



Public School Finance 101

FEBRUARY 02, 2023

Transparency and Financial Reporting Awards



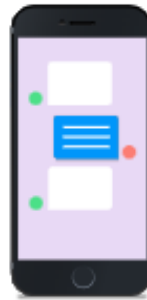
Government Finance Officers Association

Certificate of Achievement
for
Excellence in Financial
Reporting



What is the district's monthly payroll?

Join by Text



- 1 Text **CONROEISD843** to **22333**
- 2 Text in your message

Fun Financial Facts



Annual Budget
\$619,827,991

Payroll
(Each Month)
\$46,000,000

Average Monthly
Utility Bill
\$1,500,000

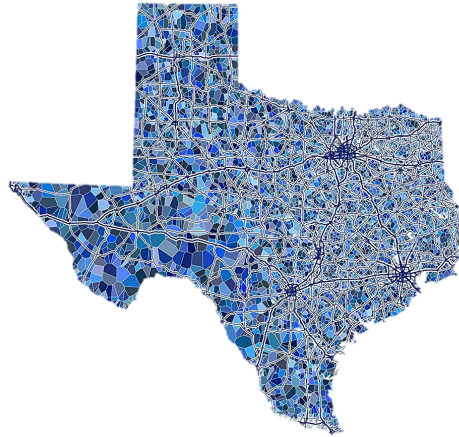
Average Weekly Check Run
(Paying the bills)
\$4,500,000/600 checks

Number of
Purchase Orders
Annually
29,000

Miles Driven by Buses
6,600,000/year
(14 trips to the moon and back)



The Texas Public School Finance System



1,200
DISTRICTS

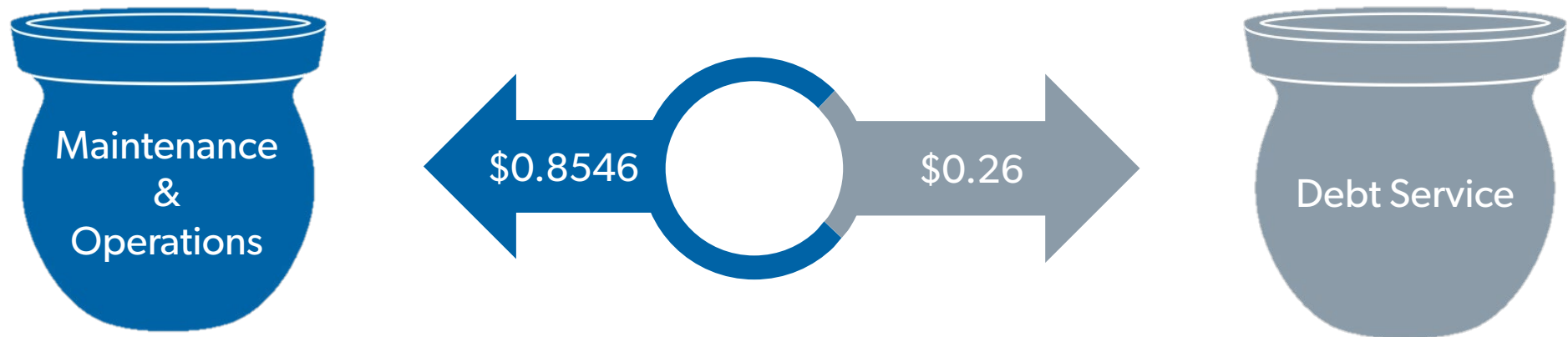


9,000
CAMPUSES



5.3
MILLION
STUDENTS

Tax Rate Components @ \$1.1146



The maintenance & operations portion of the tax rate is used to fund the day-to-day operations of the district. (Salaries, benefits, supplies, utilities, fuel etc.)

The debt service or I&S portion of the tax rate provides funding for principal and interest payments on debt the district issues to finance the building of new facilities and other capital expenditures.



Where does the funding come from?

Where does the money come from?

LOCAL PROPERTY TAX REVENUE



FOUNDATION SCHOOL PROGRAM



FUNDING FOR TEXAS PUBLIC SCHOOLS IS A SHARED RESPONSIBILITY



Fund Balance Analysis

	20% Target
Unassigned Fund Balance @ 8/31/22	\$ 173,316,624
Target 20%	<u>123,965,598</u>
Available	49,351,026
Bond Contingency Fund (Approved November 2022 Board Meeting)	(18,800,000)
Land Purchases (Reimbursement Resolution approved January 2023 Board Meeting)	(30,000,000)
Actual Capacity	<u>\$ 551,026</u>
2022-2023 Budget	\$ 619,827,991

Goal is to maintain an unassigned fund balance in the range of 20-25% of the budget



When the appraised value of property increases, the school district's general fund revenue increases.

True

False

Certified Property Values

Last
10- year
average
increase
9.1%

Tax Year	Certified Value	Change in Certified Value	
		\$	%
<i>2022 Certified</i>	<i>\$ 52,134,762,079</i>	<i>\$ 9,019,328,455</i>	<i>20.92%</i>
2021	\$ 43,115,433,624	\$ 2,994,783,377	7.46%
2020	\$ 40,120,650,247	\$ 2,025,755,895	5.32%
2019	\$ 38,094,894,352	\$ 2,357,351,036	6.60%
2018	\$ 35,737,543,316	\$ 1,937,650,491	5.73%
2017	\$ 33,799,892,825	\$ 1,376,594,502	4.25%
2016	\$ 32,423,298,323	\$ 2,582,889,266	8.66%
2015	\$ 29,840,409,057	\$ 2,911,859,001	10.81%
2014	\$ 26,928,550,056	\$ 3,019,678,901	12.63%
2013	\$ 23,908,871,155	\$ 1,831,798,239	8.30%



VS. STATE SHARE LOCAL SHARE

State
share
decreases.

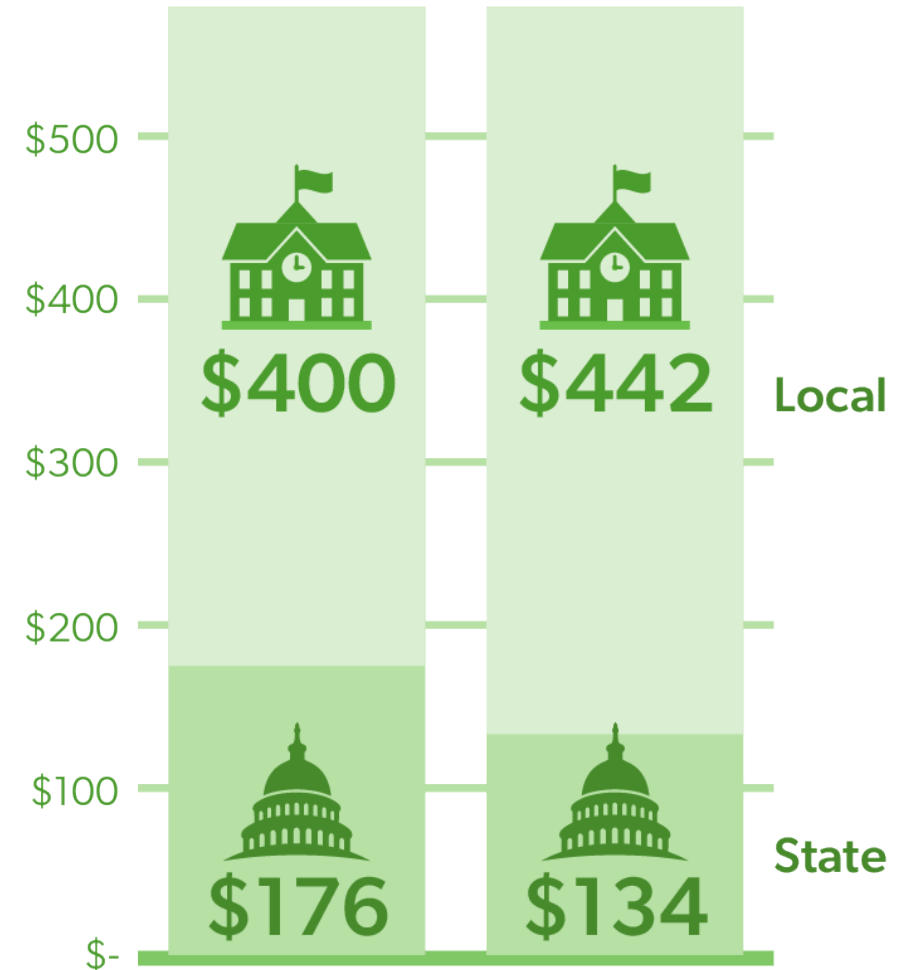
As local
share
increases...



Total Entitlement \$576 M
(based on State funding formula)

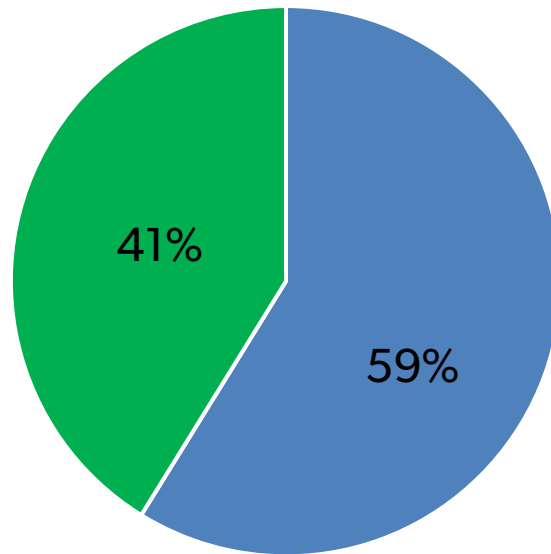
**5% AV
Growth**

**15% AV
Growth**



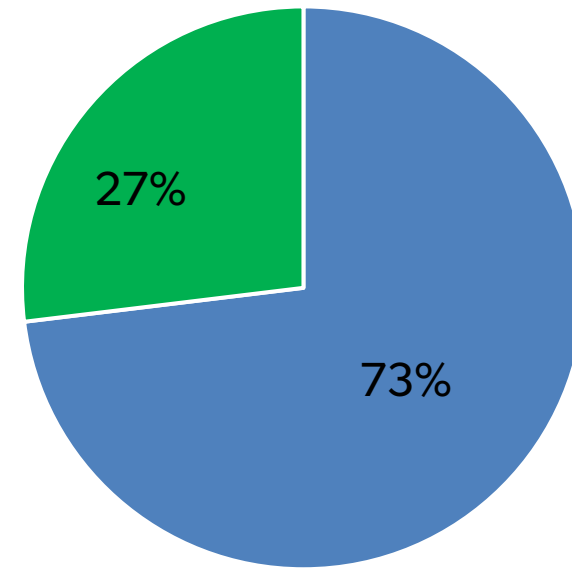
Revenue Source Comparison

Fiscal Year 1997



■ Local ■ State

**Fiscal Year 2023
(Budgeted)**



■ Local ■ State



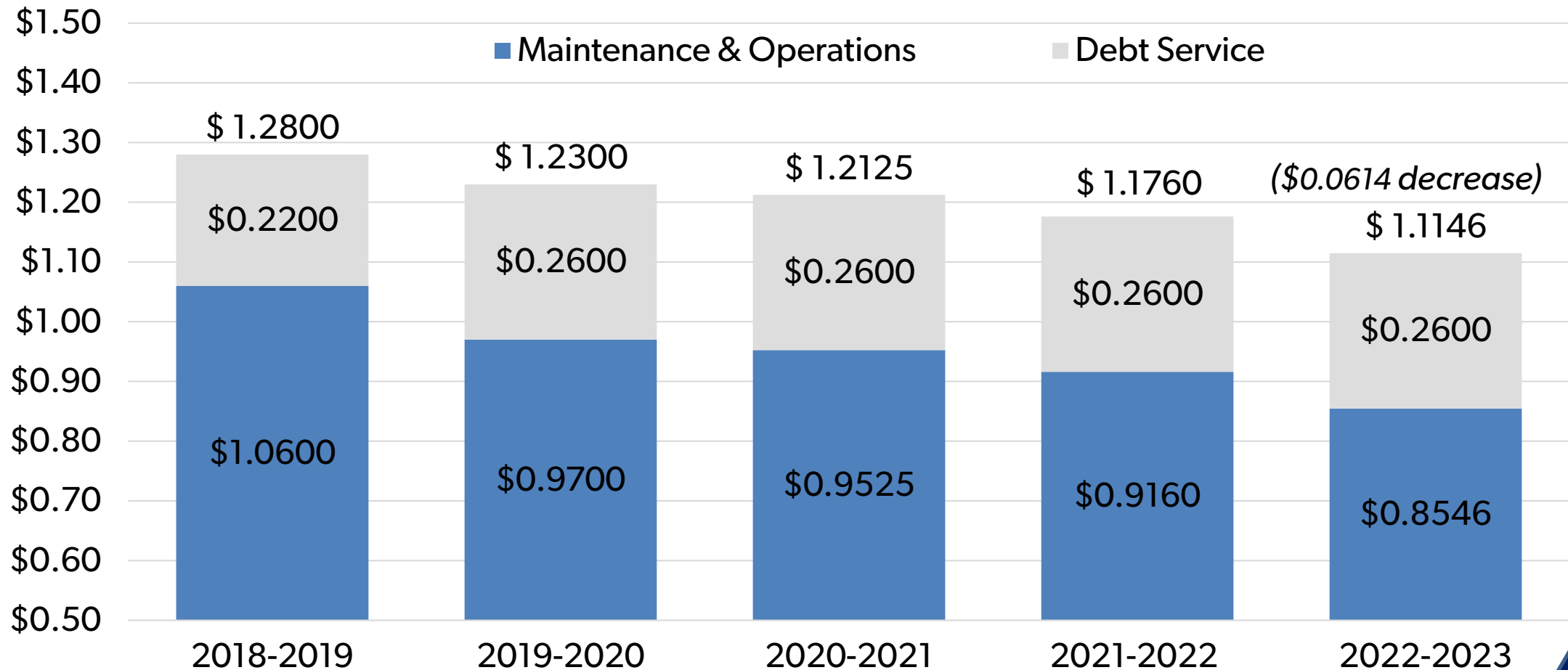
Over the last 5 years, the District's tax rate has:

gone down.

stayed the
same.

increased.

Tax Rate History



If districts are funded through taxes and the foundational school program, why is daily attendance important?

Kids need to learn.

Daily attendance impacts the percentage of funding districts receive.

All of the above.

Attendance Data

Average Enrollment
Growth Per Year
1,687

Average ADA
Growth Per Year
1,609

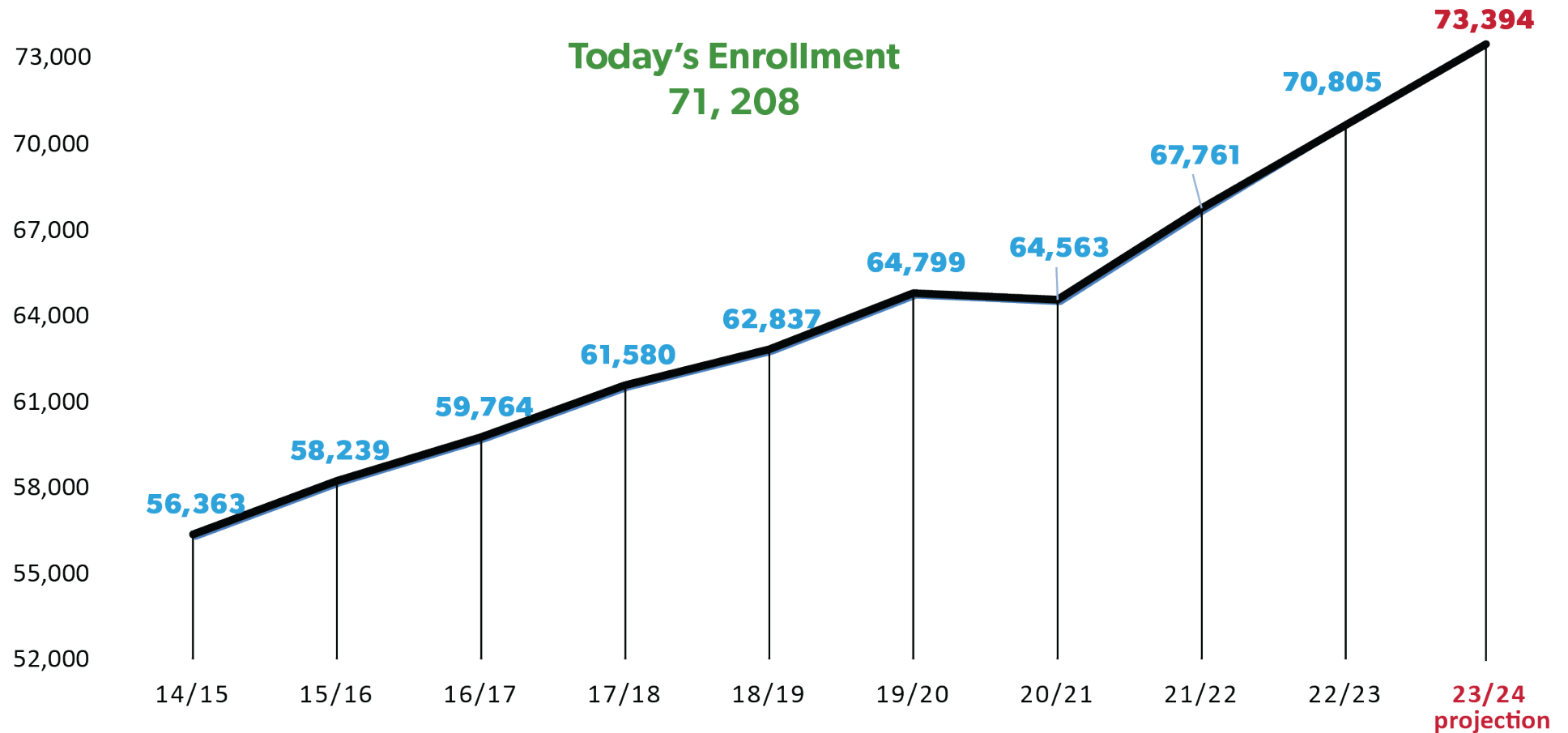
*State revenue
estimates and campus
expenditure budget
allocations rely on
enrollment data



Year Ended 31-Aug	Enrollment		ADA Amount	Average Daily Attendance		
	Actual Enrollment	Total Yearly Change		Total Yearly Change	Percent (Decrease)	Percent of Enrollment
2014	55,009	1,075	51,830	1,365	2.7%	94.22%
2015	56,363	1,354	53,165	1,335	2.6%	94.33%
2016	58,239	1,876	55,147	1,982	3.7%	94.69%
2017	59,764	1,525	56,653	1,506	2.7%	94.79%
2018	61,580	1,816	58,001	1,348	2.4%	94.19%
2019	62,837	1,257	59,356	1,355	2.3%	94.46%
2020	64,799	1,962	60,983	1,627	2.7%	94.11%
2021	64,563	-236	61,007	24	0.0%	94.49%
2022	67,761	3,198	62,630	1,623	2.7%	92.43%
2023	70,805	3,044	66,557	3,927	6.3%	94.00%
Ten Year Average		1,687		1,609	2.82%	94.17%

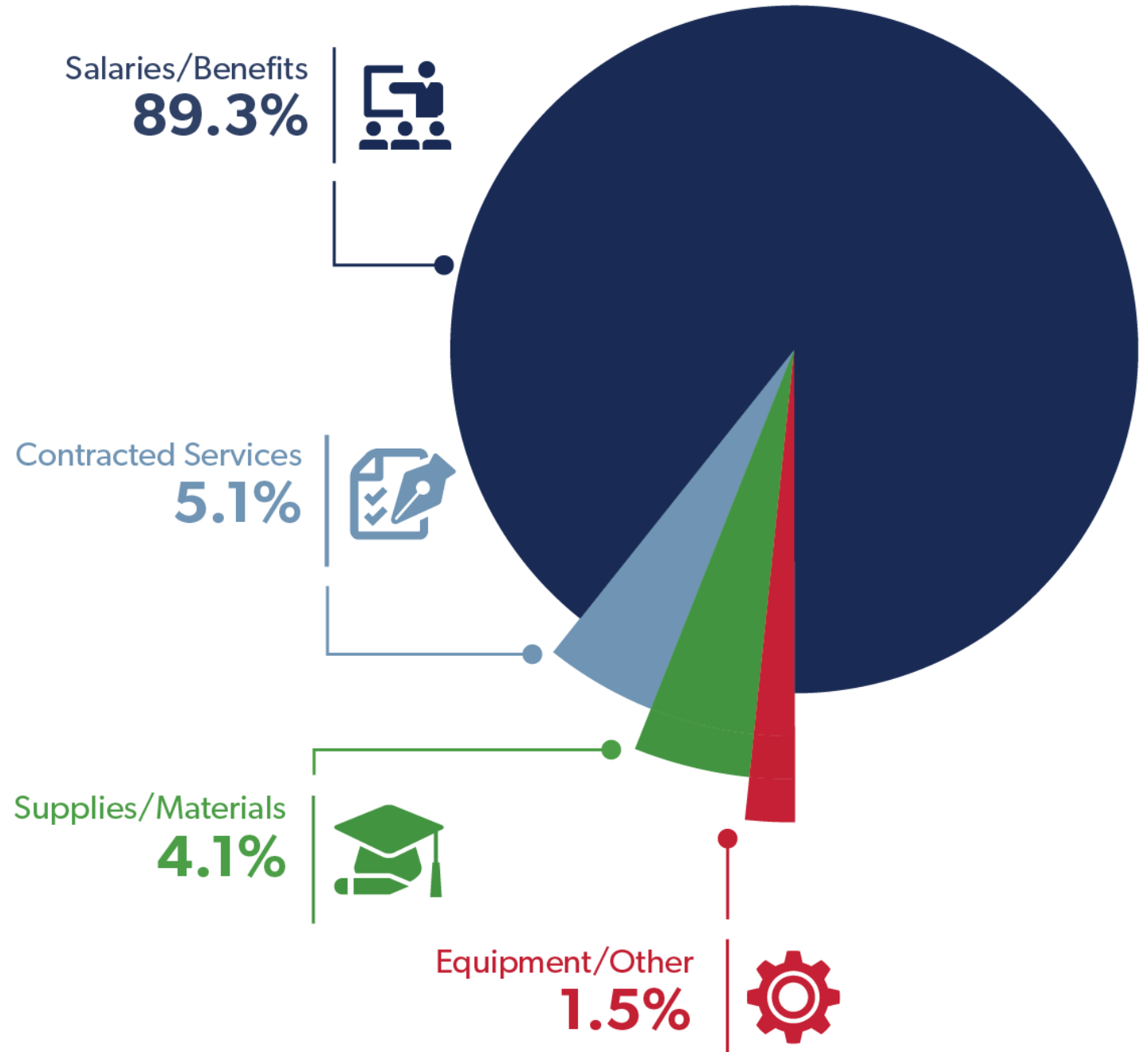


Enrollment Trend



2022-2023 Budget

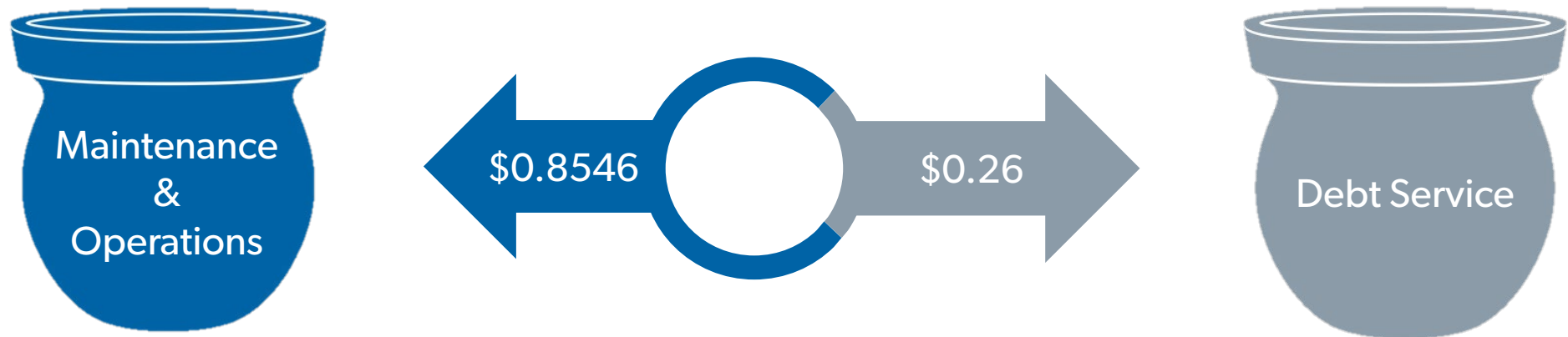
\$619,827,991



How a Dollar is Spent in the *General Fund*



Tax Rate Components @ \$1.1146



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What are allowable uses of bond funds?

Texas School Bond Funds

Allowable Uses ✓

Construction and renovations of facilities

- Including all Furniture and Equipment to Operate a School

Acquisition of land

School Buses

Vehicles

Safety and Security

Technology

- Bond expenditures for items with a shorter lifespan will be paid off before the purchase becomes obsolete.

Un-allowable Uses ✗

Salaries

- Pay raises
- Stipends
- Bonuses

Operating Costs

- Utility Bills
- Supplies
- Fuel
- Insurance
- Building Maintenance



Debt Per Student Comparison

Local area school district bond elections held in 2022 and the corresponding debt per student calculation based on 2021-2022 student enrollment.

School District	Bond Election Date (2022)	Bond Election Amount	2021-2022 Student Enrollment	Debt per Student	Comparative Bond Amount (Based on CISD Enrollment of 73,394)
Splendora ISD	November 2022	\$201,000,000	4,384	\$45,848.54	\$3,365,007,755
Lamar CISD	November 2022	\$1,516,623,300	39,579	\$38,318.89	\$2,812,376,525
Montgomery ISD	May 2022	\$326,907,090	9,343	\$34,989.52	\$2,568,020,867
Spring ISD	November 2022	\$850,000,000	33,425	\$25,430.07	\$1,866,414,361
Willis ISD	May 2022	\$143,050,000	8,432	\$16,965.13	\$1,245,138,959
Klein ISD	May 2022	\$895,350,000	53,294	\$16,800.20	\$1,233,034,073
Magnolia ISD	November 2022	\$228,000,000	13,658	\$16,693.51	\$1,225,203,690
Humble ISD	May 2022	\$775,000,000	48,112	\$16,108.25	\$1,182,248,711
Spring Branch ISD	May 2022	\$381,600,000	33,545	\$11,375.76	\$834,912,816

Source: The Municipal Advisory Council of Texas, 2021-2022 TAPR and Various Other Sources.



Upcoming Annual Capital Needs

- Portable buildings to support growth **\$25 M**
 - anticipated 3,000 student growth
- Technology Needs **\$20 M**
 - Safety: cameras and electric doors - both new and replacement parts
 - Network: switches, routers, aps, UPS, and cabling; campus infrastructure; data center refresh
 - Life cycle: projectors, VMware, disaster recovery, and servers
 - Device Replacement: iPads, printers, and Chromebooks
- Infrastructure Needs **\$15 M**
 - Roofs and AC/heating overhauls
- Buses **\$ 3 M**

Total

\$63 M



Property Taxes

IMPACT OF 1¢ TAX RATE INCREASE

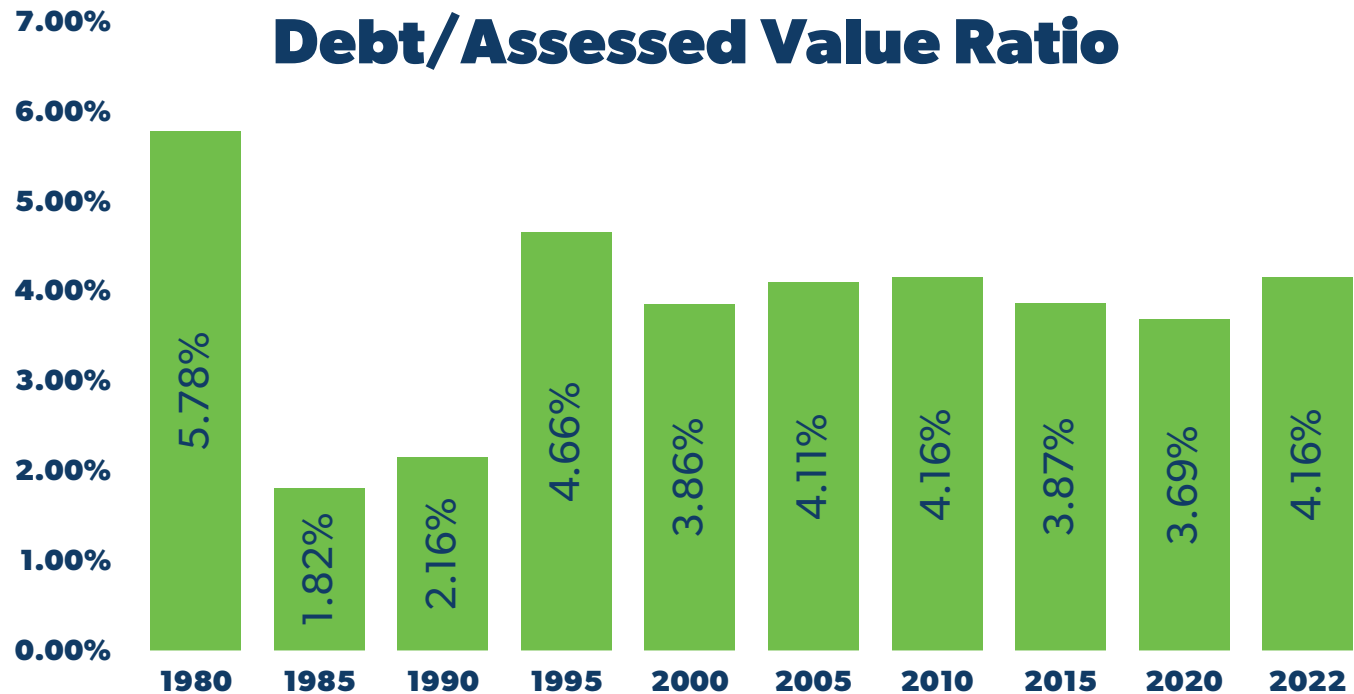
Average Taxable Value (2022)
\$308,523

Impact of a 1 ¢ Increase
\$30.86/annually

OVER 65 FROZEN TAX LEVY

- amount you pay in the year that you qualify for the over 65 exemption
- **school district taxes on your home may go below but not above the frozen levy amount**
 - exception is for major improvements made to the residence homestead

Debt/Assessed Value Ratio



TOTAL OUTSTANDING DEBT

Principal	\$1,616,515,000
Interest	710,795,115
Total	\$2,327,310,115





Questions?