



Northside Independent School District

Adopted 2020-2021 Budget

General Fund - Child Nutrition Fund - Debt Service Fund

Adopted by the Northside ISD Board of Trustees on
August 25, 2020

The following budgets have been prepared in accordance with the Texas Education Code §44.002. Requirements under §44.004 of the same code related to the *Notice of Budget and Tax Rate* have also been adhered to in the preparation of the proposed 2020-2021 fiscal year budget. The three budgets required to be adopted by the Northside ISD Board of Trustees are presented for your review and approval.

General Fund

The General Fund is the largest of the three funds to be considered for adoption and accounts for the majority of instructional and operational activities of the District. Total General Fund revenues are projected to be just under \$937 million with a roughly two-third, one-third split between local and state revenue respectively. Local taxes will be generated with a proposed maintenance and operations (M&O) tax rate of \$0.9502, comprised of an assigned¹ Tier 1 tax rate of \$0.9002 plus \$0.05 of enrichment pennies, also referred to as “golden” pennies. State revenues continue to be formulaic and are predicated primarily on an average daily attendance (ADA) of 97,732 students.

Total expenditures in the General Fund are budgeted at \$963.6 million, with 85% of those expenditures accounted for in direct instruction, instructional support and school leadership, and student support. With the uncertainty related to COVID-19 and possible unanticipated expenditures to deal with delivering instruction in alternative methods, \$8 million has been budgeted to assist with these expenditures.

Taking into account the planned use of various committed or assigned fund balances to cover budgeted expenditures, and a transfer out of funds to account for roof repairs, the net result of operations for the General Fund is a deficit of \$11.5 million. This deficit does not take into account any unexpended budgeted funds, which are normal and customary in any budget.

¹ Under HB 3, passed by the Texas Legislature in 2019, starting in fiscal year 2020-21, a portion of a school district's M&O rate will be calculated by the Texas Education Agency and assigned to the district.

Child Nutrition Fund

The Child Nutrition Fund accounts for the various programs that provide meals to Northside ISD students. Both revenues and expenditures are expected to decline as a result of COVID-19 given the uncertainty of how, when, and how many meals will be provided to students.

Revenue for the Child Nutrition Fund will be primarily federal, through reimbursements paid for every meal served. Federal revenue accounts for 80% of the total expected revenue of \$45 million. Expenditures are budgeted at \$47.1 million and will result in a deficit of just over \$2 million for the Child Nutrition Fund. There is sufficient fund balance to cover the deficit. However, like the General Fund, the Child Nutrition budget does not take into account unexpended budgeted funds.

Debt Service Fund

The final fund to consider for approval is the Debt Service Fund, which accounts for taxes collected to repay bonded debt. In addition to the scheduled bond principal and interest payments in 2020-21, the District has planned a cash defeasance payment of principal in an amount of no less than \$36 million, bringing the total budgeted debt service expenditures to \$198.9 million. Defeasance is the accelerated payment of bond principal, thus lowering the amount of interest paid by NISD.

Revenues to cover the defeasance and scheduled payments will be generated by applying an interest and sinking (I&S) tax rate of \$0.3355 to taxable values. The proposed I&S tax rate is one penny less than the projected tax rate for 2020 and will be the tenth year in a row the I&S rate has been \$0.3355. Total budgeted revenue for the Debt Service Fund is \$207 million and will result in an increase in fund balance of approximately \$8 million, the majority of which will be used to increase the budgeted cash defeasance amount.

Taxable Values

Certified taxable values were received in late July 2020, from the counties of Bexar, Bandera, and Medina. The combined values amount to an estimated \$61,245,405,103 in taxable property, after taking into account the value of property that will ultimately come out of appraisal review board (ARB) status and be placed on the certified tax roll. The District will apply the proposed total tax rate of \$1.2857 to this value to fund operations in the General Fund and collect taxes to repay bonded debt.

***NORTHSIDE INDEPENDENT SCHOOL DISTRICT
ADOPTED GENERAL FUND BUDGET
FOR THE FISCAL YEAR 2020-21***

Revenues

Local	\$600,243,077
State	309,158,751
Federal	27,533,965

Total Revenues	\$936,935,793
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Expenditures

Instruction	\$596,797,651
Instructional Resources and Media Services	13,329,697
Curriculum Development and Instructional Staff Development	18,786,301
Instructional Leadership	22,818,920
School Leadership	57,664,126
Guidance, Counseling and Evaluation Services	41,235,146
Social Work Services	3,405,946
Health Services	10,541,716
Student (Pupil) Transportation	35,984,086
Food Services	746,692
Co-curricular/Extracurricular Activities	23,275,556
General Administration	15,703,841
Facilities Maintenance and Operations	84,652,751
Security and Monitoring Services	9,270,232
Data Processing Services	20,142,424
Community Services	2,453,914
Facilities Acquisition and Construction	1,423,508
Payments to Juvenile Justice Alternative Ed. Programs	182,040
Other Intergovernmental Charges	5,245,065

Total Expenditures	\$963,659,612
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Results of Operations Before Use of Fund Balance	(\$26,723,819)
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Use of Fund Balances to Cover Budgeted Expenditures

Committed-Opening New Schools	\$5,404,854
Committed-Technology Deployments	15,208,152
Assigned-Admin/District Projects	248,852

Total Use of Fund Balances	\$20,861,858
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Transfers Out	\$5,706,685
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Results of Operations on Unassigned Fund Balance	(\$11,568,646)
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***NORTHSIDE INDEPENDENT SCHOOL DISTRICT
ADOPTED CHILD NUTRITION FUND BUDGET
FOR THE FISCAL YEAR 2020-21***

Revenues

Local	\$8,594,938
State	272,781
Federal	36,132,281

Total Revenues \$45,000,000

Expenditures

Food Services	\$44,520,371
Facilities Maintenance and Operations	2,579,629

Total Expenditures \$47,100,000

Results of Operations on Fund Balance **(\$2,100,000)**

***NORTHSIDE INDEPENDENT SCHOOL DISTRICT
ADOPTED DEBT SERVICE FUND BUDGET
FOR THE FISCAL YEAR 2020-21***

Revenues

Local	\$203,581,090
State	3,616,144
Total Revenues	\$207,197,234

Expenditures

Debt Service	\$198,919,100
Total Expenditures	\$198,919,100

Results on Fund Balance	\$8,278,134
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