



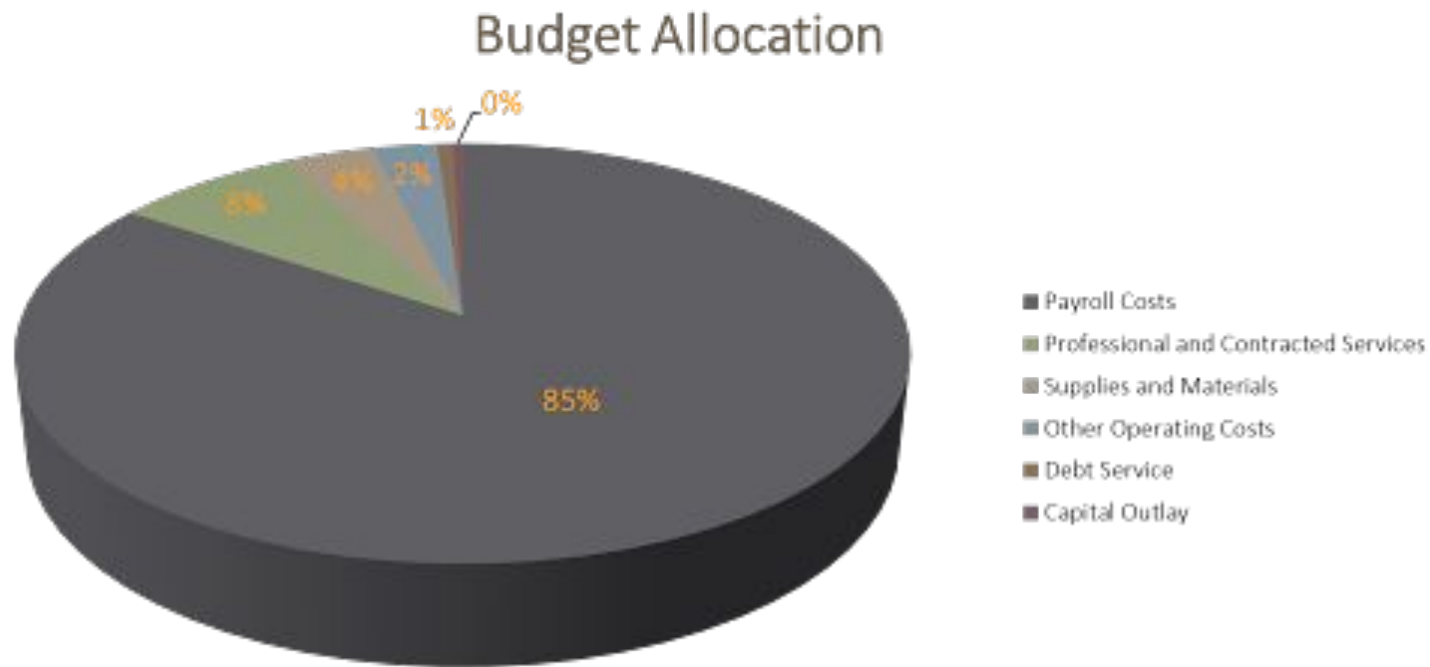
Canutillo Independent School District

**Budget Update
March 4, 2024**

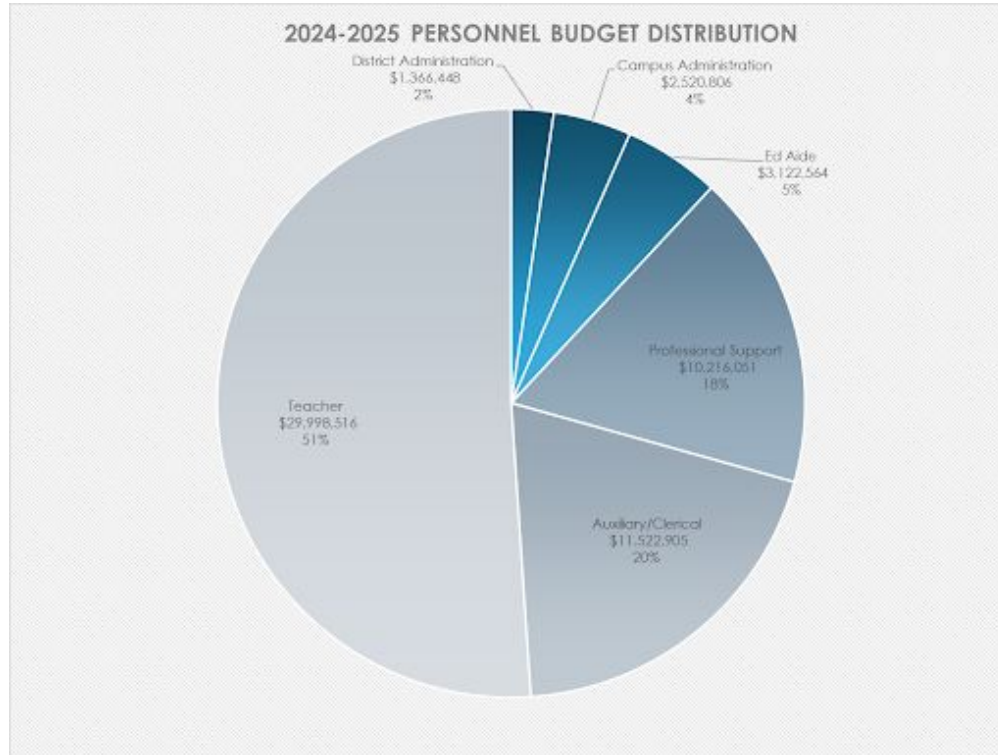
State of the Budget

Projected FY25 Deficit	\$ (9.60) M
Budget Reductions	
District Administration Personnel	1.70 M
Change from Block to Traditional Schedule	1.10 M
Elementary Staffing Alignment	0.60 M
Department Operation Budget Cuts	1.45 M
ADA Adjustment from 94% to 95%	0.80 M
Maintenance Tax Notes (Moved to Debt Serviced)	1.20 M
Adopted FY25 Deficit	\$ (2.75) M

Canutillo Budget Allocations



Personal Budget Distribution



We are not alone

EL PASO MATTERS |

FREE NEWSLETTER



Ysleta ISD Considers Loan to Cover Payroll Gap

The Ysleta Independent School District may need to borrow up to \$25 million later this year to cover its payroll expenses in the event that it depletes its cash reserves as it attempts to operate under a budget deficit.



Ysleta ISD Superintendent Xavier De La Torre discusses the district's budget deficit, Friday, May 24, 2024. De La Torre attributed some of the shortfall to required investments in security and to the statewide loss of federal funds for the School Health and Related Services program. (Corrie Boudreaux/El Paso Matters)

EL PASO INC.



NEXT UP



YWCA El Paso del Norte Region Announces Lucy Liu as keynote ...



EDITOR'S PICK

EPISD trustees approve closure of 8 elementary schools

By Sara Sanchez / El Paso Inc. staff writer
Nov 24, 2024 Updated Nov 25, 2024



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1 of 6



KFOX14



Socorro ISD begins process to lay off 300 employees amid financial crisis

by Julia Spencer

Thu, February 20th 2025 at 7:20 PM



Updated Thu, February 20th 2025 at 7:30 PM



Reaction following SISK Board approving district-wide layoffs. (Credit: KFOX14/CBS4)

Texas Wide Concerns

HOUSTON CHRONICLE

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SUBURBS // KATY

Katy ISD superintendent slams Texas inaction on school funding as district could face budget cuts

By **Claire Goodman**, Senior Reporter
March 20, 2024

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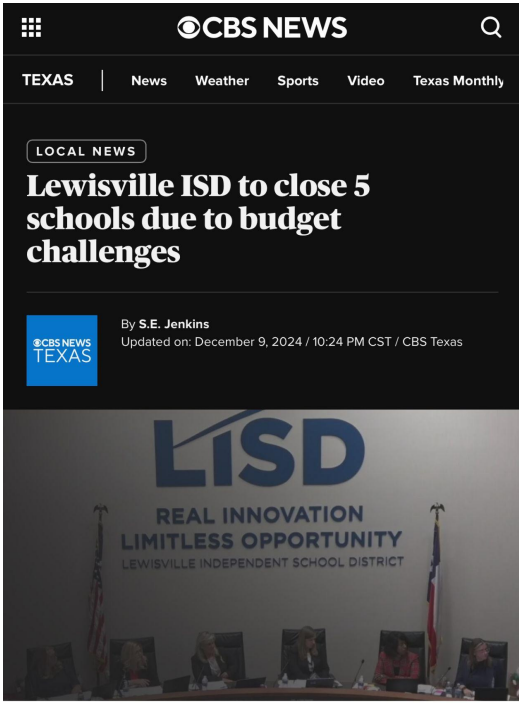
CBS NEWS

TEXAS | News | Weather | Sports | Video | Texas Monthly

LOCAL NEWS

Lewisville ISD to close 5 schools due to budget challenges

By S.E. Jenkins
Updated on: December 9, 2024 / 10:24 PM CST / CBS Texas




LEWISVILLE – The Lewisville Independent School District Board of Trustees approved a plan Monday to close five elementary schools and adjust campus boundaries due to budget

SOUTHERN DENTON COUNTY SCHOOLS

Northwest ISD increasing class sizes, laying off employees due to lack of funding

By Mark Smith February 12, 2025 1190 0

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Daniel Elementary School opened its doors in August 2023 in Pecan Square (photo courtesy of Northwest ISD).

Northwest ISD announced Tuesday that it will lay off some employees and increase its class sizes next school year due to a lack of funding.

Canutillo History of Fiscal Responsibility

Fiscal Year	Adopted Revenue	Adopted Expenditures	Balanced/ (Deficit) Budget	Actual Surplus/ (Deficit)
2018	\$ 54,551,182	\$ 54,551,182	\$ -	\$ 2,554,789
2019	\$ 58,134,459	\$ 58,134,459	\$ -	\$ 2,271,016
2020	\$ 61,546,413	\$ 61,546,413	\$ -	\$ 2,201,854
2021	\$ 62,647,270	\$ 62,647,270	\$ -	\$ 3,197,899
2022	\$ 63,842,166	\$ 63,842,166	\$ -	\$ (1,235,256)
2023	\$ 63,401,400	\$ 63,401,400	\$ -	\$ (4,358,791)
2024	\$ 64,203,897	\$ 67,203,897	\$ (3,000,000)	\$ 1,084,203
2025	\$ 65,198,405	\$ 67,948,405	\$ (2,750,000)	Pending FY Close

We told you so ...

- Voters turned down bond elections in 2021 and 2022.
- If approved, new school construction would be finishing this school year
 - Increased Enrollment
 - Increased Funding
- The cost of “waiting” is a deficit budget.

2024-25 Budget Projections

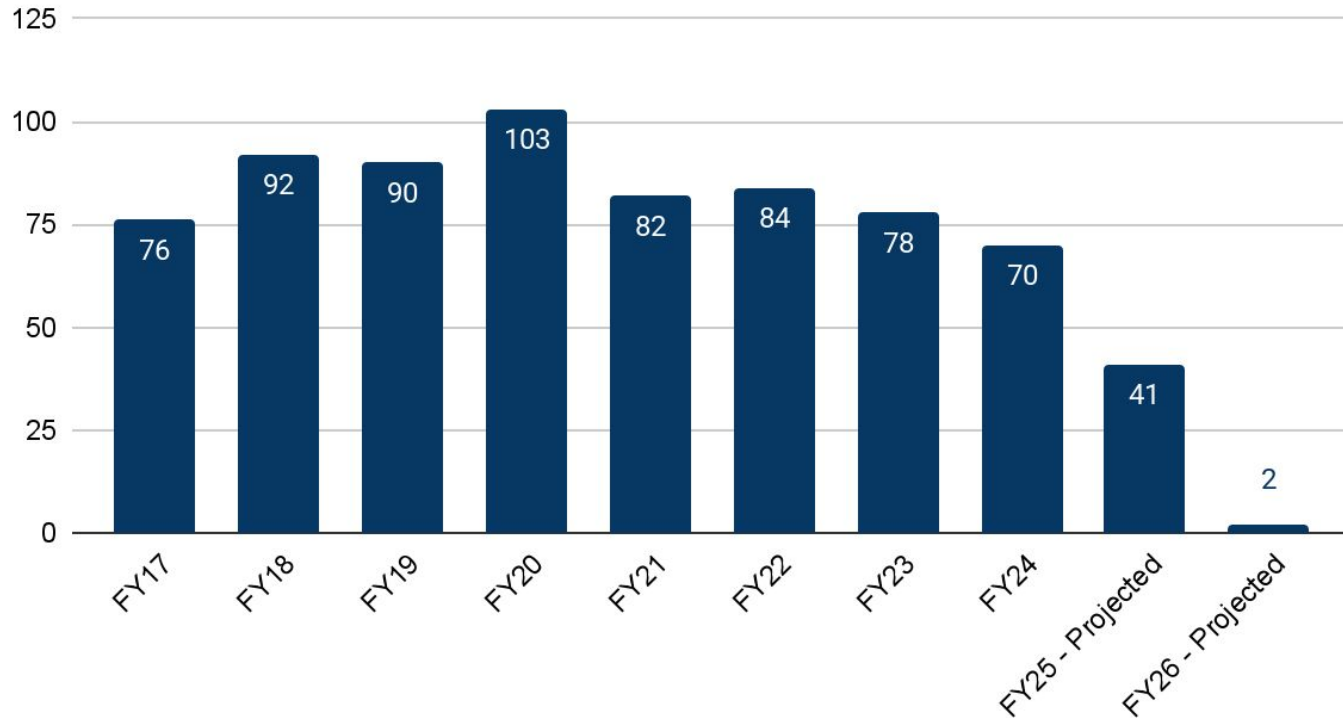
Adopted Deficit	\$	(2.75)	M
Property Value Accelerated Growth	\$	(1.67)	M
Student Enrollment Decrease	\$	(0.22)	M
Decrease Special Allotments	\$	(0.63)	M
Decrease Property Tax Collections	\$	(0.25)	M
Instructional Positions Approved	\$	(0.31)	M
Operating Deficit	\$	(5.83)	M
Assigned FB - Central Office Reconstruction	\$	(1.30)	M
Assigned FB - Technology Refresh	\$	(.57)	M
Projected Deficit	\$	(7.70)	M

2025-26 Budget Projections

Revenues	\$	61.4	M
Expenditures	\$	(67.8)	M
<hr/>			
Projected Operating Deficit	\$	(6.4)	M

Fund Balance Outlook

Unassigned Fund Balance - Days Available



Contributing Factors to Revenue Loss

- Enrollment Loss
- Healthcare Cost Increases
- Stagnant State Funding
- Changing Demographics and their impact on funding.

School Board Travel Budget

Board Of Trustees Travel Budget					
Account Number	Owner	Year	Account Name	Transactions	Adopted Travel budget = \$30,000 (SY 2024-25)
199.41.6419.02.702.99	702	2025	Board Travel/B Barnes	\$ -	
199.41.6419.03.702.99	702	2025	Board Travel/P Mendoza	\$ 2,256.17	
199.41.6419.05.702.99	702	2025	Board Travel/R. Simental	\$ 3,166.67	
199.41.6419.01.702.99	702	2025	Board Travel/C Carrillo-Zuniga	\$ 2,303.36	
199.41.6419.07.702.99	702	2025	Board Travel/A Rodriguez	\$3,279.69	
199.41.6419.00.702.99	702	2025	Board of Trustees Travel	\$ -	
199.41.6419.09.702.99	702	2025	Board Travel/B Trout	\$ 2,895.94	
199.41.6419.10.702.99	702	2025	Board Travel/L Borrego	\$ -	
Subaccount # Pending Creation	702	2025	Board Travel/C. Ortega	\$ -	
Subaccount # Pending Creation	702	2025	Board Travel/S. Martinez	\$ -	
Subaccount # Pending Creation	702	2025	Board Travel/L. Maldonado	\$ -	
Budget amendement August 8, 2024			Transfer from BOT Travel (6419) to Software License/Subscription (6396) To cover board book renewal Expense	\$2,500	Boardbook Sub Cost total \$2,500 (needed for board meeting posting, publishing and record keeping (nessary expense)
Budget amendement Nov 14, 2024			199 Board of Trustees change from 6419 travel to 6499 Misc. Operating Expense. To Cover Purchases and other costs associated with new board members.	\$2,500	
Budget amendement Nov 19, 2024			199 Board of Trustees Change from 6419 BOT Travel to 6299 Misc Contracted Svc To cover TASB subscription cost	\$1,000	TASB Subscription total Cost \$11,000, we needed additional \$1,000 due to pricing increase, we had \$10,000 already allocated for sub on 6299 accc.
Budget amendement 1 08, 2025			Moving from BOT Travel 199.41.6419.00.702.99 to 199.41.6299.00.702.99 Misc Contracted Svc. to cover ESC 19 Continuing Education Services Agreement Cost \$4,500	\$4,500	
LSG - PENDING PAYMENT				\$5,000	\$5,000 cost for LSG training. Pending to be invoiced and paid
Total Current Transactions				\$29,401.83	Total Remaining \$ 599.00

Accelerated Property Value Growth

- Canutillo ISD growth rate is faster than the state average.
- CISD Property Valuation increasing at a faster rate
- District is projected to enter into Recapture during FY 2026 – becoming a “property rich” school district
 - Recapture? In Robin Hood funding system, Canutillo ISD will begin sending money back to the state to help “property poor” districts throughout the state.

What is next?

- What is the cost of doing nothing?
 - Certain bankruptcy
- Other options?
 - Payroll loans (short-term solution)
- RIF 2.0

Deficit Cost Savings Options

- Increase Class Size
- No locally-funded travel
- Hiring freeze of non-essential positions
- Continue to cut operating budgets by 10%
- Student Programming Assessment
- Sell Central Office and Lone Star and other existing properties

Policy

DFFB

Applicability

This policy shall apply when a reduction in force due to a program change requires the nonrenewal of a term contract. A program change may be due to, for example, a redirection of resources; efforts to improve efficiency; a change in enrollment; a lack of student response to particular course offerings; legislative revisions to programs; or a reorganization or consolidation of two or more individual schools, departments, or school districts.

Definitions

Definitions used in this policy are as follows:

1. "Program change" shall mean any elimination, curtailment, or reorganization of a program, department, school operation, or curriculum offering, including, for example, a change in curriculum objectives; a modification of the master schedule; the restructuring of an instructional delivery method; or a modification or reorganization of staffing patterns in a department, on a particular campus, or District-wide.
2. "Nonrenewal" shall mean the termination of a term contract at the end of the contract period.

General Grounds

A reduction in force may take place when the Superintendent recommends and the Board approves a program change. A determination of a program change constitutes sufficient reason for nonrenewal.

Policy DFFB

Criteria for Decision The Superintendent or designee shall apply the following criteria to the employees within an affected employment area when a program change will not result in the nonrenewal of all staff in the employment area. The criteria are listed in the order of importance and shall be applied sequentially to the extent necessary to identify the employees who least satisfy the criteria and therefore are subject to the reduction in force. For example, if all necessary reductions can be accomplished by applying the first criterion, it is not necessary to apply the second criterion, and so forth.

1. **Qualifications for Current or Projected Assignment:** Certification, multiple or composite certifications, bilingual certification, licensure, endorsement, and/or specialized or advanced content-specific training or skills for the current or projected assignment.
2. **Performance: Effectiveness, as reflected by:**
 - a. The most recent formal appraisal and, if available, consecutive formal appraisals from more than one year [see DNA]; and
 - b. Any other written evaluative information, including disciplinary information, from the last 36 months.

If the Superintendent or designee at his or her discretion decides that the documented performance differences between two or more employees are too insubstantial to rely upon, he or she may proceed to apply the remaining criteria in the order listed below.

3. **Extra Duties:** Currently performing an extra-duty assignment, such as department or grade-level chair, band director, athletic coach, or activity sponsor.
4. **Professional Background:** Professional education and work experience related to the current or projected assignment.
5. **Seniority:** Length of service in the District, as measured from the employee's most recent date of hire.

Legislative Priorities

TEACHER PAY RAISES	PROPERTY TAX RELIEF	SCHOOL CHOICE	EXPANDING CAREER TRAINING
<p>Increase teacher salaries through direct appropriations and other compensation strategies</p> <p>\$750M Investment (2026–2027) to expand the Teacher Incentive Allotment</p> <p>Merit-Based Pay: Accelerate participation in incentive programs</p> <p>Certification Fee Waivers for special education & bilingual educators</p> <p>Retired Teacher Support: Financial relief for districts hiring retired teachers</p> <p>Teacher Development: Invest in residencies, apprenticeships, and Grow Your Own programs</p> <p>Mentorship Expansion: Increase Mentor Program Allotment & statewide mentor training</p> <p>Statewide Recruitment Campaign for high-quality pathways</p> <p>Data Collection: Track recruitment, retention, and vacancies with a centralized job board</p>	<p>\$10B Allocation from the state surplus for property tax relief</p> <p>Tax Rate Compression to reduce school district M&O tax rates</p> <p>Voter Approval Requirements</p> <ul style="list-style-type: none">• 2/3 Voter Approval for all tax increases• November Elections for all bond & tax rate proposals <p>Small Business Support: Raise the business personal property tax exemption to \$100,000</p>	<p>\$1B for Education Savings Accounts (ESAs) with universal eligibility</p> <p>Voluntary Participation for families & schools</p> <p>Expanded School Options</p> <ul style="list-style-type: none">• Increased funding for charter school facilities• Expanded virtual education opportunities• Improved inter-/intra-district transfer access	<p>Increased Funding for:</p> <ul style="list-style-type: none">• JET Grants• P-TECH Programs• Dual Credit Courses• Career Education Allotments <p>Rural Workforce Development: Expand Rural Pathways Excellence Partnership</p> <p>CTE Funding for JROTC Students</p> <p>Enhanced Career Advising & readiness assessments</p> <p>Math Proficiency Initiatives for high school readiness</p>

State's Failed Responsibility

- Inflation rate since 2019: **22%**
- Increase in basic state allotment for public schools since 2019: **0%**
- Additional funding if basic state allotment kept up with inflation: **\$7.7 million**
- Current deficit: **\$5.8 million**

Recap

FY25 Projected Deficit	\$	(5.83)	M
Projected Fund Balance	\$	7.65	M
Optimal Fund Balance - 90 Days	\$	16.83	M
Projected Fund Balance Days		41 Days	

FY26 Projected Deficit	\$	(6.40)	M
Projected Fund Balance	\$.46	M
Optimal Fund Balance - 90 Days	\$	16.73	M
Projected Fund Balance Days		2 Days	

Optimal fund balance is 90 days and is required by policy. The financial outlook is not sustainable, the District will face a cash flow shortfall and will not be able to pay District obligations, including payroll.

Timelines for Board Action

February

- **2/19/2025 Board Meeting**
- **2/20/2025 Elem Staffing**
- **2/21/2025 Elem Staffing**
- **2/24/2025 Sec Staffing**

March

- 3/25/2025 Board Considers Budget Considerations
- HR will review all faculty and staff identified in RIF according to Policy DFFB to ensure fidelity.

April

- 4/22/2025 Regular Board Meeting. Final decision on budget recommendations

“None of this is going to be fun. It’s one of the most difficult things you’ll ever have to do. But it’s what you’re elected to do. This decision is about taking control and then controlling your destiny.”

– **Dr. Michael Hinojosa**, retired Dallas ISD Superintendent and current Socorro ISD Conservator to the Socorro ISD Board of Trustees regarding budgetary decisions.

Comments and Questions