



# **Financial Futures Committee Report to Board of Trustees**

April 21, 2016

# Multi-Year Budget Forecast *(in millions)*

## *Including Use of Surplus Fund Balance for SHHS Master Plan*

	Actual 2013-14	Actual 2014-15	Budget 2015-16	Projected 2015-16	Forecast 2016-17	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20
Beg. Fund Bal.	156.3	188.8	188.8	188.8	193.1	170.4	161.3	153.2
Revenues/Oth. Res	489.1	498.2	496.6	495.2	487.9	492.6	491.5	489.2
Expend/Oth. Uses	<u>456.6</u>	<u>498.2</u>	<u>500.9</u>	<u>490.9</u>	<u>510.6</u>	<u>501.7</u>	<u>499.6</u>	<u>499.9</u>
<b>Surplus/(Deficit)</b>	<b>32.5</b>	<b>0.0</b>	<b>(4.3)*</b>	<b>4.3</b>	<b>(22.7)**</b>	<b>(9.1)**</b>	<b>(8.1)</b>	<b>(10.7)</b>
Ending Fund Bal.	188.8	188.8	184.5	193.1	170.4	161.3	153.2	142.5

### ASSUMPTIONS:

Property Value Growth: 3% 2016-17; 3.5% 2017-18;

3.0% 2018-19; 2.5% 2019-20

M&O Tax Rate: No change

Enrollment: Flat to .25% decrease/year

State Funding: No change in formulas after 2015-16

New TRS mandate beginning 2014-15 with state offset; no state offset after 2014-15 (impact is \$4 million)

Salary Increases : None after 2015-16

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

Includes operating costs for new facilities at scheduled openings

\* **2015-16 deficit is the result of constructing a new elementary school from surplus fund balance.**

\*\* **2016-17 & 2017-18 deficits include planned use of surplus fund balance to construct classroom addition, new cafeteria, new kitchen at SHHS.**

**All Forecast Years: Changes that will impact budget include enrollment growth, property value growth, legislative actions**



# FFC Report

David Wilbanks, FFC Chairperson

# FFC Purpose

The logo for the AISD (Austin Independent School District) is located in the top left corner. It consists of a circular arrangement of six stylized, light blue letters 'A' that form a star-like shape.

# FFC Purpose

Since 1992, the **Financial Futures Committee** has provided the AISD Board of Trustees with valuable input from the community through insight into the community's expectations.



# FFC Purpose

The Board believes the function of the Committee is **vital** to the *Board*, *AISD administration*, and *taxpayers*.

FFC Team



# FFC Membership

David Wilbanks\*

Giles Hawkins

Claire Miller

Enrico Accenti

Leann Haynes

Theresa Moffitt

Danielle Carey

Emily Klophaus

Javier Najera

Jacqueline Echols

Michael Ledford

Claudia Perkins

Harry Flood, Jr.

Jeffrey Levy

Tony Pompa

Demi Garland

Michelle Mackey

Mark Schatzman

Thomas Hackley

Bill Manley

Kevin Schutte

Geoffry Harris

Greg Meyer

Marcie Walker

\*FFC Chairperson





# Board Community Engagement Committee

Dr. Aaron Reich

John Hibbs

Kristen Hudson



# Administration Support

Dr. Marcelo Cavazos

Cindy Powell

Dr. Steven Wurtz

Michael Hill

Scott Kahl

Tony Drollinger

Dr. Kevin Barlow

Rick Garcia

Kelly Horn

Dr. Jacqueline Kennedy

Paula Long

Dr. Tamela Horton

Jennifer Duplessis

Mandy Mew

Craig Wright

Danny Helm

Jeff Thomas

Stephanie Dhalla

Amy Gresham

Penny Scott

**FFC Charge**



# 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.





# FFC Charge

Review the **2016-2021 strategic plan** to understand the impact that the strategic plan may have on the general operating budget.





# FFC Charge

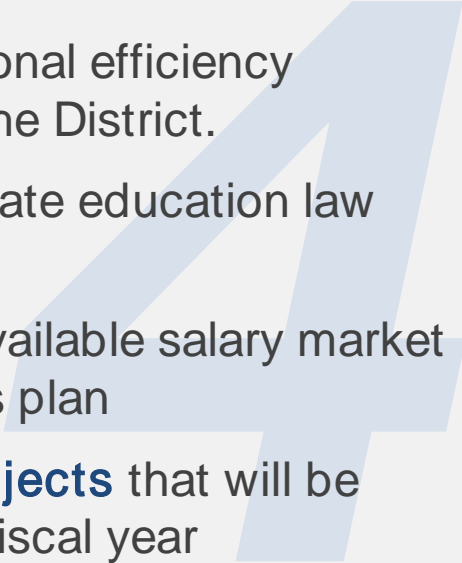
Review the current general operating budget to gain an understanding of the cost drivers.

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# FFC Charge

Review each of the following in order to assess the impact that each item has on the 2016-17 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 available salary market information, health insurance and wellness plan
  - Operating costs associated with **bond projects** that will be completed prior to or during the 2016-17 fiscal year
- 



# FFC Charge

Formalize recommendations for the 2016-17 budget, as appropriate, including possible **additions**, **reductions** or **deletions** to the budget.

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# FFC Charge

Recommendations should be **aligned with the strategic plan**, priorities and budget considerations presented by Administration and should **consider operational efficiencies**.





# FFC Charge

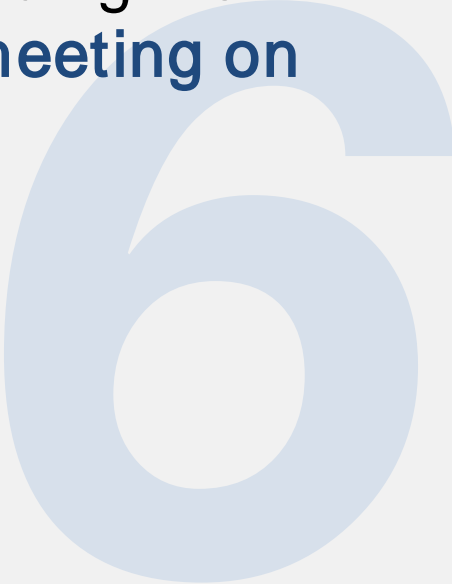
Committee may recommend that budget items/initiatives be: (1) **deferred** to a future year budget or possible future bond election, (2) **eliminated**, or (3) **outsourced**.

5



# FFC Charge

**Report** advisory, consensus **recommendations** to the administration and Board regarding the 2016-17 AISD budget at the **Board meeting on April 21, 2016.**



# FFC Meetings



# FFC Meetings

Mtg.	Date	Meeting Agenda
1	January 28	2016-21 Strategic Plan Discuss Committee Norms 2015-16 Budget Overview State Funding System & School Finance Lawsuit Budget Forecast 2016-17 Budget Enrollment Projections Comparison Data
2	February 9	Committee Norms Operations Operating Costs for New Facilities Group Discussions
3	February 23	Committee Norms Student Performance Data Academic Services Priorities




# FFC Meetings

Mtg.	Date	Meeting Agenda
4	March 8	Group Discussions on Academic Services Priorities
5	March 22	Staffing Compensation, Benefits and Wellness Plan Group Discussions
6	April 5	Group Discussions to Develop Recommendations
7	April 11	Consider FFC Recommendations

FFC

Report Summary



**20** initial  
recommendations



11 withdrawn/combined

1 no vote

**8** adopted  
recommendations





# FFC Report Summary

Estimated impact of recommendations on  
2016-17 General Fund Budget:

Budget increases	\$ 1,239,107
Budget reductions	<u>\$ (101,250)</u>
Net increase to budget	\$ 1,137,857*

\* 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	<b>Recommend maintaining competitive teacher salary at above market through increases to the midpoint. (A 1% raise on mid-point will cost approximately \$4,191,346. Cost impact depends on the raise that is approved by the Board.)</b>	11	6	0
6	<b>Expand access to Venture School and to dropout prevention programs to allow more students into the programs by redefining program eligibility requirements. (Approx. 100 - 150 additional students can be served at Venture and Dropout Prevention under the current program design and staffing. A study of program design will be required to determine capacity and costs of further expansion.)</b>	18	0	0
7	<b>Increase the number of staff attending AVID Summer Institute training to double the current levels on the high school, junior high and elementary levels. (Estimated cost of registration and travel reimbursement = \$98,725.)</b>	17	0	1

# Majority Yes Votes

No.	Recommendation	Yes	No	Abstain
8	Allocate necessary resources to educate our locally elected legislators about the escalating costs of active employee health insurance and explore possible alternatives or solutions. (No incremental impact to budget.)	16	0	2
9	Recommend the district partially pay for unused sick/personal local leave days for retiring teachers. A sub costs at least \$77 a day. Teachers may bank 5 days per year to a max of 50 days. Electing to take those days off in bulk in their last year can result in significant cost to the district as well as academic disruption to the students. We recommend that teachers be paid for their unused local days at \$50 per day to avoid the unnecessary use of subs and reward teachers for their dedication and good attendance. (Maximum estimated savings is \$101,250 assuming each teacher retiree is paid for the maximum 50 local leave days and assuming he/she would have chosen to take all 50 of their leave days off had the District not provided the accrued service benefit.)	17	0	0



# Majority Yes Votes

No.	Recommendation	Yes	No	Abstain
10	<b>Hire an independent, third party consultant to investigate and recommend modifications to AISD school start times. For instance, exchanging high school and elementary times or high school and junior high school times or whatever the consultant finds most appropriate to support the data which was cited in the March 25, 2016 Fort Worth Star Telegram editorial board's recommendation. (Estimated cost = \$75,000)</b>	16	0	1
11	<b>We want to support the proposal the Administration presented to the Board of Trustees on March 21 about giving a 4.66% equity adjustment based on the midpoint for existing auxiliary employees. We would like to ask them to consider raising this amount incrementally over the next three years to bring salaries up to market standards. (Estimated cost for 2016-17 = \$1,012,572)</b>	16	0	1



# Majority Yes Votes

No.	Recommendation	Yes	No	Abstain
20	Expedite the rollout of Go Quest to all elementary schools that opt in to the program for the 2016-17 school year and implement well defined performance indicators to measure the success of the Gifted & Talented program. (Estimated Cost = \$52,810)	15	0	2



# Majority No Votes

No.	Recommendation	Yes	No	Abstain
3	Stipends to attract and retain Special Ed teachers and Special Ed aides.	1	13	4



*Questions?*



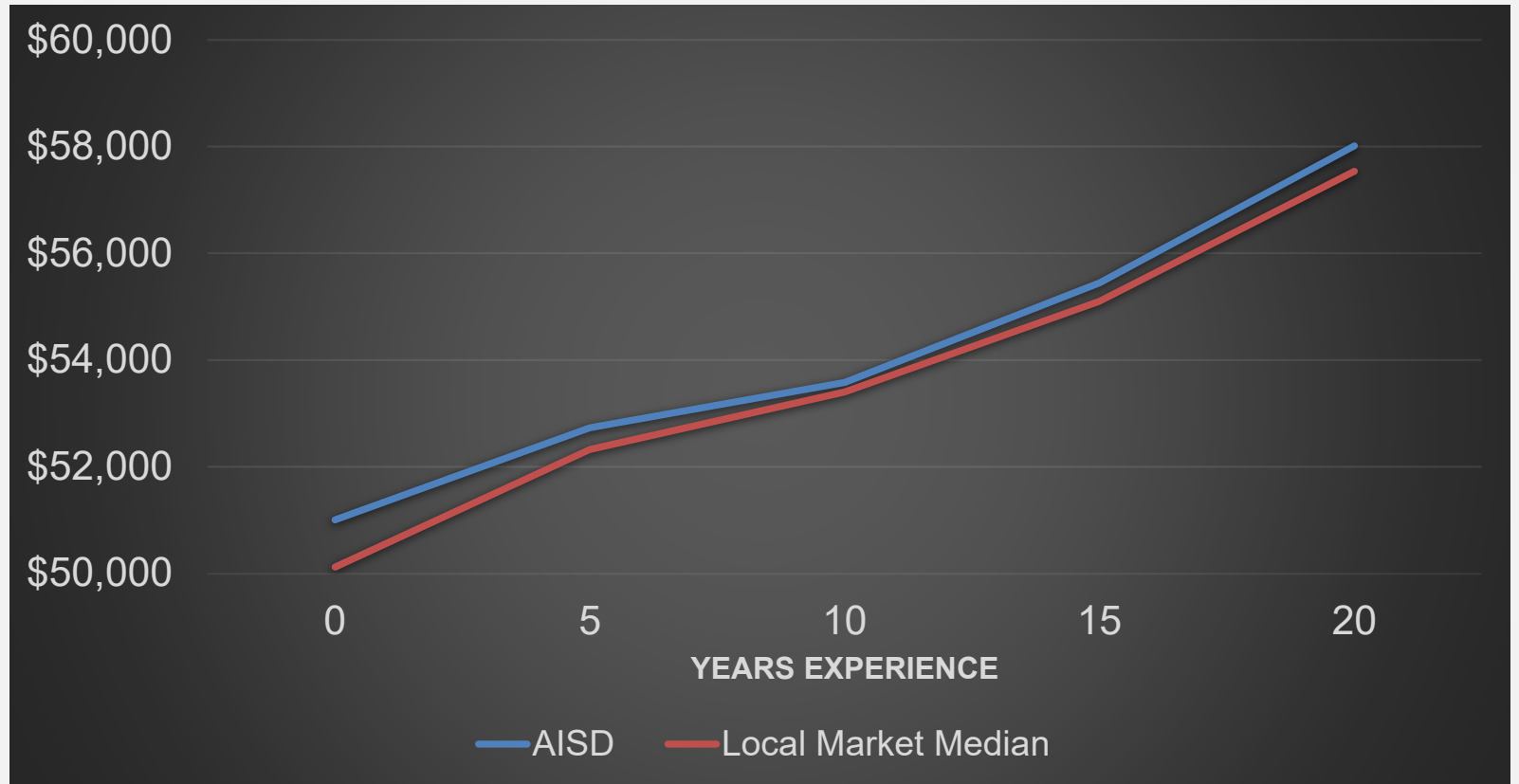


## 2015-16 Salaries & Wages

- 2015-16 Teacher Salary Range
  - Minimum                 \$51,000
  - Midpoint                \$61,000
  - Maximum               \$71,000
- Salary offers are contingent upon relevant experience, education and internal equity
- Substitute pay rates adjusted for 2015-16 based on market
- TASB review of current ranges against market recently completed. Range adjustment recommendations under review.



# Teacher Salary Market Comparison



Source: February 2016 TASB Salary Schedule Review



# Estimated Cost of Salary Increase

<b>% Increase</b>	<b>Increase Based on Actual Salaries</b>	<b>Increase Based on Mid-Point</b>
<b>1%</b>	\$3,762,429	\$4,191,346
<b>2%</b>	\$7,524,858	\$8,382,692
<b>2.5%</b>	\$9,406,073	\$10,478,365
<b>3%</b>	\$11,287,287	\$12,574,038



## GoQuest Pilot Grades 3-6 2016-2017

GoQuest™ focuses on the whole student, centering the discussion on the learner and learning through:

- Interest-based exploration: Students complete a survey that provides their individual interests, learning preferences, and expression styles.
- Surveys are used by teachers to develop inquiry-based learning experiences for students.
  
- Currently piloted at 10 elementary campuses in one grade level:
  - Atherton, Butler, Crow, Farrell, Hill, Johns, Little, Miller, Percy, Short.
  - GoQuest professional learning provided to implementing principals, teachers and curriculum specialists.
  
- In 2016 – 2017, GoQuest expanded to 20 elementary campuses.
  - The initial 10 pilot campuses are included in this number.



# Estimated Budgetary Impact 2016-2017



1:2 full time GT Lead Teacher/Elementary campus ratio

- 27 G.T. Lead Teachers recommended to be hired for 2016–2017
- Approximate reoccurring cost: \$1,620,000

Curriculum enhancements:

- GoQuest: \$30,000
- Kingore Planned Learning Experiences: \$25,000

TOTAL: \$1,675,000

\*\*An evaluation/assessment of phase success and outcomes will be conducted to identify needs and/or adjustments prior to implementation of Phase II