



Financial Futures Committee Report to Board of Trustees

April 16, 2015

Multi-Year Budget Forecast *(in millions)*

	Actual 2012-13	Actual 2013-14	Budget 2014-15	Projected 2014-15	Forecast 2015-16	Forecast 2016-17	Forecast 2017-18	Forecast 2018-19
Beg. Fund Bal.	139.3	156.3	188.8	188.8	180.1	186.6	187.2	185.8
Revenues/Oth. Res	441.2	489.1	487.6	491.6	476.8	472.8	471.7	470.5
Expend/Oth. Uses	<u>424.2</u>	<u>456.6</u>	<u>508.4</u>	<u>500.4</u>	<u>470.3</u>	<u>472.2</u>	<u>473.1</u>	<u>474.4</u>
Surplus/(Deficit)	17.0	32.5	(20.8)*	(8.7)*	6.5	0.6	(1.4)	(3.9)
Ending Fund Bal.	156.3	188.8	168.0	180.1	186.6	187.2	185.8	181.9

ASSUMPTIONS:

Property Value Growth: 2.5% per year

M&O Tax Rate: No change

Grand Prairie TIF #2 ends 9.30.15

Enrollment: Approx .7% decrease/year

New TRS mandate beginning 2014-15 with state offset; no state offset after 2014-15

State Funding: No change in formulas after 2014-15

Salary Increases : None after 2014-15

Strategic Plan One-Time Costs: None after 14-15

Includes operating costs for new facilities at scheduled openings

*** 2014-15 deficit is result of constructing a new elementary school from surplus fund balance.**



FFC Report

Tony Pompa, FFC Chairperson



FFC Purpose

Since its inception in 1992, the Financial Futures Committee (previously named the Citizens Budget Review Committee) has provided the AISD Board of Trustees with valuable input from the community through insight into the community's expectations. The Board believes the function of the Committee is vital to the Board, AISD administration, and taxpayers.



FFC Membership

Charles Brady
Robert Brewer
Danielle Carey
Justin Chapa
Debbie Clemons
William Deakyne
Jacqueline Echols
Harry Flood, Jr.
Demi Garland
Shannon Hanrahan
Geoffry Harris
Giles Hawkins

Nick Heizer
Gara Hill
Mark Kammlah
Jeffrey Levy
Mindy Marshall
Anne Mason
Greg Meyer
Claire Miller
Tony Pompa*
Kwasi Satcher
Jannette Suarez
David Wilbanks

*FFC Chairperson



Board Community Engagement Committee

- Peter Baron, committee chair
- Dr. Aaron Reich
- Kecia Mays



Administration Support

- Marcelo Cavazos
- Cindy Powell
- Steven Wurtz
- Michael Hill
- Scott Kahl
- Tony Drollinger
- Kevin Barlow
- Paula Long
- Jacqueline Kennedy
- Rick Garcia
- Craig Wright
- Mandy Mew
- Renee Pope
- Nell Fielding
- Julie McGuire
- Julie Porter
- Sandi Perez
- Karly Eubank
- Penny Scott



FFC Charge

- Gather external and internal data on issues relating to Texas public education, including school finance and accountability, to understand how those issues affect AISD's general operating budget.
- Review the *Achieve Today. Excel Tomorrow.* strategic plan and the development of the new 2015-2020 strategic plan to understand the impact that the strategic plan may have on the general operating budget.
- Review the current general operating budget to gain an understanding of cost drivers.



FFC Charge

- Review each of the following in order to assess the impact that each item has on the 2015-16 general operating budget and provide input on each, as appropriate:
 - Academic Services priorities and operational efficiency priorities presented to the Committee by the District.
 - Current staffing methods in relation to state education law and current administration protocol
 - Compensation and benefits, including salary market studies, performance pay systems, health insurance and wellness plan
 - Operating costs associated with bond projects that will be completed prior to or during the 2015-16 fiscal year



FFC Charge

- Formalize recommendations for the 2015-16 budget, as appropriate, including possible additions, reductions or deletions to the budget. Recommendations should be aligned with the strategic plan, priorities and budget considerations presented by Administration and should consider operational efficiencies. Committee may recommend that budget items/initiatives be: (1) deferred to a future year budget or possible future bond election, (2) eliminated, or (3) outsourced.



FFC Charge

- Report advisory, consensus recommendations to the administration and Board regarding the 2015-16 AISD budget at the Board meeting on April 16, 2015.



FFC Charge

Committee Member Attendance

- FFC members shall miss no more than two meetings to be eligible to vote on recommendations compiled by the Committee.
- A majority of the Committee membership must be present at scheduled meetings in order for the Committee to conduct business.



FFC Meetings

Mtg.	Date	Meeting Agenda
1	February 3	Strategic Plan Budget Overview Budget Parameters State Funding System School Finance Lawsuit Budget Forecast District Profile/Comparison Data
2	February 17	Academic Services



FFC Meetings

Mtg.	Date	Meeting Agenda
3	March 17	Small Group Breakout Discussions on Academic Services
4	March 31	Staffing & Compensation Small Group Discussions
5	April 9	Operating Costs Associated with Bond Program Finalize Recommendations
6	April 16	Report to the Board of Trustees



FFC Report Summary

- **14 total recommendations**
- 7 received majority support (70%)
- 3 received majority no votes
- 4 withdrawn or combined prior to voting

- Estimated impact of recommendations on 2015-16 General Fund Budget:
 - Budget increases \$ 2,873,145
 - Budget reductions \$ _____ (0)
 - Net increase to budget \$ 2,873,145*

* The total is strictly the sum of items for which a budgetary impact could be estimated.



FFC Recommendations



Majority Yes Votes

No.	Recommendation	Yes	No	Abstain
1	Study the possibility of moving to a block schedule at the Junior High campuses (Not able to estimate financial impact)	17	0	0
6	Recommend the district differentiate annual salary increases between employees whose salaries are below market and those whose salaries are above market district-wide (Financial impact depends on the raise approved & the manner in which it is applied)	15	0	2
7	Recommend the Board concentrate compensation increases on salaries rather than health insurance (Financial impact depends on raise approved)	17	0	0
8	Recommend the district incentivize the wellness program with cash (Assuming one-half of employees join wellness plan & incentive is \$500, the est. cost = \$2,013,750)	12	4	1



Majority Yes Votes

No.	Recommendation	Yes	No	Abstain
12	Research, evaluate and develop options available to reward staff with either salary, bonus structure or some other equitable system based on performance (Not able to estimate financial impact as presented)	13	3	0
13	Establish upper limit of 27 students per class in the core classes at the high school level (Est. that 15 additional teachers would be required at total estimated cost of \$859,395)	7	2	7
14	Increase staffing of full-time security personnel at each high school campus to meet the unique security needs of each campus (Not able to estimate financial impact as presented)	13	0	3



Majority No Votes

No.	Recommendation	Yes	No	Abstain
2	Screen every student who enters the district for GT (Est. cost = \$45,561)	1	9	7
4	Recommend two GT teachers per elementary (Est. cost = \$5,933,468)	0	17	0
11	Recommend district look into possible funding of consumer-driven health plans (Est. cost = \$5,758,800)	0	17	0



Questions?