



BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

12A. Work Session/ Discussion

Date: March 11, 2010

SUBJECT: PRELIMINARY BUDGET ASSUMPTIONS AND ANTICIPATED EXPENDITURES

BOARD GOAL: All systems in the Keller Independent School District will be effective, efficient and accountable in support of the district's mission.

FISCAL NOTE: Budget planning for the 2010-2011 General Fund

Background Information:

- The Preliminary Budget Assumptions and Anticipated Expenditures represent the data necessary to project the upcoming 2010-11 budget.
- The Preliminary Budget Assumptions and Anticipated Expenditures will highlight those items that will drive the budget such as student growth, attendance rates, property value growth, program changes and interest rate assumptions, as well as campus openings.
- The Preliminary Budget Assumptions and Anticipated Expenditures also reflect any changes in the law that will affect the budget. An example of a notable item from past reports is the salary increase for certain District employees mandated by the Legislature.
- The final budget approved by the Board also includes the Debt Service Fund and Child Nutrition fund. The Debt Service fund reflects the need for funds to pay principal and interest on funds used for construction that were approved by voters. While the Child Nutrition fund is based on funding activities from revenue from breakfast and lunch participation.

Administrative Considerations:

- With the financial challenges faced by the district several elements of the budgeting process will need to be discussed.
- Recent information gathered has confirmed previous thought that there will be no new money from the State to offset the district's preliminary estimated deficit.

- Financial Exigency has been used by several districts in the State to cope with the funding problems that are presented by the funding formula.
- We will discuss the elements of the budget that make this year's budget a challenge. These elements will be discussed in terms of Fixed Cost, Payroll and Discretionary.
- Fixed Cost will be defined as contractual obligations. These contractual obligations will include items such as utilities and our transportation contract.

Communication Deployment:

- Board Meeting Minutes

+++++

Respectfully submitted,

Kent V. Morrison, III
Chief Financial Officer