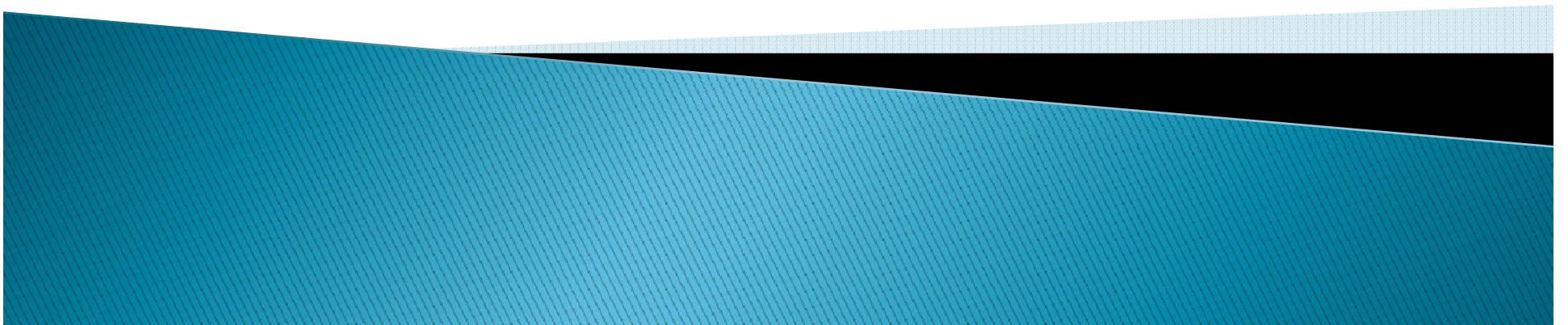


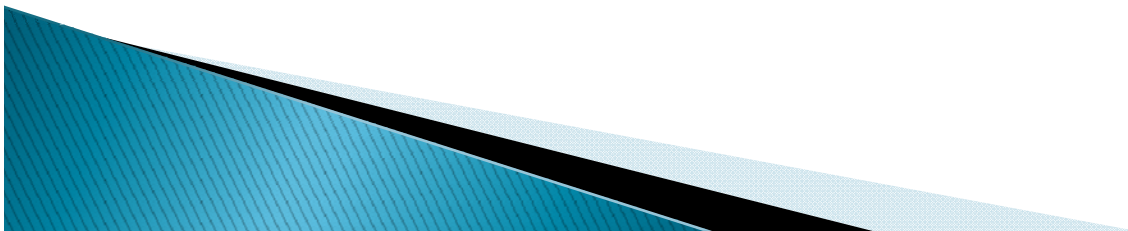
2009–2010 Budget Discussions

March 10, 2009



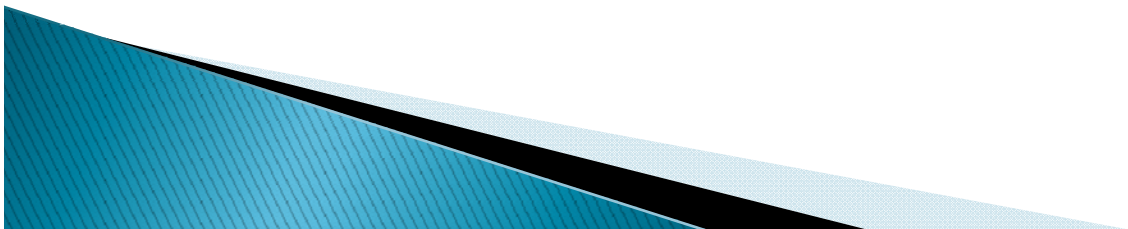
2009 – 2010 Budget Assumptions

- ▶ Property Value Growth
- ▶ Tax Rates
- ▶ Average Daily Attendance
- ▶ Weighted Average Daily Attendance
- ▶ Target Revenue
- ▶ TEA's Revenue Target
- ▶ Components of State and Local Funding



2008–2009 Property Values

- ▶ 2008 Property Values used for 08–09 Budget
 - Freeze Adjusted Taxable
 - Certified Values as of 8/5/08 8,647,335,354
 - Supplement #14 as of 2/23/09 8,835,316,749
 - Net increase 187,981,395
 - Frozen Tax Levy 8,620,394
 - The certified values represent an increase of 4.42% over the 07–08 (2007) certified amounts.

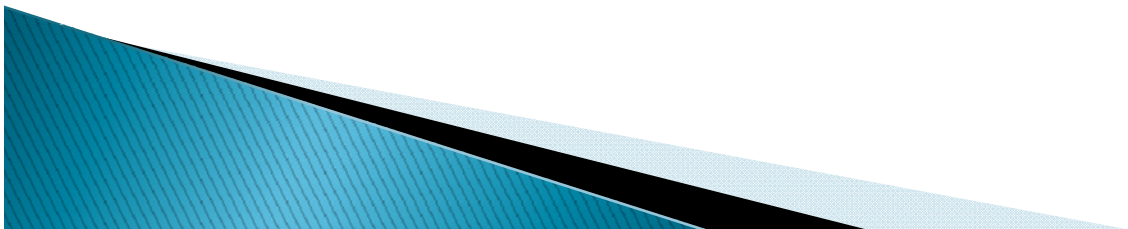


2009–2010 Property Value Projections

- ▶ 2009 Property Values will be used for 09–10 Budget Projections

- Freeze Adjusted Taxable 8,835,316,749
- Frozen Tax Levy 8,620,394

- Based on Supplement #14 value with no additional growth
- 2.17% increase in values over the 08–09 (2008) certified amounts
- Preliminary projections will be provided by Denton Central Appraisal District beginning 4/1/09

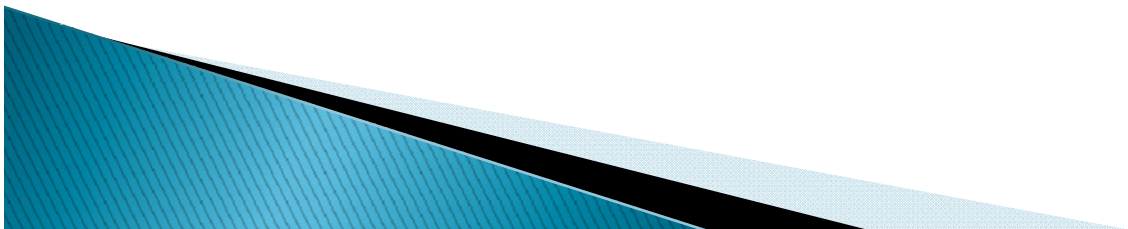


Current and Projected Tax Rates

- ▶ Tax Rates

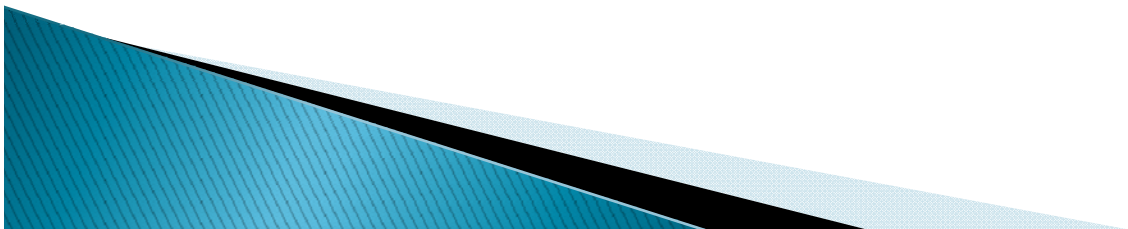
- M & O 1.04
- Debt .45

- ▶ An additional \$.02 per \$100 of value is available for M & O, however it does require a rollback election.
- ▶ The debt service rate will be adjusted as needed based upon value projections. The cap for debt service is \$.50 per \$100 of value.



Average Daily Attendance (ADA)

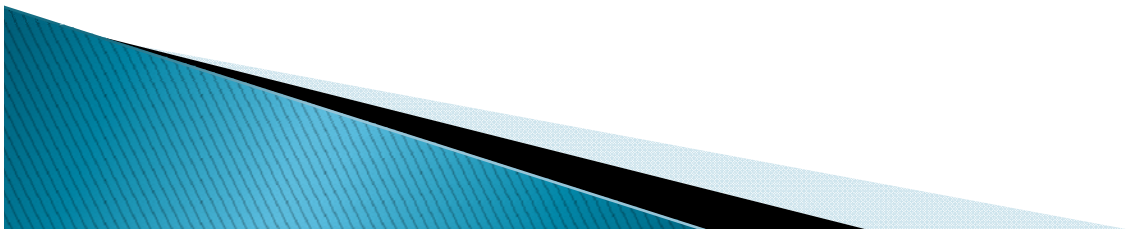
▶ 2007–2008	19,536.75	96.0%
▶ 2008–2009		
◦ Enrollment for budget projections		21,725
• Projected ADA at 96%	20,856	
◦ Enrollment as of 10/1/08		22,222
• Projected ADA at 96%	21,333	
◦ Based on actual attendance for 4 of the 6 week periods		20,984



Average Daily Attendance (ADA)

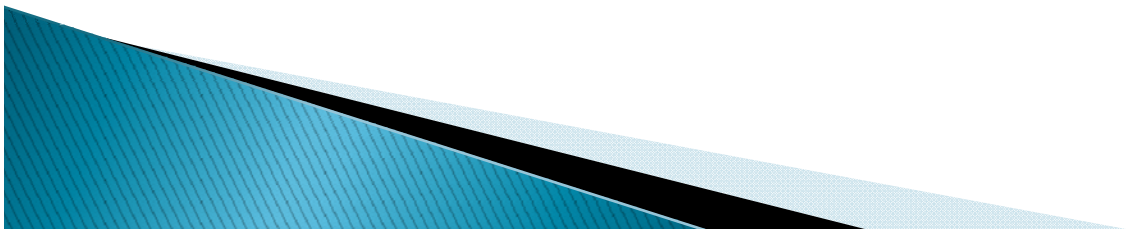
▶ 2009–2010 Projections

- Projected Enrollment 23,384
- Based on ADA 96.0%
- Projected ADA 22,449
- Projected Student Growth 1,162
- Student Growth Percentage 5.23%
- Increase based on 10/1/08 counts



Weighted Average Daily Attendance (WADA)

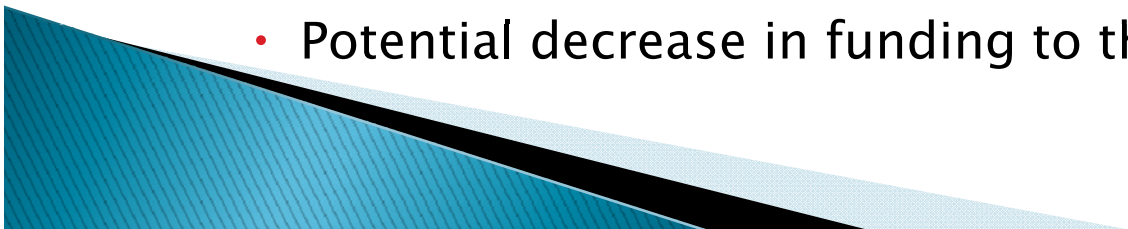
- ▶ 2007–2008 25,070.14
- ▶ 2008–2009 Projected 26,773.81
- ▶ 2009–2010 Projected 28,382.90
- ▶ Denton ISD is ranked 53rd of the 1,025 school districts in Texas. Top five districts are:
 - Houston ISD
 - Dallas ISD
 - Cypress–Fairbanks ISD
 - Northside ISD
 - Austin ISD



Weighted Average Daily Attendance

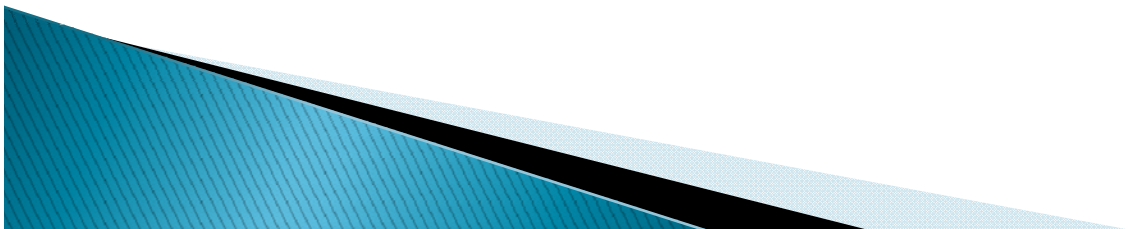
▶ Special Education

- Transition of students into a less restrictive instructional setting will have an impact on our funding for the program.
 - Instructional setting codes 41 & 42, Resource Room, have a weighting of 3.0. In prior years the FTE counts have been
 - 06-07 - 637.17
 - 07-08 - 517.32
 - 08-09 - 377.02
 - Instructional setting code 40, Mainstream, has a weighting of 1.1
 - 06-07 - 98.27
 - 07-08 - 350.07
 - 08-09 - 647.71
 - Potential decrease in funding to the program of \$500,000



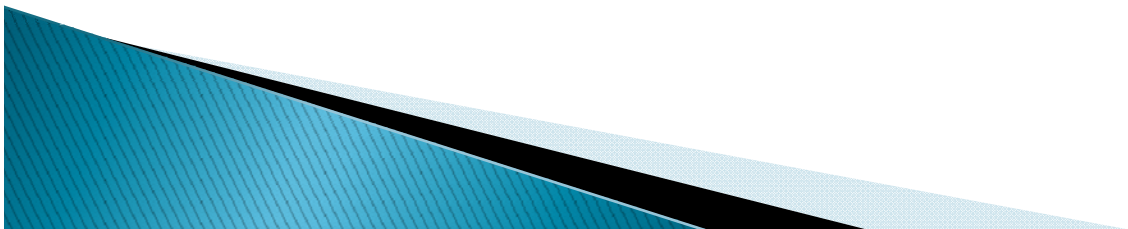
Target Revenue

- ▶ Target Revenue \$5,737
- ▶ Target Revenue ranges from \$3,613 to \$12,725 across the state.
- ▶ Target Revenue, eliminating the top and bottom 5%, ranges from \$4,410 to \$6,649
- ▶ Target Revenue is applied to our WADA.



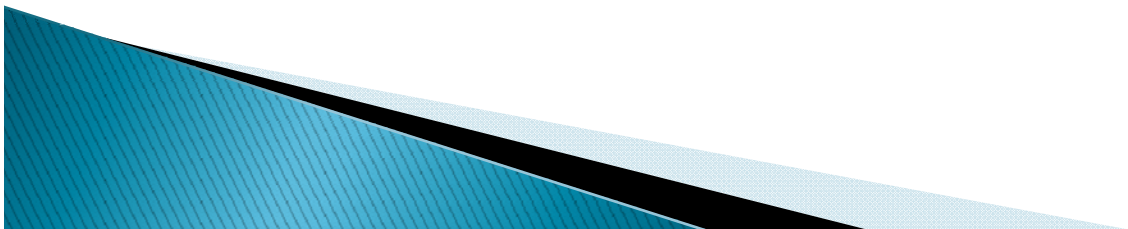
Calculation of TEA's Revenue Target

- ▶ Target Revenue * WADA
 - $5,737 * 28,382.9073 = 162,832,739$
- ▶ Salary Allotment – \$2,500 per Teacher, Nurse, Librarian and Counselor
 - $1941.5 * 2,500 = 4,853,750$
- ▶ High School Allotment – \$275 per High School ADA
 - $5,468.2 * 275 = 1,503,755$
- ▶ Total = 169,190,244



Funding of TEA's Revenue Target

- ▶ Local – Property Tax Collections
 - Compressed Rate (\$1.00 per \$100 in value) – 91,926,408
 - Delinquent – 1,442,308
- ▶ State
 - Tier I – State portion – 31,291,363
 - Tier II, Level I is \$42.94 per penny for 14 pennies of tax effort above the Tier 1 level (Tier I rate is \$0.86) – 4,217,205
 - \$110 per WADA Allotment –
 - $28,382.9073 * 110 = 3,122,119.$
 - Additional State Aid for Tax Reduction – 37,424,220
 - Transportation Adjustment – (233,379)
- ▶ Total = 169,190,244



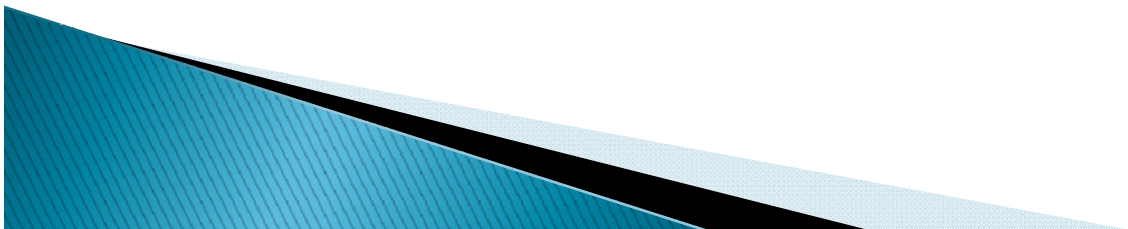
Additional State Aid

- ▶ Tier II Funding
 - Level II \$57.04 per penny for 6 pennies of tax effort above the compressed rate of \$1.00
 - 2,855,109
 - Level III \$31.95 per penny for any authorized tax over the compressed rate plus the Level II pennies of tax effort
 - -0-
- ▶ Technology Allotment – \$29.50 per ADA
 - $22,448.64 * 29.50 = 662,235$
- ▶ Staff Allotment – \$500 per full, \$250 per part-time employee
 - $(971 * 500) + (187 * 250) = 532,250$
- ▶ Rider 86 Allotment – \$23.63 per WADA
 - $28,382.9073 * 23.63 = 670,688$
- ▶ Total Additional State Aid = 4,720,282



Total Property Taxes and State Aid

▶ TEA's Revenue Target	169,190,244
▶ Additional State Aid	4,720,282
▶ \$.04 above Compressed Rate	3,734,749
▶ Transportation Adjustment	233,380
▶ Total Property Taxes and State Aid	177,878,655



Summary

- ▶ The process for calculating revenue has been presented using the most current information available. State funding calculations presented are based on very tentative numbers using formulas provided by Omar Garcia's state funding template – version 2. As the Legislature progresses, we expect changes to the state funding formulas.
 - Formula driven model
 - Adjustments to Target Revenues across the state

