

CEDAR HILL ISD
2011-2012 BUDGET COMPONENTS
10/11/10 Board Meeting

GENERAL FUND (Fund 199)

- 14 Campuses
 - Instruction (Function 11)
 - Library (Function 12)
 - Campus Administration (Function 23)
 - Guidance and Counseling (Function 31)
 - Non-Athletic Co/Extracurricular (Function 36, PIC 99)
- Curriculum / Staff Development (Function 13)
- Curriculum Oversight (Function 21)
- Health Services (Function 33)
- Transportation (Function 34)
- Athletics (Function 36, PIC 91)
- Administration (Function 41)
- Maintenance (Function 51)
- Security (Function 52)
- Technology (Function 53)
- Community Services (Function 61)
- Payment to Fiscal Agent(s) (Function 93)
- Tax Increment Financing – TIF (Function 97)

PROGRAM COMPLIANCE:

- Gifted & Talented Program (PIC 21)
- Career & Technology Program (PIC 22)
- Special Education (PIC 23)
- Compensatory Education (PIC 24 and PIC 29)
- Bilingual / ESL (PIC 25)

FOOD SERVICE FUND (Fund 240)

DEBT SERVICE FUND (Fund 599)

CEDAR HILL ISD
TEXAS LEGAL REQUIREMENTS
BOARD OF TRUSTEES BUDGET DISCUSSION
October 11, 2010

<p style="text-align:center">Texas Law (Sections 44.002 through 44.006 of the Texas Education Code) establishes the legal basis for budget development in school districts.</p>
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1. The superintendent is the budget officer for the district and prepares or causes the budget to be prepared.
2. The district budget must be prepared by a date set by the state board of education (June 19th if July 1 FY)
3. The president of the board of trustees must call a public meeting of the board of trustees, giving ten days public notice in a newspaper, for the adoption of the district budget. Any taxpayer in the district may be present and participate in the meeting.
4. The budget may be legally adopted before the adoption of the tax rate.
 - If a school district has a July 1st fiscal year start date, then the school district must not adopt a tax rate until after the district receives the certified appraisal roll for the district required by Section 26.01, Tax Code, due April 30, 2011 from DCAD.
 - Additionally, a school district must publish a revised notice and hold another public meeting before the district may adopt a tax rate that exceeds the following:
 - The rate proposed in the notice prepared using the estimate; or
 - The district's rollback rate determined under Section 26.08, Tax Code, using the certified appraisal roll.
5. No funds may be expended in any manner other than as provided for in the adopted budget. The board has the authority to amend the budget.
6. The budget must be prepared in accordance with GAAP (generally accepted accounting principles) and comply with federal, state, and local guidelines.

<p style="text-align:center">TEA Legal Requirements</p>
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1. The budget must be adopted by the board of trustees no later than June 30th if July 1 FY.
2. Minutes from the district board meetings will be used by TEA to record adoption of and amendments to the budget.
3. Budgets for the General Fund, the Food Service Fund, and the Debt Service Fund must be included in the official district budget. These budgets must be prepared and approved at least at the fund and function levels to comply with the state's legal level of control mandates.
4. The officially adopted district budget, as amended, must be filed with TEA through PEIMS by the date prescribed in the annual system guidelines.
5. A school district must amend the official budget before exceeding a functional expenditure category in the total district budget. The annual financial and compliance report should reflect the amended budget amounts on the schedule comparing budgeted and actual amounts.

2 MAJOR SOURCES OF REVENUE

Local Tax Revenue-3 factors

Property Values (Increasing)

Tax Rate

Collection Rate (percent of levy collected)

State Funding-3 factors

Students (attendance not enrollment)

Property Wealth (Increasing)

Tax Effort

Basic Concept of Current School Funding System

School Districts can raise the same amount per pupil (combined State+Local) as in the prior year.

Result is an inverse relationship, i.e., as one side goes up (local taxes), the other goes down (state share of funding).

The only way for additional funds is to have student growth.

Expenditure Side

Drivers

Available resources (fixed per pupil)

State Mandates

State and Federal Compliance Requirements

Most of funds are spent on instruction and payroll.