



# Budget Process



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## **Fall/Winter Pre-Work:**

- Identifying opportunities to increase revenue and decrease expenditures based upon preliminary projected near and future budgets.
- Gathering community, employee and Board input.
- Investigating opportunities.

## **Spring/Summer Work:**

- Campus/department budget allotments
- District level line items: transportation, custodial, substitutes
- Salary projections - multiple throughout summer
- Refine assumptions:
  - enrollment/ADA
  - taxable property values
- Adjust to new legislation



# 2020-2021 Adopted Budget

Revenues: \$154,306,357

Expenditures: \$161,545,804

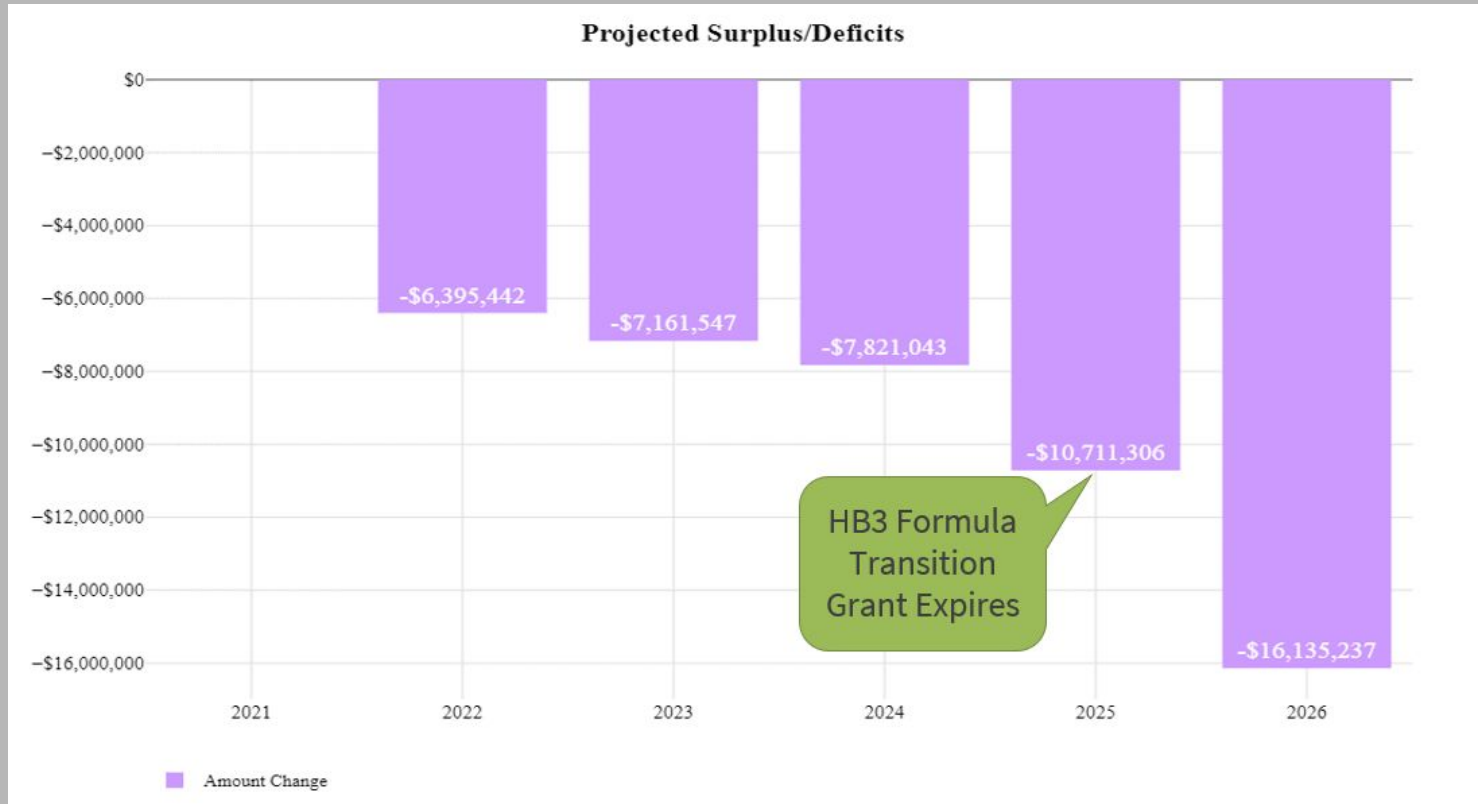
Deficit: \$ (7,239,447)

Factors that contributed to the deficit:

- Slowing enrollment growth
- Implementation of full-day PreK (PreK students are funded at 50% of K-12)
- Increased compensation for teachers, veteran teachers, staff
- Opening of CHS9 (FY2019) and Canyon Ranch (FY2020)
- Increase in full-time employees
- Required transition to new vendor for transportation due to closure of Dallas County Schools



# Future budget projection: December workshop





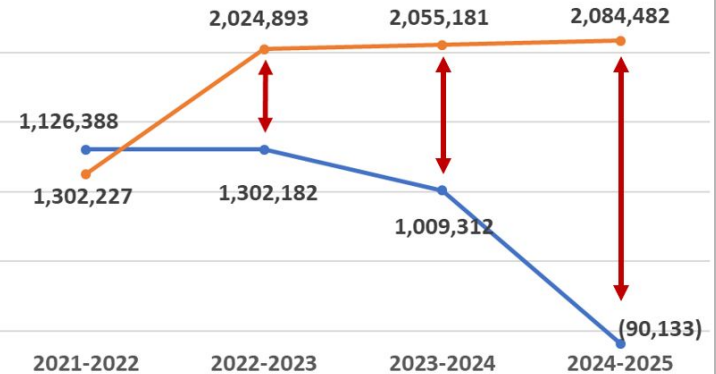
# Future budget projection: December workshop

## Projected Funding

assuming HB 3 level funding AND \$3M fast growth allotment

YEAR	Estimated State & Local M&O Funding (excludes Recapture)	funding \$ change per year	Estimated Payroll Expense with 2% increase (excludes TRS On Behalf)	payroll \$ change per year
2020-2021	110,954,864		97,265,097	
2021-2022	112,257,091	1,302,227	98,391,485	1,126,388
2022-2023	113,559,273	1,302,182	100,416,378	2,024,893
2023-2024	114,568,585	1,009,312	102,471,559	2,055,181
2024-2025	114,478,452	(90,133)	104,556,041	2,084,482

Increase in Funding vs. 2% Increase in Payroll



—●— funding \$ change per year    —●— payroll \$ change per year



# State & Federal Funding

## Potential Legislation from 87th session

- Reduction in Fast Growth Allotment - **\$2 million loss in revenue**
- Formula Transition Grant - temporary funding

## Enrollment

- Estimated revenue based upon returning enrollment - estimated to be **\$1 million lower than 2020-21 funding (hold harmless)**.

## SHARS funding

- Reduction in medicaid reimbursement due to inability to provide services during the spring of 2020 due to covid - **\$200,000 loss in revenue**



# Local Revenue

- **Revenue opportunities**
  - Expansion of open enrollment program
  - Virtual courses
  - Donations and grants
  - Fees
  - Rebate program for virtual vendor payments
  - Review staffing model
  - Continue programs that generate revenue including:
    - SHARS
    - Facility Rentals
    - Cell tower sites



# Expenditure Reductions

Incorporated in 2021-2022 general operating budget

- \$500,000 in campus and district department budgets
- \$500,000 in covid related expenditures
- Reductions in other district budgeted accounts such as substitutes, contracted services, and supplies.

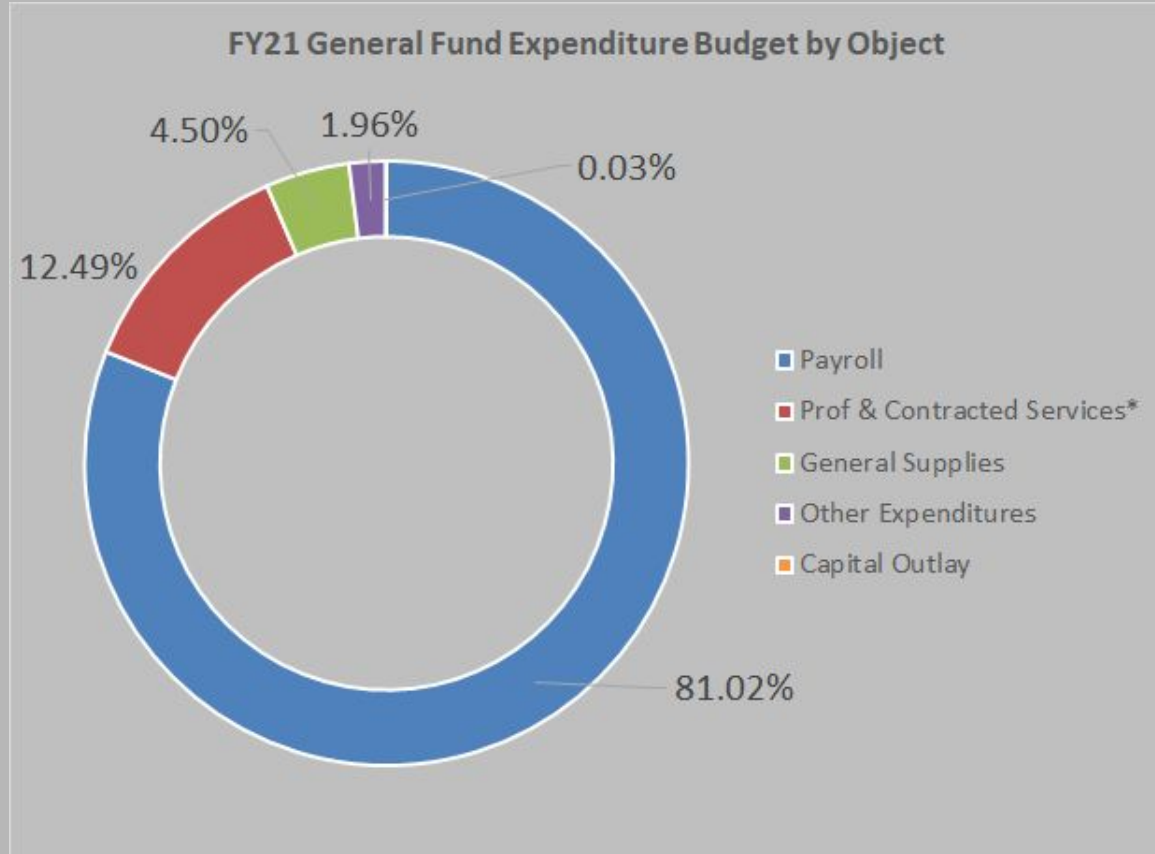
Opportunities for further reductions

- One-time funding granted for specific projects for the 2020-2021 school year
- New custodial contract (in negotiations)
- Transportation efficiencies
- Staffing efficiencies





# Payroll: the district's largest expenditure





# 5 years budget vs. actual

	2015-2016			2016-2017			2017-2018			2018-2019			2019-2020		
	Amended Budget	Actuals	Variance to Budget	Amended Budget	Actuals	Variance to Budget	Amended Budget	Actuals	Variance to Budget	Amended Budget	Actuals	Variance to Budget	Amended Budget	Actuals	Variance to Budget
<b>TOTAL REVENUE:</b>	\$116 m	\$118 m	\$2 m	\$132 m	\$134 m	\$2 m	\$141 m	\$142 m	\$1 m	\$158 m	\$160 m	\$2 m	\$154 m	\$154 m	\$1 m
<b>TOTAL EXPENDITURES:</b>	\$118 m	\$116 m	\$2 m	\$128 m	\$124 m	\$4 m	\$145 m	\$141 m	\$3 m	\$157 m	\$151 m	\$6 m	\$156 m	\$151 m	\$6 m
<b>NET CHANGE IN FUND BALANCE</b>	-\$2 m	\$2 m	\$4 m	\$1 m	\$7 m	\$6 m	-\$3 m	\$1 m	\$4 m	\$1 m	\$9 m	\$8 m	-\$2 m	\$4 m	\$6 m
<b>variance as a % of total budgeted expenditures</b>			4%			4%			3%			5%			4%
<b>TOTAL ENDING FUND BALANCE (committed and unassigned)</b>		\$53 m			\$60 m			\$61 m			\$70 m			\$74 m	

First year of House Bill 3 funding

Second year of House Bill 3 funding

2 yrs of SHARS revenue, reduction in recapture accrual due to HB 3

Covid savings (Spring 2020)

Source: Coppell ISD Annual Audit Exhibits C-3 & G-1  
Rounded to millions