



Budget Process



Budget Process

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



Budget Projection

First the good news - 87th Legislative Session

- HB3 - both Senate and House budgets include funding the Foundation School Program
- HB3 -
 - TEA cites \$530 per ADA average increase in funding.
 - CISD realized \$204 per ADA increase in funding.
 - CISD spent entire gain on increased compensation for full-time employees other than administrators. (77% on increased compensation for teachers, librarians, nurses and counselors)



Budget Projection

Assumptions:

- Coppel ISD qualifies for the Fast Growth Allotment for the 2021-2022 school year. (under current law)
- Enrollment and Avg Daily Attendance (ADA)
 - KEY driver of funding
 - How will enrollment change for 2021-2022?
- Taxable property value
 - State will use 1.84% growth rate to determine maximum compressed tax rate (MCR).
- Formula Transition Grant



Fund Balance

Follow up to Jan 25th budget workshop

Question: How much fund balance is required to maintain Coppel ISD's credit rating?

- Multiple factors determine credit ratings; fund balance is key.
- Recommendation of maintaining at least 40% of annual operating expenses in General Fund balance or \$64.6 million.
- Rating agencies understand one-time drawdown of fund balance (example; capital expenditures) but are critical if drawdowns are to offset operating fund deficits.
- Would never want to drop below 28% of annual operating expenses in General Fund balance (\$45.2 million).
- The fund balance \$ requirements rise as overall district operating expenditures rise.