



# SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

## Agenda Item Summary

Meeting Date: March 27, 2024

Agenda Section: Presentation

Agenda Item Title: 2024-2025 Financial Planning – Addressing the district's deficit

From: Tony Kingman, Chief Financial Officer

Description: This presentation will provide an overview of the current financial challenges facing South San Antonio ISD and offer potential solutions to address the deficit. We will explore budgeting strategies, revenue enhancement opportunities, and cost-saving measures to ensure the district's long-term financial sustainability while maintaining high-quality education for our students.

Historical Data: N/A

Recommendation: N/A

Purchasing Director and Approval Date: N/A

Funding Budget Code and Amount: N/A

Goals: 3. SSAISD will implement program initiatives and activities that reflect a commitment to preparing 100% of students for post-secondary educational or career paths.

# 2024-2025 Financial Planning

March 27, 2024



**Mr. Henry Yzaguirre, School Superintendent**  
**Tony Kingman, Chief Financial Officer**

*Vision: To empower all students in SSAISD to achieve academic excellence and personal success by providing equitable access to high-quality education, resources, and opportunities.*

*Mission: Inspiring, educating, and preparing all SSAISD students for success beyond the classroom, by providing a safe, nurturing and challenging learning environment, empowering students to reach their full potential, and engaging the community in our shared commitment to excellence.*



# Agenda

- 2023-2024 Budget Recap
- 2023-2024 March Budget Amendment
- 2024-2025 Budget Projection
  - Budget Improvement Factors
  - Budget Regression Factors
- 2024-2025 Budget Options to Address the remaining Deficit
- South San Antonio ISD Financial Recap
- Interest & Sinking Fund Saving Opportunity

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# 2023-2024 Budget Recap

## Original Budget

- Revenue Budget: \$78.5M
- Expenditure Allocation: \$88M

**Deficit Amount: \$9.5M**

## Current Budget

- Revenue Budget: \$78.4M
- Expenditure Allocation: \$84.8M

**Deficit Amount: \$6.4M**

## Highlights:

- Rolled-over Purchase Orders from prior year
- Return Series 2022 Maintenance Tax Note (Partial Defeasance)



# 2023-2024 March Budget Amendment

## Revenue:

- Adjust for the decline in enrollment
- Adjust for the increase in interests earning from investment
- Adjust for the reduction in SHARS revenue (School Health and Related Services)

## Expenditure:

- Adjust for the decrease in vacancy rate

**Deficit Amount: \$9.9M**



# 2024-2025 Budget Projection

## Budget Improvement Factors

- Savings from campuses, departments and staffing plan: \$1.5M
- Saving from medical insurance: \$2.55M
- Reducing Non Payroll by 8%: \$788k
- Increase in property value resulting in increase in local tax collection revenue \$2M
- Exhausting all maintenance tax notes: \$477k
- Special Programs:
  - Community in School: \$220k
  - Valued Youth Program: \$14k
  - Early College's tuition reimbursement: \$10k

**Total: \$7.56M**

**Remaining Deficit: \$2.34M**

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# 2024-2025 Budget Projection

## Budget Regression Factors

- Decline in Enrollment: \$2.2M
- Discontinue of ESSER in-direct cost: \$300k

**Total: \$2.5M**

**Remaining Deficit: \$4.84M**

# 2024-2025 Budget Projection



## Factors to consider:

- Decline in enrollment
- Increase in salaries & benefits for all staff
- Increase in property value & reduction in tax rate

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# 2024-2025 Budget Projection

## Options to address the remaining deficit:

### 1. Consolidating campuses

- Pros: addressing the deficit, increase efficiency
- Cons: impact on the community

### 2. Natural increase in vacancy rate

- Pros: addressing the deficit
- Cons: affecting academic performance, inadvertently increasing workload to remaining staff



# 2024-2025 Budget Projection

## Options to address the remaining deficit:

### 3. Reduction in Salaries & Benefits for all staff

- Pros: addressing the deficit
- Cons: potentially losing high quality staff

### 4. Reduction in Force

- Pros: addressing the deficit, reviewing district's efficiency
- Cons: affecting academic performance, increasing workload to remaining staff, potentially losing high quality staff



# SSAISD Financial Recap

- Overall expenditure is higher than revenue due to:
  - Lack of state funding
  - Competitive salaries & benefits proposal in the area
  - General economic factors as the result from COVID-19
  - Debt Service for Maintenance Tax Notes
- Expenditure ratios shows effective management. (Payroll/all expenditure is at 84%)
- Using Financial Resources to address Academic Deficits
- Low Fund Balance comparing to surrounding districts

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# Potential Saving on Debt Service Fund

Unlimited Tax Refunding Bonds, Series 2014 (maturities 2024-2037)

Unlimited Tax Refunding Bonds, Series 2013 (maturities 2024-2026 and 2035)

- Potential Refunded Bonds: \$29.83 M
- Potential Total Gross Savings: **\$1.4M**
- Potential Average Annual Savings: **\$103k**

# Thank you



Additional Link

<https://www.southsanisd.net/Finance>



Question?

Please ask question



Discussion

Wrap-up Discussion

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