

Richardson ISD

2009-10 Proposed Budget

June 15, 2009

The Districts financial objectives are:

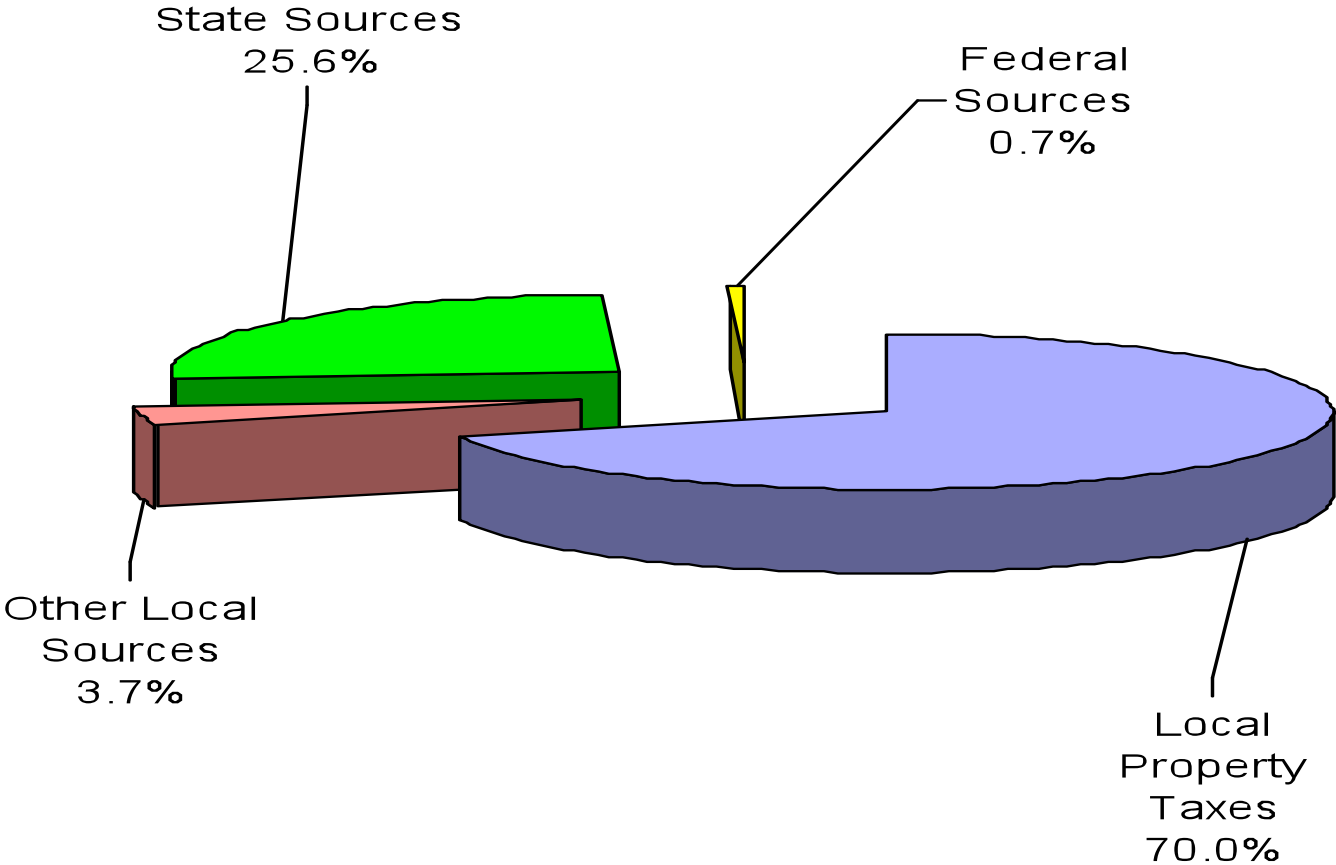
- Maintain quality instruction and support programs
- Achieve a balanced budget where our expenditures are within the limits of retainable revenue under current school finance legislation
- Maintain appropriate fund balance reserves

RISD strategies to achieve financial objectives

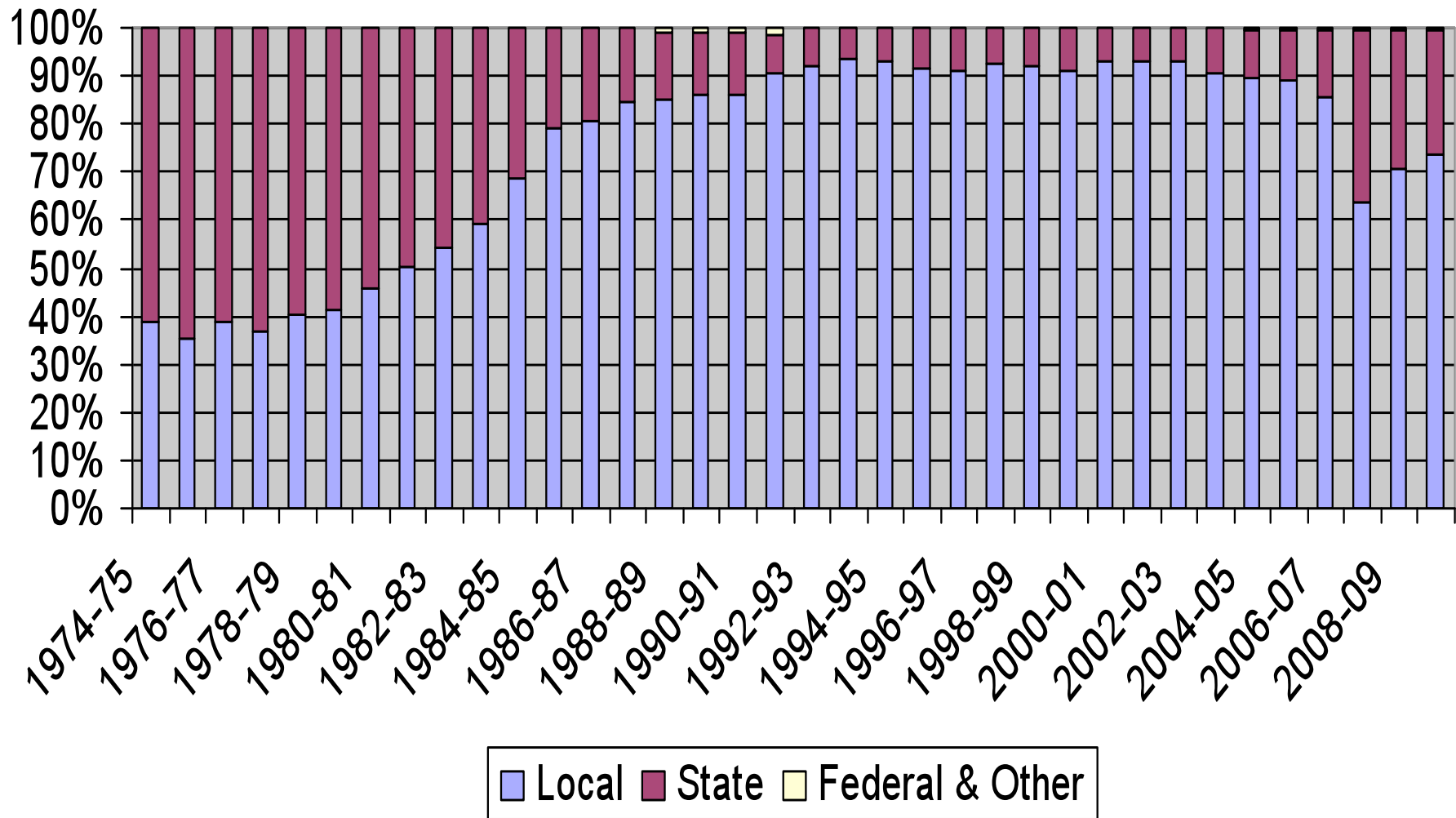
- Use a comprehensive multi year financial plan
- Annual analysis of peer district comparative financial data to identify areas for increased efficiency
- Engaged stake holder groups in the budget process
- Interaction with Superintendent's Advisory Council and Board of Trustees
- Divisional managers evaluation of programs in their area
- Maximize available revenue

Where does RISD's operating revenue come from?

2009-2010 Operating Fund Revenues by Source



Changes in Sources of General Fund Revenue



Richardson ISD remains a strong tax value.

RISD ranks 3rd lowest in tax levy for a residential homeowner of the 28 school districts in Dallas and Collin County.

We are one of only three districts within that group that offer a local optional homestead exemption to our taxpayers.

Texas School Finance Myth

That may be, but my property values keep going up so that means you have more operating tax revenue and should not need to make cuts and should have plenty of money.

That is not correct. Texas school finance law says that if Operating taxes go up then our recapture goes up and /or our State funding goes down so there is no gain in Operating revenue for the district. The State of Texas is the beneficiary for growth in property values affecting Operating property taxes.

Major changes for 2009-10

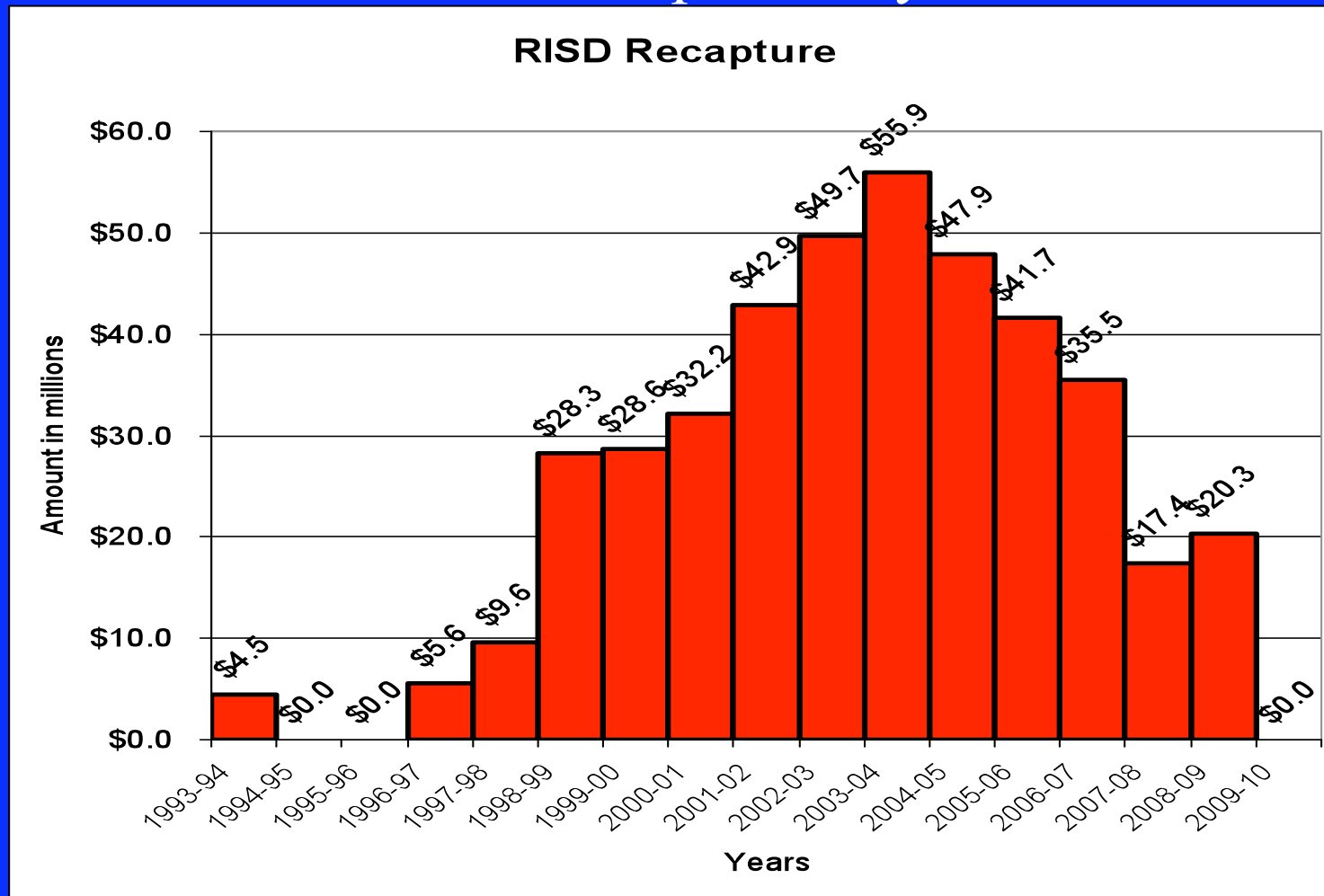
- Projected gain of 438 weighted average daily attendance (WADA).
- Receive additional \$120 per WADA under HB 3646.
- Provide \$5.4 million in staff raises (2.89% average for teachers, 3.25% for support staff and 2.75% for administrators).
- Implement phase II of in-house after school program.
- Reduce central administration and instructional support, staff and budgets. Realize savings from open positions and employee turnover.
- Eliminate Junior High pilot reading program.

Texas School Finance Myth

I thought that the Legislature fixed school finance in the 2007 session and eliminated “Robin Hood” payments in the most recent session, which means we get to keep all that extra money.

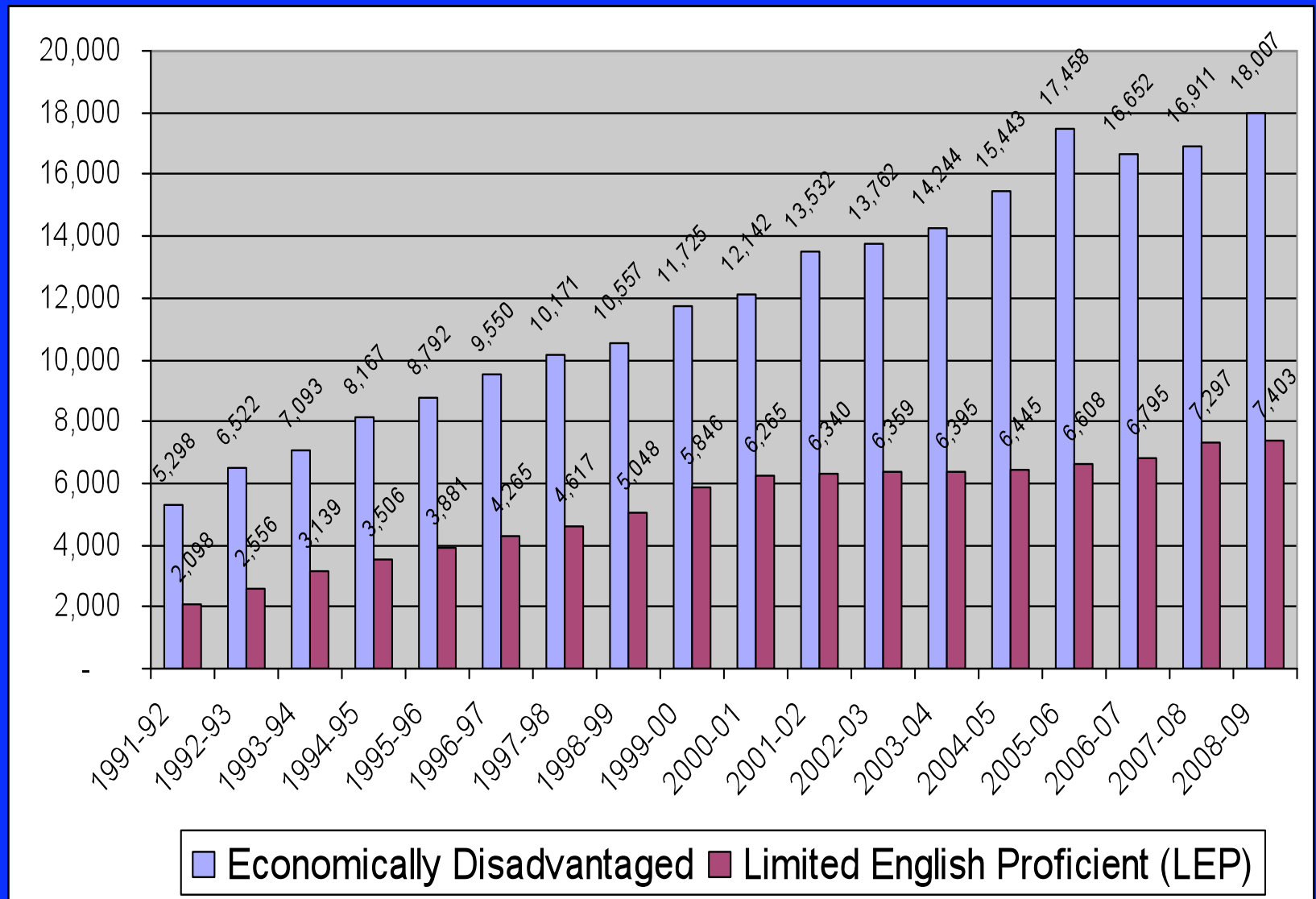
That is not correct. The 2007 legislative session was focused on property tax relief and did not provide a long term solution to school finance and recapture remained intact. While the wealth threshold for recapture was raised in the recent session, recapture stills exists and any reduction is completely offset by reduced State aid.

How much is RISD impacted by “Robin Hood”?



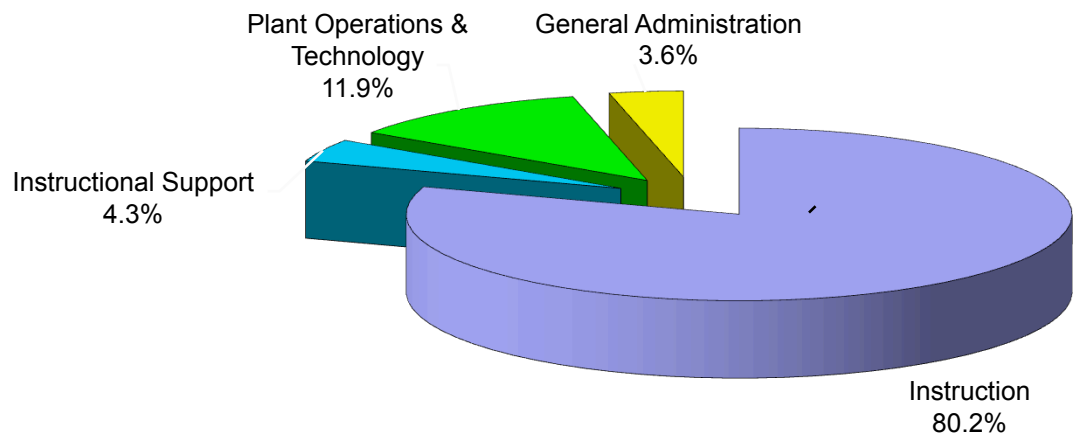
Total estimated payments through 2009 are \$420.1 million

RISD change in at risk student populations



How does RISD spend Operating Fund money?

2009-2010 Operating Fund Expenditures by Function



Texas School Finance Myth

But I thought that the Legislature provided additional funds each year for districts to pay for things like raises, higher utilities, higher gas, etc..

That is not correct. Approximately 88.4% of our operating revenue has been capped at 2005-06 funding levels per weighted pupil. The State provided limited additional funds for 2009-10 and none for 2010-11 and on under current law.

Texas School Finance Myth

If that is the case, then you should be able to use part of the \$145.4 million in bond funds approved in 2006 to cover needs in the operating budget.

That is not correct. Bond funds cannot legally be used for operating expenses. Qualifying capital items previously funded in operating are already in the bond.

Q: What are our Operating Fund expenditures per weighted average daily attendance (WADA) for 2009-10?

A: Our Total Operating expense per WADA is \$6,031 for 2009-10. The national average expense is over \$8,000.

What about 2010-11?

We know money is tight, but...