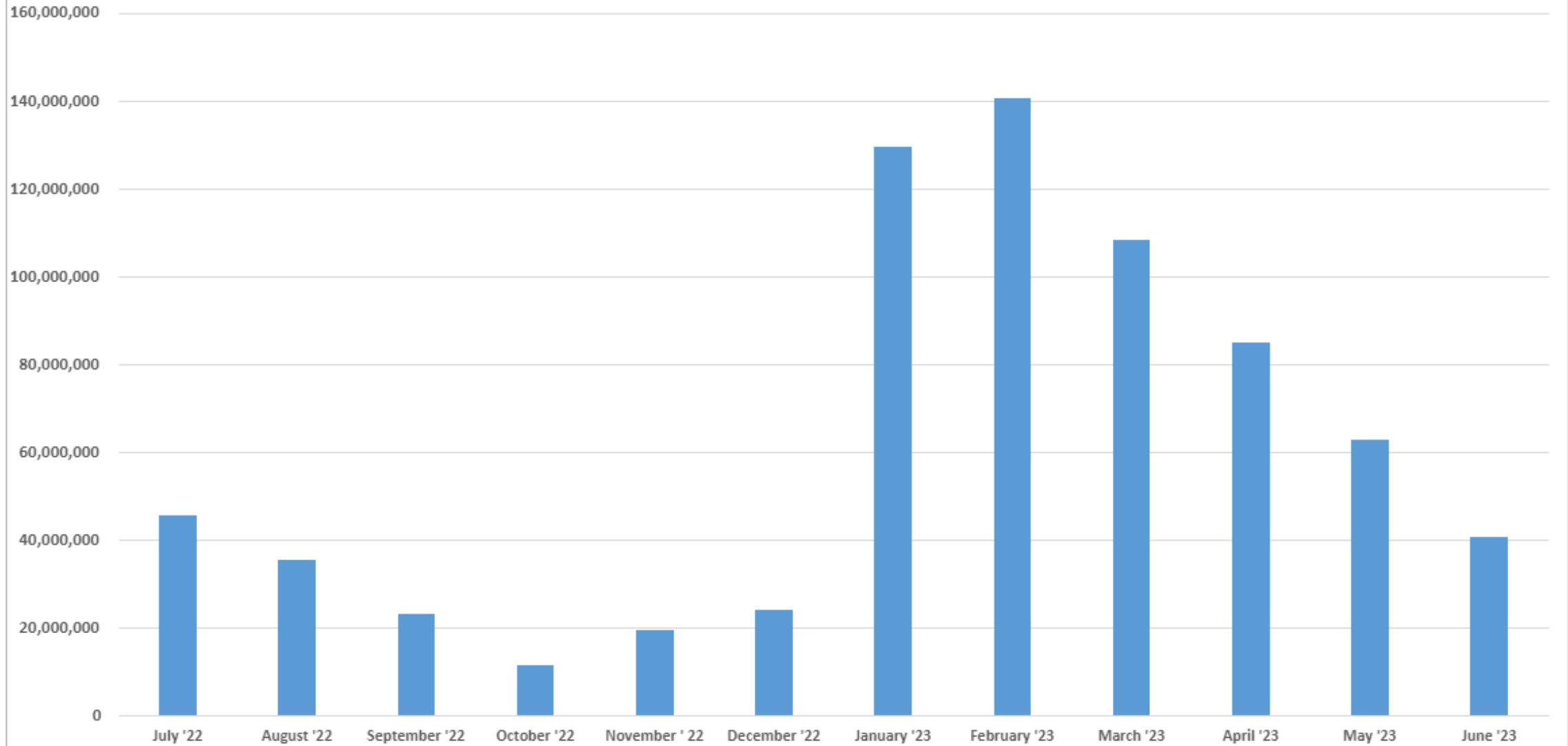
- 2019-20 (\$314.8M) vs 2020-21 (\$324.6M)
 - Increase in Payroll Costs of \$8.9M (2% of midpoint raise for all staff and market adjustments cost \$7.2M)
 - Increase in Utilities of \$0.6M
 - Increase in Property & Casualty Insurance of \$0.3M
- 2020-21 (\$324.6M) vs 2021-22 (\$334.8M)
 - Increase in Payroll Costs of \$7.5M (2% of midpoint raise for all staff and market adjustments cost \$6.0M)
 - One-Time Employee Retention Payment of \$1,000 to full-time employees, \$500 to part-time employees and up to \$500 to substitutes cost \$4.0M
 - Increase in Utilities of \$0.9M
 - Increase in Property & Casualty Insurance of \$1.2M
- 2021-22 (\$334.8M) vs 2022-23 (\$342.2M)
 - Increase in Payroll Costs of \$6.2M (2% of midpoint raise for all staff plus strategic adjustments cost \$8.5M-unusually high vacancies reduced overall payroll increase to \$6.2M)
 - Increase in Utilities of \$0.8M
 - Increase in Property & Casualty Insurance of \$0.4M



Fund Balance



General Fund Cash Flow



2023-2024 Budget Efficiencies

- Central Administration Cuts: \$3,891,243
- Staffing Efficiencies to Offset Declining Enrollment: \$4,517,500
- Elimination of Vacant Positions: \$3,000,000
- Withheld 10% of Department Budgets: \$6,282,626
- Total Budget Reductions to Date: **\$17,691,369**



2024-2025 Budget Planning Projections

• Increase in utilities	(\$3,942,248)
• Increase in transportation/fuel	(\$4,724,780)
• Increase in Property Insurance	(\$2,145,025)
• Ongoing costs from the expiration of ESSER	(\$3,200,000)
• 10-year budget for facility repairs	(\$1,146,700)
• Eliminate transfer from workers comp fund	(\$3,000,000)
• Reduced Enrollment projection for 24-25	(\$4,130,891)
• Student Technology	(\$5,137,991)
Preliminary Budget Deficit	(\$27,427,635)



Impact to KISD

- Continue to reduce central office staff
- Increase Efficiencies
- Programs
- School Schedules
- Increase Class Size



Current status in Austin

- Just days remain in the unprecedented 4th Special Session
- Only relief is 5th special session
- Basic allotment would need to be increased by \$1000 per student to offset inflation.
- Historical state fund balances



Keller ISD-Intentionally Exceptional



State Legislators Representing Keller ISD



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Representative Stephanie Klick
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Representative Nate Schatzline
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Representative Giovanni Capriglione
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Call to Action



SaveKellerISD.net

Contact Your
Legislators
TODAY!



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