



ALEDO ISD BOARD MEETING TEMPLATE

MEETING DATE: August 23, 2016

AGENDA ITEM: 2016-2017 Budget Update

PRESENTER: Earl Husfeld

ALIGNS TO BOARD GOAL(S): Financial/Facilities – The District shall exhibit excellence in financial and facility planning, management, and stewardship.

BACKGROUND INFORMATION:

- Per Section 44.002 of the Texas Education Code, “the Superintendent shall prepare, or cause to be prepared, a proposed budget covering all estimated revenue and proposed expenditures of the District for the following fiscal year”.
- The budget must be prepared according to generally accepted accounting principles, rules adopted by the State Board of Education, and adopted policies of the Board of Trustees.
- Budgets for the General Fund, the Child Nutrition Fund, and the Debt Service Fund must be included in the official district budget and must be adopted by August 31st.

ADMINISTRATIVE CONSIDERATIONS:

- The District’s 2016-2017 budget development process is progressing on schedule. A copy of the updated 2016-2017 Budget Development Calendar is included for your review.
- The following pages containing 2016-2017 budget projections/assumptions to date and preliminary Summary of Finance calculations are presented for your review and discussion. Also included for your review is information requested by members of the Board of Trustees during the August 15th budget workshop and via email since that meeting.
- In order to give you the most up-to-date information possible, additional handouts may be distributed at the board meeting.

FISCAL NOTE:

None

ADMINISTRATIVE RECOMMENDATION:

None – Informational Report



ALEDO INDEPENDENT SCHOOL DISTRICT 2016-2017 BUDGET DEVELOPMENT CALENDAR



Date	Action	Performed By
Phase 1 - District Planning and Needs Assessment		
September 2015 - May 2016	Monitor Student Average Daily Attendance (ADA) at the End of Each Six Week Period. Monitor Ad Valorem Tax Collection Percentage at Each Month End.	Chief Financial Officer (CFO)
January 2016	Present 2016-2017 Budget Development Calendar to Superintendent for Comments and/or Changes	Superintendent and CFO
January 2016	Discuss with Principals Student Enrollment and Campus Staffing Projections	Deputy Superintendent
January 11, 2016	Present Budget Development Calendar/Process to School Board	Superintendent and CFO
January 20, 2016	Present Budget Development Calendar/Process to Administrative Staff	Superintendent and CFO
February 2016	Refine/Finalize Student Enrollment and Campus Staffing Projections	Deputy Superintendent
February 2016	Departments Submit Additional Staffing Requests, if any	Directors and Executive Directors
February 2016	Meetings with Principals, Directors, Executive Directors, and Others to Discuss Budget Instructions/Budget Worksheets	CFO
March 2, 2016	Finalized Staffing Projections/Requests Due to Business Office	Deputy Superintendent and CFO
Phase 2 - Campus/Department Planning and Needs Assessments		
March 21, 2016	Regular Board Meeting - Budget Update - Present Additional Staffing Requests, if any, to Board of Trustees	Board of Trustees, Superintendent, Deputy Superintendent, and CFO
April 15-25, 2016	Receive Chapter 41 Preliminary Notification Announcement	Texas Education Agency
April 18, 2016	Regular Board Meeting - Budget Update	Board of Trustees, Superintendent, and CFO
May 1-15, 2016	Preliminary Property Tax Roll Valuations Received	Parker County Appraisal District and Tarrant Appraisal District
May 13, 2016	Due Date for Requested Budgets to be Entered into TxEIS	Principals, Directors, Executive Directors, and Others
Phase 3 - Near Final District Planning		
May 15-16, 2016	Update Revenue Projections Based on Preliminary Property Tax Roll Valuations Received	CFO
May 16-31, 2016	Administrative Review of Campus/Department Requested Budgets	Superintendent and CFO
May 16, 2016	Regular Board Meeting - Budget Update	Board of Trustees, Superintendent, and CFO



ALEDO INDEPENDENT SCHOOL DISTRICT 2016-2017 BUDGET DEVELOPMENT CALENDAR



Date	Action	Performed By
June 3-24, 2016	Receive Student Average Daily Attendance (ADA) numbers for 2015-2016 school year	PEIMS Office
June 20, 2016	Regular Board Meeting - Budget Update	Board of Trustees, Superintendent, and CFO
June 25-30, 2016	Update Revenue Projections and Their Effect on Budget and Any Other Budget Changes	CFO
Phase 4 - Finalized District Planning and Decisions		
July 15-25, 2016	Receive Chapter 41 Official Notification Announcement	Texas Education Agency
July 18, 2016	Regular Board Meeting - Budget Update	Board of Trustees, Superintendent, and CFO
July 25, 2016	Certified Property Tax Roll Valuations Received	Parker County Appraisal District and Tarrant Appraisal District
July 26-31, 2016	Calculate Effective Tax Rate, Finalize Revenue Projections, and Their Effect on Budget and Any Other Budget Changes	Parker County Appraisal District, Tarrant Appraisal District, CFO, and Superintendent's Cabinet
August 4, 2016	School Finance 101/Budget Workshop	Board of Trustees, Superintendent, and CFO
August 15, 2016	Regular Board Meeting - Budget Update	Board of Trustees, Superintendent, and CFO
August 19, 2016	Publish in Newspaper Notice of Public Meeting to Discuss 2016-2017 District Budget and Proposed Tax Rate (Published 10 to 30 days before public meeting.)	CFO
August 23, 2016	Budget Workshop - Budget Update	Board of Trustees, Superintendent, and CFO
August 29, 2016	Called Board Meeting; Official Public Meeting on Budget and Proposed Tax Rate; Board Meeting to Adopt the Budget	Board of Trustees, Superintendent, and CFO
August 29, 2016	Called Board Meeting; Official Public Meeting of School Board to Set Tax Rate; Board Meeting to Adopt Tax Rate	Board of Trustees, Superintendent, and CFO

**Aledo Independent School District
2016-2017 General Fund Budget
Projections/Assumptions
August 23, 2016**

Projections/Assumptions

1. Projected student enrollment – 5,486, an increase of 237 students (4.52%) from the Fall 2015 PEIMS submission.
2. Projected average daily attendance – 5,211.
3. 2016 certified taxable values have been received from the Parker and Tarrant Appraisal Districts. These certified taxable values decreased \$78.24 million or 2.70% from the 2015 certified values.
4. Current year tax collections based on a projected 99.0% collection rate.
5. The last of three staff computer lease payments of \$116,641 will be made in the 2015-2016 fiscal year. As these payments are made in advance, the 2016-2017 fiscal year will be the last year of usage for these computers.
6. Department budgets have been maintained at 2015-2016 levels. Campus budgets have only been adjusted for projected student growth.
7. The TASB salary study was completed and presented to the Board of Trustees at the April 18th board meeting. Estimated costs of various models are following for your review.
8. Walsh Ranch Limited Partnership/Quail Valley Land Company, LLC will make a \$1,000,000 donation to the District on or before the groundbreaking for Elementary School No. 5. The use of this donation will be at the District's discretion.
9. General Fund state revenue and property tax revenue summary based on all available information to date:
 - State revenues decreasing approximately \$686,000
 - Local property taxes decreasing approximately \$921,000

Aledo ISD					
Analysis of Tax Values					
		Preliminary	Certified	Percent	Running
Fiscal	Tax	Tax Value	Tax Value	Increase	Avg %
<u>Year</u>	<u>Year</u>	<u>May</u>	<u>July</u>	<u>(Decrease)</u>	<u>Change</u>
2010-2011	2010	2,625,482,797	2,556,224,127	(2.64)	(2.64)
% Change		(3.37)	(4.45)		
2011-2012	2011	2,536,932,208	2,442,574,433	(3.72)	(3.18)
% Change		(3.57)	(0.55)		
2012-2013	2012	2,446,485,644	2,429,090,245	(0.71)	(2.36)
% Change		7.87	4.98		
2013-2014	2013	2,638,956,922	2,550,025,227	(3.37)	(2.61)
% Change		2.15	3.97		
2014-2015	2014	2,695,782,063	2,651,272,657	(1.65)	(2.42)
% Change		12.81	9.12		
2015-2016	2015	3,041,214,107	2,893,054,230	(4.87)	(2.83)
% Change		(6.15)	(2.70)		
2016-2017	2016	2,854,202,810	2,814,813,802	(1.38)	(2.62)

Highlighted years are reappraisal years by Parker County Appraisal District.

These estimates are based on employee pay data collected at the beginning of the pay study and are reflective of a snapshot in time.

Model 1 – 2.5 general pay increase

	Total Staff	Count of Increases	Cost Increase	Percent of Current Costs	2015-16 Current Costs
Teachers, Librarians, and Nurses (RN)					
\$49,500 starting salary	322		\$576,439		\$16,996,540
^{1a} 2.5% general pay increase (\$1,350)		322	\$432,975	2.5%	
Adjustments to years 2-25		283	\$143,463	0.8%	
Administrative/Professional	69		\$171,150		\$4,799,241
^{1a} 2.5% of pay range midpoint increase		69	\$129,338	2.7%	
Targeted adjustments		8	\$5,255	0.1%	
Teacher pay equity adjustments		18	\$27,925	0.6%	
Adjusted duty months		6	\$8,632	0.2%	
Clerical/Paraprofessional	87		\$59,815		\$2,173,232
^{1a} 2.5% of pay range midpoint increase		83	\$55,623	2.6%	
Adjustments to 0.5% above pay range minimum		4	\$4,192	0.2%	
Auxiliary	75		\$48,902		\$1,471,662
^{1a} 2.5% of pay range midpoint increase		74	\$39,736	2.7%	
Adjustments to 0.5% above pay range minimum		24	\$7,621	0.5%	
Targeted adjustments		1	\$1,545	0.1%	
Subtotal - General Pay Increase	553	548	\$657,672	2.5%	
Subtotal - Implementation/Equity Adjustments		344	\$198,633	0.8%	
Extra Duty Stipends			\$6,950		\$660,753
Performing Arts		2	\$3,500	0.5%	
Athletics		3	\$2,000	0.3%	
Academics		4	\$1,450	0.2%	
Subtotal - Extra Duty Stipends		9	\$6,950	0.0%	
Total Cost Estimate			\$863,256	3.3%	\$26,101,428

Footnotes:

^{1a} Pay increases were not applied to employees at or above the maximum rate.

Model 2 – 3.5 percent general pay increase

	Total Staff	Count of Increases	Cost Increase	Percent of Current Costs	2015-16 Current Costs
Teachers, Librarians, and Nurses (RN)					
\$50,000 starting salary	322		\$776,356		\$16,996,540
^{1a} 3.5% general pay increase (\$1,900)		322	\$609,370	3.6%	
Adjustments to years 2-30		298	\$166,986	1.0%	
Administrative/Professional	69		\$211,313		\$4,799,241
^{1a} 3.5% of pay range midpoint increase		69	\$180,320	3.8%	
Targeted adjustments		7	\$4,625	0.1%	
Teacher pay equity adjustments		13	\$17,736	0.4%	
Adjusted duty months		6	\$8,632	0.2%	
Clerical/Paraprofessional	87		\$80,689		\$2,173,232
^{1a} 3.5% of pay range midpoint increase		83	\$77,219	3.6%	
Adjustments to 0.5% above pay range minimum		2	\$3,470	0.2%	
Auxiliary	75		\$60,828		\$1,471,662
^{1a} 3.5% of pay range midpoint increase		74	\$55,246	3.8%	
Adjustments to 0.5% above pay range minimum		19	\$4,037	0.3%	
Targeted adjustments		1	\$1,545	0.1%	
Subtotal - General Pay Increase	553	548	\$922,155	3.5%	
Subtotal - Implementation/Equity Adjustments		346	\$207,031	0.8%	
Extra Duty Stipends			\$6,950		\$660,753
Performing Arts		2	\$3,500	0.5%	
Athletics		3	\$2,000	0.3%	
Academics		4	\$1,450	0.2%	
Subtotal - Extra Duty Stipends		9	\$6,950	0.0%	
Total Cost Estimate			\$1,136,136	4.4%	\$26,101,428

Footnotes:

^{1a} Pay increases were not applied to employees at or above the maximum rate.

Aledo ISD

Summary of Cost Estimates, 2016-17

Model 3

	Total Staff	Count of Increases	Cost Increase	Percent of Current Costs	2015-16 Current Costs
Teachers, Librarians, and Nurses (RN)					
\$49,000 starting salary	322		\$184,465		\$16,996,540
^{1a} 1.0% general pay increase (\$550)		322	\$176,394	1.0%	
Adjustments for equity with teacher pay		7	\$8,071	0.0%	
Administrative/Professional	69		\$71,988		\$4,799,241
^{1a} 1.0% of pay range midpoint increase		69	\$51,767	1.1%	
Targeted adjustments		11	\$7,143	0.1%	
Teacher pay equity adjustments		4	\$4,446	0.1%	
Adjusted duty months		6	\$8,632	0.2%	
Clerical/Paraprofessional	87		\$28,325		\$2,173,232
^{1a} 1.0% of pay range midpoint increase		83	\$22,232	1.0%	
Adjustments to 0.5% above pay range minimum		8	\$6,093	0.3%	
Auxiliary	75		\$31,570		\$1,471,662
^{1a} 1.0% of pay range midpoint increase		74	\$15,952	1.1%	
Adjustments to 0.5% above pay range minimum		31	\$14,073	1.0%	
Targeted adjustments		1	\$1,545	0.1%	
Subtotal - General Pay Increase	553	548	\$266,345	1.0%	
Subtotal - Implementation/Equity Adjustments		68	\$50,003	0.2%	
Extra Duty Stipends			\$0		\$660,753
Total Cost Estimate			\$316,348	1.2%	\$26,101,428

Footnotes:

^{1a} Pay increases were not applied to employees at or above the maximum rate.

Summary of Finances - All Years

ALEDO ISD

184-907

Funding Elements		2015-16	2016-17	2017-18	2018-19
Students					
1.	Refined Average Daily Attendance (ADA)	5,020.901	5,211.700	5,500.500	5,873.850
2.	Regular Program ADA	4,674.321	4,865.120	5,153.920	5,527.270
3.	Special Education FTEs	128.832	128.832	128.832	128.832
4.	Career & Technology FTEs	217.748	217.748	217.748	217.748
5.	Advanced Career & Technology FTEs	9.853	9.853	9.853	9.853
6.	High School ADA	1,525.800	1,606.450	1,662.500	1,726.150
7.	Weighted ADA	5,833.386	6,006.349	6,287.689	6,677.930
8.	Prior Year Refined ADA	4,840.036	5,020.901	5,211.700	5,500.500
9.	Texas School for the Blind and Visually Impaired ADA	0.000	0.000	0.000	0.000
10.	Texas School for the Deaf ADA	0.000	0.000	0.000	0.000
Staff					
11.	Full-time Staff (not MSS)	150	150	150	150
12.	Part-time Staff (not MSS)	3	3	3	3
Property Values					
13.	Locally Certified Property Value	Not Needed	Not Needed	Not Needed	Not Needed
14.	State Certified Property Value ("T2" value)	2,548,747,616	2,818,829,415	2,814,813,802	3,025,924,837
Tax Rates and Collections					
15.	2005 Adopted M&O Tax Rate	1.5000	1.5000	1.5000	1.5000
16.	Compressed M&O Tax Rate	1.0000	1.0000	1.0000	1.0000
17.	Average Tax Collection Rate	Not Needed	Not Needed	Not Needed	Not Needed
18.	M&O Tax Rate	1.1700	1.1700	1.1700	1.1700
19.	M&O Tax Collections	\$32,923,050	\$32,001,590	\$34,327,809	\$35,347,743
20.	I&S Tax Collections	\$11,898,144	\$11,582,137	\$12,427,131	\$12,797,620
21.	Total Tax Collections	\$44,821,194	\$43,583,727	\$46,754,940	\$48,145,363
22.	Total Tax Levy	\$44,716,861	\$43,612,351	\$46,815,596	\$48,220,064
Funding Components					
23.	Adjusted Allotment	\$5,586	\$5,560	\$5,541	\$5,541
24.	Revenue at Compressed Rate (RACR) per WADA	\$5,855	\$5,489	\$5,591	\$5,487
25.	Cost of Education Index (CEI)	1.110	1.110	1.110	1.110
26.	Adjusted CEI	1.110	1.110	1.110	1.110
27.	Per Capita Rate	\$176.437	\$388.000	\$388.000	\$388.000
Tier I Allotments					
Program Intent Codes - Allotments					
28.	11-Regular Program Allotment	\$26,110,757	\$27,050,067	\$28,557,871	\$30,626,603
29.	23-Special Education Adjusted Allotment (Spend 52% of Amount)	\$2,303,447	\$2,292,600	\$2,284,672	\$2,284,672
30.	22-Career & Technology Allotment (Spend 58% of Amount)	\$1,642,552	\$1,634,909	\$1,629,324	\$1,629,324
31.	21-Gifted & Talented Adjusted Allotment (Spend 55% of Amount)	\$167,231	\$172,812	\$181,820	\$194,232
32.	24-Compensatory Education Allotment (Spend 52% of Amount)	\$787,436	\$783,771	\$781,093	\$781,093
33.	25-Bilingual Education Allotment (Spend 52% of Amount)	\$70,711	\$70,382	\$70,142	\$70,142
34.	11-Public Education Grant	\$0	\$0	\$0	\$0
35.	99-New Instructional Facilities Allotment (NIFA)	\$0	\$0	\$0	\$0
36.	99-Transportation Allotment	\$0	\$0	\$0	\$0
37.	31-High School Allotment	\$419,595	\$441,774	\$457,188	\$474,691
38.	Total Cost of Tier I	\$31,501,729	\$32,446,314	\$33,962,109	\$36,060,757
39.	Less: Local Fund Assignment	\$25,487,476	\$28,188,294	\$28,148,138	\$30,259,248
40.	State Share of Tier I	\$6,014,252	\$4,258,020	\$5,813,971	\$5,801,509
41.	Per Capita Distribution from the Available School Fund (ASF)	\$853,961	\$1,948,110	\$2,022,140	\$2,134,194

Foundation School Program (FSP) State Funding					
		2015-16	2016-17	2017-18	2018-19
42.	Greater of State Share of Tier I or (ASF+NIFA+HS)	\$6,014,252	\$4,258,020	\$5,813,971	\$5,801,509
43.	Tier II	\$1,181,201	\$1,069,654	\$1,287,520	\$1,288,733
44.	Other Programs	(\$649,545)	\$531,790	\$75,813	\$75,813
45.	Total Available School Fund	(\$853,961)	(\$1,948,110)	(\$2,022,140)	(\$2,134,194)
46.	Total FSP Operating Fund	\$5,691,947	\$3,911,355	\$4,285,598	\$4,109,064
State Aid by Funding Source					
Fund Code/Object Code - Funding Source		2015-16	2016-17	2017-18	2018-19
47.	199/5812 - Foundation School Fund	\$5,691,947	\$3,911,355	\$4,285,598	\$4,109,064
48.	199/5811 - Available School Fund	\$853,961	\$1,948,110	\$2,022,140	\$2,134,194
49.	599/5829 EDA	\$0	\$0	\$0	\$0
50.	599/5829 Instructional Facilities Allotment	\$0	\$0	\$0	\$0
51.	599/5829 - Instructional Facilities Allotment (Lease Purchase)	\$0	\$0	\$0	\$0
52.	I&S Hold Harmless (ASAHE for Facilities on TEA's Report)	\$241,830	\$226,208	\$226,429	\$226,429
53.	TOTAL FSP/ASF STATE AID	\$6,787,738	\$6,085,673	\$6,534,167	\$6,469,687

FSP Allocations and Adjustments Report
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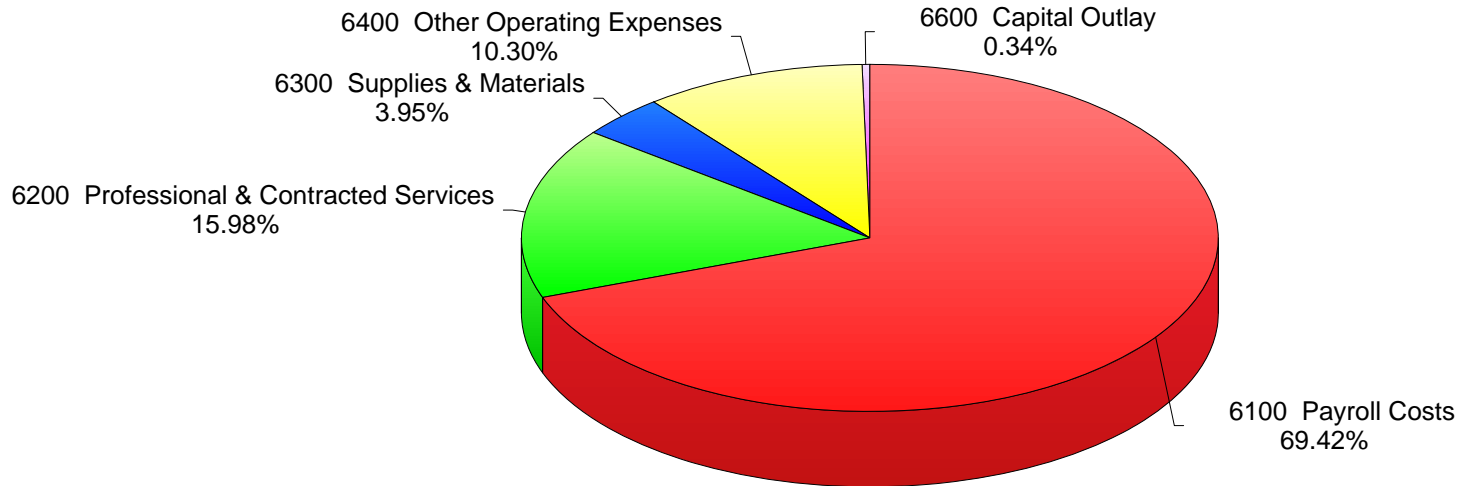
ADDITIONAL INFO: (Not on TEA's Summary of Finances)

SUMMARY OF TOTAL STATE/LOCAL M&O REVENUE:		2015-16	2016-17	2017-18	2018-19
54.	M&O Rev From State (not including Fund 599)	\$6,545,908	\$5,859,464	\$6,307,738	\$6,243,258
55.	M&O Rev From Local Taxes (net of recapture and up to compressed rate)	\$28,139,359	\$27,351,786	\$29,340,008	\$30,211,746
56.	M&O Rev From Local Taxes (up to \$.06 above compressed rate; no recapture)	\$1,688,362	\$1,641,107	\$1,760,400	\$1,812,705
57.	M&O Rev From Local Taxes (net of any recapture)	\$2,263,454	\$2,048,288	\$2,303,378	\$2,343,274
58.	Additional M&O Rev Resulting From ASATR Credit Against Recapture	\$783,854	\$902,485	N/A	N/A
59.	TOTAL STATE/LOCAL M&O REVENUE	\$39,420,937	\$37,803,131	\$39,711,523	\$40,610,983
60.	Less: Credit Balance Due State (See Foundation School Fund balance above)	\$0	\$0	\$0	\$0
61.	NET TOTAL STATE/LOCAL M&O REVENUE	\$39,420,937	\$37,803,131	\$39,711,523	\$40,610,983

SUMMARY OF TOTAL CHAPTER 41 RECAPTURE:		2015-16	2016-17	2017-18	2018-19
62.	Recapture at the \$476,500 Level	\$0	\$0	\$0	\$0
63.	Recapture at the \$319,500 Level	\$831,876	\$960,409	\$924,023	\$980,018
64.	Total Recapture	\$831,876	\$960,409	\$924,023	\$980,018
65.	Less: ASATR Credit Against Recapture	(\$783,854)	(\$902,485)	N/A	N/A
66.	Total Recapture Payments To TEA	\$48,022	\$57,924	\$924,023	\$980,018

Aledo ISD				
Monthly Employee Cost of TRS-ActiveCare Plans				
	2015/2016	2016/2017	Increased	2015/2016
Medical Plan/ Coverage Type	Employee Cost	Employee Cost	Cost to Employee	Number on Plan
ACTIVECARE 1 HD				
Employee Only	\$ 91.00	\$ 91.00	\$ -	117
Employee & Spouse	\$ 664.00	\$ 664.00	\$ -	6
Employee & Child(ren)	\$ 365.00	\$ 365.00	\$ -	40
Employee & Family	\$ 981.00	\$ 981.00	\$ -	7
Total Number on Plan				170
ACTIVECARE 2				
Employee Only	\$ 364.00	\$ 395.00	\$ 31.00	41
Employee & Spouse	\$ 1,228.00	\$ 1,302.00	\$ 74.00	4
Employee & Child(ren)	\$ 742.00	\$ 792.00	\$ 50.00	30
Employee & Family	\$ 1,271.00	\$ 1,347.00	\$ 76.00	36
Total Number on Plan				111
ACTIVECARE SELECT				
Employee Only	\$ 223.00	\$ 234.00	\$ 11.00	16
Employee & Spouse	\$ 872.00	\$ 897.00	\$ 25.00	21
Employee & Child(ren)	\$ 512.00	\$ 529.00	\$ 17.00	2
Employee & Family	\$ 1,081.00	\$ 1,111.00	\$ 30.00	2
Total Number on Plan				41
SCOTT & WHITE HMO				
Employee Only	\$ 253.60	\$ 280.16	\$ 26.56	3
Employee & Spouse	\$ 885.62	\$ 942.82	\$ 57.20	0
Employee & Child(ren)	\$ 548.30	\$ 589.16	\$ 40.86	1
Employee & Family	\$ 1,009.76	\$ 1,072.98	\$ 63.22	0
Total Number on Plan				4
Grand Total Number on Plans				326

Aledo ISD Total Appropriations by Object General Fund



2015-2016