

Spring Branch ISD
Board of Trustees
April 5, 2024

			A	B	C
	Audited	Audited	Last Year	This Year	Next Year
	SY 2020-2021	SY 2021-2022	Audited	Adjusted Bgt	Estimated
	FY 2021	FY 2022	SY 2022-2023	SY 2023-2024	SY 2024-2025
	<u>\$1.0028</u>	<u>\$0.9998</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
			<u>\$0.9643</u>	<u>\$0.7744</u>	<u>\$0.7719</u>
State Revenue Calculation:					
Tax Collections (Current and Delinquent)	\$ 331,453,646	\$ 339,354,541	\$ 352,181,847	\$ 292,241,223	\$ 299,658,025
State Funding	22,791,449	20,470,730	21,914,427	22,059,208	19,767,578
Recapture	(59,724,360)	(64,424,029)	(80,261,074)	(8,461,682)	(16,708,745)
Net State Funding	294,520,735	295,401,242	293,835,200	305,838,749	302,716,858
Other Revenue:					
Penalty and Interest and Misc. Tax Revenue	2,200,293	2,355,751	2,464,250	1,950,000	1,950,000
Other Local Revenue	3,547,290	5,996,856	11,151,343	11,895,873	10,946,973
Other State Revenue	585,658	89,381	412	-	-
Prior Year Funding and Recapture Adjustme	(2,301,029)	(2,068,293)	1,909,390	-	-
TRS - State Contribution	17,954,422	17,805,349	19,072,956	19,000,000	19,000,000
Federal Revenue	12,377,047	17,391,847	18,099,284	9,360,000	8,360,000
Total Revenue	328,884,416	336,972,133	346,532,835	348,044,622	342,973,831
Expenditures:					
Payroll Costs	289,183,148	290,596,619	299,785,460	323,785,266	304,385,329
Contracted Services/Supplies/Other Operati	58,321,258	35,283,061	35,341,748	62,144,242	55,965,357
Debt Service	-	506,150	726,146	-	-
Capital Outlay	1,325,038	1,705,127	1,836,344	1,540,854	116,769
Total Expenditures	348,829,444	328,090,957	337,689,698	387,470,362	360,467,455
Other Sources (Uses)	292,047	1,482,656	697,966	4,050,000	50,000
Revenues Over(Under) Expenditures:	(19,652,981)	10,363,832	9,541,103	(35,375,740)	(17,443,624)
Ending Fund Balance	\$ 117,439,279	\$ 127,803,111	\$ 137,344,214	\$ 101,968,474	\$ 84,524,850
Fund Balance as a % of Expenditures	33.7%	39.0%	40.7%	26.3%	23.4%
ESSER Federal Funds (I/D in general fund)	7,369,252	47,921,526	57,305,401	5,819,542	
PEIMS/Projected Enrollment	33,288	33,545	33,649	33,483	32,972
WADA	41,833	42,043	42,453	42,655	42,398
ADA	30,725	30,605	30,431	30,346	30,042
Net State Funding per WADA	7,040	7,026	6,921	7,170	7,140

NOTES:

TEA supplanted \$18.1 million of ESSER funds for closure and enrollment "hold harmless".



TEXAS PUBLIC SCHOOL FINANCE MYTHS & FACTS

Board of Trustees

April 5, 2024

MYTH #1

When property values increase, the district has more revenue available.

FACT #1

When property values increase, the district receives **NO** additional revenue.

MYTH #1



INCREASED
VALUE



INCREASED
RECAPTURE
PAYMENT



NEW
MONEY
FOR
SCHOOLS

MYTH #2

Property tax relief helps
public education.

FACT #2

Property tax relief helps our tax payers, but SBISD receives **NO** additional funds.

FACT #2



**TAX
RELIEF**



**LOWER
RECAPTURE
PAYMENT**



**NEW
MONEY
FOR
SCHOOLS**

MYTH #3

Fund Balance is the same
as a savings account.

FACT #3

- A fund balance is **NOT** a savings account.
- A healthy fund balance is part of fiscal responsibility for school districts.
- Fund balances especially matter to districts that receive little or no state funding like SBISD.
- SBISD leverages unassigned fund balance to support the district's cash flow needs.
- The district's approved FY24 budget includes a one-time **25% use of fund balance** to maintain current programming for the 2023-24 school year. We cannot continue to use this level of fund balance year after year.

MYTH #4

The Legislature authorized a record-breaking increase in State General Revenue for public education in the 2023 Regular Session.

FACT #4

- The overall funding increase touted by legislative leaders includes \$18 billion in a swap of state revenue for local tax revenue; this is **not new revenue**, but rather just a change in the source of the revenue.
- It also counts the restoration of some funding cuts that were made two years earlier.
- It includes additional money for retired teachers' health insurance, which **does not impact current classrooms**.
- The Legislature also provided additional funding for active TRS health insurance, but even with that increase, premiums are increasing for active participants.

FACT #4

- More than \$3 billion is for the cost of the growing overall enrollment in Texas schools; **it does not impact per-pupil funding.**
- There has been no increase in the Basic Allotment since 2019.

MYTH #5

State education spending
has kept up with inflation.

FACT #5

- This claim is only true if federal funding is included. Federal funding was provided on a temporary basis to help schools address learning loss resulting from the pandemic, with funding expiring in the 2023-24 school year. **These dollars cannot be used for ongoing school operations and teacher salaries.**
- The core unit of state education funding in Texas is the Basic Allotment, which the Legislature has not increased since 2019. The rate of inflation since then has been 19 percent.
- **School districts needed an additional \$1,000 added to the Basic Allotment during the 88th Legislative Session to keep up with inflation.**

MYTH #6

Spring Branch ISD is funded **\$14,928** per student.

(Source: 2023 Texas Education Agency Annual Report - annual funding per student)

FACT #6

Dividing all statewide education-related expenditures in FY2022 by the number of students enrolled in public schools in that year yields \$14,928/student.

HOWEVER

These dollars do not all flow to SBISD students.

FACT #6

What's included?

- Dollars spent by **entities other than ISDs**: \$1.1 billion
 - ◆ Windham schools; TEA Regional Education Service Centers; State vendor payments; TEA federal vendor payments; TEA admin costs
- Dollars **passed through ISDs** to TRS through on-behalf payments: \$2.5 billion
- Dollars generated to **repay bonded debt through I&S taxes and state assistance**: \$9.2 billion
- **Federal ESSER**: \$4.7 billion
- **Federal Free Lunch Funding**: \$3.5 billion

FACT #6

\$14,925



\$11,038

FACT #6

What's in the \$11,038?

- Includes small district allotment and revenue from VATREs (tax rate elections) – **SBISD does not get these**
- Depends on the specific student

FACT #6

Based on SBISD FY2022 audited financial statements, the district's net state funding per WADA (weighted average daily attendance) was **\$7,026**.

A young boy with short, spiky hair is shown in profile, facing right. He is wearing a plaid shirt and is writing on a chalkboard with a piece of chalk. The chalkboard is filled with mathematical formulas, including $1 - \frac{\alpha^2}{2c^2}(2e) + \frac{\alpha^2(\alpha^2 - c^2)}{4!c^4}$ and $\alpha^2(\alpha^2 - c^2)$. The entire image has a blue tint.

DISCUSSION