

2023-24 Budget Summary



Growing Greatness
#OurStudentsOurFuture

Budget Adoption: August 28, 2023

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August 28, 2023

Dear Distinguished Members of the Board of Trustees,

This report presents a summary of the 2023-24 budget as currently recommended by Gonzales Independent School District's administration for adoption. The budget described in this handout is the result of many hours of hard work by many individuals from campuses, departments, and administration.

We hope the information in this report is useful and easy to understand. We welcome your feedback. On the pages that follow, we've included an overview of what we believe are the most important elements to highlight:

- Introductory Section: Budgeting Goals, Influencing Factors, Budgeting Process
- Historical Data
- General Fund (199)
- Debt Service Fund (599)
- Food Service Fund (240)
- Tax Rates

We look forward to many more years of growing greatness!

In service,

A handwritten signature in black ink that reads "Amanda Reed Smith".

Amanda Reed Smith
Chief Financial Officer

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Introductory Section

2022-27 District Priorities:

1. Developing effective communication strategies
2. Focusing on students and the work provided to students
3. Recruiting, Inducting, and Retaining High-Quality Staff
4. Strategic Resource Management

Budgeting Process

The adoption of the budget is the culmination of many months of planning and decision-making to align resources with needs. Preparation of the district's 2023-24 budget began in the Fall of 2022 when district-level administration began studying trends and projecting average daily attendance - one of the main driving forces of the budget. We pressed on with the administration kicking off site-based decision budgeting in April with budget managers receiving budget development guidance and allocations (campus) as well as an overview and training on the zero-based budgeting method (departments). Individual meetings were held as-needed (i.e. principals and directors) to ensure district stakeholders were aligned and supported in reviewing their programs, budgets, requests for additional funds, and expenditure trends. Separate staffing meetings were held with each campus principal to ensure staffing levels at the campuses were sufficient to meet needs.

The budget is adopted at the functional level which means the board authorizes the administration to expend funds within general operational areas (i.e. instruction, maintenance, transportation, etc.). Whenever the budget needs to be amended between these functional areas or when revenues/expenditures need to be increased or decreased, the budget must be amended by board action prior to expenditures being made.

The Board is required by law to adopt three budgets: the general fund (199), the food service fund (240), and the debt service fund (599). Other budgets, such as federal grants, do not require board approval. These non-adopted budgets are managed by the grant manager(s) according to the guidelines laid out by the granting organization and are reported to the board during the year.

Summary of Proposed Budgets

Data as of August 20, 2023

GONZALES INDEPENDENT SCHOOL DISTRICT 2023 - 2024 PROPOSED BUDGET			
	<u>FUND 199</u>	<u>FUND 240</u>	<u>FUND 599</u>
REVENUES			
5700 Local Property Taxes	20,030,181		2,563,332
5700 Other Local Sources	903,300	123,863	50,040
5800 State Revenues	8,069,636	7,000	7,754
5900 Federal Sources	632,469	1,967,887	
TOTAL REVENUES	29,635,586	2,098,750	2,621,126
EXPENDITURES			
0011 Instruction	16,014,806		
0012 Instructional Resources & Media Services	281,795		
0013 Curriculum & Staff Development	569,394		
0021 Instructional Leadership	524,292		
0023 School Leadership	1,853,791		
0031 Guidance, Counseling, & Evaluation	935,517		
0032 Social Work Services	78,345		
0033 Health Services	412,113		
0034 Student Transportation	1,434,811		
0035 Food Service	15,000	2,099,250	
0036 Co-Curricular/Extra-Curricular Activities	1,296,622		
0041 General Administration	2,003,953		
0051 Plant Maintenance and Operations	4,448,387		
0052 Security & Monitoring Services	660,547		
0053 Data Processing Services	1,047,766		
0061 Community Services	11,050		
0071 Debt Services	751,496		2,621,126
0091 Contracted Inst Services Btw Public Schools	314,527		
0099 Other Intergovernmental Charges	514,828		
TOTAL EXPENDITURES	33,169,040	2,099,250	2,621,126
7915 Operational Transfer In		500	
8911 Operational Transfer Out	500		
PROJECTED NET ACTIVITY	<u>\$(3,533,954)</u>	<u>\$ -</u>	<u>\$ -</u>

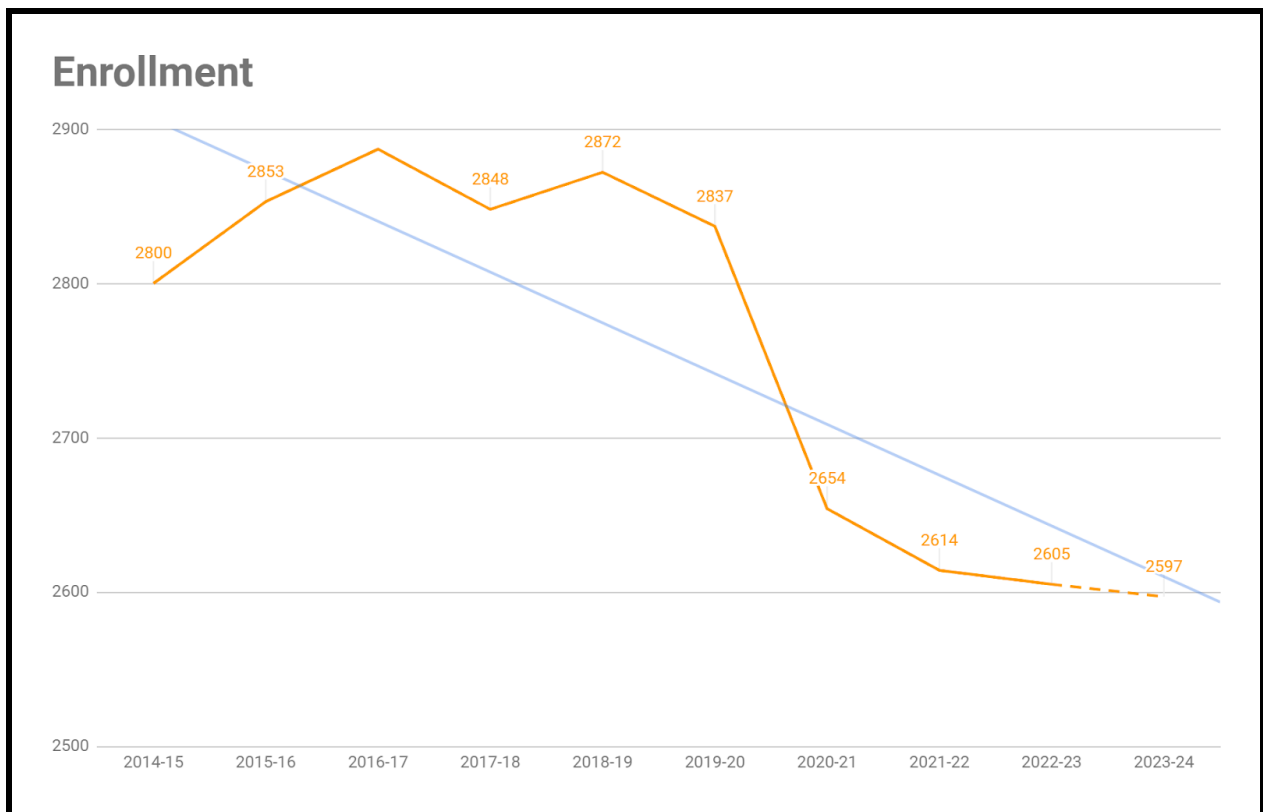
Historical Data

Analyzing historical data and trends assists us with forecasting the future.

Enrollment

The chart below shows our historical October snapshot enrollment. It is important to look at enrollment to anticipate facility and staffing needs as well as property wealth estimation. As a result of the COVID-19 pandemic, enrollment has declined since the 2019-20 school year. Using summer 2023 registration numbers and prior year trends, the district used 2,597 as the 2023-24 enrollment for planning purposes.

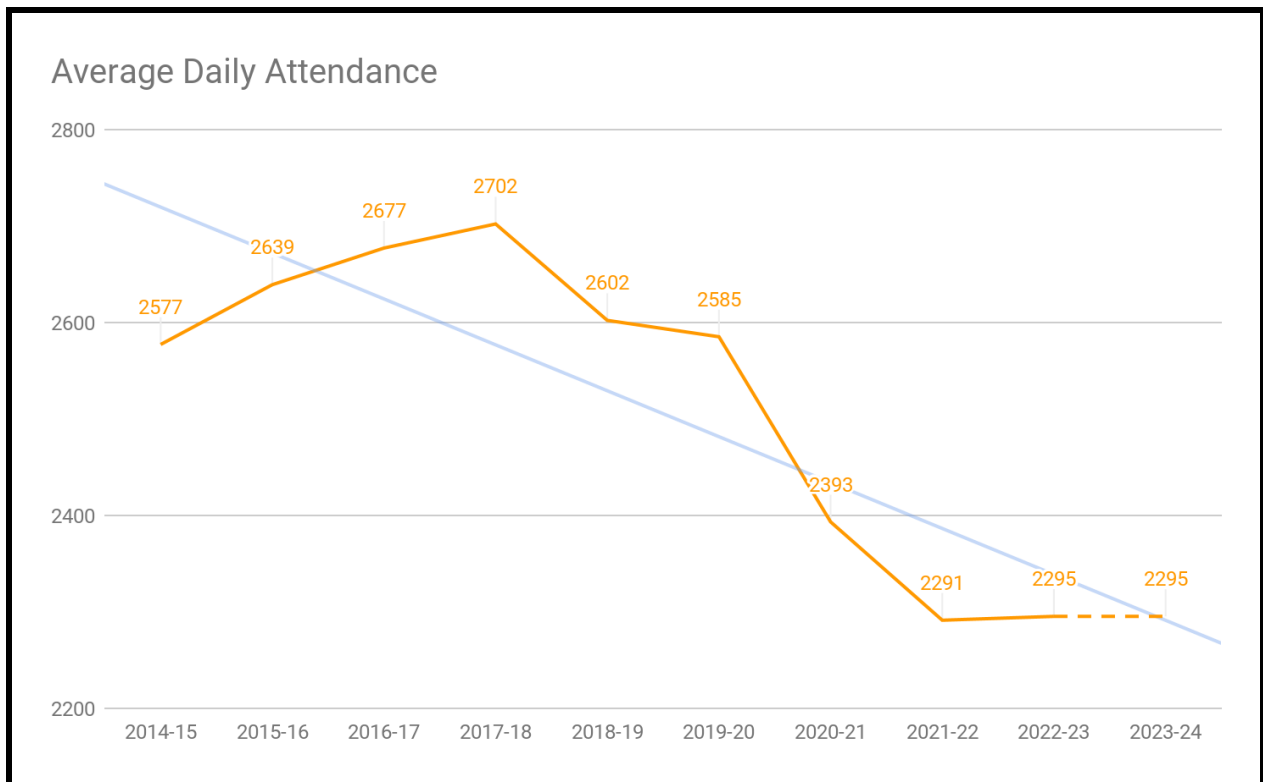
The blue line reflects the trend.



Average Daily Attendance (ADA)

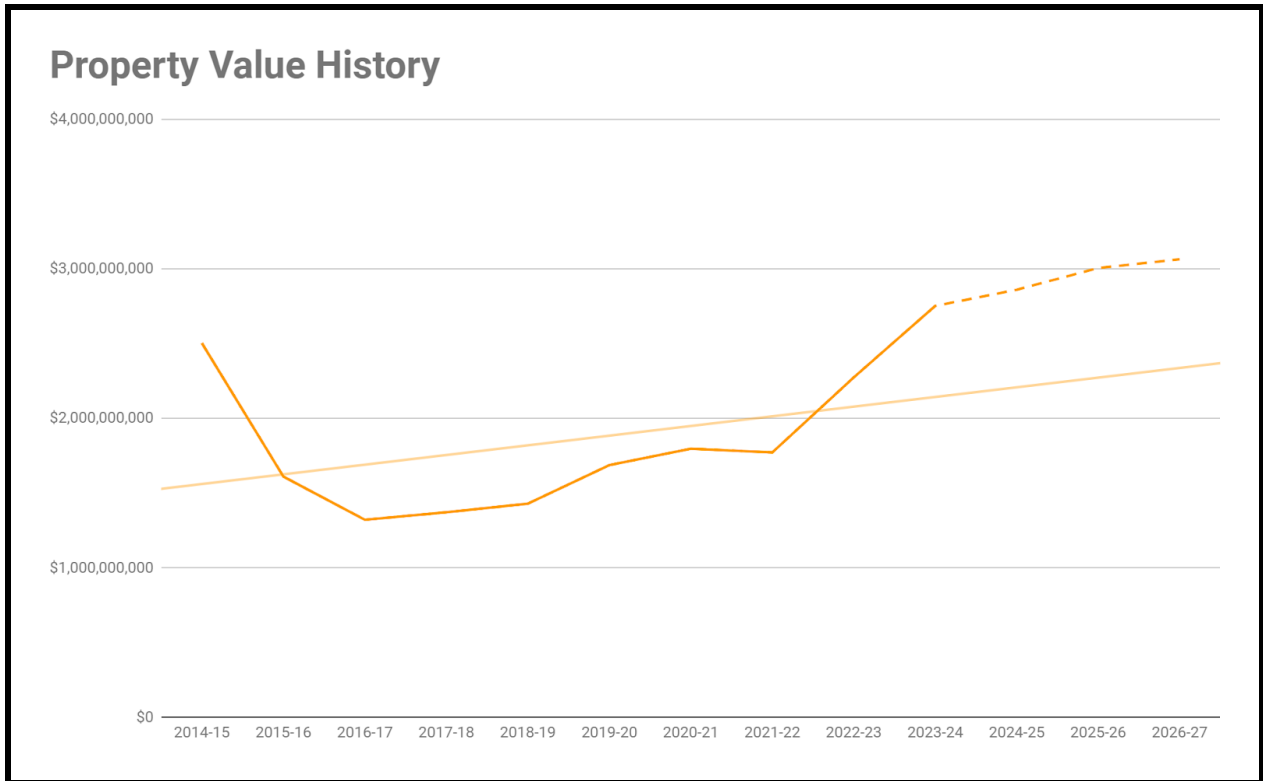
While enrollment is used for facilities planning, attendance is what is used to forecast state revenue. The state calculates our funding on average daily attendance (ADA). The chart below reflects the number of students we've had in attendance on average each day. Four years ago, on the heels of the COVID-19 pandemic, Gonzales ISD experienced an abnormal dip, but it has mostly leveled off.

Due to the district's conservative budgeting approach as well as the recent trend, the administration has prepared the 2023-24 budget to assume no change to ADA from the 2022-23 school year actual rate.



Property Values

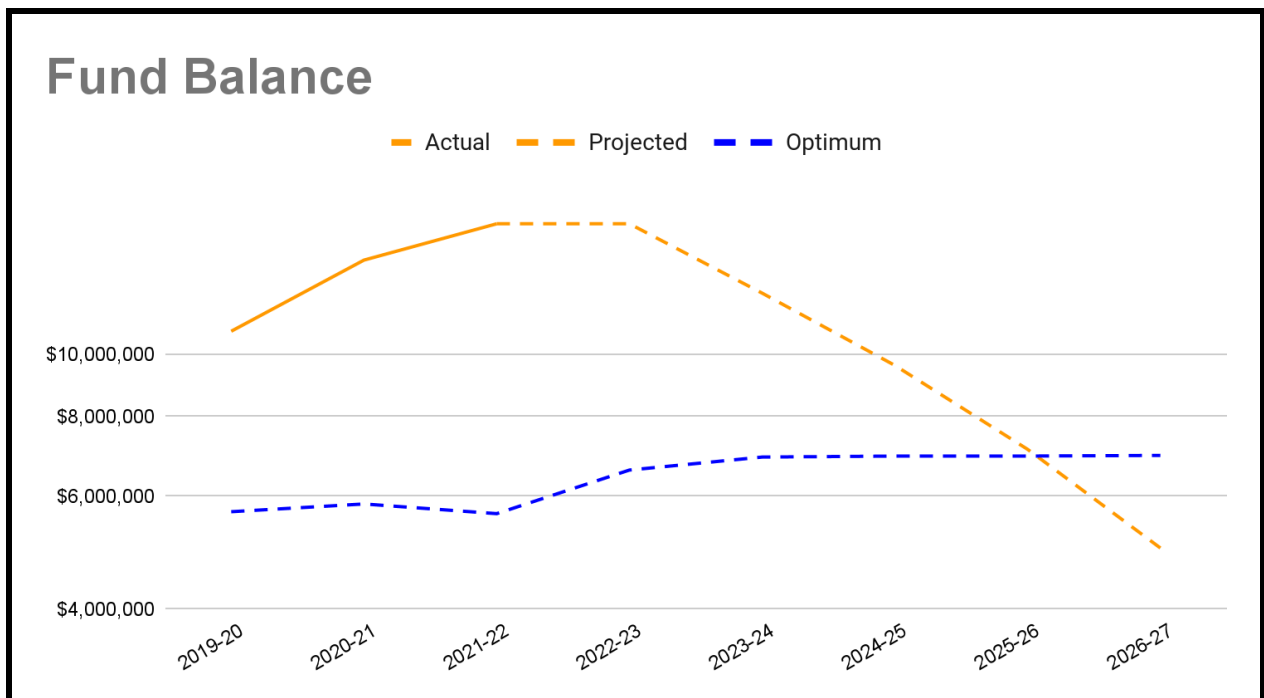
Due to fluctuations with Gonzales County mineral values, the district's tax base has also varied wildly over recent years. Since July 2022, values have increased approximately 25%.



Fund Balance

Optimum fund balance for the General Fund is defined as approximately 2.5 months worth of operating expenditures. One of the primary financial goals of the District is maintaining a healthy fund balance.

As a result of collaborative efforts, the district has achieved that goal in recent years. As you can see in the chart below, the fund balance has recently grown. This has set the district up well for the coming years. Through a continued focus on expending funds in support of the strategic plan and a strategic integration of funding sources, the district anticipates being able to avoid the intersection in 2026.



General Fund (199)

The General Fund is used to support the basic operations of the school district (i.e. basic instructional services, administration, maintenance and operations, etc.). Revenue primarily comes from the M&O portion of the tax rate and the Texas Education Agency (commonly referred to as state aid). Other revenue sources for this fund include ticket sales from athletic events, interest earnings, and federal revenue from SHARS reimbursements which are Medicaid reimbursements we request for providing certain health-related services to students with disabilities.

Highlights / Changes from 2022-23

(Summary of the Proposed Budget found on Page 13)

Although the district experienced a significant increase in local property values, due to the 2023 house bill 3 mandating additional M&O tax compression for school districts, local tax collections are anticipated to decrease with state revenue increasing (offset). The district received a significant amount of funding through the federal E-rate program during 2022-23. That funding is generally brought in mid-year resulting in the originally adopted federal program revenue artificially appearing to have decreased.

Capital Outlay

The Capital Outlay category captures expenditures for capital assets. Capital assets are defined as anything over \$5,000 per unit with a useful life of more than one (1) year. The 2023-24 original General Fund budget includes capital outlay items as follows:

1. One (1) special needs school bus
2. One (1) yellow school bus
3. One (1) staff development vehicle
4. One (1) maintenance vehicle
5. Equipment to support the career & technical education and band programs

Compensation Increases

The proposed budget includes a salary increase package designed to retain and recruit high-quality staff, as presented and approved at the March 2023 & subsequent board meetings.

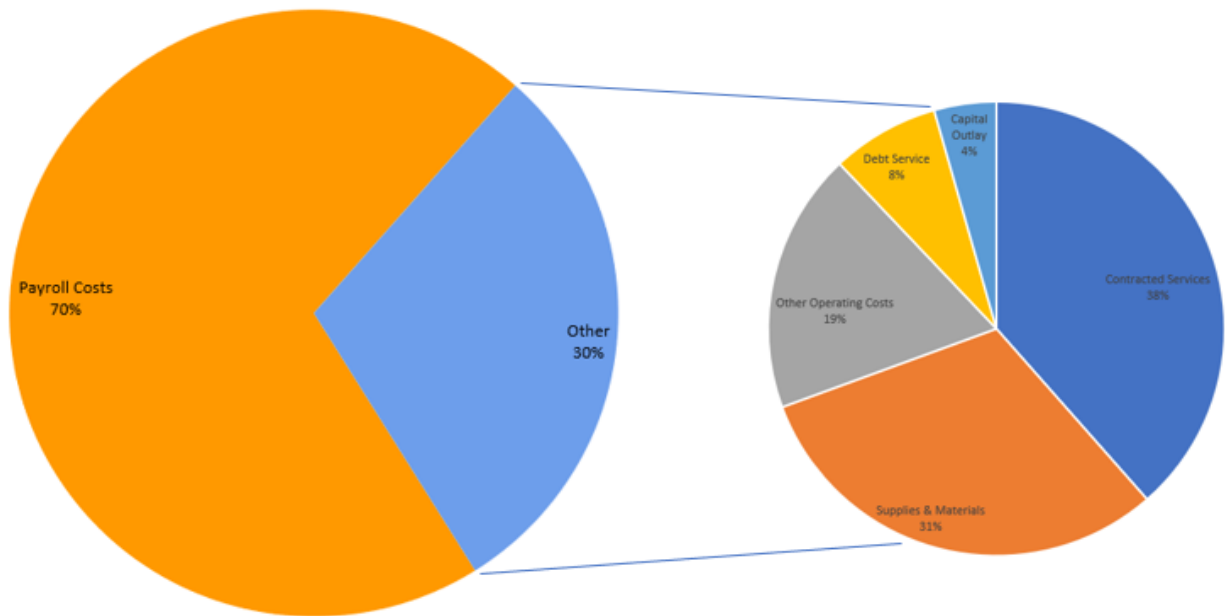
Personnel Changes (FTEs)

	2022-23	2023-24	Change	Notes
Central Admin	11	11	-	-Dir Sec. C&I; -Exec Dir. Acct; -Exec Dir Innovation & Fed Prog; +Dir. Dir Acct/CCMR; +Dir Stud Svcs; Chief of Admin
Campus Admin	13	15.5	2.5	+JH Academic Dean, CTE Coordinator, HS Special Pops Admin, 0.5 GPA AP; -CCMR/Testing Coordinator
Teachers/Lib/Trainer/Band & Athletic Directors	180	188	8	Band/Theater Teacher; GNA Media Specialist; 5th Bilingual Teacher; JH English; JH Health; 18+; 2 AVID
Aides / Secretaries / Truancy	101	100	-1	+Truancy Officer; -CFO Sect; -Testing Facilitator; +HS Financial Sect; +2 GE Aides; -2 GNA Aides; -HS Aide
Police Officers	5	5	-	
Instructional Coaches, TCLAS Spec;ACE Site Coord;Prog Coord	15	15	-	-MTSS Coordinator; +CTE Coordinator
Counselors & Nurses	12	12	-	-0.5 HS Counselor; +0.5 GNA Counselor
Technology & Special Prog	19	21	2	Behavior Specialist; LSSP
Cust/Maint/FS/Trans	95	95	-	-Route Coord; +HVAC Intern
Total FTEs	451	462.5	11.5	

Expenditure Levels

The proposed expenditures budget for fiscal year 2023-24 is \$33,169,040. 70% of the budget is for salaries and benefits while the remaining 30% is budgeted for contracted services, supplies and materials, capital outlay, debt service, and other operating costs.

The chart below portrays the breakdown of budgeted expenditures by object.



**GONZALES INDEPENDENT SCHOOL DISTRICT
2023 - 2024 PROPOSED BUDGET
GENERAL FUND**

data as of 8/16/2023

	2021-22 Actual	2022-23 Amended Budget	2023-24 Preliminary Budget	Variance
REVENUES				
5700 Local Property Taxes	17,676,126	20,679,020	20,030,181	(648,839)
5700 Other Local Sources	448,016	269,199	903,300	634,101
5800 State Revenues	10,025,626	6,591,444	8,069,636	1,478,192
5900 Federal Sources	865,593	1,102,384	632,469	(469,915)
TOTAL REVENUES	29,015,361	28,642,047	29,635,586	993,539
EXPENDITURES				
0011 Instruction	13,524,673	14,768,689	16,014,806	1,246,117
0012 Instructional Resources & Media Services	140,236	160,713	281,795	121,082
0013 Curriculum & Staff Development	620,763	746,357	569,394	-176,963
0021 Instructional Leadership	441,761	268,767	524,292	255,525
0023 School Leadership	1,456,111	1,639,030	1,853,791	214,761
0031 Guidance, Counseling, & Evaluation	865,841	1,059,845	935,517	-124,328
0032 Social Work Services	164	1,152	78,345	
0033 Health Services	304,697	378,364	412,113	33,749
0034 Student Transportation	1,221,123	1,399,415	1,434,811	35,396
0035 Food Service	9,684	6,000	15,000	
0036 Co-Curricular/Extra-Curricular Activities	876,192	1,061,597	1,296,622	235,025
0041 General Administration	1,850,623	1,958,281	2,003,953	45,672
0051 Plant Maintenance and Operations	3,303,048	4,924,485	4,448,387	-476,098
0052 Security & Monitoring Services	140,091	500,455	660,547	160,092
0053 Data Processing Services	980,177	1,120,585	1,047,766	-72,819
0061 Community Services	35,802	129,608	11,050	-118,558
0071 Debt Services	766,921	809,576	751,496	-58,080
0081 Facilities Acquisition & Instruction	46,590	207,242	0	-207,242
0091 Contracted Inst Srvcs Btw Public Schools	0		314,527	314,527
0099 Other Intergovernmental Charges	470,515	512,060	514,828	2,768
	27,055,012	31,652,221	33,169,040	1,516,819
7912 Sale of Property				
7913 Capital Lease Proceeds		354,600		
8911 Operational Transfer Out	118	500	500	0
PROJECTED NET ACTIVITY	1,960,231	(2,656,074)	(3,533,954)	(877,880)
Fund Balance, Beginning	14,038,093	15,998,324	13,342,250	(2,656,074)
Fund Balance, Ending	15,998,324	13,342,250	9,808,296	(3,533,954)

Food Service Fund (240)

The food service fund is used to support our child nutrition program. Revenues come from the federal government, state government, and payments from individuals who purchase food from the cafeterias. Monies may only be used in support of this program. The Director of Child Nutrition is the budget manager for this fund.

The fiscal year 2023-24 Food Service Fund budget is proposed with a balanced budget.

GONZALES INDEPENDENT SCHOOL DISTRICT 2023 - 24 PROPOSED BUDGET FOOD SERVICE FUND				
	2021-22 Actual	2022-23 Amended Budget	2023-24 Proposed Budget	Variance
REVENUES				
5700 Other Local Sources	90,288	114,859	123,863	9,004
5800 State Revenues	8,229	7,000	7,000	0
5900 Federal Sources	1,768,810	1,661,236	1,967,887	306,651
TOTAL REVENUES	1,867,327	1,783,095	2,098,750	315,655
EXPENDITURES				
0035 Food Service	1,568,082	1,893,595	2,099,250	205,655
TOTAL EXPENDITURES	1,568,082	1,893,595	2,099,250	205,655
7915 Operational Transfer In	118	500	500	0
PROJECTED NET ACTIVITY	299,363	(110,000)	0	110,000
Fund Balance, Beginning	226,141	525,504	415,504	(110,000)
Fund Balance, Ending	525,504	415,504	415,504	0

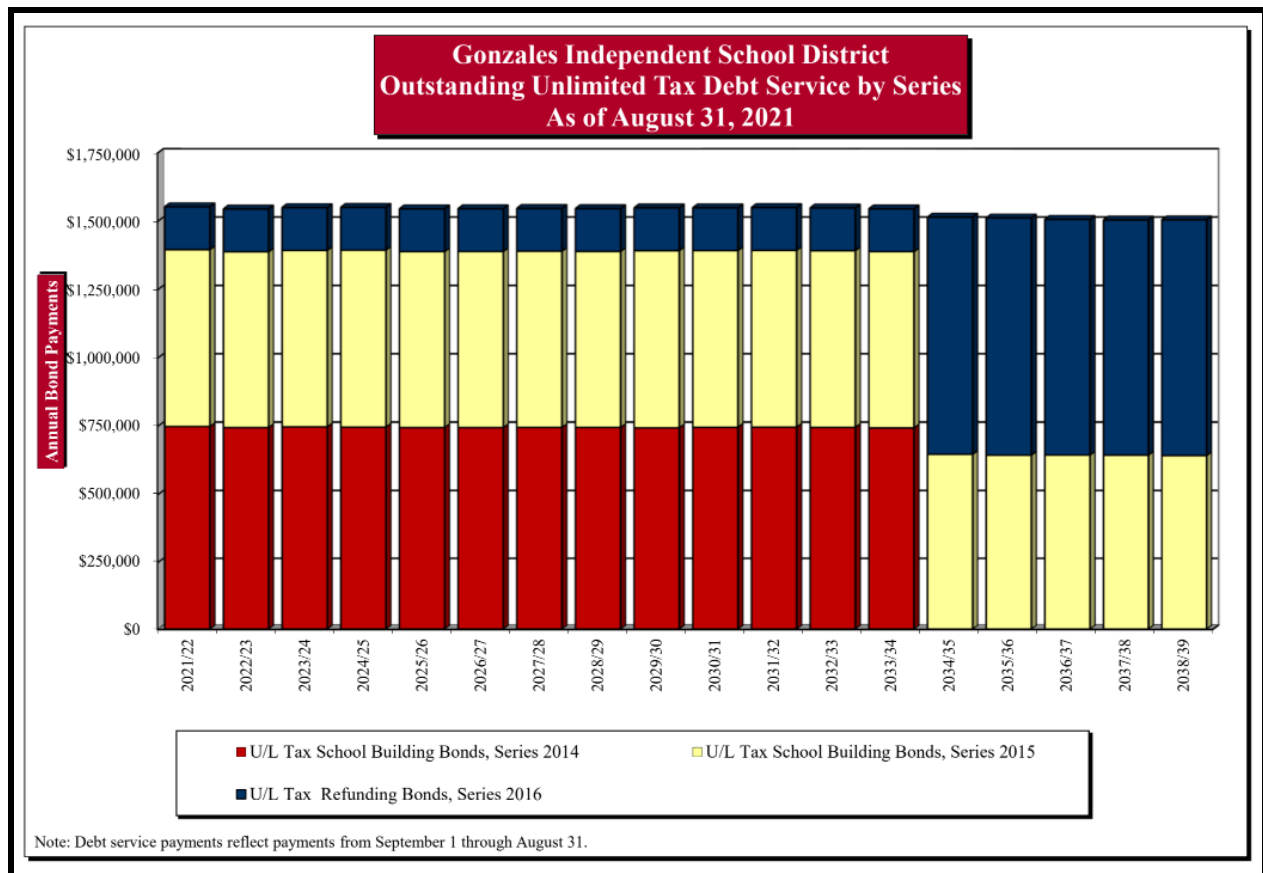
Debt Service Fund (599)

The Debt Service Fund is used to pay our bonded indebtedness (debt authorized by voters during elections). Revenue from the I&S portion of the tax rate is deposited into this fund.

In 2013, voters authorized the district (via an election) to sell bonds. The bonds were sold as needed to minimize the amount of interest paid (4 issues all together). These proceeds were primarily used to open the Gonzales Primary Academy campus, add the student center and secure front office to the Gonzales High School campus, and add instructional wings to the North Avenue Intermediate and Gonzales Junior High School campuses.

Repayment of these bond issues is why we currently have a Debt Service Fund and an I&S tax rate. The 2015B issue was completely paid off during the 2018-19 fiscal year. The remaining bonds are scheduled to be fully repaid in the 2039 fiscal year (as depicted in the chart below).

During the summer of 2023, the board of trustees saw an opportunity to refund the Series 2014 bonds at a lower interest rate. Additionally, the district had an opportunity to pay off a portion of the Series 2015 ahead of schedule - while lowering the total tax rate - through a defeasance resolution. These actions combined are anticipated to save the taxpayers of Gonzales ISD over \$1,000,000!



**GONZALES INDEPENDENT SCHOOL DISTRICT
2023-24 PROPOSED BUDGET
DEBT SERVICE FUND**

	<u>2021-22 Actual</u>	<u>2022-23 Amended Budget</u>	<u>2023-24 Proposed Budget</u>	<u>Variance</u>
REVENUES				
5700 Local Property Taxes	1,462,014	1,537,053	2,563,332	1,026,279
5700 Other Local Sources	6,610	4,201	50,040	45,839
5800 State Revenues	11,354	14,946	7,754	(7,192)
5900 Federal Sources				
TOTAL REVENUES	<u>1,479,978</u>	<u>1,556,200</u>	<u>2,621,126</u>	<u>1,064,926</u>
EXPENDITURES				
0071 Debt Services	1,553,556	1,556,200	2,621,126	1,064,926
TOTAL EXPENDITURES	<u>1,553,556</u>	<u>1,556,200</u>	<u>2,621,126</u>	<u>1,064,926</u>
PROJECTED NET ACTIVITY	(73,578)	0	0	0
Fund Balance, Beginning	<u>563,570</u>	<u>489,992</u>	<u>489,992</u>	<u>0</u>
Fund Balance, Ending	<u>489,992</u>	<u>489,992</u>	<u>489,992</u>	<u>0</u>

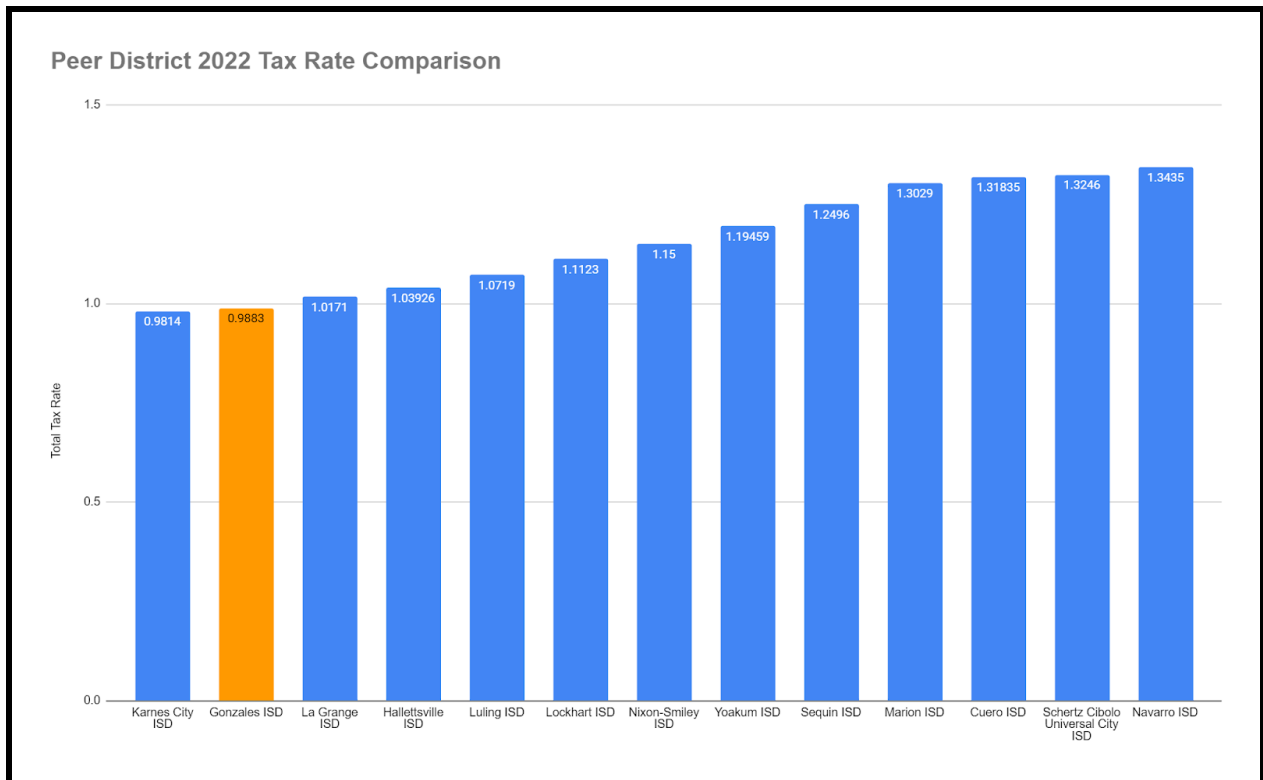
Tax Rate

The tax rate administration is recommending for adoption is:

M&O	\$0.7331
I&S	\$0.0916
Total Tax Rate	\$0.8247

The District has historically had one of the lowest tax rates in the surrounding Districts.

The 2019 & 2023 legislative sessions had a large impact on the \$0.3553 decrease in total tax rate the district will have experienced in the most recent five years. House Bill 3 and Senate Bill 2 both mandated districts compress their maintenance and operations (M&O) tax rates as a means of lowering the dependency on local property taxes for financing public education. As a result, the maximum M&O rate Gonzales ISD can adopt is \$0.7331. The administration recommends adopting the maximum M&O tax rate allowed by law to ensure maximum state funding is received.



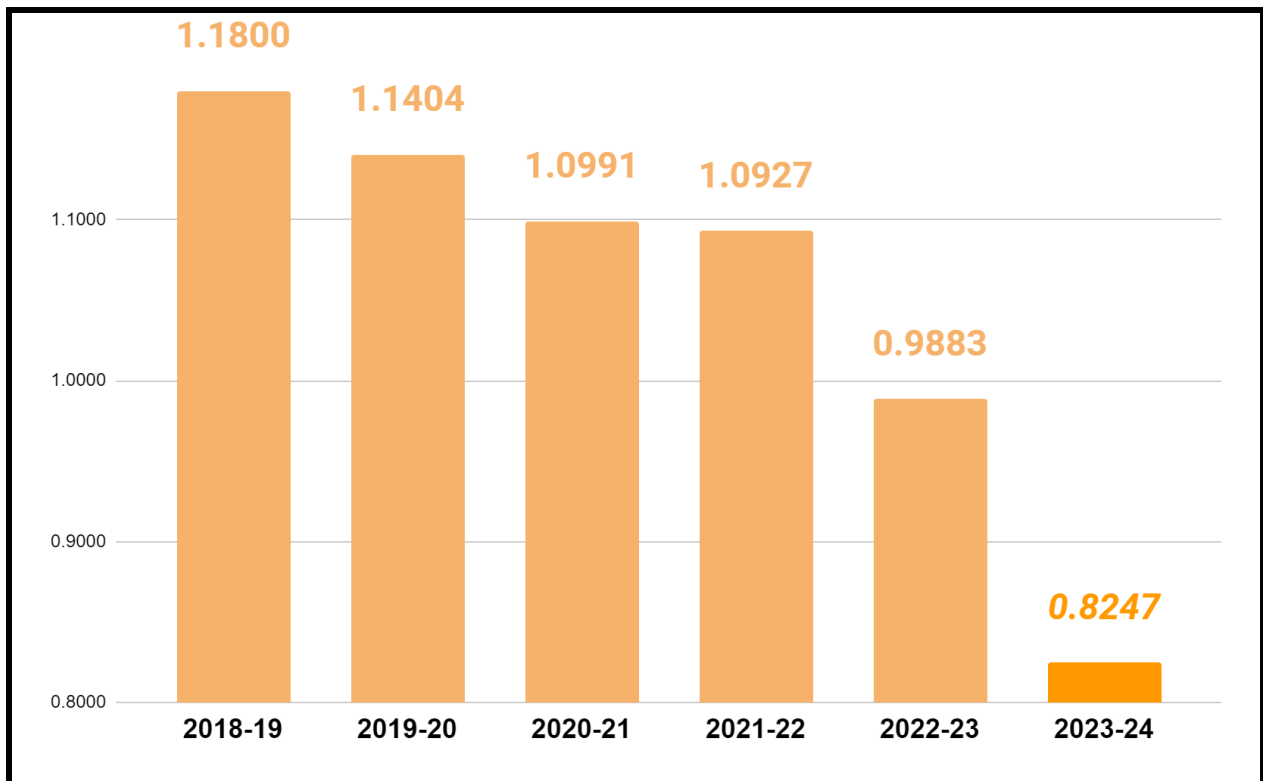
**Gonzales Independent School District
Historical Property Tax Rates
Per \$100 Valuation**

Fiscal Year	Maintenance & Operations Rate	Interest & Sinking Rate	Total Tax Rate
2023-24	0.7331	0.0916	0.8247
2022-23	0.9185	0.0698	0.9883
2021-22	1.0092	0.0835	1.0927
2020-21**	1.0092	0.0899	1.0991
2019-20**	1.0440	0.0964	1.1404
2018-19*	1.1324	0.0476	1.1800
2017-18	1.0400	0.1200	1.1600
2016-17	1.0400	0.1400	1.1800
2015-16	1.0400	0.1233	1.1633
2014-15	1.0400	0.0848	1.1248
2013-14	0.9357	0.0320	0.9677
2012-13	0.9357	0.0367	0.9724

**Tax Ratification Election held August 25, 2018.*

***HB 3 / SB 2 enacted by the legislature mandating tax rate compression*

Historical Total Tax Rate:



This chart shows the I&S tax rate broken down by debt issue. All are related to the 2013 bond election.

