

Fort Worth Independent School District



Revenue Projections 2011-2012

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Fort Worth
INDEPENDENT SCHOOL DISTRICT



Concerns – State Budget

Texas must adopt a balanced budget:

- Current projections indicate \$20+ billion shortfall
- Comptroller projecting property value declines of 3.47% in 2011 and 0.69% in 2012
- \$3.25 billion State Fiscal Stabilization Funds not available next biennium
- Student enrollment to grow by approximately 120,000 students at an estimated cost of \$2.5 billion
- Likelihood of cuts to public education are high
- Cuts will potentially range from \$30 to \$61 million for Fort Worth ISD



Ways that the State May Reduce Education Funding

Proration

➤ Reduction to FWISD Revenue \$30,286,524

5.819% Across the Board Cut in the Foundation School Program

➤ Reduction to FWISD Revenue \$30,340,620



Revenue Projections 2011-2012 – No Change in Law

General Operating Fund

	<u>2011-2012</u>
Tax Revenue	\$244,601,161
State Revenue	304,011,536
Other Revenue	<u>30,800,000</u>
	\$579,412,697
Expenses	<u>\$606,125,695</u>
Deficit	(\$ 26,712,998)

Assumptions: Revenue estimates an average daily attendance of 75,889. Associated cost with student growth will be offset with savings from reduction in the negotiated electricity contract.



Revenue Projections – Possible Change in Law

General Operating Fund

	Scenario 1 Proration	Scenario 2 Across Cut
Tax Revenue	\$244,601,161	\$244,601,161
State Revenue	273,725,012	273,670,916
Other Revenue	30,800,000	30,800,000
	<u>\$549,126,173</u>	<u>\$549,072,077</u>
Expenses	<u>\$606,125,695</u>	<u>\$606,125,695</u>
Deficit	(\$ 56,999,522)	(\$ 57,053,618)



Financial Position

Change Fund Balance 2009-2010

Change in Target Revenue Due to Tax Value Audits	\$ 13,869,880
Increase in Average Daily Attendance	3,737,510
SHARS Reimbursement	5,250,624
Additional Federal Reimbursement	2,953,364
2.5% Budget Variance Due to Change in Fiscal Year	13,778,684
Prior Year Accrual Reversal	4,502,676
Prior Year Staffing Correction	3,800,000
Reverse of Deferred Revenue	<u>3,997,719</u>
	<u>\$ 51,890,457</u>
Ending Fund Balance	<u>\$152,679,446</u>



Fund Balance

General Operating Fund

	Scenario 1 Proration	Scenario 2 Across Cut
Fund Balance		
July 1, 2010	\$152,679,446	\$152,679,446
Deficit 2010-11	<u>(31,089,223)</u>	<u>(31,089,223)</u>
Fund Balance		
July 1, 2011	<u>\$121,590,223</u>	<u>\$121,590,223</u>
Deficit 2011-12	<u>(\$ 56,999,522)</u>	<u>(\$57,053,618)</u>
Fund Balance		
July 1, 2012	\$ 64,590,701	\$64,536,605



Steps to Reduce Expenses

State Ideas

- Flexibility to Class Size Requirements
- Flexibility on Educator Contracting

District Steps

- Review Staffing Ratios
 - Administrative Level
 - Campus Level

Reviews by Division

Developing Communication Plan



Budget Planning Process

□ Proposed Project Team

- Core Working Group
 - Core Team
 - District Advisory Committee
 - Business Consultation Team

Members will meet twice a month from September Through
December



Budget Planning Process

□ Project Management Actions

- Core team will meet regularly with periodic meeting with employees who are in charge of the areas under review. Items may consist of:
 - Programs
 - Staffing Ratios
 - Delivery Logistics
 - Operational Service
 - Business Processes
 - Revenue Enhancements
 - Other ideas and/or suggestions



Business Consultation

❑ Objective:

- Review and analyze budget reductions, communicate budget reductions to business community, and provide feedback and recommendations to the

❑ Membership

- 3 – Chamber of Commerce (one from each)
- 3 – Major employers of greater Fort Worth
- 1 – City of Fort Worth
- 1 – Tarrant County
- 3 – District Principals (one each – elementary, middle, and high)



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