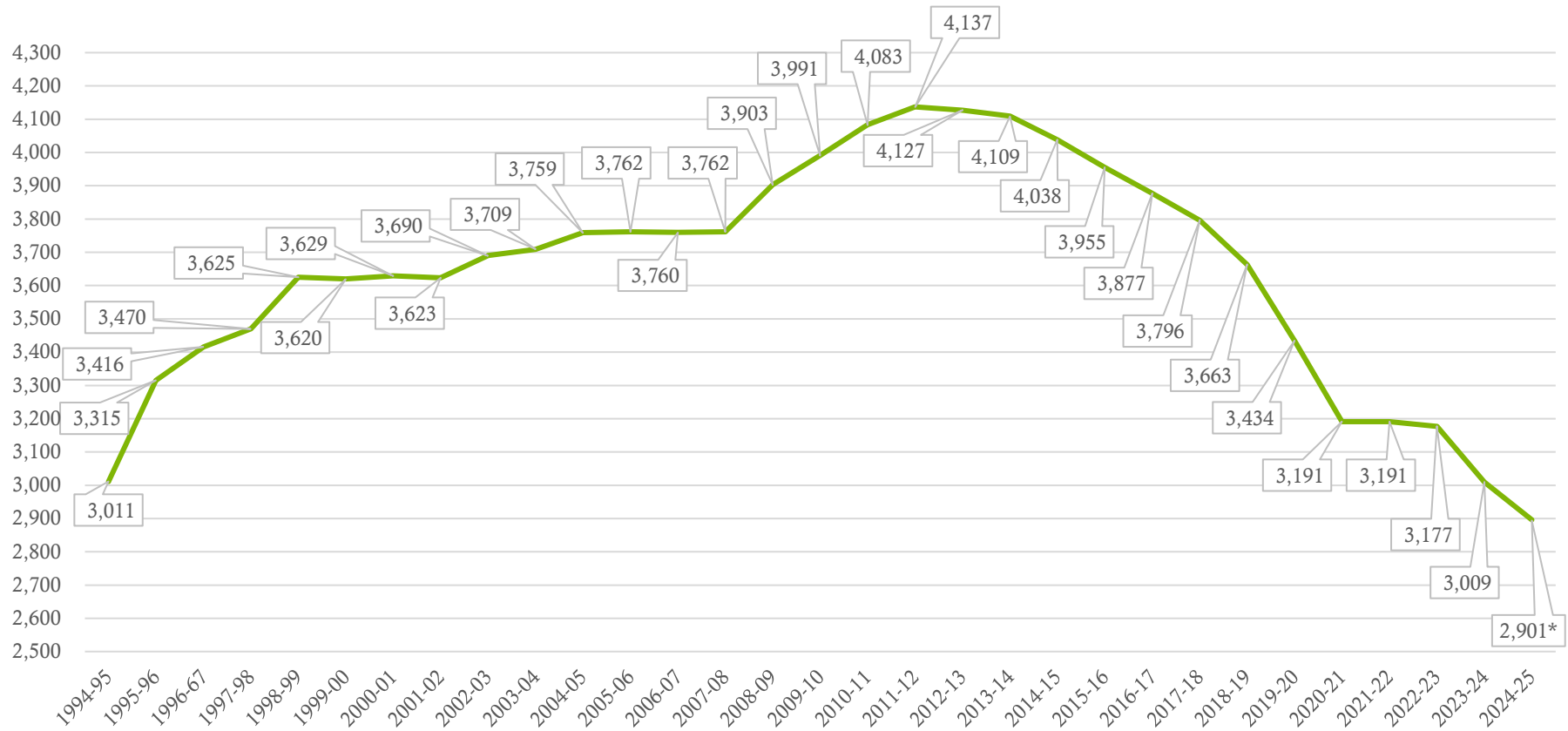


Budget Update

September 17, 2024



Enrollment Based on Snapshot Data



◆ Borrego Elementary opened for the 2001-02 school year

*enrollment as of 8/8/24

◆ Excel Academy closed for the 2009-10 school year

Possible Projections

- ◆ District peak in enrollment 2011-12 year
 - ◆ 4,137 students
- ◆ Current enrollment (8/8/24)
 - ◆ 2,901 students
 - ◆ **30% decrease** in enrollment since peak year
- ◆ Enrollment in 5 years using an average decrease of 100 students
 - ◆ 2,401 projected students
 - ◆ **42% decrease** in enrollment since peak year
- ◆ Enrollment in 5-year tracking cohort movement with a constant KG class
 - ◆ 2,573 projected students
 - ◆ **38% decrease** in enrollment since peak year

Review & Outlook: Revisited

◆ Budget Assumptions & Forthcoming Budget Amendment

- ◆ To align expenditure budget based on actual staff counts based on student cohorts
 - ◆ Estimated decrease in the expenditure budget by approximately \$250,000 in savings based on actual staff counts and known vacancies as of 9/4/2024 plus a budget alignment by function code based on current projected expenditures
- ◆ To align expenditure budget based on actual staff counts that enrolled in the health insurance plan (open enrollment closes on 8/9/24)
 - ◆ June 2024 enrollees: 378 Current September 2024 enrollees: 265 Decrease of 113 (approximately 100 are in the general fund)
 - ◆ Estimated decrease in the expenditure budget is \$625,000 (\$625 contribution times 100 times 10 months for new plan year of September thru June)

Review & Outlook: Revisited

Budget Assumptions & Forthcoming Budget Amendment

- To align revenue budget based on actual student counts after the 1st 6 weeks reporting period
 - EOY 5/31/24 enrollment: 3,010 Current 9/3/24 enrollment: 2,924 Decrease of 86
 - Estimated decrease in the revenue budget is \$471,486 (86 stds times \$6,160 basic allotment)
 - Note: items not factored in 1) absences which cause revenue earned to be less and/or 2) weights/multipliers for special program students which cause the revenue earned to be more
- To align revenue budget based on the actual tax rate to be adopted once TEA releases the final maximum compressed tax rate (preliminary MCR rate released 8/5/24)
 - 4/30/24 2024 pre-certified values of \$324,985,607 with an estimated levy \$2,901,847
 - Tax rate estimated at \$0.8853 \$0.7156 M&O \$0.1697 I&S
 - 6/25/24 Levy estimated and adopted with budget \$2,838,810
 - 7/25/24 2024 final-certified values of \$312,294,870 with an estimated levy \$2,792,044
 - Tax rate for adoption at \$0.8853 \$0.7156 M&O \$0.1697 I&S
 - Revenue budget in general fund to be decreased by \$64,411 at a 99% collection rate

Projected Budget

SAN ELIZARIO INDEPENDENT SCHOOL DISTRICT GENERAL FUND	2024-2025 Amended	9/17/2024 Payroll & Alignment	9/17/2024 Health Insurance	9/17/2024 State Aid	9/17/2024 Tax Levy	2024-2025 Projected
REVENUES	REVENUES					REVENUES
5700 Local and Intermediate Sources	\$ 3,168,717				\$ (64,411)	\$ 3,104,306
5800 State Sources	\$ 32,036,976			\$ (471,486)		\$ 31,565,490
5900 Federal Programs	\$ 4,305,000					\$ 4,305,000
<i>Total Revenues</i>	<i>\$ 39,510,693</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ (471,486)</i>	<i>\$ (64,411)</i>	<i>\$ 38,974,796</i>
EXPENDITURES	EXPENDITURES					EXPENDITURES
11 Instruction	\$ 19,231,854	\$ (233,814)	\$ (412,500)			\$ 18,585,540
12 Instructional Resources and Media Services	\$ 91,905	\$ 2,570				\$ 94,475
13 Curriculum and Instructional Staff Development	\$ 876,647	\$ (13,810)				\$ 862,837
21 Instructional Leadership	\$ 771,466	\$ (54,656)	\$ (6,250)			\$ 710,560
23 School Leadership	\$ 2,189,604	\$ (17,175)	\$ (25,000)			\$ 2,147,429
31 Guidance, Counseling and Evaluation Services	\$ 1,477,931	\$ 12,698	\$ (25,000)			\$ 1,465,629
32 Social Work Services	\$ 64,488	\$ (1,977)				\$ 62,511
33 Health Services	\$ 505,977	\$ 1,598	\$ (18,750)			\$ 488,825
34 Student (Pupil) Transportation	\$ 1,297,829	\$ 712	\$ (6,250)			\$ 1,292,291
35 Food Services	\$ 3,620,000	\$ -				\$ 3,620,000
36 Cocurricular/Extracurricular Activities	\$ 1,153,814	\$ 1,314				\$ 1,155,128
41 General Administration	\$ 1,811,023	\$ (24,029)	\$ (6,250)			\$ 1,780,744
51 Facilities Maintenance and Operations	\$ 5,321,684	\$ 135,730	\$ (81,250)			\$ 5,376,164
52 Security and Monitoring Services	\$ 1,621,544	\$ (37,466)	\$ (37,500)			\$ 1,546,578
53 Data Processing Services	\$ 1,556,353	\$ 52,196	\$ (6,250)			\$ 1,602,299
61 Community Services	\$ 16,100	\$ 71				\$ 16,171
71 Debt Service	\$ 304,575	\$ (49,987)				\$ 254,588
81 Facilities Acquisition and Construction	\$ 375,150	\$ (23,975)				\$ 351,175
99 Other Intergovernmental Charges	\$ 52,000					\$ 52,000
<i>Total Expenditures</i>	<i>\$ 42,339,944</i>	<i>\$ (250,000)</i>	<i>\$ (625,000)</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 41,464,944</i>
REVENUES OVER(UNDER) EXPENDITURES	\$ (2,829,251)					\$ (2,490,148)

Other Budget Notes

Revenues and expenditures from previous page

Account	Budgeted Amount	Less Retention Payment	Less Unfunded SROs	Less One Time Projects	Operating Budget
Revenues	\$38,974,796	\$0	\$0	\$0	\$38,974,796
Expenditures	\$41,464,944	(\$289,000)	(\$362,262)	(\$1,408,558)	\$39,405,124
Surplus(Deficit)	(\$2,490,148)				(\$430,329)

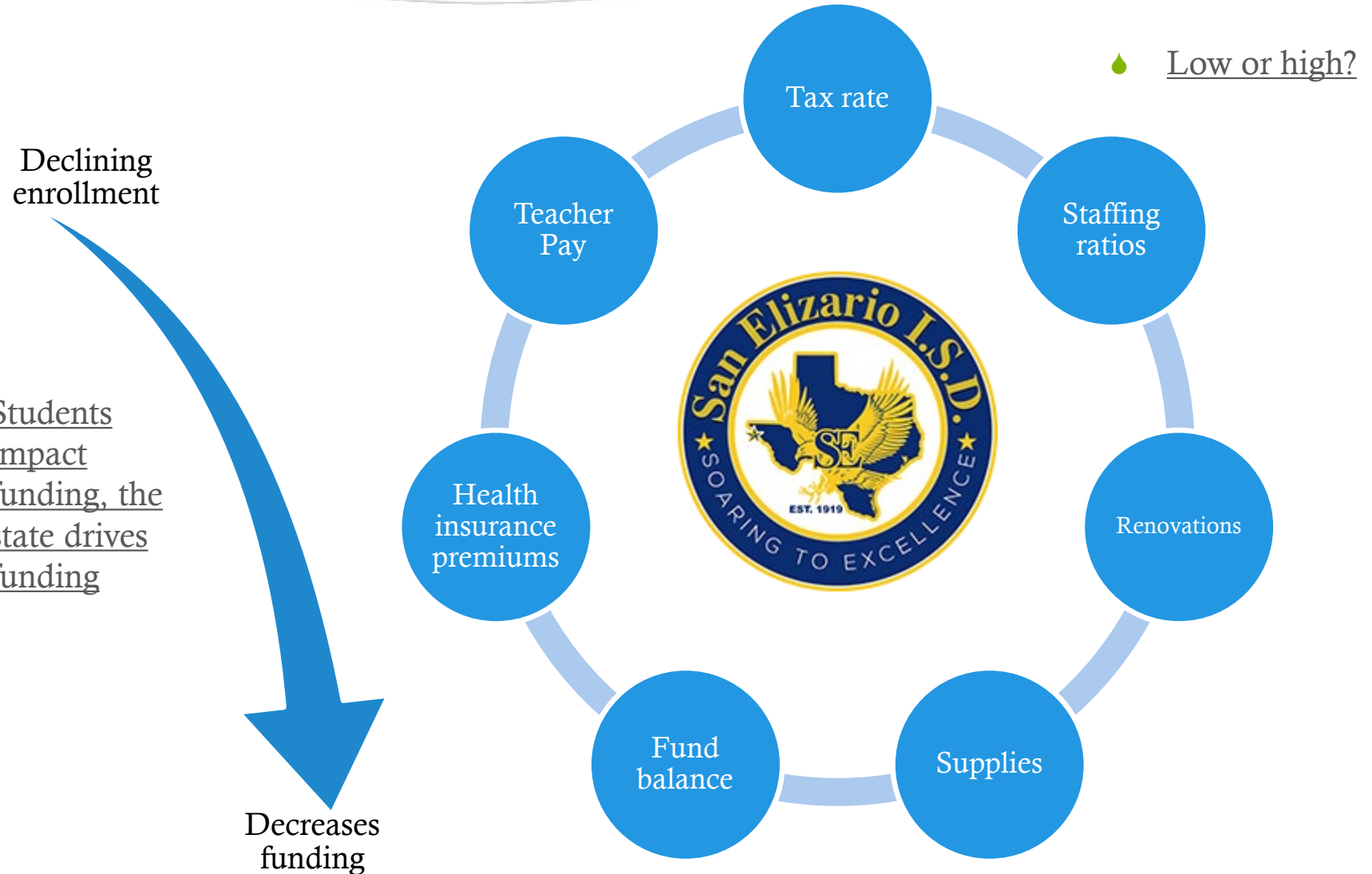
- ◆ The total budget includes the following items that are noted:
 - ◆ \$430,329 operating deficit is approximately 1.09% of \$39,405,124 worth of expenditures
 - ◆ A one-time retention payment of \$1,000 was provided for staff not on the teacher pay scale which is being paid from fund balance
 - ◆ The unfunded portion of costs to have an SRO at each campus is being funded from fund balance (\$480,000 in estimated annual costs less \$117,738 in estimate revenues from the school safety allotment)
 - ◆ One-time projects being funded from the fund balance include LED lighting projects, technology upgrades (wireless controllers), white fleet vehicles, new POC monuments and costs that carried over from projects that begun in the prior year.

Possible Projection

Account	Operating Budget	Less Enrollment Decrease	Less Enrollment Decrease	Operating Budget
Revenues	\$38,974,796	\$(616,000)	\$(616,000)	\$37,742,796
Expenditures	\$39,405,124	\$0	\$0	\$39,405,124
Surplus(Deficit)	(\$430,329)			(\$1,408,590)

- ◆ This requested 2 year scenario projection includes the following items that are noted:
 - ◆ Decrease of 100 students, 2 years in a row, estimated at \$616,000 (100 stds. times \$6,160 BA)
 - ◆ \$1,408,590 operating deficit is approximately 3.57% of \$39,405,124 worth of expenditures
 - ◆ The unfunded portion of costs to have an SRO at each campus is being funded from fund balance (\$480,000 in estimated annual costs less \$117,738 in estimate revenues from the school safety allotment) are now being excluded from this projection for presentation purposes, but would need to be funded from the fund balance
 - ◆ All other one-time projects are now being excluded from this projection
 - ◆ No other changes to staffing, compensation, budget spending or operations are being considered
 - ◆ No changes in state funding are being considered

Budget Parameters



Revisiting: Budget Parameters

Sight Numbers

- ◆ \$616K enrollment, REVENUE BUDGET
- ◆ \$300K teacher pay, EXPENDITURE BUDGET
- ◆ \$1.1M health insurance premium, EXPENDITURE BUDGET
- ◆ \$1.4M fund balance, EXPENDITURE BUDGET
- ◆ \$3.3M supplies, EXPENDITURE BUDGET
- ◆ \$2.8M renovations, EXPENDITURE BUDGET
- ◆ \$32.6M or 79% staffing ratios, EXPENDITURE BUDGET
- ◆ \$1.2M tax rate, REVENUE BUDGET

Revisiting: Declining Enrollment

Declining enrollment

Decreases funding

- ◆ Students impact funding, but the state drives the funding
- ◆ \$616,000 decrease in the revenue budget
 - ◆ 100 student decrease in enrollment
 - ◆ \$6,160 basic allotment

By Year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Basic Allotment	\$5,140	\$5,140	\$6,160	\$6,160	\$6,160	\$6,160	\$6,160	\$6,160	\$6,160

Revenues by Category	Actual 2017-18	Actual 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Amended 2023-24
Food Service	\$3,101,013	\$3,404,040	\$2,315,343	\$572,267	\$3,345,017	\$3,822,648	\$4,000,000	
Tax Collection	\$2,452,573	\$2,543,383	\$2,517,642	\$2,687,737	\$2,729,028	\$3,024,169	\$2,221,247	
State Aid	\$30,925,130	\$30,389,023	\$30,171,935	\$31,189,381	\$29,649,694	\$28,431,811	\$30,186,292	
Total Revenues	\$39,482,605	\$39,071,498	\$38,019,018	\$37,350,661	\$39,345,226	\$39,446,745	\$41,577,219	
Categories as % of Total	92.39%	93.00%	92.07%	92.23%	90.80%	89.43%	87.57%	

Revisiting: Teacher Pay



District	Starting Pay
Socorro	\$60,500
Ysleta	\$60,500
Anthony	\$60,000
Canutillo	\$60,000
Clint	\$60,000
San Elizario	\$59,000
El Paso	\$57,750
Fabens	\$56,500
Tornillo	\$56,045

- ◆ Estimated cost to match highest paying district is \$300,000
 - ◆ \$1,500 difference in starting pay times approximately 200 teachers charged to the general fund
- ◆ Estimated cost for a 2% pay raise for general fund staff not on the teacher pay scale is 250,000

Revisiting: Health Insurance



Health Plan	Contribution
San Elizario	\$625 / month
TRS Active Care	\$225 / month*

*the minimum employer contribution

- ◆ Estimated savings by switching to TRS Active Care and contributing the minimum is \$1.1M
 - ◆ \$400 difference in contribution times approximately 230 staff charged to the general fund who enrolled in health plan
- ◆ A reduction in the employer contribution means an increase in the employee premium

Revisiting: Fund Balance



By Fund	Amount
Food Service	(\$400K)
General Fund	(\$1M)
Total Decrease*	(\$1.4M)

*the fiscal year audit has not been finalized yet

- Several one-time projects and renovations were incurred last year as noted in the upcoming renovations slide which were made possible in part because of the availability of ESSER funding

Revisiting: Fund Balance



- The # of days worth of expenditures is calculated by taking the unassigned fund balance and dividing it by the average daily expenditure.
- The FIRST rating indicator #6 requires a minimum of 75 days worth of assigned and unassigned fund balance for full points.

By Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
# Days of Exp	38.98	74.59	101.71	118.96	121.51	97.67	107.32	120.12

By Year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
# Days of Exp	100.17	108.73	97.61	132.20	152.28	124.76	120.58*

*the fiscal year audit has not been finalized yet

Revisiting: Supplies



By Year	Amount
FY19 Actual	\$3.6M
FY20 Actual	\$3.2M
FY21 Actual	\$2.6M
FY22 Actual	\$3.8M
FY23 Actual	\$4.5M
FY24 Actual*	\$3.5M
FY25 Budgeted	\$3.3M

*the fiscal year audit has not been finalized yet

- ◆ Current 6300 Supplies and Materials budget is approximately \$3.3M or 8% of total \$41.4M budget from projected budget previously shown
 - ◆ This 6300 category includes fuel (6311) and food (6341) items

Revisiting: Renovations



Projects	Est. Cost
HS Jumbotron	\$800K
FM EP	\$500K
HS & SES LEDs	\$425K
HS BB & SB panels	\$100K
HS BB & SB lights	\$570K
3 new buses	\$400K

- ◆ Approximately \$2.8M was spent on major projects and renovations last year (FY24)
- ◆ Minor projects pending, but not yet budgeted include additional renovations to Central Office areas not covered by the water damage, requested items (monitors, speakers) for the HS press box, repairs to white fleet vehicles with paint issues and renovations to add capacity to the bathrooms at Sambrano
- ◆ An additional amendment may be presented in the Spring to semester for additional projects if needed to adhere with ESSA maintenance of effort requirements

Revisiting: Staffing Ratios



By Year	# of Students / Total Staff	# of Students / Teacher
2017-18	6.4	15.3
2018-19	6.3	15.2
2019-20	6.0	14.7
2020-21	5.8	14.6
2021-22	6.0	15.7
2022-23	5.6	15.8
2023-24	6.1	18.2
2024-25	Available later this Fall	

- ◆ Current 6100 Payroll budget is approximately \$32.6M or 79% of total \$41.4M budget from projected budget previously shown
- ◆ Programs offered and teacher schedules are currently under review

Revisiting: Tax Rates



M&O Rate	Rate Amount
Maximum compress rate (MCR)	\$0.6169
Enrichment*	\$0.0987
Total M&O	\$0.7156

*there are 8 golden pennies & 9 copper pennies for a total of 17 potential enrichment pennies

NOTE: Clint, El Paso, Fabens, Ysleta and Canutillo ISD had levied all 17 enrichment pennies prior to HB3 and compression.

- ◆ Tier I funding is provided through the MCR and the basic allotment
- ◆ Tier II funding is provided through enrichment pennies
 - ◆ \$0.0987 in enrichment pennies currently generates \$4.4M under Tier II funding or about 15% of state aid
 - ◆ \$0.0713 in copper pennies are available and would generate approximately \$1.2M more in state aid
 - ◆ Increasing the tax rate requires voter approval through an election after an efficiency audit is conducted

Revisiting: Tax Rates



Local ISD	2023 I&S Rate
Socorro	\$0.4951
Tornillo	\$0.4689
Ysleta	\$0.4550
Canutillo	\$0.4000
Clint	\$0.3800
Fabens	\$0.3307
El Paso	\$0.3108
Anthony	\$0.1941
San Elizario	\$0.1697

- ◆ Interest and sinking tax rate is used to fund the annual debt service payments for bonds that were issued for construction and other voter approved purposes.
- ◆ Bond proposition approved on November 4, 2014
- ◆ Bond proposed failed on November 8, 2022

The General Fund

Balancing a budget

More money



Department & campus budget cuts
Repurposing of existing staff
Cost saving measures
Increased basic allotment

Less money



Decrease in students
Addition of staff
Pay raises
Covering deficit health fund net position

Where do we go?

Declining enrollment

Students impact funding, the state drives funding

Decreases funding



Low or high?

Budget Impacts, No Increase in Funding

Sight Numbers

- ◆ \$616K enrollment, REVENUE BUDGET
- ◆ \$300K teacher pay, EXPENDITURE BUDGET
- ◆ \$1.1M health insurance premium, EXPENDITURE BUDGET
- ◆ \$1.4M fund balance, EXPENDITURE BUDGET
- ◆ \$3.3M supplies, EXPENDITURE BUDGET
- ◆ \$2.8M renovations, EXPENDITURE BUDGET
- ◆ \$32.6M or 79% staffing ratios, EXPENDITURE BUDGET
- ◆ \$1.2M tax rate, REVENUE BUDGET

By Category, Year 2025-26	Revenue Budget	Expenditure Budget	Net Position
Surplus(Deficit)			(\$430,329)
Enrollment Decrease	(\$616,000)		
Teacher Pay Raise?		+\$300,000	
Switch to TRS?		(\$1,100,000)	
Surplus(Deficit)			(\$246,329)

By Category, Year 2026-27	Revenue Budget	Expenditure Budget	Net Position
Surplus(Deficit)			(\$246,329)
Enrollment Decrease	(\$616,000)		
Supply & Staffing Cuts?		(\$862,329)	
Surplus(Deficit)			(\$0)

Budget Impacts, Use of Fund Balance

By Year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
# Days of Exp	100.17	108.73	97.61	132.20	152.28	124.76	120.58*

*the fiscal year audit has not been finalized yet

- The use of fund balance is another option the district has to operate with, but is not recommended for day-to-day ongoing operations because that fund balance is limited and does deplete.
- The funding for SROs is unfortunately not enough to cover the cost of providing SROs at every campus so the use of fund balance for this purpose is recommended because of student safety. The unfunded SRO requirement would cost approximately \$1.2M for the three years (24-25, 25-26, 26-27) or approximately 11 days worth of fund balance.

 - The next biennium which determines funding is for the 2025-26, 2026-27 school years.
 - The average daily expenditure is approximately \$110K and there is projected to be approximately 120 days worth of expenditure at the end of the 2023-24 school year.*
- Not making any **changes** on the previous slide and instead using fund balance to cover the \$430,329 deficit plus two-years' worth of decreases in the revenue budget due to declining enrollment in the amount of \$616,000 and \$616,000 would be approximately \$1.6M or 15 days worth of fund balance.
- The ending fund balance, **assuming no other uses**, would go from approximately 120 days to approximately 94 days (120 less 11 for SROs less 15 to offset the deficit and continued declining enrollment) to begin the subsequent biennium which would fund the 2027-28, 2028-29 years.

Review & Outlook

◆ Forecast

- ◆ Current economy and interest rates
- ◆ Upcoming legislative session for the 2025-26 and 2026-27 school years

◆ Sustainability options

- ◆ Operational efficiencies and staff attrition (continued, ongoing)
- ◆ Freezing of employee pay, decrease in employee benefits effective 2025-26 (if no increase in funding for the upcoming legislative session)
- ◆ School consolidations and/or program availability effective 2026-27 (if no increase in funding for the upcoming legislative session)

Discussion & Direction

