



BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

12A.1. Work Session/ Discussion

Date: February 25, 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. The Child Nutrition fund is based on funding activities from revenue from breakfast and lunch participation.

Administrative Considerations:

- The finance department has many activities for disclosing information to the public these activities include the public hearings for the Comprehensive Annual Financial Report (Audit), the Schools FIRST (Financial Integrity Rating System of Texas) the

Texas Education Agency's report card for the district's financial operation. Both of these reports have given the district the highest rating possible.

- Other Items for disclosure include the web postings of the District's monthly check register, investment report and budget.
- With these reports the District's credit worthiness has risen to Aa3 rating from Moody's Investor Services and a comparable rating from Standards & Poor's of AA.
- As a primary financial disclosure vehicle the District invites the public to the many budget development meetings. Most happen at specific times during the year because of information received that will affect revenues or expenditures. These specific times are captured on the District's Budget Calendar.
- The critical development of the Budget Calendar will insure the transparency due the public and a through development of the Budget.
- The attached items include a 2010-2011 Budget Calendar for the collection and development of information into the 2010-2011 Budget. Also included are the parameters set for the District to have a Tax Rollback Election (TRE) in the Facts for Establishing 2010-2011 Rollback Election Calendar.
- The scenarios for a TRE include those steps (dates) necessary to have the election before the uniform election day of November 2, 2010 and on the uniform election day.
- This calendar discloses such needed items as when decisions need to be made for whatever end results the administration is directed to do by the Board of Trustees.
- The cost of the District's last Bond election was \$73,000 or last Trustee Election cost \$25,126 (not including runoff election).

Communication Deployment:

- Board Meeting Minutes

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Respectfully submitted,

Kent V. Morrison, III
Chief Financial Officer