

**Spring Branch Independent School District
Agenda Item Information**

Date of Board Meeting: November 17, 2008

Subject: Discussion of Budget Update, FY 2010 Budget Parameters and Timeline

Administrator Responsible:

Name: Karen Wilson and Pat Grochmall

Position: Associate Superintendent for Finance & Director of Budget

Purpose of Agenda Item:

- Information only Action needed Report

Additional Information and/or Back-Up:

Attached is a schedule of proposed budget amendments, a multiyear financial projection and the budget calendar for fiscal year 2010.

**General Fund
FY 2009**

SUMMARY OF PROPOSED BUDGET AMENDMENTS

State Funding:

Tax Revenue	\$ 1,253,951
State Funding	3,759,390
Change in Funding Allocation	<u>5,013,341</u>

Other Revenues:

Interest	(1,860,000)
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Total Increase to Revenue and Funding Allocations	<u>\$ 3,153,341</u>
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Expenditures:

Projects in Progress	
Laptop Project	\$ 270,777
MUNIS Software Project	548,154
GPS Project	268,725
Carryover Encumbrances	<u>373,503</u>
	1,461,159

Payroll (17.5 positions for student growth)	1,109,289
Hurricane IKE	1,572,794
FEMA	<u>39,303</u>

Increase to Expenditures Before Recapture	4,182,545
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Recapture	<u>693,610</u>
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Total Increase to Expenditures	<u>\$ 4,876,155</u>
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**Spring Branch Independent School District
General Fund Budget Summary
FY 2009 Budget**

	Audited FY 2008	Current FY 2009	Proposed FY 2009	Best Case	Worst Case
Fund Balance:					
Unreserved Fund Balance					
Unreserved - Designated	\$ 42,408,599	\$ 29,670,894	\$ 28,551,378	\$ 28,551,378	\$ 28,551,378
Unreserved - Undesignated	26,535,269	28,507,677	42,786,705	42,786,705	42,786,705
Reserved Fund Balance	1,263,374	1,007,740	1,784,863	1,784,863	1,784,863
Total Beginning Fund Balance	70,207,242	59,186,311	73,122,946	73,122,946	73,122,946
Revenues:					
Local Taxes	164,010,237	176,440,007	177,693,958	177,693,958	177,693,958
Other Local Sources	10,404,987	6,184,675	4,324,675	6,071,772	4,084,675
State Funding	68,128,449	62,401,520	66,160,910	67,646,712	65,633,910
State TRS Contribution	11,510,458	13,407,300	13,407,300	13,407,300	13,407,300
Other State Sources	32,114	50,000	50,000	50,000	50,000
Federal and Other Sources	870,538	811,300	811,300	900,000	750,000
Total Revenues	254,956,783	259,294,802	262,448,143	265,769,742	261,619,843
Other Financing Sources	128,501	50,000	50,000	70,000	25,000
Total Revenue and Other Sources	255,085,284	259,344,802	262,498,143	265,839,742	261,644,843
Expenditures:					
Payroll Costs	209,007,893	215,586,774	217,654,015	215,903,579	217,654,015
Contract Services	16,272,257	18,128,826	18,602,598	18,509,152	18,752,598
Supplies and Materials	12,753,021	10,209,682	11,242,679	10,833,255	11,242,679
Other Costs	3,937,155	5,094,297	5,099,566	5,099,566	5,099,566
Debt Service	785,546	579,292	579,292	579,292	579,292
Capital Outlay	530,580	432,400	1,035,666	1,035,666	1,485,666
Expenditures	243,286,452	250,031,271	254,213,816	251,960,510	254,813,816
Recapture	6,501,316	19,241,390	19,935,000	19,935,000	19,935,000
Total Expenditures	249,787,768	269,272,661	274,148,816	271,895,510	274,748,816
Other Financing Uses	2,387,651	-	-	-	-
Total Expenditures and Other Uses	252,175,419	269,272,661	274,148,816	271,895,510	274,748,816
Change in Fund Balance	2,909,865	(9,927,859)	(11,650,673)	(6,055,768)	(13,103,973)
Projected Fund Balance:					
Unreserved Fund Balance					
Unreserved - Designated	28,551,378	28,366,749	28,551,378	28,551,378	28,551,378
Unreserved - Undesignated	42,786,705	19,883,963	31,136,032	36,730,937	29,682,732
Reserved Fund Balance	1,784,863	1,007,740	1,784,863	1,784,863	1,784,863
Total Ending Fund Balance	\$ 73,122,946	\$ 49,258,452	\$ 61,472,273	\$ 67,067,178	\$ 60,018,973
Fund Balance Percent of Budget	29.32%	19.30%	23.48%	25.91%	22.85%

**Spring Branch Independent School District
Schedule of Budgeted Expenditures by Function
FY 2009 Budget**

	General Fund	Debt Service Fund
Instruction	\$ 155,052,363	\$ -
Instructional Resources & Media Services	3,735,226	-
Curriculum Development & Instructional Staff Development	3,797,487	-
Instructional Leadership	2,584,361	-
School Leadership	16,981,628	-
Guidance, Counseling & Evaluation Services	8,041,261	-
Social Work Services	501,228	-
Health Services	2,967,775	-
Student Transportation	7,773,260	-
Food Services	-	-
Co-curricular/Extracurricular Activities	5,086,803	-
General Administration	6,306,696	-
Plant Maintenance & Operations	27,008,930	-
Security & Monitoring Services	3,504,203	-
Data Processing Services	7,473,058	-
Community Services	547,479	-
Debt Services	579,292	50,058,978
Facilities Acquisition & Construction	559,842	-
Contracted Instructional Services Between School Districts	19,935,000	-
Payments to JJAEP	80,000	-
Other Governmental Charges	1,632,924	
Fund Total	\$ 274,148,816	\$ 50,058,978

**Debt Service Fund
FY 2009**

**Spring Branch Independent School District
Debt Service Fund Budget Summary
FY 2009 Budget**

	Audited FY 2008	Current FY 2009	Proposed FY 2009
Fund Balance :			
Unreserved Fund Balance			
Unreserved - Designated	\$ -	\$ -	\$ -
Unreserved - Undesignated	-	-	-
Reserved Fund Balance	12,795,859	13,167,276	13,016,353
Total Beginning Fund Balance	12,795,859	13,167,276	13,016,353
Revenues:			
Local Taxes	30,988,964	48,681,440	50,332,275
Other Local Sources	362,255	300,000	127,581
State Funding	-	-	-
State TRS Contribution	-	-	-
Other State Sources	-	-	-
Federal and Other Sources	-	-	-
Total Revenues	31,351,219	48,981,440	50,459,856
Other Financing Sources	2,308,000	1,000,000	-
Total Revenue and Other Sources	33,659,219	49,981,440	50,459,856
Expenditures:			
Payroll Costs	-	-	-
Contract Services	-	-	-
Supplies and Materials	-	-	-
Other Costs	-	-	-
Debt Service	33,438,725	50,058,978	50,058,978
Capital Outlay	-	-	-
Expenditures	33,438,725	50,058,978	50,058,978
Other Financing Uses	-	-	-
Total Expenditures and Other Uses	33,438,725	50,058,978	50,058,978
Change in Fund Balance	220,494	(77,538)	400,878
Projected Fund Balance:			
Unreserved Fund Balance			
Unreserved - Designated	-	-	-
Unreserved - Undesignated	-	-	-
Reserved Fund Balance	13,016,353	13,089,738	13,417,231
Total Ending Fund Balance	\$ 13,016,353	\$ 13,089,738	\$ 13,417,231
Fund Balance Percent of Budget	38.93%	26.15%	26.80%

**Multi-Year Projections with
Spring Branch ISD**

No Growth

	Official Budget FY 2009	Amended Budget FY 2009	Projections FY 2010	Projections FY 2011	Projections FY 2012	Projections FY 2013
	\$1,0900	\$1,0900				
Tax Revenue	\$ 176,440,007	\$ 177,693,958	223,206,883	229,903,090	236,800,183	243,904,188
State Funding	62,401,520	66,160,910	34,538,211	35,574,358	36,641,588	37,740,836
TRS - State Contribution	13,407,300	13,407,300	579,292	579,292	579,292	579,292
Other Revenue	7,095,975	5,185,975	468,600	468,600	515,460	515,460
Recapture	(19,241,390)	(19,935,000)	258,792,987	266,525,340	274,536,523	282,739,776
Total Revenue Net of Recapture	\$ 240,103,412	\$ 242,513,143	\$ 242,513,143	\$ 242,513,143	\$ 242,513,143	\$ 242,513,143
Payroll Costs	215,493,735	217,654,015	223,206,883	229,903,090	236,800,183	243,904,188
Contracted Services, Supplies and Other Operating	33,532,244	34,944,843	34,538,211	35,574,358	36,641,588	37,740,836
Debt Service	579,292	579,292	579,292	579,292	579,292	579,292
Capital Outlay	426,000	1,035,666	468,600	468,600	515,460	515,460
Total Expenditures	250,031,271	254,213,816	258,792,987	266,525,340	274,536,523	282,739,776
Budget Deficit	\$ (9,927,859)	\$ (11,700,673)	\$ (16,279,844)	\$ (24,012,197)	\$ (32,023,380)	\$ (40,226,633)
Beginning Fund Balance (Unreserved)	59,186,311	71,338,083	59,637,410	43,357,566	19,345,370	(12,678,010)
Ending Fund Balance	\$ 49,258,452	\$ 59,637,410	\$ 43,357,566	\$ 19,345,370	\$ (12,678,010)	\$ (52,904,643)
Fund Balance as a Percent of Expenditures	19.70%	23.46%	16.75%	7.26%	-4.62%	-18.71%

ASSUMPTIONS:

Funding formulas remain unchanged
Student ADA remains constant increases gradually.
Revenue is based on Target Revenue; therefore, net of recapture.
Total Expenditures exclude Recapture

Includes Expenditures Related to like
Reduced for Expenditures Related to like

Multi-Year Projections with Spring Branch ISD

Growth

	Official Budget FY 2009 \$1,0900	Amended Budget FY 2009 \$1,0900	Projections FY 2010	Projections FY 2011	Projections FY 2012	Projections FY 2013
Tax Revenue	\$ 176,440,007	\$ 177,693,958	223,857,000	232,811,281	240,494,053	248,430,357
State Funding	62,401,520	66,160,910	34,538,211	35,574,358	36,641,588	37,740,836
TRS - State Contribution	13,407,300	13,407,300	579,292	579,292	579,292	579,292
Other Revenue	7,095,975	5,185,975	468,600	468,600	515,460	515,460
Recapture	(19,241,390)	(19,935,000)	259,443,104	269,433,530	278,230,393	287,265,945
Total Revenue Net of Recapture	\$ 240,103,412	\$ 242,513,143	\$ 243,213,143	\$ 245,413,143	\$ 246,113,143	\$ 246,913,143
Payroll Costs	215,493,735	217,654,015	223,857,000	232,811,281	240,494,053	248,430,357
Contracted Services, Supplies and Other Operating	33,532,244	34,944,843	34,538,211	35,574,358	36,641,588	37,740,836
Debt Service	579,292	579,292	579,292	579,292	579,292	579,292
Capital Outlay	426,000	1,035,666	468,600	468,600	515,460	515,460
Total Expenditures	250,031,271	254,213,816	259,443,104	269,433,530	278,230,393	287,265,945
Budget Deficit	\$ (9,927,859)	\$ (11,700,673)	\$ (16,229,961)	\$ (24,020,387)	\$ (32,117,250)	\$ (40,352,802)
Beginning Fund Balance (Unreserved)	59,186,311	71,338,083	59,637,410	43,407,449	19,387,062	(12,730,188)
Ending Fund Balance	\$ 49,258,452	\$ 59,637,410	\$ 43,407,449	\$ 19,387,062	\$ (12,730,188)	\$ (53,082,990)
Fund Balance as a Percent of Expenditures	19.70%	23.46%	16.73%	7.20%	-4.58%	-18.48%

Includes
Expenditures
Related to Ite

Reduced for
Expenditures
Related to Ite

ASSUMPTIONS:
Funding formulas remain unchanged
Student ADA remains constant increases gradually.
Revenue is based on Target Revenue; therefore, net of recapture.
Total Expenditures exclude Recapture

Spring Branch Independent School District

Budget Calendar For The Year Ending June 30, 2010

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September 2008

- 22 Board approval of the FY 2010 budget development process and calendar
- 29 Human Resources to meet with Operations regarding enrollment collection

October

- 7 Enrollment data collected by Operations department
- 13 Preliminary FY 2010 revenue and expenditure projections prepared by Finance Department
- 14 Human Resources begins collection of salary survey data
- 20 Preliminary enrollment projections @ October 7th due from Operations to Senior Staff
- 20 Senior Staff discusses Enrollment and Budget Projections
- 27 Budget development packages sent to departments
- 27 Board approval of the FY2009 Tax Rate
- 31 Budget development packages discussed with the Leadership Team

November

- 3 Enrollment projections due from Operations to Senior Staff
- 3 Senior Staff reviews enrollment and staffing formulas
- 4 Enrollment projections due from Senior Staff to Human Resources
- 17 Revenue projections due from Finance to Senior Staff
- 17 Staffing projection summaries due to Senior Staff from Human Resources
- 17 Board Workshop to develop the Board budget priorities
- 24 Board approval of the Comprehensive Annual Financial Report for FY 2008
- 25 Budget development packages are sent to the campuses
- 25 Staffing projections due to Finance from Human Resources
- 25 Salary schedule due to Finance from Human Resources
- 25 Preliminary enrollment and staffing projections sent to principals from Human Resources
- 25 Board budget priorities and budget calendar shared with Leadership Team

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December

- 5 Departmental budget development packages entered into MUNIS
- 8 Departmental budgets reviewed by Senior Staff
- 8 Enrollment projection comments due to Operations from Principals
- 12 Campus budget development packages entered into MUNIS
- 12 District-wide cost projections including salaries completed
- 18 Internal Draft Budget completed

January 2009

- 5 Senior Staff reviews the Internal Draft Budget
- 13 Enrollment data collected
- 19 Senior Staff reviews campus/department additional staffing requests

February

- 2 Revised revenue projections due to Senior Staff from Finance
- 2 Revised enrollment projections (from Jan 15th data collection) due to Senior Staff from Operations
- 2 Revised enrollment projections due to Finance/Human Resources from Senior Staff
- 2 Final approval of staffing formulas by Senior Staff
- 16 Human Resources presents an update of the salary survey data
- 23 Draft preliminary budget completed
- 23 Board approval of the enrollment projections
- 23 Board approval of the staffing ratios
- 25 Revised staffing sent to campuses from Human Resources

Budget Calendar For The Year Ending June 30, 2010 (continued)

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March

- 5 Budget Project Team meeting
- 26 Budget Project Team meeting

April

- 6 Budget Advisory Committee meeting
- 20 Board workshop with update of the FY 2010 Budget
- 23 Budget Advisory Committee meeting
- 30 Public Notice to Newspaper

May

- 7 Publish newspaper notice for public hearing on budget adoption
- 18 Public Hearing #1 during Board meeting

June

- 4 Public notice to newspaper
- 11 Publish official notice for public hearing on budget adoption
- 22 Public Hearing #2 during Board meeting
- 22 Board approval of the FY 2010 Budget
- 22 Board approval of the FY 2009 Final Amended Budget
- 25 FY 2009 budgets distributed to the campuses and departments

July

August

- 25 Chapter 41 letter of intent sent to TEA
- 25 Chapter 41 option 3 contract sent to TEA
- 25 Chapter 41 no tuition charged letter sent to TEA