

# *Budget Forecast and Development Process*

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# *Revenue Stream*

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- ☞ **State Foundation Program Revenues (52.3%)**
- ☞ **Local Property Tax Revenues (40.1%)**
- ☞ **Represents 92.4% of IISD Revenue Stream for the General Operating Budget**

# *State Foundation School Program*

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- ✎ Legislature meet every 2 years to determine state funding for public education. Facing a \$11-\$15 billion deficit next year it is unlikely public education will see any new dollars. Proration may even rear its ugly head.
- ✎ Local property tax values, as certified by the Comptroller's Office, determines the districts wealth for state funding. Under HB1 all ISD's are now capped at a targeted revenue amount.
- ✎ Enrollment growth, especially in special populations, (WADA) impact state dollars.

# *Local Property Tax Revenues*

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☞ Preliminary values - DCAD in May, in late July - Certified Roll. Increases in values accrue to the state under HB1 which means the growth in TAV automatically reduces state aid except for the Debt Service Fund.

☞ Generate more revenue by increasing tax rate, up to 4 pennies at the discretion of the local school board another 13 pennies by voter approval. It is extremely unlikely that the Legislature will give ISD's access to more pennies ant the local level.

# *Appropriations Budget*

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- ☞ 86.6% of our budget is Payroll (salary & benefits)
- ☞ Three major components of the budget are:
  - 1) staffing plan
  - 2) campus per pupil allocation budgets
  - 3) department budgets

# *Staffing Plan*

- 👉 Growth Needs - based on enrollment projections
- 👉 Additional staffing requests
- 👉 Salary increases - beginning teacher salary? a 1% raise cost \$1.7 million
- 👉 Campus staffing is formula driven

# *Staffing Reductions*

1. Alter program delivery methods
2. Increase class size (tinker with formulas)
3. Eliminate programs
4. Hiring freeze
5. Reduce central office support staff
6. Aides



# *Fund Balance*

How much is enough??????????

- ✎ IISD Board budget goal is two months expenditures or 16.67%
- ✎ Rating Agencies get concerned if less than 10%
- ✎ Financial Advisor's rule of thumb is 1.5 months operating equates to 12.5%

# *Fund Balance*

Management of the district's fund balance is the  
**KEY.**

Planned - use of it

Planned - replenishment of it

Projecting it beyond the current year

