



UNITED INDEPENDENT SCHOOL DISTRICT INFORMATIONAL ITEM

TOPIC: _____ Budget 2010 Update _____

SUBMITTED BY: _____ Laida P. Benavides, CPA _____ **OF:** _____ Division of Finance _____

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: _____

DATE ASSIGNED FOR BOARD CONSIDERATION: _____ March 25, 2009 _____

Informational Item:

Staff will provide update information on American Recovery and Reinvestment Act of 2009 and on legislative bills filed during the state legislative session.



United Independent School District



2009-10 Budget Update March 10, 2009

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Budget 2010 progress

- Campus staffing meetings held in February; reviewing numbers
- Campus budget training held last week in February; budgets due May 15, 2009
- Department trainings to be held March 23rd-26th
- Conducting assessment of security equipment/cameras

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Budget 2010 progress (cont'd)

- Discussions with Webb County Appraisal district; very preliminary (conservative) numbers show no “net” growth in values
- Reviewing legislative bills filed in Austin
- Receiving (almost daily) updates on the American Recovery & Reinvestment Act of 2009 (ARRA)

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Legislative Bills on School Reform

- Senate Bill 982/HB 1555
 - Increases basis allotment from \$3,693 to \$4,415
 - A minimum gain of \$75 per WADA (weighted average daily attendance) for 2009-10 and a minimum of \$175 in 2010-11 from the 2008-09 revenue level
 - Costs of the bill above current law is about \$1.4 billion in 2009-10 and \$2.6 billion in 2010-11

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American Recovery & Reinvestment Act (ARRA) of 2009

- Enacted by the Federal govt. on February 17th
- Two “pockets” of money
 - “Pocket I” (Title VIII of ARRA)
 - Enhancements through existing streams
 - “Pocket II” (Title XIV of ARRA)
 - State Fiscal Stabilization Fund
- Source: National Conference of State Legislatures

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“Pocket I” Supplemental Appropriations

- Elementary & Secondary Education Act (ESEA) Title I +\$13 Billion new money over approximately 2 years; issued through formula grants
- State of Texas \$1.2 Billion
- United ISD \$8.7 Million
- Sources: National Conference of State Legislatures; Texas Legislative Budget Board

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“Pocket I” Supplemental Appropriations

- **Individuals with Disabilities Education Action (IDEA); +\$13 billion new money over 2 years bringing federal contribution from about 17% of the average per pupil expenditure (APPE) in FY 2008 to about 25% in FY 2009 and 26% in FY 2010; issued through formula grants**
- **State of Texas \$1.0 billion**
- **UISD \$6.5 million**
- Sources: National Conference of State Legislatures; Texas Legislative Budget Board

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“Pocket I” Supplemental Appropriations

- **ESEA has Maintenance of effort (MOE) provisions and Supplemental not supplant requirements which continue to apply to “new” monies**
- **ESEA Maintenance of Effort (MOE) requires that a school district’s education expenditures for the prior year must be at least 90% of the 2nd previous year.**
- **Secretary of Education may waive MOE requirement if there is: an exceptional or uncontrollable circumstance, such as a natural disaster, or there’s a precipitous decline in resources in that school district.**
- Sources: National Conference of State Legislatures; Texas Legislative Budget Board

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“Pocket I” Supplemental Appropriations

- **Funds availability is unclear. Dept. of Education announced (2/19) “Our goal is to get half of the money to the states within 40 days and the second half within six months...”**
- **Period of Availability is a 15-month period: for FY 2009: Between July 1, 2009-September 30, 2010**
- **Funds must be obligated by September 30, 2010 unless otherwise noted.**

• **Source: National Conference of State Legislatures**

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“Pocket I” Supplemental Appropriations

- **Other Grants**
 - **Educational Technology State Grants**
 - Through Title I formulas and competitive grants
 - State of Texas \$59.4M
 - **National School Lunch Equipment**
 - State of Texas \$8.6M
 - Distributed on a competitive basis to school food authorities with priority given to schools with more than 50% free or reduced student population
- **Source: Texas Legislative Budget Board**

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“Pocket II” State Fiscal Stabilization Fund

- \$48.6 Billion to states of which 81.8% for Education fund and 28.2% for Other Government Services
- Requirement: Governors shall submit applications in order to receive stabilization funds within 45 days of enactment (April 1, 2009) to receive allocation
- State legislature may certify the state’s intention to use any funds not accepted for use by the Governor
- Other requirements:
 - Achieve equity in teacher distribution
 - Enhance the quality of academic assessments relating to English language learners and students with disabilities...
- Source: National Conference of State Legislatures

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“Pocket II” State Fiscal Stabilization Fund

- Education funds to be used by state to restore K-12 and postsecondary budgets for FYs 2009, 2010 and 2011 to the level of state support of the greater of FY 2008 or 2009
- Allow for existing state formula increases in FY 2010 and 2011
- Any remaining funds shall be distributed to local education agencies (ie. School districts) based on Title I formula
- Source: National Conference of State Legislatures

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Budget 2009-10 Calendar

Oct.-Jan.: Enrollment projections
Feb.-April: Staffing meetings/Board workshops/Campus trainings (Feb. 24-27)
at Link House or Brantley Hall
May 15, 2009-Budgets due to Finance
April-Aug.-Budget Workshops
August-Public Hearing/Adoption of budget

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Budget 2009-10 Issues

- **Balance Budget**
- **Incorporate board budget goals**
- **Use conservative enrollment projections**
 - **Calculate conservative revenue projections**
- **Careful review of campus and department budget requests**
- **Next Board workshop-April 7th**

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