

2021-2022 Proposed Budget

June 22, 2021

SUMMARY:

This item requests adoption of the 2021-2022 Proposed Budget.

BOARD GOAL:

Growth and Management

- Demonstrate effective and efficient management of district resources
- Develop a budget focused on student and professional learning

PREVIOUS BOARD ACTION:

The 2020-2021 budget was adopted by the Board of Trustees on June 23, 2020.

BACKGROUND INFORMATION:

The Board has reviewed Budget projections throughout the budget process.

SIGNIFICANT ISSUES:

The focus for the Denton Independent School District budget process has been to address the impact of COVID-19, while providing resources to meet the demands of the pandemic, as well as analyzing the benefits of the additional federal funding in the form of the Elementary and Secondary School Emergency Relief funds (ESSER). Student growth continues to rebound after the pandemic and the District is maintaining a consistent growth in property values, with approximately \$1B in new property added to the appraisal rolls. The 2021-2022 Compensation Plan includes approximately \$5.7M for employee raises.

FISCAL IMPLICATIONS:

The District is projected to receive an increase in state funding of approximately \$3,344,162 as compared to the prior year's adopted budget. Property tax collections are expected to decrease by \$707,991. The Maintenance and Operations Tax Rate needed is \$0.9069. This is a decrease of \$0.0207 from prior year. The Maintenance and Operations tax revenue is based on certified values from July 2020 plus estimated property value growth of five percent. The proposed expenditure budget reflects an increase of \$7,668,577 over the prior year. While this does represent a deficit budget, the district will look to supplant federal funding in the form of the Elementary and Secondary School Emergency Relief funds (ESSER), funding associated with the COVID-19 recovery efforts. This will allow the district to reclass previous General Fund expenditures to the ESSER funds; therefore, providing relief to the General Fund fund balance and positively affecting the overall operations by the end of fiscal year 2022. The resulting increase in General Fund fund balance will assist in closing the gap in the 2021-2022 proposed deficit budget.

BENEFIT OF ACTION:

Adoption of the 2021-2022 Proposed Budget will allow the District to begin the new school year with funds available for Operations, Debt Service payments and Child Nutrition expenditures.

PROCEDURAL AND REPORTING IMPLICATIONS:

The budget must be prepared by June 20, 2021 and adopted by June 30, 2021.

PUBLIC COMMENT RECEIVED:

A public hearing was held on June 8, 2021 as required by the Truth in Taxation guidelines.

SUPERINTENDENT'S RECOMMENDATION:

Recommend adoption of the Proposed Budget for the 2021-2022 school year as presented in the budget book:

	<u>Revenue</u>	<u>Expenditure</u>
General Fund	\$300,702,476	\$307,256,882
Debt Service Fund	\$107,712,998	\$107,712,527
Child Nutrition Fund	\$ 14,400,730	\$ 14,400,730

STAFF PERSONS RESPONSIBLE:

Dr. J. Scott Niven – Chief Financial Officer
Jennifer Stewart – Director of Budget

ATTACHMENT:

2021-2022 Proposed Budget Amendment and Base Budget

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Signature of Divisional Assistant Superintendent: _____

Signature of Superintendent: _____