

Lamar CISD
Public Hearing
2019-20 Budget
August 15, 2019



2019-20 Public Hearing Agenda

- Discussion of 3 budgets requiring official adoption by the Board of Trustees
 - General Fund Budget
 - Debt Service Fund Budget
 - Child Nutrition Fund Budget
- Proposed two-part tax rate and tax rate considerations

GENERAL FUND

2019-20 General Fund Budget Overview

- Budgeted Revenues and Expenditures at August 15, 2019
 - Revenues: \$318,648,927
 - Expenditures: \$318,648,927

2019-20 Revenues

- 2019 Value Study
- Values were certified as of 7/19/2019
- Net taxable value of \$15.334 billion (ARB approved and freeze-adjusted), \$106.223 million (using 95% of freeze-adjusted values under ARB Review)
- Total of \$15,440,369,680
- INCREASE in value used for budgeting of 7.57% over 2018 (2018-19)
 - Increase for 2018 (2018-19) was 3.651%
 - Increase for 2017 (2017-18) was 5.51%
 - Increase for 2016 (2015-16) was 9.43%

M&O Property Taxes

Taxable Value	\$15,440,369,680
Proposed Tax Rate (per \$100)	0.97000
Frozen Taxes	\$17,944,358
Gross Property Taxes	\$167,715,944
Collection Rate	0.985
Net M&O Property Tax Revenue	\$165,200,205

2019-20 Revenues (cont'd)

- State Funding
 - State Per Capita Apportionment
 - \$7,725,482
 - Foundation School Program
 - \$120,344,440
- Total: \$128,069,922
- Based on attendance growth of approximately 6.56%

2019-20 General Fund Expenditures by Category

6100	Payroll Costs	269,752,452
6200	Professional & Contracted Costs	27,609,544
6300	Supplies and Materials	14,043,576
6400	Other Operating Costs	5,919,855
6600	Capital Outlay	1,323,500
	Total Expenditures	318,648,927

Highlights of the General Fund

- Salaries budgeted total \$222.752 million
- Benefits budgeted total \$47.0 million
- \$1.65 million budgeted for property and liability insurance costs
- \$8.513 million budgeted for utilities (all, including telephone)
- \$1.68 million allocated for fuel costs
- \$1.775 million budgeted for FB Central Appraisal District (required allocation) and FB County Tax Assessor-Collector (tax collection fees)
- Funds for accelerated instruction in compliance with HB5
- Funds for legislative advocacy in compliance with HB1495

General Fund Summary

- Total Revenues of \$318,648,927
- Total Expenditures of \$318,648,927

Tax Rate for General Fund

- M&O Tax Rate needed to fund the proposed budget is \$0.97000/\$100 valuation

DEBT SERVICE FUND

Debt Service Fund

- Revenues/Sources of Funds anticipated of \$73.208 million
 - Tax revenues estimated at \$60.158 million, which includes an estimated \$550,000 for delinquent taxes, penalties, and interest
- Accrued Capitalized and Investment Interest - \$11.833 million
- State Aid (Hold Harmless) - \$1.217 million

Debt Service Fund

- Expenditures projected of \$73.208 million
 - Principal and Interest - \$73.110 million
 - Debt Service Fees- \$97,500

Debt Service Fund Tax Rate

- I&S Tax Rate needed to fund the proposed budget is \$0.3500/\$100 valuation

CHILD NUTRITION FUND

Child Nutrition Fund Revenues

- Revenues are generated from:
 - Breakfast and lunch sales
 - Federal reimbursements
- Total Revenues: \$16.47 million

2019-20 Child Nutrition Budget by Category

6100	Payroll Costs	7,425,000
6200	Professional & Contracted Costs	282,775
6300	Supplies and Materials	8,644,013
6400	Other Operating Costs	36,340
6600	Capital Outlay	80,000
	Total Expenditures	16,468,128

Child Nutrition Fund Budget Summary

- Balanced at \$16,468,128
- Funded by user fees and federal school lunch program

2019 Tax Rate

Tax Rate for 2019

- Two-part rate to be adopted
 - Maintenance and Operations
 - Interest and Sinking
- Other Tax Rate Calculations/Considerations
 - Voter-Approval Rate
 - \$1.359617

Proposed Tax Rate(s) for 2019

- Two-part rate (per \$100 valuation)
 - Total rate: \$1.3200
 - M&O of \$0.97000
 - Interest and Sinking of \$0.3500

Questions?

Teacher compensation – “THE 30%”

- 30% of the increase in funding/GAIN (per prescribed calculation below) must be used to provide compensation increases to full-time employees other than administrators
 - Classroom teachers, with prioritization given to teachers with MORE THAN 5 years of experience (75%)
 - The remaining 25% given to all other full-time employees, other than administrators
 - Teachers, librarians, counselors, and nurses are included
- Compensation does not mean “cash”
 - It means cash, plus increases in district contributions for benefits such as health insurance, TRS, etc..
- Calculation required: Total GAIN * 30%
 - GAIN: The difference between 2018-19 REVENUE PER ADA and 2019-20 REVENUE PER ADA, multiplied by 2019-20 ADA
- Current estimates of “The 30%” for Lamar CISD: \$4.570 million
- Current budget proposal includes an estimated \$15.177 million increase for teacher compensation
 - Total New Revenue is estimated at \$19.664 million (v14)

Teacher Compensation – HB3

5 years or less - \$4,175.08

- Raise \$3,000.00
- Medicare \$ 43.50
- Health Insurance \$ 785.49
- Worker's Comp \$ 65.22
- TRS On-Behalf \$ 270.00
- Unemployment \$ 10.87

\$4,175.08 * 635 FTE = \$2,651,175.80

6 years or more - \$4,727.33

- Raise \$3,500.00
- Medicare \$ 50.75
- Health Insurance \$ 785.49
- Worker's Comp \$ 65.22
- TRS On-Behalf \$ 315.00
- Unemployment \$ 10.87

\$4,727.33 * 2,030 FTE = \$9,596,479.90

Cash Raises – By Category

Teacher Salary Schedule (5 years or less)	\$ 1,525,500.00
Teacher Salary Schedule (6 years or more)	\$ 7,540,750.00
Paygrade Table (Administrative/Professional)	\$ 1,034,172.24
Paygrade Table (Clerical/Paraprofessional, Manual Trades, Technical)	<u>\$ 1,796,520.28</u>
Total Cash Raises	\$11,895,942.52

New allotments, changes, and repeals

- Notable repeals
 - Cost of Education Index (CEI)
 - Gifted and talented allotment; requirements still apply
 - High School Allotment
- Notable new allotments
 - Fast Growth
 - Early Education (to be use for PreK)
 - Dyslexia
 - CCMR Outcomes Bonus (tiered program)
 - Teacher Incentive and Mentor Program (2)
 - School Safety
 - Formula transition grant

New allotments, changes, and repeals

- Notable changes to existing allotments
 - Increase to Basic Allotment (\$5,140 to \$6,160)
 - Updated weights to special programs (as covered previously)
 - State Compensatory Education
 - ED designation and Census Blocks (weights assigned to 5 tiers, based on individual student's home or residence)
 - Median household income, average educational attainment of population, % of single parent households, rate of home ownership, and other economic criteria determined by the Commissioner (basis of socioeconomic score)
 - Career and Technical
 - Grades 7-8 added; advanced courses
 - Bilingual
 - Dual language programs added
 - Transportation
 - New Instructional Facilities – statewide funding amounts adjusted

Property tax relief/reform

- The BIG 3 in property taxes
 - Tax rate compression
 - Rollback/Voter Approval Rate
 - Proposed tax

Property tax relief/reform

- Tax rate compression for 2019-20 – M&O tax rate as it relates to Lamar CISD
 - Old Law = \$1.00, with \$0.04 golden pennies maximum with BOT approval; max of \$1.04
 - HB3 = \$0.93, with \$0.04 golden pennies maximum with BOT approval; max of \$0.97
- Rollback/Voter Approval Rate
 - M&O rate + Interest and Sinking rate (for debt service on bonds)
- No tax ratification elections (TREs) in 2019 to access additional tax revenue
- Proposed tax rate at this time is \$1.32 (\$0.97+0.35)
 - 2018-19 rate is \$1.39; decrease of 7 cents for 2019-20