

# 2024-2025 Budget Report

July 17, 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



- General Information and 2023-24 Financial Recap
- 2024-2025 Proposed Budget
  - Overview
  - Trends & Analysis
  - Proposed Budgets
  - Fund Balance Analysis
  - Financial Highlights



# Texas School Funding

**South San Antonio ISD Fiscal Year: September 1 - August 31**

## Board Approved Funds

- General Fund (199) - the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund
- Child Nutrition Fund (240) - to be used for programs using federal reimbursement revenues originating from the United States Department of Agriculture
- Debt Service Fund (599) - accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds

# 2023-24 Financial Recap



- FIRST – Financial Integrity Rating System of Texas – Superior Rating



- No Material weaknesses for prior year financial audit 

- Reduced the \$12M deficit to \$9M 

- Texas Comptroller of Public Accounts Awards Traditional Finances Star



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# 2024-2025 Proposed Budget

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# Funding Sources

## General Fund's source of revenue

- Local tax revenue from local property taxes
- Miscellaneous Local Revenue Sources: Athletics events, reimbursements, donations, etc...
- State Revenue: Different allotments: State compensatory education, bilingual education, CTE, early education, etc...
- Mainly based on Average Daily Attendance (ADA)
- Federal Revenue: Programs mainly based on information from the Special Education department - SHARS

## Child Nutrition Fund's source of revenue

- Federal reimbursement revenues from the USDA
- Local revenue from sales



# Funding Sources

## Debt Services Funds' source of revenue

- Local tax revenue from local property taxes
- Allotment programs provide assistance to school districts in making debt service payments on qualifying bond and provides tax rate equalization for local debt service taxes
- Due to the increase in property tax value, South San Antonio ISD will no longer receive Existing Debt Allotment (EDA) and Instructional Facilities Allotment (IFA). Instead, the district will receive “hold harmless” funding from the state to compensate for the increase in the Homestead exemption (from \$25k in 2021 to \$100k in 2023)



# Expenditure

## General Fund Expenditure

- 83% is salaries and benefits
- 15% is non payroll operational items
- 1% is debt service payments and fees
- 1% is capital improvement

## Child Nutrition Fund Expenditure

- 49% is salaries and benefits
- 38% is food related items
- 13% is other non payroll items

## Debt Services Fund Expenditure

- 100% is debt service payments and fees





# Planning Calendar – Budget 2024-25

## Board Meetings

~~2024-2025 Financial Planning~~

Budget Presentation

Public Hearing on Budget and Proposed Tax Rate

~~March 27, 2024~~

July 17, 2024

August 21, 2024

## Board Actions

~~Adoption of 2024-25 Compensation Plan~~

Adoption of 2023-24 Final Budget Amendment

Adoption of 2024-25 Budget

Adoption of Tax Rates for 2024-25 Fiscal Year

~~June 19, 2024~~

August 21, 2024

August 21, 2024

August 21, 2024

## Financial Services Tasks

~~Issue Budget Materials to Campuses & Departments~~

~~Campuses & Departments One-on-One Budget Meeting~~

Receipt of Certified Value from Bexar CAD

Update State Funding Projections based on Certified Estimates

Publish Budget and Tax Rate Notice in Newspaper

Post a Summary of the proposed budget

~~April, 2024~~

~~May, 2024~~

July 25, 2024

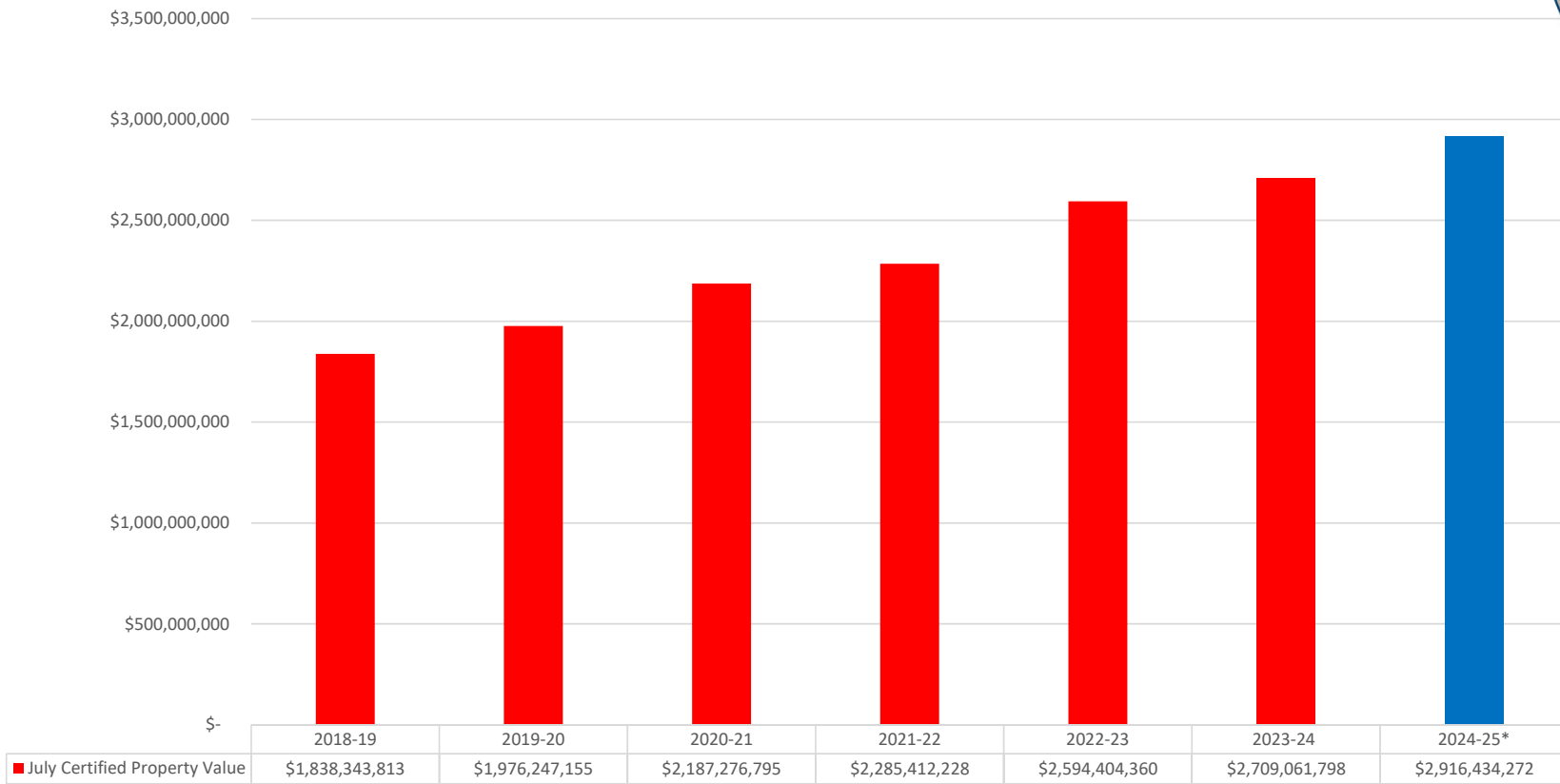
July, 2024

August 9, 2024

August 9, 2024



# Taxable Property Value Trend



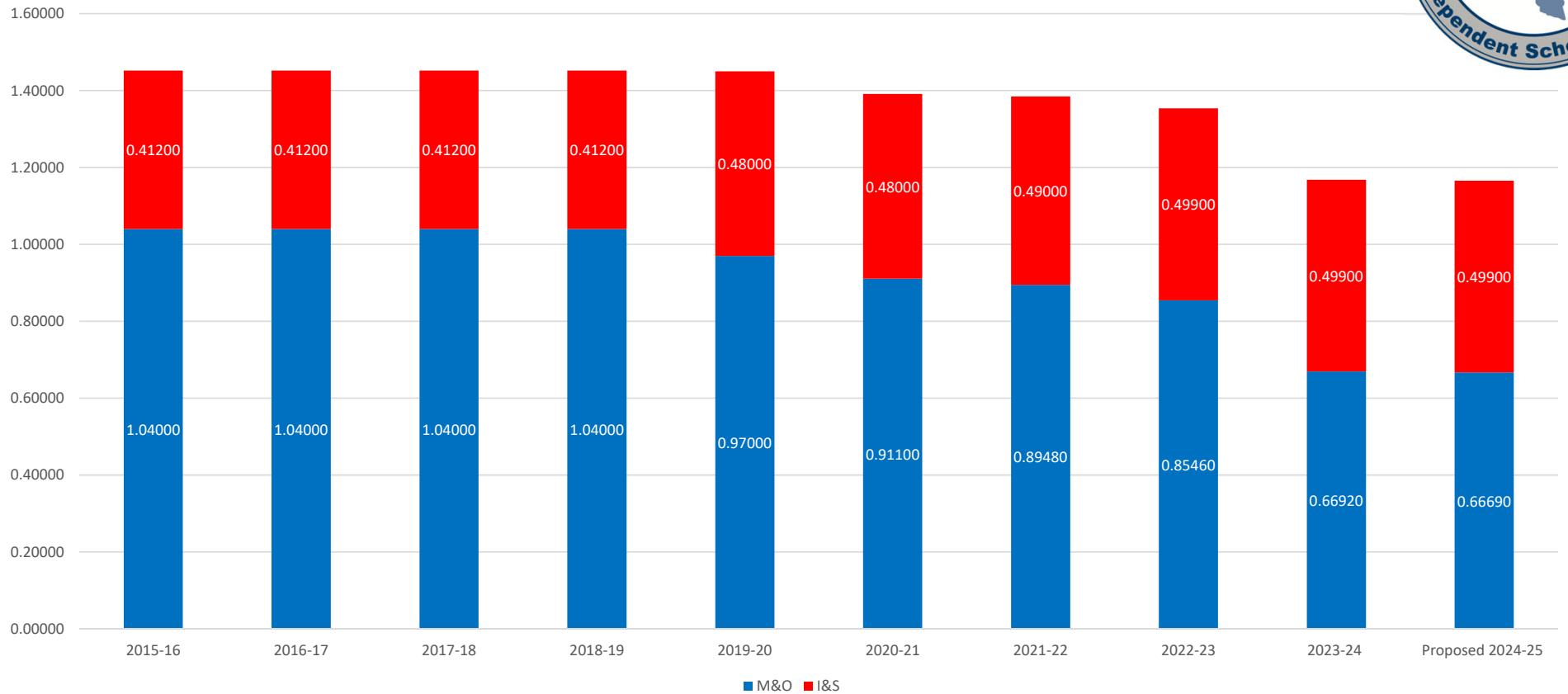
\* July 12 Preliminary Property Value

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# Tax Rate Trend



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# Average Daily Attendance Analysis



\*Estimated based South San Antonio ISD's Demographic Report

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# 2024-25 Proposed Budget Assumption

| Categories  | 2023-24 Budget   | 2024-25 Proposed Budget* |
|---|------------------|--------------------------|
| Maintenance & Operation (M&O)                           | \$ 0.6692        | \$ 0.6669                |
| Interest & Sinking (I&S)                                | \$ 0.4990        | \$ 0.4990                |
| <b>Total</b>  | <b>\$ 1.1682</b> | <b>\$ 1.1659</b>         |
| Student Membership                                      | 7,429            | 7,280                    |
| <b>Assumed Average Daily Attendance (ADA)</b>           | <b>6,437.890</b> | <b>6,309.132</b>         |
| Certified Property Value (Old Law @ \$40k HS Exemption) | \$ 2,709,061,798 | \$ 2,916,434,272         |
| Increase in Property Value                              |                  | 7.65%                    |

*Assumption:*

- *M&O Tax Rate – General Fund: July 12 Preliminary Property Tax Value, 98% collection rate and Average Daily Attendance Rate of 91%. Student population decreases by 2% compare to 2023-24 (based on demographic report)*
- *I&S Tax Rate – Debt Service Fund: July 12 Preliminary Property Tax Value, 98% collection rate*

# 2024-25 Proposed Budgets



|                                  | Proposed General Fund Budget | Proposed Food Service Fund Budget | Proposed Debt Service Fund Budget |
|----------------------------------|------------------------------|-----------------------------------|-----------------------------------|
| Revenue                          | \$73,415,419                 | \$7,788,450                       | \$15,027,229                      |
| Expenditure                      | \$80,955,288                 | \$9,015,264                       | \$12,606,592                      |
| <b>Deficit/Surplus</b>           | <b>\$(7,539,869)</b>         | <b>\$(1,226,814)</b>              | <b>\$2,420,637</b>                |
| Tax Subsidies Fund Balance       | \$799,809.00                 | -                                 | -                                 |
| Remaining MTN Fund Balance       | \$500,000.00                 | -                                 | -                                 |
| <b>Operating Deficit/Surplus</b> | <b>\$(6,240,060)</b>         | <b>\$(1,226,814)</b>              | <b>\$2,420,637</b>                |

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# Fund Balance Analysis

## Fund Balance:

**2022-23 Unobligated – Operating Fund Balance: \$33,468,678**

- Total Fund Balance \$38,860,112 (including \$5,391,434 is obligated for maintenance tax notes, prepaid, inventories and tax subsidies projects)

**2023- 24 Unobligated – Operating Fund Balance: \$24.5M - \$25.5M**

**2024- 25 Unobligated – Operating Fund Balance: \$18.3M – \$19.3M**

- Estimated \$6.24M budget deficit (after exhausting all tax subsidies & maintenance tax notes fund balance - \$1.3M)



# 2024-25 Disaster Pennies Relief

- Under Sec 26.042(e) of the Tax Code the request for federal aid, could allow for districts to increase the number of pennies in their M&O tax rate temporarily without holding an election(commonly referred to as "disaster pennies")
- Bexar County was included in a disaster declaration proclamation recently issued by the Governor's office on May 2, 2024
- This allows the District to use the so-called disaster pennies
- The District, with Board approval, can temporarily adopt additional pennies without holding an election
- Disaster pennies expire after one year





# 2024-25 Disaster Pennies Relief

Example: Adopt a \$0.03 disaster pennies

- Impact to the General Fund:
  - Tax rate will be at \$ 0.6969 instead of \$ 0.6669
  - Revenue will increase by \$2.7M
  - Deficit will be reduced by \$2.7M – From \$6.2M to \$3.5M



# 2024-25 General Fund Highlights

- Average of 2% to 8% pay increase
- Starting teacher pay - \$59,350
  - Teacher Incentive Allotment: \$6,652 - \$28,707
  - Create/Promote school marshal program to ensure school safety
- Switching to TRS Active Care for Medical Insurance
- Reducing the deficit in half compared to 2022-2023
- Expenditure ratios shows effective management (Payroll/all expenditure is at 83%)



# 2024-25 General Fund Challenges

- Overall expenditure is higher than revenue due to:
  - Lack of state funding
  - Competitive salaries & benefits compared to other districts in the area
  - General economic factors
  - Debt Service for Maintenance Tax Notes
- Using financial resources to address academic needs
- Lower fund balance compared to surrounding districts
- Maximum FIRST Rating with the current debt structure is 92/100 points



# 2024-25 Food Service Fund Highlights

- 10% pay increase for paygrade 1- 6 in 2024-2025 after a 10%-14% increase in 2023-2024
- Upgrading kitchen equipment
- Brand new refrigerated truck
- Exceptionally effective breakfast in classroom program
- The adoption of a balanced budget will be needed after the 2024-2025 fiscal year



# 2024-25 Debt Service Fund Highlights

- Refinancing the Unlimited Tax Refunding Bonds, Series 2014 (maturities 2024-2037) with potential saving of \$800k
- Due to increase in property value, the district no longer needs to rely on ADA to receive additional revenue from the state
- Propose to maintain the I&S Tax Rate at \$0.4990 to create opportunity to pay-off debt early or increase fund balance for the debt service fund

# Thank you



Additional Link

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



Question?

Please ask question



Discussion

Wrap-up Discussion

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