

Fort Worth school officials will “scrub the budget” to cover \$39 million error

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During the next school year, Fort Worth school officials will explore budget reductions and other ways to compensate for \$39 million the district must repay the state, the district’s new chief financial officer told trustees Tuesday night.

For now, the money will come from the district’s reserve fund. But, Chief Financial Officer Elsie Schiro said, she will be “scrubbing the budget” to find cost reductions and additional sources of revenue, such as tax appeals of property valuations.

She pledged to conduct a rigorous review of student attendance data to prevent a future miscalculation.

A computer software program used by the district miscalculated the average daily attendance of bilingual and ESL students for three years, causing the district to overreport their attendance. The state provides funding to school districts based on average daily attendance and provides additional money for students in some programs including bilingual and English as a Second Language.

A new computer system caught the miscalculation, which was reported to interim Superintendent Pat Linares and the school board in late July.

Administrators said then that reimbursing the state would cause the reserve fund to drop to as low as \$102 million.

But Schiro said Tuesday that this year’s expenditures were less than anticipated so the fund will have a reserve closer to \$113 million.

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The district’s 2014-2015 projected budget exceeds \$690 million.

The district now depends on a new software system, Schiro said.

“I hope you will agree with me that in the current state of affairs, we will have the ability to pay this money back and still remain” financially strong, she said.

“It’s important that the public know that none of our educational programs will be affected by this,” Schiro said. “We’re ready to open schools.”

Schiro has been the district's chief financial officer since Hank Johnson announced in June that he was retiring as assistant superintendent of business and finance.

Board members praised Schiro for bringing the matter to their immediate attention.

"When you discover bad news, it doesn't get better with age," board President Norman Robbins said. "You need to bring it forward."

Board member Judy Needham said: "I thank you for being so candid with us and our taxpayers. I have the utmost confidence in your integrity ... and appreciate that you're looking so closely at the budget.

"It's nice to let others know we're not about to jump off the cliff."

The district's AAA bond rating has not changed.

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