



Where all students connect, learn, grow and succeed.

2018-19
BUDGET HEARING
June 21, 2018

Providing the resources required to accomplish our mission.

AGENDA

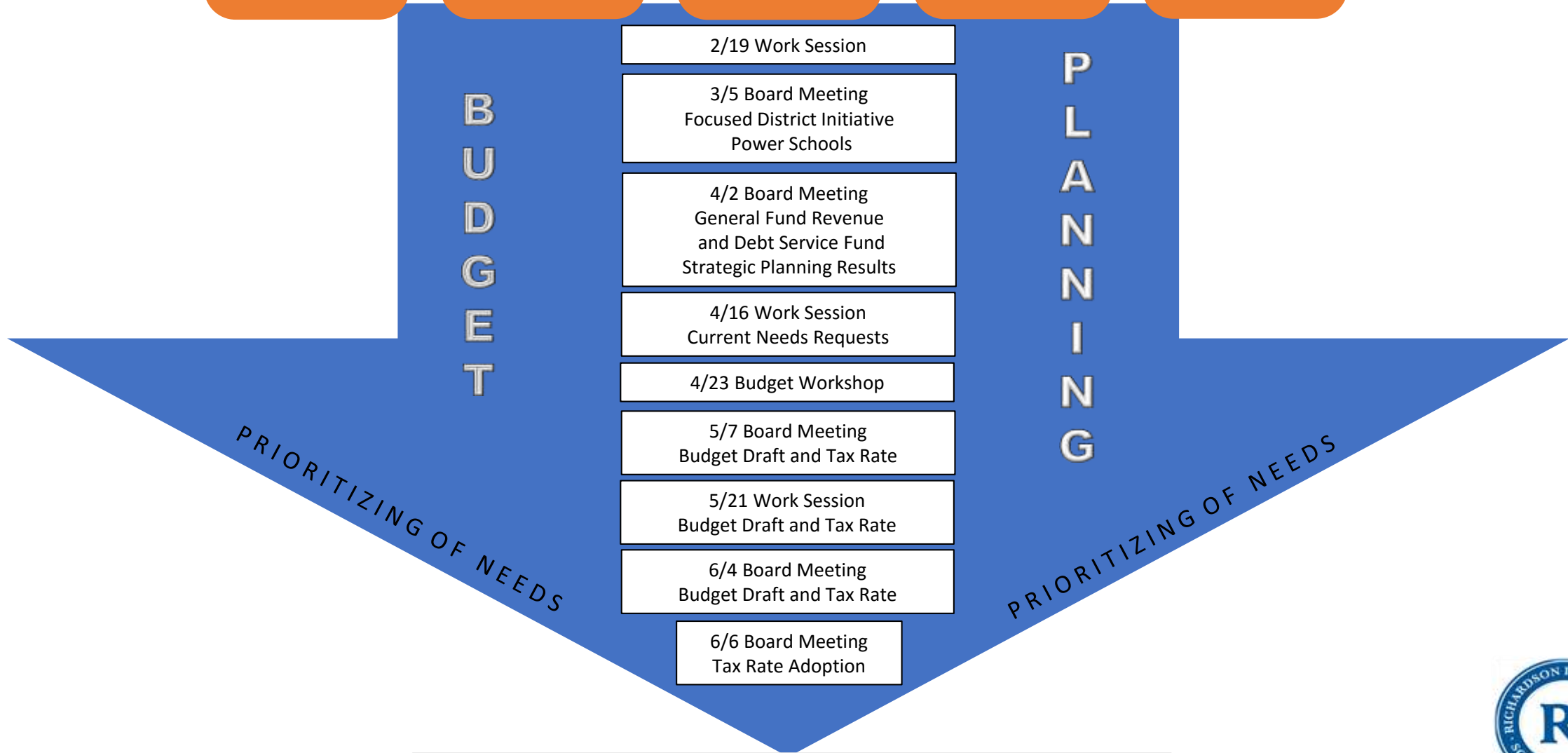
- Budget Development Process Review
- General (Operating) Fund
- Multi-year Financial Plan
- Child Nutrition
- Debt Service
- Proposed Budget





Where all students connect, learn, grow and succeed.

Budget Development Process



June 21 Adoption of 2018-2019 Budget



OUR MISSION & STRATEGIES

MISSION

The mission of RISD is to ensure that ALL connect, learn, grow and succeed through relevant and personalized learning experiences distinguished by

- a welcoming and accepting climate
- a safe, innovative, and adaptive environment
- a supportive, collaborative, and invested culture among students, staff, families, and community

STRATEGIES

- We will ensure that we have diverse and engaging programs and learning opportunities to meet the unique needs of all our students.
- We will guarantee that all students will perform at or above grade level.
- We will recruit, retain, and reward quality personnel.
- We will ensure that ALL families, businesses, and community partners are fully engaged in the mission of our district.
- **We will actively pursue creative funding sources and responsibly manage current resources to support our mission.**
- We will ensure that our facilities and infrastructure adapt to support our mission.



Action Team Conclusions

- **Our current financial structure is inadequate to accomplish the district's mission.**
- While we need to ensure our operations are as efficient as possible, we cannot solve our financial issues through cost-cutting.
 - We are currently spending over 5% less per student than our North TX and statewide peers, despite having students with greater needs [ELL +30% / ED +15% / SPED +16%].
 - This disparity is not caused by investment decisions, but lack of funds; our M&O tax rate is \$1.04 compared to average of \$1.12 for our North TX neighbors (before homestead exemption).
 - Without some change in our revenue stream, our fund balance will be gone by 2021.
- We have little control over legislative outcomes regarding school finance; we cannot count on additional funding in the near term.
- **We need to take immediate actions that will increase sustainable sources of revenue in order to accomplish the district's mission.**



RISD Compared with North TX Peers

	<u>North Texas Peer Average</u>	<u>RISD</u>	<u>RISD vs NTX</u>
General Fund Operating Expenditures Per Student	\$7,957	\$7,513	-5.5%
English Language Learner Enrollment	19.7%	25.7%	30.5%
Economically Disadvantaged Enrollment	49.2%	56.4%	14.6%
Special Education	9.1%	10.5%	15.4%
Vocational	23.9%	25.1%	5.0%
Mobile	3.2%	4.3%	34.4%

We educate a more challenging student population than our peers with less funding.



STRATEGIC PLANNING BUDGET IMPACT

DIFFERENTIATION

- Personalized Learning Pathways: revised curriculum, mastery-based grading, flexible scheduling
- New CTE facility / newcomer centers
- Unique Programming: International Baccalaureate, Dual Language

EQUITY

- ACE
- Expanded Pre-K / Universal Screening Tool
- Enhancements to Summer Program, Reading Program, Early Literacy

PEOPLE (HR)

- Enhancements to professional development
- Implementation of salary study recommendations / remain competitive with market
- Changes to staffing model
- Performance-based compensation

COMMUNITY

- Improved online presence and capabilities
- Deployment of new communication and volunteer tools
- Expanded community events

INFRASTRUCTURE

- Facility Study (cost of study + identified maintenance)
- Enhanced security
- Sustainability measures
- Neighborhood school policy
- 6th grade programming

FINANCE

- TRE
- Consider homestead exemption
- Increase alternative revenue from foundation, grants

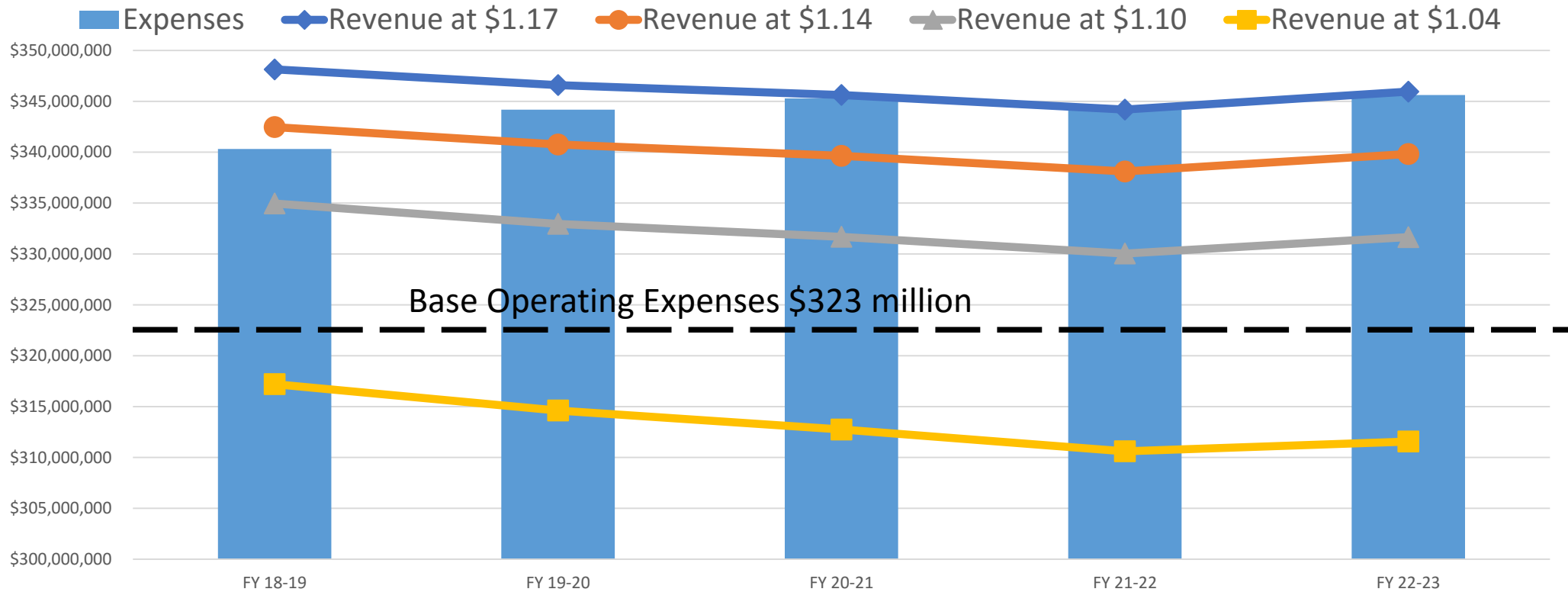




Where all students connect, learn, grow and succeed.

General (Operating) Fund

\$1.17 M&O Tax Rate Sustainably Funds Operations



Available for one-time expenses	FY 19-20	FY 20-21	FY 21-22	FY 22-23
	\$2,750,000	\$3,000,000	\$1,500,000	\$2,250,000



Election

- Bond vs Tax Ratification Election
 - Bond – Ask voters to approve spending and therefore necessary tax rate in advance
 - Tax Ratification Election – Can only ask voters to approve a tax rate increase after it has been adopted by the Board
- September Election
 - Able to adjust plans earlier in the fiscal year than a later election date
 - Able to mail tax statements in early October which maintains a consistent cashflow with prior years
 - Keeps strategic initiatives on track



Proposed 2018-19 Expenditure Summary

GENERAL FUND	DESCRIPTION	RECURRING	RECURRING	TOTAL
		G	STRATEGIC PLAN	
Current Commitments	Additional Staff Allocations	\$ 1,056,413	\$ -	\$ 1,056,413
Compensation	2.5% Raise; Market Adjustment	\$ -	\$ 6,670,000	\$ 6,670,000
Instruction	Special Student Services Staffing	\$ 4,301,539	\$ -	\$ 4,301,539
Safety and Security	Audit; Additional SRO's; Director	\$ 427,546	\$ 129,200	\$ 556,746
Facilities	Facilities Department Supplies	\$ 223,500	\$ -	\$ 223,500
Transportation	Bus and Camera Replacement	\$ -	\$ -	\$ -
Expenditure Reductions	Reductions and Eliminations	\$ (600,000)	\$ -	\$ (600,000)
Total Expenditure Increase		\$ 5,408,998	\$ 6,799,200	\$ 12,208,198
Transfer to Enhancement Fund		\$ 1,000,000		\$ 1,000,000
Recapture		\$ 5,869,577		\$ 5,869,577
17-18 Adopted Expenditures				\$ <u>321,241,115</u>
18-19 Proposed Expenditures				\$ <u><u>340,318,890</u></u>

Compensation and other increases contingent on passage of Tax Ratification Election



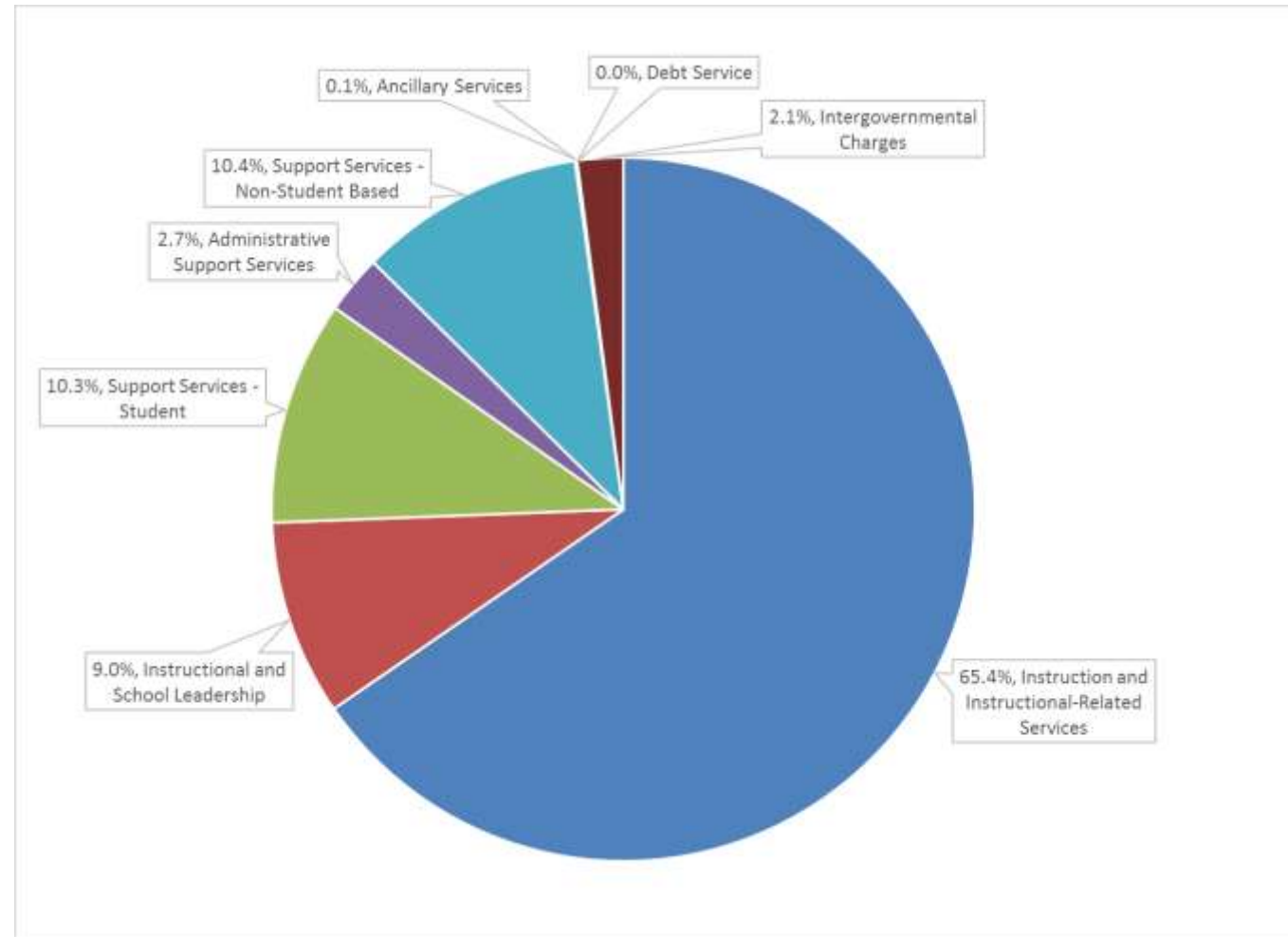
**RICHARDSON INDEPENDENT SCHOOL DISTRICT
PROPOSED BUDGET - GENERAL FUND
FISCAL YEAR 2018-19**

	17-18 Adopted	18-19 Proposed	Percent Change
Revenues			
Local Revenue	219,259,165	258,340,717	18%
State Revenue	91,450,980	84,689,875	-7%
Federal Revenue	4,200,000	5,040,000	20%
Total Revenues	<u>314,910,145</u>	<u>348,070,592</u>	
Expenditures			
11 - Instruction	204,482,006	209,762,547	3%
12 - Library & Media Services	5,428,541	5,801,374	7%
13 - Curriculum/Instructional Staff Development	5,035,312	6,456,242	28%
21 - Instructional Administration	5,401,929	6,210,002	15%
23 - School Leadership	22,556,827	24,197,621	7%
31 - Guidance and Counseling	15,208,857	15,942,839	5%
32 - Attendance and Social Work	1,160,880	1,188,385	2%
33 - Health Services	4,441,990	4,047,956	-9%
34 - Student Transportation	6,552,890	6,950,262	6%
36 - Co-Curricular / Extra Curricular Activities	6,699,735	6,834,171	2%
41 - General Administration	8,513,063	9,155,881	8%
51 - Plant Maintenance & Operations	26,403,218	27,648,105	5%
52 - Security and Monitoring Services	1,609,731	2,207,777	37%
53 - Data Processing Services	5,476,793	5,429,579	-1%
61 - Community Services	197,776	201,845	2%
71 - Debt Service Principal	13,395	13,395	0%
91 - Contracted Instructional Services (recapture)		5,869,577	100%
93 - Payments to Fiscal Agent Districts of Shared Services		255,704	100%
95 - Juvenile Justice Alternative Education Program	50,000	50,000	0%
99 - Other Intergovernmental Charges	1,008,172	1,095,628	9%
Total Appropriations	<u>320,241,115</u>	<u>339,318,890</u>	
Other Sources (Uses)			
Sale of Real and Personal Property		65,000	100%
Transfers Out	(1,000,000)	(1,000,000)	0%
Toal Other Sources (Uses)	<u>(1,000,000)</u>	<u>(935,000)</u>	
Decrease in Fund Balance	(6,330,970)		
Restore Fund Balance to Three Months of Operations		7,816,702	

Function 41 includes 6491-Statutorily Required Public Notice Budgeted Amount of \$30,300

Compensation and other increases contingent on passage of tax ratification election (TRE).

General Fund Expenditures by Function



PROPOSED 2018-19 EXPENDITURE SUMMARY

<u>General Fund</u>	<u>Recurring</u>	<u>Recurring Strategic Plan</u>
Current Commitments	\$ 1,056,413	\$ -
Staffing & Compensation	\$ 3,701,539	\$ 6,670,000
Facilities	\$ 651,046	\$ 129,200
	<u>\$ 5,408,998</u>	<u>\$ 6,799,200</u>
Total Expenditure Increase		\$ 12,208,198
Transfer to Enhancement Fund		\$ 1,000,000
Recapture		\$ 5,869,577
17-18 Adopted Expenditures		<u>\$ 321,241,115</u>
18-19 Proposed Expenditures		<u>\$ 340,318,890</u>

Compensation and other increases contingent on passage of Tax Ratification Election





Where all students connect, learn, grow and succeed.

Multi-year Financial Plan

Multi Year Financial Plan
M&O Tax Rate \$1.17

	Estimated FY 17-18	Propoerty Value Increase Assumptions				
		6.00% FY 18-19	4.50% FY 19-20	3.50% FY 20-21	2.50% FY 21-22	2.50% FY 22-23
CY Tax Revenue	\$ 211,560,212	\$ 248,290,336	\$ 258,538,162	\$ 266,569,234	\$ 272,124,102	\$ 277,729,093
PY Tax Revenue	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
State Revenue	\$ 76,075,661	\$ 67,966,325	\$ 55,672,406	\$ 46,152,688	\$ 38,634,792	\$ 34,245,190
TRS On Behalf	\$ 16,236,456	\$ 16,723,550	\$ 17,225,256	\$ 17,742,014	\$ 18,274,274	\$ 18,822,502
Fund 161	\$ 4,487,381	\$ 4,487,381	\$ 4,487,381	\$ 4,487,381	\$ 4,487,381	\$ 4,487,381
Other Local Revenue	\$ 8,635,000	\$ 9,668,000	\$ 9,668,000	\$ 9,668,000	\$ 9,668,000	\$ 9,668,000
Total Revenue	<u>\$ 317,994,710</u>	<u>\$ 348,135,592</u>	<u>\$ 346,591,205</u>	<u>\$ 345,619,316</u>	<u>\$ 344,188,549</u>	<u>\$ 345,952,167</u>
Recurring Expenses						
Base Expenses	\$ (321,922,058)	\$ (321,241,115)	\$ (333,449,313)	\$ (333,449,313)	\$ (333,449,313)	\$ (333,449,313)
Current Commitments		\$ (1,056,413)				
Compensation		\$ (6,670,000)				
Instruction		\$ (4,301,539)				
Safety and Security		\$ (556,746)				
Facilities		\$ (223,500)				
Reductions		\$ 600,000				
Proposed One-Time Expenses		\$ -	\$ (2,750,000)	\$ (3,000,000)	\$ (1,500,000)	\$ (2,250,000)
Recapture		\$ (5,869,577)	\$ (6,984,606)	\$ (7,834,931)	\$ (8,471,316)	\$ (8,922,909)
Other Uses	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Change in Fund Balance	\$ (4,927,348)	\$ 7,816,702	\$ 2,407,286	\$ 335,072	\$ (232,080)	\$ 329,945
Unassigned Fund Balance	\$ 75,482,929	\$ 83,299,631	\$ 85,706,917	\$ 86,041,989	\$ 85,809,910	\$ 86,139,854
Unassigned Fund Balance as a % of expenditures	23.4%	24.5%	25.0%	25.0%	25.0%	25.0%

General Fund Multi-Year Financial Plan
M&O Tax Rate \$1.04 and 2% Increase in Non-payroll Expenses Each Year

	Property Value Increase Assumptions					
	Estimated FY 17-18	6.00% FY 18-19	4.50% FY 19-20	3.50% FY 20-21	2.50% FY 21-22	2.50% FY 22-23
CY Tax Revenue	\$ 211,560,212	\$ 223,607,784	\$ 233,006,865	\$ 240,432,509	\$ 245,648,063	\$ 250,930,384
PY Tax Revenue	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
State Revenue	\$ 76,075,661	\$ 62,205,735	\$ 50,216,707	\$ 40,921,983	\$ 33,564,628	\$ 29,244,541
TRS On Behalf	\$ 16,236,456	\$ 16,236,456	\$ 16,236,456	\$ 16,236,456	\$ 16,236,456	\$ 16,236,456
Fund 161	\$ 4,487,381	\$ 4,487,381	\$ 4,487,381	\$ 4,487,381	\$ 4,487,381	\$ 4,487,381
Other Local Revenue	\$ 8,635,000	\$ 9,668,000	\$ 9,668,000	\$ 9,668,000	\$ 9,668,000	\$ 9,668,000
Total Revenue	<u>\$ 317,994,710</u>	<u>\$ 317,205,356</u>	<u>\$ 314,615,409</u>	<u>\$ 312,746,329</u>	<u>\$ 310,604,528</u>	<u>\$ 311,566,762</u>
Expenses	\$ (321,922,058)	\$ (322,724,138)	\$ (323,414,281)	\$ (324,118,227)	\$ (324,836,251)	\$ (325,568,636)
Other Sources	-	-	-	-	-	-
Other Uses	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Change in Fund Balance	\$ (4,927,348)	\$ (6,518,783)	\$ (9,798,872)	\$ (12,371,897)	\$ (15,231,724)	\$ (15,001,874)
Unassigned Fund Balance	\$ 75,482,929	\$ 68,964,147	\$ 59,165,274	\$ 46,793,377	\$ 31,561,653	\$ 16,559,779
Unassigned Fund Balance as a % of expenditures	23.4%	21.4%	18.3%	14.4%	9.7%	5.1%

Fund balance decrease of \$58.9 million from 18-19 to 22-23.



Where all students connect, learn, grow and succeed.

Child Nutrition Fund

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
 PROPOSED BUDGET - CHILD NUTRITION
 FISCAL YEAR 2018-19**

	17-18	18-19
	<u>Adopted</u>	<u>Proposed</u>
Revenues		
Local Revenue	\$ 4,910,173	\$ 4,939,998
State Revenue	88,000	88,882
Other Resources	12,220,414	12,063,045
Total Revenues	<u>17,218,587</u>	<u>17,091,925</u>
Appropriations		
35 - Child Nutrition	17,064,552	16,911,766
51 - Plant Maintenance & Operations	151,535	177,659
61 - Community Services	2,500	2,500
Total Appropriations	<u>17,218,587</u>	<u>17,091,925</u>
Change in Fund Balance	-	-



Where all students connect, learn, grow and succeed.

Debt Service Fund

Debt Service Fund Overview

- Total outstanding debt principal of \$557,014,992
- 2016 Voted authorization of \$437,000,000
 - Issued \$84,000,000 in June 2016
 - Issued \$225,000,000 in May 2017
 - Remaining unissued bonds of \$128,000,000 expected to be issued in Spring 2019
- Scheduled principal and interest payments of \$54,214,625 in 18-19
- RISD tax-supported debt per student is 29% lower than the statewide average
 - RISD average is \$17,063
 - Statewide average is \$23,887
- \$22,000,000 to refund outstanding bonds reducing future interest cost
- I&S Tax Rate of \$0.35, unchanged from 16-17



**RICHARDSON INDEPENDENT SCHOOL DISTRICT
 PROPOSED BUDGET - DEBT SERVICE
 FISCAL YEAR 2018-19**

	17-18	18-19
	<u>Adopted</u>	<u>Proposed</u>
Revenues		
Local Revenue	\$ 71,543,411	\$ 76,948,776
State Revenue	667,501	596,738
Total Revenues	<u>72,210,912</u>	<u>77,545,514</u>
Appropriations		
71 - Debt Service Principal	43,070,000	28,680,000
72 - Debt Service Interest	29,044,550	25,534,625
73 - Debt Service Fees	200,000	200,000
97 - Tax Increment Fund	400,000	950,000
Total Appropriations	<u>72,714,550</u>	<u>55,364,625</u>
Other Sources (Uses)		
Payment to Bond Refunding Escrow Agent	-	(22,200,000)
Total Other Sources (Uses)	<u>-</u>	<u>(22,200,000)</u>
Change in Fund Balance	\$ (503,638)	\$ (19,111)

Payment to bond refunding agent expected to be made in spring 2019 to pay off bonds early resulting in reduced interest cost.



Where all students connect, learn, grow and succeed.

Proposed Budget

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
PROPOSED BUDGET
FISCAL YEAR 2018-19**

	Operating Fund	Child Nutrition Fund	Debt Service Fund	Total	Total by Enrolled Student*
Revenues					
Local Revenue	258,340,717	4,939,998	76,948,776	340,229,491	8,586
State Revenue	84,689,875	88,882	596,738	85,375,495	2,155
Federal Revenue	5,040,000	12,063,045	-	17,103,045	432
Total Revenues	348,070,592	17,091,925	77,545,514	442,708,031	11,173
Expenditures					
11 - Instruction	209,762,547			209,762,547	5,294
12 - Library & Media Services	5,801,374			5,801,374	146
13 - Curriculum/Instructional Staff Development	6,456,242			6,456,242	163
21 - Instructional Administration	6,210,002			6,210,002	157
23 - School Leadership	24,197,621			24,197,621	611
31 - Guidance and Counseling (A)	15,942,839			15,942,839	402
32 - Attendance and Social Work	1,188,385			1,188,385	30
33 - Health Services	4,047,956			4,047,956	102
34 - Student Transportation	6,950,262			6,950,262	175
35 - Child Nutrition		16,911,766		16,911,766	427
36 - Co-Curricular / Extra Curricular Activities	6,834,171			6,834,171	172
41 - General Administration (A)	9,155,881			9,155,881	231
51 - Plant Maintenance & Operations	27,648,105	177,659		27,825,764	702
52 - Security and Monitoring Services	2,207,777			2,207,777	56
53 - Data Processing Services	5,429,579			5,429,579	137
61 - Community Services	201,845	2,500		204,345	5
71 - Debt Service Principal	13,395		28,680,000	28,693,395	724
72 - Debt Service Interest			25,534,625	25,534,625	644
73 - Debt Service Fees			200,000	200,000	5
91 - Contracted Instructional Services (recapture)	5,869,577			5,869,577	148
93 - Payments to Fiscal Agent Districts of Shared Services	255,704			255,704	6
95 - Juvenile Justice Alternative Education Program	50,000			50,000	1
97 - Tax Increment Fund			950,000	950,000	24
99 - Other Intergovernmental Charges	1,095,628			1,095,628	28
Total Appropriations	339,318,890	17,091,925	55,364,625	411,775,440	10,390
Other Sources (Uses)					
Sale of Real and Personal Property	65,000			65,000	2
Transfers Out	(1,000,000)			(1,000,000)	(25)
Payment to Bond Refunding Escrow Agent	-		(22,200,000)	(22,200,000)	(560)
Total Other Sources (Uses)	(935,000)	-	(22,200,000)	(23,135,000)	(583)
Restore Fund Balance to Three Months of Operations	7,816,702				
Change in Fund Balance			(19,111)		

*Based on 2018-19 enrollment projection of 39,625 students
(A) Includes 6491-Statutorily Required Public Notice budget amount of \$30,300.

Compensation and other increases contingent on passage of tax ratification election (TRE).

2018-2019 Budget



Recommendation



Budget Adoption

