

# Budget and LBB Workshop

Date: 04/27/2020

Presenter: Office of Finance



# Agenda

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- LBB Cost Savings Recommendations
- LBB Recommendations Completion Update
- 2019-2020 Budget Considerations
  - COVID-19 Costs To Date
- 2020-2021 Updated Considerations
- A Look at 2021-2022
- Other Items

# LBB Cost Savings Recommendations

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Fund	Amount	Amount
General Fund	\$ 19,079,023	\$ 2,557,754
Bond Fund	\$ 121,822	\$ 121,822
ACP-Internal Service Fund	\$ 1,168,475	\$ -
Nutrition Services	\$ 21,810,521	\$ 3,453,012
<b>LBB Total Proposed Savings</b>	<b>\$42,179,841</b>	<b>\$6,132,588</b>

# LBB Cost Savings Recommendations

Recommendation	Area	2020-2021	Realized	Fund	Additional Information
1	DISTRICT ORGANIZATION, PLANNING, AND GOVERNANCE	\$ 215,118	\$ 412,078	General Fund	
27	FINANCIAL MANAGEMENT	\$ 1,168,475	\$ -	ACP-Internal Service Fund	This assumes closing the program, doesn't impact the General Fund
31	ASSET AND RISK MANAGEMENT	\$ 538,071	\$ -	General Fund	
35	PURCHASING AND CONTRACT MANAGEMENT	\$ 1,404,893	TBD	General Fund	Spread across the district in schools and departments
37	PURCHASING AND CONTRACT MANAGEMENT	\$ 51,672	\$ -	General Fund	
38	PURCHASING AND CONTRACT MANAGEMENT	\$ 534,930	TBD	General Fund	
39	HUMAN RESOURCES MANAGEMENT	\$ 279,353	\$ 145,676	General Fund	
41	HUMAN RESOURCES MANAGEMENT	\$ 1,782,347	TBD	General Fund	Spread across the district in schools and departments
42	HUMAN RESOURCES MANAGEMENT	\$ 1,700,746	TBD	General Fund	Spread across the district in schools and departments
46	FACILITIES USE AND MANAGEMENT	\$ (43,760)	\$ -	General Fund	
50	FACILITIES USE AND MANAGEMENT	\$ 121,822	\$ 121,822	Bond Fund	Can't be used in the General Fund
53	FACILITIES USE AND MANAGEMENT	\$ 714,696	\$ 2,000,000	General Fund	
55	FACILITIES USE AND MANAGEMENT	\$ 1,367,245	\$ -	General Fund	
57	FACILITIES USE AND MANAGEMENT	\$ 6,545,748	\$ -	General Fund	
62	SAFETY AND SECURITY MANAGEMENT	\$ (59,845)	\$ -	General Fund	
64	SAFETY AND SECURITY MANAGEMENT	\$ 3,544,207	TBD	General Fund	Revenue assumption, not currently in the budget
72	NUTRITION SERVICES MANAGEMENT	\$ 17,456,220	TBD	Nutrition Services	Revenue assumption, not currently in the budget, can't be used in the General Fund
73	NUTRITION SERVICES MANAGEMENT	\$ 257,958	\$ 653,012	Nutrition Services	Revenue assumption, not currently in the budget, can't be used in the General Fund
75	NUTRITION SERVICES MANAGEMENT	\$ 396,260	TBD	Nutrition Services	Can't be used in the General Fund
76	NUTRITION SERVICES MANAGEMENT	\$ 3,630,960	\$ 2,800,000	Nutrition Services	Can't be used in the General Fund
78	NUTRITION SERVICES MANAGEMENT	\$ 69,123	TBD	Nutrition Services	Can't be used in the General Fund
86	TRANSPORTATION MANAGEMENT AND FLEET OPERATIONS	\$ 12,152	\$ -	General Fund	
88	COMMUNITY INVOLVEMENT	\$ 491,450	TBD	General Fund	
<b>LBB Total Proposed Savings</b>		<b>\$42,179,841</b>	<b>\$6,132,588</b>		

Assumed Revenues

# Recommendations

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- Recommendation 1: Modify the district's organizational structure to decrease the superintendent's supervisory responsibilities and streamline the number of executive leadership positions.
  - LBB Savings - \$215,118
  - Realized Savings - \$412,078
  - Closed the Chief of Government Relations and Chief Development Officer
- Recommendation 27: Increase the annual revenue of the alternative certification program (ACP) to meet operating expenses, or eliminate the program and seek partnerships with other certifying organizations to meet Houston ISD's ongoing needs.
  - LBB Savings - \$1,168,475
  - Realized Savings - \$0
  - The ACP program had a net income of \$178,958 in 2018-2019. The annual savings assumed closing the program and reducing the possibility of the general fund covering a loss. The general fund does not have any funds supporting the ACP program nor is the program projected to have an ongoing loss at this time.

# Recommendations

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- Recommendation 31: Analyze property insurance needs based on construction projects and increasing property values, and present a plan to the board to control increasing premium costs.
  - LBB Savings - \$538,071
  - Realized Savings - \$0
  - Due to worldwide catastrophic property losses in 2016 and 2017, insurance markets began increasing pricing, increasing deductibles and reducing or eliminating coverages that have been previously offered. With these market conditions, HISD cannot expect to engage carriers that are willing to offer lower deductibles than the district has at present time. Our broker has worked aggressively with the insurance markets to maintain our existing deductibles and have been successful in doing so. While our rates have increased since 2017, they are less than our rate in 2013. In addition, carriers will decline to offer a quote that is equal to or greater than sustained losses that are below the current “All Other Perils” deductible of \$250,000. The value of a self-insurance recovery fund for losses is less than our deductible. As well as, the dollars retained by HISD to use for damages to our properties instead of being paid to the insurance carriers as premium dollars. Lastly, the district built new schools and conducted major renovations on existing schools during the 2012 bond program. New schools and renovations increase the “Total Insured Value” resulting in changes to property coverages.

# Recommendations

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- Recommendation 35: Develop and implement efficient auditing guidelines and financial controls for purchasing card processing to safeguard district assets and ensure that all transactions follow district procedures.
  - LBB Savings - \$1,404,893
  - Realized Savings - \$TBD
  - This is unknown at this time and difficult to quantify in reality. The funds saved would be spread in budgets, primarily the general fund, throughout the district so there is no one budget location that the district could recover funds from to re-appropriate or cut.
  - Purchasing Services is implementing a credit card compliance software that will allow the department to audit all transactions and identify the following:
    - Recover sales tax paid in error
    - Split transactions
    - Duplicate transactions
    - Payments made to non-board approved vendors

# Recommendations

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- Recommendation 37: Revise travel procedures for more efficient travel processing.
  - LBB Savings - \$51,672
  - Realized Savings - \$0
  - Purchasing Services has researched and consulted with travel agencies regarding district air, vehicle and lodging accommodations. After review, it was determined travel agencies charge per individual reservation/booking, arrangement modification and cancellation. Due to the fact that third party software can't interface with SAP, the district would still require a purchasing services travel representative to manage, review and process all accommodations. Eliminating this position would not be in the best interest of the district or its employees that require travel arrangements.

# Recommendations

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- Recommendation 38: Review the efficiency of each warehouse function and implement processes to make the most productive use of warehouse services.
  - LBB Savings - \$534,930
  - Realized Savings - \$TBD
  - Despite numerous staff reductions, Logistics consistently reviews the functionality of each warehouse annually for efficiency. This includes weekly stock level adjustments and an annual review of all stocked items to ensure processes employed maximize the district's use of inventory. Standard operating procedures have been implemented to ensure productivity include the following:
    - Maximum and minimum stock levels
    - Annual and semi-annual inventory
    - Turnover ratio
    - Categorize inventory
    - Forecasting
    - Optimize warehouse layout to reducing picking/staging time
  - The LBB also discusses automations, catalogs, and more auctions in the warehouses which will require funding to implement software to support it. This cost is not included in the discussion and must be done before the elimination of any positions.

# Recommendations

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- Recommendation 39: Reorganize the Human Resources Department and adhere to best practices for an effective and equitable span of control.
  - LBB Savings - \$279,353
  - Realized Savings - \$145,676
  - The department did reduce two General Manager Positions but also implemented other concerns outlined in the LBB report on shortages and staffing in HR where the LBB did not reference a cost to implement.
- Recommendation 41: Establish controls to monitor overtime, reassess staffing levels in key departments, and work to decrease overtime costs.
  - LBB Savings - \$1,782,347
  - Realized Savings - \$TBD
  - A process is still being discussed for overtime approvals. Without a timekeeping system this is a manual process. What controls would actually save is unknown at this time. The funds saved would be spread throughout different budgeted funds (General Fund, Special Revenue, Nutrition Services, etc...) throughout the district so there is no one budget location that the district could recover funds from to re-appropriate or cut.

# Recommendations

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- Recommendation 42: Strengthen controls over ad hoc stipends and extra-duty pay.
  - LBB Savings - \$1,700,746
  - Realized Savings - \$TBD
  - A process is still being discussed for stipend approvals. What additional controls would actually save is unknown at this time. The funds saved would be spread throughout different budgeted funds (General Fund, Special Revenue, Nutrition Services, etc...) throughout the district so there is no one budget location that the district could recover funds from to re-appropriate or cut.
- Recommendation 46: Develop an accurate facility utilization rate for each campus and ensure that campuses maintain industry-standard utilization rates.
  - LBB **Cost** - \$43,760
  - Realized Savings - \$0
  - Position has not been opened yet. This work won't happen until the Facilities Assessment is approved and a bond referendum date is determined. A demographic and building capacity study is a part of this assessment.

# Recommendations

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- Recommendation 50: Evaluate all position titles and job responsibilities within the Construction Services Department and Facilities Services Department and ensure that titles and responsibilities match the functions performed by each position.
  - LBB Savings - \$121,822
  - Realized Savings - \$121,822
  - Sr. Manager Business Solutions closed.
- Recommendation 53: Develop a clear reporting structure for the Energy Initiatives Department and an energy management plan.
  - LBB Savings - \$714,696
  - Realized Savings - \$2,000,000 estimated
  - In progress. An updated energy management system will be included in a proposed future bond. The district did make changes in the spring of 2019 changing the district's electricity purchasing process beginning July 1, 2020.

# Recommendations

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- Recommendation 55: Develop long-term planning strategies for the Maintenance Department, such as a staffing allocation model and a preventive maintenance program.
  - LBB Savings - \$1,367,245
  - Realized Savings - \$0
  - In progress, but this will actually have an increase in labor spend to initiate adding more of the HVAC Repairer II's or III's to the FMO staffing allocation. There are currently 57 HVAC Repairer III's for 284 campuses. The recommendation will actually call for adding HVAC Repairer II's back in to increase the filter changing and preventive maintenance cycle from a 90 day rotation to a 30 to 45 day rotation, which will identify long-term savings in minimizing capital replacement of MEP equipment.
- Recommendation 57: Reassign the custodial vendor's responsibilities to district custodial staff.
  - LBB Savings - \$6,545,748
  - Realized Savings - \$0
  - No savings are realized by this recommendation due to the reduction of the 361 outsourced employees having a direct cost of \$15 million in salaries annually, \$760k annually for unbudgeted overtime that will occur, and \$2 million annually for custodial supplies that are apart of the outsourced contract to provide. Assumes maintaining the same level of cleaning at the campuses.
  - \$2 million in one-time equipment costs.
  - Additionally, Plant Operators are not included in the FTE's for cleaning. The LBB estimate included Plant Operators in the savings where there are no Plant Operator costs in the contract.

# Recommendations

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- Recommendation 62: Make staffing, transportation, and facility changes to improve the Houston ISD Police Department's processing unit for efficiency and safety.
  - LBB **Cost** - \$59,845
  - Realized Cost - \$0
  - We have added a full time officer to help manage the processing of prisoners. This is in addition to the arresting officer. Together they should be able to safely book the prisoner (fingerprinting, tagging of property/evidence, filing of charges). We also have a security guard on staff to assist.
- Recommendation 64: Develop an enforcement mechanism to ensure that campuses are utilizing all required interventions before making truancy case referrals.
  - LBB Savings - \$3,544,207
  - Realized Savings - \$TBD
  - This is an assumption that district revenues increase due to an increase in the Average Daily Attendance (ADA) rate. This isn't a budgeted expenditure that the district can access until there is evidence that the ADA rate is increasing.
  - The Graduation Support Meetings are held at all high school campuses to address and monitor student recovery, truancy, and chronic absenteeism. These meetings consists of campus and district personnel (principal, assistant principal, counselor, registrar, wraparound specialist, district level attendance staff, nurse, and other essential campus/district personnel). These GSMs provide interventions, resources, and trainings to recapture students at the campus.

# Recommendations

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- Recommendation 72: Analyze participation rates monthly, develop and implement strategies to increase participation, and develop board policies that address challenges to participation.
  - LBB Savings - \$17,456,220
  - Realized revenue increase – TBD
  - Reminder that these are Child Nutrition funds and cannot be used for any other purpose.
  - This is an assumption that district child nutrition revenues increase due to an increase in participation.
  - The enrollments used for this estimate were based on enrollments of 216,000 students. The current enrollment is closer to 209,000 students of which the district can only feed a maximum of about 189,000 reimbursable students actually in attendance every day. Texas Connections Academy has about 6,000 students that are not part of our Nutrition Services program as online students.
  - The days used for estimation was 180 days. HISD has 173 instructional days. That would reduced the LBB recommendation by about \$700k.
  - Based on current enrollments the estimated increase in revenues from proposed increase in participation is about \$11.6 million.
    - Current breakfast participation is 104,839 per day and would need to increase to 120,980 (increase of 16,140)
    - Current lunch participation is 127,814 per day and would need to increase to 137,516 (increase of 9,701)
  - Key performance indicators for the management of operations include meals per labor hour, meal participation, average meals per day, customer service level (warehouse distribution accuracy), food waste costs, ala carte, sales food cost percentage, inventory value, commodity usage, overtime hours, pre-/post-menu cost analysis, and total revenue year to date.

# Recommendations

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- Recommendation 72 (cont):
- Departmental goals for the 2019-2020 appraisal for all Nutrition Services associates include maximizing participation in all federally funded meal programs to increase the average daily participation rate by ensuring that food is available to 100 percent of students by April 1, 2020.
  - The Culinary team will demo new menu items and ensure all new recipes are student-approved.
  - Nutrition Services will create a promotional calendar of events for student engagement.
  - Key performance indicators for the management of operations include meals per labor hour, meal participation, average meals per day, customer service level (warehouse distribution accuracy), food waste costs, a la carte sales/food cost percentage, inventory value, commodity usage, overtime hours, pre-/post-menu cost analysis, and total revenue year-to-date.
  - Operational challenges to participation
    - Amount of time available to eat meals
    - Size of cafeterias / lunch rooms in our older campuses

# Recommendations

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- Recommendation 73: Hold principals accountable for ensuring that all competitive foods sales on campuses comply with U.S. Department of Agriculture regulations.
  - LBB Savings - \$257,958
  - Realized Savings - \$653,012
  - Reminder that these are Child Nutrition funds and cannot be used for any other purpose.
  - This is an assumption that district child nutrition revenues increase due to following competitive food sale guidelines.
  - Competitive Sales Policy were enforced by high school administrators on October, 2019. The daily lunch meal growth between October and November was 1,912.17. The retail sales revenue grew by \$4,276.76 per day and reimbursements grew \$2,525.45 per day. The revenue difference is \$6,802.21 per day. We are projecting an increase of \$653,012.13 ( $6802.21 \times 96$ ), based on the daily run rates.
  - The above results are based on the assumption that district child nutrition revenues will increase due to following competitive food sale guidelines.
  - Multiple Academic Services Memos regarding competitive foods, USDA regulations, and waiver days for fundraising have been sent to all principals. In addition, leaders will be retraining on competitive food sales and associated guidelines during PLS and New Leader Training.

# Recommendations

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- Recommendation 75: Develop and implement procedures and systems to provide oversight and consistent management of campus cafeteria operations.
  - LBB Savings - \$396,260
  - Realized Savings - \$TBD
  - Reminder that these are Child Nutrition funds and cannot be used for any other purpose.
  - Have created dashboards that better monitor district KPI's and are reviewed weekly and monthly in management meetings.
  - Still developing the school Profit and Loss Statements (P&L's) so that the individual cafeterias have more timely information.
  - Nutrition Services is evaluating software changes to assist with inventory management and quicker payment to vendors.
- Recommendation 76: Use productivity data to manage staffing in accordance with industry standards.
  - LBB Savings - \$3,630,960
  - Realized Savings - \$2,800,000
  - Reminder that these are Child Nutrition funds and cannot be used for any other purpose.
  - Closed 150 vacant food service attendants through attrition.

# Recommendations

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- Recommendation 78: Develop a plan to improve catering and adult-only meal operations to a financially accountable position.
  - LBB Savings - \$69,123
  - Realized Savings - \$TBD
  - Discussions are still occurring related to the Hattie Mae's cafeteria and catering operations of the district.
  - The recommendation recommends eliminating free meals at the Hexser Holliday Facility. This expenditure is allowable by federal guidance and is a common practice among child nutrition programs.

# Recommendations

- Recommendation 86: Develop a bus replacement plan that includes industry-standard criteria and decrease the number of spare and surplus school buses in the district's inventory.
  - LBB Savings - \$12,152
  - Realized Savings - \$0
  - Year to date the fleet operations department has disposed of 26 vehicles via scrap, comprised of yellow and white fleet which has generated \$18,200 in revenue. Year to date the fleet operations department has disposed of 22 vehicles via auction, comprised of yellow and white fleet which has generated \$75,334 in revenue. Current red tag, spare ration and average age by shop location is as follows;

SHOP	TOTAL VEHICLES	RED TAGGED	DISPOSAL	SPARES	RED TAG %	ROUTES	AVERAGE AGE BY FLEET
CENTRAL	253	27	12	40	11%	174	9.97
BARNETT	300	58	4	35	19%	203	8.21
BUTLER	312	21	2	25	7%	264	10.41
NWTC	264	23	7	65	9%	169	9.42
TSC	741	69	77	0	9%	0	11.26

- We can add that the district realizes on average a \$11 per vehicle/ per year savings for annual registrations. There is no realized savings for annual inspections since they are performed inhouse though our certified State inspectors.
- Spare bus ratio is still under review. The age of the fleet impacts the spare fleet ratio requirement. The older the fleet the higher the spare bus ratio due to more mechanical failures.

# Recommendations

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- Recommendation 88: Consolidate the Office of Communications and the Strategic Engagement and Outreach Department to streamline the district's communications functions.
  - LBB Savings - \$491,450
  - Realized Savings - \$TBD
  - Consolidation has started:
    - Eliminate duplication of efforts and working in silos
    - Remove added layer of reporting.
    - Eliminate confusion in the district and community.
    - Better use of resources and strategic coverage
    - Funding and job duties will be discussed and specified further via discussion between Chief Communication Officer and Chief of Facilities

# LBB Report Scope

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**Education**

**Finance**



**Operations**



# Report Findings

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- Analysis of the review findings was completed during late fall of 2019. The finalized report included 94 recommendations in five major categories:
  - Strengthening spending practices and improving financial monitoring
  - Reorganization and realigning of staff, departments, and functions
  - Standardization of programs and services
  - Improvement of communication, planning, and procedures
  - Improvement of board operations



# Intended Purpose

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- The purpose of the recommendations is to enable to district to improve overall performance of the services it provides to students, staff, and the community.

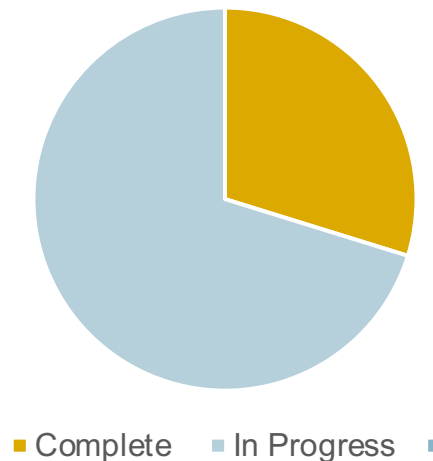


# Progress Summary

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- 29 out of 94 recommendations (30.85%) have been completed.
- 66 out of 94 recommendations are presently in progress and in various phases of implementation.

LBB Recommendations



# Completed Recommendations

## Since January Board Update

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**28:** Resume regular weekly staff meetings with department managers to exchange information, inform staff, and seek opportunities to increase efficiencies and collaboration across teams.

**29:** Enhance controls of cash and investment management processes.

**31:** Analyze property insurance needs based on construction projects and increasing property values and present a plan to the board to control increasing premium costs.

**33:** Develop procurement processes for greater productivity and efficiency, ensure that purchases are tracked, and increase communication and training to purchasing end users

**34:** Evaluate vendor management procedures to ensure that practices are transparent and equitable and provide the best value for the district.

**44:** Develop recruiting strategies for campuses that have high turnover among staff, and standardize procedures for hiring, integrating new staff, and exit interviews districtwide

**58:** Consolidate the safety functions and form a districtwide safety and security committee to address safety issues.

**60:** Charge specific positions with reassessing, maintaining, and regularly updating key district documents, such as memorandums of understanding and service expectations.

**61:** Develop and institute data-driven performance measures and information sources for the Houston ISD Police Department.

**90:** Update the affiliation agreement between the district and the Houston ISD Foundation to reflect actual practices and promote accountability and transparency to the public.

**94:** Develop guidelines to train parent and community volunteers.

# COVID-19

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2019-2020

# 2019-2020 COVID-19

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- Revenues
  - Expected slowdown in property tax collections, primarily delinquent taxes
    - Collected about 95% to date
    - Currently on track compared to prior year to date
    - Need to collect an additional \$65 million this fiscal year to meet budget.
  - Interest earnings are on track to the \$13 million budget
  - Lost miscellaneous revenues
    - Facility rentals
    - Purchasing rebates (reduced spending)
  - Lower indirect cost revenues from grants from lower expenditures
  - State funding
    - ADA and FTE's are being calculated based on the first four weeks of attendance and then adjusted for historical changes that occur between the first four six week periods and the last two six week periods.
    - Right now there is no hold harmless on transportation funding, potentially \$3-\$4 million.

# 2019-2020 COVID-19

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- COVID-19 Expenditures
  - \$16.5 million to date
    - Increased costs for non-exempt and hourly staff - \$1.7 million
    - Increase costs for laptops and hot spots
      - Laptop and Ipad purchases for students and staff - \$11.9 million
      - Hotspot purchases for students and staff - \$1.1 million
    - Increase cost for campus cleaning / maintenance (non-payroll) - \$744 K
    - AmplioSpeech Teletherapy costs for Special Education - \$995 K (encumbered)
  - Savings
    - Utilities
    - Gasoline for buses
    - Vacant positions (not currently doing hiring for 2019-2020)
    - Limited purchases from both campuses and departments
    - Reduced use of contracted services

# Budget Workshop

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2020-2021

# 2020-2021 Updated Assumptions

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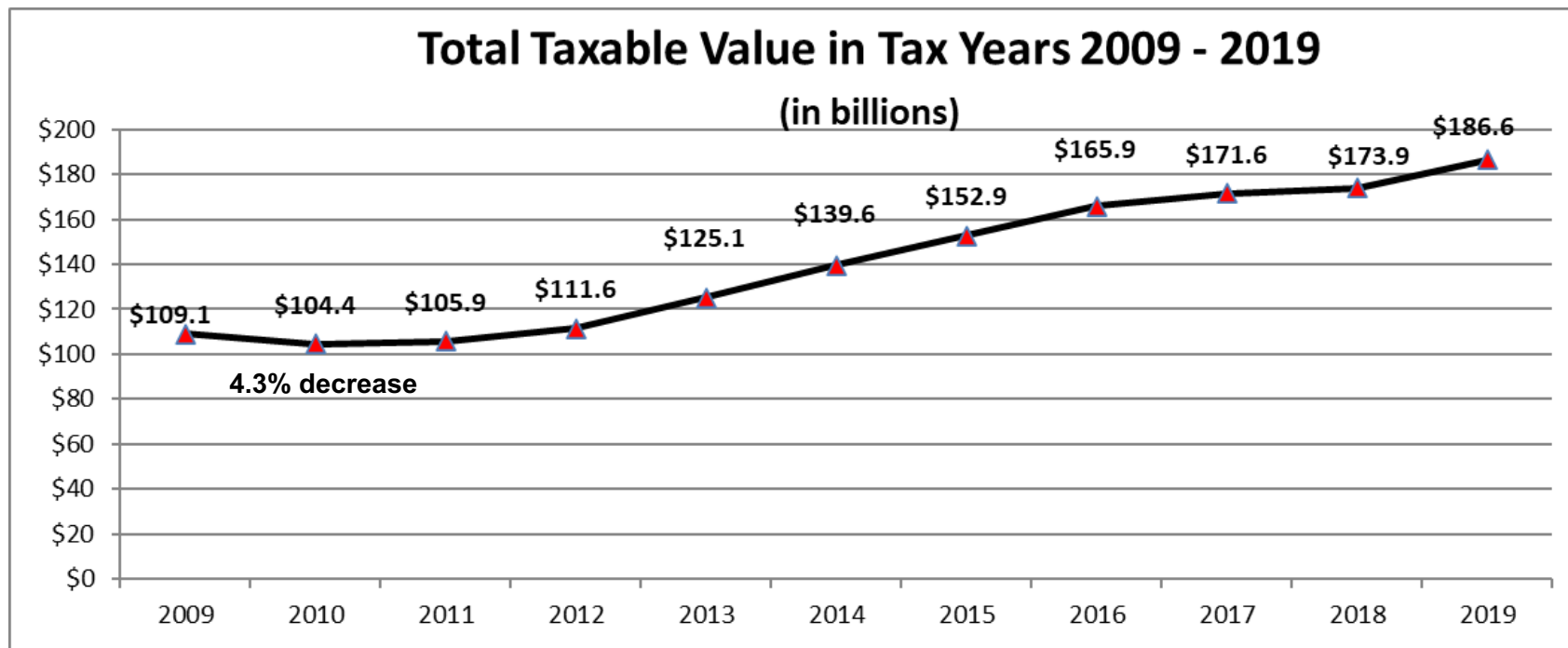
- Projecting a budget deficit due to COVID-19
- Property Value Increase – originally used 6% over current values
  - Updating to 4% over current values.
  - Reducing collection rate from 98% to 97%
  - Values based on January 2020 value
- Maintenance & Operations (M&O) tax rate
  - 2019-2020 current rate is \$0.97
  - 2020-2021 based on \$0.9630 (includes the additional golden penny)
  - This will change based on our roll values from HCAD either up or down.
  - TEA will notify districts of their maximum tax rate in late summer 2020.
- Originally projected enrollment of 209,309 – flat from 2019-2020 snapshot.
  - Updated to 207,809 (1,500 fewer students from 2019-2020 snapshot)

# 2020-2021 Updated Assumptions

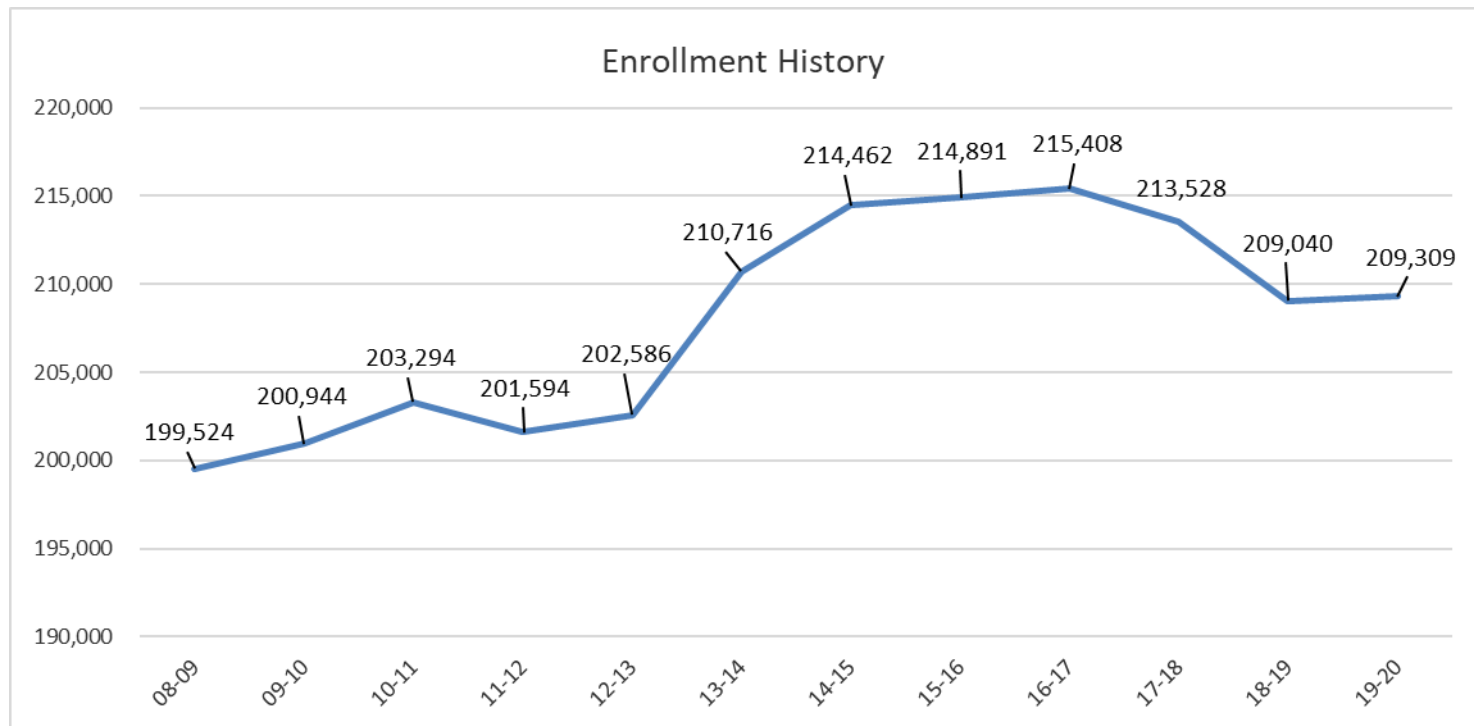
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- Reducing interest earnings by \$8 million due to lower interest rates from \$15 million.
- First year of excess revenue (old recapture) under HB3 with these assumptions – approximately \$12 million
- \$170 increase over 2019-2020 in Per Unit Allocation (PUA) for average salary increase.
- No increase over 2019-2020 in student weights.
- Continuing additional \$11m district contribution for health insurance.
- Summer school plan and costs are being developed
- Salaries:
  - \$24 million allocated
  - Assumes unanimous vote of an additional golden penny in September/October 2020

# Assessed Value History

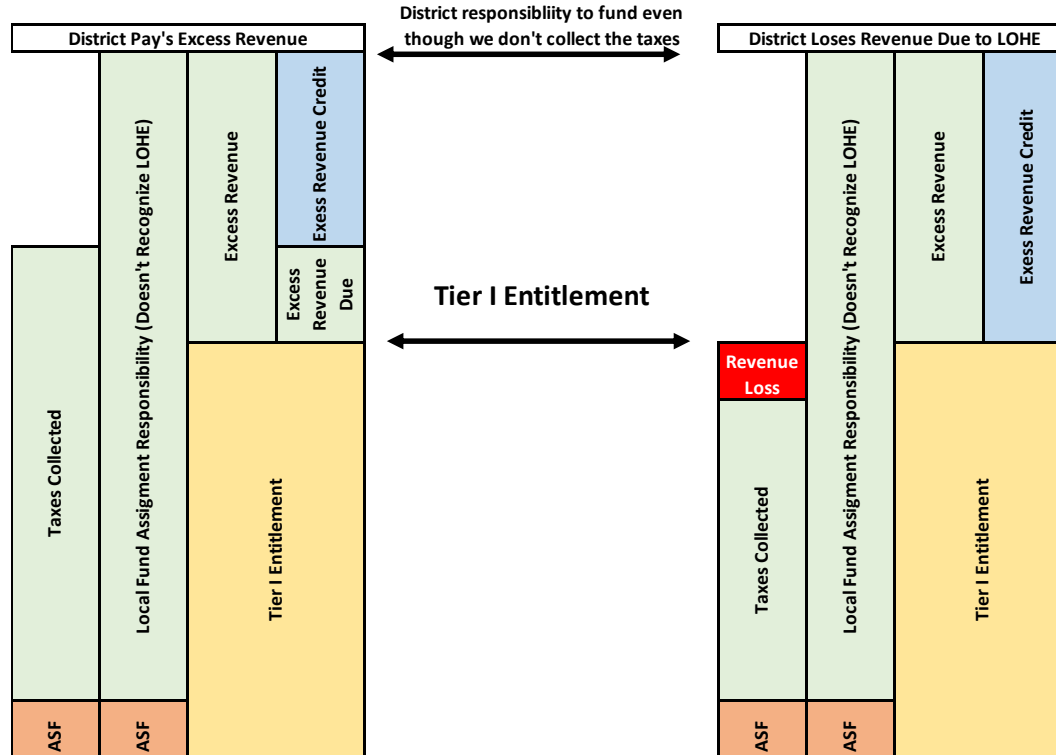


# Enrollment History



# 2020-2021 Scenarios

If enrollment increases the district retains funding up to the amount paid in excess revenue.



If enrollment increases the district receives NO additional funding until the LOHE obligation is exhausted. District will receive minimum Tier II funding.

# 2020-2021 Scenarios

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Current Proposal →

Enrollment	Roll Value Increase / (Decrease)	Budget Surplus / (Deficit)	Excess Revenue Payment to TEA
207,809	4%	\$ (18,636,477)	\$ 12,074,740
207,809	2%	\$ (32,151,399)	\$ -
207,809	0%	\$ (63,615,623)	\$ -

Excess revenue payment will fund up to about 1,500 new students above the 207,809. Any students above 209,309 the district will be responsible for funding.

Enrollment of 207,809 represents a decline of 1,500 students over 2019-2020 from the previous slide.

# 2021-2022 Biennium Outlook

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- Impact to values in January 2021
  - Home values from unemployment
  - Commercial / business values from production and sales
  - Oil price impact if no recovery
- Enrollment changes
  - Potential decline from families leaving house due to unemployment
- Interest rates
- 2021 Legislative Session
  - State revenue shortfalls
  - Potential state cuts to public education
  - Use of CARES act state emergency funding

# 2021-2022 Possible Realities

<b>Enrollment</b>	<b>Roll Value Increase / (Decrease)</b>	<b>Budget Surplus / (Deficit)</b>	<b>Excess Revenue Payment to TEA</b>
207,809	4%	\$ (21,258,975)	\$ 53,959,739
207,809	2%	\$ (21,562,245)	\$ 31,288,226
207,809	0%	\$ (22,537,571)	\$ -
207,809	-2%	\$ (54,801,123)	\$ -
207,809	-4%	\$ (87,064,674)	\$ -

Projected deficits and potential state budget cuts requires the district to set aside funds to mitigate budget cuts over the next biennium.

Enrollment of 207,809 represents a decline of 1,500 students over 2019-2020 from the previous slide. In these scenarios the assumption is flat enrollment from 2020-2021 to 2021-2022.

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# Other Items

## 2019-2020 Budget Timeline

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- Principals submitted their campus enrollment projections on February 12, 2020.
- Preliminary campus budgets were completed April 10, 2020.
- Department budgets being finalized, due April 24, 2020
- Certified Estimated values by April 30, 2020
- Notice of Public Hearing in Newspaper May 29, 2020
- Budget Adoption June 11, 2020

## 2019-2020 COVID-19

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- Continued monitoring communications from TEA on how school finance funding for 2019-2020 will be addressed.
- Continued monitoring of TEA communications on the CARES act for rules, funding, and timelines
- Started the application process for FEMA assistance
- Looking for all available grants or assistance to help reimburse costs and mitigate potential budget shortfalls in 2020-2021

***Future Budget  
Workshops  
May 7, 2020  
May 21, 2020***

