



Equity Advisory Committee: Special Budget Session

April 30, 2024





Call to Order

Vanessa Santamaría-Dainton

Language Access

- EAC materials are available online in Spanish
- Should participants require Spanish interpretation, members of our team are available and can launch the interpretation channel on zoom.



Public Comments

- Sign-up on [Google Form](#) before meeting
- During meeting -- type the word "*casa*" in chat bar or use the "raise hand" Zoom feature
- 10 minutes total for Public Comment. 2 minutes per speaker. Please say your name before making comment
- For other agenda items, co-chairs will announce if public commentary is designated for that part



Public Comment

Vanessa Santamaría-Dainton



2025 Budget

Community Conversations



Austin ISD FY 2025 Budget

Agenda:

- Introductions
- Presentation by Austin ISD Staff
- ThoughtExchange
- Q&A
- Next steps

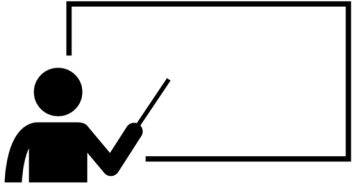


Objective:

- Understand the implications of the 88th Texas Legislative Session
- Discuss Board Policy related to budget
- Discuss FY 2024-25 Preliminary Budget & District Strategies
- Discuss impact of holding a Voter Approved Tax Ratification Election (VATRE)



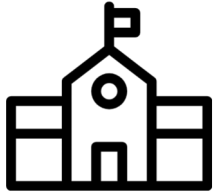
\$52M deficit in FY 2023-24: *How did this happen?*



\$64.45M
Compensation Package



\$940M
Recapture



ESSER Funding
(ends September 2024)



**88th Texas
Legislature***
**\$18.6B Surplus at close of
session*



\$6,160 Basic Allotment
*(no increase since School Year 2019-
2020)*



**Inflation has risen roughly
17% since the last time
Texas increased school
funding in 2019**



88th Texas Legislative Session School Funding Summary



Property tax relief



No funding for school vouchers



No funding for teacher salaries



No increase to basic allotment



Limited funding for school safety expenses



General Fund Budget Summary

	FY2023-24 Adopted	FY2023-24 Projected*	FY2024-25 Preliminary
Revenue	\$ 1.8 B	\$ 1.8 B	\$ 1.5 B
(Less) Recapture	(\$ 941 M)	(\$ 941 M)	(\$ 660 M)
(Less) Operating Expenditures	(\$ 884 M)	(\$ 910 M)	(\$ 976 M)
Net Change in Fund Balance	(\$ 34 M)	(\$ 50 M)	(\$ 93 M)
Vacancy Savings	\$ 22 M	-	\$ 20 M
ESSER Supplanting	\$ 20 M	\$ 18 M	-
Potential Cost Savings		-	\$ 30 M
Compensation/Additional Staffing	(\$ 58 M)	-	-
Adjusted Net Change in Fund Balance	(\$ 52 M)	(\$ 31 M)	(\$ 48 M)
(Unaudited) Ending Total Fund Balance	\$ 224 M	\$ 289 M	\$ 233 M
<i>Unassigned % Fund Balance</i>	21.4%	28.9%	21.8%

*Data as of November 2023



Other District Situations

Education

North Texas school districts struggle to shore up looming deficits

KERA | By [Bill Zeble](#)
Published March 7, 2024 at 5:00 AM CST

Keller ISD to make staffing cuts in preparation for 2024-25 budget deficit. Fine arts programs are spared

By [Matthew Sigal](#) January 26, 2024 9:56 pm

Fort Worth ISD board votes to cut staff, but no teacher jobs amid declining enrollment, superintendent says

This comes after Fort Worth the district level last year

'School feels like jail': State of the District draws protestors as HISD addresses school budgets

By [Nikol Nataro](#)
Thursday, March 21, 2024 7:36PM

Austin Achieve lays off 24 staff members over decrease in attendance, other factors

By [Kathy Willey](#)
Posted: Feb 6, 2024 / 11:08 AM CST
Updated: Feb 6, 2024 / 11:08 AM CST

CY-FAIR ISD ANTICIPATES \$73.6M BUDGET SHORTFALL DUE TO INFLATION AND LACK OF STATE FUNDING

HOUSTON / KATY NORTH / EDUCATION
By [Davi Manning](#)
Sunday, February 18, 2024

Katy ISD superintendent addresses community as district could face projected \$13M shortfall

By [Wally Schaffer](#) | 4:19 PM Mar 19, 2024 CST
Updated: 4:19 PM Mar 19, 2024 CST

LOCAL NEWS
Oshelia Terry, Digital Content Producer
Published: February 16, 2024 at 9:08 PM
Topic: Spring Branch ISD, Budget Cuts, Education News

'We can no longer wait:' Spring Branch ISD announces new budget cuts for 2024-2025 school year

Brownsville ISD prepares for budget deficit

February 15, 2024 12:50 PM in News - Local
By: [Brenda Villa](#)

LOCAL NEWS
Texas Education Agency appoints conservator for IDEA Public Schools

By [Dana Hindschke](#)
Posted: March 6, 2024 / 10:38 PM CST
Updated: March 6, 2024 / 10:38 PM CST

TEXAS NEWS
Why are Texas school districts adopting the four-day week?

By [Maha Karamchandani](#) / [SUNNYSIDE](#)
Posted: Mar 15, 2024 / 12:52 PM CST
Updated: Mar 22, 2024 / 11:27 AM CST

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Ector County ISD facing \$24 million budget deficit

The budget deficit comes on the heels of the Texas Legislative session where lawmakers did not increase funds for public schools.

Canutillo ISD faces layoffs, school closures amid \$6 million deficit

By [Claudia Torres Silva](#) January 15, 2024

Socorro ISD faces potential budget cuts, layoffs, tax ratification election amid \$33 million deficit

By [Claudia Torres Silva](#) / [SUNNYSIDE](#)

TEA oversight looms as San Antonio districts enter difficult budget talks

By [Isaac Windes](#)
Thu 15, 2024

McAllen ISD facing \$13.7 million budget deficit

By [Omar Zapata](#) February 14, 2024

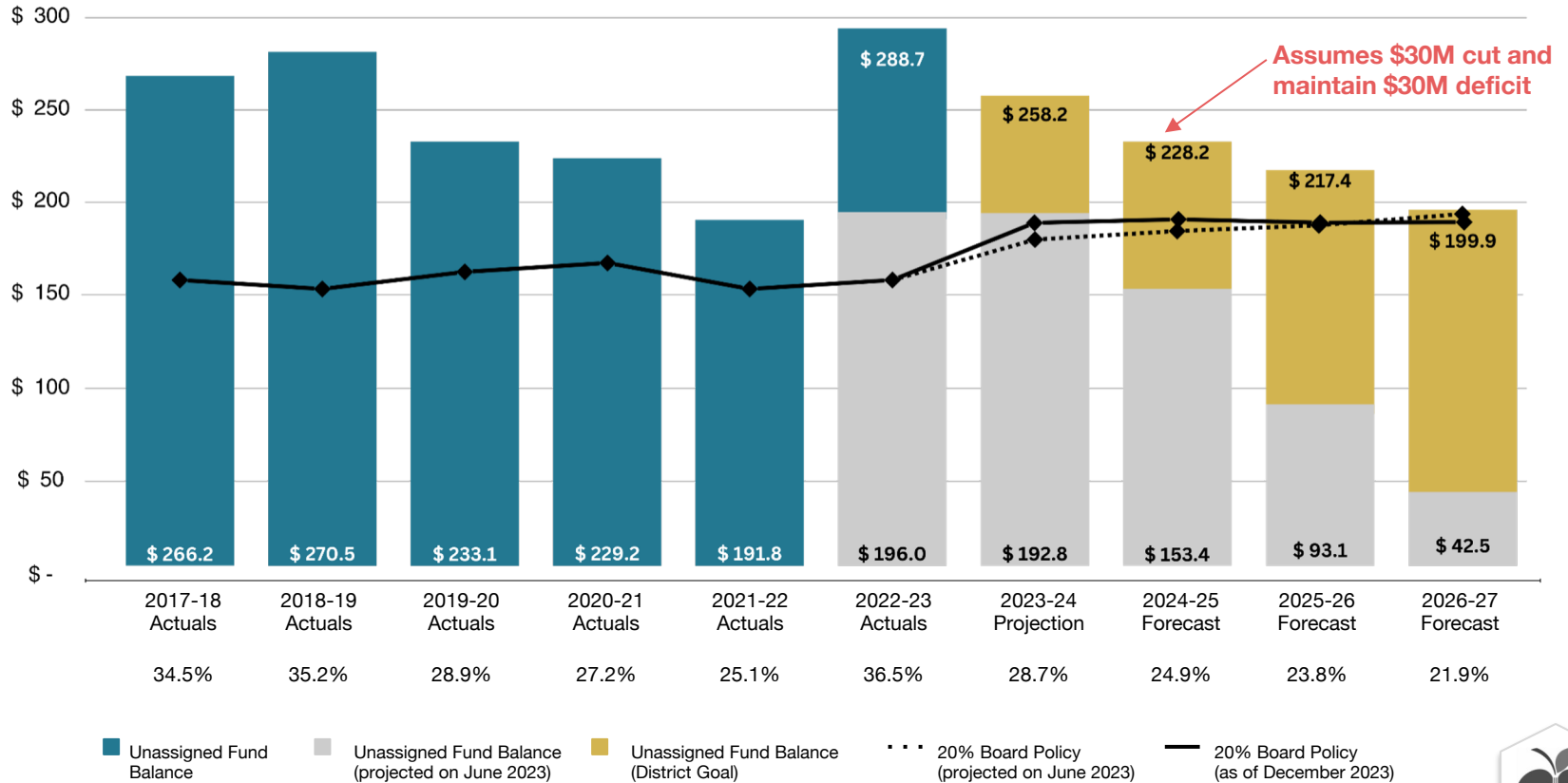
NEWS // EDUCATION
Its growth has stalled. Its funding is crunched. Now Northside ISD faces an \$84 million deficit.

With pandemic relief funds expiring and Texas lawmakers still hung up over vouchers, things might get worse, trustees told.

By [Scott Huddleston](#), Staff writer
April 14, 2024



What about our savings? *(in millions)*



■ Unassigned Fund Balance

■ Unassigned Fund Balance (projected on June 2023)

■ Unassigned Fund Balance (District Goal)

⋯ 20% Board Policy (projected on June 2023)

— 20% Board Policy (as of December 2023)



What we're doing

Senior Leadership Reviewing

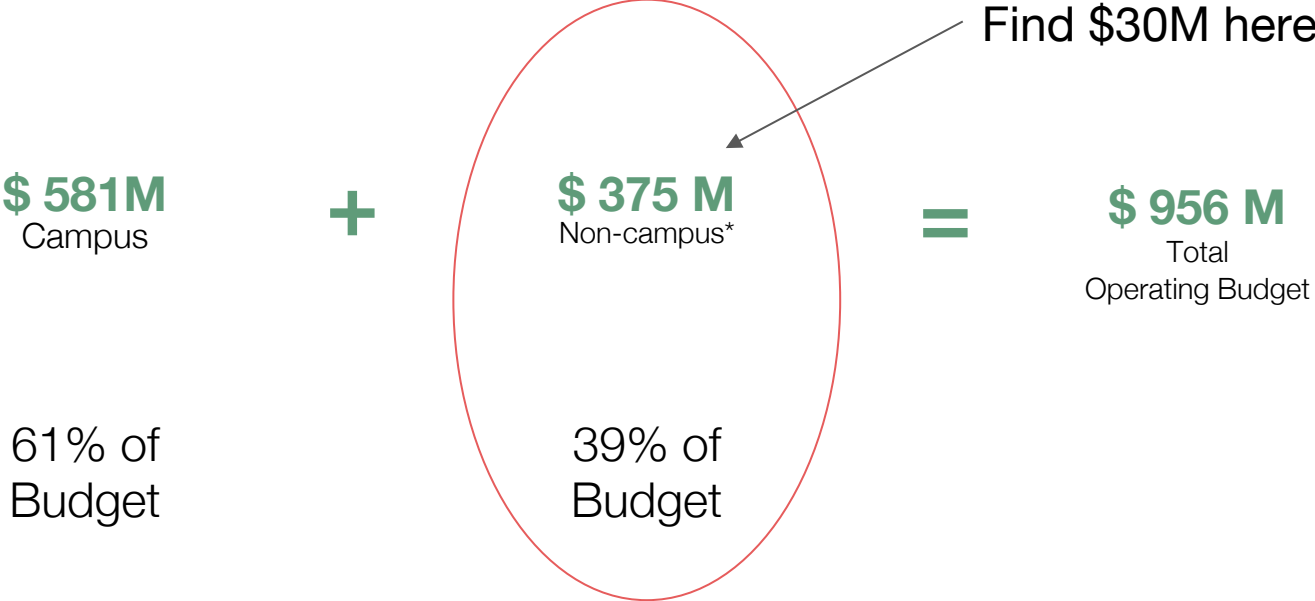
- **Contracts**
 - Cost
 - Purpose
 - Impact on Student Outcomes
- **Software**
 - Purpose
 - Utilization
 - Impact on Student Learning
- **Staffing and other efficiencies**
 - Primarily at Central Office
 - Efficiencies & Effectiveness

Communication & Engagement

- Financial Planners
 - Maintain Aaa Rating
 - Explore Options
- All Principals (on-going through the spring)
- AAPSA (monthly)
- Budget Conversations (on-going)
- Education Austin Board



Campus vs. Non-campus Allocations



*Non-campus includes: Central Office, Warehouse, Transportation, Service Center, Technology Center, etc.

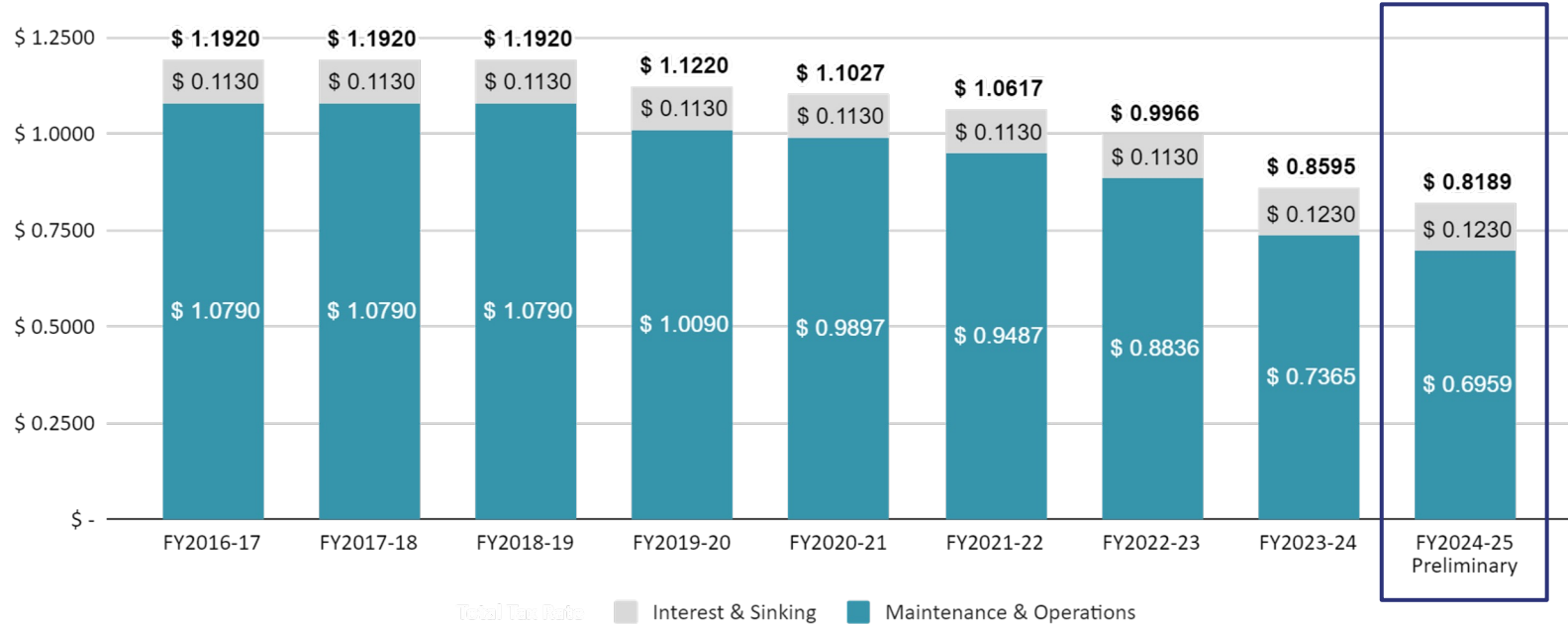


Savings Balance Sheet

Possible Savings	Savings
Operational Adjustments: <i>Identification of systemic efficiencies, redundancies, and savings including non-staffing costs, technology efficiencies, and other reductions.</i>	\$10,244,595
Overtime Controls: <i>Improved fiscal oversight on budgets and cost drivers - 30% reduction</i>	\$2,345,745
Contract Elimination: <i>Elimination of non-value added contracts</i>	\$434,218
Contract Reduction: <i>Reduction of scope for contracts to improve accuracy to actual needed costs.</i>	\$13,565,782
Vacant Central Office Positions: <i>Elimination of FTEs and restructuring of work and workflows for cost efficiency</i>	\$2,406,664
Downsizing Central Office: <i>Reduction of FTEs from central orgs to defer direct staffing effects to campuses and achieve cost savings</i>	\$1,363,398
Total:	\$30,360,402



Austin ISD's Tax Rate History



Did you know? The FY2024-25 preliminary tax rate is the **lowest rate in thirty-five years** at Austin ISD.

But why, if property values are increasing? Tax Compression



FY2024-25 **Additional Revenue Considerations:** Voter Approved Tax Ratification Election (VATRE)

Austin ISD has an opportunity to increase its M&O tax rate by **\$0.091**.

Based on the current funding formula, this would generate an potential estimated revenue of **\$46m**, after Recapture.

ADVANTAGES

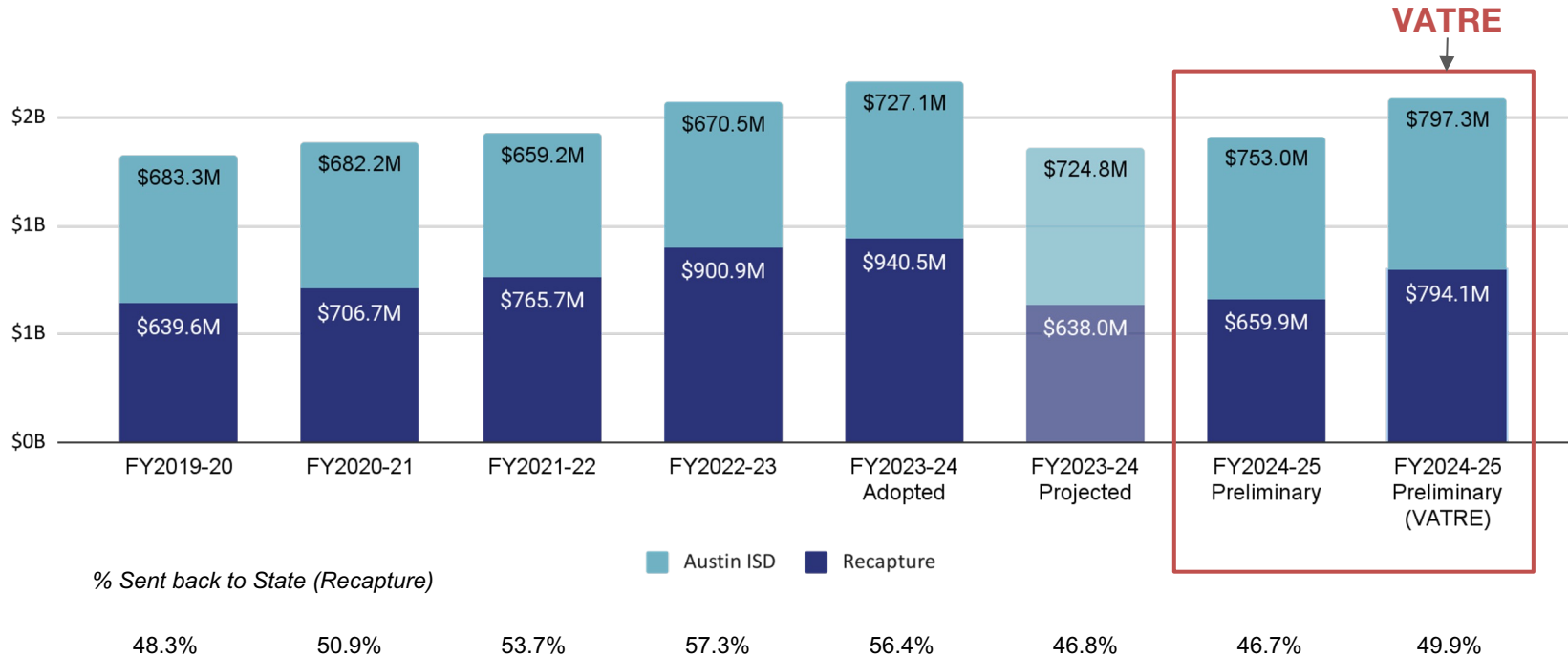
- Additional funding.
- Golden pennies **STAY** in Austin ISD.
- *Potential* assistance toward future years, regarding Fund Balance/Compensation.

DISADVANTAGES

- Tax increase for Austin ISD's community.
- Possible funding will be reduced in future years due to property value growth/recapture.
- Copper pennies are subject to Recapture.
- Recapture will continue to increase due to:
 - Property values increasing
 - Loss of enrollment
 - Declining Average Daily Attendance (ADA)



General Fund: Tax Collections v Recapture



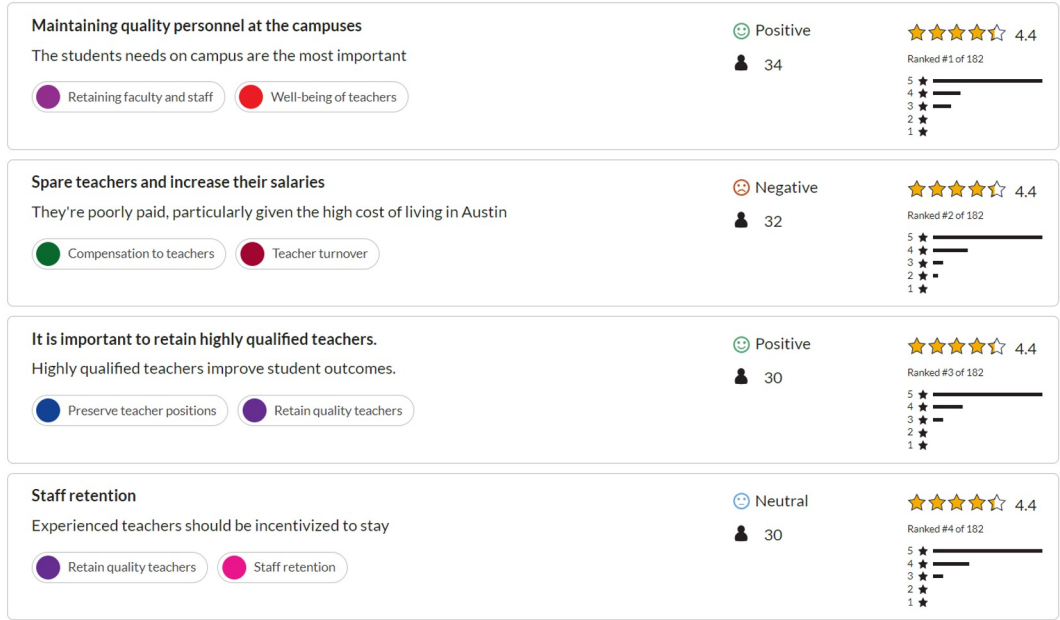
Note: During the 88th Texas Legislative session, SB2 was passed to increase residence homestead property tax exemption; therefore decreasing Austin ISD's tax collections as well as Recapture.



FY2024-25 Community Feedback

Prompt: What are the most critical things Austin ISD should consider when making this decision, regarding budget reductions?

- Well-being of students
- Compensation to teachers
- Retaining Faculty & Staff
- Higher Compensation for employees
- Invest in counselors
- Preserve Teacher positions
- Retain quality Teachers
- Reduce administrative positions
- Staff at the main office
- Staff retention
- Teacher turnover



Feedback Forum



What are the most critical things Austin ISD should consider when making a decision regarding budget reductions?

If you still have questions or want to share your concerns. Message us on Let's Talk (www.austinisd.org/letstalk) OR via Text: (512) 886-6434



2025 Budget

Community Conversations



Thank you!

Questions?

Strong Schools Stronger Austin





Optimistic Closure & Adjournment

Vanessa Santamaría-Dainton