

# DENTON ISD BUDGET UPDATE

Board of Trustees

April 9, 2024



# AGENDA

- Fund Balance
  - 2023-2024 Estimate
  - 2024-2025 Assumptions
  - Board Policy Goals
  - Financial Integrity Rating System of Texas (FIRST) Indicator #6 and Indicator #7

# TIMELINE FOR FY25 BUDGET JULY 1ST – JUNE 30TH

## December / January

- Finalize Budget Calendar
- Demographer Projections
- Campus Enrollment Projections
- Begin Budget Workshops with Board of Trustees

## February

- Distribute Campus and Department Budgets
- Receive Budget Requests
- FY24 Revenue
- FY25 Revenue Assumptions

## March

- Review Budget Requests
- Assist Campuses and Departments with Budget Entry
- FY24 Revenue
- FY25 Revenue Assumptions

## April

- Budget Submittals Due
- Projected Property Values
- Review Debt Structure
- Projected FY25 Revenues and Expenditures

# TIMELINE FOR FY25 BUDGET JULY 1ST – JUNE 30TH

## May

- Compensation Plan Discussions
- Projected Revenue And Expenditures
- Set Time, Date, and Place for Public Hearing
- Publish Public Notice Accordingly

## June

- Public Hearing
- Budget Compilation
- Board of Trustees Considers Adoption of Budgets

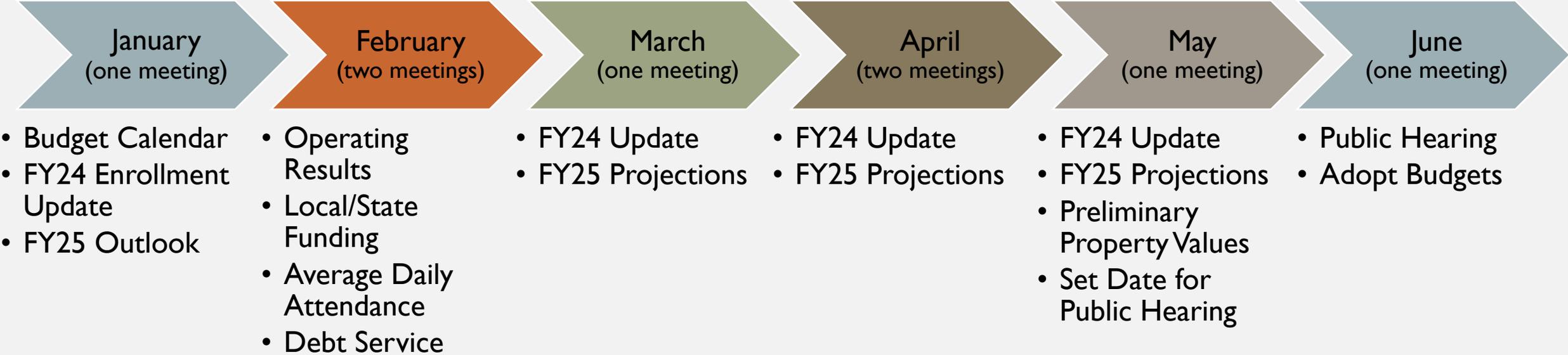
## July/August

- Certified Values
- TEA Assigns Tax Rate

## September

- Tax Rate Adoption Process

# BOARD OF TRUSTEES BUDGET PLANNING WORKSHOPS





BOARD  
POLICY

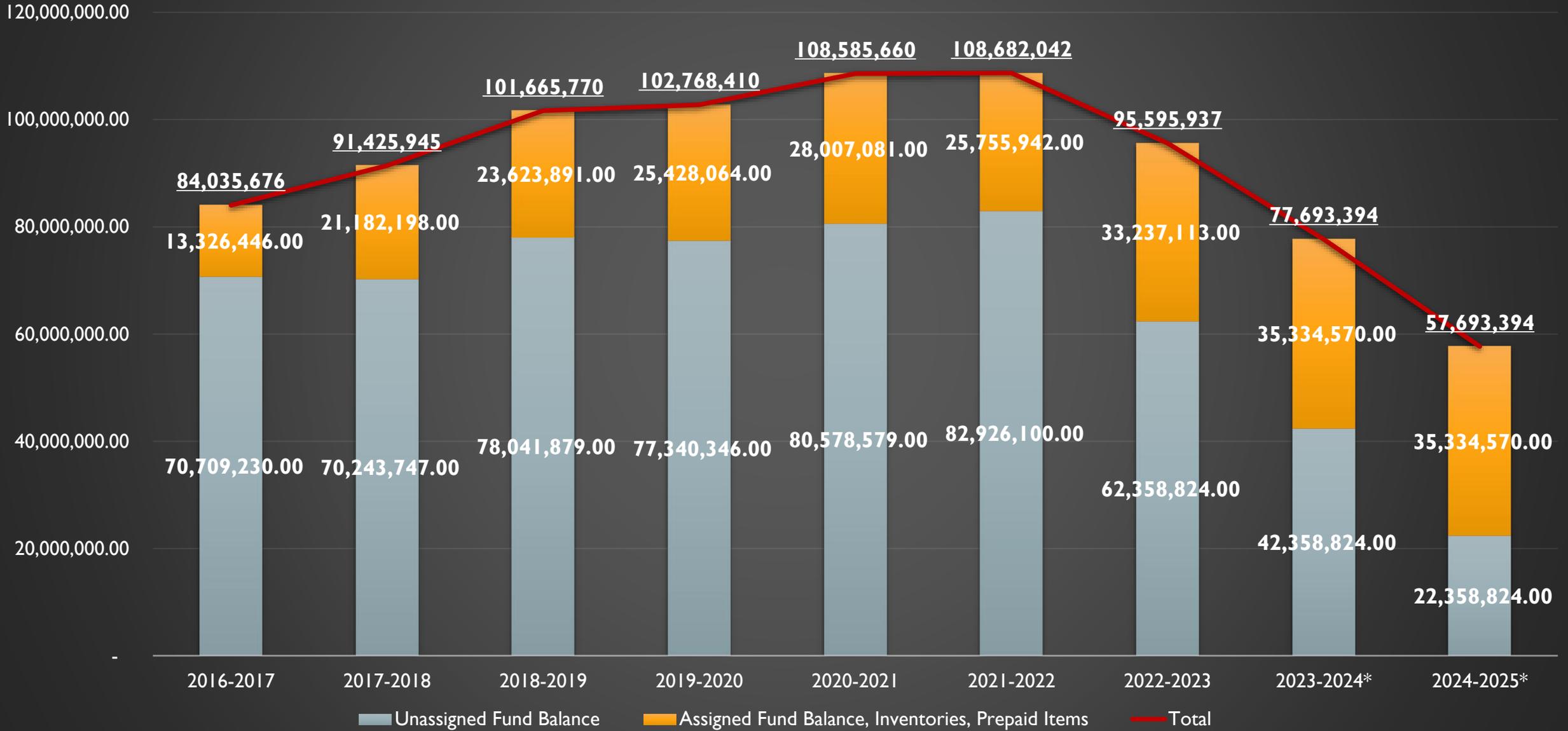
FUND  
BALANCE

- CE Local
  - A financial goal of the District shall be to have a sufficient balance in the operating fund to be able to maintain fiscal independence in the case of a financial need or crisis. The District shall strive to:
    1. Maintain a total general operating fund balance of 25 percent of the District's total general operating fund expenditures; and
    2. Maintain the District's number of days cash on hand greater than 60 days.
  - Additionally, maintain the District's unassigned general operating fund balance to equal at least 15 percent of the District's total general operating fund expenditures.

# FUND BALANCE ASSUMPTIONS

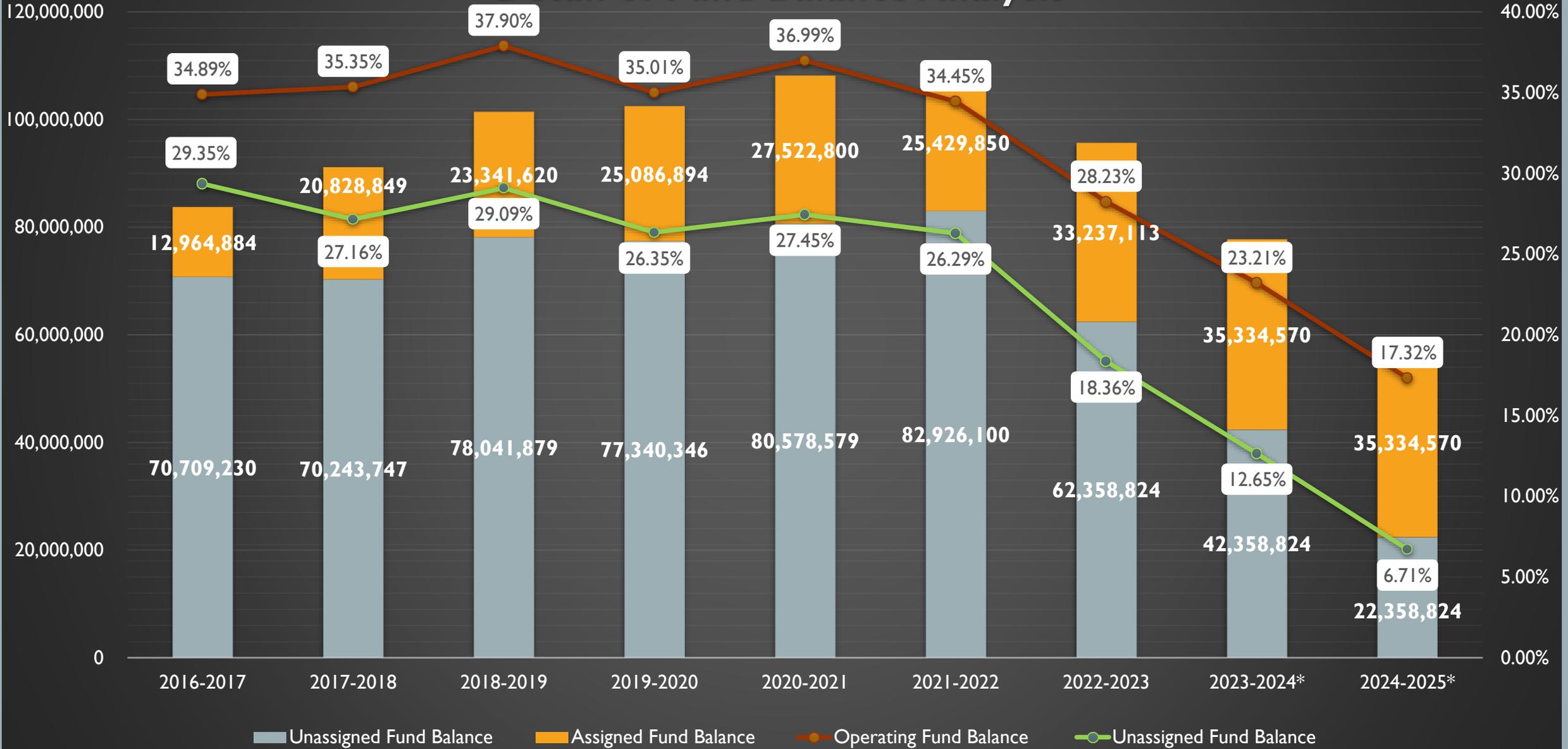
- 2023-2024 Projected Deficit Budget: (\$17,276,403)
- 2024-2025 “What If” Deficit Budget: (\$20,000,000)

# Denton Independent School District Summary of Fund Balance Analysis



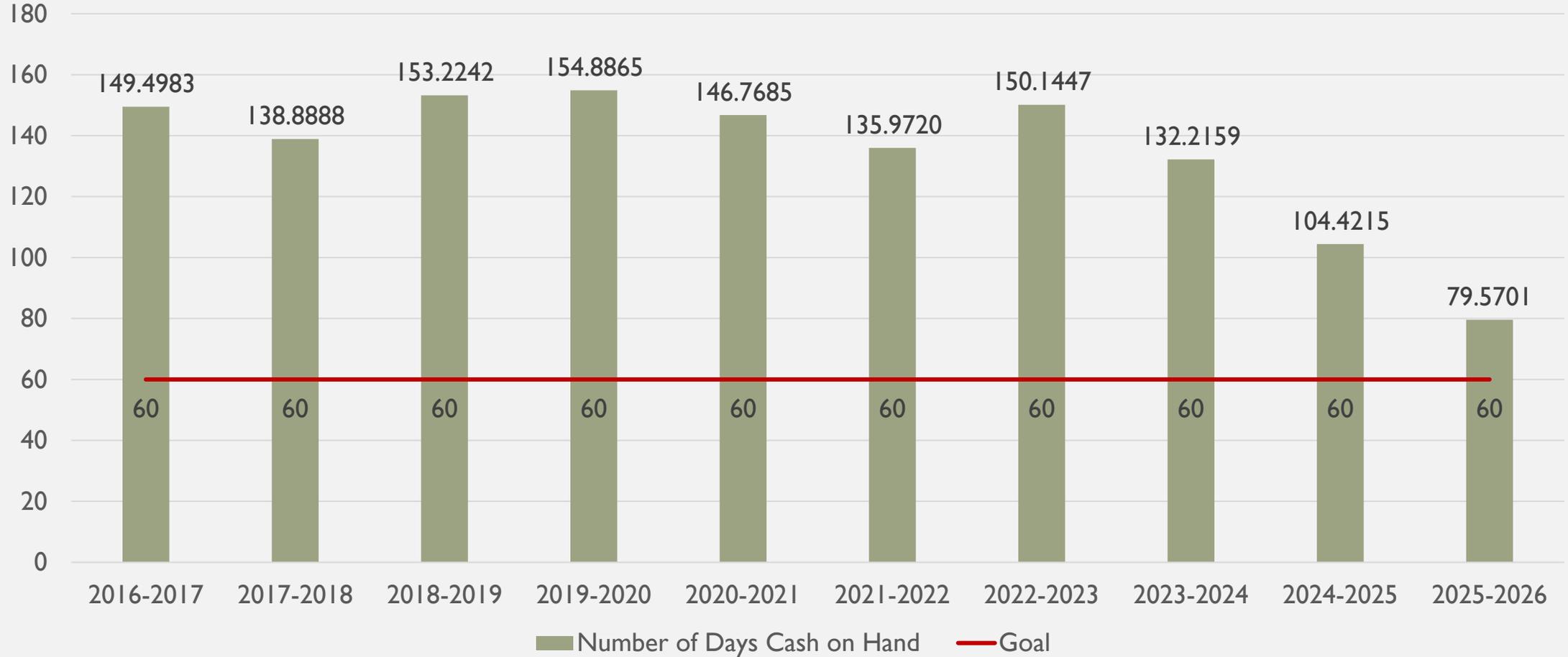
\*estimated and unaudited

# Denton Independent School District Detail of Fund Balance Analysis



\*estimated and unaudited

## Number of Days Cash on Hand, as Compared to District Policy Goal - CE Local



# FORECAST OF FIRST RATING INDICATORS

**FINANCIAL  
INTEGRITY  
RATING SYSTEM  
OF TEXAS  
INDICATOR #6**

**CHANGES IN  
FUND BALANCE**

**Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures?**

**(If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)**

**FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS**  
**INDICATOR #6 FORECASTED SCORE**

<b>Rating Year</b>	<b>Fiscal Year</b>	<b>Fund Balance</b>	<b>% Change in Fund Balance (3-year average)</b>	<b>Fund Balance Needed for 75 Days of Expenses</b>	<b>Total Points</b>
2022-2023	2021-2022	108,355,950	2.27%	64,655,913	Yes
2023-2024	2022-2023	95,595,937	-2.00%	69,721,386	Yes
2024-2025	2023-2024	77,693,394	-10.09%	69,547,229	Yes
2025-2026	2024-2025	57,693,394	-18.75%	73,656,818	Yes
2026-2027	2025-2026	37,693,394	-26.38%	77,776,407	No

FINANCIAL  
INTEGRITY  
RATING SYSTEM  
OF TEXAS  
INDICATOR #7

CASH AND  
INVESTMENTS  
ON HAND

**Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)?**

**FINANCIAL**  
**INTEGRITY**  
**RATING**  
**SYSTEM OF**  
**TEXAS**  
**INDICATOR #7**  
**FORECASTED**  
**SCORE**

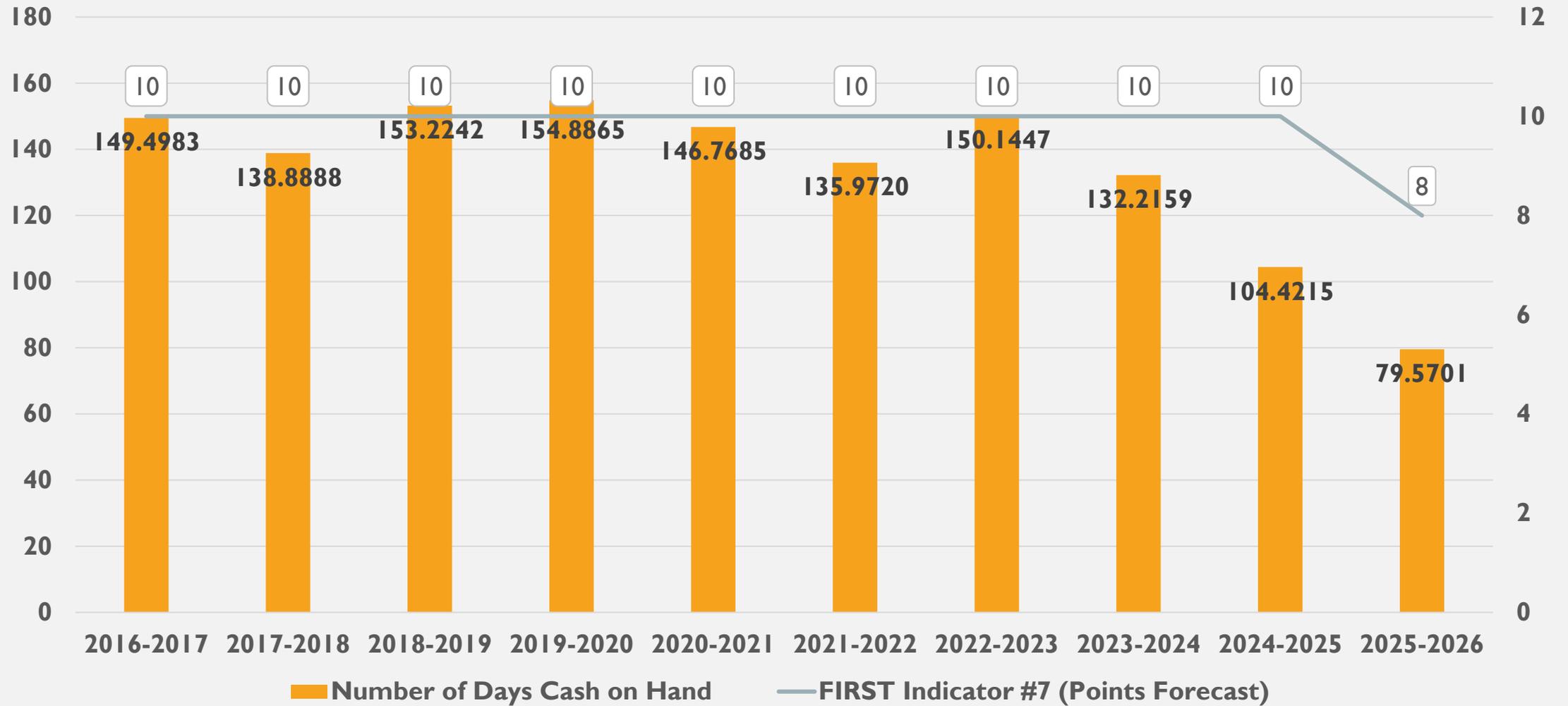
Rating Year	Fiscal Year	Days of Cash on Hand	Total Points
2023-2024	2022-2023	150.1447	10
2024-2025	2023-2024	131.8897	10
2025-2026	2024-2025	104.1664	10
2026-2027	2025-2026	79.3731	8

**RESULT DETERMINATION REFERENCE**

**DETERMINATION OF POINTS**

10	8	6	4	2	0
>=90	<90 >=75	<75 >=60	<60 >=45	<45 >=30	<30

# Number of Days Cash on Hand Forecast for FIRST Report Indicator #7



## 2024-2025 BUDGET HOW WE GOT HERE



86<sup>th</sup> Session (2019) – moved to funding based on Current Year Values



Inflation – up 17-19% since 2019



No increases to the Basic Allotment (BA) since 2019 increase of \$1000 to \$6160



ADA vs Enrollment as a basis for School Funding



ESSER (I, II, III) \$\$ - ends this FY



Many districts are flat/declining in student enrollment

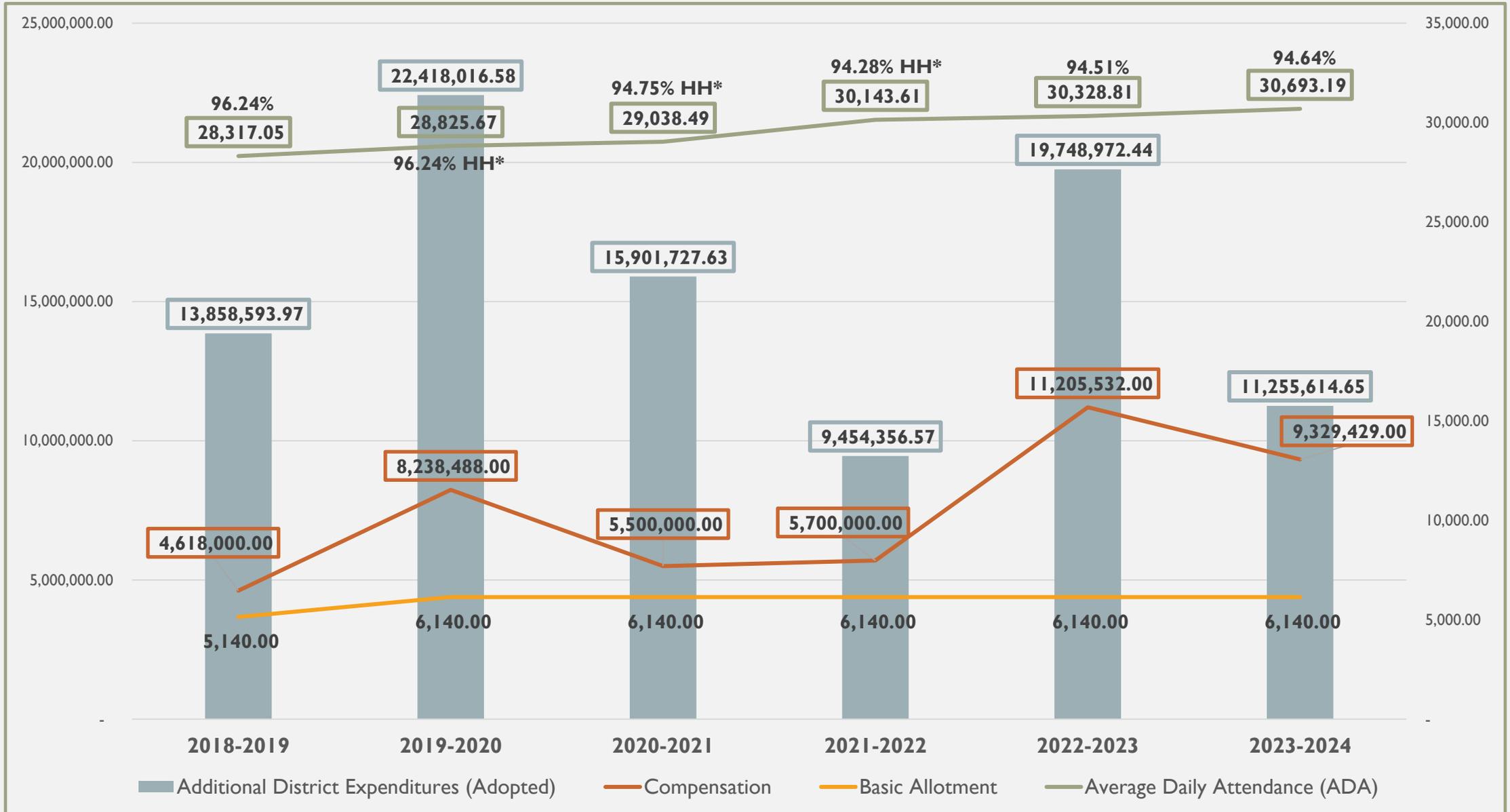


No local control in setting M&O tax rates; additional funding tied only to student enrollment increases



88<sup>th</sup> Legislature (2023) – no new funding for public schools despite a significant State budget surplus

# BASIC ALLOTMENT HISTORY, AS COMPARED TO DISTRICT DATA



# 2024-2025 BUDGET PRIORITIES



QUESTIONS?