

Minutes of Budget Workshop Meeting

The Board of Trustees

Duncanville ISD

A Regular Meeting of the Board of Trustees of Duncanville ISD was held Monday, March 31, 2025, at 6:30 PM in the Duncanville ISD Education Plaza, 710 S. Cedar Ridge Drive, Duncanville, TX 75137.

1. CALL TO ORDER AT 6:30 PM

President Dr. LaSonja Flowers called the meeting to order at 6:33 p.m. This meeting was called under the Texas Government Code 551.045.

Let the record show that a quorum of the Board of Trustees is present, that the meeting has been duly called and that the notice of this meeting has been posted in accordance with the Texas Open Meetings Act. Texas Government Code Chapter 551.

The following trustees were in attendance: Carla Fahey, Dr. LaSonja Flowers, Phil McNeely, Cassandra Phillips, and Janet Veracruz. A quorum of the Board of Trustees was present, the meeting was duly called, and the notice of the meeting was posted in accordance with the Texas Open Meetings Act, Texas Government Code Chapter 551.

2. OPENING CEREMONIES

A. INVOCATION

President Dr. Flowers

B. PLEDGE TO US FLAG AND TEXAS FLAG

Board Members

President Dr. Flowers stated. Our mission at Duncanville ISD is to engage, equip, and empower all scholars to achieve their unique potential.

3. COMMUNICATION FROM CITIZENS TO DISCUSS PENDING AGENDA ITEMS BEFORE THE BOARD

There was no communication from citizens to discuss pending agenda items before the board.

4. CONSIDER APPROVAL OF ACTION AGENDA ITEMS

A. 89th LEGISLATIVE PRIORITIES (2025 SESSION)

Connie Wallace

President Dr. Flowers stated. There's no presentation needed. We went over that our last board meeting.

Trustee Fahay made a motion to approve 2025 Legislative Priorities for the 89th Texas Legislative

session as presented; Trustee McNeely seconded the motion. Motion carries 4-0.

5. BUDGET WORKSHOP

Dr. Goree started the Budget Workshop. Thank you very much, President Flowers and good evening President Flowers and all other trustees I would like to invite to the podium our Chief Financial Officer, Ms. Mayo and we will present our budget presentation for tonight. First off, thank you board members for allowing us to present this budget work session. This is of course the first and a series of budget meetings that we will have as we prepare to adopt a budget in June that will be implemented as we go into the next school year. I'd like to start off by speaking a little bit before Ms. Mayo comes with her presentation about the priorities that govern the work as we've gone through this budget process.

As you know, I've been in this seat for nine months and certainly we look at this first bullet point Fiscal Stewardship and Operational Excellence was certainly the main goal as I've come into this seat. It is so important that we as a board and certainly we as staff members present you with a budget that shows that we are good stewards to the many great gifts that our community provides us with. Because of that, you will see as we go through the budget process, there have been several operational reductions. There have been things done as far as shifting resources from an operational perspective and these are things that I do believe will be appreciated by our community.

As I've gone through the last month and I've had an opportunity to visit with various stakeholders and certainly including the board, it's very important too that as we look at our budget, we make sure that it's aligned with the district's strategic priorities with a focus on student achievement. One thing that has been very enlightening as we've looked at this budget and we looked at what's the best way for us to achieve our goals by being good stewards, we have focused on student achievement and making sure that we are shifting resources so that we do see increase in the supports that will lead to better outcomes for children.

And certainly, implementing a competitive and market aligned salary structure is critical. If you look at where we are from a staffing perspective, not just in our district but across the teaching fields, there are some challenges, but one thing for sure is that if you're not competitive with pay, you're going to certainly increase your challenges. This is going to create a unique situation for us, for you as a board and certainly us as a system because there are some things that we must do in regard to increasing pay and it will be incumbent on us to figure those things out as we go through this budget process.

The last thing is to maintain our healthy fund balance. We are fortunate that we do have a healthy fund balance. That fund balance has allowed us to operate, and it has allowed us to continue to be able to evaluate things and be systematic about those things that we cut, and we reduce. But we do want this board to know that we are committed to keeping and maintaining a healthy fund balance.

Now before I turned it over to Ms. Mayo, a couple of topics that she will cover tonight, and these will be our goals for tonight. We'll begin of course with a legislative update. There are so many things that are happening in the legislature that will be pending upon what we do from a budgetary perspective. She'll also speak about some budget assumptions and budget unknowns, and this will be a very informative session around where we are. We'll speak about cost containment. As you know, we've spent the last year looking at cost containment and looking at what are those things that we want to move forward to.

And this is where I'll remind the board that over the next 24 months, we will move forward with some of those containments this year. But certainly, note that there will be more containments as we go into next year.

An example I'll give you of that is that when you look at our high school schedule because of things such as that we're adding on to the building, things like the 35 plus classes that will be outside. Several things prevented us from being able to really look at the high school this year, but that is certainly something that we will do as we move forward. And of course, the last thing I've already spoken to, how do we make sure that our pay is competitive so that we can attract and maintain high quality employees in our district.

At this time, I'll turn the microphone over to Ms. Mayo. Board members, on each page you should have a number. If I could ask you to write your questions on the page and at the end after the presentation, if you can reference that page number, it'll help us to go back so that we can answer all your questions. Thank you. Ms. Mayo.

Ms. Brandy Mayo presented the Budget Workshop to the board. Good evening, Dr. Flowers, board of trustees, and Dr. Goree. I am happy tonight to present information on our first budget workshop. As Dr. Goree mentioned, we're going to start off with legislative updates and we learned a lot today from our legislatures, so I'm going to take a little time to share that with you because it was a bit more positive than we had seen in the past. We'll talk about our budget assumptions. The assumptions and the information that I used to build the budget for next year so that everyone is on the same page with what our forecasts are and what our expectations are. We'll talk further into cost containment and then we'll discuss some competitive compensation ideas for you so that we'll know how to guide our next budget workshop.

We are going to talk a little bit about the 89th Legislative Session and beyond. We've had a lot of things happening since January this year. I want to specifically focus on House Bill 2. A lot of information came out today regarding House Bill 2, so it is going to be discussed tomorrow in School Finance Committee, but there was an increase to the basic allotment that had been discussed before. Now the increase being discussed is \$6,555, so that's about \$395 over the current basic allotment. That is more than they were discussing in the last rendition of this bill. There are also several items that we would want to consider.

One thing to remember is in the current law, if there's an increase to the basic allotment, it triggers a raise. Right now, the raise is whatever you have increased year over year, you must take 30% of that and apply it to raises. And of that 30, 75% must be focused on teachers, librarians, nurses, and counselors. The updated law that we're hearing is being discussed today is that 40% will go to salaries and then the focus will be only on teachers with an emphasis on teachers with 10 plus years of experience and then a tier two level with teachers of five plus years of experience. It's a little different from the current law and as you know, we're still very early in the session so there could be many changes, but I am smiling today because I think this is moving in a better direction.

A couple of other things I think that are very important for us is it raises the compensatory educational allotment weights, the bilingual allotment weights, and then there's also some fine arts allotments there. Those are all increases that would favorably affect us. They're discussing a lot of conversations

also around special education in this bill and there is as well as a separate bill out there that's discussing special education. One kind of change that's in this bill that's a little different too is an automatic increase to the basic allotment. I'm not sure what that schedule looks like, but that's going to be different than what we've seen in other changes through the legislative session. There are some offsets that due to the amount we get for Golden Penny, so I won't know how that affects Duncanville ISD because as you know, we do have all our Golden Pennies here and so once we get more details, we can do a full analysis to see how this will affect us.

We did get information from the Texas Association of School Business Officials that they were already working on analysis on how this would affect districts. The legislators did ask them to hold that back until they have more discussions tomorrow. We'll just continue to learn and update you all as we know, but I think that's a very favorable outcome for our district.

You can see some other things that we are talking about. Also, there's a Senate bill and a House bill for education savings accounts vouchers. Senate Bill 2 is up for discussion tomorrow. House Public Education Committee begins at 8 AM. If you all are interested in looking at that, there'll be several bills being discussed in that, but those are the two we'll be watching specifically. And so that is our legislative update.

There are also many other things. School safety allotment increases. There are two bills in the House and the Senate for school safety, but they both support us in a positive way. We'll be discussing additional tax compression and property tax exemptions. In the past we did a lot of property tax exemptions for homeowners. They're talking about doing some property tax exemptions for income producing properties. And so that'll kind of be a new thing, but there is a lot of discussion of hold harmless in some of these bills and so hopefully the impacts to our ISD will be minimal, but as we learn those, we'll be getting those figures out to the board.

Here's our budget assumption. Every year when we're reviewing the budget, we have several variables that go into how we forecast the revenue for the budget. The fiscal year in Duncanville ISD starts on July 1st and ends on June 30th. We are using a taxable assessed value growth of 3%. I'll talk a little bit more about that in the next slide. Tax rates proposed for the next fiscal year are 1.1027. It's a very slight decrease from last year and that's a trigger from tax compression that is currently in law. The demographer has predicted enrollment to be about 11,232, and so projected losses for average daily attendance would be about 308 students. I do want to talk about a few things when I get to the end of this slide on how we're working on improving that. We do expect to outperform that analysis, but we are using those figures as data and backup for now.

This budget is based on current legislation, so it's based on current law. We have not implemented any of the new things we just talked about into this budget yet because we don't know what they're going to be and they're probably going to change a lot before we get to the end. And then our tax collection rate, we're using a budget of 98%.

Just if I could circle back to average daily attendance. Across the state this has been a challenge for many districts and so there's been a lot of ideas and we've seen a lot of information. And so, we've been working internally with our district, and we haven't hammered anything out, but we are working on building a proposal for some ADA attendance incentives that could positively affect campuses that were able to improve their ADA percentages. We're looking at increasing their operational budgets and

some other areas that may be some positive incentive for these campuses. And so, we're working through that model, and we hope to be sharing that with the board.

We do believe and we have seen success in other districts that have been utilizing that, and we have some great members on our team here at Duncanville ISD who have done this work in other places and are bringing their insight and expertise so we're grateful for that. We are focusing on average daily attendance. In addition to looking at ADA and supporting campuses for bringing students in, we are also educating our staff. We're just letting everyone know what does it mean when you take attendance in a classroom? What does it mean for the overall district? And so, we're hoping to have a global understanding of the detailed work that you do every day will have positive impacts for the district. We are getting out in the field. We have a lot of positive support to do that. We've done two great presentations and we're going to continue to work on that focus as well.

These are some of the unknowns. You guys know that as we move through our budget as a June 30th district, we build our revenue budget on information we don't quite know yet. We'll be working on finalized tax rates. Once we receive our certified values in July, we send our MCR information to the state, so that's our maximum compressed tax rate information. They review our data and then they give us approval of what our M&O maximum compressed rate will be. We'll use that, add our Pennies to it and come up with our tax rate. Right now, we're proposing 1.1027, but once we get down to those details we'll know if we're going to stick with that or not.

I've met with DCAD last week. DCAD is estimating in our area to have very moderate market value growth in the low single digits and then maybe mid-single digits for taxable growth. The 3% number that I've been using to build the revenue budget is conservative. It appears to be in line with what DCAD is suggesting. We do have a meeting coming up with them in April where we will get our preliminary certified values and then as you know, every month we get closer to July, we learn more and more.

We're currently working through staffing for budget impact. Right now, HR is down in the trenches working on staffing. This is normal according to the budget calendar, to the HR staffing. They're working through all the staffing for next year. They're working through all the information needed for our temporary campus closures due to renovation and working with our staff and they are working diligently through that. We do expect some changes from that to be reflected in the April presentation and we can talk more about that line item when we get there.

Any required teacher raises approved by the legislature are not considered, they're unknown at this time. Any changes to the basic allotment, just like we've discussed, we're working through property insurance. We saw an increase in property insurance last year, so we're working through the details to see if we're going to be impacted by that in this fiscal year. Any raise scenarios, we do have some ideas and some things to show you later in this presentation, but we'll need some guidance on how to move forward so we can bring the raise scenarios to you in April. And then any further cost containment strategies are not included in this presentation.

We've been working really hard on strategies to implement control and reduce expenses within our organization. We want to make sure that as we make reductions to the budget, as we review every program and every item in the district for fiscal responsibility, that we want to make sure that we're providing every child with quality educational experience. That is our number one priority. These are the items that you've already seen. We've explored these cost containment items with you in the past.

These arose out of a survey that came from cost containment. And so, we've been working through these changes. Some of these program changes have been presented and approved by the board already and some of these program changes or reductions were approved by the board in the last fiscal year and as they were being reduced through attrition.

We do still have some of that going on and as those positions become vacant and they become closed, we'll be updating that figure to further show the board. But we do have more room for cost containment there that has already been reviewed and discussed by the board. We're working on those reductions now. A lot of that will be discovered through staffing and as we go into the next fiscal year, we'll have a better hold on to what that's going to be, certainly come April.

As we talk about getting prepared for our budget and we start to think about where is our budget going to be, what are some things that we need to be thinking about in planning for the future. We do want to consider as Dr. Goree mentioned earlier today, our competitive salary for our teaching staff. As you began thinking about planning for this budget season, we wanted to give you an idea of where Duncanville ISD sits with our local ISDs with teacher-paid comparisons. If you see the Duncanville ISD bar to the left of center, Duncanville ISD starting teacher pay is 58,500. All the districts to the left are slightly under or the same as Duncanville ISD and the districts to the right are higher. You can see that some of our immediate school districts in our immediate area are a bit higher than us in providing some additional competition for our teaching staff.

This is some compensation scenarios. I wanted to bring your attention to this is a financial forecast only. As I mentioned before, HR is still in the trenches working through every single position in the district. With that said, we have not been able to build a teacher or staff raise based on the actual positions that we predict for next fiscal year. I took PEIMS accounts of staff and did an increased teacher salary of 2,000 per teacher, which you can see brings us up to 60,500 and is in line with some of the districts to the right of us. That's an estimated cost based on the PEIMS data of 2,000 per FTE. The other staff would be approximately 498,000 out of 1%. Now this is 1%, this has not been applied to midpoint because we have not applied it to the specific staffing models, but this is an estimate based on current payroll, and it is an alignment with historical raise projections that you have seen in the past, so the figures all make sense there. Other staff around 2%.

The goal of this is so the board can see an idea of maybe what the expectations would be as you begin to plan your raise scenarios and suggestions for what we'll bring to you in April. We wanted to make sure you had a financial forecast so that you could see what the actual raise scenarios would be. I do not expect them to be exactly the same, but I do expect them to be similar to these figures. Now please keep in mind this is based on our current budget, and it has nothing to do with legislative agenda. These were just simple, some ideas and some models that we thought we could share with the board just as we begin thinking through this budget year because there are so many things to consider. I wanted to make sure we were able to use this meeting as a good planning opportunity.

One thing I do want to share with you that I learned today, and this was something I experienced in the 2019 legislative session, is considerations when we regard salary increases for next year. Until the governor signs a bill, it is not law. And so, any salary decisions that we make or any adjustments to our compensation manual that we make before the law goes into effect depending on the language of the law, we may have to give both. I just want to make sure that the board has all the information when

you're considering your choices. There were districts in 2019 because of the language of the law that had to come back and add on top of their raises because it was unclear of how that was going to lay out.

Now we can work through this, and we can amend the budget in July and there are some strategies that we can do, and we'll be working very closely with TASB. The language in this documentation all comes from TASB Legal and they are working closely with ISDs to make sure that we're making very clear and informed decisions. But I just wanted to make sure that you were all aware that decisions we make today could impact the future.

This is the preliminary 25-26 general fund estimates. This is a small picture that says a lot of stuff. The 24-25 original budget is there, and as you know, we haven't made a lot of amendments to that budget. Right now, I'm working through revenue expectations, and I do believe the amended budget is in line with our current revenue expectations. We have had a disappointing letter very recently about some further reductions to our SHARS federal reimbursements.

As you know, there was a 2017 lawsuit that came out with the way we were identifying students. Now, districts were doing what the state asked us to do. However, the federal government came back and said that was not the right way. As you know, we lost some revenue there to SHARS. Well now they're taking the opportunity to go before 2017. Now, we received a letter for a reduction all the way from 2011. This reduction is \$539,758 to be paid immediately. We contacted the Texas Medicaid and Healthcare Partnership to get a little more information because it's quite a big payment just to pay on a very small paragraph. And they said we had to send a letter on paper into the mail for our questions. We did that. We'll wait to hear how that's going to go, but I expect that we are going to be further reduced by \$539,000. That will affect this fiscal year. And so, I just want you to know that that's going to hit us.

We had discussed our current year's estimated savings before. You'll see that reduction of 8.4, so that's going to be some of our vacancies saves, our historical non payroll saves, and some money we were able to move over to ESSER, which puts us at an estimated net impact to fund balance for the end of this fiscal year at about 10.5 million, which is more favorable than 18. We are continuing to work through the budget and making sure we're capturing everything and every time we meet, I will bring you a more updated, clearer financial picture of where we are.

25-26, you'll see total revenue does have a reduction that's due to an enrollment decline. I also modified the budget for a SHARS reduction continued there. And then there's a small modification just due to thinking that we might receive less than favorable investment income.

We have had a stellar last four years with investment income and that's beginning to slow a little bit. So, we always have the opportunity to come back and amend the budget, but I want to make sure that we have clear and realistic budgeted items there. We did reduce some payroll expenses year over year into 25-26, and we do expect to continue to work on those payroll expenses through attrition, through items that are already been planned and reviewed by the board and items that we will be talking further about that does reduce the total expenditures budget. It still leaves us with a net impact of negative 19 million. And then as we enter those cost containment items that we discussed on a prior slide, it brings us down to negative 17 million.

Now keep in mind we will have historical vacancies saves, we will likely have some non-payroll saves, and so that's going to bring us even further down from there. That's where we are today. We're still working on all the HR payroll changes. We're still reviewing how all the temporary campus closures are going to play out. We're looking at all our staffing guidelines and analysis to see, so when we come in April, we're going to have that better picture there. I do believe it's going to be more favorable than that, but I wanted to show you what I have as I have today.

This kind of just gives you a visual representation of how we've been hit on our federal revenue due to SHARS. One thing to note that I didn't say earlier is that House Bill 2, there was a mention of some additional revenue to offset districts who have been hit so hard with SHARS. If that goes through, that will be helpful to offset some of these losses because not only are we not receiving the reimbursements experienced in the past, but now we're paying back for reimbursements that were prior to the lawsuit and I'm not sure when the letters are going to end.

I do have some pleasant news after all of that. We've been working so hard, and I think we're continuing to do the great work in cost containment. I feel so happy about the vision of the district and the leadership and the board and then the fiscal integrity and the responsibility of the board and the leadership up until this day has built this wonderful fund balance that is giving us the opportunity to strategize, review our budget needs, maintaining a focus on our students, and not having to make rich and harsh decisions. We have time. Now, the work is still there, we still have the work to do. We're going to be chipping away and moving forward, but we have the precious gift of time and so it won't last forever, but we have it today.

Estimated average monthly expenses right now are about \$12 million. Even with that \$10.5 million, if we do have that, and that does reduce our fund balance, we will still be at five months. That sets us up very good for next year. Every bit we can whittle away from the deficit every bit, we can become more fiscally responsible and efficient through our operating budget. Any money we receive from the state further improves this. And so, then we can begin to move forward with a long-term strategic plan on what the future of our district is going to be operationally. We are very pleased about that.

The board is required to approve three budgets. The general fund budget, the nutrition services fund budget, and the debt service fund. This is just a preliminary update of the student nutrition budget. This does include analysis and preparation for the next fiscal year based on current operations. And it does include the staff pauses for the temporary closures of the campuses that will be affected. There is a reduction in payroll there that they will see for that one fiscal year. The \$1.8 million there at the bottom is I would not view that as a negative thing. In the past, the nutrition services fund was required by law that if they had more than three months of fund balance, they were required to spend that down. As you probably have heard through budget presentations in the past, sometimes those decisions felt a bit rushed because you would find out a little later in the year. Well, they changed the rule and it's now six months.

This spending down is still part of the old rule. But once we spend this down and there is a plan approved by TDA and Nutrition Services Fund is working with purchasing now to get these needed items in the right place and then going forward, we will have six months of fund balance. That way we can take time to make sure that we have the time it takes to buy this equipment because often this is capital equipment, it is a lot of planning, a lot of work with architects and construction. And so, we want

to make sure we have adequate time to do that. Once the spending down plan is done, then we'll be able to move forward under the new law.

This is our debt services fund budget. This is proposed right now based on the 3% growth taxable values. If we do experience higher than 3% growth in our taxable values, it will directly affect the I&S budget. It doesn't offset like the general fund. All the increased dollars do go here. This is based on our current debt service schedule for next fiscal year. And so, we're proposing it to be zero impact on fund balance, but as our values are more realized, we'll be bringing that information to you.

This is our next step. This is just pulled directly from a budget timeline calendar. We'll be moving into April with another board budget workshop where we'll be bringing you raise scenarios, a more detailed level of where we are in our operational budget, any other of the board requests that you would like to see. I imagine we'll likely be bringing you scenarios on how any of these bills are going to affect us because by the time we get to April 28th, we're going to know more. And so, there'll probably be some analysis to share with you then on how we'll be affected. We go into May, we'll have another budget workshop to kind of finalize all the questions, get everything together hopefully so that we can build our notice of public meeting that we have to put in the Dallas Morning News according to law. And then on June 16th is the regularly scheduled board of trustees meeting where we hope that you'll adopt the 25-26 budget and proposed tax rate.

And then the upcoming budget workshop agenda so far, it certainly can change. We expect to bring raise scenarios, budget updates based on revenue with preliminary property value estimates, expenses with updated staffing analysis, additional fund balance estimates based on the information we have at the time. And then any analysis on legislative updates that may be affecting Duncanville ISD at that time as we know it. And that's it. I'm ready for questions.

Dr. Goree added. Thank you. I do want to just reiterate a couple of things and thank you very much Ms. Mayo for your presentation. One thing that I would like to reiterate though is when we talk about pay for teachers, and if you look at the chart there, you'll see that we are recommending at least \$2,000 per teacher. Now this would be in addition to anything that the state does because we must remember that anything that the state does for us, they're going to do for all those districts. If we just solely rely on that, we will find ourselves still behind. We're looking to do 2,000 on top of whatever the state does as a minimum to bring us up to at least to par with our neighboring districts.

The next thing I'll just quickly point out is that if you look at our budget last year, we have outperformed the budget historically. In fact, if you'll remember, it was a deficit budget last year. We ended up making a deposit into fund balance. If you look at this year, we went into this conversation with an \$18 million deficit and we're looking at 10 and still working diligently every day to outperform that. Even though we are showing a deficit budget for next year, we are working to minimize that and looking and hoping that the state will come through with some of those additional revenues to help us in that space. But please know that, and certainly publicly thank Ms. Mayo for really focusing the time and attention of staff around student achievement and really making sure that we are respectful and good stewards of our very healthy fund balance. And we do thank the board and any citizens that may be looking or anyone that's working in that space because this community has provided us with a healthy fund balance so that we can operate in the best interest of children. Thank you.

President Dr. Flowers commented. Thank you, Dr. Goree. And thank you so much for mentioning that that's 2,000 in addition to what the state brings because the slide page nine, those were my thoughts exactly. Well, they're going to do the same thing we've been here before. And so, as we move, then we're right back in the same spot. It does help that it's an additional 2,000 in addition to whatever the state does so that we can really try to move the needle for real in a way that makes us competitive.

Then you also stole something else I was going to say is I wanted to applaud our board and the financial stewardship. We have done a great job in making sure that we've placed the district in a good position financially. Board, please give yourselves a hand because that takes a lot of work and a lot of sensitivity. Doesn't mean we've got everything right, but in that department, we've done a good job, and the district is in a good position financially.

Trustee Fahey asked. On page 11 where you have utility saves 90,000, is that electricity only or does that include water and gas, the utility?

Ms. Mayo replied. Right now, those are the utilities, the electricity directly related to the installation of the new HVAC systems that are being installed with the bond. We did begin adding some of those systems this year and we'll be continuing to add those systems. And so, I'm hopeful as I get to review the data after they've been installed, we'll be able to see some further positive changes. But that's simply based on some statewide estimates per unit and square foot that I got from the state and just applied to our district.

Trustee Fahey commented. Thank you. And thank you for your presentation.

Trustee Veracruz commented and asked. Thank you again for your report and I'm very pleased with how you presented all of this. Very understandable. I had a question on page five regarding the ADA. You caught my attention by saying that you were going or there was all out teaching or getting the teachers to understand about the ADA. Can you speak a little bit more about that and how important it is?

Ms. Mayo replied. Yes, and so with some support from some district staff, we have been working with attendance clerks and registrars and administration on the importance of ADA and really what it means for the entire district. We also taught some of our future leaders in a class on this same thing, and we're going to continue this message, but the primary message is just to share how important taking that attendance on a day-to-day basis is, how important it is to encourage our students to come to school every day because it isn't just about money, it's about accountability and student growth. And so, by marrying those two conversations together, I firmly believe that if we understand the global impact, it makes a difference in what we do on a day-to-day basis. And so that's the message that we're getting out. Then it also helps me get in front of people and understand what our departments are doing and so it's been an overall positive impact.

Trustee Culton commented and asked. Thank you for your presentation, Mrs. Mayo. I have several questions. On slide six, I was just wondering if a detailed staffing analysis has been performed considering the school closures, what does that mean for us, if anything?

Ms. May replied. That part of the work is being done right now with HR. Through their work they've been taking information from those campuses and prioritizing where the staff wants to be. They're looking at estimated enrollment from the demographer and the PEIMS so that they can get the staff adequately placed. That analysis is happening right now. They're just in the details of it. And so that's the work that we want to come and show you the impact of the budget in April. We just don't have the devil's in the details, we just don't have the details right down, but we do expect it to be favorable when we come in April. We did capture estimates of that in this slide, the renovations and closures. We estimated, now that includes some salary, some payroll, and non-payroll estimates. We tried to add some estimates there so we could get an idea, but we won't know the exact details till we come back in April.

Trustee Culton asked. Also on this slide, can we get breakdowns on these numbers? What's in the renovation closures, the program changes? The central office budget reductions is due to what. I guess, yeah, if you can provide that information.

Ms. Mayo replied. Yes, I have it right now if you want.

Trustee Culton commented and asked. Whenever you give the next presentation. Then also, on the compensation scenarios, the 1% other staff, 1% with benefits, would you provide further explanation regarding exactly what that is?

Ms. Mayo replied. Again, this is a financial forecast. I took some actual raise scenarios that were to the board, and I did a financial forecast and I kind of compared the two to make sure I was on the right track. What this is other staff would mean everyone except a teacher, so a function 11 professional teacher on a campus. That would be 1% applied to the current salaries as they are today, to all other staff with benefits added to give you an idea of what the impact might be on the general fund budget.

Trustee Culton asked. That's 1% of their salary, 1% increase or-

Ms. Mayo replied. It is, 1% increase. Yes ma'am, but it's not on midpoint. I know we traditionally and as many districts do 1% to midpoint. This is just an estimate of the overall salary. It's just simply for financial forecast purposes.

Dr. Goree added. If I may add something to that too, it is that we will not be in a financial situation where other staff will receive an equal raise to what teachers receive. But we know that historically the board has done something for other staff at least, but unfortunately it probably will not be a recommendation that it is equal to at all what a teacher will get.

Ms. Mayo added. If I might add in the current law and in the proposed law, if there is an increase to the basic allotment, there is a trigger for a raise. While there is a large percentage that goes to teachers, the other 25% of that gain goes to other staff, non-administrative, other staff.

Trustee Culton asked. But this proposal does not take into consideration any future appropriations by the legislature?

Ms. Mayo replied. That's correct. If this were approved in the future, anything additional would ride on top of that.

Trustee Culton asked. And then so do we have 747 teachers? I was thinking that it was maybe more. How many teachers do we have?

Speaker 1: We have roughly around 830.

Ms. Mayo replied. I've pulled this from the PEIMS snapshot data, so it might- Okay. Ms. Brown mentioned there may be some lost vacancies in that.

Trustee Culton asked. On slide 11, I guess the current expected adjustments under 25-26, I guess if you could align those with the other reductions, if they can all just be consistent, so we'll know, I guess if we get more details, we'll be able to understand how these fit compared to the others, right?

Ms. Mayo asked. You would like to see more of a description instead of it all lumped together?

Trustee Culton replied. Yes. Or maybe detail. Like a supplemental detail because I know you... It's good to see it like this, but just so we have details on that.

Trustee Mayo replied. Yes, just a second slide that kind of highlights the ads and the takes. Absolutely.

Trustee Culton asked. The historical SHARS in 2019, can you explain this slide to me? We continue to get requests for payback, but I would like to have an explanation of this one.

Ms. Mayo replied. This is our school and health related services. Based on certain services that the district provides; we have been reimbursed for those services. We go through, every year we work very closely with special education in our finance department and we make a submission based on, it's called our cost report. And it's based on the services that we have given to students throughout the year. It's very detailed, it's very time-consuming, and it's a lot of detailed work. And so, as a result of that reporting in the students that we served in Duncanville ISD for example, we received a reimbursement from the federal government of \$1.6 million for the services that we gave to students that met the requirements of the law.

In 2017 there was a court case that was brought that went all these years back in deliberation. It was finally settled in 2022. When that happened, districts, everybody I know, suffered a loss in their SHARS percentage because it was determined that the services weren't being appropriately submitted for reimbursement. They didn't meet the qualifications. Now the caveat there is that we were following the requirements of the state, it was just a court between. We were receiving those reimbursements based on those student services. Now that 2019 one, I don't have the details, but I know in 2019 with the district I worked in and I knew several other, it might be a little higher than those other years because there was some changes made in 2019 that would allow you to go back in other years and get some reimbursements. We probably were able to increase, I don't expect '19, '20, and '21 to have been a real decline. I think it was based on historical reimbursements they were receiving.

But in 2022 when the court case hit, we basically went from expecting to receive around 1.5 to \$1.3 million to getting under \$500,000. It was unexpected. We did not know that was going to happen. And so, when that court case was settled and so then it further impacted us. Then that 2023 number is a result of a lower reimbursement percentages as well as paybacks and that's what that is. And so SHARS is a year behind, so we're working on 2024 now. It's due tomorrow. And then we'll get a letter from them to know what really could make our budget for next year. Right now, I'm just basing it on a very low, I think I put it at 500,000, but we'll know once we get our report and letter what it's really going to be for next year because they do tell you early.

Trustee Culton asked. Is this one of the things where the state picks up the slack?

Ms. Mayo replied. No. In House Bill 2, there is language that does offer some funding to districts to offset some of this. I doubt it's going to be 1.5 million, but I don't know the details.

Trustee Culton asked. When we're owed money from the state for anything, I know that previously there have been conversations about the state not giving us money owed, and I'm just wondering, is that still the case?

Ms. Mayo replied. In 2019 the state updated the school funding finance formula and since then they have been paying based on our tax rate and our student enrollment and all our special populations according to 2019 funding formula. I think where the kind of conversation is going to the state, they're not necessarily withholding the payments they said they were going to make. They weren't compensating districts' basic allotment for the 22% increase in inflation that we felt. I think that may be clarifying your conversation.

Trustee Culton replied. That clarifies. And so, there's nothing in the statute that requires them to adjust it periodically-

Ms. Mayo replied. There has not been, no ma'am.

Dr. Goree added. If I may add one thing to it, I think that's an excellent point. There is. Technically they would say, "We paid you based on what the law says." However, there were no adjustments made to meet the rising cost of educating children. One other thing I do want to point out about the SHARS situation too is that this is a national problem. This is something that superintendents across the country were hit because it was a federal issue. And it is a huge hit because again, the services are still being provided, but we are not being reimbursed for them.

Speaker 5 asked. Was it a federal call?

Dr. Goree replied. It's federal.

President Dr. Flowers asked. Can I go to slide 10? For the teacher salary increase, we usually include our counselors with the teachers. Are counselors in this as well or is this literally teachers only?

Ms. Mayo replied. Literal teacher FTEs according to PEIMS. If we include that, the fav four will bring that

information in April if you'd like to see that.

President Dr. Flowers commented. Generally, they've just been combined. I just wanted to make sure that this is just teachers that we're talking about.

Ms. Mayo replied. You're right, this is just teachers.

Trustee McNeely asked. What's the other staff like principals, assistant principals?

Ms. Mayo replied. All other staff other than teachers.

Trustee McNeely asked. Paraprofessionals too?

Ms. Mayo replied. Yes sir. It includes paraprofessionals, auxiliary, principals, aids on a campus. Yes.

Trustee McNeely asked. Okay, it's \$2,000. That's in addition to what the state will give?

Ms. Mayo replied. Yes, sir.

Trustee McNeely asked. Are we going to look at any scenarios that's more than 2,000?

Ms. Mayo replied. We certainly can.

Trustee McNeely commented. Well, let's do that.

Ms. Mayo replied. Okay. Absolutely.

Trustee McNeely commented. Thank you. Just like you said earlier, they're going to... If they do the same thing we're doing, we're still, I won't say that, but we're still behind.

President Dr. Flowers commented. We will have some competitive suggestions and options.

Trustee Fahey asked. The 3% growth that is predicted or maybe we have, does the City of Duncanville use that same predictor or do you know?

Ms. Mayo replied. I don't know. They do their tax rate a little different than we do. Unfortunately, I don't know. But this is the percentage for market value growth and taxable value growth in our ISD. We include part of Dallas County.

Trustee Fahey asked. And that's from our demographers?

Ms. Mayo replied. That is from DCAD, the appraisal district.

Trustee Fahey commented. Because we have students and actually our board members, we live in Dallas and DeSoto. Anyway, back when the dinosaurs roamed and I was on the school board many years

ago, we had joint city and school board meetings, and we could discuss things like this. Such as if somebody says, "Well, taxes went up again," and well, not ours. I mean it might be a difference. I suggest that we might want to meet, have a joint meeting. One more meeting, Phil, I know you love me. But I was just curious if they use the same.

Ms. Mayo replied. One thing that is similar with cities is in 2019 when they came out with the tax compression for ISDs and we have to report our M&O tax rate to the state, the state determines what our M&O tax rate is going to be outside of the Pennies that we have approved. We don't really have any flexibility on how we determine our M&O tax rate. And cities are under that same limitation. It's not exactly like us, but they also experienced tax compression in that way as well. We, I think, used to have more flexibility on how we chose our tax rate and had it adopted. And that's been changed since the 2019 legislative session, though that could be one reason why those conversations changed. I'm not sure.

President Dr. Flowers asked. Ms. Mayo, my last question is, did we get the \$2,000 increase from... Will you go to slide nine. Did we just choose that just to give us an example to get us over onto the left-hand side of the-

Ms. Mayo replied. I believe that is a yes. It was just to make us competitive with some of our neighboring districts.

Dr. Goree added. If I could add, we appreciate the board too saying that we do, because we agree, we do need to look beyond that. Because again, we've seen this exact scenario before. If you look at, because I've gone back and looked at the history of how we got here, and you would have some of the districts that touch us that will then jump ahead 1,000 on top of whatever the state does. I do think we do need to be aggressive in what we do so that we can at least be competitive in our area.

Trustee Fahey commented. Well again, when the dinosaurs roamed the earth, we... Well, never mind because that was a long time ago and it's probably not relevant. Okay. I'll be quiet.

You know what I'm going to say it. Duncanville wanted to be the first to put out our salary schedule because we were trying to get new teachers just sign, sign, and get that salary out first. And then we later found that, well, okay, the next district raised theirs maybe \$500. I don't know what's best. I mean, what's our plan early or late?

Dr. Goree replied. I think it's going to be in your scenario later because that's exactly what has happened in a couple of situations. But I do think that as we go into June, it does help us with recruitment. I do think that because I really do believe the state is going to loosen purse straps this year. I do think all of us are going to be in better positions there. But I do think leaning more toward the late, especially considering we are in a deficit situation, is going to be the safest thing to do for the board.

President Dr. Flowers commented. But the other side of late is we have current employees that see our competitive districts with the raise. I'm not favoring one or the other, I'm just saying that there are two sides to that. If our employees don't understand that we're working on that too and then the next district posts theirs, then we run the risk of people moving. I'm not sure which one. I just wanted to say

there's two sides to that.

Ms. Mayo added. If I could add one more thing when we're thinking about these is when we have vacancies in our district, oftentimes they're offset with some contract services to cover the vacancies and those are always much more expensive than the cost of the position. When we consider this teacher increase, please know that there will be some contract service offsets that will reduce the impact of that. And we can share that with you in April as well.

President Dr. Flowers commented. We are asking for that. We want to know the full picture so that we can make informed decisions and making that happen, the raises that is.

Ms. May replied. Perfect. Thank you.

Trustee Phillips asked. I'm a visual person. On the slide 10, other staff. Other staff, would you break those down and provide a breakdown of who's included in the 1% and the 2%, please?

Ms. Mayo replied. Yes, of course.

6. ADJOURNMENT AT 7:36 PM

Trustee Phillips made a motion to adjourn; Trustee Culton seconded the motion. Motion carries 6-0.



Dr. T. Lamar Goree
Superintendent of Schools

Board President

Board Secretary