

August 20, 2019 Q&A

Questions from Connie Prado

DISCUSSION AND POSSIBLE ACTION

ITEM #3

According to the information presented by the CFO on August 14, 2019, the proposed annual budget, 2019-2020 indicates our Estimated Revenue Total is \$81,328,297. We are projected to receive two payments, one in February 2020 and another August 2020 to the Tax Bond Subsidy Fund. Both payments will occur in SY 2019-2020 annual budget. Are these payments reflected in the Estimated Revenues as stated above? If not, we should have a conversation on how these additional funds should be itemized as Revenues and how they should be itemized as Estimated Expenditures/Appropriations.

The Tax Bond Subsidy payments are within the proposed budget

Previously, I had requested that the staff identify additional revenues, other than the basic allotment, that are afforded to the school district because of HB 3. To be specific, I had indicated to the TEA HB 3 Summary (7 pages) which delineates the percent allocations for special population students. The last response that I received was that staff was still working on those calculations. Do we have that information?

Since that time we have not received new data to estimate the allocations so the report would remain the same. Please see the response from Moak Casey regarding the additional revenues being within the \$8 million of our projected HB3 increase.

As per Moak Casey, "In terms of your question regarding the board member questions, I would start with dispelling the myth that the \$7.9 million increase (or \$8 million as appears in the attached revenue projection) is "basic allotment". There are many other changes in the finance structure that impact district revenues in both positive and negative ways, and the gain in per ADA revenue from one year to the next is simply the net of all those changes. As for whatever remains after your allocations to pay increases, unless you have specific programmatic initiatives that you are using the additional resources for (for example, school safety increases, expanding prekindergarten to full-day, etc.), I would be inclined to answer that it is treated as general fund revenue and is used to balance the budget across all functions of the district."