

**Killeen Independent School District
Budget Advisory Committee Meeting Minutes
January 16, 2025**

Presenter: Megan Bradley (Deputy Superintendent)

Agenda: Introduction, Purpose, Systems Scorecard, Board Goals, Callen will provide a Finance 101 presentation, Questions, Survey

- Where should we look first to reduce the budget?
- Where should we NOT consider reducing the budget?
- Revenue Generation: What should we consider when determining how to generate additional revenue?
- What did we not cover that you would like to hear about? Other Comments/Questions.

Purpose: Receive input as part of the budget planning process: How should we maximize budgetary efficiencies and prioritize resources?

Earmark Impact Aid dollars

- Fiscal year 2026 = \$10 mm
- Fiscal Year 2027 = additional \$5 mm
- Fiscal Year 2028 = additional \$7 mm
- Fiscal Year 2029 = additional \$9 mm
- After all hold harmless payments are exhausted = \$50 mm annually

Dr. Fey (Superintendent): This is a long process that will take years. Are we getting a return on our investment? How do we optimize resources when we know that we are facing a reduction in revenue? Please consider the following when we think about optimizing resources, i.e., buildings, people, money, staffing.

- Maximize budgetary efficiencies and prioritize resources.
- Impact Aide: We have fallen out of the “heavy impact” category and will eventually lose up to 50 million.
- Next year we will lose 10 million dollars in Impact Aid.
- Systems Scorecard: Priorities and Goals were explained.
- ***Priority 3 (Financial Stewardship): This is where our work lies today. As your local dollars go up, state dollars go down.

Kallen Vaden, Chief Financial Officer: Finance 101 Presentation

- Topics: Budget Process, How We Generate the Money That We Receive, How We Spend Those Funds.
- Budget Timeline: Board reviewed budgetary planning
- Enrollment has decreased
- General Funding: # of student in attendance x “basic allotment” of \$6,160 (this amount has not changed since 2019) =Regular Program Funding + Adjustments for Weighted Funding= Funding Entitlement (the size of our cup). (The image of a cup was used to provide an analogy of our funding.)
- Property taxes go into the cup first then state aid fills the rest of the cup.
- Two components of tax rate: (1) maintenance/operations (2) Bonds (Interest/services)

- Budget Impacts
- General Fund Budget (balancing the budget): Campus Technology Life Cycle Replacement (Title I Carryover)
- Graph representing how the funds were spent.
- Expenditures by Budget Function Code
- Not part of the General Fund: ESSA, Child Nutrition, Bond Fund (Capital Projects), Debt Service Fund)
- Fund Balance: This is a saved source of funds that may be used when incoming revenue is less than the total cost of running the district each year. A minimum of 3 months of general operating expenses must be maintained.

Future Meetings & Adjourn: The next BAC meeting is scheduled for February 13, 2025. Tonight's meeting was adjourned at 5:52 pm.

DEAC attendees will stay behind after the meeting.

Questions From Meeting:

1. Question: What about all the vacant buildings? Can we sell those buildings to generate funds.
Response (Dr. Fey): Dr. Fey stated that this was a good suggestion and that it should be noted.
2. Question: While we have received a breakdown of costs, we haven't been given enough information about the fidelity and/or effectiveness in the areas that were outlined in the PPT.
Response (Dr. Fey): Today is about stimulating ideas, educating how we finance schools, and generating responses.
3. Question: What about Contracted Services? We don't know what services are being contracted.
Response (Dr. Fey): Today is about stimulating ideas, educating how we finance schools, and generating responses.
4. Question (Member Name): Another attendee reiterated that we need to know how well these different areas are performing before we can make any suggestions about where we either cut funds or add more funds to it.
Response (Dr. Fey): Today is about stimulating ideas, educating how we finance schools, and generating responses.

KISD Website: Summarization of the BAC meeting from 1/16/25

About 100 members of the Budget Advisory Committee gathered Jan. 16 to begin work to help KISD leaders optimize budgetary efficiency and resource prioritization. The group is comprised of district stakeholders including teachers, staff, parents and community members. In her welcoming remarks, Superintendent Dr. Jo Ann Fey told the committee the process would be a multi-year endeavor.

The group's current work will center around providing feedback of suggestions and considerations for district leaders as they address funding challenges, including managing the loss of Impact Aid dollars across upcoming fiscal years.

KISD's Chief Financial Officer, Kallen Vaden, presented an overview to provide committee members with foundational knowledge of school finance and KISD's budget planning process.

After the presentation, members were asked to provide input on three questions:

- Where should we look FIRST to reduce the budget?
- What should we NOT consider to reduce the budget?
- What should we consider to generate additional revenue?

The responses will be used to lead the discussions at future Board Advisory Committee meetings. Any community member can provide responses to the same questions by submitting an online form at www.killeenisd.org/budgetplanning.

The committee and district leaders will collaborate together in two more meetings on Feb. 13 and March 13.