



Budget Workshop Fiscal Year 2025

May 28, 2024

Fiscal Year 2025 Unknowns

- Tax Collections
- Tax Values
- Tax Compression Rate
- State Funding Formula
- Enrollment
- Attendance Rates
- Healthcare Funding
- Bond Proposition A and B - *Approved*

Fiscal Year 2025 “Knowns”

- Recurring Expenditures – Salaries
- FIRST Rating - Accreditation
- Enrollment Decline
- Attendance Rates
- Deferred Maintenance needs
- Cost Increases/Inflation
- Possible Cash Flow Shortage

FY25 Cabinet Budget Priorities

- Maintenance Tax Notes Payoff \$8.2M (\$1.2M Annual Payment)- Will be moved I&S Fund
- No Compensation Package
- Apple Refresh \$750,000 (8-Year Plan)
- Balanced Budget: Revenues = Expenditures
- Healthcare Fund Reserve - \$1M?
- Facilities Maintenance Requests - \$6M (Roofing/HVAC)- Bond Funding
- Transportation Bus replacement \$125,000 (Annual replacement schedule) – Postponed 1 Year
- Minimize Unintended Consequences (Increase Athletics, School of Music)

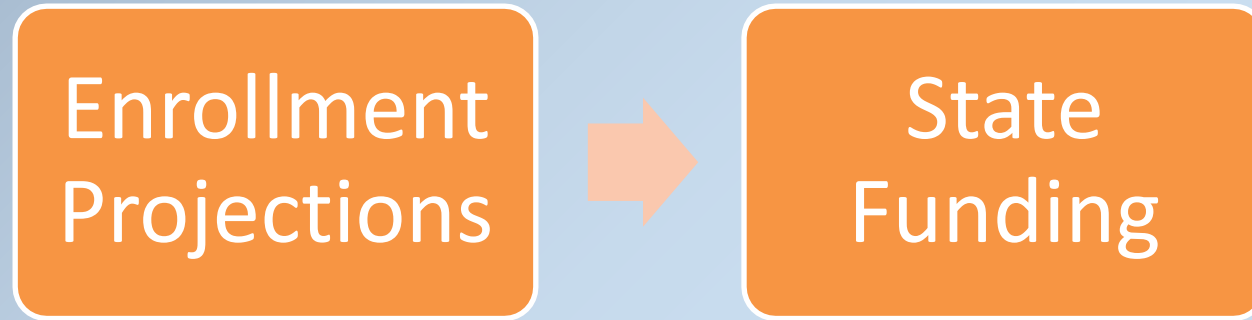
**Note: Land sales are not considered
Central Office move not budgeted**

Updated

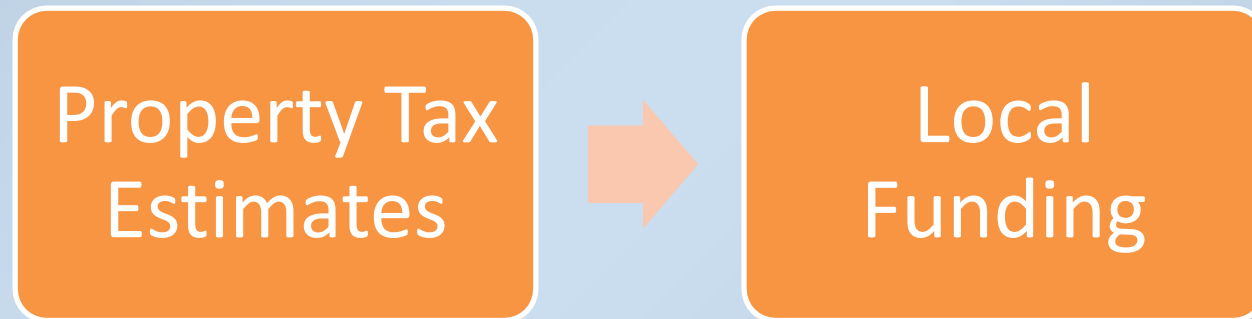
Planning For Funding Shortage FY 2025

- No additional raises for this biennium
- Possible programming cuts
- Additional Reduction in Force (RIF)

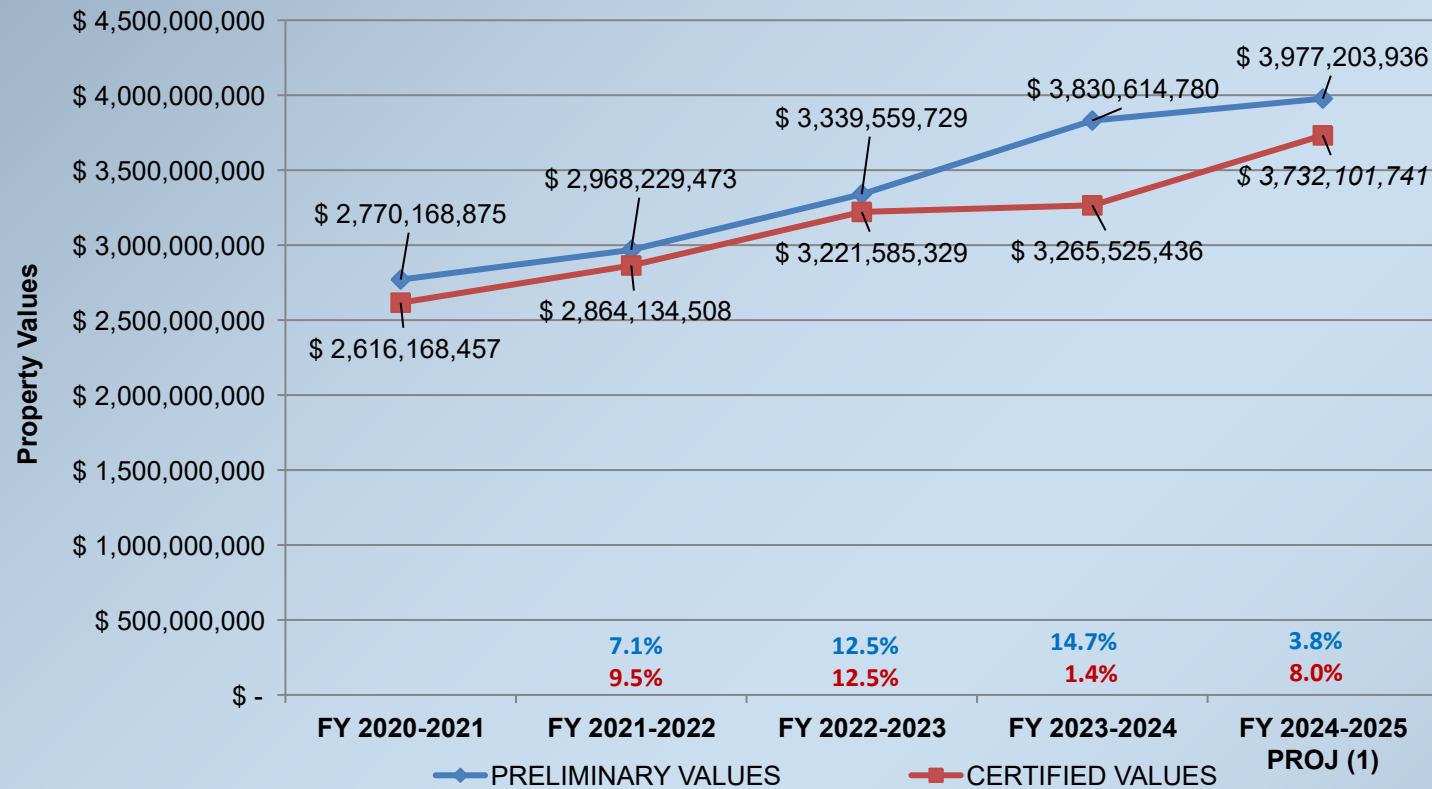
Estimating Revenues



As property tax revenue grows, state funding decreases and the opposite effect applies as well.



Property Tax Value Trends



(1) Projected values calculated at an estimated 4% decrease from the 2024 preliminary values as of April 27, 2024

Fiscal Year 2025 Estimated M&O Tax Rate

	2023 Tax Year FY2024 Revenue	2024 Tax Year FY2025 Revenue
Tier 1	\$0.6222	\$0.6169*
Tier 2 (Golden Pennies)	\$0.0800	\$0.0800
Tier 3 (Copper Pennies)	\$0.0583	\$0.0583
Tax Rate	\$0.7605	\$0.7552

*Estimated - TEA will calculate and certify a Tier 1 tax rate by August 5th for adoption in September

Updated

Projected Property Tax Revenues Fiscal Year 2025

	FY24	FY25
PROPERTY TAX RATES:		
MAINTENANCE & OPERATIONS (M&O)	\$0.7605	\$0.7552
INTEREST & SINKING (I&S)	\$0.4000	\$0.4000
TOTAL TAX RATE	\$1.1605	\$1.1552
FY25 PROJECTED PROPERTY VALUES, AT A 4% DECREASE OF THE 2024 PRELIMINARY TAX LEVY VALUE OF \$3,865,162,085 AS OF APRIL 27, 2024	\$3,256,314,836	\$ 3,710,555,602
FY 25 PROJECTED M&O REVENUE = PAV/\$100 x \$0.7552 x 98.5% COLLECTION RATE	\$24,392,810	\$ 27,601,784
FY25 PROJECTED I & S REVENUE = PAV/\$100 X \$0.40 X 98.5% COLLECTION RATE	\$12,829,880	\$ 14,619,589
ESTIMATED TOTAL TAX COLLECTIONS	\$37,222,690	\$ 42,221,373

Historical Enrollment/ADA

- (1) ADA is projected at 94% of enrollment and using the October 2023 snapshot
- (2) 2025 enrollment is based on the 2024 rollover for grades K-12 and prior years enrollment for grades EE-PK and 94% attendance rate

Preliminary 2025 Enrollment Projections

CAMPUS	2024 ENROLLMENT AT SNAPSHOT	2025 PRELIMINARY ENROLLMENT	CHANGE
CANUTILLO HIGH SCHOOL	1,520	1,499	(21)
NORTHWEST EARLY COLLEGE HIGH SCHOOL	371	395	24
CANUTILLO MIDDLE SCHOOL	718	705	(13)
ALDERETE MIDDLE SCHOOL	561	622	61
CANUTILLO ELEMENTARY	491	459	(32)
DAVENPORT ELEMENTARY	311	284	(27)
DAMIAN ELEMENTARY	481	478	(3)
CHILDRESS ELEMENTARY	377	380	3
GARCIA ELEMENTARY	455	414	(41)
REYES ELEMENTARY	578	542	(36)
TOTAL	5,863	5,778	(85)

Enrollment projections for 2025 are based on the rollup by grade level from the 2024 snapshot, enrollment grades EE – K remained constant

FY25 Revenue Projections

(Opportunity for Revenue Increase)

Attendance Rate	Proposed Projection 94%	Projection 95%
State Revenue	\$29,734,503	\$30,607,916
Variance		\$873,413


*FY 23-24 Average as of March 1, 2024 = 95.41%

Updated

FY 2025 Proposed Budget Allocation by Campus (deficit budget)

Organization Name	Organization	2023 - 2024 Adopted Personnel	2023 - 2024 Adopted Operation	2023-2024 Adopted Budget	2024 - 2025 Proposed Personnel	2024 - 2025 Proposed Operation	2024-2025 Proposed Budget	Increase (Decrease)
Canutillo High School	001	10,847,643	509,447	11,357,090	9,768,314	684,757	10,453,071	(904,019)
Northwest Early College H.S	003	2,573,297	328,303	2,901,600	2,570,237	351,604	2,921,841	20,241
Canutillo Middle School	041	4,951,895	190,208	5,142,103	4,725,662	129,217	4,854,879	(287,224)
Alderete Middle School	042	4,664,647	130,210	4,794,857	4,387,553	196,044	4,583,597	(211,260)
Canutillo Elementary	101	3,878,873	76,448	3,955,321	3,695,141	92,191	3,787,332	(167,989)
Davenport Elementary	102	2,672,784	58,165	2,730,949	2,662,245	53,739	2,715,985	(14,964)
Damian Elementary	103	3,851,706	69,996	3,921,702	3,710,639	90,952	3,801,591	(120,111)
Childress Elementary	104	3,310,744	52,809	3,363,553	3,364,174	122,017	3,486,190	122,637
Garcia Elementary	105	3,496,017	77,952	3,573,969	3,343,480	78,936	3,422,415	(151,554)
Reyes Elementary	106	3,802,638	128,664	3,931,302	3,778,104	145,624	3,923,728	(7,574)
Summer School/Additional Enrollment	699	-	-	-	-	59,515	59,515	59,515
Total Campuses		\$ 44,050,244	\$ 1,622,202	\$ 45,672,446	\$ 42,005,548	\$ 2,004,596	\$ 44,010,144	\$ (1,662,302)
		96%	4%		95%	5%	Net Average:	-3.64%

Fund Balance Categories

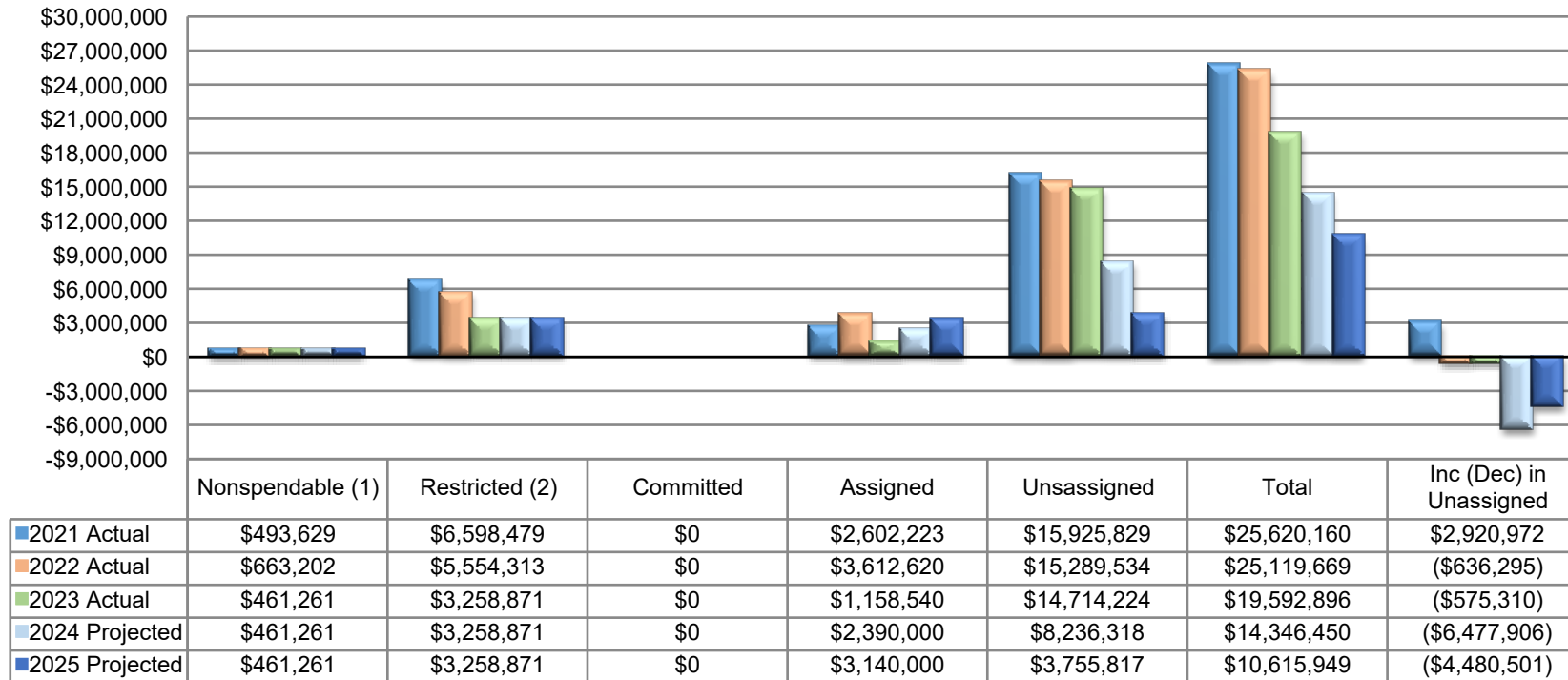
Fund Balance Category	Description
Non-spendable Fund Balance	Represents amounts that are not in a spendable form or are legally or contractually required to be maintained intact, such as inventories
Restricted Fund Balance	Represents amounts that are restricted to specific purposes , with constraints placed on the use of resources by (a) external creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or (c) enabling legislation, such as the Child Nutrition Fund
Committed Fund Balance	Represents amounts that are constrained for purposes which the Board of Trustees , the District's highest level of decision-making authority, has designated their use. These amounts are committed through a formal resolution, requiring funds to be used only for specific purposes. These amounts can only be re-allocated by the same formal action that was taken to originally commit those amounts. The Board of Trustees shall take action to commit funds for a specific purpose prior to the end of the fiscal year.
Assigned Fund Balance	Represents amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted or committed. The governing body has delegated authority to the Superintendent or designated managers . Should the Board opt not to commit any fund balances, it will implicitly defer to the designees to make appropriate assignments
 Unassigned Fund Balance	Represents amounts that are available for any purpose and have not been restricted, committed, or assigned for specific purposes. Positive amounts are reported only in the general fund

Updated

PROJECTED REVENUES LESS EXPENDITURES - GENERAL FUND (EXCLUDING CHILD NUTRITION)

	Estimated FY24	Estimated FY25
Revenues		
Local	\$ 24,986,707	\$ 28,591,784
State	36,049,864	33,994,895
Federal	729,620	720,000
Other Sources (Land Sale)	1,491,883	0
Total Revenues and Other Sources	63,258,074	63,306,679
Expenditures & Other Uses	(69,579,416)	(66,787,180)
Revenues Over Expenditures (Deficit)	(6,321,342)	(3,480,501)
Fund Balance		
Beginning Total Fund Balance	16,947,660	10,626,318
Ending Total Fund Balance	10,626,318	7,145,817
Administration Assigned FB - Health Care Infusion	(1,000,000)	(1,000,000)
Administration Assigned FB - Technology Refresh	(1,390,000)	(2,140,000)
Ending Unassigned Fund Balance	\$ 8,236,318	\$ 4,005,817
1 Day of Operations	\$ 195,670	\$ 182,979
Optimum Unassigned Fund Balance (90 Days)	\$ 17,610,267	\$ 16,468,072
Days of Fund Balance	42	22

GENERAL FUND–FUND BALANCES (INCLUDES CHILD NUTRITION)



(1) Nonspendable Fund Balance includes Child Nutrition inventory and prepaids

(2) Restricted Fund Balance includes Child Nutrition and Maintenance Tax Notes

Optimum Fund Balance (3 Months Average Expenditures) = \$17,610,267

PROPOSED PLAN TO ADDRESS DEFICIT

Total Projected FY25 Deficit as of 5.28.2024		\$ (3,480,501)
The following discretionary items were suggested to be add to FY25 Budget:		
A	TASB student trip	(100,000)
B	Athletics/School of Music restoration	(50,000)
C	C&I Software	(40,000)
D	Marketing Budget	(250,000)
Total possible additional discretionary costs		\$ (440,000)
FY25 Remaining Deficit (to be resolved)		\$ (3,920,501)

Canutillo Independent School District 2024-2025 Budget Calendar

Activity Description	Month	Owner
Special Board Meeting - Additional Meetings to Discuss Budget Recommendations (as needed)	May	BOT Cabinet FS
Notice to discuss and adopt the budget and the proposed tax rate	June	FS
Fund balance/GASB 54 resolution	June	FS
Publish Notice of Public Meeting to Discuss Budget and Proposed Tax Rate in newspaper	June	FS
Board Meeting Approval of District Budget	June	BOT
Board Meeting Approval of the District's Tax Rate - Based upon certified property values provided by the Central Appraisal District	September	BOT

Questions

Comments