

# ECISD 2014-2015 Budget Workshop

# TOPICS

- What are our projected enrollment and projected average daily attendance for 2014-2015?
- What are our General Fund major budget initiatives for 2014-2015?
- What is our Food Service Fund contributing to the General Fund budget initiatives?
- Is our Debt Service Fund in a position to call bonds early with our projected taxable values?
- What are the steps for budget and tax rate adoption (including Chapter 41 filings) to have funding in 2014-2015 to serve our students?

# Student Population for 2014-2015

- Based on projected average daily attendance - ADA for 13-14, with a estimated increase in ADA of 670 students, ECISD can reasonably expect to have a student ADA of 28,500 for 14-15. (Based on past growth and current attendance, ECISD estimates enrollment will be approximately 31,600 students for 14-15).
- Within this student population, there are changes in special student populations that we must contend with; such as increases in Bilingual students, increases in Career and Technology programs student attendance, and increases in the number of high school students, and changes in the number of Special Education identified students, and related services for this population.

# 2014-2015 General Fund Major Budget Initiatives

- Pay increases for competitive salaries – \$6 million.
- Textbook purchases for 2014-2015 adoptions - \$3.5 million.
- Staffing additions - \$2.9 million.
- Payroll benefits rate increases (net) - \$1.1 million.
- Additional funding - for new school startup and department operations, campus allotment increases - \$1.6 million.
- Service increases – recapture and appraisal - \$800,000.
- Additional funds - classroom software needs - \$500,000.
- State funding allotment increases – Bilingual, CTE - \$400,000.
- Local funding for sequestration shifts - \$300,000.

# What is our Food Service Fund Contributing to Major Initiatives?

- The Food Service Fund, as explained earlier, will be assisting in the equipping of new kitchen facilities at 5 locations (at an estimated cost of approximately \$3 million):
  - 3 new elementary schools
  - A new kitchen at Permian High School
  - Kitchen expansion for serving a larger population at Odessa High School.
- In addition, across the District, kitchen equipment upgrades are taking place.
- Also, a pay increase for Food Service personnel will be self-funded by the Food Service Fund.
- These budget increases are appropriate for food service operating guidelines, and Food Service funded equipment purchases are common practice for construction at our District.

# Debt Service Position for Early Bond Call

- Based on early projections of 2014 property values, we should be able to make an early payoff in August 2015 for \$4 million in 2013 issue bond debt.
- Also, with the expected increased property values, our actual I&S tax rate should be able to remain constant and achieve the early payoff.
- Due to the payoff being in 2015-2016, our debt service fund balance will increase during 2014-2015, but the excess will be used in August 2015 for the early bond payoff.
- *The interest savings to Ector County taxpayers over the life of these bonds from the early payoff will be \$3.2 million.*

# Steps for Budget and Tax Rate Adoption

- Budget: We will have the 2014-2015 detail budget prepared by the end of May. The 2014-2015 budget for the general fund, food service fund and debt service fund will be brought to you for approval at a published public meeting in June.
- Homestead exemption resolution: Also in June, you will be asked to approve for the 2014 tax year the 20% additional optional homestead property tax exemption.
- Tax Rate: The M&O and I&S Tax Rates will be brought to you for a vote for the rates to publish in August, and rates to adopt at a published public meeting in September. For accuracy purposes, these meetings are purposely held after our 2014 tax roll is certified by the Ector County Appraisal District Chief Appraiser on July 25<sup>th</sup>.
- Chapter 41: Under Chapter 41 of the Texas Education Code, the Board must approve a method to equalize State funding and submit the method to equalize funding for approval by TEA before a tax rate may be adopted. As we will still receive State funding adequate to offset costs of equalization (recapture), no Chapter 41 general election is required for ECISD. The equalization method (purchase of attendance credits resolution) will be brought to you for approval in August.

QUESTIONS?