



BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

6C. Report

Date: June 12, 2006

SUBJECT: REVIEW OF BUDGET PROCESS/LEGISLATIVE ACTION

**BOARD GOAL: All students will achieve educational excellence.
All systems in the Keller ISD will be effective, efficient, and
accountable in support of the district's mission.**

FISCAL NOTE:

Background Information:

- HB 1 passed the Texas Senate on May 10, 2006
- Governor Rick Perry signed into law HB 1 on May 31, 2006
- HB1 is subject to the interpretation of the Texas Education Agency
- Preliminary TEA interpretation of HB1 is attached
- Administrators from Keller ISD will attend TASA workshop for the Implementation of House Bill 1 on June 15, 2006

Administrative Considerations:

- The legislation provides some immediate relief for public schools through the \$1.5B appropriation.
- 2006-2007: M&O tax compression rate of 88.67 percent
- 2007-2008: M&O tax compression rate of 66.67. Under rollback the rate could be lower than \$1.00 for districts that could maintain revenues under the formulas at a lesser rate.
- Districts will now be required to separate their M & O and I & S tax rates on tax notices.
- Districts are allowed four additional pennies without voter approval.
- Formula Elements:
 - The guaranteed yield, equalized wealth level, and basic allotments were increased to the 88th percentile yield. Estimates of the new guaranteed yield are at \$31.95, the new equalized wealth level at \$319,500, and the new basic allotment at \$2,748.
- The legislation calls for changes in State and Regional Governance and the reporting of school district information.

- Measures of Annual Improvement in student achievement are to be developed by the Commissioner and implemented by 2007-2008.
- Incentives for high student achievement will be granted to campuses and teachers based upon standardized assessment scores.
- School calendar guidelines are to be implemented in 2007-2008
- The legislation requires four years of math and science in high school and students must have an opportunity to earn a minimum of 12 semester hours of college credit upon graduation from high school.

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Respectfully submitted,

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Chief Financial Officer

Dr. Kimbroly Pool
Executive Director of Curriculum and Instruction