

2022-2023 Proposed Budget
June 21, 2022

SUMMARY:

This item requests adoption of the 2022-2023 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 2021-2022 budget was adopted by the Board of Trustees on June 22, 2021.

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 continue to provide resources to meet the demands of the pandemic, as well as recognize the efforts put forth by our employees. We continue to see student growth across the District. Although 2021-2022 proved to be a challenging year as it related to average daily attendance (ADA), we saw a continuous increase by the end of the school year. The District is maintaining a consistent growth in property values, with approximately \$1.4B in new property added to the appraisal rolls. The 2022-2023 Compensation Plan includes approximately \$11.2M for employees raises and equity adjustments.

FISCAL IMPLICATIONS:

The District is projected to receive a decrease in state funding of approximately \$12.7M, as compared to the prior year's adopted budget. Property tax collections are expected to increase by \$26.1M. The Maintenance and Operations Tax Rate needed is \$0.8646. This is a decrease of \$0.0174 from prior year. The Maintenance and Operations tax revenue is based on certified values from July 2021 plus estimated property value growth of thirteen percent. The proposed expenditure budget reflects an increase of \$15.6M over the prior year. While this does represent a deficit budget, the district will monitor the budget throughout the year and focus on any potential savings. The already healthy fund balance will assist in bridging the gap of the proposed deficit.

BENEFIT OF ACTION:

Adoption of the 2022-2023 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, 2022 and adopted by June 30, 2022.

PUBLIC COMMENT RECEIVED:

A public hearing was held on June 7, 2022 as required by the Truth in Taxation guidelines.

SUPERINTENDENT'S RECOMMENDATION:

Recommend adoption of the Proposed Budget for the 2022-2023 school year as presented in the budget book:

| | <u>Revenue</u> | <u>Expenditure</u> |
|----------------------|----------------|--------------------|
| General Fund | \$315,397,121 | \$322,944,673 |
| Debt Service Fund | \$128,921,044 | \$128,921,044 |
| Child Nutrition Fund | \$ 16,000,000 | \$ 16,000,000 |

STAFF PERSONS RESPONSIBLE:

Dr. J. Scott Niven – Deputy Superintendent
Jennifer Stewart – Executive Director of Budget

ATTACHMENT:

2022-2023 Proposed Budget Amendment and Base Budget

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Signature of Divisional Assistant Superintendent: _____

Signature of Superintendent: _____