

**Meeting Minutes of the Board of Trustees
DRIPPING SPRINGS INDEPENDENT SCHOOL DISTRICT**

A Board of Trustees Workshop Meeting of the Board of Trustees of DRIPPING SPRINGS INDEPENDENT SCHOOL DISTRICT was held Monday, January 27, 2025, beginning at 5:00 PM in the Center for Learning & Leadership - Live Oak Room.

Attendance:

1. CALL TO ORDER AND ESTABLISH QUORUM
2. PUBLIC COMMENTS
 - A. Posted Agenda Items
3. PRESENTATIONS AND DISCUSSION
 - A. Presentation: 2025-2026 Budget
4. ADJOURN

2

September 26, 2019
Date

Attest:

President, DSISD Board of Trustees

Secretary, DSISD Board of Trustees

Dripping Springs

INDEPENDENT SCHOOL DISTRICT

BOARD ITEM SHEET

Workshop Meeting Date: January 27, 2025

Agenda Item: 2025-2026 through 2027-2028 Budget Projections

Reports Presentation Consent Action

Presenter: Chief Financial Officer, Gina Mitschke

Motion Language: N/A

Policy: CE (Legal/Local) Annual Operating Budget

Background: The administration will provide an update on the 2024-2025 budget, as well as budget projections for 2025-2026 through 2027-2028, incorporating the proposed budget assumptions and parameter. The data elements will be updated throughout the budget process, with updates presented to the Board as better information is received.

The presentation outlines the proposed assumptions for 2025-2026, which include:

- Enrollment of 8,975
- Average daily attendance rate of 95.25%
- Property value growth estimate of 5%
- 1% pay increase for all staff (administrative recommendation)
- Number of new FTEs (TBD)
- Budget parameter of 2% (level of deficit approval)

The Board will be asked to approve the assumptions and parameter at the January 27, 2025 Board meeting.

Attachments: 2025-2026 Budget Workshop-Budget Projections Presentation

Goals:

- We will ensure students possess the skills to confidently solve problems, communicate effectively, adapt, lead and innovate to be prepared for their future.
- We will create pathways for access to resources and programs for all students to support their personal well-being and growth.
- We will strategically recruit, hire, develop, and retain quality staff who can effectively fulfill our highest hopes for our students.
- We will enhance and align communication and engagement strategies to build and support relationships with parents, businesses, and our community.
- We will effectively and efficiently manage operational, programmatic and fiscal compliance.

2025-2026 BUDGET WORKSHOP

January 27, 2025

Dripping Springs

INDEPENDENT SCHOOL DISTRICT



2024-2025
BUDGET – ACTUAL PROJECTIONS



2024-2025 BUDGET – ACTUAL PROJECTIONS

**Dripping Springs Independent School District
Summary of Revenue and Expenditure Projections thru December 31, 2024
Fiscal Year 2024 - 2025**

	Original Budget	Current Revised Budget	Projections on Actual Thru December 2024	Variance	Explanation of Variances
Revenues:					
Taxes (Current & Delinquent)	\$ 82,025,824	\$ 82,025,824	\$ 82,219,870	\$ 194,046	Based on current tax levy
Taxes (P&I)	373,000	373,000	451,756	78,756	
Other Local	4,298,500	4,314,275	4,160,830	(153,445)	Decrease in investment income due to lower interest rates
State - ASF & FSP	4,510,342	4,510,342	7,259,253	2,748,911	Based on most recent state aid template
State - Other	5,413,682	5,413,682	5,413,682	-	TRS on-behalf based on projected payroll costs
Federal	814,795	814,795	651,652	(163,143)	Decrease due to reduction in SHARS revenue
Recapture	(9,457,009)	(9,457,009)	(11,675,342)	(2,218,333)	Based on most recent state aid template
Total Revenues	\$ 87,979,134	\$ 87,994,909	\$ 88,481,701	\$ 486,792	

5

2024-2025 BUDGET – ACTUAL PROJECTIONS

Dripping Springs Independent School District
Summary of Revenue and Expenditure Projections thru December 31, 2024
Fiscal Year 2024 - 2025

Expenditures:

Payroll Costs	76,307,634	74,868,205	73,974,432	\$ 893,773
Contracted Services	5,770,748	7,373,512	7,356,446	17,066
Utilities	2,257,766	2,260,577	2,179,629	80,948
Supplies and Materials	3,736,322	3,967,750	3,871,776	95,974
Other Operating Costs	2,299,461	2,255,040	2,133,097	121,943
Debt Service/Leases	475,117	475,117	475,117	-
Capital Outlay	89,544	102,173	102,173	-
Other Uses	-	-	-	-
Total Expenditures	\$ 90,936,592	\$ 91,302,373	\$ 90,092,670	\$ 1,209,704

Expenditure estimates based on actual expenditures through December 31, 2024 plus estimate of future expenditures through June 30, 2025

2024-2025 BUDGET – ACTUAL PROJECTIONS

Dripping Springs Independent School District
 Summary of Revenue and Expenditure Projections thru December 31, 2024
 Fiscal Year 2024 - 2025

	Original Budget	Current Revised Budget	Projections on Actual Thru December 2024	Variance	Explanation of Variances
Revenues:					
Total Revenues	\$ 87,979,134	\$ 87,994,909	\$ 88,481,701	\$ 486,792	
Expenditures:					
Total Expenditures	\$ 90,936,592	\$ 91,302,373	\$ 90,092,670	\$ 1,209,704	
Net Operating Results	\$ (2,957,458)	\$ (3,307,465)	\$ (1,610,969)	\$ 1,696,496	
Transfers In	300,000	300,000	465,612	165,612	
Transfers Out	(117,000)	(117,000)	(336,826)	(219,826)	
Net Change to Fund Balance	\$ (2,774,458)	\$ (3,124,465)	\$ (1,482,183)	\$ 1,642,282	
Beginning Fund Balance	49,101,149	49,101,149	49,101,149		
Estimated Ending Fund Balance	\$ 46,326,691	\$ 45,976,683	\$ 47,618,965		
Fund Balance Designation Expenditures (included in expenditure calculations above)					
Technology Lease Payment	125,592	125,592	125,592	-	Approved June 2023
Band Instrument Replacement	108,203	108,203	108,203	-	Approved May 2024
Band Uniforms		198,374	198,374	-	Approved June 2023
Deficit Reducing Costs (Utilities)	774,940	774,940	774,940	-	Approved June 2024
Interactive Panels 24-25	-	122,797	122,797	-	Approved May 2024
Total FB Designation Expenditures	\$ 1,008,735	\$ 1,329,906	\$ 1,329,906	\$ -	

7

2025-2026 BUDGET ASSUMPTIONS



2025–2026 ASSUMPTIONS

– Revenue Assumptions

- Student enrollment – 8,975
- Average Daily Attendance (ADA) – 95.25%
- Adjustment for PreK and zero eligibility students
- Propose 5% value growth for 2025
 - Interest rates decreasing/stabilizing
 - Market unknown
 - 2024 values increased by 4.36%
- 99% collection rate
- 2% budget parameter

BUDGET PARAMETER – BOARD POLICY

DSISD Policy CE(local) states the following:

- Budget Planning:

“In developing the annual operating budget, any budgeted deficit **shall not exceed two percent of budgeted revenues.** One-time expenditures accounted for as capital assets and items authorized to be funded with fund balance by the Board may be excluded from this limitation.”

10

2025–2026 ASSUMPTIONS

– Payroll Assumptions

- Salary increase of 1%
- Maintain 2024–2025 staffing ratios: PreK – 12th grade
- Staffing for Elementary #6
- Special education staffing
- Non-formula positions

2025–2026 ASSUMPTIONS

– Other Assumptions

- Maintain weighted student allocations
- Include 100% of utility costs
- 2% increase to operating allocations to account for inflation
- Operating startup costs for Elementary #6
- BCC recommended revenue increases/expenditure decreases not included
- Assuming no new revenue from state

**MULTI-YEAR REVENUE, EXPENDITURE,
and FUND BALANCE PROJECTIONS**

2025-2026 THROUGH 2027-2028



2025-2026 through 2027-2028 PROJECTIONS

	2024-2025 1% Pay Increase Projected	2025-2026 1% Pay Increase Projection	2026-2027 2% Pay Increase Projection	2027-2028 2% Pay Increase Projection
PROJECTED ENROLLMENT	8,714	8,975	9,297	9,612
% Change in enrollment (moderate/low)		3.00%	3.59%	3.39%
Average Daily Attendance (ADA) - 95.25%	8,121	8,364	8,663	8,958
Change in ADA Enrollment from year to year	274	243	299	295
M&O Revenue per ADA	\$9,581	\$9,628	\$9,557	\$9,473
REVENUE:				
State Revenue	\$ 12,672,935	\$ 11,498,158	\$ 11,397,658	\$ 11,506,430
Local Revenue	86,832,456	89,064,341	91,554,997	94,192,906
Recapture	(11,675,342)	(9,677,380)	(9,729,700)	(10,314,272)
Federal Revenue	651,652	560,303	571,509	582,939
TOTAL ESTIMATED REVENUES:	\$ 88,481,701	\$ 91,445,422	\$ 93,794,464	\$ 95,968,003

14

2025-2026 through 2027-2028 PROJECTIONS

	2024-2025 1% Pay Increase Projected	2025-2026 1% Pay Increase Projection	2026-2027 2% Pay Increase Projection	2027-2028 2% Pay Increase Projection
PAYROLL EXPENDITURES:				
Payroll - Existing Positions	\$ 68,560,750	\$ 70,893,952	\$ 74,833,689	\$ 77,938,451
Cost of Living Increase	-	733,483	1,496,674	1,558,769
Growth Positions	-	2,160,074	1,608,088	1,403,702
Start-up Positions (ES #6; ES #7/HS #2)	-	1,046,180	-	958,695
State Funded TRS	5,413,682	6,173,779	6,409,351	6,653,352
TOTAL PAYROLL EXPENDITURES:	\$ 73,974,432	\$ 81,007,468	\$ 84,347,802	\$ 88,512,969
OPERATING EXPENDITURES				
Contracted Services	7,356,446	5,886,163	6,003,886	6,123,964
Utilities	2,179,629	2,302,921	2,348,980	2,395,959
Supplies	3,746,776	3,700,681	3,774,695	3,850,189
Travel/Misc.	2,133,097	2,345,450	2,392,359	2,440,206
Debt Service	475,117	356,516	363,646	370,919
Capital Outlay	102,173	91,335	93,162	95,025
Operating Costs (ES #6; ES #7/HS #2)	75,000	275,000	-	225,000
Contingency	50,000	50,000	50,000	50,000
TOTAL OPERATING EXPENDITURES:	\$ 16,118,238	\$ 15,008,066	\$ 15,026,728	\$ 15,551,262
TOTAL OPERATING AND PAYROLL EXPENDITURES:	\$ 90,092,670	\$ 96,015,534	\$ 99,374,530	\$ 104,064,231
RESULTS FROM OPERATIONS:	\$ (1,610,969)	\$ (4,570,112)	\$ (5,580,066)	\$ (8,096,228)
OTHER TRANSFERS IN/OUT				
TOTAL TRANSFERS IN/OUT:	128,786	483,000	483,000	483,000
TOTAL SURPLUS/DEFICIT FOR ADOPTION:	\$ (1,482,183)	\$ (4,087,112)	\$ (5,097,066)	\$ (7,613,228)
BUDGET PARAMETER				
Budget Deficit Threshold - 2% of Revenues	-	2,022,456	2,070,483	2,125,646
Deficit (Exceeding)/Within Budget Parameter		\$ (2,547,656)	\$ (3,509,583)	\$ (5,970,583)

2025-2026 through 2027-2028 PROJECTIONS

	2024-2025 1% Pay Increase Projected	2025-2026 1% Pay Increase Projection	2026-2027 2% Pay Increase Projection	2027-2028 2% Pay Increase Projection
PROJECTED ENROLLMENT	8,714	8,975	9,297	9,612
% Change in enrollment (moderate/low)		3.00%	3.59%	3.39%
Average Daily Attendance (ADA) - 95.25%	8,121	8,364	8,663	8,958
Change in ADA Enrollment from year to year	274	243	299	295
M&O Revenue per ADA	\$9,581	\$9,628	\$9,557	\$9,473
REVENUE:				
TOTAL ESTIMATED REVENUES:	\$ 88,481,701	\$ 91,445,422	\$ 93,794,464	\$ 95,968,003
		Change in Revenue: \$2,963,721	\$2,349,042	\$2,173,539
PAYROLL EXPENDITURES:				
TOTAL PAYROLL EXPENDITURES:	\$ 73,974,432	\$ 81,007,468	\$ 84,347,802	\$ 88,512,969
OPERATING EXPENDITURES				
TOTAL OPERATING EXPENDITURES:	\$ 16,118,238	\$ 15,008,066	\$ 15,026,728	\$ 15,551,262
TOTAL OPERATING AND PAYROLL EXPENDITURES:	\$ 90,092,670	\$ 96,015,534	\$ 99,374,530	\$ 104,064,231

Change in Expenditures: \$5,922,864 \$3,358,996 \$4,689,701

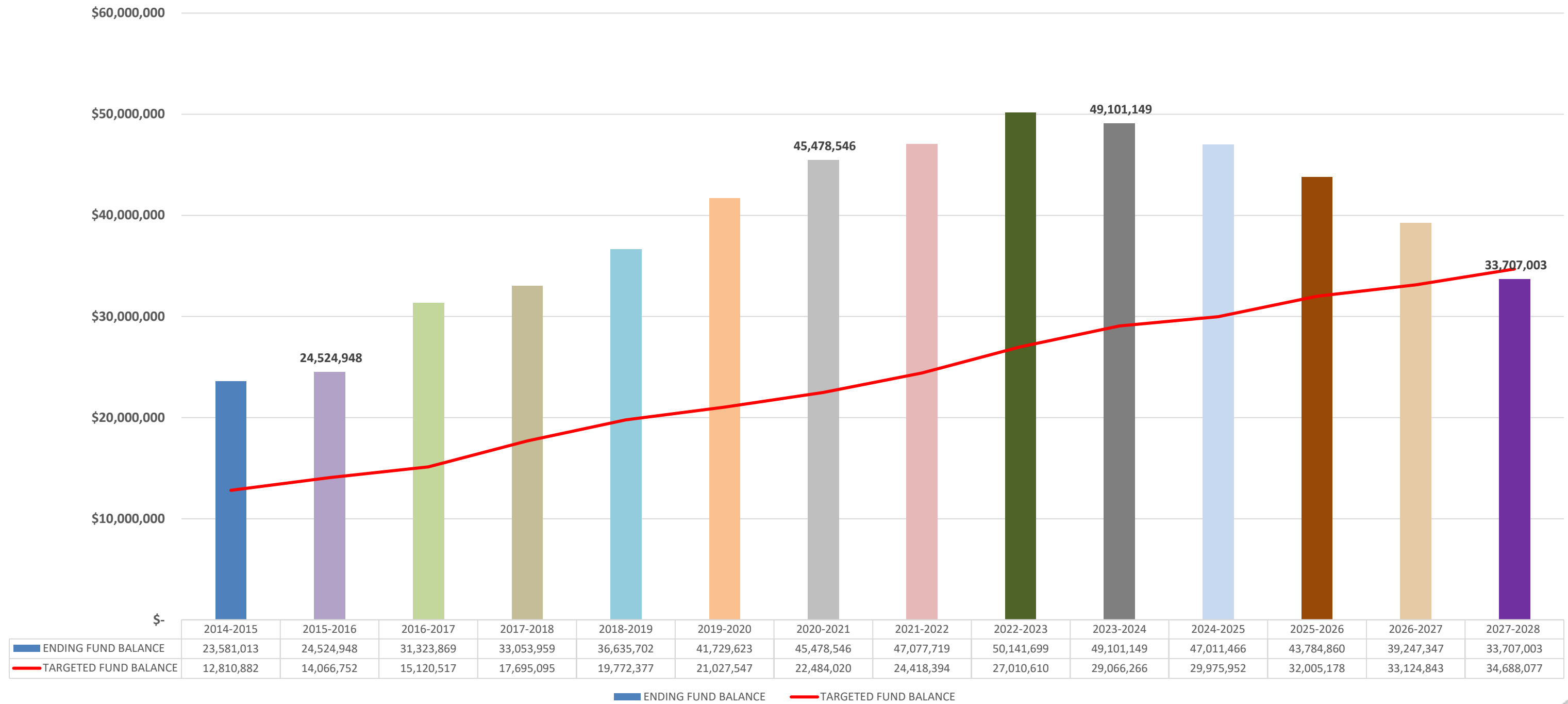
2025-2026 through 2027-2028 PROJECTIONS

	2024-2025 1% Pay Increase Projected	2025-2026 1% Pay Increase Projection	2026-2027 2% Pay Increase Projection	2027-2028 2% Pay Increase Projection
REVENUE:				
TOTAL ESTIMATED REVENUES:	\$ 88,481,701	\$ 91,445,422	\$ 93,794,464	\$ 95,968,003
PAYROLL EXPENDITURES:				
Payroll - Existing Positions	\$ 68,560,750	\$ 70,893,952	\$ 72,286,033	\$ 75,390,795
Cost of Living Increase	-	733,483	1,496,674	1,558,769
Growth Positions	-	2,160,074	1,608,088	1,403,702
Start-up Positions (ES #6; ES #7/HS #2)	-	1,046,180	-	958,695
ESSER Payroll Costs	-	-	-	-
Reductions		(2,547,656)		
State Funded TRS	5,413,682	6,173,779	6,409,351	6,653,352
TOTAL PAYROLL EXPENDITURES:	\$ 73,974,432	\$ 78,459,812	\$ 81,800,146	\$ 85,965,313
OPERATING EXPENDITURES				
TOTAL OPERATING EXPENDITURES:	\$ 16,118,238	\$ 15,008,066	\$ 15,026,728	\$ 15,551,262
TOTAL OPERATING AND PAYROLL EXPENDITURES:	\$ 90,092,670	\$ 93,467,878	\$ 96,826,874	\$ 101,516,575
RESULTS FROM OPERATIONS:	\$ (1,610,969)	\$ (2,022,456)	\$ (3,032,410)	\$ (5,548,572)
OTHER TRANSFERS IN/OUT				
TOTAL TRANSFERS IN/OUT:	128,786	483,000	483,000	483,000
TOTAL SURPLUS/DEFICIT FOR ADOPTION:	\$ (1,482,183)	\$ (1,539,456)	\$ (2,549,410)	\$ (5,065,572)
BUDGET PARAMETER				
Budget Deficit Threshold - 2% of Revenues	-	2,022,456	2,070,483	2,125,646
Deficit (Exceeding)/Within Budget Parameter		\$ -	\$ (961,927)	\$ (3,422,927)

FUND BALANCE OVERVIEW – SCENARIO 1

PROJECTED FUND BALANCE COSTS/DESIGNATIONS						
		PROJECTED FUND BALANCE				
Approval Date	2023-2024 ACTUAL	2024-2025 PROJECTED	2025-2026 PROJECTED	2026-2027 PROJECTED	2027-2028 PROJECTED	
ASSUMPTIONS: Salary Increase			1%	2%	2%	
ASSUMPTION: Budget Parameter of 2%			\$ 2,022,456	\$ 2,070,483	\$ 2,125,646	
ASSUMPTION: Additional Cuts Needed			\$ 2,547,656	\$ 3,509,583	\$ 5,970,583	
Fund Balance as of June 30	\$ 50,141,699	\$ 49,101,149	\$ 47,011,466	\$ 43,784,860	\$ 39,247,347	
Projected 2% Deficit Parameter	\$ (352,903)	\$ (281,063)	\$ (2,022,456)	\$ (2,070,483)	\$ (2,125,646)	
Budget Performance	-	-	2,022,456	2,070,483	2,125,646	
Excess Deficit	-	-	(2,547,656)	(3,509,583)	(5,970,583)	
Transfers In/Out	-	128,786	483,000	483,000	483,000	
Projected Fund Balance from Operations	\$ 49,788,796	\$ 48,948,872	\$ 44,946,810	\$ 40,758,277	\$ 33,759,764	
Current Fund Balance Commitments						
Technology Lease Payment - Lease #1	July 2023	\$ (125,592)	\$ (125,592)	\$ -	\$ -	\$ -
Band Instrument Replacement Schedule	May 2024	(30,521)	(108,203)	-	-	-
Interactive Panels	May 2024	(531,534)	(122,797)	-	-	-
Band Uniforms	June 2023	-	(198,374)	-	-	-
Utilities	June 2024	\$ -	(774,940)	-	-	-
Authorized Fund Balance Designations		\$ (687,647)	\$ (1,329,906)	\$ -	\$ -	\$ -
POTENTIAL Fund Balance Uses:						
Band Instrument Replacement Schedule	Pending	\$ -	\$ -	\$ (44,300)	\$ (43,280)	\$ (52,761)
Stadium Sound/Video Refresh	Pending	-	(240,000)	-	-	-
Technology Items (See Technology Funding)	Pending	-	(367,500)	(1,117,650)	(1,467,650)	-
Potential Fund Balance Designations		\$ -	\$ (607,500)	\$ (1,161,950)	\$ (1,510,930)	\$ (52,761)
Projected Ending Fund Balance		\$ 49,101,149	\$ 47,011,466	\$ 43,784,860	\$ 39,247,347	\$ 33,707,003
4 Months Operating Fund Balance Requirement		\$ 29,066,266	\$ 29,975,952	\$ 32,005,178	\$ 33,124,843	\$ 34,688,077
Fund Balance Above/(Below) Requirement		\$ 20,034,883	\$ 17,035,513	\$ 11,779,682	\$ 6,122,504	\$ (981,074)

FUND BALANCE PROJECTION – SCENARIO 1

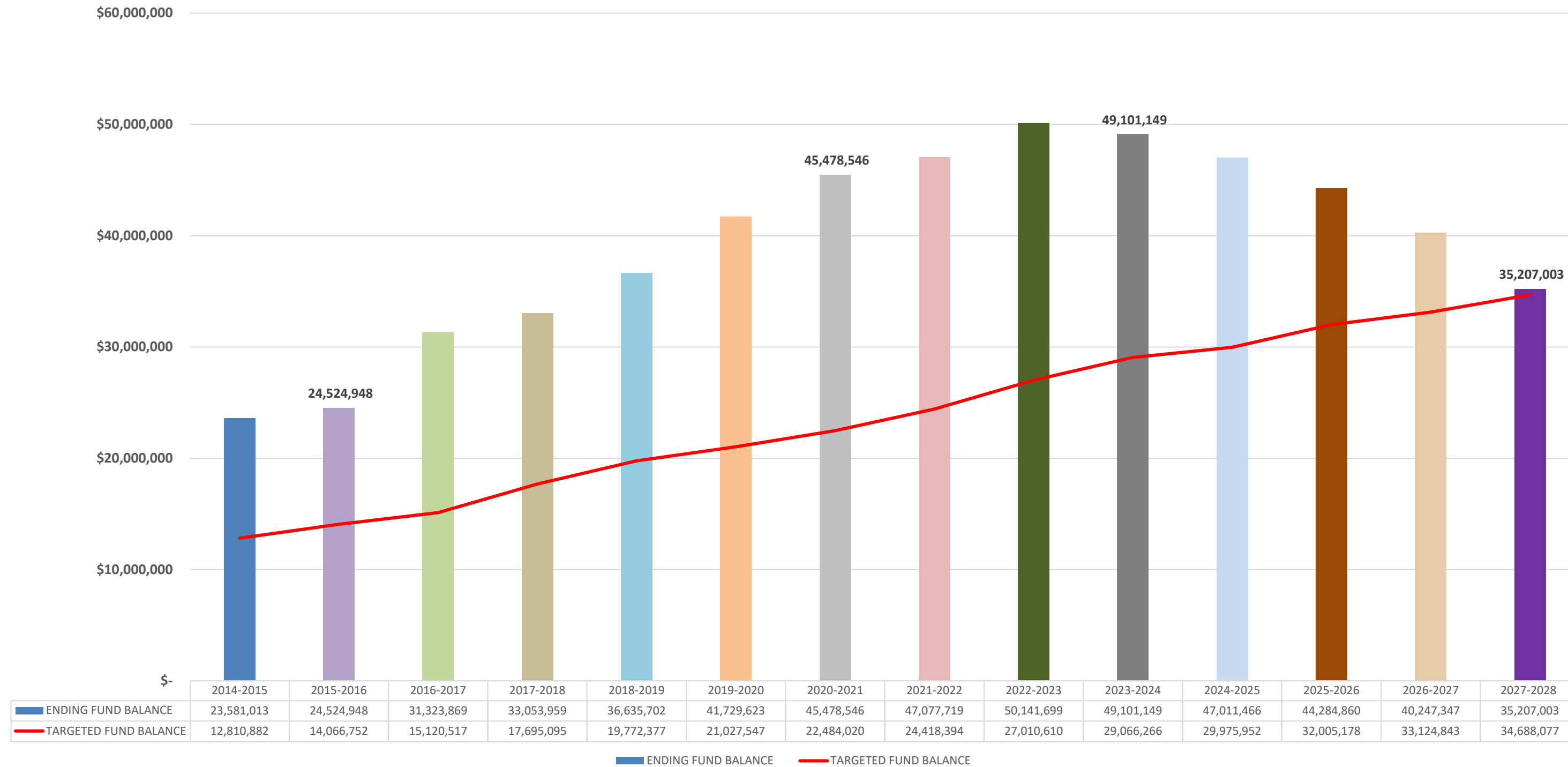


Assumptions:
 Savings totaling the amount of the 2% Budget Parameter
 No revenue increases/expenditure reductions
 Technology needs for 24-25 through 26-27 are reflected

FUND BALANCE OVERVIEW – SCENARIO 2

PROJECTED FUND BALANCE COSTS/DESIGNATIONS						
		PROJECTED FUND BALANCE				
Approval Date	2023-2024 ACTUAL	2024-2025 PROJECTED	2025-2026 PROJECTED	2026-2027 PROJECTED	2027-2028 PROJECTED	
ASSUMPTION: Salary Increase			1%	2%	2%	
ASSUMPTION: Budget Parameter of 2%			\$ 2,022,456	\$ 2,070,483	\$ 2,125,646	
ASSUMPTION: Additional Cuts Needed			\$ 2,547,656	\$ 3,509,583	\$ 5,970,583	
ASSUMPTION: Permanent reductions/revenue increases to budget			\$ 500,000	\$ 500,000	\$ 500,000	
Fund Balance as of June 30	\$ 50,141,699	\$ 49,101,149	\$ 47,011,466	\$ 44,284,860	\$ 40,247,347	
Projected 2% Deficit Parameter	\$ (352,903)	\$ (281,063)	\$ (2,022,456)	\$ (2,070,483)	\$ (2,125,646)	
Budget Performance	-	-	2,022,456	2,070,483	2,125,646	
Excess Deficit	-	-	(2,547,656)	(3,509,583)	(5,970,583)	
Permanent Reductions/Revenue Enhancements	-	-	500,000	500,000	500,000	
Transfers In/Out	-	128,786	483,000	483,000	483,000	
Projected Fund Balance from Operations	\$ 49,788,796	\$ 48,948,872	\$ 45,446,810	\$ 41,758,277	\$ 35,259,764	
Current Fund Balance Commitments						
Technology Lease Payment - Lease #1	July 2023	\$ (125,592)	\$ (125,592)	\$ -	\$ -	\$ -
Band Instrument Replacement Schedule	May 2024	(30,521)	(108,203)	-	-	-
Interactive Panels	May 2024	(531,534)	(122,797)	-	-	-
Band Uniforms	June 2023	-	(198,374)	-	-	-
Utilities	June 2024	\$ -	(774,940)	-	-	-
Authorized Fund Balance Designations		\$ (687,647)	\$ (1,329,906)	\$ -	\$ -	\$ -
POTENTIAL Fund Balance Uses:						
Band Instrument Replacement Schedule	Pending	\$ -	\$ -	\$ (44,300)	\$ (43,280)	\$ (52,761)
Stadium Sound/Video Refresh		-	(240,000)	-	-	-
Technology Items (See Technology Funding)	Pending	-	(367,500)	(1,117,650)	(1,467,650)	-
Potential Fund Balance Designations		\$ -	\$ (607,500)	\$ (1,161,950)	\$ (1,510,930)	\$ (52,761)
Projected Ending Fund Balance		\$ 49,101,149	\$ 47,011,466	\$ 44,284,860	\$ 40,247,347	\$ 35,207,003
4 Months Operating Fund Balance Requirement		\$ 29,066,266	\$ 29,975,952	\$ 32,005,178	\$ 33,124,843	\$ 34,688,077
Fund Balance Above/(Below) Requirement		\$ 20,034,883	\$ 17,035,513	\$ 12,279,682	\$ 7,122,504	\$ 518,926

FUND BALANCE ANALYSIS – SCENARIO 2



Assumptions:
 Savings totaling the amount of the 2% Budget Parameter
 Revenue increases/expenditure reductions totaling \$500,000
 Technology needs for 24-25 through 26-27 are reflected

SUMMARY



2025-2026 BUDGET – SUMMARY

– 2024-2025 Budget-Actuals

- Current projections reflect a smaller deficit from adoption
- Proposed fund balance designations for technology

– 2025-2026 Budget Projections

- Utilized TASBO enrollment projection tool to update projections for 2025-2026
 - Enrollment for 2024-2025 is lower than the PASA moderate projection by 186 students
 - DSISD continues to be fast growth; however, growing at a slower rate
- Legislative Session – assumed no increase in funding
- Budget Collaboration Committee recommendations to be considered during budget process
- Fund Balance projected to be within Board policy through 2027-2028, but potentially decreases from 6+ months to 4+ months

2025-2026 BUDGET – OPTIONS TO ADDRESS EXCESS DEFICIT

Deficit exceeds 2% Parameter by \$2.5 million (includes 1% pay increase)

Options:

- Reductions of \$2.5 million
 - Reductions in this amount will impact programs
- Potential to increase revenue \$400,000 - \$500,000
 - Administration continues to research and update estimates
- Absorb deficit through fund balance
 - Not in compliance with Board policy
 - Depletion of available funds for future needs
 - Four-month fund balance requirement increases as expenditures increase
- Legislative Session
 - Senate and House budget bills include an increase in the Golden Yield - (\$250,000)
 - Potential adjustments to funding for special education and safety allotments
 - Minimal increase in basic allotment anticipated
 - No guarantees
- Contingency plan

NEXT STEPS?

– January

- Requesting Board approval of budget assumptions and parameter

– February

- Finalize recommendations for revenue increases/expenditure decreases (administration)
- Refine personnel and operating costs (administration)

– March

- Budget Workshop to review options for revenue increases/expenditure decreases

– April

- Receipt of 2025 preliminary property value estimates from Central Appraisal Districts

QUESTIONS?

