

Judson Independent School District

Public Hearing on Proposed Budget 2019-2020



June 27, 2019

Introduction

- **Legal Requirement**
 - Sections 44.002 through 44.006 of the Texas Education Code establish the legal basis for budget development in school districts.
 - District Budget must be prepared by a date set by the state board of education, currently June 19th for districts using a July 1st fiscal year start date.
- **Budget Adoption**
 - TEA requires the budget to be adopted by June 30th.

Budget Objectives

- **Board Goals**
- **Demonstrate Fiscal Responsibility**
- **Approve Budgets for:**
 - General Operating
 - Child Nutrition
 - Interest & Sinking

How are districts funded?

- **State Allocation**
 - Average Daily Attendance (ADA)
 - Projection 2019-2020 – 21,300 Students
(Average number of students present during the school year)
- **Local Taxes**
- **Federal Allocation**
- **Other Sources (grants, etc.)**

House Bill 3 Changes

- Increase Basic Allotment \$5,140 to \$6,160
- Dyslexia Allotment weight of 0.1
- SCE Allotment weight 0.2 to 0.225 – 0.275
- Mainstream Sp. Ed. Allotment 1.1 to 1.15
- Dual language 0.1 to 0.15 ELL and 0.05 for non-ELL
- CTE funding grades 9-12 to 7-12
- Early Reading Allotment weight of 0.1
- Transportation Linear Density to Straight Miles
- NIFA Funding \$25 million to \$100 million
- TRE is not available until Jan. 1, 2020
- Decreased the Yield on Tier II Level I pennies to \$98.56.
- Increased the Yield on Tier II Level II pennies to \$49.28
- Compress the Tier I Tax Rate to 93%
- Repeals High School Allt., Cost of Edu. Index, GT Allt., Staff Salary Allt., and Add. State Aid for Homestead Limitation
- Requires Districts to use 30% of the increase in state and local revenue from 18-19 to 19-20 to give raises.
- Moves to current year values in the formula
- Limits M&O Tax Revenue Growth to 2.5%

Budget Assumptions

- Average Daily Attendance of 21,300
- Staffing according to the Basic School Model
- Estimated Taxable Value of \$10,600,000,000
- Implementation of the Proposed Cost Savings
- Budget includes \$1,139,000 for remediation and tutorials from State Compensatory Funds
- M&O Tax Rate of \$0.97; I&S Tax Rate of \$0.40
- Use of one-time \$5.9 million of Fund Balance to balance General Fund Budget

Compensation Calculation

The following is the methodology laid out by TEA as per the To The Administrator Addressed letter dated 6/11/19 re: Salary Increases. Please read that letter for more information.

	2019-20 ONLY		
1.2018-19 Total M&O State Aid	74,714,985		
2.2018-19 Total M&O Tax Collections	98,170,389		
3.2018-19 Recapture	0		
4.2018-19 Total State/Local Revenue (Line 1 + Line 2 - Line 3)	172,885,374		
5.2018-19 Total Refined ADA	21,153,000		
6.2018-19 Total Revenue per ADA (Line 4 / Line 5)	8,173		
7.2019-20 Total M&O State Aid	89,121,910		
8.2019-20 Total M&O Tax Collections	99,257,000		
9.2019-20 Recapture	0		
10.2019-20 Total State/Local Revenue (Line 7 + Line 8 - Line 9)	188,378,910		
11.2019-20 Total Refined ADA	21,300,000		
12.2019-20 Total Revenue per ADA (Line 10 / Line 11)	8,844		
13.Gain per ADA (Line 12 - Line 6)	671		
14.Total 2019-20 Refined ADA	21,300,000		
15.Total Gain (Line 13 x Line 14)	14,292,092		
16.30% of Total Gain (Line 15 x .30)	4,287,628		
17.75% of Total Gain (Line 16 x .75)	3,215,721		
18.25% of Total Gain (Line 16 x .25)	1,071,907		

Compensation

	JISD	SAISD	NEISD	SCUCISD
Beginning Teacher	\$52,000	\$53,400	\$53,000	(18-19) \$50,000
Teachers 1-5 yr. exp. (Coun., Lib., Nurse)	\$1,630 (3.10%)	3.00%	3.00%	2.50%
Teachers 6+ yr. exp. (Coun., Lib., Nurse)	\$1,930 (3.70%)	3.50%	3.00% +	3.00%
Other Professional	2.75%	3.00%	3.00%	2.50%
Para Professional	2.75%	3.00%	3.00%	2.50%
Auxiliary	2.75% 3.00% CN	3.00%/\$1.75 HR	3.00%	2.50%
Bus Driver	\$1.00/HR (5.60%)	\$1.75/HR	3.00%	2.50%
Administration	1.50%	3.00%	3.00%	2.00%

Compensation Costs

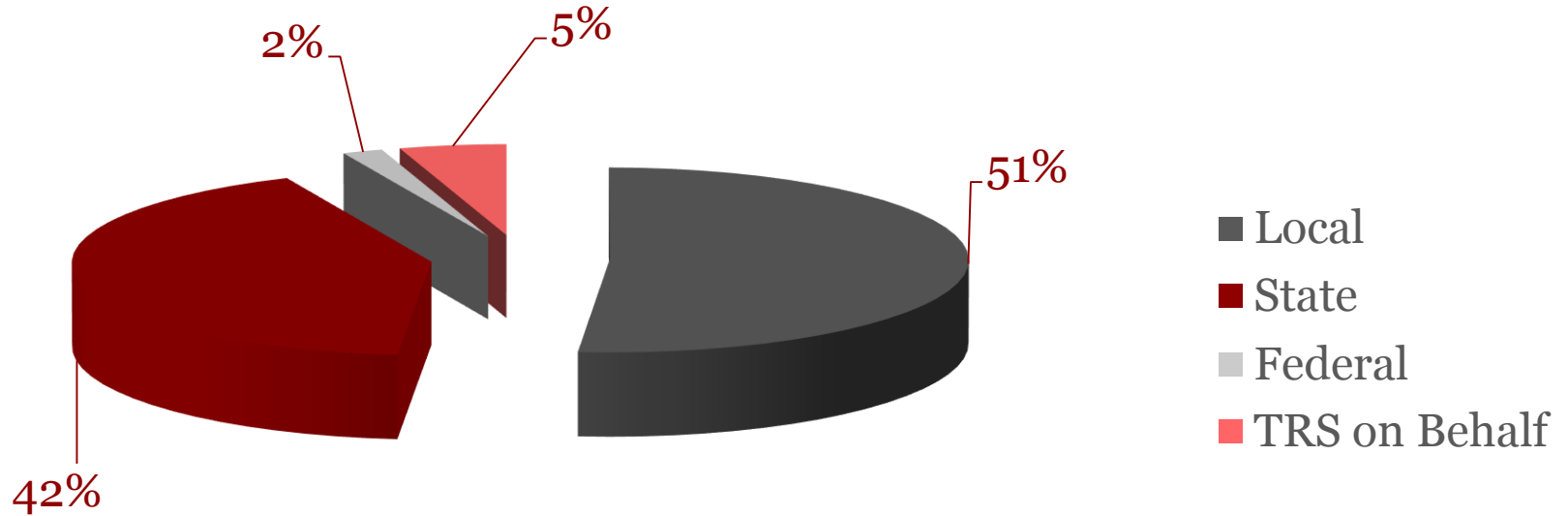
	Raise Cost	Requirement
T,L,C,N	3,400,000	
Auxillary/Others	1,054,000	
Required Raise	4,454,000	4,287,628
Administration	154,000	
Total	4,608,000	

General Operating Fund - Projected Revenue

- **Total Local** **\$ 101,219,000**
- **Total State** **\$ 82,337,000**
- **Total Federal** **\$ 3,600,000**
- **TRS on Behalf Payment** **\$ 9,580,000**

- **TOTAL All Revenue** **\$ 196,736,000**

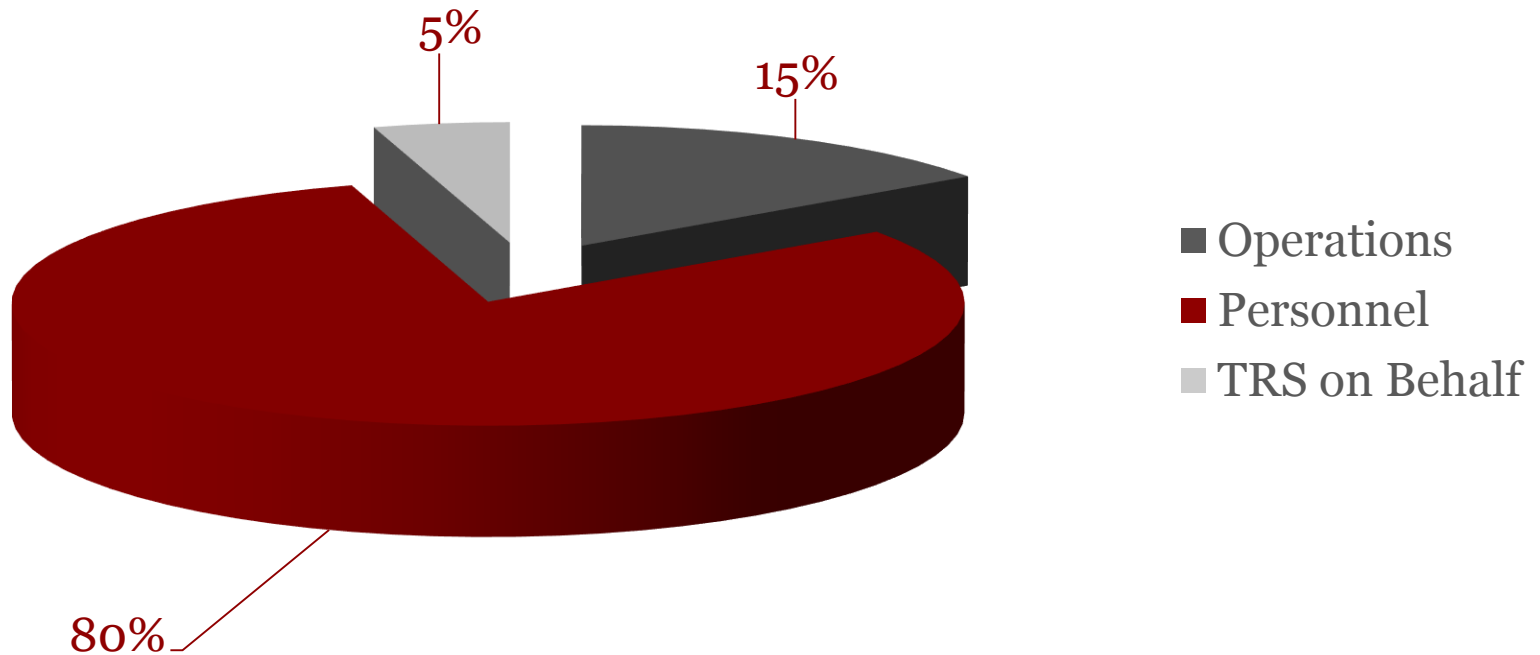
General Operating Fund - Projected Revenue



General Operating Fund - Projected Expenditures

• Personnel	\$ 163,974,372
• Operations Expense	\$ 31,317,123
• TRS on Behalf Payment	\$ 9,580,000
• TOTAL All Expenditures	\$ 204,871,495

General Operating Fund - Projected Expenditures



General Operating Fund - Projected Unassigned Fund Balance

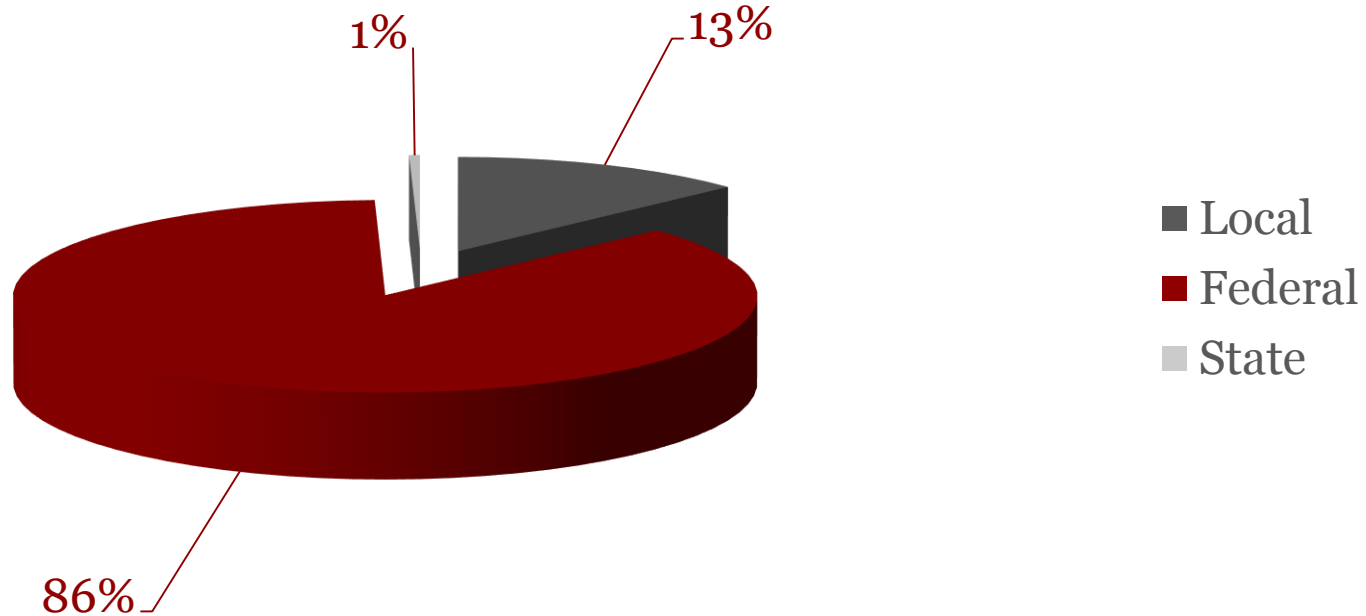
• Fund Balance July 1, 2019	\$ 55,000,000
• Projected Revenue	\$ 196,736,000
• Projected Expenditures	\$ 204,871,495
▪ Use of Unassigned Fund Balance	\$ 5,984,845
▪ Implement Cost Savings	\$ 2,150,650
• Fund Balance June 30, 2020	\$ 49,015,155

Child Nutrition Fund - Projected Revenue

- **Total Local** **\$ 1,929,800**
- **Total State** **\$ 70,000**
- **Total Federal** **\$12,711,000**

- **TOTAL All Revenue** **\$14,710,800**

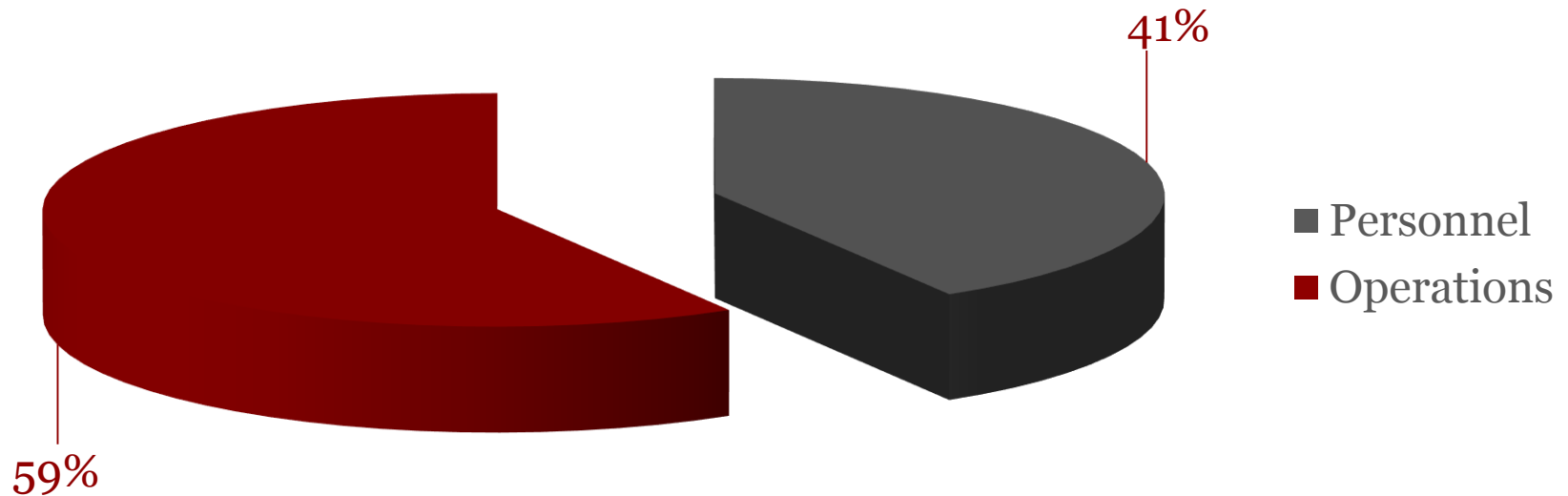
Child Nutrition Fund - Projected Revenue



Child Nutrition Fund - Projected Expenditures

- **Personnel** **\$ 6,080,000**
- **Operations Expense** **\$ 8,581,600**
- **TOTAL All Expenditures** **\$ 14,661,600**

Child Nutrition Fund - Projected Expenditures



Child Nutrition Fund - Projected Unassigned Fund Balance

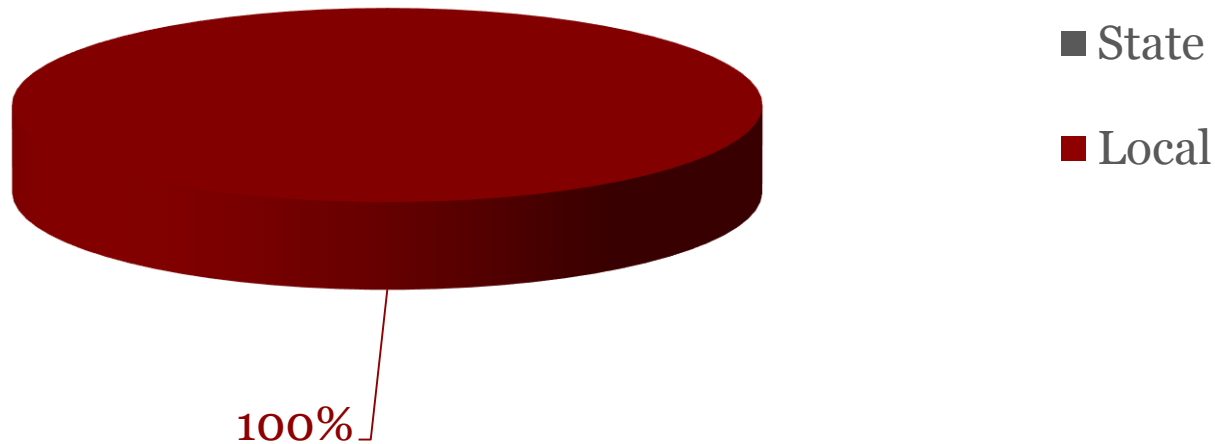
- **Fund Balance July 1, 2019** \$ **2,300,000**
- **Projected Revenue** \$ **14,710,800**
- **Projected Expenditures** \$ **14,661,600**

- **Fund Balance June 30, 2020** \$ **2,349,200**

Interest & Sinking Fund - Projected Revenue

• Total Local	\$ 38,712,700
• Total State	\$ 0
• TOTAL All Revenue	\$ 38,712,700

Interest & Sinking Fund - Projected Revenue

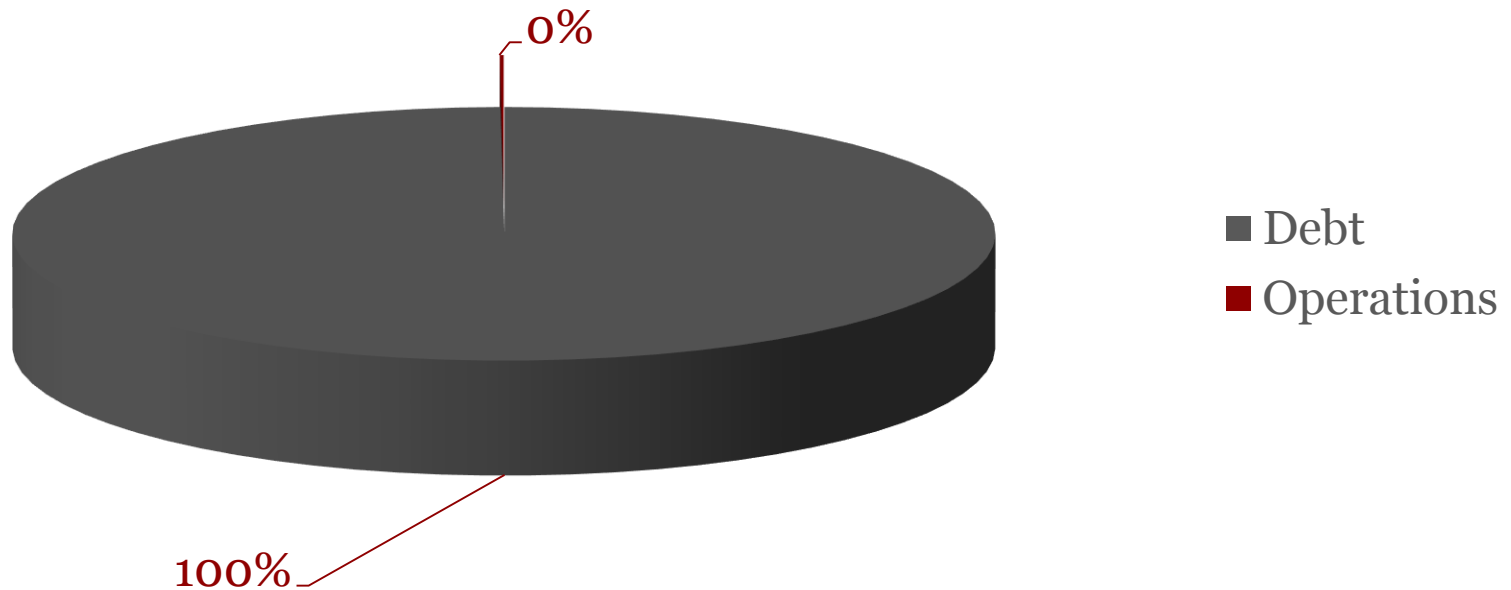


Interest & Sinking Fund - Projected Expenditures

- **Debt Service** **\$ 38,428,513**
- **Operations Expenses** **\$ 50,000**

- **TOTAL All Expenditures** **\$ 38,478,513**

Interest & Sinking Fund - Projected Expenditures



Interest & Sinking Fund - Projected Unassigned Fund Balance

- **Fund Balance July 1, 2019** \$ **25,300,000**
- **Projected Revenue** \$ **38,712,700**
- **Projected Expenditures** \$ **38,478,513**

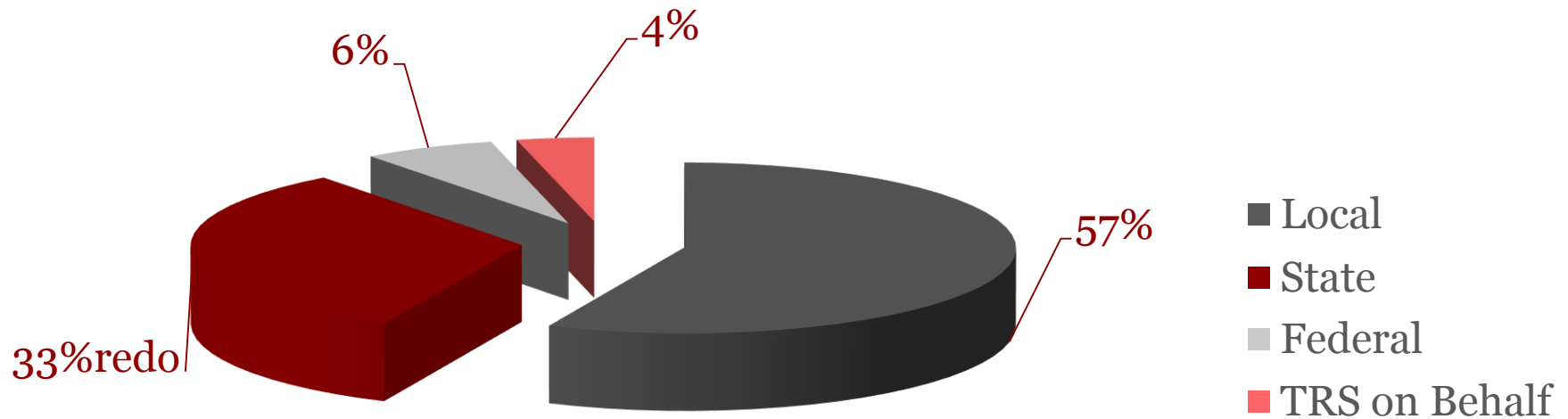
- **Fund Balance June 30, 2020** \$ **25,534,187**

Note: Fund Balance @ 7/1/2019 includes a payment to be made in August 2019 in the amount of \$12.6 million

ALL FUNDS - Projected Revenue

• Total Local	\$141,861,500
• Total State	\$ 82,407,000
• Total Federal	\$ 16,311,000
• TRS on Behalf Payment	\$ 9,580,000
• TOTAL All Revenue	\$250,159,500

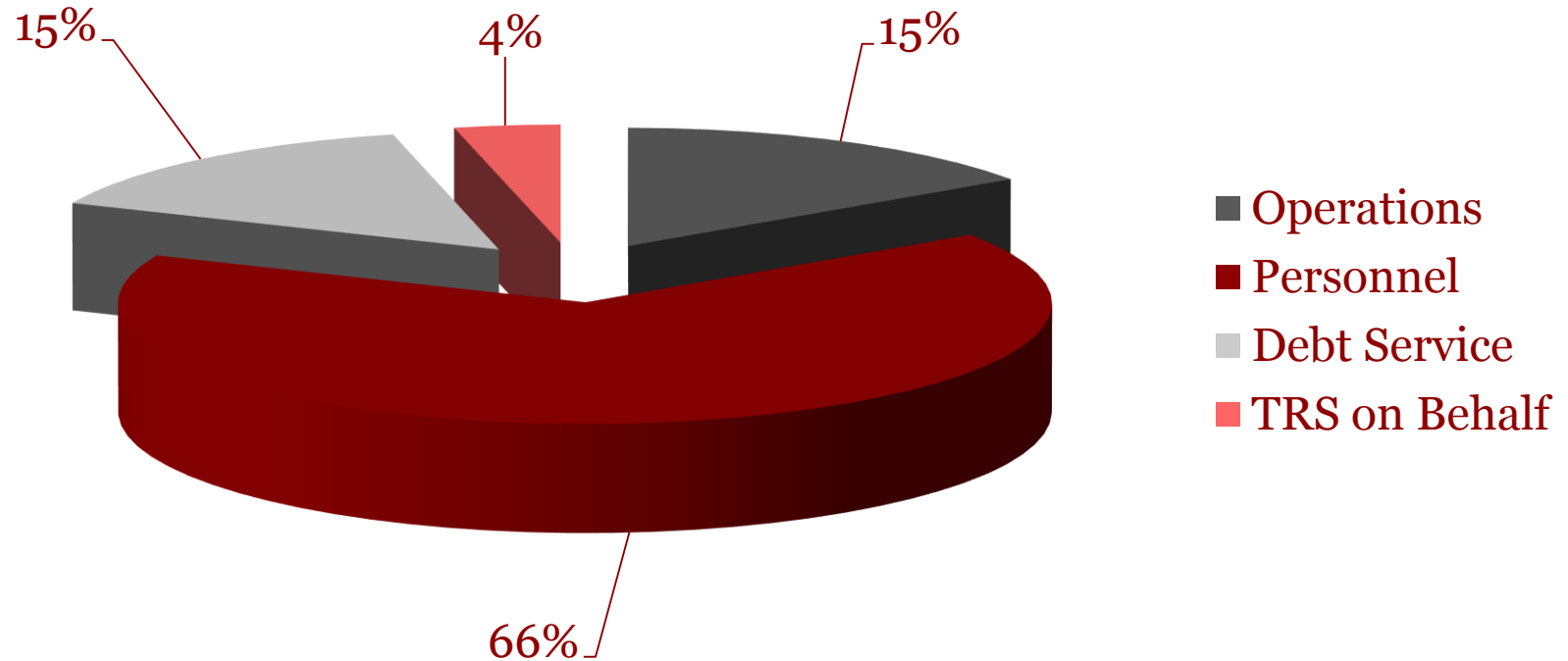
ALL FUNDS - Projected Revenue



ALL FUNDS - Projected Expenditures

• Personnel	\$ 170,054,372
• Operations Expense	\$ 39,948,723
• Debt Service	\$ 38,428,513
• TRS on Behalf Payment	\$ 9,580,000
• TOTAL All Expenditures	\$ 258,011,608

ALL FUNDS - Projected Expenditures



Look at the Total Picture

- **Total Projected Revenues:**

\$ 250,159,500

- **Total Projected Expenditures:**

\$ 258,011,608

Less Savings\$ 2,150,650

- **Projected increases/decreases of Fund Balance:**

▪ General Operating	(decrease)	\$ 5,984,845
▪ Child Nutrition	increase	\$ 49,200
▪ Interest & Sinking	increase	\$ 234,187

Look at the Total Picture

Projected Fund Balance June 30, 2020:

Unassigned General Operating	\$46.8 million (22% of Expenditures)
Restricted Child Nutrition	\$2.3 million (15% of Expenditures)
Restricted Interest & Sinking	\$25.5 million (66% of Expenditures)
Less payment 8/1	\$12.6 million (33% of Expenditures)

Proposed Tax Rate for 2019-2020 Fiscal Year

- **Maintenance and Operation Rate:**

2019 \$0.97 per \$100 of taxable value

2018 \$1.04 per \$100 of taxable value

- **Debt Service Tax Rate:**

2019 \$.400 per \$100 of taxable value

2018 \$.400 per \$100 of taxable value

2017 \$.385 per \$100 of taxable value

2016 \$.430 per \$100 of taxable value

- **Total Tax Rate:**

2019 \$ 1.37 per \$100 of taxable value

2018 \$ 1.44 per \$100 of taxable value

Effect of Proposed Tax Rate on Homeowner

	Current Year	Next Year
Assessed Value	\$166,143	\$180,102
Homestead Exemption	\$ 25,000	\$ 25,000
Taxable Value	\$141,143	\$150,985
JISD Annual Taxes	\$2,032.46	\$2,068.49
Difference – Annually		\$ 88.13
Tax Rate	\$ 1.44	\$ 1.37

2020-2021

- Implement the Wagner Feeder Pattern Retention Incentive
- Realignment and Possible Closure of Campuses
- Property and Liability Insurance Cost
- Aging Plant Equipment
- Aging Bus Fleet
- Aging Technology

Comments. Questions? Concerns!