

Friday, August 30, 2024

The Board of Trustees of Henderson ISD met Friday, August 30, 2024, beginning at 12:00 PM in the Henderson ISD Administration Boardroom, 300 Crosby Drive, Henderson, TX 75652 with the following members present:

Russell Brown

Shannon Coats

Loy Dorsey

Adam Duey

Travis Orr

Jean Williams was absent.

1. **Call to Order at 12:00 PM** - Board President Russell Brown called the meeting to order at 12:00 pm.
 - A. Invocation (12:00 pm) – Shannon Coats led the invocation.
 - B. Pledge to the US Flag and Texas Flag (12:01 pm) - President Russell Brown led the pledges to the US Flag and Texas Flag.
2. **Communication from Citizens to Discuss Pending Agenda Items Before the Board** (12:02 pm) – Rachel Hale addressed the board regarding revenue and expenditures, state allotment for students, general fund spending per student, and the number of employees. She also raised concerns regarding credit card usage and questioned expenditures from ESSER funds.
3. **Action Item**
 - A. Consideration and possible action regarding a resolution to declare the Board’s intention to access “disaster pennies” as authorized by Texas Tax Code 26.042(e) in adopting its tax rate for 2024-2025 (12:06 pm) - Kristin Byrd presented for approval a resolution declaring the district’s intent to adopt the 12 disaster pennies that were discussed in the budget workshop. Governor Greg Abbott issued a disaster proclamation on Tuesday, April 30, 2024, certifying the severe storms and flooding that began on April 26, 2024, in several Texas counties. On May 2, 2024, Governor Abbott amended the proclamation to declare a disaster in several additional counties, including Rusk County. For one year only, we can increase our M&O rate by an additional \$0.12 using the provision in Governor Abott’s proclamation. The proposed resolution declares our intent to levy those disaster pennies. A motion was made by Shannon Coats, with a second by Loy Dorsey, to adopt the resolution as presented. The motion carried unanimously, 5-0.
 - B. PUBLIC HEARING: To discuss the proposed budget and tax rate for the 2024-2025 school year – President Russell Brown declared the Public Hearing open at 12:08 pm. Kristin Byrd presented the proposed property tax rate for 2024-2025. The adopted tax rate for Henderson ISD in 2023-2024 consisted of an M&O rate of \$.6993 and an I&S of \$.23 for a total of \$.9293. For the 2024-2025 school year, the district proposes to increase the M&O rate to \$.8193 by declaring the 12 disaster pennies, and because of

the amount of funds in reserve in our interest & sinking fund, the district proposes decreasing the I&S to \$.11. This will allow the total tax rate to remain at \$.9293. The summary of the general fund budget was shared. It has a total revenue of \$37,707,872. The revenue is estimated based on a collection rate of 97%. The top three functions for expenditures are instruction, maintenance and operations, and extracurricular activities. Payroll makes up 77% of the general fund budget. Expenditures totaled \$38,724,914. Some of the expenditures included in the proposed budget include the November stipend, step raises for teachers, 4 buses (partially funded by the TCEQ grant), liability insurance, football uniforms, and additional Guardian costs. Expenditures not included in the budget are capital improvements to athletic facilities and salary increases for other staff. Other important factors were cited regarding the budget such as a 1% decrease in certified values, a 3% decrease in total taxable values, a 7% decrease in property tax collection estimates, an increase in homestead exemptions from \$40K to \$100K causing a loss of \$196,679,000 in taxable values, a 10% decline in overall revenue estimates, a 50% decrease in SHARS estimates, a downward trend in ADA and enrollment, and the lack of change in the state’s funding formula since 2019. In summary, the proposed general fund budget has a deficit of \$1,017,042, food service has a balanced budget, and the debt service has a deficit of \$1,020,509 for a total deficit of \$2,037,551. The Public Hearing ended at 12:19 pm.

- C. Consider adopting the Proposed 2024-2025 Tax Rate (12:21 pm) – This agenda item was taken after item 3D. Kristin Byrd presented the 2024-2025 tax rate of \$.8193 for M&O and \$.11 for I&S giving a total tax rate of \$.9293.

Property Tax Rate

- 2023 - 2024 Adopted Tax Rate
 - \$.6993 – Maintenance & Operations
 - \$.23 – Interest & Sinking
 - \$.9293**
- 2024 - 2025 Proposed Tax Rate
 - \$.8193 – Maintenance & Operations
 - \$.1100 – Interest & Sinking
 - \$.9293**

LOCAL PROPERTY TAXES CERTIFIED HISTORY

YEAR	SCHOOL YEAR	TOTAL TAXABLE		65+ CEILING PROPERTIES	CEILING RECEIVABLE		PROJECTED MAINTENANCE & OPERATIONS REVENUE @ 97%		PROJECTED INTEREST & SINKING REVENUE @ 97%	
		VALUE	% CHANGE		% CHANGE	% CHANGE				
2018	18-19	\$ 1,522,777,840		\$ 157,705,170		\$1,062,444	\$ 14,665,797	\$ 3,242,955	\$ 17,906,752	
2019	19-20	\$ 1,578,580,899	4%	\$ 137,717,170	0%	\$1,110,062	\$ 14,837,786	\$ 3,385,679	\$ 18,223,465	
2020	20-21	\$ 1,541,649,857	-2%	\$ 142,691,420	4%	\$1,157,234	\$ 13,907,144	\$ 3,309,854	\$ 17,216,998	
2021	21-22	\$ 1,573,564,586	2%	\$ 145,759,440	1%	\$1,231,931	\$ 14,178,478	\$ 3,384,939	\$ 17,563,417	
2022	22-23	\$ 1,734,289,584	10%	\$ 141,521,930	-2%	\$1,308,182	\$ 15,067,694	\$ 3,593,727	\$ 18,661,421	
2023	23-24	\$ 1,802,396,871	4%	\$ 85,021,290	-41%	\$1,227,653	\$ 12,562,211	\$ 4,131,715	\$ 16,693,926	
2024	24-25	\$ 1,784,515,055	-1%	\$ 108,835,030	31%	\$355,167	\$ 13,627,210	\$ 1,829,602	\$ 15,456,812	

A motion was made by Loy Dorsey, with a second by Travis Orr, to adopt the proposed tax rate. The motion carried unanimously, 5-0.

- D. Consider approval of the Proposed 2024-2025 Budget (12:18 pm) – This item was taken before item 3C. Kristin Byrd presented the 2024-2025 budget for approval.

Henderson Independent School District
2024 - 2025 Proposed Budget
General Fund

Local Revenue	15,111,710	40%
State Program Revenue	22,286,162	59%
Federal Program Revenue	310,000	1%
Total Revenues	37,707,872	
11 - Instruction	20,695,469	53%
12 - Instructional Resources & Media	312,137	1%
13 - Curriculum and Staff Development	503,344	1%
21 - Instructional Leadership	490,811	1%
23 - School Administration	2,139,564	6%
31 - Guidance & Counseling	1,497,190	4%
32 - Social Work	2,344	0%
33 - Health Services	482,953	1%
34 - Student Transportation	2,224,868	6%
36 - Extracurricular Activities	2,361,734	6%
41 - General Administration	1,957,882	5%
51 - Plant Maintenance & Operations	3,717,182	10%
52 - Security	836,429	2%
53 - Data Processing	958,288	2%
61 - Community Relations	21,219	0%
71 - Debt Service	66,500	0%
81 - Facilities Acquisition & Construction	-	0%
92 - Payments to Fiscal Agent	35,000	0%
99 - Other Governmental Charges	422,000	1%
Total Expenditures	38,724,914	
Surplus (Deficit)	(1,017,042)	

Local Revenue		
M&O Collections	13,627,210	
Estimated Collection Rate	97%	
Expenditures - Top 3 Functions		
11 - Instruction	20,695,469	53%
36 - Extracurricular	2,361,734	6%
51 - Plant Maintenance & Operations	3,717,182	10%
Expenditures - Percent by Object		
Payroll	29,728,920	77%
Contracted Services	4,478,381	12%
Supplies	2,321,310	6%
Other Miscellaneous	1,423,103	4%
Debt Services	66,500	0%
Capital Outlay	706,700	2%

Henderson Independent School District
2024 - 2025 Proposed Budget
General Fund, Food Service & Debt Service Fund

	General Fund	Food Service	Debt Service	Total Proposed Budget
Revenue	37,707,872	2,871,000	2,604,713	43,183,585
Expenditures	38,724,914	2,871,000	3,625,222	45,221,136
Surplus (Deficit)	(1,017,042)	-	(1,020,509)	(2,037,551)

A motion was made by Travis Orr, with a second by Shannon Coats, to adopt the proposed budget as presented. The motion carried unanimously, 5-0.

- E. Consider approval of budget amendments (12:22 pm) – Kristin Byrd presented the following final budget amendment for 2023-2024 to close out the year:

PROJECTED ACTUALS BY FUNCTION
2023-2024

	2023-2024 FYTD BUDGET	FINAL BUDGET AMENDMENT	FINAL REVISED BUDGET	PROJECTED ACTUAL	UNDER (OVER)
5700 REVENUE FROM LOCAL SOURCES	14,770,877	2,717,900	17,488,777	17,595,950	(107,173)
5800 STATE PROGRAM REVENUE	21,923,757	(1,500,000)	20,423,757	20,074,201	349,556
5900 FEDERAL PROGRAM REVENUES	360,000	(100,000)	260,000	298,701	(38,701)
	37,054,634	1,117,900	38,172,534	37,968,852	203,682
11 INSTRUCTION	19,953,728	(170,000)	19,783,728	19,348,054	435,674
12 INST. RESOURCES & MEDIA SVCS	300,810	-	300,810	276,199	24,611
13 CURRICULUM DEV. & INST. STF DEV	676,589	-	676,589	596,775	79,814
21 INSTRUCTIONAL LEADERSHIP	537,448	-	537,448	475,233	62,215
23 SCHOOL LEADERSHIP	2,239,246	-	2,239,246	2,171,705	67,541
31 GUIDANCE & COUNSELING	1,409,678	-	1,409,678	1,349,445	60,233
32 SOCIAL WORK SERVICES	2,125	-	2,125	-	2,125
33 HEALTH SERVICES	494,852	-	494,852	460,262	34,590
34 PUPIL TRANSPORTATION	1,712,553	-	1,712,553	1,516,732	195,821
36 COCURR./EXTRACURR.ACTIVITIES	2,298,970	-	2,298,970	2,249,738	49,232
41 GENERAL ADMINISTRATION	1,941,984	-	1,941,984	1,604,942	337,042
51 PLANT MAINTENANCE & OPERATIONS	7,535,416	-	7,535,416	7,477,285	58,131
52 SECURITY & MONITORING SERVICES	613,474	50,000	663,474	597,110	66,364
53 DATA PROCESSING SERVICES	811,352	100,000	911,352	864,826	46,526
61 COMMUNITY SERVICES	284,556	-	284,556	263,749	20,807
71 DEBT SERVICES	66,500	20,000	86,500	62,435	24,065
81 FACILITIES ACQ & CONSTRUCTION	79,590	-	79,590	79,590	-
93 PAYMENTS TO FISCAL AGENTS/MBRS	35,000	-	35,000	23,027	11,973
99 OTHER INTERGOVERNMENTAL CHARGE	417,000	-	417,000	369,818	47,182
	41,410,871	-	41,410,871	39,786,926	1,623,945
NET CHANGE IN FUND BALANCE	(4,356,237)		(3,238,337)	(1,818,074)	
BEGINNING FUND BALANCE	19,024,610		19,024,610	19,024,610	
ENDING FUND BALANCE	14,668,373		15,786,273	17,206,536	

A motion was made by Travis Orr, with a second by Loy Dorsey, to approve the budget amendment as presented. The motion carried unanimously, 5-0.

F. Accept the Resignation of Henderson ISD District 2 Board of Trustee Travis Orr. (12:24 pm) – President Brown announced the resignation of HISD District 2 Board of Trustee Travis Orr. Travis Orr made a motion to accept his written statement of resignation (see attached) from the HISD Board of Trustees which he read into the minutes. Loy Dorsey seconded the motion. The motion carried unanimously, 5-0.

4. **Adjournment** (12:31 pm) – With no further business, a motion was made by Travis Orr, with a second by Shannon Coats, to adjourn. The motion carried unanimously, 5-0.

President

ATTEST:

Secretary