

# 2023-24 Budget Hearing



Presented by Financial Services

August 21, 2023

# Board Timeline for Budget

- ✓ January: Introduction and budget parameters
- ✓ February: Long-Term Debt Plan/projections – Debt Service Fund
- ✓ March: Initial look at budget projections – General Fund
- ✓ April: Austin/Legislative Update
- ✓ May : Closer look at projections
- ✓ July: Preliminary Budgets All Funds
- August: Official Budget 2023-24 and Final Amended Budget 2022-23

# 2023-24 Budget Overview

The Texas Education Code requires that every local education agency in Texas prepare and file a budget of anticipated revenues and expenditures with the Texas Education Agency. The State Board of Education requires that this budget be prepared and adopted by August 31 by the Board of Trustees.

# Assumptions

Enrollment  
Growth

3.8%



New  
Campuses

Youngblood  
Elementary # 45

Faldyn  
Elementary # 46

Tax Base  
Growth

15.13%

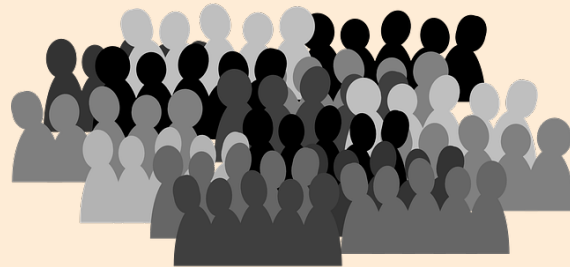


# Assumptions

Salary Increase  
3%

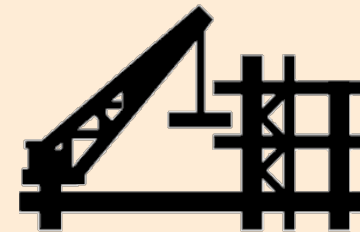
M&O Tax Rate

\$0.7294



I&S Tax Rate

\$0.3900

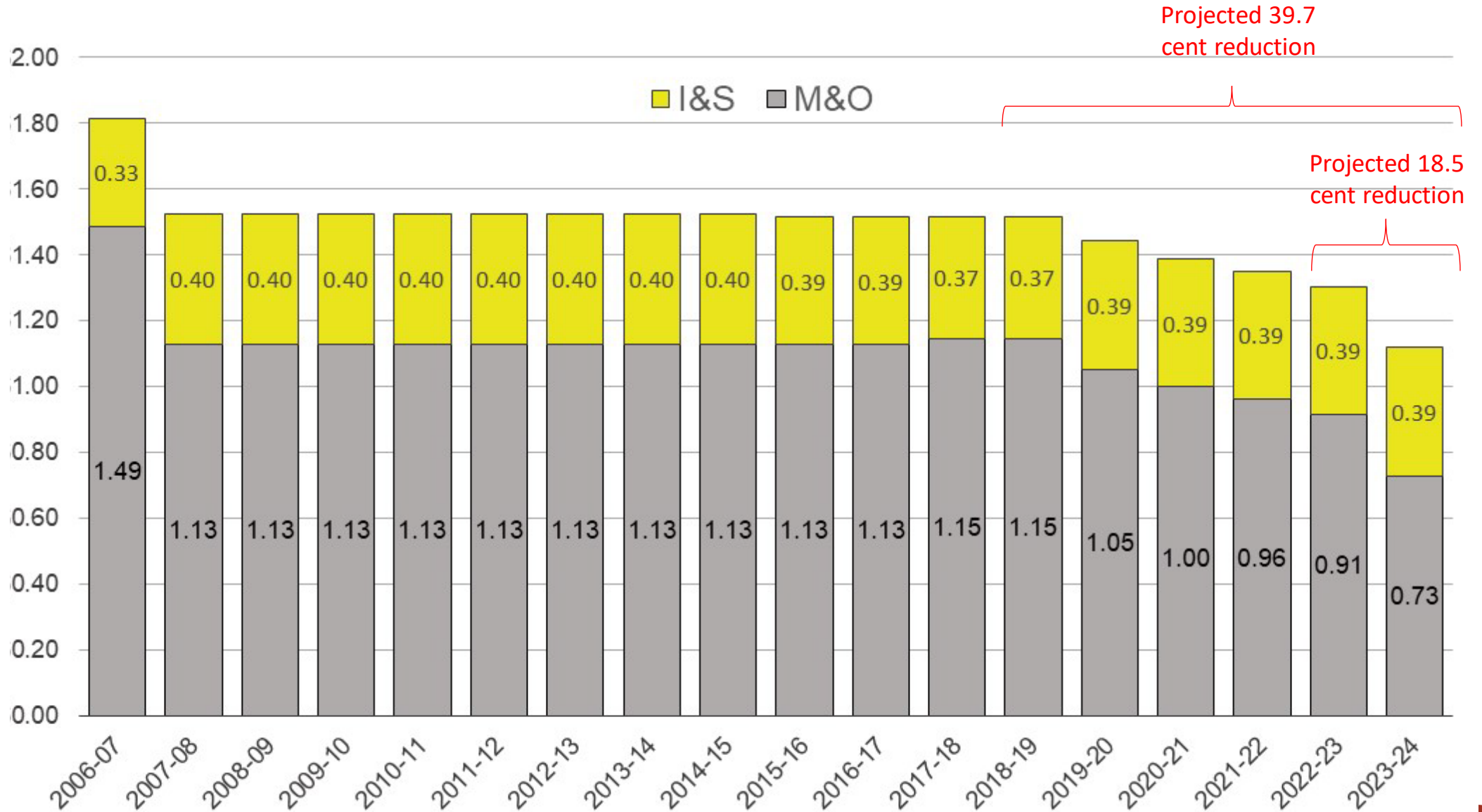


# Tax Rates




Interest & Sinking (I&S)

General (M&O)



# Anatomy of Katy ISD's Tax Rate

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Recommended 2023-2024
Compressed Rate	1.0866	0.9300	0.8886	0.8515	0.8046	0.6192
Golden Pennies	0.0600	0.0800	0.0800	0.0800	0.0800	0.0800
Copper Pennies	<u>0.0000</u>	<u>0.0431</u>	<u>0.0302</u>	<u>0.0302</u>	<u>0.0302</u>	<u>0.0302</u>
<b>M&amp;O Tax Rate</b>	<b>1.1466</b>	<b>1.0531</b>	<b>0.9988</b>	<b>0.9617</b>	<b>0.9148</b>	<b>0.7294</b>
I&S Tax Rate	<u>0.3700</u>	<u>0.3900</u>	<u>0.3900</u>	<u>0.3900</u>	<u>0.3900</u>	<u>0.3900</u>
<b>Total Tax Rate</b>	<b><u>1.5166</u></b>	<b><u>1.4431</u></b>	<b><u>1.3888</u></b>	<b><u>1.3517</u></b>	<b><u>1.3048</u></b>	<b><u>1.1194</u></b>
Annual Drop		-0.0735	-0.0543	-0.0371	-0.0469	-0.1854
Cumulative Drop		-0.0735	-0.1278	-0.1649	-0.2118	-0.3972

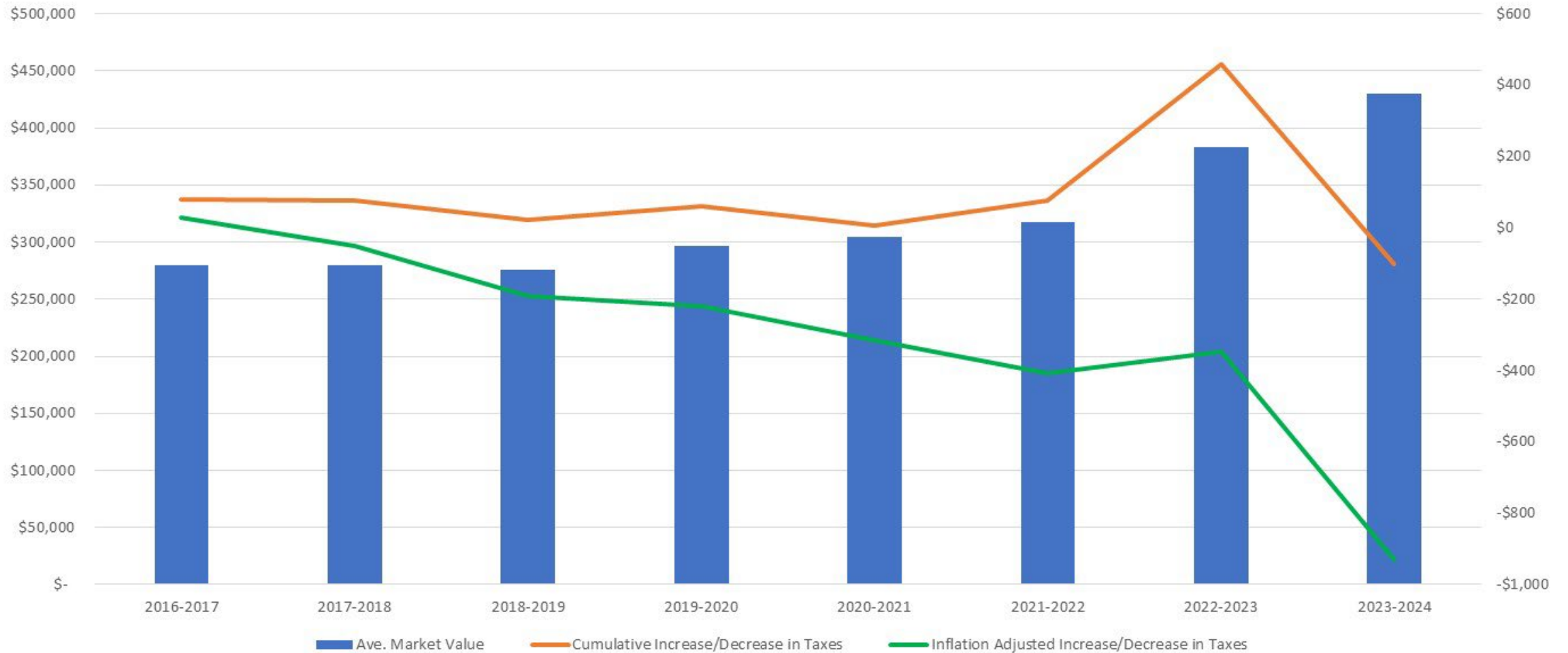

 \$0.1102

# Tax Rates

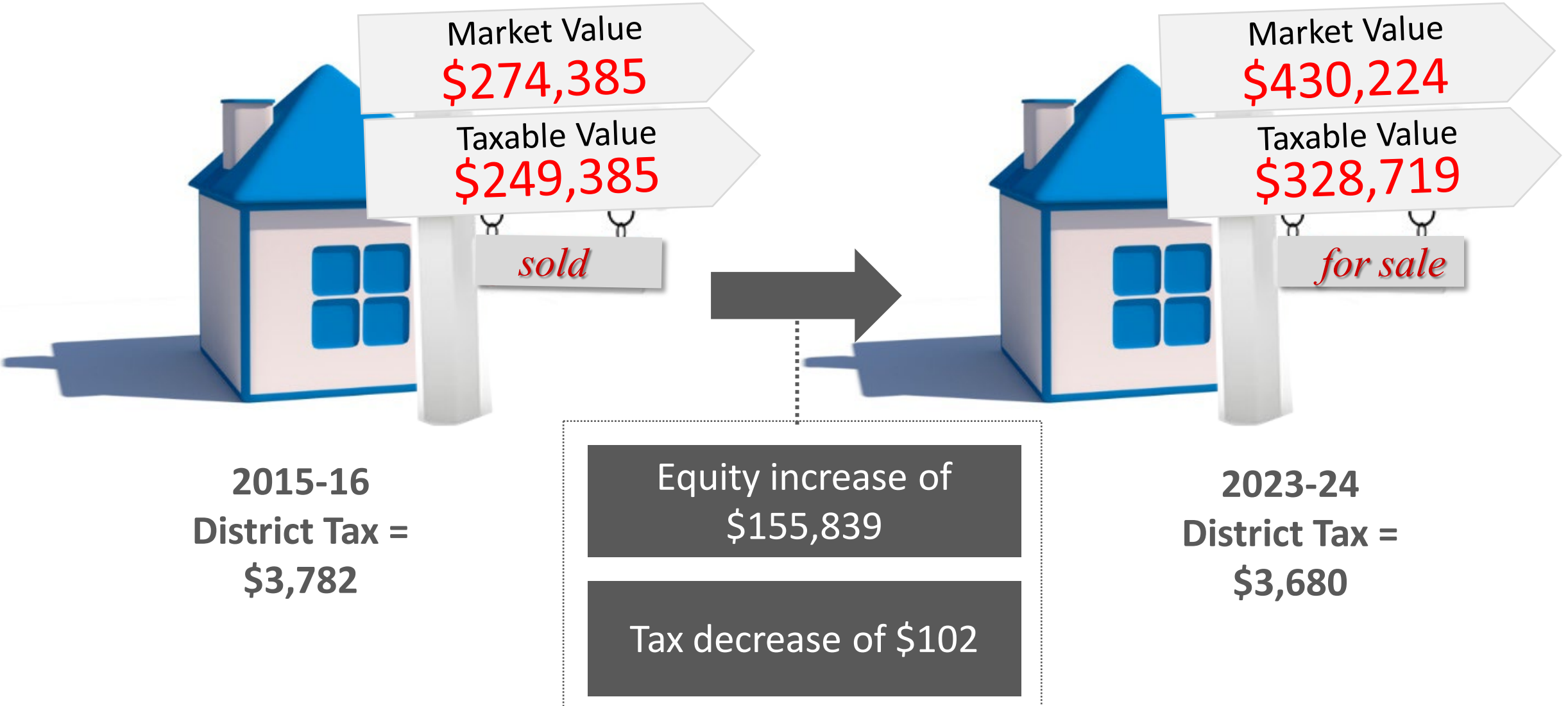
	2015- 2016	2016- 2017	2017- 2018	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023	2023- 2024
Ave. Market Value	\$274,385	\$279,498	\$279,372	\$275,827	\$296,883	\$304,133	\$317,292	\$383,264	\$430,224
Ave. Taxable Value	\$249,385	\$254,498	\$254,372	\$250,827	\$266,137	\$272,689	\$285,336	\$325,080	\$328,719
Tax Rate	<b>\$1.5166</b>	<b>\$1.5166</b>	<b>\$1.5166</b>	<b>\$1.5166</b>	<b>\$1.4431</b>	<b>\$1.3888</b>	<b>\$1.3517</b>	<b>\$1.3048</b>	<b>\$1.1194</b>
Taxes	\$3,782	\$3,860	\$3,858	\$3,804	\$3,841	\$3,787	\$3,857	\$4,242	\$3,680
Increase (decrease) on Avg. Residence	\$341	\$78	(\$2)	(\$54)	\$37	(\$54)	\$70	\$385	(\$562)



# Tax Rates

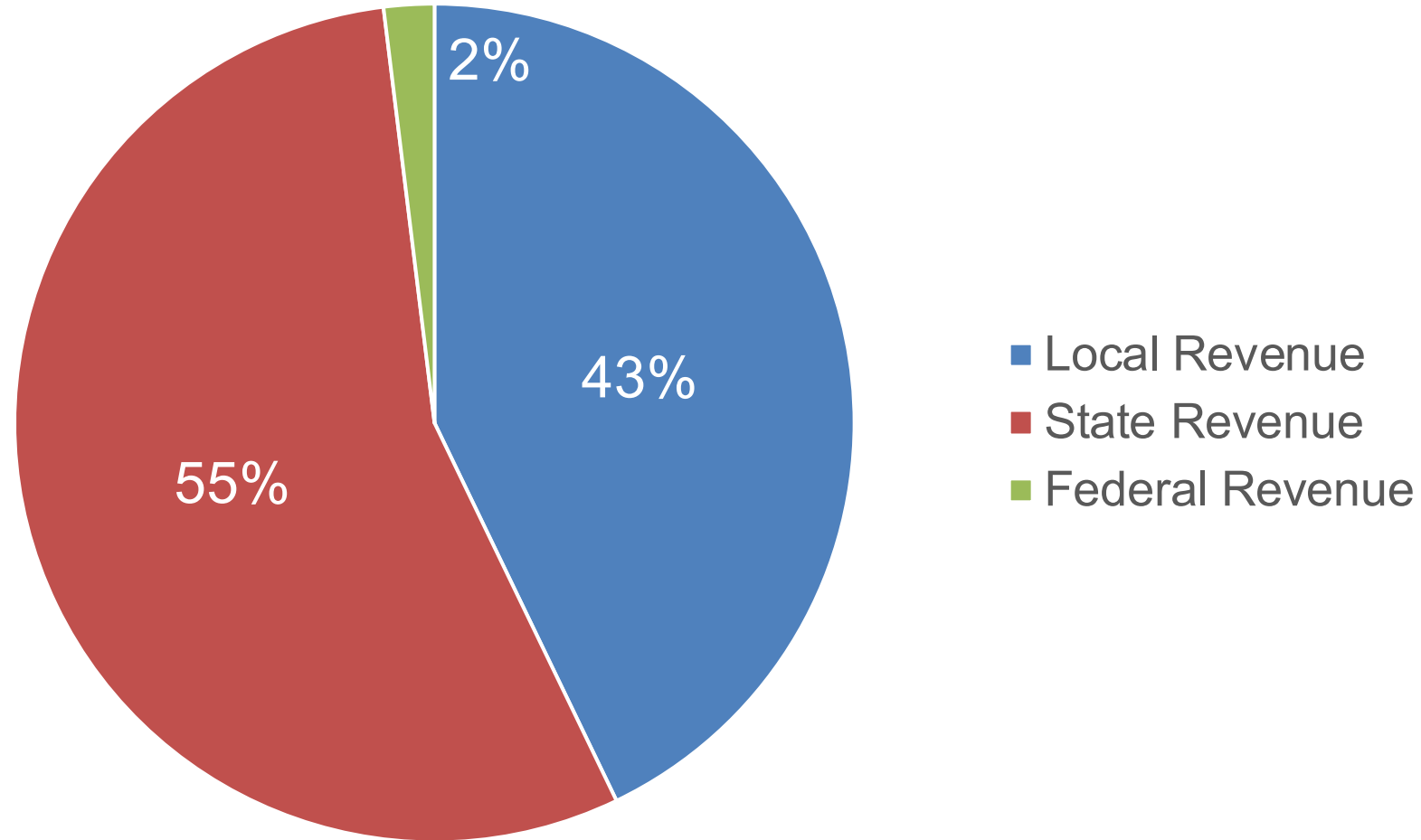


## Katy ISD Tax Illustration 2015 - 2023



# 2023-24 General Fund

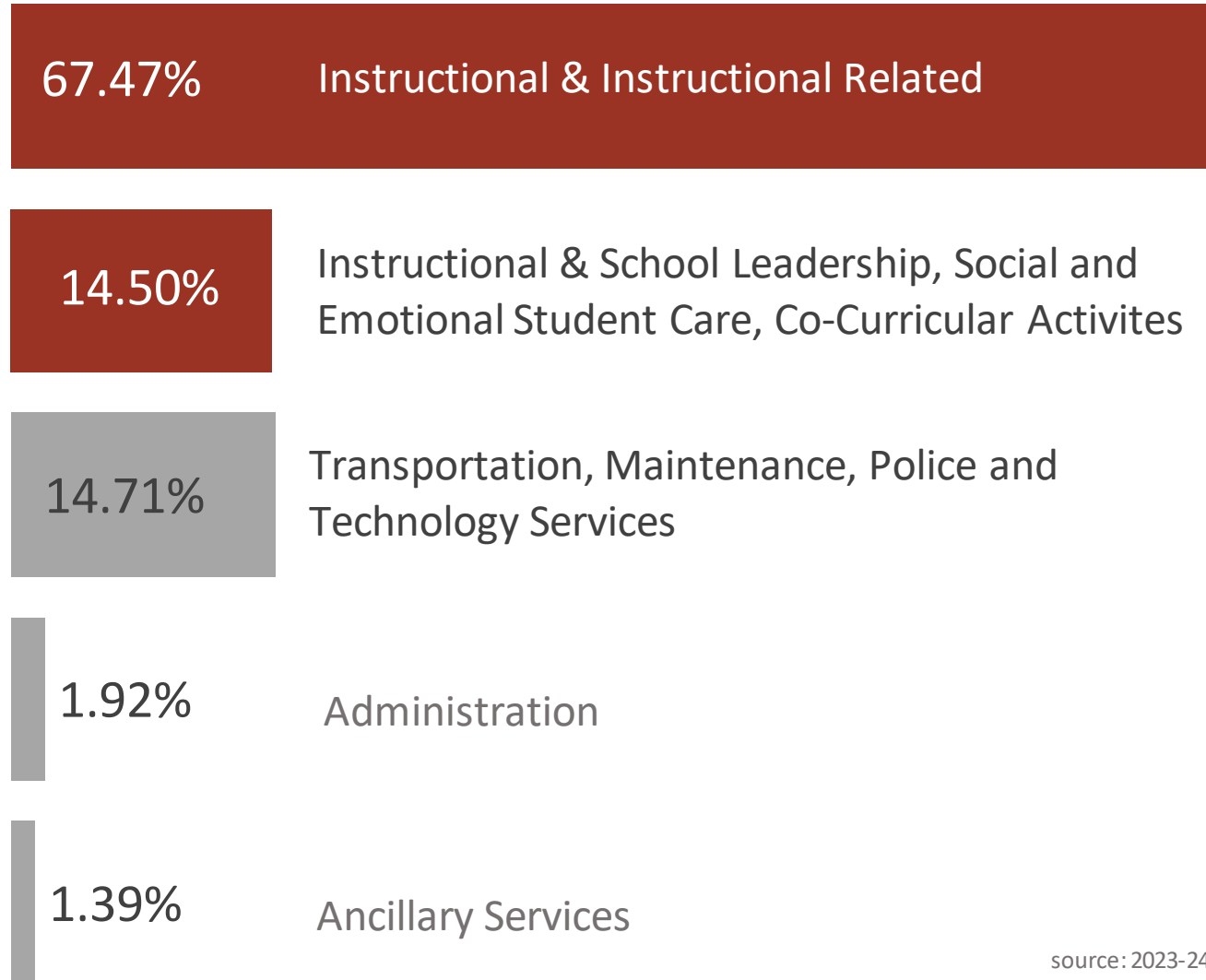
# 2023-24 General Fund - Revenue



# 2023-24 General Fund - Components



# 82% of Budget is spent in the Classroom



source: 2023-24 Proposed Budget

# 2023-24 General Fund

**Budgeted Fund Balance at September 1, 2023** **\$ 324,538,697**

## **Revenues**

Property Taxes and Other Local Revenues	439,153,271
State Program Revenues	565,444,224
Federal Program Revenues	<u>19,891,018</u>

**Total Revenues** **1,024,488,513**

## **Expenditures**

Payroll Costs	906,409,145
Purchased and Contracted Services	49,495,499
Supplies and Materials	45,379,925
Other Operating Expenses	25,098,870
SBITA	1,740,859
Capital Outlay	<u>1,943,144</u>

**Total Expenditures** **1,030,067,442**

**Operating Transfers In (Out)** **(2,500,000)**

**Net Change to Fund Balance** **(8,078,929)**

**Budgeted Fund Balance at August 31, 2024** **\$ 316,459,768**

# 2023-24 Food Service Fund



# 2023-24 Food Service Fund

**Budgeted Fund Balance at September 1, 2023**     \$     19,623,595

## **Revenues**

Local Revenues	16,155,000
State Program Revenues	200,000
Federal Program Revenues	<u>28,379,248</u>
<b>Total Revenues</b>	<u><b>44,734,248</b></u>

## **Expenditures**

Payroll Costs	17,384,673
Purchased and Contracted Services	296,000
Supplies and Materials	27,807,230
Other Operating Expenses	57,300
Capital Outlay	<u>15,580,000</u>
<b>Total Expenditures</b>	<u><b>61,125,203</b></u>

**Operating Transfers In (Out)**

**Net Change to Fund Balance**     (16,390,955)

**Budgeted Fund Balance at August 31, 2024**     \$     3,232,640

# 2023-24 Debt Service Fund

# 2023-24 Debt Service Fund

<b>Budgeted Fund Balance at September 1, 2023</b>	<u>\$60,342,815</u>
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## REVENUE ESTIMATES

Property Taxes & Other Local Revenues	225,881,935
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Existing Debt (EDA) Instructional Facilities Allotment (IFA)	
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Additional State Aid For Homestead Exemption (ASAHE)	<u>14,878,439</u>
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<b>Total Revenues</b>	<u><b>240,760,374</b></u>
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## Expenditures

Principal Payments - General Obligation Bonds *	139,406,460
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Interest Payments - General Obligation Bonds	100,887,165
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Bank Fees - Trust Department and Other	<u>376,376</u>
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<b>Total Expenditures</b>	<u><b>240,670,000</b></u>
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<b>Net Change to Fund Balance</b>	<u>90,374</u>
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<b>Budgeted Fund Balance at August 31, 2024</b>	<u><u><b>\$60,433,189</b></u></u>
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\* Includes \$16 million defeasance

# 2023-24 Summary – All Funds-Budgeted

	General Fund	Food Services Fund	Debt Service Fund	Total
<b>Fund Balance at September 1, 2023</b>	<u>\$324,538,697</u>	<u>\$19,623,595</u>	<u>\$60,342,815</u>	<u>\$404,505,107</u>
<b>Revenues</b>				
Property Taxes and Other Local Revenues	439,153,271	16,155,000	225,881,935	681,190,206
State Program Revenues	565,444,224	200,000	14,878,439	580,522,663
Federal Program Revenues	<u>19,891,018</u>	<u>28,379,248</u>		<u>48,270,266</u>
<b>Total Revenues</b>	<u>1,024,488,513</u>	<u>44,734,248</u>	<u>240,760,374</u>	<u>1,309,983,135</u>
<b>Expenditures</b>				
Payroll Costs	906,409,145	17,384,673		923,793,818
Purchased and Contracted Services	49,495,499	296,000		49,791,499
Supplies and Materials	45,379,925	27,807,230		73,187,155
Other Operating Expenses	25,098,870	57,300		25,156,170
Debt Payments & SBITA	1,740,859		240,670,000	242,410,859
Capital Outlay	<u>1,943,144</u>	<u>15,580,000</u>		<u>17,523,144</u>
<b>Total Expenditures</b>	<u>1,030,067,442</u>	<u>61,125,203</u>	<u>240,670,000</u>	<u>1,331,862,645</u>
<b>Operating Transfers In (Out)</b>	<u>(2,500,000)</u>			<u>(2,500,000)</u>
<b>Excess (Deficiency) of Revenues</b>	<u>(8,078,929)</u>	<u>(16,390,955)</u>	<u>90,374</u>	<u>(24,379,510)</u>
<b>Fund Balance at August 31, 2024</b>	<u><u>\$316,459,768</u></u>	<u><u>\$3,232,640</u></u>	<u><u>\$60,433,189</u></u>	<u><u>\$380,125,597</u></u>

# 2023-24 Summary – All Funds-Budgeted

	General Fund	Special Revenue Fund	Debt Service Fund	Total
<b>Revenues</b>				
Property Taxes and Other Local Revenues	\$ 439,153,271	\$ 16,155,000	\$ 225,881,935	\$ 681,190,206
State Program Revenues	565,444,224	200,000	14,878,439	580,522,663
Federal Program Revenues	19,891,018	28,379,248		48,270,266
<b>Total Revenues</b>	<b>1,024,488,513</b>	<b>44,734,248</b>	<b>240,760,374</b>	<b>1,309,983,135</b>
<b>Expenditures</b>				
Instruction	668,167,051			668,167,051
Instructional Resources and Media Services	10,372,084			10,372,084
Curriculum and Instructional Staff Development	14,681,722			14,681,722
Instructional Leadership	9,547,119			9,547,119
School Leadership	56,516,453			56,516,453
Guidance, Counseling and Evaluation Services	51,282,123			51,282,123
Social Work Services	1,071,753			1,071,753
Health Services	10,613,241			10,613,241
Student (Pupil) Transportation	25,802,906			25,802,906
Food Services		61,125,203		61,125,203
Co-curricular/Extracurricular Activities	22,477,211			22,477,211
General Administration	19,826,065			19,826,065
Plant Maintenance and Operations	90,088,284			90,088,284
Security and Monitoring Services	14,569,558			14,569,558
Data Processing Services	18,947,571			18,947,571
Community Services	640,168			640,168
Debt Service & SBITA	1,740,859		240,670,000	242,410,859
Facilities Acquisition and Construction	1,354,327			1,354,327
Payments to Fiscal Agents	850,000			850,000
Payments to Juvenile Justice Education Progra	75,000			75,000
Payments to Tax Increment Fund	5,433,947			5,433,947
Intergovernmental	6,010,000			6,010,000
<b>Total Expenditures</b>	<b>1,030,067,442</b>	<b>61,125,203</b>	<b>240,670,000</b>	<b>1,331,862,645</b>
<b>Operating Transfers In (Out)</b>	<b>(2,500,000)</b>			<b>(2,500,000)</b>
<b>Excess (Deficiency) of Revenues</b>	<b>\$ (8,078,929)</b>	<b>\$ (16,390,955)</b>	<b>\$ 90,374</b>	<b>\$ (24,379,510)</b>

# Board Timeline for Budget

- ✓ January: Introduction and budget parameters
- ✓ February: Long-Term Debt Plan/projections – Public Finance Fund
- ✓ March: Initial look at budget projections – General Fund
- ✓ April: Austin/Legislative Committee
- ✓ May: Close working sessions
- ✓ July: Preliminary Budgets All Funds
- ✓ August: Final Budget 2023-24 and Final Amended Budget 2022-23

**COMPLETED**

# District Level Considerations - Planning

Closely  
monitor all  
expenditures



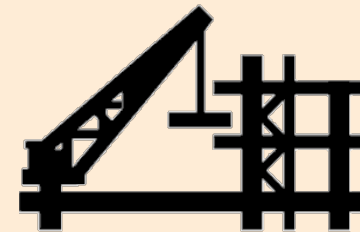
Prepare for  
Growth

1. New campuses
2. Staffing
3. Operations



New Campuses  
2024-2025

High School #10  
Junior High #18

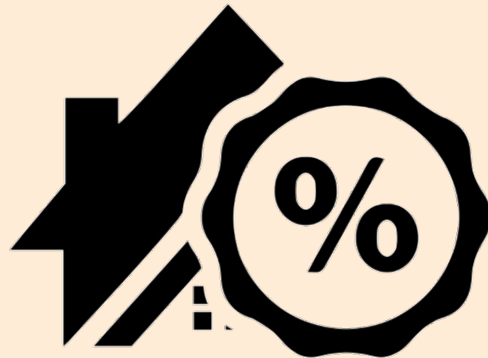


# District Level Considerations - Planning

Enrollment  
Growth



Property  
Value  
Growth



Economic  
Uncertainty





# What's Next?

- **Expect Budget Amendments**

- Likely to amend budget to reflect final values
  - Timing Amendments (continue to experience supply chain and delivery issues)

- **Special Session #3**

- Legislators are being told to prepare for a special session in October focusing on vouchers, school funding and teacher pay.
- Currently \$4 billion in state budget for additional school funding.
- Currently \$500 million in state budget for vouchers.
- These amounts will remain unspent unless legislation is passed to authorize the appropriations.

# Thank You