

2022-23 Budget Hearing



Presented by Financial Services

August 22, 2022

Board Timeline for Budget

- ✓ January: Introduction and budget parameters
- ✓ February: Long-Term Debt Plan/projections – Debt Service Fund
- ✓ March: Initial look at budget projections – General Fund
- ✓ April: Austin/Legislative Update
- ✓ May : Closer look at projections
- ✓ July: Preliminary Budgets All Funds
- August: Official Budget 2022-23 and Final Amended Budget 2021-22

2022-23 Budget Overview

The Texas Education Code requires that every local education agency in Texas prepare and file a budget of anticipated revenues and expenditures with the Texas Education Agency. The State Board of Education requires that this budget be prepared and adopted by August 31 by the Board of Trustees.

Assumptions

Enrollment
Growth

4.9%



New
Campuses



STEVE & ELAINE ROBERTSON
ELEMENTARY



JORDAN
HIGH SCHOOL
12th Grade

Tax Base
Growth

14.3%



Assumptions

Teacher Pay Grade
5%

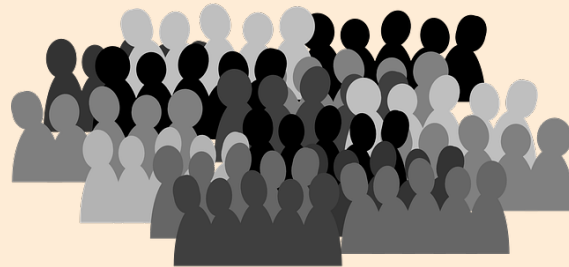
Hourly Employees
5%

Non-teacher
Professionals
3%

No Lump Sum

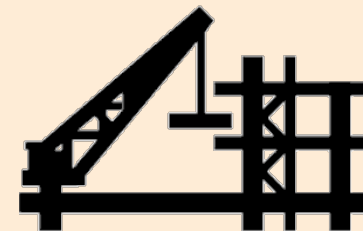
M&O Tax Rate

\$0.9148



I&S Tax Rate


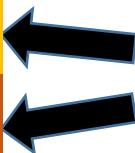
\$0.3900



Anatomy of Katy ISD's Tax Rate

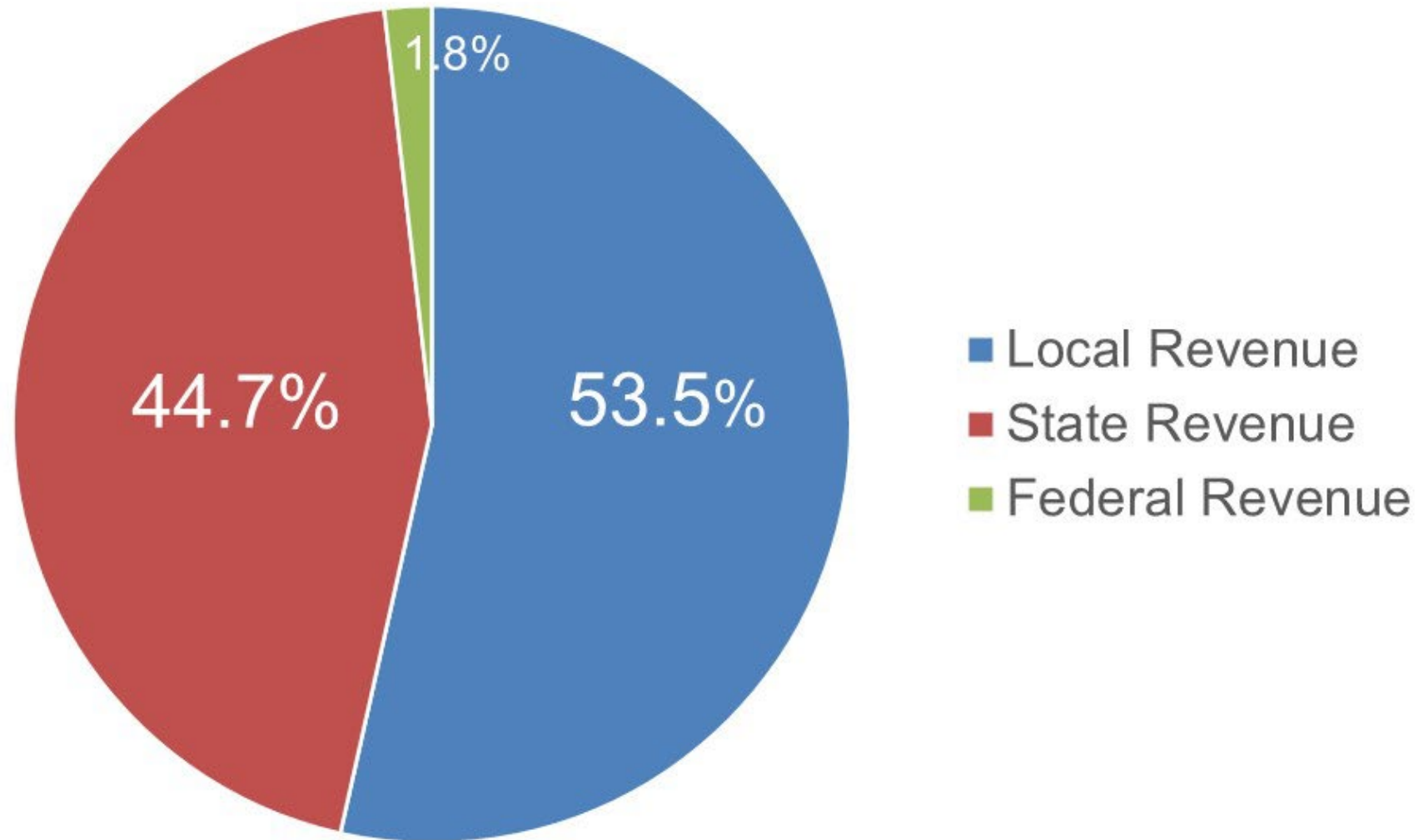
Without
TRE

	2018-2019	2019-2020	2020-2021	2021-2022	Projected 2022-2023
Compressed Rate	1.0866	0.9300	0.8886	0.8515	0.8046
Golden Pennies	0.0600	0.0800	0.0800	0.0800	0.0800
Copper Pennies	<u>0.0000</u>	<u>0.0431</u>	<u>0.0302</u>	<u>0.0302</u>	<u>0.0302</u>
M&O Tax Rate	1.1466	1.0531	0.9988	0.9617	0.9148
I&S Tax Rate	<u>0.3700</u>	<u>0.3900</u>	<u>0.3900</u>	<u>0.3900</u>	<u>0.3900</u>
Total Tax Rate	<u>1.5166</u>	<u>1.4431</u>	<u>1.3888</u>	<u>1.3517</u>	<u>1.3048</u>
Annual Drop		-0.0735	-0.0543	-0.0371	-0.0469
Cumulative Drop		-0.0735	-0.1278	-0.1649	-0.2118

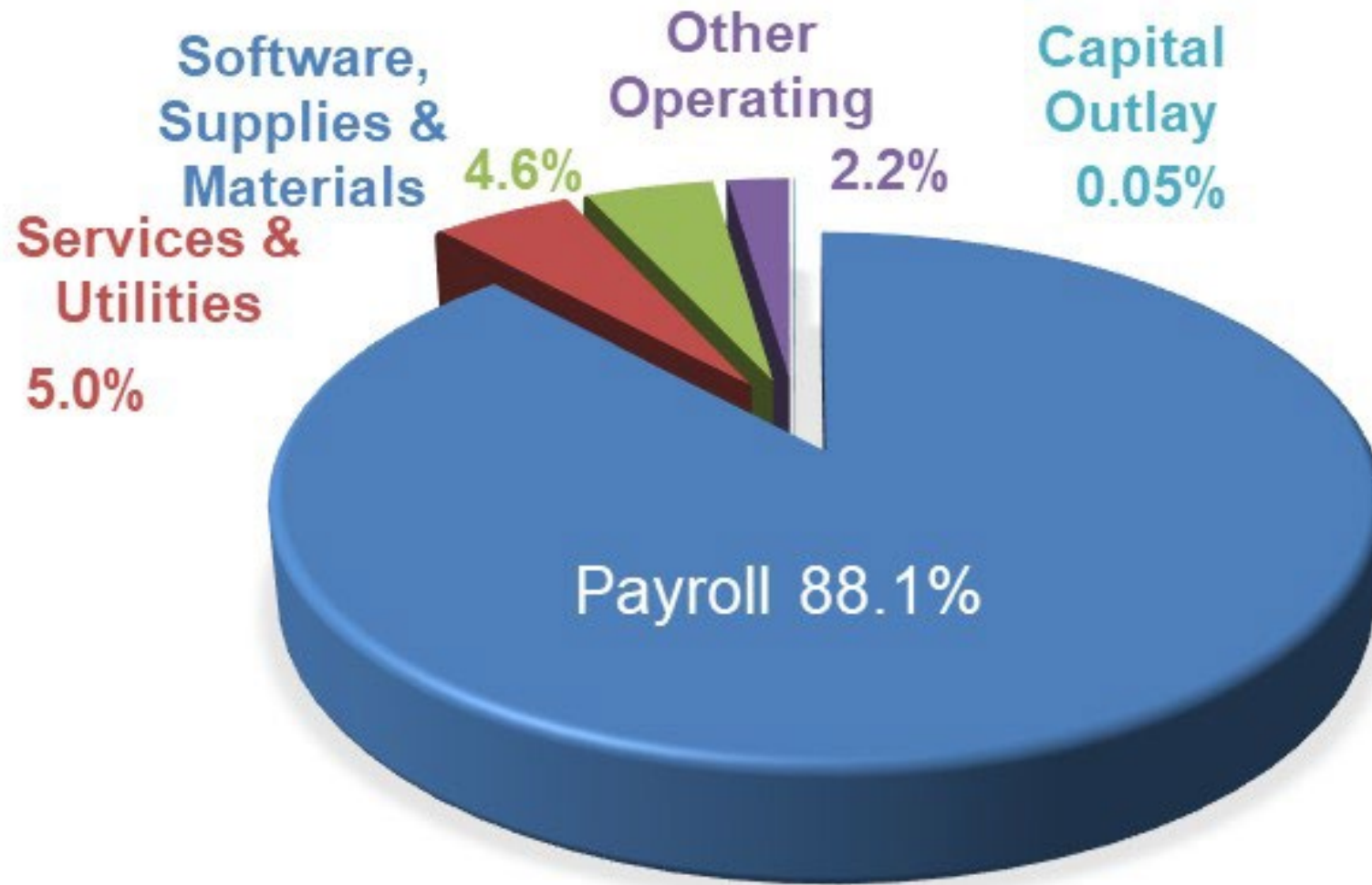


 \$0.1102

2022-23 General Fund

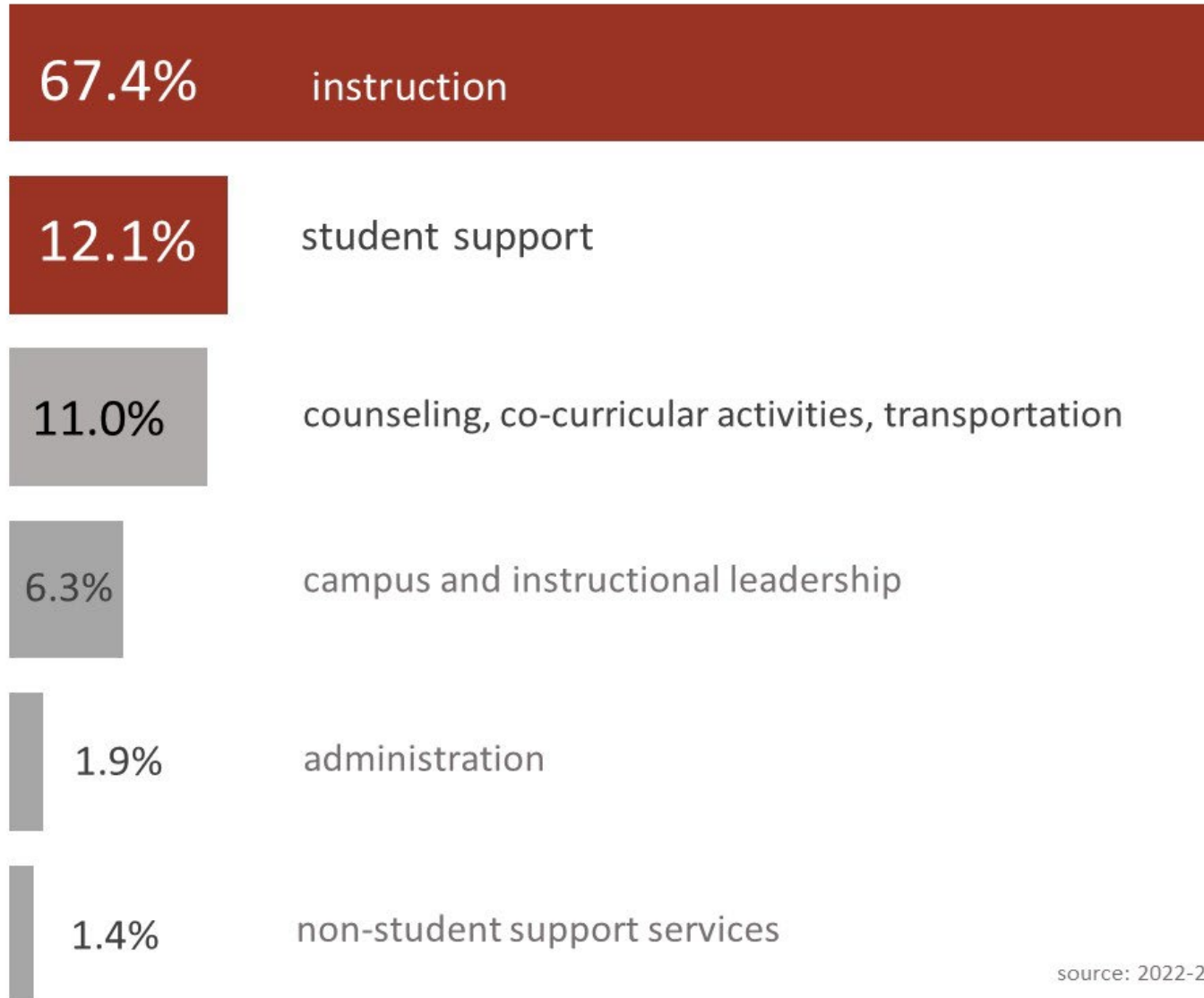
2022-23 General Fund - Revenue



2022-23 General Fund - Components

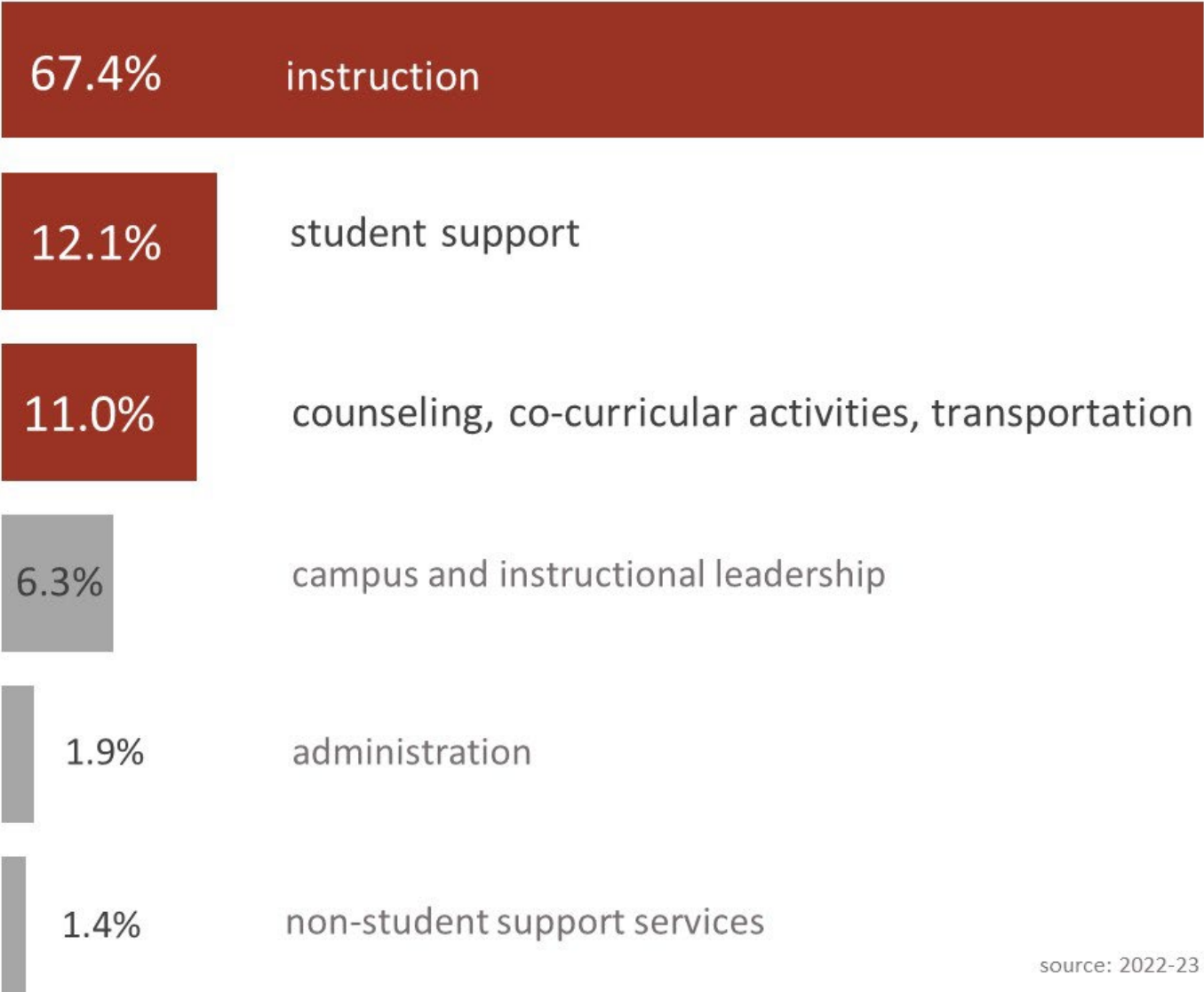


79.5% of Budget is spent in the Classroom



source: 2022-23 Proposed Budget

90.5% of Budget is spent on Students



source: 2022-23 Proposed Budget



2022-23 General Fund

Budgeted Fund Balance at September 1, 2022	<u>\$ 315,037,531</u>
Revenues	
Property Taxes and Other Local Revenues	499,970,447
State Program Revenues	417,439,269
Federal Program Revenues	<u>17,018,000</u>
Total Revenues	<u>934,427,716</u>
Expenditures	
Payroll Costs	831,842,450
Purchased and Contracted Services	47,196,555
Supplies and Materials	43,496,515
Other Operating Expenses	20,840,223
Capital Outlay	<u>473,118</u>
Total Expenditures	<u>943,848,861</u>
Operating Transfers In (Out)	(2,500,000)
Net Change to Fund Balance	<u>(11,921,145)</u>
Budgeted Fund Balance at August 31, 2023	<u><u>\$ 303,116,386</u></u>

2022-23 Food Service Fund

2022-23 Food Service Fund

Budgeted Fund Balance at September 1, 2022 \$ 18,399,186

Revenues

Local Revenues	18,149,500
State Program Revenues	180,000
Federal Program Revenues	21,203,383
Total Revenues	<u>39,532,883</u>

Expenditures

Payroll Costs	17,611,196
Purchased and Contracted Services	260,000
Supplies and Materials	23,889,708
Other Operating Expenses	49,700
Capital Outlay	4,300,000
Total Expenditures	<u>46,110,604</u>

Operating Transfers In (Out)

Net Change to Fund Balance **(6,577,721)**

Budgeted Fund Balance at August 31, 2023 **\$ 11,821,465**

2022-23 Debt Service Fund

2022-23 Debt Service Fund

Budgeted Fund Balance at September 1, 2022 \$60,489,215

REVENUE ESTIMATES

Property Taxes & Other Local Revenues 208,544,588

Existing Debt (EDA) Instructional Facilities Allotment (IFA)

Additional State Aid For Homestead Exemption (ASAHE) 1,905,215

Total Revenues **210,449,803**

Expenditures

Principal Payments - General Obligation Bonds * 115,869,908

Interest Payments - General Obligation Bonds 93,725,744

Bank Fees - Trust Department and Other 375,000

Total Expenditures **209,970,652**

Transfers In (out) - Interest from Capital Projects Fund

Net Change to Fund Balance 479,151

Budgeted Fund Balance at August 31, 2023 **\$60,968,366**

* Includes \$6,000,000 in defeasance

2022-23 Summary – All Funds-Budgeted

	General Fund	Special Revenue Fund	Debt Service Fund	Total
Fund Balance at September 1, 2022	\$315,037,531	\$18,399,186	\$60,489,215	\$393,925,932
Revenues				
Property Taxes and Other Local Revenues	499,970,447	18,149,500	208,544,588	726,664,535
State Program Revenues	417,439,269	180,000	1,905,215	419,524,484
Federal Program Revenues	17,018,000	21,203,383		38,221,383
Total Revenues	<u>934,427,716</u>	<u>39,532,883</u>	<u>210,449,803</u>	<u>1,184,410,402</u>
Expenditures				
Payroll Costs	831,842,450	17,611,196		849,453,646
Purchased and Contracted Services	47,196,555	260,000		47,456,555
Supplies and Materials	43,496,515	23,889,708		67,386,223
Other Operating Expenses	20,840,223	49,700		20,889,923
Debt Payments			209,970,652	209,970,652
Capital Outlay	473,118	4,300,000		4,773,118
Total Expenditures	<u>943,848,861</u>	<u>46,110,604</u>	<u>209,970,652</u>	<u>1,199,930,117</u>
Operating Transfers In (Out)	<u>(2,500,000)</u>			<u>(2,500,000)</u>
Excess (Deficiency) of Revenues	<u>(11,921,145)</u>	<u>(6,577,721)</u>	479,151	<u>(18,019,715)</u>
Fund Balance at August 31, 2023	<u>\$303,116,386</u>	<u>\$11,821,465</u>	<u>\$60,968,366</u>	<u>\$375,906,217</u>

2022-23 Summary – All Funds-Budgeted

	General Fund	Special Revenue Fund	Debt Service Fund	Total
Revenues				
Property Taxes and Other Local Revenues	\$ 499,970,447	\$ 18,149,500	\$ 208,544,588	\$ 726,664,535
State Program Revenues	417,439,269	180,000	1,905,215	419,524,484
Federal Program Revenues	17,018,000	21,203,383		38,221,383
Total Revenues	934,427,716	39,532,883	210,449,803	1,184,410,402
Expenditures				
Instruction	613,160,998			613,160,998
Instructional Resources and Media Services	9,761,889			9,761,889
Curriculum and Instructional Staff Development	13,274,427			13,274,427
Instructional Leadership	8,266,009			8,266,009
School Leadership	51,429,909			51,429,909
Guidance, Counseling and Evaluation Services	46,619,723			46,619,723
Social Work Services	919,882			919,882
Health Services	9,687,841			9,687,841
Student (Pupil) Transportation	24,733,418			24,733,418
Food Services		46,110,604		46,110,604
Co-curricular/Extracurricular Activities	21,497,352			21,497,352
General Administration	17,535,704			17,535,704
Plant Maintenance and Operations	83,640,188			83,640,188
Security and Monitoring Services	12,433,968			12,433,968
Data Processing Services	18,137,413			18,137,413
Community Services	340,731			340,731
Debt Service			209,970,652	209,970,652
Facilities Acquisition and Construction	1,093,184			1,093,184
Payments to Fiscal Agents	909,892			909,892
Payments to Juvenile Justice Education Progra	123,577			123,577
Payments to Tax Increment Fund	4,882,756			4,882,756
Intergovernmental	5,400,000			5,400,000
Total Expenditures	943,848,861	46,110,604	209,970,652	1,199,930,117
Operating Transfers In (Out)	(2,500,000)			(2,500,000)
Excess (Deficiency) of Revenues	\$ (11,921,145)	\$ (6,577,721)	\$ 479,151	\$ (18,019,715)

Board Timeline for Budget

- ✓ January: Introduction and budget parameters
- ✓ February: Long-Term Debt Plan/projections – Public Service Fund
- ✓ March: Initial look at budget projections – General Fund
- ✓ April: Austin/Legislative Committee
- ✓ May: Close book accounts
- ✓ July: Preliminary Budgets All Funds
- ✓ August: Special Budget 2022-23 and Final Amended Budget 2021-22

COMPLETED

District Level Considerations - Planning

Closely monitor all expenditures



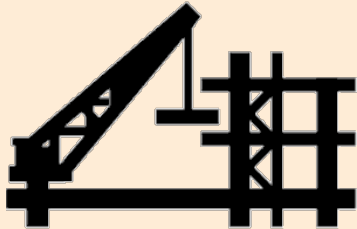
Prepare for Growth

- 1. New campuses
- 2. Staffing
- 3. Operations



New Campuses 2023-2024

Elementary # 45
Elementary # 46



District Level Considerations - Planning

Enrollment
Growth



Property
Value
Growth



Economic
Uncertainty



What's Next?

- **Expect Budget Amendments**

- Likely to amend budget to reflect final values
- **Timing Amendments** (continue to experience supply chain and delivery issues)
- If a VATRE/TRE is called, and passes, both revenues and expenditures will be amended

Thank You