



Public Hearing to Discuss the Budget and Proposed Tax Rate

**Dripping Springs
Independent School District
2020 - 2021**

Budget Calendar

- July 25, 2020
 - Certified taxable values
- August 5, 2020
 - TEA provides DSISD with calculated M&O tax rate
- August, 2020
 - TEA notice to proceed with tax rate adoption
- August/September, 2020
 - Board adopts tax rate
- July, 2020 – June, 2021
 - Budget is amended as necessary

Budget Oversight

- **Board required to approve budgets for:**
 - **General Operating Fund (199)**
 - **Debt Service Fund (599)**
 - **Child Nutrition Fund (240)**
- **Board approves budgets at the functional level**
- **Board must approve amendments that increase the functional level amounts**

General Fund Budget 2020 - 2021



2020-2021 Budget Preparation

•Budget Parameters:

- Enrollment of 7,696, an increase of 486 students, for staffing & 7,542 (98%) for funding based off of PASA projections*
- Average Daily Attendance – 94.5%
- *Local property value increase of 13.67% based on Preliminary Certified Values*
- Cost-of-living increase – 2%
- Inflationary increase – 1.2% on non-payroll accounts
- Include growth of 40 new FTE's
- Maintain \$300 monthly contribution to health insurance
- Maintain \$75 monthly contribution to HSA/HRA for employees taking health insurance

**Property values increase of 13.67% based on 5.47% increase on existing properties, with the other 8.20% of the increase due to values of new properties in DSISD*

General Fund Budget Highlights

- Revenue projections based on HB 3 law estimates
- Expenditures based on enrollment of 7,696
- Compensation Planning
 - 2% Cost of Living Adjustment to mid-point for all staff
- Benefits Planning
 - Monthly district health insurance contribution – maintain at \$300/month
 - Monthly district HRA/HSA contribution – maintain at \$75/month
 - Offer additional group health care coverages per District of Innovation Plan amendment
- Budget for growth of 40.0 FTEs

General Fund Budget Highlights

- Additional tax rate compression (reduction) for tax year 2020
- Proposing a balanced budget (small surplus)
- District is well-positioned to handle future budget uncertainties at the State level
 - Consistent annual surplus budgets
 - Projecting over \$40,000,000 in fund balance at end of FY2020
 - PASA projects continued student enrollment increases
- Technology capital leases to be paid off during 2020-21 fiscal year
- Federal CARES Act funds to help maintain HB3 funding levels

General Fund – M&O Tax Rate

| M&O Tax Rates | 2018 – 2019 | 2019 – 2020 | 2020 – 2021 (Projected) |
|---|-------------|-------------|----------------------------|
| Tier 1 Compressed Rate <i>(Rate Will be Calculated by the State)</i> | \$1.00 | \$0.93 | *\$0.8590 |
| Golden Pennies | \$0.06 | \$0.08 | \$0.08 |
| Copper Pennies | \$0.11 | \$0.0583 | \$0.0583 |
| Total M&O Tax Rate | \$1.17 | \$1.0683 | *\$0.9973 |

***Projected Tax Rate Based on Preliminary Certified Taxable Appraised Values**

**Dripping Springs Independent School District
History of Certified Property Values
Hays and Travis County Combined
April Preliminary Certified Values**

**April
Certified
Estimates**

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| | | | | | | | | 6 Year Totals |
| Total Increase/Decrease in Net Taxable After Freeze | \$ 295,962,579 | \$ 342,193,101 | \$ 339,830,519 | \$ 400,016,068 | \$ 392,162,051 | \$ 524,790,435 | \$ 648,672,103 | \$2,647,664,277 |
| | | | | | | | | |
| Taxable Values of New Property | \$ 157,957,721 | \$ 202,747,820 | \$ 166,256,085 | \$ 237,381,618 | \$ 277,270,742 | \$ 311,865,028 | \$ 389,340,737 | \$1,584,862,030 |
| | | | | | | | | |
| Taxable Value Changes on Existing Property | \$ 138,004,858 | \$ 139,445,281 | \$ 173,574,434 | \$ 162,634,450 | \$ 114,891,309 | \$ 212,925,407 | \$ 259,331,366 | \$1,062,802,247 |
| | | | | | | | | |
| % TAV Change Due to New Property | 53.37% | 59.25% | 48.92% | 59.34% | 70.70% | 59.43% | 60.02% | |
| | | | | | | | | |
| Increase/Decrease % on Existing Property | 5.63% | 5.08% | 5.62% | 4.74% | 3.00% | 5.05% | 5.47% | 38.70% |
| | | | | | | | | |
| Overall % increase (decrease) | 12.08% | 12.46% | 11.00% | 11.67% | 10.24% | 12.44% | 13.67% | 96.42% |

General Fund Revenues

| | Actual 2018-2019 | Estimated 2019-2020 | Change |
|---|----------------------|------------------------|-----------------------|
| Local Taxes | \$ 56,913,441 | \$ 58,500,000 | \$ 1,586,559 |
| Other Local Revenues | 2,533,925 | 2,128,417 | (405,508) |
| Total Local Revenues | \$ 59,447,366 | \$ 60,628,417 | \$ 1,181,051 |
| State Aid - FSP & ASF | \$ 6,150,461 | \$ 4,324,148 | \$ (1,826,313) |
| Other/TRS | 2,800,125 | 3,131,078 | 330,953 |
| Total State Revenues | \$ 8,950,586 | \$ 7,455,226 | \$ (1,495,360) |
| Federal Revenues | \$ 166,642 | \$ 1,270,478 | \$ 1,103,836 |
| Other Sources - Transfers In | \$ 2,437,195 | \$ 618,091 | \$ (1,819,104) |
| TOTAL Revenues | \$ 71,001,789 | \$ 69,972,212 | \$ (1,029,577) |
| Excess Local Revenue (Recapture) | (8,214,196) | (2,961,555) | \$ 5,252,641 |
| Revenues less Recapture | \$ 62,787,593 | \$ 67,010,657 | \$ 4,223,064 |

General Fund Revenues

| | Actual 2018-2019 | Estimated 2019-2020 | Proposed 2020-2021 | Change |
|---|----------------------|------------------------|-----------------------|---------------------|
| Local Taxes | \$ 56,913,441 | \$ 58,500,000 | \$ 59,837,025 | \$ 1,337,025 |
| Other Local Revenues | 2,533,925 | 2,128,417 | 1,692,500 | (435,917) |
| Total Local Revenues | \$ 59,447,366 | \$ 60,628,417 | \$ 61,529,525 | \$ 901,108 |
| State Aid - FSP & ASF | \$ 6,150,461 | \$ 4,324,148 | \$ 4,618,282 | \$ 294,134 |
| Other/TRS | 2,800,125 | 3,131,078 | 3,549,773 | 418,695 |
| Total State Revenues | \$ 8,950,586 | \$ 7,455,226 | \$ 8,168,055 | \$ 712,829 |
| Federal Revenues | \$ 166,642 | \$ 1,270,478 | \$ 627,351 | \$ (643,127) |
| Other Sources - Transfers In | \$ 2,437,195 | \$ 618,091 | \$ 100,000 | \$ (518,091) |
| TOTAL Revenues | \$ 71,001,789 | \$ 69,972,212 | \$ 70,424,931 | \$ 452,719 |
| Excess Local Revenue (Recapture) | (8,214,196) | (2,961,555) | (2,865,475) | \$ 96,080 |
| Revenues less Recapture | \$ 62,787,593 | \$ 67,010,657 | \$ 67,559,456 | \$ 548,799 |

General Fund - Results of Operations

| | Actual 2018-2019 | Estimated 2019-2020 | Change |
|--|-----------------------|------------------------|-----------------------|
| REVENUES | | | |
| Local Sources | \$ 59,447,366 | \$ 60,628,417 | \$ 1,181,051 |
| State Sources | 8,950,586 | 7,455,226 | (1,495,360) |
| Federal Sources | 166,642 | 1,270,478 | 1,103,836 |
| Total Revenues | \$ 68,564,594 | \$ 69,354,121 | \$ 789,527 |
| Excess Local Revenues (Recapture) | \$ (8,214,196) | \$ (2,961,555) | \$ 5,252,641 |
| Revenues Less Recapture | \$ 60,350,398 | \$ 66,392,566 | \$ 6,042,168 |
| EXPENDITURES | | | |
| Payroll | \$ 47,580,564 | \$ 52,681,073 | \$ 5,100,509 |
| Contracted Services | 4,210,165 | 3,900,000 | (310,165) |
| Excess Local Revenues (Recapture) | 8,214,196 | 2,961,555 | (5,252,641) |
| Supplies | 3,619,332 | 3,100,000 | (519,332) |
| Travel/Misc | 1,032,699 | 1,000,000 | (32,699) |
| Debt Service | 1,817,336 | 1,133,667 | (683,669) |
| Capital Outlay | 853,101 | 332,980 | (520,121) |
| Total Expenditures | \$ 67,327,393 | \$ 65,109,275 | \$ (2,218,118) |
| Excess Local Revenues (Recapture) | \$ (8,214,196) | \$ (2,961,555) | \$ 5,252,641 |
| Expenditures Less Recapture | \$ 59,113,197 | \$ 62,147,720 | \$ 3,034,523 |
| Net Transfers In & Out | \$ 2,344,544 | \$ (201,630) | \$ (2,546,174) |
| Net Change to Fund Balance | \$ 3,581,745 | \$ 4,043,216 | |

General Fund - Results of Operations

| | Actual 2018-2019 | Estimated 2019-2020 | Proposed 2020-2021 | Change |
|--|-----------------------|------------------------|-----------------------|---------------------|
| REVENUES | | | | |
| Local Sources | \$ 59,447,366 | \$ 60,628,417 | \$ 61,529,525 | \$ 901,108 |
| State Sources | 8,950,586 | 7,455,226 | 8,168,055 | 712,829 |
| Federal Sources | 166,642 | 1,270,478 | 627,351 | (643,127) |
| Total Revenues | \$ 68,564,594 | \$ 69,354,121 | \$ 70,324,931 | \$ 970,810 |
| Excess Local Revenues (Recapture) | \$ (8,214,196) | \$ (2,961,555) | \$ (2,865,456) | \$ 96,099 |
| Revenues Less Recapture | \$ 60,350,398 | \$ 66,392,566 | \$ 67,459,475 | \$ 1,066,909 |
| EXPENDITURES | | | | |
| Payroll | \$ 47,580,564 | \$ 52,681,073 | \$ 57,142,714 | \$ 4,461,641 |
| Contracted Services | 4,210,165 | 3,900,000 | 5,513,328 | 1,613,328 |
| Excess Local Revenues (Recapture) | 8,214,196 | 2,961,555 | 2,865,456 | (96,099) |
| Supplies | 3,619,332 | 3,100,000 | 2,736,106 | (363,894) |
| Travel/Misc | 1,032,699 | 1,000,000 | 1,398,943 | 398,943 |
| Debt Service | 1,817,336 | 1,133,667 | 554,178 | (579,489) |
| Capital Outlay | 853,101 | 332,980 | 106,790 | (226,190) |
| Total Expenditures | \$ 67,327,393 | \$ 65,109,275 | \$ 70,317,515 | \$ 5,208,240 |
| Excess Local Revenues (Recapture) | \$ (8,214,196) | \$ (2,961,555) | \$ (2,865,456) | \$ 96,099 |
| Expenditures Less Recapture | \$ 59,113,197 | \$ 62,147,720 | \$ 67,452,059 | \$ 5,304,339 |
| Net Transfers In & Out | \$ 2,344,544 | \$ (201,630) | \$ 5,000 | \$ 206,630 |
| Net Change to Fund Balance | \$ 3,581,745 | \$ 4,043,216 | \$ 12,416 | |

**Dripping Springs Independent School District
Summary of Revenue and Expenditure Projections
Fiscal Year 2020-2021**

| | |
|--|-----------------------|
| Net Operating Results | \$ 12,416 |
| 2% Budget Deficit Limit | \$ (1,408,499) |
| Deficit Amount Exceeding Limit | \$ - |
| Fund Balance Expenditure Designations | |
| Buses - 7 new in 2020-2021 | \$ 800,000 |
| | - |
| Net Change to Fund Balance | \$ (787,584) |
| Beginning Fund Balance (Projected) | 40,678,918 |
| Estimated Ending Fund Balance | \$ 39,891,334 |

Debt Service
& Child
Nutrition
Fund Budgets
2020 - 2021



Dripping Springs Independent School District

Debt Service Fund

2020-2021 Budget Overview

| | Actual 2018-2019 | Estimated 2019-2020 | Proposed 2020-2021 | Change |
|-------------------------------|----------------------|------------------------|-----------------------|---------------------|
| REVENUES | | | | |
| Property Tax Collections | \$ 17,141,758 | \$ 19,249,693 | \$ 21,267,493 | \$ 2,017,800 |
| Interest | 340,192 | 214,990 | 100,000 | (114,990) |
| State Hold-Harmless | 269,803 | 257,900 | 260,626 | 2,726 |
| Other Revenues | 13,982 | 48 | - | - |
| Total Revenues | \$ 17,765,735 | \$ 19,722,631 | \$ 21,628,119 | \$ 1,905,536 |
| EXPENDITURES | | | | |
| Principal | \$ 6,690,000 | \$ 7,050,000 | \$ 7,810,000 | \$ 760,000 |
| Interest | 9,168,506 | 12,138,700 | 12,805,055 | 666,355 |
| Other | 7,390 | 11,375 | 15,000 | 3,625 |
| Total Expenditures | \$ 15,865,896 | \$ 19,200,075 | \$ 20,630,055 | \$ 1,429,980 |
| Change to Fund Balance | \$ 1,899,839 | \$ 522,556 | \$ 998,064 | |
| Beginning Fund Balance | \$ 14,212,270 | \$ 16,112,109 | \$ 16,634,665 | |
| Ending Fund Balance | \$ 16,112,109 | \$ 16,634,665 | \$ 17,632,729 | |

Child Nutrition Fund

2020-2021 Budget Overview

| | Actual 2018-2019 | Estimated 2019-2020 | Proposed 2020-2021 | Change |
|-------------------------------|---------------------|------------------------|-----------------------|-------------------|
| REVENUES | | | | |
| Local Sources | \$ 2,587,750 | \$ 2,311,829 | \$ 2,904,400 | \$ 592,571 |
| State Sources | 7,364 | 6,830 | 6,500 | (330) |
| Federal Sources | 469,007 | 292,745 | 429,000 | 136,255 |
| Other Revenues | - | - | - | - |
| Total Revenues | \$ 3,064,121 | \$ 2,611,404 | \$ 3,339,900 | \$ 728,496 |
| EXPENDITURES | | | | |
| Payroll | \$ 1,420,159 | \$ 1,475,997 | \$ 1,684,198 | \$ 208,201 |
| Contracted Services | 143,876 | 44,508 | 171,200 | 126,692 |
| Supplies | 1,425,322 | 1,132,639 | 1,451,452 | 318,813 |
| Travel/Misc | 16,600 | 4,335 | 15,500 | 11,165 |
| Capital Outlay | 18,573 | 16,829 | 17,550 | 721 |
| Operating Transfers Out | - | - | - | - |
| Total Expenditures | \$ 3,024,530 | \$ 2,674,308 | \$ 3,339,900 | \$ 665,592 |
| Change to Fund Balance | \$ 39,591 | \$ (62,904) | \$ - | |
| Beginning Fund Balance | \$ 661,089 | \$ 700,680 | \$ 637,776 | |
| Ending Fund Balance | \$ 700,680 | \$ 637,776 | \$ 637,776 | |
| Months of Fund Balance | 2.78 | 2.86 | 2.29 | |

2020 – 2021 Budget Planning Summary

- **DSISD Financial Position**

- **Bond Ratings**

- Moody's – Aa2
- S&P Global – AA

- **Fund Balances**

- General Fund – Projected \$40,678,918 FY 2020 – Approx. 7.75 months
- Debt Service Fund – Projected \$16,634,665 FY 2020 - \$9,590,780 payment due August, 2020
- Child Nutrition Fund – Projected \$637,776 – Approx. 2.86 months; Department is self-sustaining

- Tax rate drop in 2019-2020 with passage of HB 3 - from \$1.52 to \$1.4183

- Additional tax rate drop in 2020-2021 – from \$1.4183 to ???
(projecting overall tax rate to be < \$1.36)

Comments and Questions?

