



SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

Agenda Item Summary

Meeting Date: June 6, 2016

Purpose: ☒ Report Only ☐ Recognition ☐ Discussion/ Possible Action

Presenter(s): Jesus G. Salazar, Chief Financial Officer

Item Title:

The Board will meet in a work session to begin planning for the allocation of District resources to support student learning in the 2016 - 2017 school year.

Description:

Budget planning is the process of using information to allocate limited resources to prioritize organizational needs. The budgeting process requires using information about school staff, students, and facilities to meet student learning needs and goals. In this budget workshop Administration will give an overview of the 2016-2017 budget planning process. The overview will focus on District accountability goals, fiscal challenges, student enrollment and revenue.

District Goal:

Goal 5 We will prioritize district revenues to guide student future choices.

Funding Budget Code and Amount:

CFO Approval

APPROVAL ROUTE

SIGNATURE

DATE

Principal/Director:

Executive Director:

Chief Administrator:

Superintendent:

Jesus Salazar
[Signature]

6-2-2016
6-2-2016



South San Antonio Independent School District

Budget Workshop #3
June 6, 2016

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2016-2017 Key Budget Action Dates

June 6, 2016 Presentations:

- 2016-17 Preliminary Budget Outlook
- Proposed Budget Cuts, additional Budget Enhancements, Operational Efficiencies
- Proposed 2016-17 Employee Salary Schedules & Health Insurance contribution

Proposed July 27, 2016 Presentations:

- 2016-17 Certified Taxable Values
- Final 2016-17 Proposed Detail Budget
- Tax Rate Information

August 9, 2016 Budget Adoption:

- Budget Public Hearing
- Adoption of 2016-17 Budget & Setting of Tax Rate

2016-17 Budget Summary Outlook

Projected Budget Deficit

\$840,408 (As of June 6, 2016)

Program Impact

- Class size waivers as required are anticipated
- Reorganization of Police Department and assignments
- Central Administration Budget Reductions
- Alignment of Campus staff due to enrollment
- Continuation of Technology expansion in secondary classrooms
- Phase II of Security Cameras initiative
- Continuation of Capital Facility Improvements
- Continuation of Capital Purchases, i.e. School Buses and other vehicles
- Operational efficiencies
- Increase High School Basic instructional appropriation Budgets
- No tax rate increase

Employees

- 2% Salary Increases
- 10% Increase in Health Insurance Contribution
- Increasing Minimum wage from \$9.25 to \$11
- Superintendent's recommendation on Grandfathered Master Stipends
- Upgrade Position HR Specialist to HR Coordinator
- Upgrade Position Director of Budget and Fiscal Services to Exec. Director of Finance and Budget

Texas Supreme Court Ruling

- **Current Finance System Ruled Constitutional**– In a much awaited opinion, the Texas Supreme Court ruled (May 13) that while the state’s school finance system may have many faults, it is nonetheless lawful under the Texas Constitution.
- The unanimous decision, which stemmed from a lawsuit over the Conservative-led Legislature’s 2011 move to cut \$5.4 billion in education funding, does not require the Legislature to do anything.
- Supreme Court Justice Don R. Willett wrote, the Legislature has “vast discretion in fulfilling their constitutional duty to fashion a school system fit for our dynamic and fast-growing state’s unique characteristics. We hope lawmakers will seize this urgent challenge and upend an ossified (Stagnant) regime ill-suited for 21st-century Texas.”
- Public schools rely heavily on property taxes because Texas has no state income tax, so unless the Legislature changes the funding formula, the only way districts will be able to keep up with rising costs is increasing local taxes.

Texas Supreme Court Ruling (Continued)

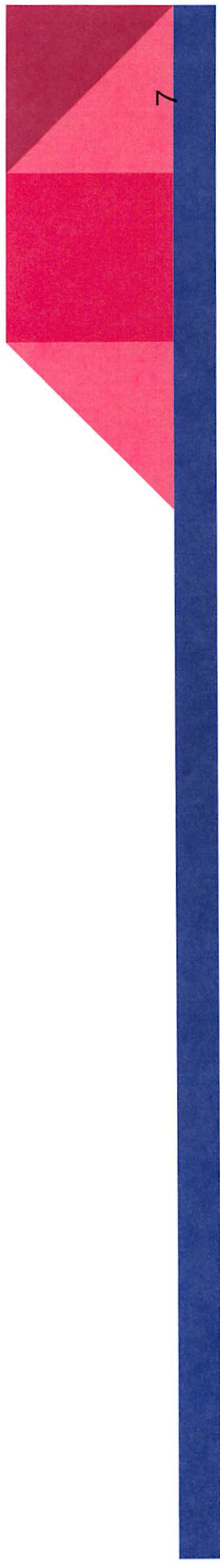
- Texas' overall funding mechanism is similar to ones found in many other states, with base funding that is augmented by extra "weights" for those who need specialized or extra instruction. The one wrinkle for Texas is that special component to get resources from high-wealth districts to low-wealth districts (Robin Hood).
- The 2017 legislative session convenes in January. Besides school funding, there will be a number of other financial obligations, including the decline in state oil & gas tax revenues, continued costs of \$3.8 billion in property and business tax cuts, fixing the state's embattled foster care system and finding more money for a road and highway network overtaxed by a booming population.

2016-2017 Revenues & Appropriations Outlook

| | 2016-2017 |
|--|--------------|
| Estimated Revenue | General Fund |
| 5700 Local Revenue | 16,253,100 |
| 5800 State Revenue- State Available & Foundation | 56,813,307 |
| 5900 Federal Revenue | 1,720,581 |
| 5918 E-Rate | 439,641 |
| 5999 Sale of Maintenance Notes | 10,000,000 |
| 5810 TRS on Behalf (Reimbursement) | 2,080,000 |
| Estimated Total Revenue | 87,306,629 |

| | |
|---|-------------|
| Total Estimated Basic Appropriations | 86,398,182 |
| Recommended Budget Cuts | (1,326,445) |
| Recommended New Enhancement (Presented May 4 Workshop) | 1,716,958 |
| Recommended 2% Salary increase for all employees | 985,794 |
| Recommended Increasing Minimum wage from \$9.25 to \$11 | 73,293 |
| Recommended yearly contribution increase of employee insurance to \$3,384 (increase of \$300) | 330,600 |
| Proposed 2016-17 Total Appropriation | 88,178,382 |
| Estimated 2016-17 Total Revenue | 87,306,629 |
| Budget Shortfall with Recommended Expenditures | (871,753) |

2016-17 Proposed Divisional Cuts



Business & Operations Division

Business & Finance

| Identified Cut | Outcome | Amount |
|---------------------|--|-----------|
| Contracted Services | Reduction in vendor Contracted Services | -\$50,000 |

Business & Operations Division

Maintenance

| Identified Cut | Outcome | Amount |
|--|--|-----------|
| Salary Cuts (General Maintenance & 1 position) | Eliminate Vacant Position | -\$30,950 |
| Contracted Repair & Maintenance | Complete work orders internally | -\$60,000 |
| Rentals Operating Lease | Utilize newly purchased District Equipment | -\$15,000 |
| Miscellaneous Contracted Services | Complete work orders internally | -\$30,000 |

Business & Operations Division

Operations

| Identified Cut | Outcome | Amount |
|-------------------------|---|------------|
| Vehicle Fuel & Supplies | Reduced Fuel costs | -\$20,000 |
| Janitorial Supplies | Reduction due to increased efficiencies | -\$20,000 |
| Warehouse | Decrease in supplies & Materials | -\$1,390 |
| Utilities | Recover cost from the Child Nutrition Program | -\$100,000 |

Business & Operations Division

Transportation

| Identified Cut | Outcome | Amount |
|-----------------------|--------------------------|-----------|
| Salary Cut (1 Driver) | Reduction in Driver Pool | -\$23,600 |
| Supplies | Reduction in Fuel Costs | -\$25,500 |

Business & Operations Division

Technology

| Identified Cut | Outcome | Amount |
|----------------------|---|-----------|
| General Supplies | Reduction in administrative office Operation Expenses | -\$11,216 |
| Travel & Subsistence | Reduction in Training & Workshops | -\$11,217 |

Business & Operations Division

Police Department

| Identified Cut | Outcome | Amount |
|-----------------|---|-----------|
| 2 Position Cuts | Reduction of 1 Public Service Officer & 1 Certified Peace Officer | -\$52,749 |

General Administration Division

Communications

| Identified Cut | Outcome | Amount |
|-------------------|----------------------------|-----------|
| Marketing Program | Reduce Billboard Marketing | -\$10,000 |

General Administration Division

Human Resources

| Identified Cut | Outcome | Amount |
|-----------------------------------|---|-----------|
| Overtime | Due to being fully staffed, the needs for overtime is reduced | -\$2,000 |
| New Employee Orientation Material | Reduction in printing of literature | -\$1,628 |
| Contracted Services | Reduction in Consulting Resources | -\$10,000 |
| Recruiting Items | Reduction in the purchasing of Marketing items | -\$1,000 |
| Fees & Dues | Reduction in the number of out of town job fairs | -\$2,000 |
| Travel & Workshops | Reduction in the participation of employee training | -\$2,000 |

Academics Division

Academics

| Identified Cut | Outcome | Amount |
|--|---|------------|
| Chief of Academics Office | Reduction in administrative office Operation Expenses | -\$11,926 |
| 3 Personnel Units | Reduction 1 Administrators & 2 Clerks | -\$138,947 |
| Executive Director of Academics Office | Reduction in administrative office Operation Expenses | -\$7,569 |

Academics Division

Athletics

| Identified Cut | Outcome | Amount |
|----------------|---------------------------------|-----------|
| Extra Duty Pay | Reduction in ticket takers | -\$21,276 |
| Equipment | Reduction in athletic equipment | -\$7,082 |
| Supplies | Reduction in athletic supplies | -\$7,082 |

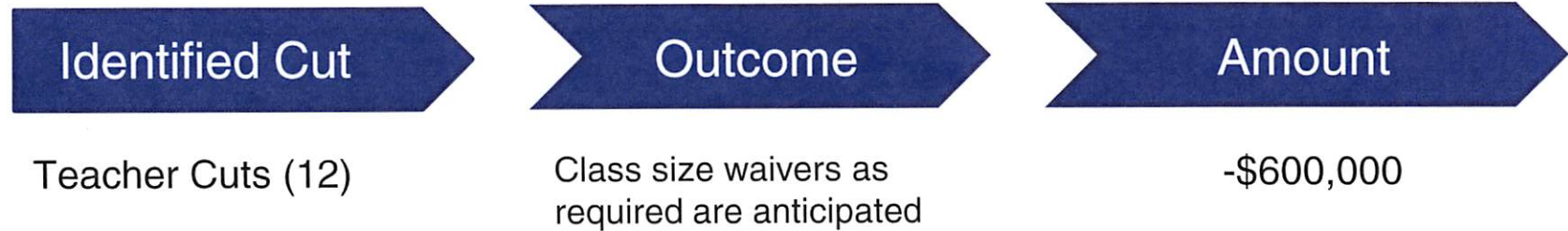
Academics Division

Health Services

| Identified Cut | Outcome | Amount |
|---------------------------------|--|-----------|
| General Supplies | Reduction in Clinical Supplies & Materials | -\$2,322 |
| Elimination of 1 personnel Unit | Duties to be assigned to head Nurse with stipend | -\$52,740 |

Academics Division

Primary Schools



Division of Academics & Business Operations

2016-17 Divisional Additional
Enhancements

1. Increase High School Basic allocation
2. Operational Efficiencies & Accountability
3. Salary & Benefits

Academics-High School Basic Allotment Enhancement



Academics-Campus Attendance Incentive

Enhancements

| Identified Need | Initiative | Cost |
|--------------------------------------|--|----------|
| To increase district wide attendance | Allocate \$49,515 to Primary & Secondary Schools based on current enrollment | \$49,515 |

2016-17 Operational Efficiencies



Business & Operational Division

Concessions- High School Athletic Events

Inefficiency Identified

Lack of accountability in recording concession receipts, inequity in assigning various concessions to designated school organizations

Efficiency

District Business & Operations Department will manage, provide procedures and accountability for concession operations working with the Athletic Director and High School Principal

Potential Savings

Increase in Concession Receipts and Accountability

Business & Operational Division

Middle School Gate Receipts- UIL Events

Inefficiency Identified

Lack of accountability in recording gate receipts and expenditures

Efficiency

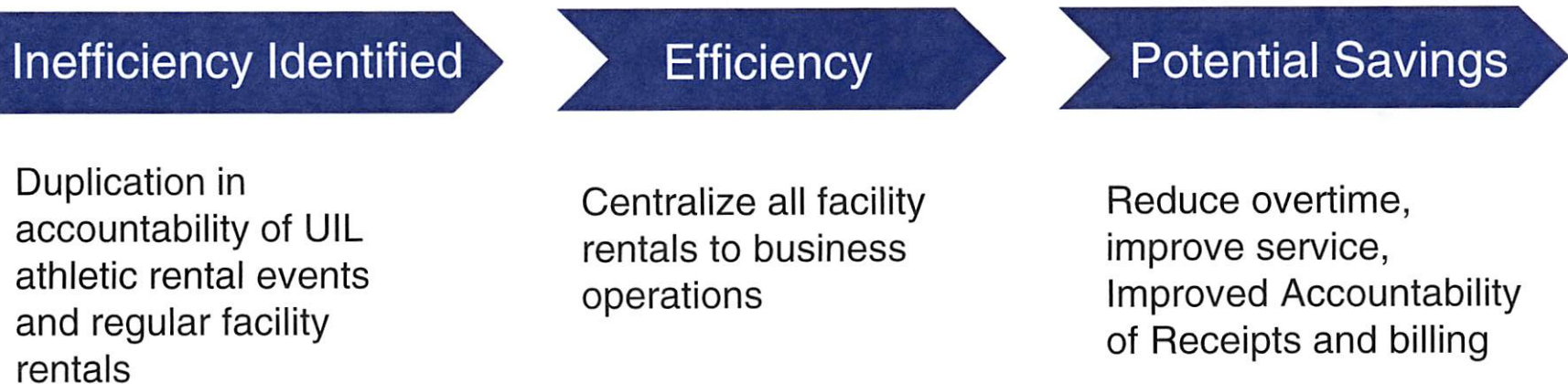
Management of Middle school gate receipts is the responsibility of the business office

Potential Savings

Increase in Gate Receipts posting

Business & Operational Division

Facility Rentals



Business & Operational Division

District Wide Student Activity Funds Accounting

Inefficiency Identified

Over 20 bank accounts requiring reconciliation by campus staff, weak internal controls, and the inability to provide central accounting, reconciliation of funds on a timely basis

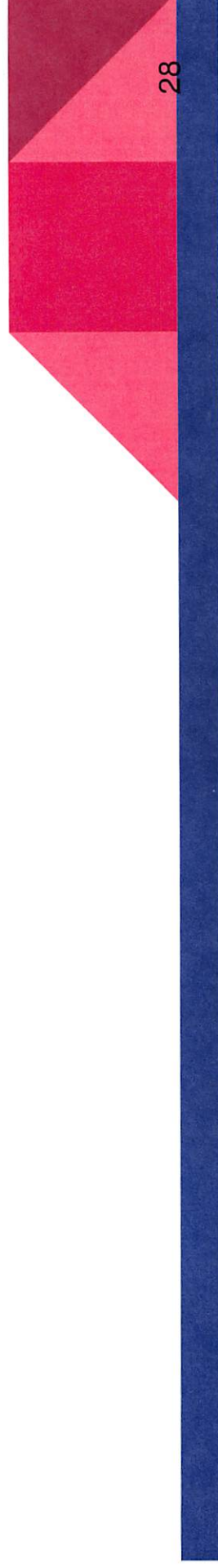
Efficiency

Reduce to 1 centralized bank account, minimize campus clerical bookkeeping, and comply with TEA accountability standards

Potential Savings

Decrease overtime, Campus staff time, Improve central accounting, and reconciliation of funds on a timely basis

2016-17 Recommended Salary Enhancements



Business & Operations Department

District Wide

| Salary Enhancement | Impact | Amount |
|---|---|-------------|
| 2% Increase from mid-point for 1,236 employees and TASB recommended adjustments | Competitive Salary Schedule | \$1,748,260 |
| Increase Minimum Wage from \$9.25 to \$11 | Competitive Beginning Salary Schedule | \$73,293 |
| Increase for Health Insurance Contribution by \$300/Year | Offset possible employee Health Insurance cost Increase | \$330,600 |
| Total: | | \$2,152,153 |

2% Increase to Current Market Median and Midpoint Range

| | Total Staff | Count of Increases | Cost Increase | Percent of Current Costs | 2015-16 Current Costs |
|---|----------------|-----------------------|------------------|--------------------------------|-----------------------------|
| Teachers and Librarians | | | | | |
| \$50,250 starting salary | 644 | | \$1,101,480 | | \$33,921,123 |
| ^{1a} 2.0% general pay increase (\$1,100) | | 644 | \$709,661 | 2.1% | |
| Adjustments to years 5-21 | | 367 | \$391,820 | 1.2% | |
| Administrative/Professional | 145 | | \$224,274 | | \$9,852,464 |
| ^{1a} 2.0% of pay range midpoint increase | | 144 | \$217,716 | 2.2% | |
| Instructional Support | 133 | | \$55,317 | | \$2,734,824 |
| ^{1a} 2.0% of pay range midpoint increase | | 102 | \$42,285 | 1.5% | |
| Adjustments to 0.5% above pay range minimum | | 2 | \$2,987 | 0.1% | |
| Placement scale adjustment | | 13 | \$10,045 | 0.4% | |
| Clerical/Technical Support | 140 | | \$91,776 | | \$3,892,240 |
| ^{1a} 2.0% of pay range midpoint increase | | 119 | \$75,977 | 2.0% | |
| Adjustments to 0.5% above pay range minimum | | 10 | \$8,121 | 0.2% | |
| Placement scale adjustment | | 11 | \$7,678 | 0.2% | |
| Auxiliary | 287 | | \$251,525 | | \$5,749,903 |
| ^{1a} 2.0% of pay range midpoint increase | | 276 | \$120,409 | 2.1% | |
| Adjustments to 0.5% above pay range minimum | | 94 | \$81,028 | 1.4% | |
| Placement scale adjustment | | 102 | \$50,088 | 0.9% | |
| Police | 27 | | \$23,888 | | \$954,032 |
| ^{1a} 2.0% of pay range midpoint increase | | 27 | \$20,800 | 2.2% | |
| Adjustments to 0.5% above pay range minimum | | 5 | \$2,674 | 0.3% | |
| Placement scale adjustment | | 2 | \$414 | 0.0% | |
| Subtotal - General Pay Increase | 1,236 | 1,312 | \$1,186,848 | 2.1% | |
| Subtotal - Implementation/Equity Adjustments | | 614 | \$561,413 | 1.0% | |
| Total Cost Estimate | | | \$1,748,260 | 3.1% | \$57,104,586 |

Increase Employee Minimum wage from \$9.25 to \$11 and adjustments to pay range minimums

| | Total Staff | Employees Impacted | Cost Increase |
|---|-------------|--------------------|---------------|
| Instructional Support | 133 | | |
| 2% of pay range midpoint increase | | 115 | \$ 6,015.00 |
| Adjustments to 0.5% above pay range minimum | | 24 | \$ 2,985.00 |
| Placement scale adjustment | | 20 | \$ 4,735.00 |
| Auxiliary | 287 | | |
| 2% of pay range midpoint increase | | 279 | \$ 8,280.00 |
| Adjustments to 0.5% above pay range minimum | | 94 | \$ 3,454.00 |
| Placement scale adjustment | | 133 | \$ 47,824.00 |
| Total Estimated Cost: | | | \$ 73,293 |

End of Presentation

Questions?

