
Budget Advisory Committee



February 13, 2025

Agenda

**Introduction
to District
Optimization**

01

**Case
Studies**

02

**Small Group
Priority
Development
Activity**

03



Budget Advisory Committee

Scope & Sequence

1

January 18, 2025

- Introductions & Purpose of Budget Advisory Committee
- Board Goals
- Finance 101
- Budget Feedback Activity

2

February 13, 2025

- Understand the concept of District Optimization
- District expenses and their impact on short and long-term budgeting
- Develop District Optimization priorities

3

March 13, 2025

- Apply District Optimization priorities developed at February session to develop recommendations for the 2025-26 school year



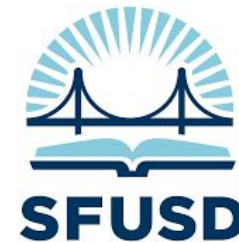
The purpose of District Optimization is to better utilize our resources and improve outcomes for students, teachers, families, and the community.



State and National Landscape

Trends

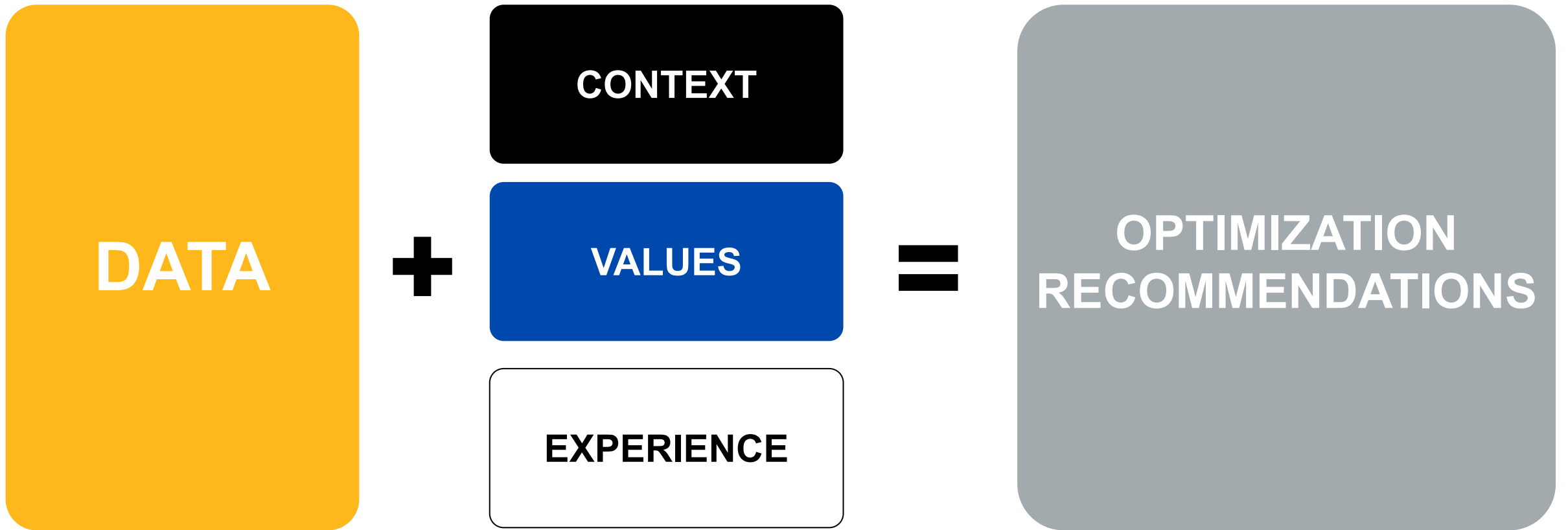
- Shifts in school-age population and where students reside
- Lower birth rates
- Increased virtual, nonpublic, homeschool, and choice options
- Cost of living increases
- Fewer home starts and annual closings
- Uncertain state funding environment



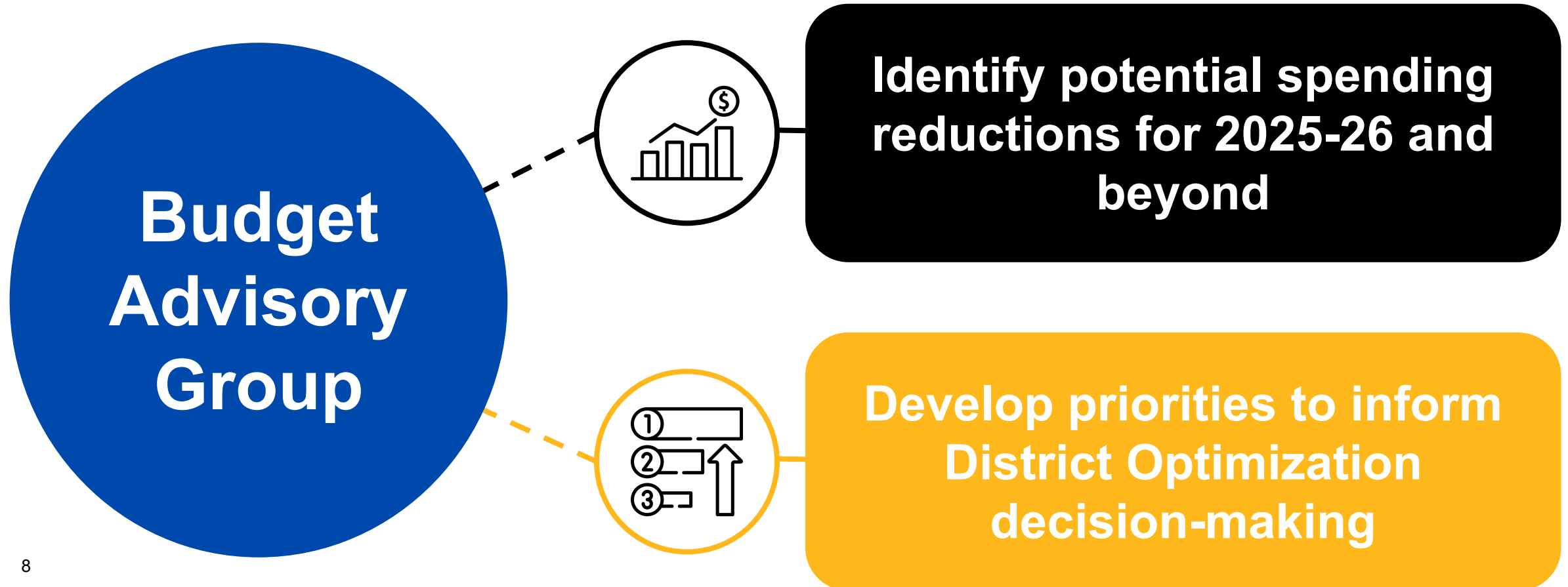
Possible Elements of District Optimization



District Optimization Approach



Budget Advisory Committee's Role in District Optimization



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Goal:

Earmark \$10m from the
2025-26 budget for
potential reduction



Potential Reduction Timeline



Up to \$31m in reductions needed over the next four years.

After all hold harmless payments are exhausted, \$50m annually.



Budget Advisory Committee Feedback



Extracurriculars



Staffing models



Lease out property



Travel



Academic and SEL curricula



Review contracted services



Consolidation of schools



Raise revenue by hosting events



Yondr pouches



Fundraising



Transportation



Seek utility savings



Categorizing Expenses

Like all organizations, districts have different categories of expenses.

Fixed

Any expense that the district does not have authority or decision-making over based on regulatory or legal requirements.

Periodic-Fixed

Any expense that the district is obliged to continue and is unable to make short-term decisions to reduce or eliminate.

Variable

Expenses that the district has authority to make spending-level or elimination decisions in the short term.



Categorizing Expenses

Like all organizations, districts have different categories of expenses.

Fixed

Any expense that the district does not have authority or decision-making over based on regulatory or legal requirements.

Fringe Expenses

Insurance

Fees Associated
with Legal
Requirements

Some Personnel &
Student Support
Expenses



Categorizing Expenses

Like all organizations, districts have different categories of expenses.

Periodic-Fixed

Any expense that the district is obliged to continue and is unable to make short-term decisions to reduce or eliminate.

Property Expenses

Long-Term
Contracts

Bond Costs

Some Personnel &
Student Support
Expenses



Categorizing Expenses

Like all organizations, districts have different categories of expenses.

Variable

Expenses that the district has authority to make spending-level or elimination decisions in the short term.

Program Offerings
& Personnel

Professional
Development

Extracurricular &
Enrichment
Offerings

Supplies,
Materials, and
Technology



Case Study 1:

Personnel



Case Study 1: Personnel

Personnel is often one of the most expensive categories within a budget. Narrowing the number of staff within a district has an **immediate** and **long-term compounding** benefit.

X,XXX

Killeen ISD Employees

\$409,389,459

Killeen ISD Personnel
Expenditures



Case Study 1: Personnel



Background:

Ms. Jackson is a School Nutrition Supervisor. She has been at her school for 3 years. Ms. Jackson earns a salary of \$50,000 annually. She receives insurance from the district and participates in RAMS.



Case Study 1: Personnel

Background:

The elimination of one position with a salary of \$50,000 results in a total savings of \$65,000 in the first year once fringe is included. Given expected contractual increases and increases in cost of fringe benefits, the savings over five years would be \$345,094.



Case Study 1: Personnel

	Year 1	Year 2	Year 3	Year 4	Year 5
Salary	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275
Fringe	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883
Projected Savings	\$65,000	\$66,950	\$68,959	\$71,027	\$73,158

Total Savings: \$345,094



**The salary for a
Killeen ISD teacher
in their first year is
\$58,000.**

\$78,300

One-year savings

\$415,705

Five-year savings



Case Study 2:

Facility Disposition



Case Study 2: Facilities Disposition

Savings:

- Staffing
- Capital Improvements
- Property
- Utilities
- Maintenance

Expenses:








































- Maintenance
- Security
- One-time expenses

Revenue:

- Sale or lease



Case Study 2: Facilities Disposition

	School A	School B	School A+B
 Facility Costs	\$\$\$\$ \$\$	\$\$\$\$ \$\$\$\$	\$\$\$\$ \$\$\$\$
 Pension + Long-term Costs	\$\$	\$\$	\$\$\$
School Leadership	  	  	   
First Grade Teachers		 	 
Specials	  	   	    
Operations Staff	  	  	   

Benefits

Increased:

- Fine arts and physical education programming;
- Access to full-time special education teachers
- Operational Efficiency

Decreased:

- Facility costs
- Pension + long-term costs,
- Administrative costs
- Teacher vacancies



Case Study 2: Facilities Disposition

One district's decision to merge two elementary schools has a positive impact of \$5.23 million over five years.

Annual Savings: \$688,000 in year one

Growth Rate of Savings: 4.2%

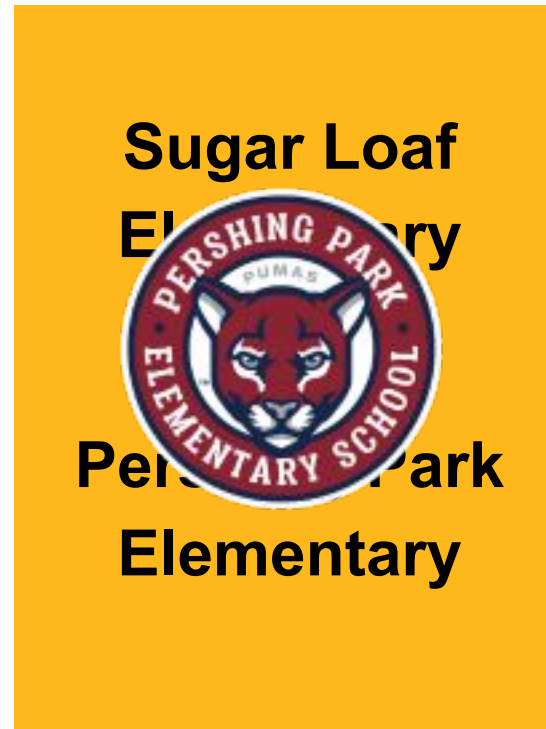
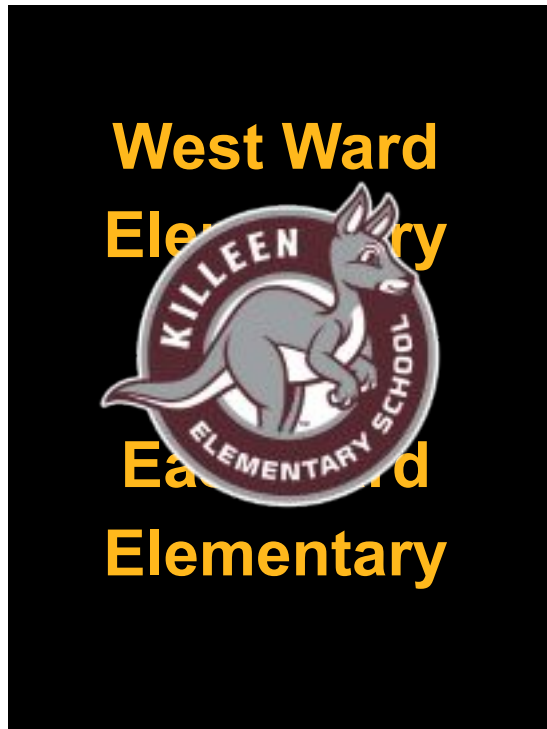
Expense Reduction: \$3,740,000

Income from Sale: \$1,490,000



Case Study 2: Facilities Disposition


Previous consolidations in Killeen ISD



**Students
Impacted:**

~1650

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	Activity
5 min	Round 1: Brainstorm
20 min	Round 2: Sorting
25 min	Round 3: Discussion/ Share Out

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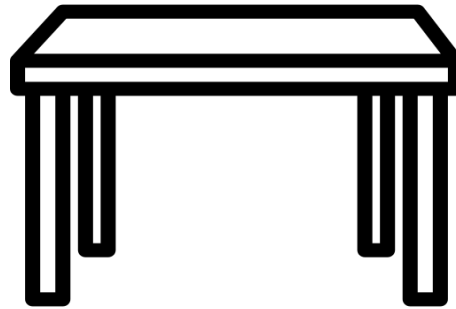
Seek utility savings



Group Discussion Roles

Table Facilitator:

Distributes materials,
leads table discussion,
ensures fidelity to activity



Reporter:

Shares the table group's
findings with table
attendees



Recorder:

Summarizes the table
group's discussion using
the available materials



Contrarian:

Attempts to provide an
alternative viewpoint
to spur discussion



Round 1: Brainstorm (individual)



5 min

Leader(s)



*Think about a school that is thriving.
What are the foundational principles
of that school?*

- Write a short phrase or one-word answer for each principle;
- One principle per Post-It note--use as many as you need
- Think about **themes** and **outcomes** rather than individuals or specific programs



Round 2: Group Sorting Activity

20 min



5 min

2a: Share

*Sharing your
brainstorm with
your Table
Group*



5 min

2b: Sort

*Group your
Post-Its into
logical categories
with your table*



10 min

2c: Categorize

*Develop three to five
priorities to apply to
all schools and write
them on the poster
provided*



Round 2a: Group Sorting Activity



5 min

Leader(s)



Spend the first 5 minutes sharing your responses with your Table Group

- Provide quick context for each post-it note shared
- ~90 seconds to share-out per participant



Round 2b: Group Sorting Activity



5 min

Leader(s)



Spend 5 minutes grouping your Post-Its into logical categories.

- Use the poster paper provided to stick the Post-It notes in logical groups



Round 2c: Group Sorting Activity



10 min

Leader(s)



Develop three to five priorities to apply to all schools and write them on the poster provided

- No fewer than three, no more than five
- Do not worry about metrics/percentages--just the priorities themselves
- Contrarian makes sure that the priorities can be measured



Round 3a: Full Group Discussion



15 min

Each Reporter shares out their Table Group's three to five priorities

Leader(s)



- Provide examples of what led your group to decide these priorities
- What priorities did you leave out and why?
- How does this relate to some of the categories that were identified in the first Budget Advisory Group meeting?



Round 3b: Full Group Discussion



10 min

Leader(s)



All participants identify commonalities and differences between their answers

- How would you connect the priorities you heard today to the earmarking of \$10m?
- What did you hear from others that you appreciated? Where do you see areas of tension or disagreement?
- What would a contrarian say about the priorities you've heard?



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Thank you!

