



ALEDO ISD BOARD MEETING TEMPLATE

MEETING DATE: August 21, 2023

AGENDA ITEM: 2023-2024 Budget and Tax Rate Update

PRESENTER: Earl Husfeld, Chief Financial Officer

BACKGROUND INFORMATION:

- During budget workshops in March, June, and August for the development of the District's 2023-2024 budget, the Board of Trustees and Administration have had significant discussion regarding the current state of school funding, local property taxes, and student enrollment and attendance and the impact of these items on the 2023-2024 budget.
- As we have discussed, public schools in Texas are primarily funded on a per-student basis. The amount of money a school district receives (from local and state sources) is primarily determined by a "basic allotment" set by the state legislature. This "basic allotment" has not been changed by the state legislature since 2019. Although the District's per-student funding hasn't changed since 2019, the operational costs of the District have continued to increase due to inflation and the desire to increase staff pay in order to attract and retain the best staff possible.
- In July, the Governor signed Senate Bill 2 that provides local property tax relief through both a reduction in the District's M&O property tax rate and an increased homestead exemption. Although both of these items will benefit our local taxpayers, nothing in Senate Bill 2 provides any new money to school districts. Senate Bill 2 simply shifts more of the obligation of funding schools from the local taxpayer back to the state.
- As you are aware, the net result of these items has a significant impact on the District's budget. With per-student funding static and operational costs increasing, the District has experienced a deficit budget for the 2022-2023 fiscal year and will again for the 2023-2024 fiscal year.

FISCAL INFORMATION:

None – Information Report

ATTACHMENTS:

None – Information Report

ADMINISTRATIVE RECOMMENDATION:

None – Information Report