

# Georgetown ISD Board Budget Workshop #2 For 2023-2024

NOVEMBER 7, 2022



# GISD Board Parameters/Assurances 2023-2024 Budget Process (August 2022)

- ▶ Prioritize staff/program reductions within the district's mission/vision and board goals
- ▶ Open and timely communication with all stakeholders throughout the budget process
- ▶ Gather input into potential program/budget changes
- ▶ Pursue efficiencies within district educational goals
- ▶ Investigate potential revenue sources
- ▶ If necessary, utilize attrition as the primary means of position reductions
- ▶ Provide regular board updates on the process

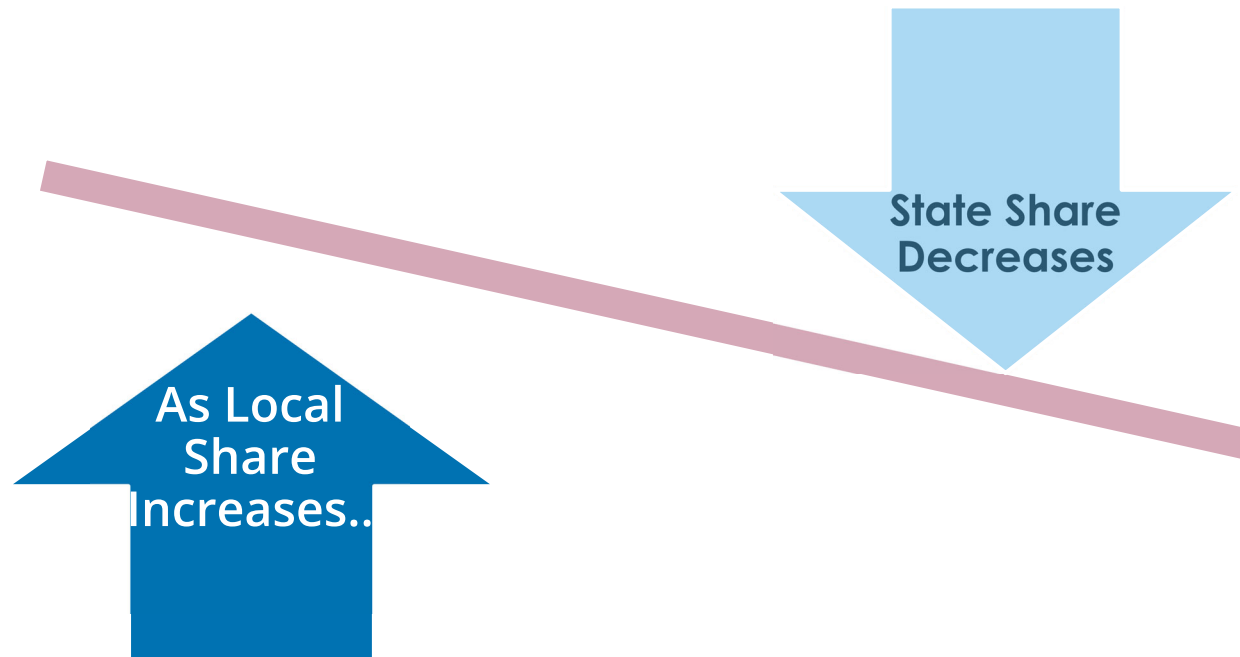


# Factors Influencing Budget Development

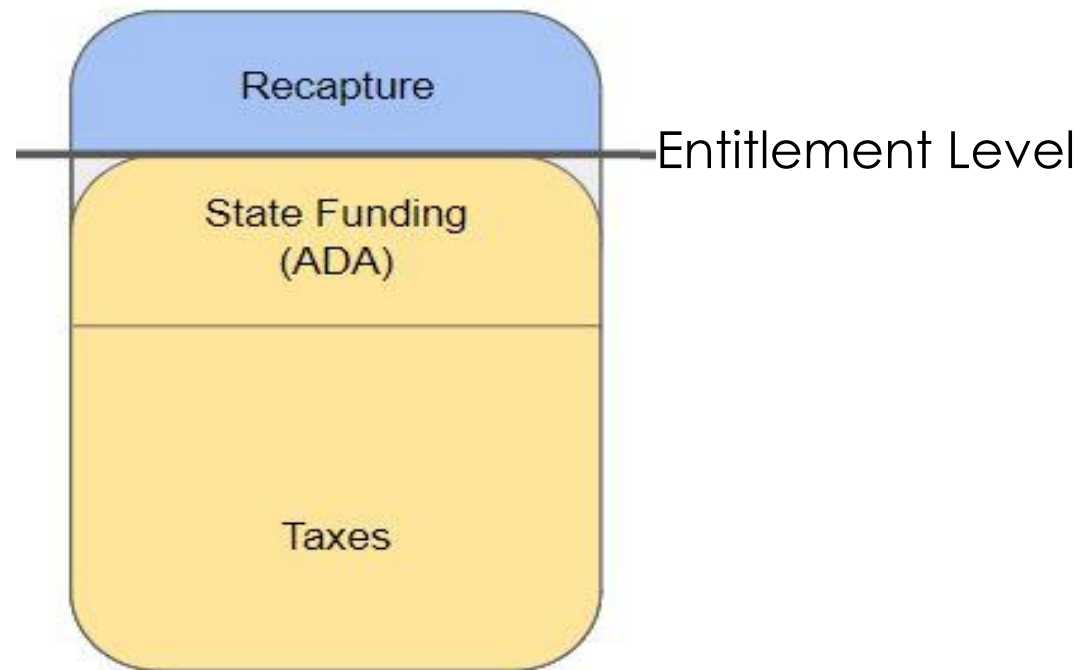
- ▶ Enrollment drives staffing needs.
- ▶ Student attendance drives the revenues to support the staffing and other operational costs.
- ▶ The level of school funding per student has remained constant for four years.
- ▶ Taxable value growth benefits the state (through recapture payments) and not the school district.



# Local and State Funding Structure

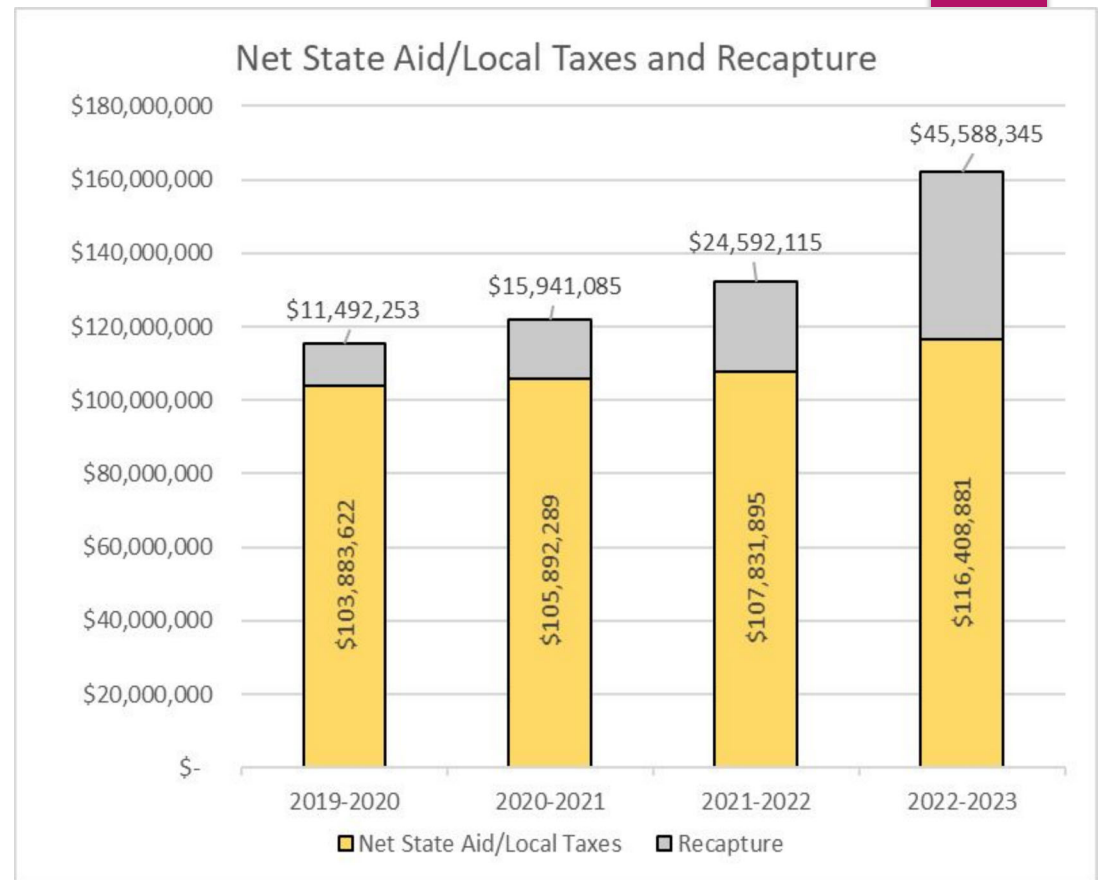


# Revenue in Excess of Entitlement



## Funding Entitlement and Recapture

- Net state aid and local taxes are limited by legislative funding formulas
- Budget growth only occurs with student attendance increases and/or student program composition changes
- The school district does not benefit from taxable value growth; the state benefits



# Current Economic Factors

- ▶ The state comptroller has announced that an unprecedented **\$27 billion budget surplus exists**.
- ▶ **Statewide taxable values in 2022 grew by 17%** instead of the original projected 4.4%.
- ▶ **Georgetown ISD taxable values grew by 30%.**
- ▶ The **basic allotment per student has remained at \$6,160** for four years.
- ▶ State aid funding **weights have remained constant as well.**
- ▶ **Inflation** steals away salary gains and will not easily disappear.
- ▶ The state's economic future is **uncertain**.



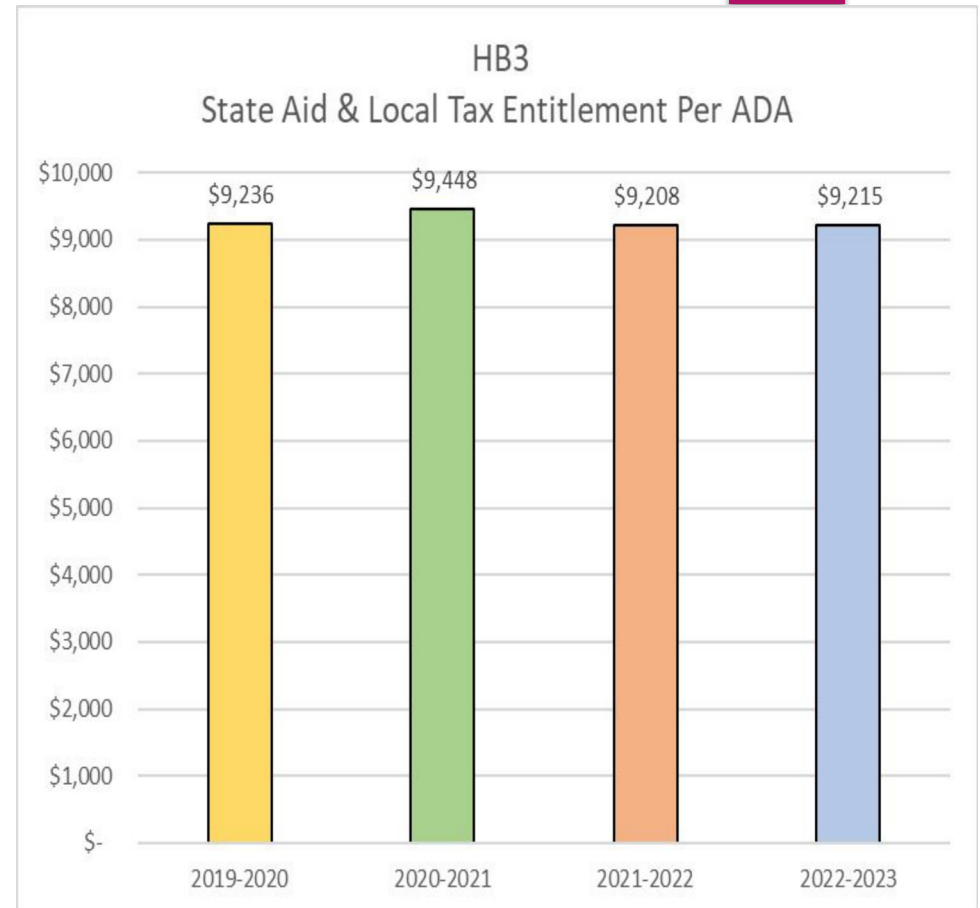
HB 3 **increased** the basic allotment by **20%** in FY2020.





## Amount of Entitlement per Average Daily Attendance (ADA)

- With the exception of 2020-2021, the average amount per ADA of funding from state/local tax sources has remained relatively constant from 2019-2020 to 2022-2023
- 2020-2021 included a significant one-time amount for the fast growth school allotment that was corrected in subsequent years by the legislature

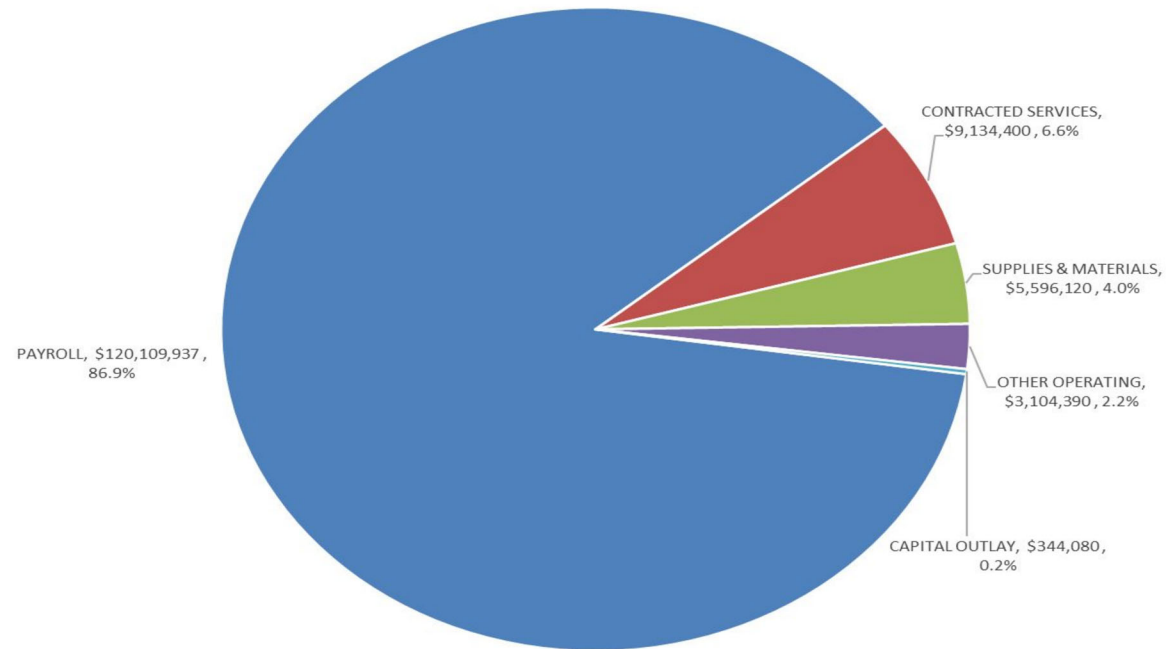


# General/ESSER Funds Four Year Revenues/Expenditures Comparison

REVENUES				
Operating Revenues (Net Recapture)	2019-2020	2020-2021	2021-2022	2022-2023
General Fund	\$ 113,022,219	\$ 118,547,721	\$ 120,713,804	\$ 128,378,918
ESSER Funds	\$ 858,151	\$ 4,370,165	\$ 7,226,880	\$ 4,361,906
Total Operating Revenues	\$ 113,880,370	\$ 122,917,886	\$ 127,940,684	\$ 132,740,824
EXPENDITURES				
General Fund	\$ 115,878,365	\$ 126,159,864	\$ 122,738,373	\$ 138,288,927
ESSER Funds	\$ 858,151	\$ 4,370,165	\$ 7,226,880	\$ 4,361,906
Total Operating Expenditures	\$ 116,736,516	\$ 130,530,029	\$ 129,965,253	\$ 142,650,833
Difference	\$ (2,856,146)	\$ (7,612,143)	\$ (2,024,569)	\$ (9,910,009)
Net Other Sources(Uses)	\$ 2,878	\$ 1,858,863	\$ 9,290,890	\$ 5,496,723
BEGINNING FUND BALANCE	\$ 29,276,730	\$ 26,423,462	\$ 20,670,182	\$ 27,936,503
ENDING FUND BALANCE	\$ 26,423,462	\$ 20,670,182	\$ 27,936,503	\$ 23,523,217
% of Gen Fund Total Expenditures	23%	16%	23%	17%



# 2022-2023 General Fund Budget by Object




# Legislative Crystal Ball

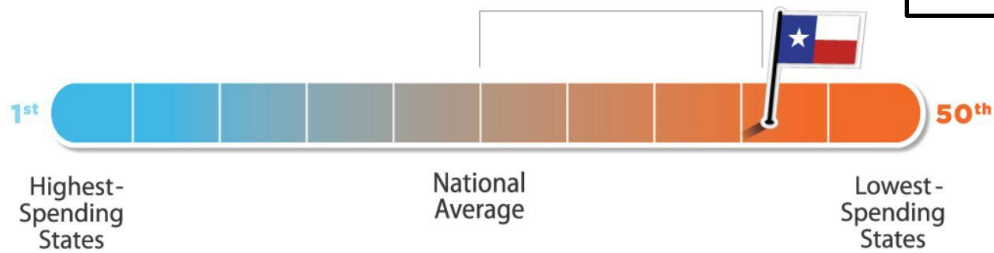
- ▶ A large portion of the state surplus may be used to reduce property taxes.
- ▶ A basic allotment increase (currently \$6,160) will hopefully be considered to offset inflation.
- ▶ Past allotment increases have been tied to legislative mandates.
- ▶ A state budget priority may include funding for charter schools and/or vouchers.



# RYHT Data on Funding

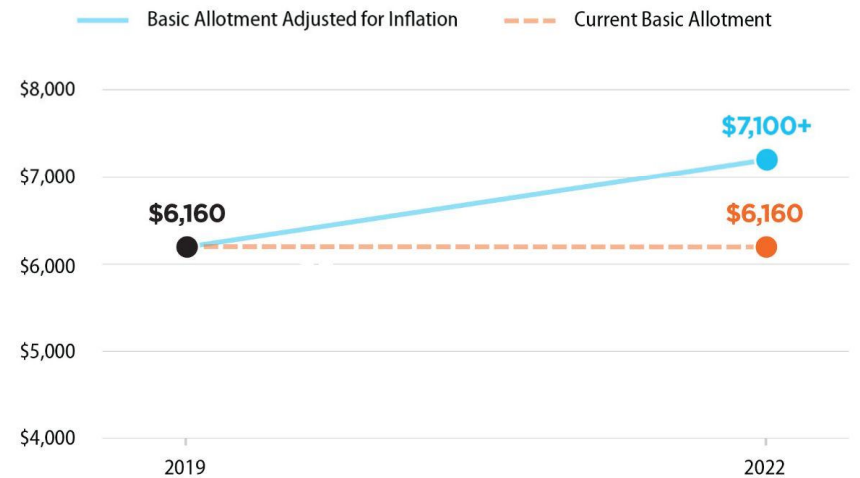
## Texas Ranks in the Bottom 10 in Per-Pupil Spending

 Texas is \$4,000 behind the national average



Source: EdWeek 2021 Quality Counts Educational Opportunities and Performance in Texas

## Keep Pace with Inflation: Unlock Texas School Funding<sup>2</sup>



Source: U.S. Bureau of Labor and Statistics

# Next Steps

Month/Year	Description
Aug 2022	Board budget parameters/assurances
Oct 2022	Budget discussion with DLT
Nov - Dec 2022	Ongoing budget meetings to develop budget reduction options
Jan 2023	Budget status report to Board
Feb - March 2023	Finalize determination of budget and staffing decisions

