

2022-2023 BUDGET WORKSHOP #1



AGENDA

- 1 WHERE WE'VE BEEN, WHERE ARE TODAY, AND WHERE WE'RE GOING
- 2 SOMETHING FUN
- 3 PRELIMINARY LOOK AT NEXT YEAR'S BUDGET AND EARLY STAFFING RECOMMENDATIONS
- 4 DISCUSSION ABOUT OUR COMPENSATION PHILOSOPHY AND NEXT YEAR'S RAISES
- 5 NEXT STEPS



SINCE THE 2018 TRE...

We've added:

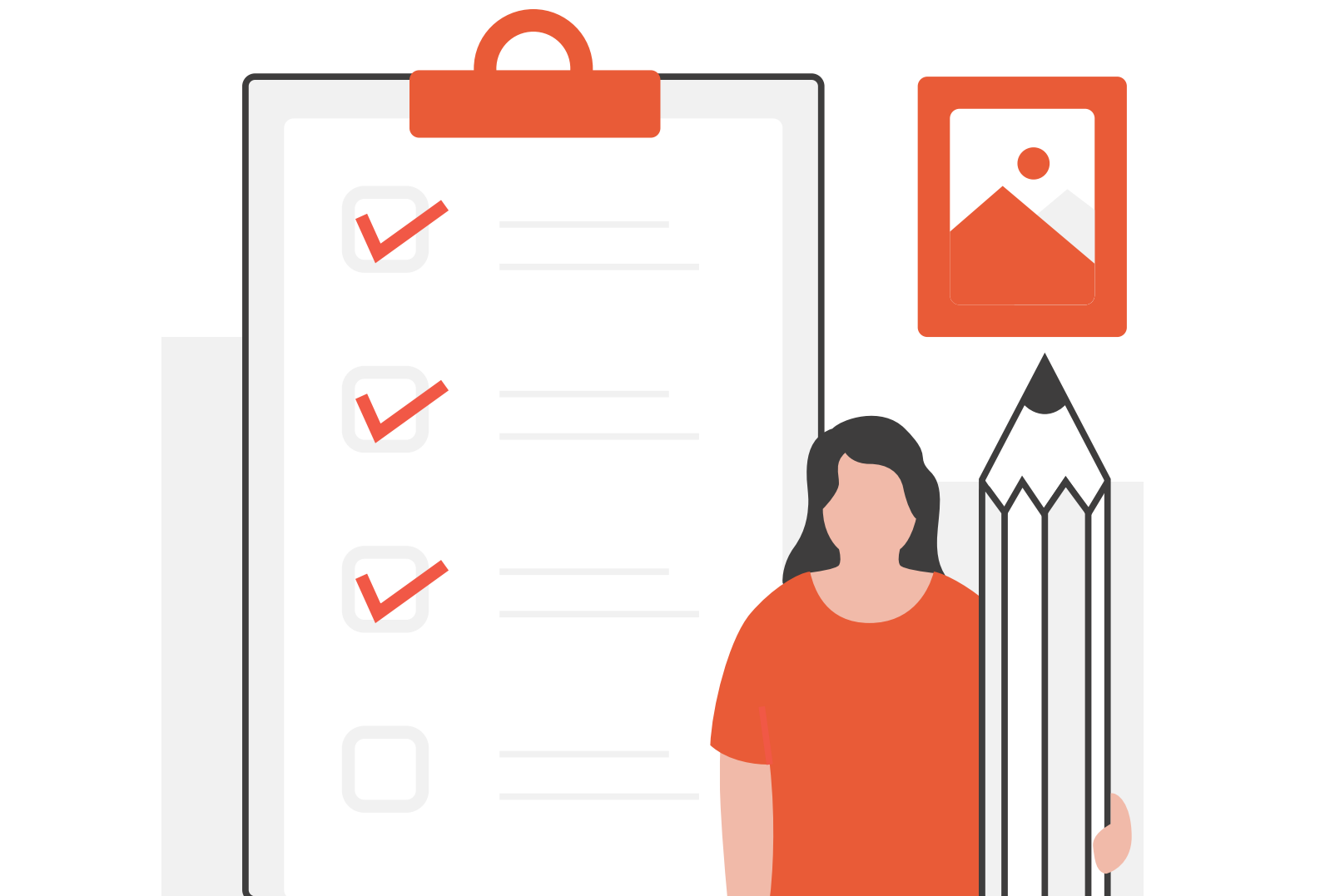
MORE THAN 770 NEW FTES (>\$54 MILLION)

MORE THAN \$11 MILLION IN OTHER OPERATING COSTS

MORE THAN \$45 MILLION IN COMPENSATION

OVER THE LAST 3 YEARS, WE'VE PROVIDED EMPLOYEES WITH:

- Lower class sizes
- Increased health premium contributions to \$350/month
- 401(a) matching program reinstatement
- 7.5%+ in raises
- Minimum wage increases and market adjustments
- 2 CARES payments
- Annual retention incentives
- Annual classroom and teaching supply stipend

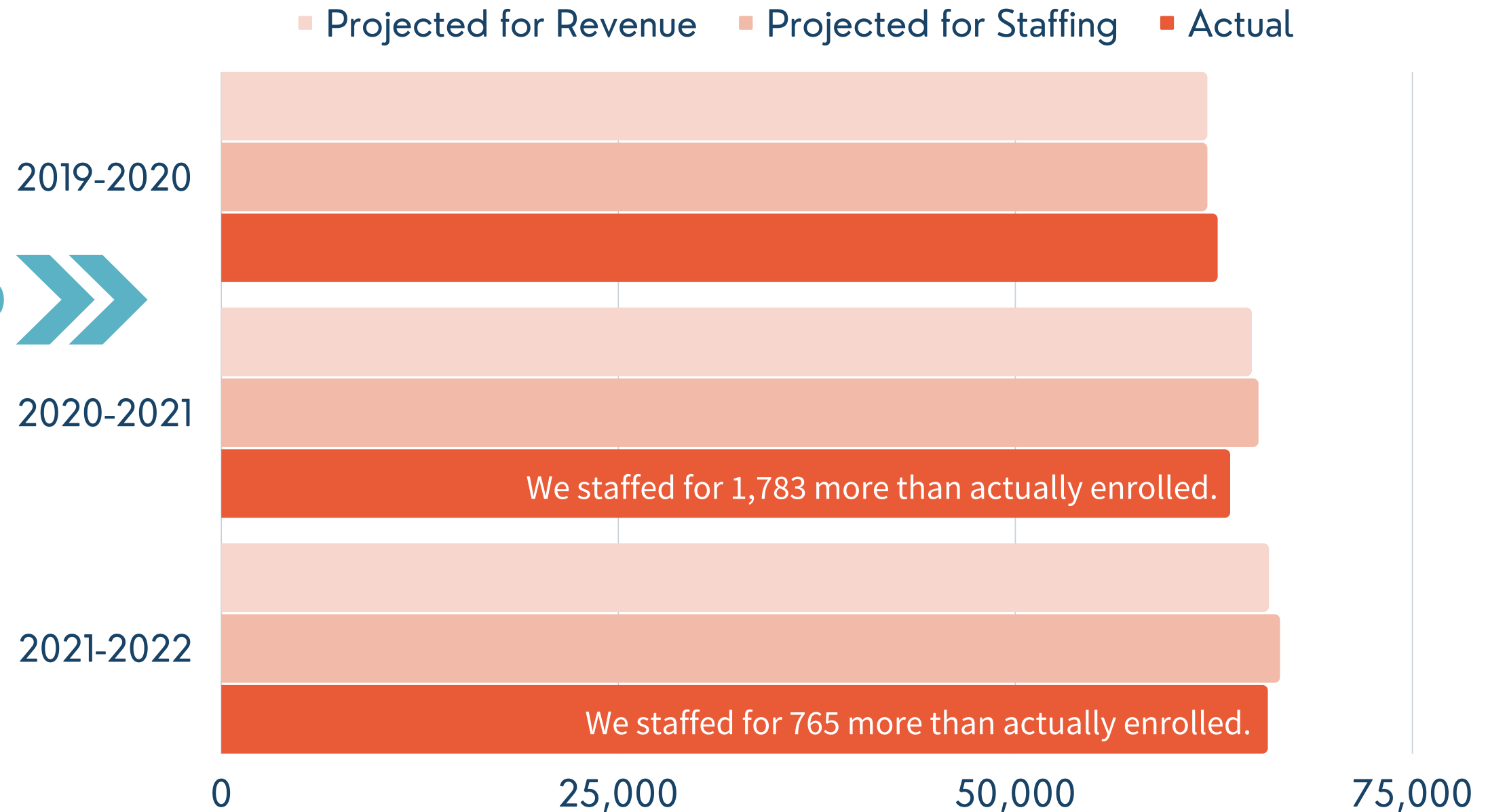


ENROLLMENT HISTORY

COVID >>>

WHEN COVID HAPPENED...

- Revenue was very uncertain (waivers, hold-harmless, etc.)
- Students were learning online full-time for the first time ever
- Staffing beyond normal ratios was necessary to mitigate learning loss and address student's social/emotional needs



STATE AID PER ENROLLED STUDENT

THE COVID IMPACT

2021

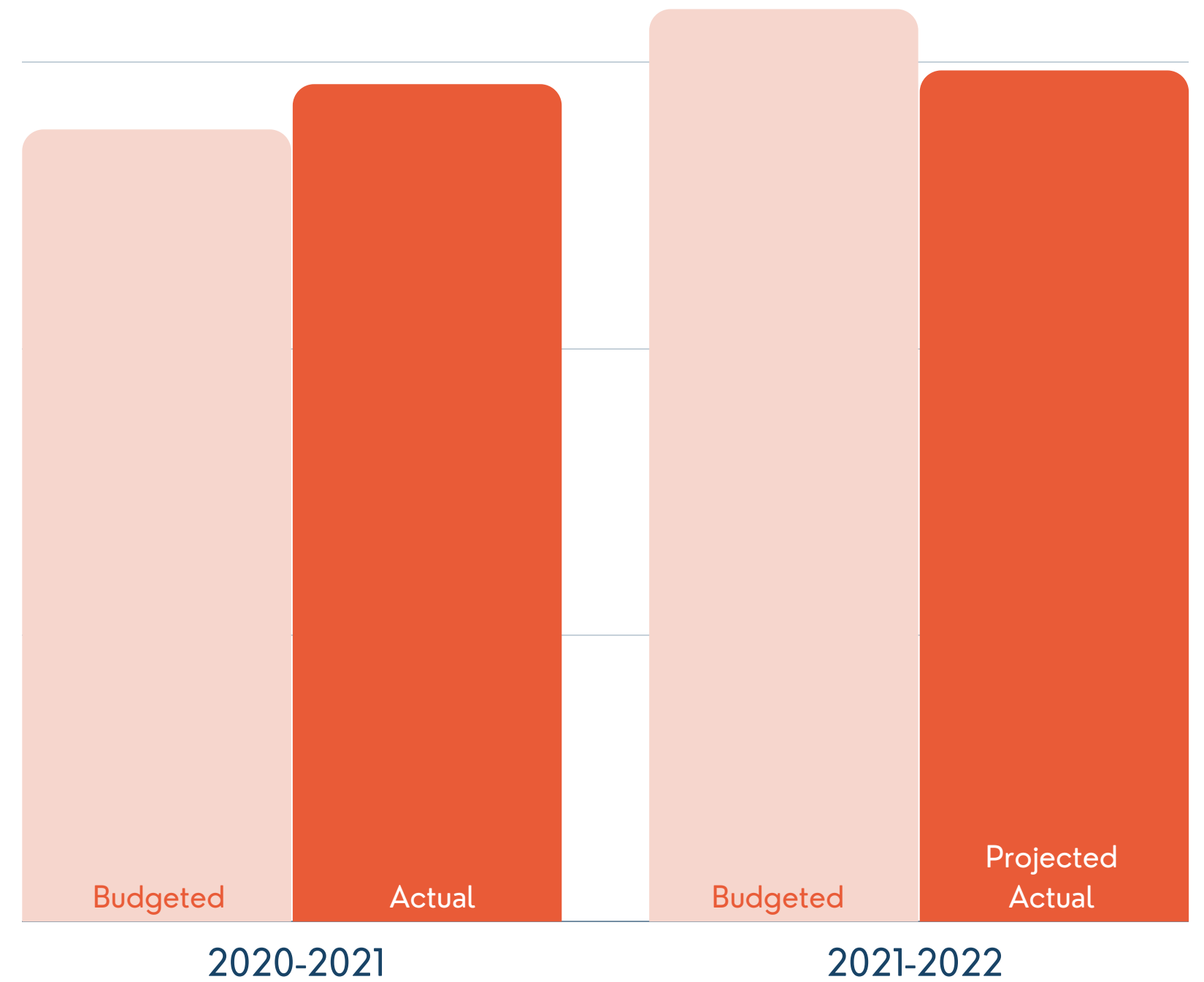
COVID HOLD HARMLESS

provided revenue for more WADA than anticipated

2022

LACK OF COVID WAIVERS

reduced WADA and limited the amount of funding available for students learning online



WHERE WE ARE TODAY

	Original Adopted Budget	Projected Actual as of 2.10.2022
Revenues	\$ 655,072,200	\$ 643,514,800
Expenditures	(646,928,200)	(632,862,700)
Recapture	(4,371,500)	(5,199,000)
Surplus (Deficit)	\$ 3,772,500	\$ 5,453,100

**THIS NUMBER WILL GET BIGGER
AS WE USE MORE ESSER FUNDS**



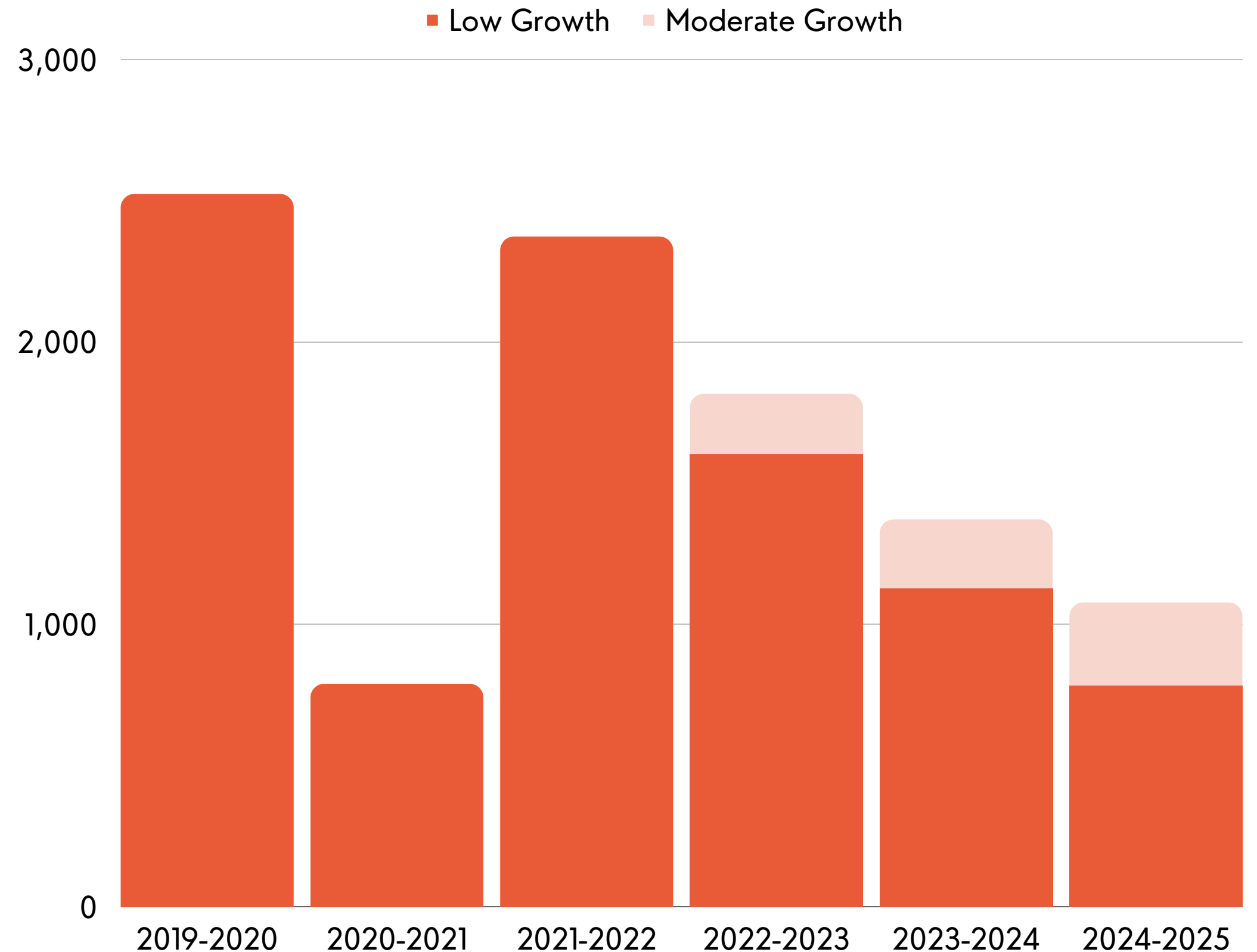
WHAT'S CHANGED...

- WADA is lower than projected, which decreases revenue and raises recapture.
- We used ESSER money to pay for the CARES 2.0 payment and to supplant ~\$7.5 million of teacher salaries for TOLS.
- Using historical spending trends, we expect to save about 2% of our budget, after accounting for the use of ESSER funds.

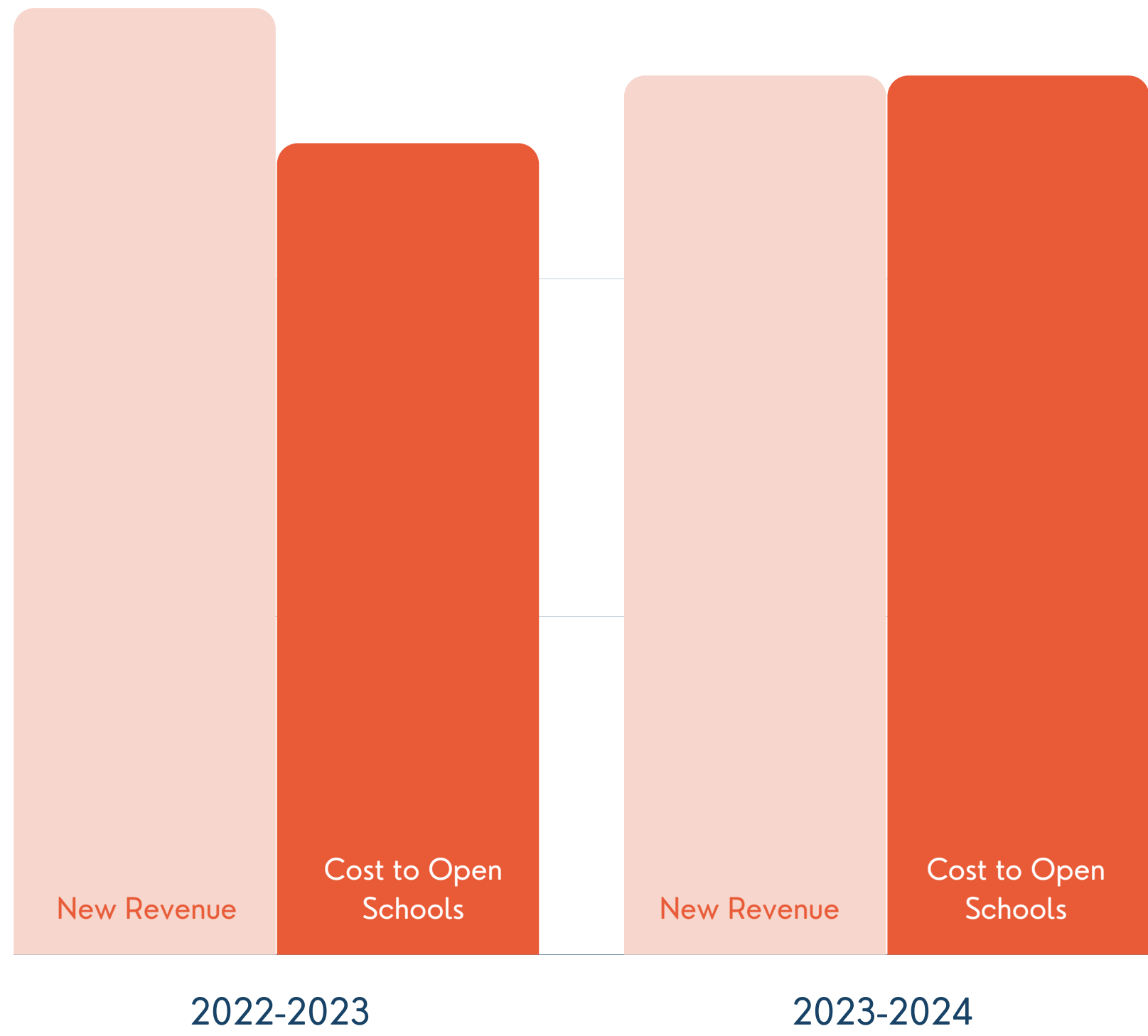
ANNUAL ENROLLMENT GROWTH

FOR BUDGET PURPOSES...

- Low growth for 2022-2023 because low growth was more accurate for 2021-2022, and we are still dealing with the after-effects of COVID.
- Moderate growth for 2022-2023 and beyond because it has historically been more accurate



NEW SCHOOLS



2022-2023

- PANTHER CREEK HS
- MINETT ES
- EMERSON HS (11TH)

2023-2024

- WILKINSON MS
- WORTHAM 5/6
- EMERSON HS (12TH)
- PANTHER CREEK HS (12TH)

COMMUNITY-BASED ACCOUNTABILITY SYSTEM



FUTURE-READY FRAMEWORK



STRATEGIC CHANGE PROCESS

FINANCIAL & ORGANIZATIONAL PLANNING



PLANNING FOR THE FUTURE

THE NEXT PHASE OF PBB LOOKS LIKE...

- Aligning all of our systems to our priorities
- Defining outcomes and measuring return on investment
- Identifying efficiencies and reinvesting existing resources in new initiatives

FOR NEXT YEAR, IT LOOKS LIKE...

- Taking stock through evaluation, benchmarking, and efficiency studies
- Beginning to document existing systems alignment
- Focusing the majority of new resources on enrollment growth and staff retention



LET'S PLAY A GAME!

INSTRUCTIONS:

Build a 3-year financial plan using the cards at your table and the spreadsheet on the chromebook.

RULES:

- There is no right answer.
- Everything is a high priority, so consider the consequences when you choose what to say no to.
- The needs don't go away. If you don't choose something one year, consider it the following year.

GAME DEBRIEF

What was easy about this activity? What was challenging?

Did your priorities change as you progressed through the activity?

What factors could have changed to make the decision process easier?



RESPONSES FROM BUDGET OWNERS

What was easy about this activity? What was challenging?

- *We can't do all the things on a fixed income.*
- *Different people have different priorities based on their own lens, so it was important for the whole group to be aligned.*
- *We made everything happen, but not in the way we really wanted to.*
- *The math was easy, and that was about it!*

Did your priorities change as you progressed through the activity?

- *Yes! You can really get into trouble if you're not thinking ahead..*

What factors could have changed to make the decision process easier?

- *More money!*
- *If we could have made changes to the cards, or if we could have used some of the existing budget, maybe we could have accomplished more of what we wanted to.*

NEXT YEAR'S BUDGET

FY 2023 Available Revenue, net of recapture, 2021-2022 Financial Plan	\$ 609.2 M
Changes in Tax Assumptions	+ \$ 1.0 M
Changes in Enrollment Assumptions	- \$ 6.9 M
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Baseline Expenditures*	\$ 577.6 M
FY2021 Board-Approved Amendments (Recurring)	+ \$ 1.0 M

*FY 2022 adopted budget, less one-time compensation

Table excludes flow-thru revenue/expenditures

\$ 603.3 M

Projected Available Revenue



\$ 578.6 M

Currently Appropriated



\$ 24.7 M

Available for Appropriation before redistributing existing appropriations

PRELIMINARY RECOMMENDATIONS

- 1 STAFF FOR MINETT ES
- 2 STAFF FOR EMERSON HS (11TH GRADE)
- 3 PANTHER CREEK HS
- 4 STAFF FOR SPECIAL EDUCATION



1 STAFF FOR MINETT ES \$2,176,700

New FTE's (net of movement from other schools) to accommodate the opening of Minett ES, Kindergarten thru 5th grade:

- 19 Teachers
- 9 professional support staff
- 5 Paraprofessional staff
- 1 Assistant Principal

2 STAFF FOR EMERSON HS \$1,858,600

New FTE's to accommodate adding 11th grade to Emerson HS:

- 16 Teachers
- 9 Teacher/Coaches
- 1 Counselor
- 2 Paraprofessional staff

**STAFF FOR
GROWTH**

3 STAFF FOR PANTHER CREEK HS \$7,619,400

New FTE's to accommodate the opening of Panther Creek HS, 9th-11th grades:

- 82 Teachers
- 7 Non-teaching professional support staff
- 17 Paraprofessional staff, both instructional and administrative
- 8 Custodians
- 5 Campus administrators

4 SPECIAL EDUCATION STAFF \$1,711,600

Professional staff to reduce case-loads and provide for growth in FISD's special education population:

- 7 Diagnosticians
- 8 Speech-Language Pathologists
- 4 Licensed Specialists in School Psychology
- 3.2 Occupational Therapists

**STAFF FOR
GROWTH**

SUMMARY



Minett ES Staff	\$2,176,700
Emerson HS Staff	\$1,858,600
Panther Creek HS Staff	\$7,619,400
Special Education Staff	\$1,711,600
Total Preliminary New Staff Recommendations	\$13,366,300

COMPENSATION PHILOSOPHY

Frisco ISD is committed to a fair and competitive employee compensation program that: **cultivates, inspires, and engages productive and committed employees** who support the district's mission to know and understand each student by name and need is paramount.

Frisco ISD seeks to stay **competitive with appropriate labor markets** in an effort to attract and retain qualified personnel.

Frisco ISD is committed to careful **consideration of the the levels of skill, experience, and responsibility required** for different jobs.

Frisco ISD seeks to **reward continued length of service** to the District.

Frisco ISD seeks to provide a compensation plan that is within the parameters of the Board of Trustees' approved budget and complies with all state and federal regulations governing compensation practices.

Frisco ISD is an equal opportunity employer and does not discriminate on the basis of race, color, religion, sex, national origin, age, disability, sexual orientation, gender identity, gender expression, genetic information, or any other basis prohibited by law.



COMPENSATION CHALLENGES

HEALTHCARE COSTS

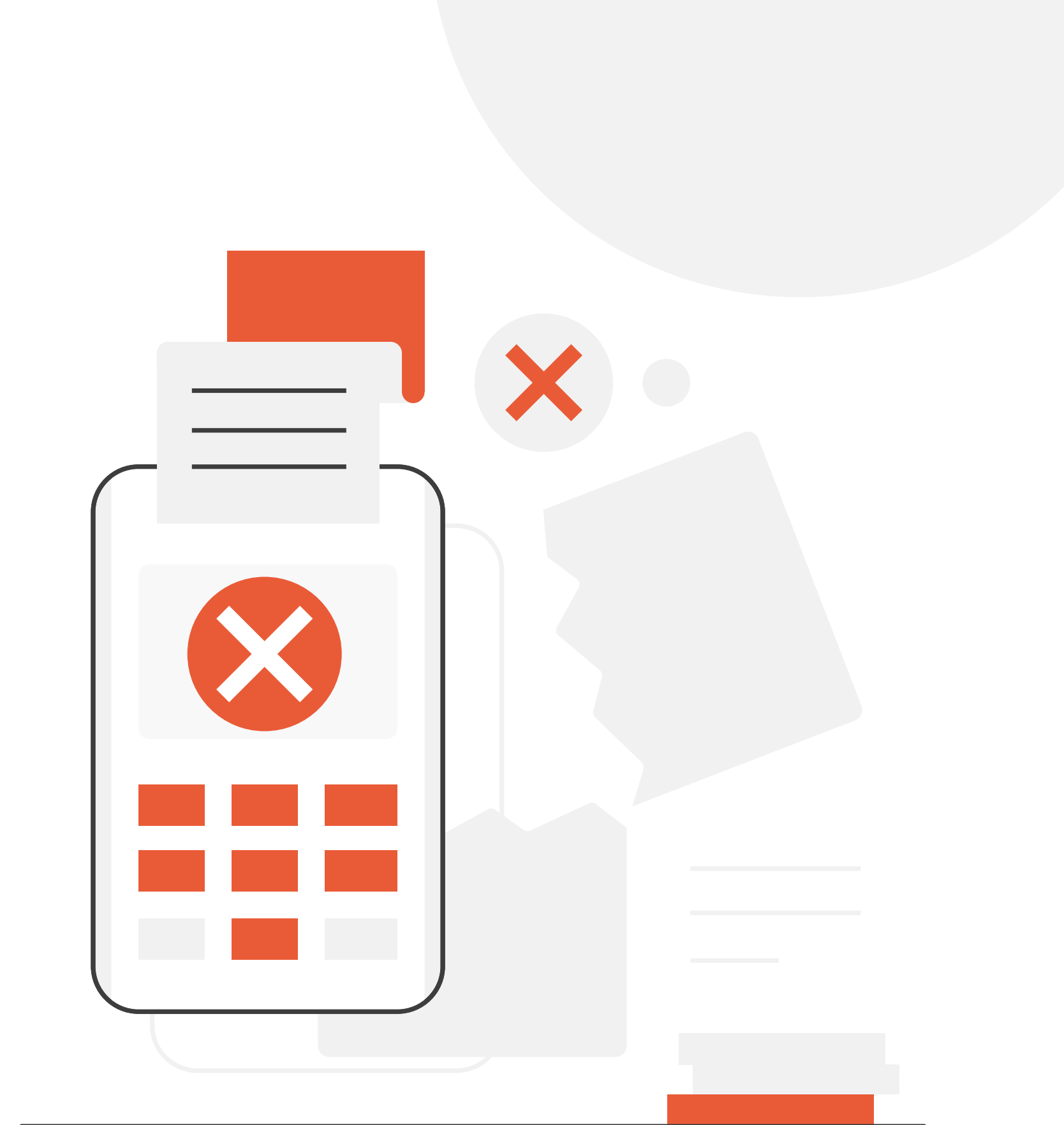
Frisco ISD will not be able to offer the Texas Schools Health Benefits Program after September 1, 2022.

NEW TEACHER PAY

Preliminary benchmarking shows FISD ~\$1,150 below the median for new teacher pay (with no experience) if we don't raise the minimum. Teachers with more than one year of experience typically make more in FISD than in benchmarked districts.

THESE LAST FEW YEARS...

Retaining our employees is a top priority.



RAISE DISCUSSION

	1% Raise	2% Raise	3% Raise
Available for Appropriation	\$ 11.3 M	\$ 11.3 M	\$ 11.3 M
Cost of Raise	\$ 4.5 M	\$ 9.0 M	\$ 13.5 M
Remaining Available	\$ 6.8 M	\$ 2.3 M	(\$ 2.2 M)

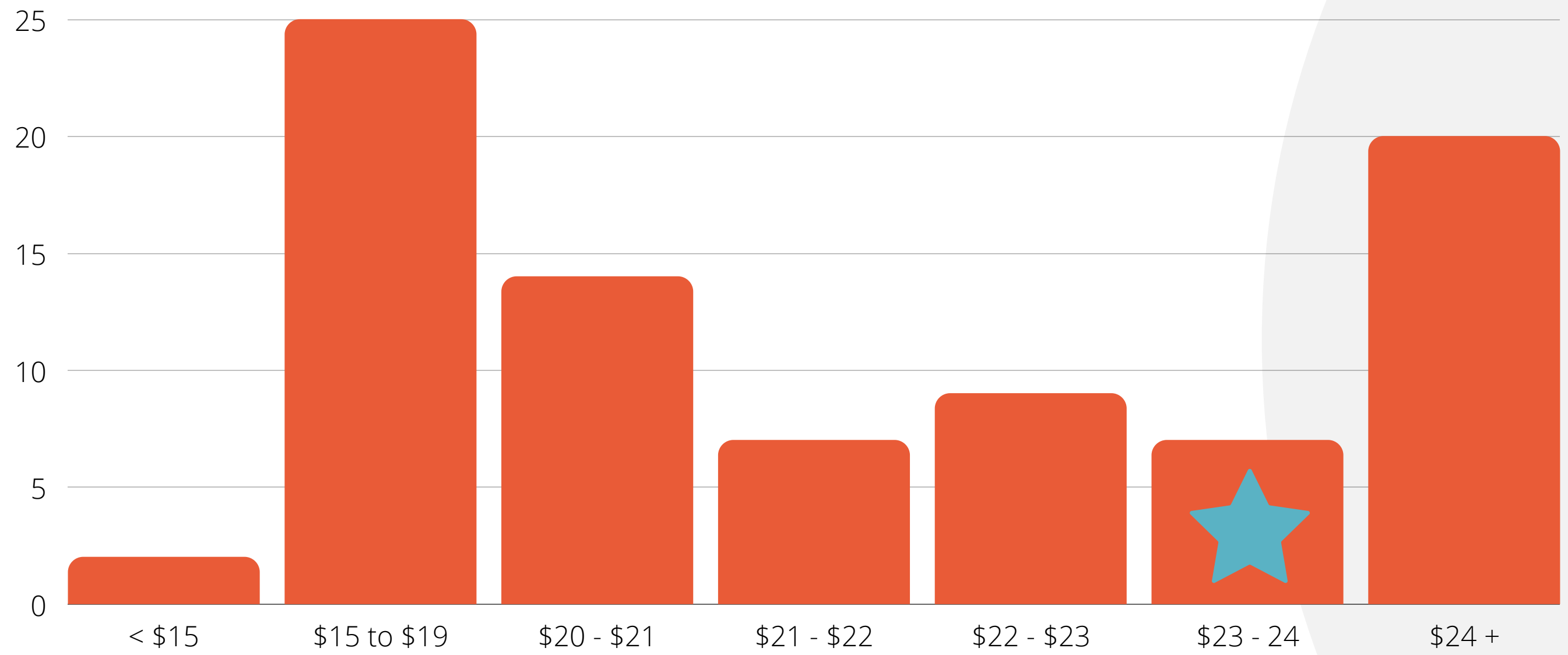
NEXT YEAR'S HEALTH PLAN COSTS

- The cheapest health plan is expected to be at least \$450/month for employee-only coverage. (Rates will not be released until later this spring).
- FISD currently contributes \$350/month.
- An employee would need to make at least \$60,000 annually for a 2% raise to cover the expected increase in health premiums.
- The employee health clinic will be opening later this Spring.

OPTIONS THAT COST \$9 MILLION:

- 1 **2% OF MIDPOINT RAISE**
Starting Teacher Pay = \$57,200
- 2 **\$50/MONTH INCREASE IN HEALTH PREMIUMS + 1.5% OF MIDPOINT RAISE**
Starting Teacher Pay = \$56,900
- 3 **"COST OF LIVING" ADJUSTMENT FOR ALL EMPLOYEES OF \$500 + 1.25% OF MIDPOINT RAISE**
Starting Teacher Pay = \$57,240

BUS DRIVER PAY DISCUSSION



\$19.50
Frisco ISD minimum wage

FUND BALANCE

General Fund Balance - 06.30.2021	\$ 249.5 M
Set Aside for: This year's expenses Employee compensation Claims & judgments (contingency)	\$ 46.0 M
Informal target for cash flow	\$ 150.0 M
Available for a "rainy day"	\$ 53.5 M

ADOPTING A DEFICIT BUDGET...

- Will allow us to provide a more meaningful raise to employees
- Will allow us to address operational needs that cannot wait for the next phase of PBB

A DEFICIT BUDGET <\$10 MILLION...

- Will likely balance itself by the end of the fiscal year
- Would not diminish the amount of money available for a rainy day

A DEFICIT BUDGET >\$10 MILLION...

- Can easily be covered by fund balance without impacting our cash flow
- May put more of a strain on our ability to balance future budgets

NEXT STEPS

2.15.2022

Resolution to include recommended new positions in next year's budget

IN THE MEANTIME, WE'LL BE...

- Benchmarking compensation
- Conducting our own efficiency audit
- Beginning work on the next phase of PBB
- Reviewing and prioritizing other needs for 2022-2023
- Looking at the debt service budget and estimating tax rates

5.26.2022

Board Budget Workshop #2

6.13.2022

Public Hearing on the Budget and Tax Rate

TBD

Special Board Meeting to Adopt the Budget



QUESTIONS
OR
DISCUSSION?



FRISCO

INDEPENDENT SCHOOL DISTRICT