

FY20 Budget Update

Austin Independent School District

House Bill 3: Overview

- Invests **\$6.4 billion** into schools & **\$5.2 billion** into tax rate compression over the biennium
- Reduces Tier 1 Rates by 7 cents in FY 20 (from \$1.00 to \$0.93), with further compression in FY 21, based on district value growth
- Reduces recapture by \$3.5 billion over the biennium (47%)
- Increases Basic Allotment to **\$6,160** (19.8% increase)
- Recreates Chapters 41 & 42 as new Chapters 48 & 49 of the Education Code
- Adds, modifies and eliminates prior law school finance funding elements



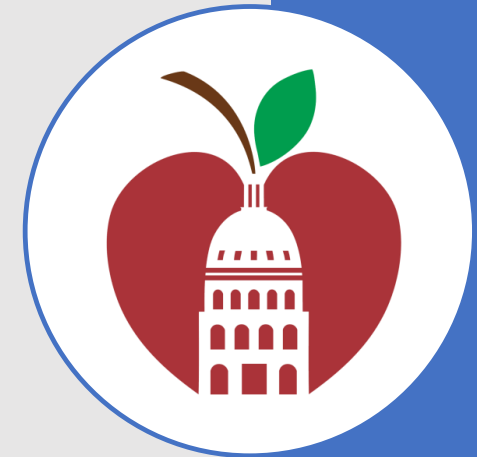
House Bill 3: Impact on AISD

- **Reduced tax rate by \$0.07**
 - Estimated annual savings of nearly \$300 for the average taxable homestead
- **Historic Compensation Increases: 6% and 7% raises across the board**
 - Estimated Annual Cost of \$49 million
 - New TRS requirement cost \$8 million
- **Reduce Excess Revenue Payment (Recapture) to the State**
 - Estimated \$182 million reduction from prior law for FY20
- **Increased Basic Allotment from \$5,140 to \$6,160**
 - Expenditures per Student = \$10,000

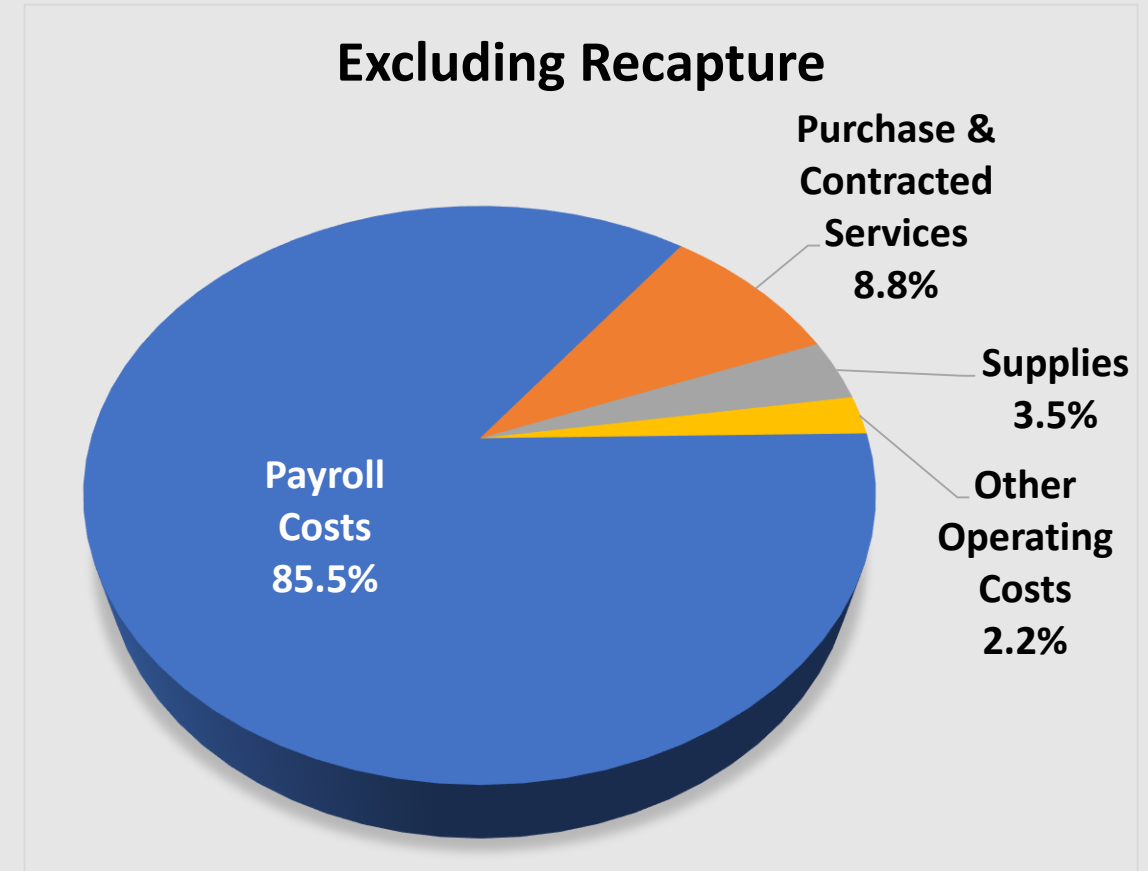
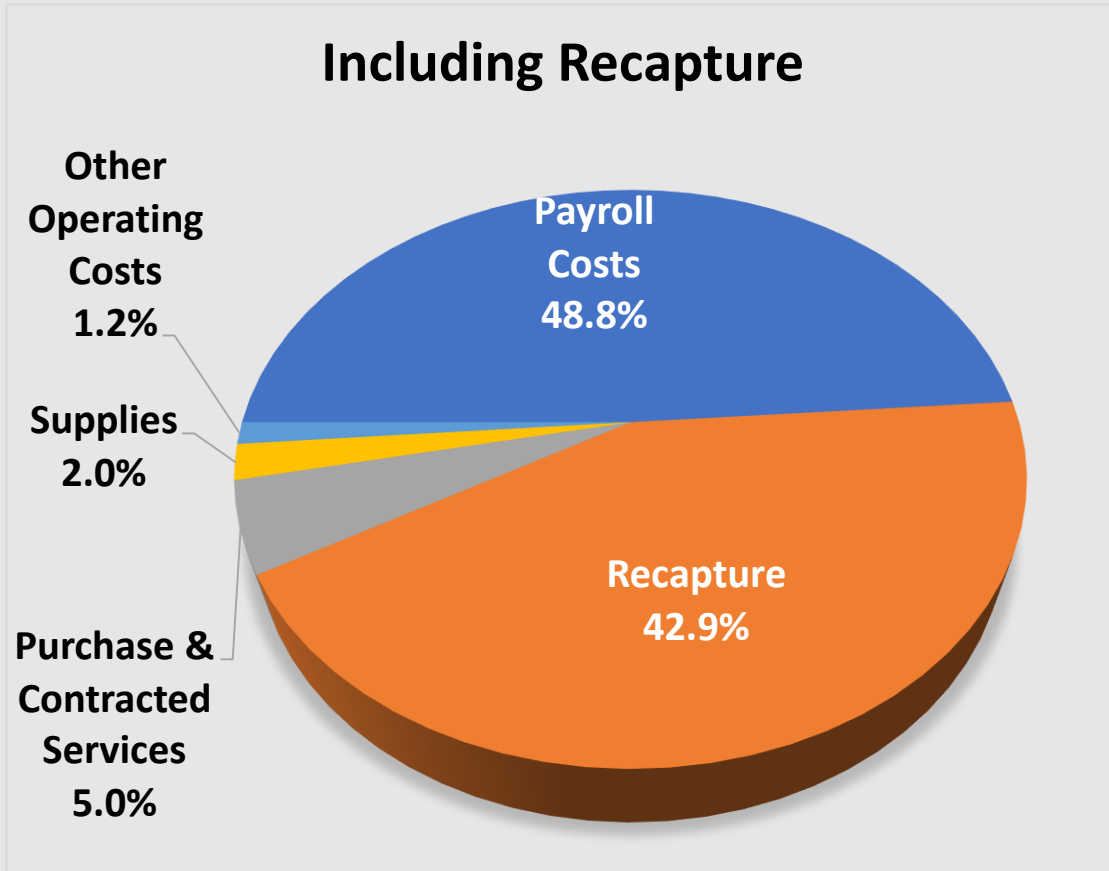


FY20 Adopted Budget

FY20 GENERAL FUND (in millions)	
Total Revenue	\$1,423.1
Less: Recapture	(\$612.2)
Net Revenue	\$810.9
Total Operating Expenditures	\$813.8
Net Change in Fund Balance	(\$3.1)



FY20 Impact of Recapture



Excluding Recapture, 86% of our General Fund Budget is spent on personnel costs.

Next Steps: Budget Amendment

- **Update Summary of Finance**
 - New Student Counts now that school has started
 - Estimating an additional 650+ enrolled students for Fiscal Year 2020
- **Update Property Values**
 - FY20 Current Year Certified Property Values = \$125.6 billion
- **Update State Funded Allotments**
 - Comply with new spending rules to ensure we maximize new HB3 revenue-we now have more than ever!!
 - Update new allotments (Early Education, Dyslexia, College Career and Military Readiness)
- **Update Local Revenue in Excess of Entitlement (Recapture)**
 - FY20 Adopted Budget = \$612.2 million



Next Steps: FY2021 Planning

- **Budget Priorities (thrive, read, excel)**
- **School Changes**
- **Multi-Year Planning**



Framework Steps



Plan and Prepare



Set Instructional
Priorities



Pay for Priorities

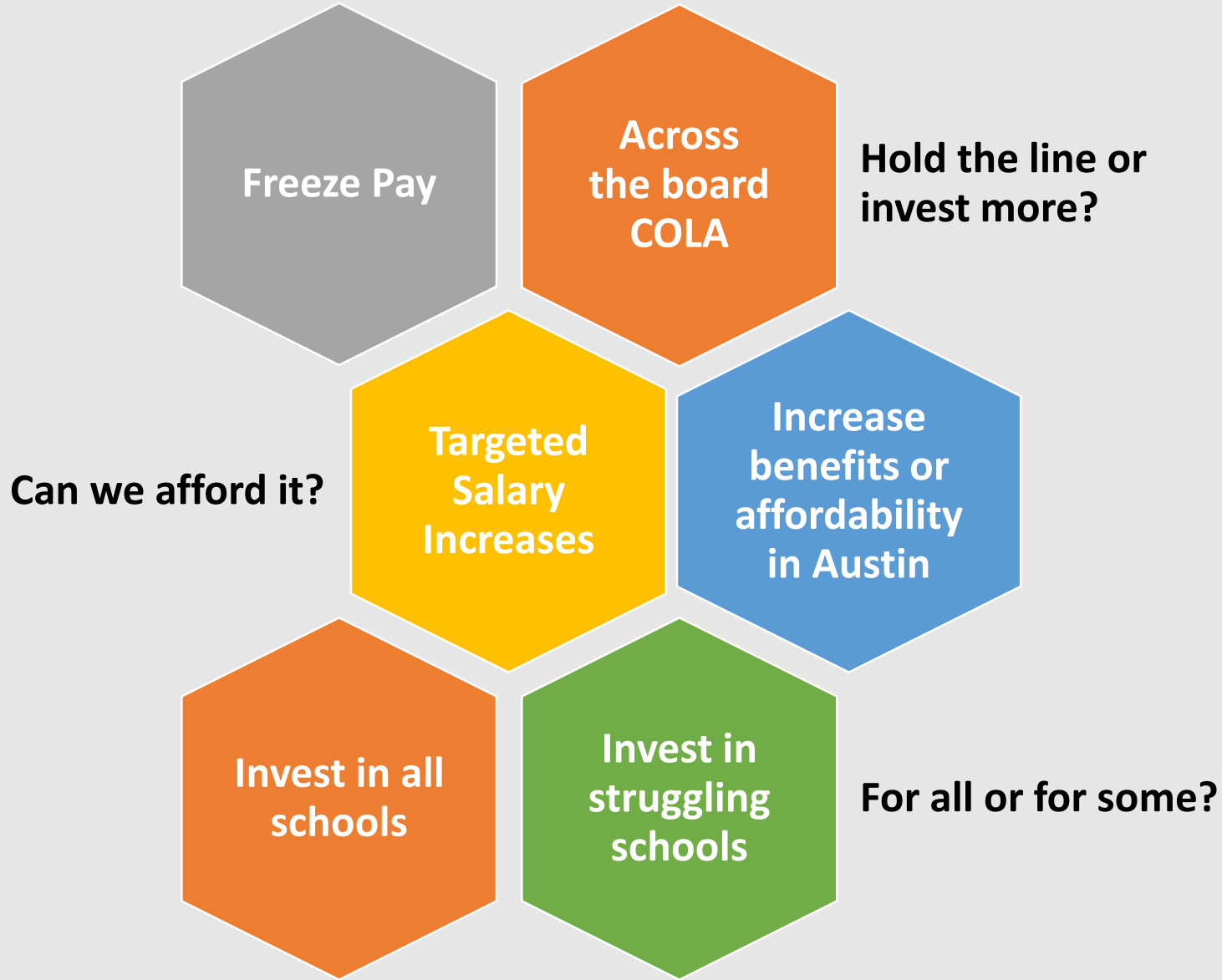


Implement Plan



Ensure Stability

Next Steps: FY21 Planning

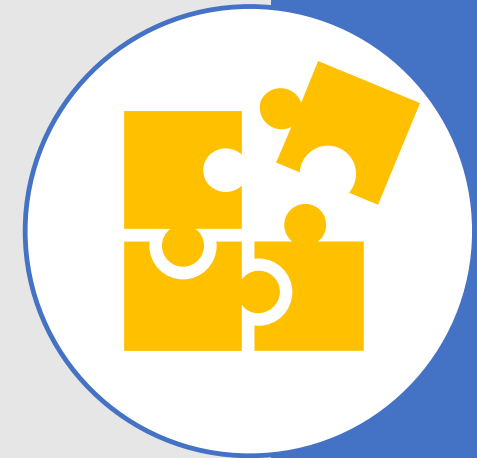


Considerations:

- Cost
- Reasonableness
- ★ • Progress toward goals
- Engagement
- Communication (the “why”)
- Execution/Application

Long-Term Budget Management

- Maintain long term structural balance and district financial ratings
- Maintain sufficient reserve and cash levels
- Develop clear understanding of long term financial impact of budget and policy decisions (predictability)
- Integrate with budget development process and ongoing monitoring management of district finances
- Strengthen fiscal policies, *i.e. fund balance and debt policy*
- Financial transparency, collaboration and reporting
- Ensure taxpayer accountability





Thank you!

Questions & Discussion