

Agenda of Budget Workshop

The Board of Trustees Seguin ISD

A Budget Workshop of the Board of Trustees of Seguin ISD will be held June 11, 2020, beginning at 6:30 PM in the Board Room, 1221 E Kingsbury, Seguin, TX 78155.

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

1. Call to Order

A. Establish Quorum

B. Announcement that this meeting of the Seguin Independent School District has been duly called and that notice of this meeting has been posted in accordance with the Texas Open Meetings Act, Section 551.043 of the Texas Government Code.

C. Pledges to the United States Flag and Texas Flag. Moment of silence.

2. Audience with the Board

A. those wishing to speak shall sign up before the meeting begins stating the concern or noting the agenda item they wish to address; audience participation is limited to five minutes; the Board shall not deliberate any subject that is not on the posted agenda.

3. Budget Workshop:

A. 2020-2021 Budget Development Update

4. Adjourn

**Seguin ISD
Budget Workshop
2020 - 21**

**Budget Development
Update
June 11, 2020**

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Topics for this discussion:

- 1. Methodology and Assumptions**
- 2. General Operating Fund**
- 3. Debt Service Fund**
- 4. Child Nutrition Fund**
- 5. COVID-19 costs and funding sources**

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Methodology and Assumptions:

- 1. Enrollment and ADA will likely be adversely affected by COVID-19 in 20-21.**
- 2. TEA has provided some basis for determining 19-20 ADA.**
- 3. SISD will use the most current 19-20 ADA counts (per TEA) for 20-21 projections.**

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Methodology and Assumptions:

- 4. A 1% reduction in tax collections efforts (98% to 97%).**
- 5. State will maintain the current funding structure.**
- 6. Child Nutrition will maintain meal service comparable to prior years.**

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Methodology and Assumptions:

- 7. Wage increases will not be presented with the budget adoption in June.**
- 8. Balanced budgets calculated on these methodologies and assumptions covering only the most essential expenses for the start of 20-21.**

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Methodology and Assumptions:

- 9. Wage increases and other budget considerations will take place once enrollment numbers and ADA guidance is available.**

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General Operating Fund:

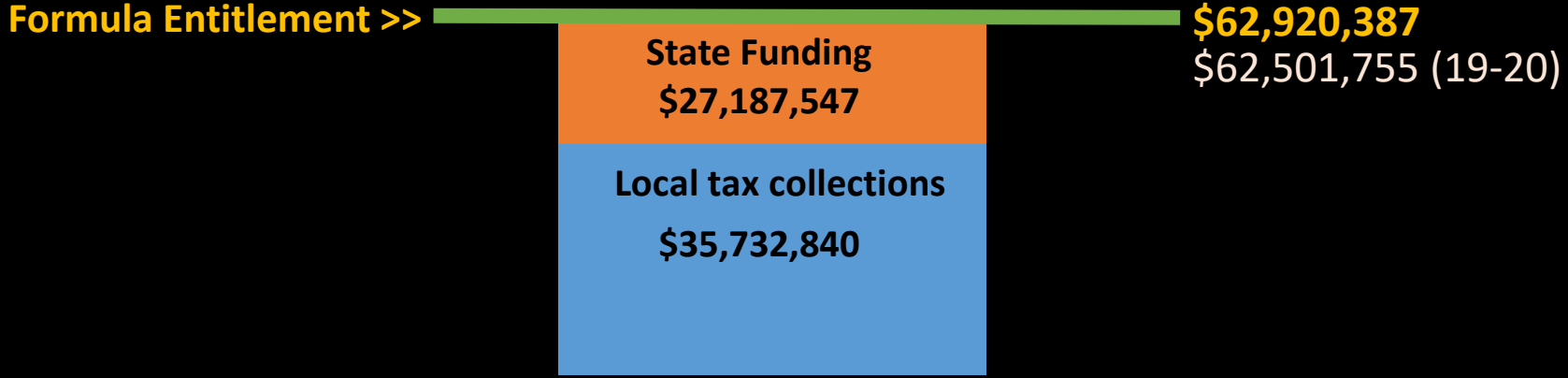
Revenue

- **HB-3 formula entitlement: based on student demographic and ADA**
- **State dictates tax rate (later) and supports local tax collection effort to achieve formula entitlement**

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General Operating Fund:

Revenue



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General Operating Fund:

Revenue (all sources):

\$62,920,387	Formula Entitlement
1,186,000	Interest & Misc. Local
3,112,000	TRS On-Behalf
967,000	Federal
<u>\$68,185,387</u>	Total GOF Revenue (20-21)

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General Operating Fund:

Expense

- **“Balanced budgets ... covering only the most essential expenses for the start of 20-21”**
- **No wage increase (other than step increase for teachers)**

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General Operating Fund:

Expense

- **Attrition and redirect of FTE's = reduction of 21 FTE's for budget savings of \$593,000**
- **12 vacant FTE's "on hold" for start of school potential savings of \$390,000**

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General Operating Fund:

Expense

- **Administration is only recommending budgetary requests that are not dependent on historical enrollment trends**

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General Operating Fund:

Expense

- **Over \$3 million in additional budgetary requests received (before March 15th)**
- **Approx. \$1 million identified as not feasible for 20-21 (or other funding)**
- **\$1.1 million possible fund balance items**

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General Operating Fund:

Expense

- **\$465,202 to be considered after the start of school (enrollment dependent)**
- **\$413,683 recommended additional expense for 20-21**

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General Operating Fund:

Total Revenue **\$68,185,387**

Expense

19-20 Continuation	\$66,153,785
20-21 (Net) Staff Adjustments	(143,000)
20-21 Recommendations	413,683
20-21 Teacher Step Increase	<u>353,986</u>

Total Expense **\$66,778,454**

***** Budget Surplus** **\$ 1,406,93**

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General Operating Fund:

***** Budget Surplus? \$1,406,933**

- Assumes ADA similar to prior years**
- Assumes state funding is maintained at current levels**

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General Operating Fund:

*** Budget Surplus?	\$1,406,933
• Pending requests	<u>465,202</u>
• Available for Wage Increase	\$ 941,731
• What is the cost of a wage increase?	

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General Operating Fund:

Available for Wage Increase

\$941,731

Options (estimated cost of various scenarios):

\$1,000T/\$1,000P/\$500N (one-time)	\$ 850,000
\$1,000T/\$500P/\$500N (one-time)	\$ 765,000
2.5%T/1.5%P/2.5%N	\$1,190,000
2.0%T/1.0%P/2.0%N	\$ 975,000
2.0%	\$1,050,000
1.0%	\$ 700,000

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Debt Service Fund:

- **No state support for debt service**
- **All debt is funded by local tax collection effort**
- **COVID-19 impact**
 - **97% collection rate**
 - **PV appraisals January 2020**

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Debt Service Fund:

Revenue

2020 Preliminary Values	\$3,244,390,432
2019 Preliminary Values	\$3,277,316,220

GAD:

“This estimation uses a 5 – 7% downward change in values for the preliminary estimates of non-industrial properties. For Major Industrial properties and Minerals, the estimation of change was a positive 2.9%.”

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Debt Service Fund:

Revenue

- **Additional bond sale of \$30 million not scheduled until spring of 2021**
- **New debt will not impact debt service fund until 21-22 school year**
- **No 20-21 increase to I&S tax rate...\$0.385**

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Debt Service Fund:

Revenue

Projected Collections	\$13,512,498
<i>(includes penalty & interest)</i>	

Expense

Principal	\$7,035,000
Interest	6,467,498
Fees	<u>10,000</u>

Total Expense	<u>\$13,512,498</u>
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Budget Surplus/Deficit	\$ -
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Child Nutrition Fund:

- **Meals served:**
- **18 – 19 Meals served**
- **Not “apples-to-apples”**
 - **SFSP off-set some COVID-19 losses**
 - **TDA still working on guidance for 2021**
 - **CEP? When? Is it viable for SISD?**

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Child Nutrition Fund:

Revenue		
Local	\$ 791,000	
State	70,000	
Federal	<u>3,914,000</u>	
Total Revenue		\$4,775,000
Expense		
Food Service	\$4,764,500	
Maintenance & Supply	<u>10,500</u>	
Total Expense		<u>\$4,775,000</u>
Budget Surplus/Deficit		\$ -

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COVID-19 Funding Sources:

- **FEMA**
 - **Most restrictive source**
 - **Amount not known**
 - **Time-frame for funding not known**
 - **Application process up-to-date**

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COVID-19 Funding Sources:

- **Coronavirus Relief Fund (CRF)**
 - **Next most restrictive source after FEMA**
 - **Amount is \$50,000 or \$250 per comp ed student (4,000 x \$250 = \$1,000,000)**
 - **Costs must have occurred 3/1 – 5/20/20**
 - **Application process up-to-date**

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COVID-19 Funding Sources:

- **Coronavirus Aid Relief and Economic Security (CARES) Act**
 - **Least restrictive**
 - **Allotment for SISD is \$1.4 million**
 - **Time-frame estimated for 20-21 per TEA**
 - **THIS IS NOT NEW MONEY** (reduces state aid)

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QUESTIONS?