



UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

TOPIC _____ Board Minutes for the Months of June/July 2015 _____

SUBMITTED BY: _____ Alejandra Salinas _____ **OF:** _____ Board Secretary _____

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: _____ August 19, 2015 _____

RECOMMENDATION:

It is recommended that the United ISD Board of Trustees take action to approve Board Meeting minutes:

1. Budget Board Workshop – June 9, 2015
2. Special Called Meeting – June 29, 2015
3. Regular Board Meeting – July 20, 2015

RATIONALE:

State law requires the Board to prepare and keep minutes of its open meeting. Govt. Code §551.021. The minutes are public records available for public inspection and copying upon request to the Superintendent or his designee. Govt. Code § 551.022.

BUDGETARY INFORMATION:

No Budget Impact

BOARD POLICY REFERENCE AND COMPLIANCE:

This is in compliance and in accordance with Board Policy BE and BE (LOCAL).

Budget Board Workshop Meeting
The State of Texas
United Independent School District
The County of Webb

June 9, 2015

In Attendance

Roberto J. Santos
Superintendent of Schools

Board of Trustees

Javier Montemayor, Jr. – President – PRESENT
Juan Roberto Ramirez – Vice President – PRESENT
Ricardo “Rick” Rodriguez – Secretary – PRESENT
Ricardo Molina, Sr. – Parliamentarian – PRESENT
Aliza Flores-Oliveros – Member – PRESENT
Ramiro Veliz, III – Member – PRESENT
Judd Gilpin – Member – PRESENT

A Budget Board Workshop Meeting of the Board of Trustees of United I.S.D. was held on Tuesday, June 9, 2015, beginning at 6:30 p.m. in the United ISD Student Activity Complex, Fine Arts Building, Meeting Room #1, 5208 Santa Claudia Lane, Laredo, TX 78043.

- I. **Roll Call, Establish Quorum, Call to Order**
- II. **An announcement was made by the Board President, Javier Montemayor, calling the meeting of the United Independent School District to order at 7:37 p.m. The record showed that a quorum of Board members was present, that the meeting had been duly called, and that notice of the meeting had been posted in accordance with the Texas Open Meeting Act, Texas Government Code Chapter 551.**
- III. **Budget Workshop – 2015-2016 School / Work Year**

Mr. Roberto Santos stated that the purpose of the meeting was to discuss the budget. He said legislature just shut down and at this point we are not too sure what the numbers are going to be for United ISD but it will be very conservative in order to make ends meet. He said the budget is not final yet but there will be a board workshop at the end of June to present the final budget.

Mr. Santos stated we value all employees and are always looking at giving them an adjustment.

Mr. Lynn Moak, partner in consulting firm Moak, Casey and Associates stated that for public education there was quite a bit of progress made and was going to talk about the finance provisions and other provisions that the legislature left us with and some insight into how this interacts with the finances for United ISD. He asked to keep in mind that the legislative process is not quite over yet and the governor has until the 21st of this month to decide whether to veto legislation or to sign the legislature and there are some matters that are still under discussion. He also stated that TEA has called upon to make a number of administrative rules and regulations about the distribution of money.

Mr. Moak's presentation covered the following regarding the 84th Legislative Session: *(Presentation is available upon request)*

- Non-Education Policy Priorities
- Policy Priorities for Education
- 2016-17 Biennial State Budget
- Final Tax Relief Package
- New Money for Foundation School Program (FSP)
- Budget Riders of Note

Mr. Moak covered the following regarding School Finance Issues:

- HB1, HB7, and SB1
- HB1 Parameters
- HB1 Results
- HB7 – The Fractional Funding Issue
- HB7 Fixes Fractional Funding
- SB1 Homestead Exemption Change
- Impact on Revenue
- M&O Revenue Hold Harmless
- I&S Revenue Hold Harmless
- What Was Accomplished
- What Was Accomplished – Funding
- What Was Not Accomplished

Mr. Moak stated that the legislature could have been much worse and discussed some points on where do we go from here in terms of pursuing trying to bring groups together for a more unified education program as we go into the next legislative session. Mr. Moak stated that the other big issue is the Implications for the Courts and the timetable remains late 2015 or early 2016 with a possible special session (mid 2016) or regular session (2017). Mr. Moak said he would be available for any questions they may have under the new funding laws.

Mr. Ramirez asked what did pass.

Mr. Moak replied the good things that passed were that we got some additional money which will help offset the property value changes that we're receiving in 2015-16 year. He said it would not offset the significant decrease we may be receiving in the 2016-17 year but there is some additional money in the program.

Mr. Ramirez asked if the billions of dollars that were not used were going to be brought up again later on.

Mr. Moak replied that the billions of dollars will sit in the general revenue fund until the legislature appropriates money for them and that can only be done in a special session of the legislature or in the next regular session in 2017. He stated he sees no indication at this point that the legislature is developing a plan to meet before 2017 but will continue to urge them to do so and recommends that the district also do that.

Mr. Roberto Santos stated that we need to continue to look at our budget and that Mr. Moak was right on target and said this coming year we are going to be ok but we need to make sure we look at a two year budget because 2016-17 based on the information that we get and look at the values and the revenues.

He stated that as we plan the budget for this year we will be able to give our employees a raise and asked for the board's input as we set up a date for the next board meeting.

IV. Adjournment

Mr. Montemayor made a motion to adjourn

Motion: So Move

Moved by: Javier Montemayor

Seconded by: Juan Roberto Ramirez

Discusson: None

In Favor: Unanimous

There being no further business before the Board, the Budget Workshop Meeting of June 9, 2015, was adjourned at 8:10 p.m.

Javier Montemayor, President

Ricardo "Rick" Rodriguez, Secretary

84th Legislative Session Review for United ISD

JUNE 2015



Workshop Agenda

1. Introduction
2. State Budget
3. School Finance
4. Property Tax and Transparency
5. Supreme Court and Closing Thoughts

Non-Education Policy Priorities

| Priorities | What Passed |
|--|-------------------------------------|
| Balanced Budget (HB 1, HB 2 by Otto) | <input checked="" type="checkbox"/> |
| Tax Relief (SB 1, SJR 1 by Nelson, HB 32 by Bonnen) | <input checked="" type="checkbox"/> |
| Spending Limits (SB 9 by Hancock) [Conference Committee] | <input checked="" type="checkbox"/> |
| Ethics Reform (SB 19 by Taylor) [Conference Committee] | <input checked="" type="checkbox"/> |
| Open Carry (HB 910 by Phillips) | <input checked="" type="checkbox"/> |
| Campus Carry (SB 11 by Birdwell) | <input checked="" type="checkbox"/> |
| Border Security (HB 11 by Bonnen) | <input checked="" type="checkbox"/> |
| Tuition Revenue Bonds (HB 100 by Zerwas) | <input checked="" type="checkbox"/> |
| Transportation Funding (SJR 5 by Nichols) | <input checked="" type="checkbox"/> |
| Sanctuary Cities/In-State Tuition (SB 1819 by Campbell and SB 185 by Perry) | <input checked="" type="checkbox"/> |
| Hazelwood Reform (SB 1735 by Birdwell) [Conference Committee] | <input checked="" type="checkbox"/> |
| Other Social Issues (abortion, gay marriage, same sex foster parents) | <input checked="" type="checkbox"/> |

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Policy Priorities for Education

| Priorities | What Passed |
|--|-------------------------------------|
| High Quality Prekindergarten (HB 4 by Huberty) | <input checked="" type="checkbox"/> |
| A-F Ratings* (HB 2804 by Aycock) | <input checked="" type="checkbox"/> |
| Taxpayer Savings Grants (SB 276 by Campbell) [Stayed in Senate Committee] | <input checked="" type="checkbox"/> |
| Opportunity Districts* (SB 669 by West) [Passed Senate] | <input checked="" type="checkbox"/> |
| Parent Trigger* (SB 669 by West, HB 1536 by Dutton) [Passed Senate, Passed House Committee] | <input checked="" type="checkbox"/> |
| Innovation Districts* (HB 1842 by Aycock) | <input checked="" type="checkbox"/> |
| Teacher Evaluation* (HB 2543 by Farney)[Stayed in House Committee] | <input checked="" type="checkbox"/> |
| Virtual School Expansion* (SB 894 by Taylor) [Passed Senate Committee] | <input checked="" type="checkbox"/> |
| Math and Literacy Academies (SB 925, 934, 972 by Kolhorst) | <input checked="" type="checkbox"/> |

*Denotes Texans for Education Reform Priority

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2016-17 Biennial State Budget

| (\$ billions) | 2014-15 | 2016-17 | \$ Change | % Change |
|---|----------|----------|----------------|-------------|
| All Funds | \$202.08 | \$209.43 | \$7.34 | 3.6% |
| General Revenue Funds | \$95.16 | \$106.60 | \$11.44 | 12.0% |
| Tax Relief (GR) | | | -\$3.80 | |
| Growth Excluding Tax Relief (GR) | | | \$7.64 | 8.0% |
| GR Still Available | | | \$6.40* | |

*\$2.9 of \$6.4 billion is under the spending cap

Final Tax Relief Package

- Homestead exemption (SB 1, SJR 1): **\$1.25 billion**
- 25% franchise tax reduction (HB 32): **\$2.55 billion**
- **Total tax relief package: \$3.80 billion**
- About \$1 billion less than original proposals

New Money for Foundation School Program (FSP)

| Increased Funding FSP | Amount (\$billions) |
|---|----------------------|
| Enrollment Growth | \$2.50 |
| Basic Allotment Increase | \$1.20 |
| Austin Yield Increase | \$0.86 |
| Fractional Funding | \$0.20 |
| IFA, NIFA Funding | \$0.10 |
| <i>Total New Funding FSP</i> | <i>\$4.86</i> |
| <i>Biennium to Biennium Increase</i> | <i>\$1.45</i> |

Budget Riders of Note

- \$55 million for IFA Round 2017
 - Funding based on property wealth per student
 - UISD was awarded funds for its 1998, 1999, 2000 & 2001 Bond Issues; too wealthy now
 - No yield increase for IFA or EDA
- \$47.5 million for New IFA (equipment)
 - FSP application needs to be complete by July 15th
 - UISD applying for Veterans Memorial Elementary
- \$22.8 million for math academies & \$17.8 million for literacy academies

School Finance Issues

HB 1, HB 7, and SB 1

- HB 1 – General Appropriations Act, sets the formula levels
- HB 7 – Fractional Funding Fix
- SB 1 – Homestead exemption increase and hold harmless

HB 1 Parameters

- Basic Allotment increased by \$100 to \$5,140 for FY 2016 & FY 2017
- Austin Yield
 - \$74.28 in 2015-16
 - \$77.53 in 2016-17
 - \$80.55 in 2017-18 (not adopted yet)
 - \$85.12 in 2018-19 (not adopted yet)

HB 1 Results

- Full funding of student growth, plus restored funding for NIFA and a new round for IFA
- Average M&O gain \$181 per WADA in 2015-16 compared to prior formulas
 - USD gain per WADA \$307
- Some districts gain substantially less because of property wealth and/or ASATR

HB 1 Results

- State Funding Mechanism remains the same
 - Based on student attendance and special populations
 - UISD's student population growth has slowed down in recent years
 - Based on property values which establish a Wealth per student amount
 - UISD facing a possible property value decrease in 2016-17 due to mineral values declining. This will impact tax revenue for that year and due to the "lag" of state property values will also lose state revenue.

HB 7 – The Fractional Funding Issue

Amendments in 2009 left districts with compressed rates below \$1.00 at a permanent funding disadvantage

UISD tax rate in 2005-06 was \$1.3789 (or at 91.9% of \$1.50); UISD's compressed rate has been at 91.99% since 2008.

| | | |
|------------------------|---------|--------------|
| Compressed Rate | \$1.00 | \$0.92 |
| Adopted Rate | \$1.04 | \$1.04 |
| Basic Allotment | \$5,140 | \$4,728 |
| Tier 2 Austin | \$297 | \$446 |
| Tier 2 \$31.95 | \$0 | <u>\$192</u> |
| Total Revenue per WADA | \$5,437 | \$5,366 |

HB 7 Fixes Fractional Funding (sort of)

- Districts can shift how pennies above Compressed Rate + 6 Cents are treated
 - Effectively changes the compressed rate
 - Gives districts a higher yield for the shifted pennies
 - Voluntary for two years; specific board authorization for use of fractional funding

| | | | |
|------------------------|---------|---------|-----------------|
| Compressed Rate | \$1.00 | \$0.98 | |
| Adopted Rate | \$1.04 | \$1.04 | Formerly \$0.92 |
| Basic Allotment | \$5,140 | \$5,037 | |
| Tier 2 Austin | \$297 | \$446 | |
| Tier 2 \$31.95 | \$0 | \$0 | |
| Total Revenue per WADA | \$5,437 | \$5,483 | |

SB 1 Homestead Exemption Change

- New exemption level will be \$25,000 (current level is \$15,000)
- Estimated to provide \$125 per year in tax relief, limited to home owners declaring a homestead
- Requires voter approval in November
 - Optional homestead exemption (15%) mandatory until 2019
- Tax administration is to proceed as if the amendment will pass
- Hold harmless protection, with some limitations, for M&O and I&S revenue

Impact on Revenue

- Tax assessors to calculate taxes due based on \$25,000 exemption
- Tax bills to include special 265-word notice regarding the impact on taxes due if amendment fails
- Additional \$10k exemption for UISD is about \$257M in exemptions
- Tax Revenue (at \$1.21 current rate) equates to about \$3.1M

M&O Revenue Hold Harmless

- Comptroller directed to adjust 2014 tax year values as if the exemption had been \$25,000 that year
- Will cause state aid to increase and/or recapture to decrease
- Because local revenue reduction will likely not match state aid gains exactly (different numbers of homesteads in each year, some M&O taxes won't generate state aid) additional state aid will be paid
 - Limited to the losses incurred at the 2014 adopted tax rate
 - Future rate increases not protected for lost revenue
 - Actual formulas for the calculation not yet published by TEA

I&S Revenue Hold Harmless

- Comptroller adjustment will cause state aid for I&S (IFA, EDA) to increase
 - Many districts not eligible for state aid for I&S
- Because local revenue reduction will likely not match state aid gains exactly (different numbers of homesteads in each year, some I&S taxes won't generate state aid) additional state aid will be paid
 - Limited to the losses incurred as related to the debt service for bonds that would be eligible for EDA or IFA in 2015-16
 - New bond issues not eligible for revenue protection
 - Actual formulas for the calculation not yet published by TEA

What Was Accomplished

- Radical reform measures were defeated or delayed
 - Vouchers
 - Tax credits
 - Parent trigger
 - State school district
 - Virtual schools
 - Extensive disclosure requirements
- Foundation of new accountability system laid
- HB 5 reforms protected
- Prekindergarten support
- Staff development
- Innovation districts

What Was Accomplished - Funding

- The “automatic” enrollment growth increase continues to be the funding base (+\$2.5 billion)
- The AISD funding standard for the golden pennies works (+\$860 million)
- The well lobbied, but low key, fractional funding initiative works (+\$200 million)
- The IFA initiatives produced results (+\$55) million
- The IMA funding increase was partially successful (+\$216 million)
- New grant funding (\$233 million, non-FSP)
- Property tax relief funding (\$1.2 billion)

What Was Not Accomplished

- General funding increase above inflation (\$1.0 billion)
- Formula reform (\$0.8 billion)
- Optional homestead relief (\$0.4 million)
- EDA tax relief (\$946 million)
- Remediation funding
- Teacher evaluation change (potential federal action on current waiver)

Where Do We Go From Here?

- Establish significant organizational effort
- Learn from lessons of the 84th Legislature
- Realistic assessment of education funding needs
- Establishing the linkage between performance and funding
- Incorporation of dynamic innovation in the education system
- Include teacher salaries in the basic design

Implications for the Courts

- Possible Remand
- Timetable remains late 2015, early 2016
- Possible special session (mid 2016) or regular session (2017)
- The role of the court is to define the problem, not the solution
- Review of where we stand – Adequacy, Equity, Discretion, Efficiency, and Suitability

Continuing the Conversation

- More lessons from 2015
- Challenges for 2017

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Special Called Meeting
The State of Texas
United Independent School District
The County of Webb

June 29, 2015

In Attendance

Roberto J. Santos
Superintendent of Schools

Board of Trustees

Javier Montemayor, Jr. – President – PRESENT
Juan Roberto Ramirez – Vice President - ABSENT
Ricardo "Rick" Rodriguez – Secretary – PRESENT
Ricardo Molina, Sr. – Parliamentarian – PRESENT
Aliza Flores-Oliveros – Member – PRESENT
Ramiro Veliz, III – Member – PRESENT
Judd Gilpin – Member – ABSENT

A Special Called Meeting of the Board of Trustees of United I.S.D. was held on Monday, June 29, 2015, beginning at 6:00 p.m. in the United ISD Student Activity Complex, Fine Arts Building, Meeting Room #1, 5208 Santa Claudia Lane, Laredo, TX 78043.

- I. **Roll Call, Establish Quorum, Call to Order**
- II. **An announcement was made by the Board President, Javier Montemayor, calling the meeting of the United Independent School District to order at 6:16 p.m. The record showed that a quorum of Board members was present, that the meeting had been duly called, and that notice of the meeting had been posted in accordance with the Texas Open Meeting Act, Texas Government Code Chapter 551.**
- III. **Closed Session: Board will adjourn into closed session pursuant to the following sections of the Texas Open Meetings Act**

Mr. Juan Cruz stated there will be no closed session

- A. 551.071 Consultation with Board's Attorney
551.074 Discussion of Personnel or to Hear Complaints against Personnel

1. Consider Appointment of Director of Energy Management

- IV. **Reconvened from Closed Session, the Board will take appropriate action on items, if necessary, as discussed in Closed Session**

- A. Appointment of Director of Energy Management

Mr. Santos stated his recommendation for Director of Energy Management was Mr. Manuel Menchaca.

Motion: So move

Motion by: Ricardo Molina
Seconded by: Aliza Flores Oliveros

Discussion: None
In Favor: Unanimous
Opposed: None

MOTION PASSED

V. Action Items:

A. Discussion/Information: 2015-2016 Budget Workshop

Mr. Roberto Santos stated he wanted to share some information as far as where we are with the budget. He stated our values did not go down as much as we thought and the state was able to increase our revenues and at this point we will be able to accomplish a lot of things. Mr. Santos also said some positions were eliminated and at this point we had some good news for our employees. He also thanked the insurance committee and Mr. Robert Chapa and his staff for retaining the same rates that we had last year with the same benefits.

Mr. Santos stated Laida Benavides would be presenting a balanced budget showing an increase for teachers of \$1,700.00, administrative staff 3% and all other employees (paras and hourly employees) 4 ½ %. He thanked all the staff at central office and at the campuses for their hard work. He said everyone had a reduction in supplies and equipment and some departments lost some employee positions. Mr. Santos also said the budget that will be presented today was less than the budget that was approved last year.

Ms. Laida Benavides stated this would be considered the preliminary budget and that there were still things that need to be done in the summer before bringing the proposed budget that the board will adopt in august.

Ms. Benavides presented information on the 2015-2016 Budget and covered the following: (Presentation is available upon request)

- *TEA Requirements Section 44.002-006 of Texas Education Code*
- *Budget Calendar 2015-2016*
- *United ISD Revenue (Local and State)*
- *Key Issues in Budget 2015-16*
- *Expenditures (Payroll, Contracted Services, Supplies & Materials, Other costs, Debt Service, Capital Outlay)*
- *Preliminary Budget 2015-2016*
- *Proposed Payroll Expenses for 2015-16*
- *Campus and Department Budgets (Non-Payroll)*
- *New Programs / Continuing Initiatives*
- *Debt Service Fund Budget*
- *Rest of the Budget Process*

Mr. Javier Montemayor asked if he could get information on the projected enrollment for his district.

Mr. Mike Garza addressed the board and told them he would provide that information this week. He stated that overall we have a decrease district-wide because some areas have decreased for example Rio Bravo and El Cenizo and some other areas in the district. He told Mr. Montemayor that his area may have increased but the overall results show a decrease and he would provide information specific to the campuses in his district.

Mr. Roberto Santos asked that Mr. Garza provide the board with specific enrollment information for each of their districts.

Mr. Rick Rodriguez also commented that his district is expanding due to new subdivisions opening in that area.

Mr. Roberto Santos stated said he's hoping the projected enrollment numbers are going to be higher than was anticipated and if they are then we would find teachers to fill those areas. He also said that this year was the first year that we lost enrollment and that we are being very conservative.

Mr. Mike Garza stated we are conservative for the purpose of the budget and this lower enrollment affected not only UISD but other districts around the border from El Paso to Brownsville.

Mr. Rick Rodriguez asked if they knew how long the declining situation will last with the mineral rights.

Ms. Laida Benavides stated that the Minerals Firm can get information now from the Texas Railroad Commission on new well production that has been reported to the state of Texas.

Mr. Rodriguez asked if the wells are still producing and if they increased in the amount of wells.

Ms. Benavides replied that new wells were added in 2014 and that is why we still have a 5% increase and stated that the problem is maybe these producers are not making newer wells but some do have a commitment to those land owners to make new wells and hopefully some of those landowners will be in our area and we just have to keep tabs on it by bringing in information from the Mineral Firm that will give us our values next year.

B. Action re: Approval of Employment Compensation Increases for the 2015-2016 School/Work Year

Mr. Santos stated that his recommendation for the 2015-2016 school year for the teachers is \$1,700.00, for the administrators is 3% and for the paras and hourly employees 4.5% and said we have a very balanced budget including these raises.

Motion: So move

Motion by: Ricardo Molina

Seconded by: Aliza Flores Oliveros

Discussion: Mr. Javier Montemayor asked what percentage was the \$1,700.00

Mr. Santos stated it was 3.22% from the midpoint of the average teacher salary

Mr. Montemayor stated he had another motion which is 4% for teachers, 4.5% for paras and 3% for administrators.

Mr. Ricardo Molina made a motion to increase paras to 5%.

Mr. Juan Cruz asked for a 2nd motion to Mr. Montemayor's motion.

Aliza Flores Oliveros seconded the motion but with discussion and asked Mr. Santos what the financial impact would be would be.

Mr. Roberto Santos replied that adding the \$300 to the teachers would be almost \$800,000.00 and that would be pretty close to a 4% increase. He stated that for the paras and the hourly, every ½ percent is about \$300,000.00. He asked the board to give him a directive and he will see where we can cut to make ends meet if that is what the board wishes and we will find the funds.

Ms. Flores Oliveros stated she was very impressed with the work that was done and is for parity and for financially rewarding staff for accomplishments and for the work that they do but asked Mr. Santos if this would be a financial burden on the district if they were to approve this.

Mr. Santos replied it would be very tight and as we look at next year's budget we don't know where we're going to be at. He stated it would be difficult to find almost a million as we look into upping the additional \$300 and the additional ½ percent.

Ms. Flores Oliveros asked if this would trickle down to the students as far as services provided to the students or materials offered to the students.

Mr. Santos said no and they would need to look at other line items for example the electrical company contract that expires in December and they are hoping to save some money there. Mr. Santos also stated that at the end of the year they have employees that use more days than they were allotted and end up saving about 1 million every year. He said all employees merit the increase and somehow they will balance it but it will be difficult.

Ms. Laida Benavides clarified that right now we have \$1,700.00 for the teachers and the 4% would make it \$2,000.00 for each teacher.

Mr. Ricardo Rodriguez clarified the motion on the floor was that for teachers it will be \$2,000.00 which is a 4%, for administrators it's 3% and for the paras and auxiliaries it would be 5%.

Mr. Juan Cruz clarified that we have a main motion which is still up for the board then we have the substitute motion which is Mr. Montemayor and Ms. Oliveros and Ricardo Molina wants to basically adopt Mr. Montemayor's motion with the 4.5% going to 5% but he needs a second to his motion.

Ms. Flores Oliveros clarified that her questions were not related to a 5% increase for paraprofessionals because that would create an even greater financial burden and wants to make sure that what we're doing the district will be ok with that and is it even something we can do on the 5%.

Mr. Santos replied that it would be an additional \$300,000.00 for a total of about a million one hundred.

Mr. Ricardo Rodriguez seconded Mr. Molina's motion.

Mr. Juan Cruz stated that the first motion that needs to be taken up is Mr. Molina's motion.

Mr. Javier Montemayor clarified the motion is that the raises for paraprofessionals reflect a 5% raise, for teachers a 4% raise and the administrators a 3% raise.

Mr. Santos clarified that is was 4% of the average and he stated it would be better to state that the raise is a \$2,000.00 increase.

Mr. Ricardo Rodriguez clarified Mr. Ricardo Molina's motion which is teachers \$2,000.00, administrators 3% and paras and auxiliaries would be 5%.

Mr. Ricardo Molina stated yes that was his motion.

Motion: So Move

Motion by: Ricardo Molina

Seconded by: Ricardo Rodriguez

Discussion: None
In Favor: Ricardo Molina, Javier Montemayor, Ricardo Rodriguez, Ramiro Veliz
Opposed: Aliza Flores Oliveros

MOTION PASSED

Mr. Santos clarified the motion that just passed was \$2,000.00 for teachers, 3% for administrators and 5% for paras and hourlies.

Mr. Santos thanked the board and staff and told the board they will bring them a balanced budget at the next meeting. He stated employees should be extremely pleased with the support that the board members have given the employees and every time they see a board member that's who they need to thank. He stated they will continue to monitor all expenditures and again thanked the board on behalf of the 6,000 employees of the district.

IV. Adjournment

Mr. Javier Montemayor made a motion to adjourn.

Motion: So Move

Motion by: Javier Montemayor
Seconded by: Aliza Flores Oliveros
Discussion: None
In Favor:
Opposed:

There being no further business before the Board, the Special Called Meeting of June 29, 2015, was adjourned at 6:54 p.m.

Javier Montemayor, President

Ricardo "Rick" Rodriguez, Secretary

Budget 2016 Board Workshop
June 29, 2015



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Budget 2015-16

TEA requirement-Section 44.002-006 of Texas Education Code

- **Budget prepared by August 20th**
- **Board adopt budget by August 31st**
- **Three funds: General Operating, Debt Service
and Food Service**
 - Adopt at fund and function level
- **Board adopt tax rate**

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Budget 2015-16 Calendar

- **Oct.-Jan. : Enrollment projections/Facilities Usage/Revenue & Expense review**
- **Feb.-April: Staffing meetings/Campus trainings**
- **June 1, 2015-Legislative session ends.**
- **June-Budgets due to Finance with 20% cuts**
- **June-Aug.-Budget Workshops**
- **Mid-July Received updated final tax values**
- **July 25th Certified tax rolls**
- **August-Public Hearing/Adoption of budget**
- **September 1, 2015- Budget in effect**

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REVENUE

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UNITED ISD REVENUE

- Local Revenue
 - Property Taxes, Interest Income, Gate Receipts, Rental, Fees and Miscellaneous
- State Revenue
 - Foundation (based on Student population and attendance) and Available (determined by the state)
- Federal Revenue
 - Grant funds, indirect costs, ROTC reimbursements and Medicaid reimbursements/SHARS

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Key Issues in Budget 2015-16

LOCAL REVENUE:

- **TAX REVENUE: \$160,887,295**
 - M & O tax rate stays @ \$1.04
 - Preliminary values appraisal values increase by 5%
 - Mineral Appraisal Firm advised us mineral values will decline next year (2016) due to slowdown in production & decline in oil prices
- **Will have updates from the Webb County Appraisal District regarding values & ARB hearings**
 - ARB protest period June 1st-July 20th
- **STATE REVENUE:**
 - Budgeting a projected enrollment for 2015-16: 43,345 students

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Key Issues in Budget 2015-16

STATE REVENUE (Cont'd)

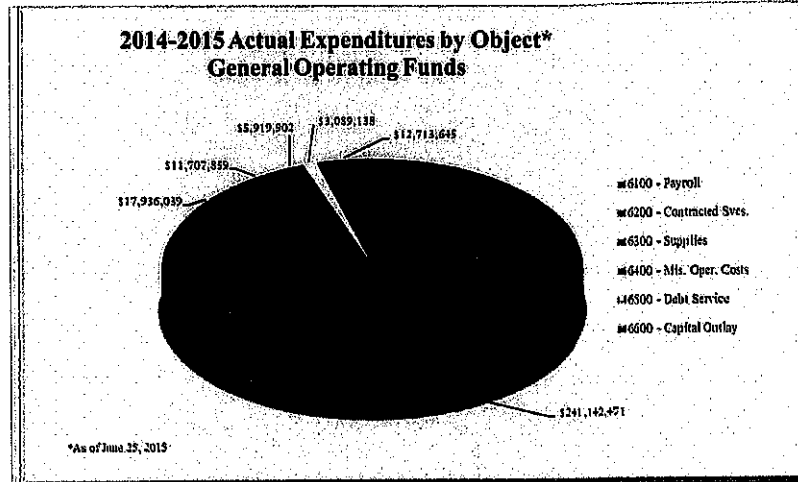
- 84th Legislative ended June 1, 2015
 - HB 1 – General Appropriations Act, sets the formula levels
 - Basic Allotment increases from \$5,040 to \$5,140 for 2016 & 2017
 - Austin Yield increases to \$74.28 in 2015-16 & \$77.53 in 2016-17
 - HB 7 – Fractional Funding Fix
 - UISD tax rate in 2005-06 was \$1.3789; UISD's compressed rate has been at 91.99% since 2008. **HB 7 provides \$7.3M for UISD in both 2016 & 2017; this amount is already included in the budget.**
 - Will require Board approval by Sept. 1, 2015 & Sept. 1, 2016
 - SB 1 – Homestead exemption increase and hold harmless
 - Homeowners get additional \$10,000 homestead exemption

7

EXPENDITURES

8

Current Year 2015 Budget (thru end of May 2015)



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UNITED ISD EXPENDITURES

- Payroll
 - Salaries & Benefits, Overtime, Taxes
- Contracted Services
 - All non-good services
 - Utilities
- Supplies & Materials
- Other Costs
 - Includes Travel for employees & students
 - Insurance, incentives and other
- Debt Service
- Capital Outlay

10

Preliminary Budget 2015-16

- **Projected Budget Expenditures: \$336.4 M**
 - Projecting a balanced budget
- **Projected Payroll costs: \$293.2M**
 - **Increase in Compensation:**
 - Proposal to Board \$8.5M
- **Projected Non-Payroll costs: \$43.2M**

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Proposed Payroll Expenses for 2015-16

• PROPOSED PAY RAISES

| | | |
|-------------------------------|---------------------|--------------------------------------|
| Teachers | \$4,525,400 | (\$1,700 GPI; Starting Pay \$47,500) |
| Administrators | \$1,329,717 | (3% of midpoint) |
| Paraprofessional | \$1,496,540 | (4% of midpoint) |
| Auxiliary | \$1,134,488 | (4% of midpoint) |
| TOTAL ESTIMATED RAISES | \$ 8,486,145 | |

- **Health Insurance**
 - Coverage with BCBS and Premiums remain the same

12

Preliminary Budget 2015-16

- Campus Personnel positions proposed for new budget based on staffing guidelines and students enrollment
 - For New School –Veterans Memorial Elementary
 - Projected enrollment 580 students
 - (1) Principal/(1) Asst. Principal
 - (1) Counselor/ (1) Nurse/ (1) Librarian
 - (36) Teachers/ Other staff: teacher aides, computer lab aides, custodians
 - Based on lower enrollment able to reduce positions:
 - (-23) teachers; (-16) other campus positions
 - (-2) nurses; (-9) other non-campus positions

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Campus and Department Budgets (Non-payroll)

- Allocations for campus based on student enrollment and special populations-Reduced by 20% except for fixed costs
- Allocations to departments-Reduced by 20% except for fixed costs
- Other expenses adjustments:
 - Computer Lease program- 2nd Phase of MLD plan (\$1.3M)
 - Continuation of Initiatives-Achieve 3000, Parchment, On-Line Registration
 - Unfunded mandates for Teacher retirement, Affordable Care Act (ACA) health insurance fees

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Preliminary Budget 2015-16

- Non-Personnel Costs (\$43.2 M) include:
 - Campus Budgets \$7.6M
 - Extra-Curricular \$3.7M
 - Dept. Budgets \$15.4 M
 - Debt Payment \$2.5M (general fund)
 - Utilities \$11.2 M
 - Fuel \$1.9M (budget diesel fuel rate \$2.21/gal)
 - Capital Improvement Projects \$250K
 - Capital Equipment & Other \$600K

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New Programs/ Continuing Initiatives

- Veterans Memorial Elementary School opening
- Early College High School at LBJ HS
- Mobile Learning Device Phase II
- Google/Blackboard
- Achieve 3000 Reading Program-3rd year at HS & MS
- New marquees for remaining campuses
- On-Line Registration for Parents/On-Line Transcripts
- U-Watch App
- E-BID software program
- New Student Boundary System

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Debt Service Fund Budget

- 2015-16 debt service payment with “new” bonds is projected to be \$28,921,369
 - Plan is to sell \$100 M in bonds this summer
- Estimated Debt Service tax rate \$0.19486 needed to cover all debt including “new” bonds

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Rest of the Budget Process

- Board workshop(s): June-August 2015
- Receive certified tax roll around July 25th
- Publish tax rate and budget notices on August 9th
- Proposed budget presented-Aug. 11th (business committee)
- Hold budget hearing-August 19th (before Board meeting)
- Certify tax roll-August 19th
- Adopt budget and tax rate-August 19th (Board meeting)
- Board approve HB 7 Fractional Funding Fix –Aug. 19th
- Tax statements will be mailed out in September 2015 reflecting the additional \$10,000 homestead exemption

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**Regular Meeting
The State of Texas
United Independent School District
The County of Webb**

July 20, 2015

In Attendance

Roberto J. Santos, Superintendent of Schools

Board of Trustees

Javier Montemayor, Jr. – President – ABSENT (Hospitalized)
Juan Roberto Ramirez – Vice President
Ricardo “Rick” Rodriguez – Secretary
Ricardo Molina, Sr. – Parliamentarian
Aliza Flores Oliveros – Member - ABSENT
Ramiro Veliz, III – Member
Judd Gilpin – Member - ABSENT

Roll Call, Establish Quorum. Call to Order

I. Pledge of Allegiance

A. Honor the Texas Flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.

II. A Regular Meeting of the Board of Trustees of United ISD was held Monday, July 20, 2015, in the Bill Johnson Student Activity Complex, Fine Arts Building, 5208 Santa Claudia Lane, Laredo TX 78043. Vice President, Juan Roberto Ramirez made an announcement calling the meeting of the United Independent School District to order at 6:23 p.m. The record showed that a quorum of Board members was present, that the meeting had been duly called, and that notice of the meeting had been posted in accordance with the Texas Open Meeting Act, Texas Government Code Chapter 551.

III. Board Announcements

Mr. Ricardo Molina – I would like to wish a Happy Birthday to Ricardo Rodriguez and Ramiro Veliz, III

IV. Public Comments: Comments are limited to three minutes per speaker. The Board Parliamentarian will be the timekeeper and will inform the speaker when they have one (1) remaining minute. No more than three (3) persons will be allowed to speak on any side of an issue. Should there be more than three (3) people who wish to speak on a particular issue they need to select not more than three (3) representatives to speak for them. Comments must address items listed on the agenda. The presiding

officer or designee shall determine whether a person who wishes to address the Board has attempted to solve a matter administratively. If not, the person shall be directed to the appropriate policy, as noted in BED (LOCAL), to seek resolution before bringing the matter to the Board at a subsequent meeting. Pursuant to 551.042 of the Texas Government Code, no Board Member or Administrator may respond to a member of the public, unless such response is a recitation of District policy or a statement of specific factual information. When a speaker comes to the podium, please indicate what agenda item you will be addressing. Furthermore, please refrain from mentioning any employee's name and any complaint about any employee's duties or responsibilities should be channeled through the appropriate grievance policy.

V. Recognitions

A. Emergency Situation in Life Saving Act

1. Bus Monitor - Rebecca Carbajal

B. Emergency Situation During Graduation Ceremony

1. Raul Gamez
2. Rosendo Valdez

VI. Consent Agenda Items

- A. Approval of Monthly Disbursements**
- B. Approval of Budget Amendments**
- C. Approval of Property Tax Refunds for the Month of June 2015**
- D. Approval of Submission of Certified Estimated 2015 Debt Collections**
- E. Approval of GMP (Guaranteed Maximum Price) for Newman Elementary School Cafeteria Expansion & Kinder Classroom Wing Building Addition**
- F. Approval of CSP 055-2015 Construction of Main Security Stations at Various Campuses Phase 1**
- G. Consideration for Delegation of Authority to the Superintendent to Award RFP 052-2015 Retail Electric Service Provider and enter into a contract with successful RFP for a three or five year term**

- H. Approval of Awarding Bids, Proposals and Qualifications
- I. Approval of Interlocal Agreement between Webb County and United Independent School District for Juvenile J.P. Court Coordinators
- J. Approval of PDAS Appraisers for the 2015-2016 School Year
- K. Approval of Appraisal Calendar for the 2015-2016 School Year
- L. Second Reading of Policy BBD (LOCAL) - Board Members - Training and Orientation
- M. Second Reading of (LOCAL) Policies in TASB Update 102
- N. First Reading of Revisions to Board Policy CFC (LOCAL) - Accounting – Audits (*No Action Needed First Reading*)

Motion by: Ricardo Rodriguez advised the Board that the Business and Instructional Committee Members had met and were recommending the approval of items A-M :

Seconded by: Ricardo Molina

Discussion:

In Favor: Unanimous

Opposed:

Abstained:

VII. Items for Individual Consideration

A. Approval of Board Minutes for the Months of May/June 2015

1. Regular Board Meeting – May 20, 2015
2. Regular Board Meeting - June 15, 2015

Motion: So moved

Motion by: Ricardo Molina

Seconded by: Ramiro Veliz

Discussion:

In Favor: Unanimous

Opposed:

B. Approval of the 2015-2016 Student Code of Conduct

Juan Cruz – The Student Code of Conduct was delivered last week and legal was not able to do the legislative update. Two significant things that we put in there is that now we are going to have at each campus what they call a

Campus Behavioral Coordinator. We will be going over this with all the administrators next week. The purpose of this Campus Behavioral Coordinator is to primarily be responsible for maintaining student discipline at each campus. This is catching a little bit of people off guard because of that you can imagine the high schools as big as United High School you have Principal and Asst. Principals to sign off referrals to DAP, expulsions, and so on and so forth. This law says we have to have one campus coordinator per school campus. We will be working with Mrs. Perez and Mr. Canales on the implementation of this and next week we will explain it a little bit more in detail. All of these changes are already in your student code of conduct. The other significant thing that is also in your student code of conduct is with respect to caring of weapons. As you know sometimes a kid that will go out ranching, hunting over the weekend and has a weapon in his/her vehicle as a result is a mandatory expulsion under the law. What will happen now is that the school district will still be able to take disciplinary action, but we would have to prove that there was intent by the student to possess that gun in that vehicle, much different probably higher standards for school administration. We will be working with campus administrators and central office administrators on giving them a lot more updates along with a lot more updates that came with the legislative session. It is recommended that the Board approve the 2015-2016 Student Code of Conduct.

Motion: So moved

Motion by: Ricardo Molina

Seconded by: Ramiro Veliz

Discussion:

In Favor: Unanimous

Opposed:

- C. Approval for the Board of Trustees to vote on the 2015 Proposed Tax Rate that will be published in the Notice for the Public Hearing

Eduardo Zuniga read:

Administration is proposing

That the Board of Trustees approve the proposed rate for 2015 of \$1.040000 for Maintenance and Operation and Debt Service rate of \$0.19486 for a total proposed rate of \$1.234860 to be published in the Laredo Morning Times on Sunday, August 9, 2015.

Motion: So moved

Motion by: Ricardo Molina

Seconded by: Ricardo Rodriguez

Discussion:

In Favor: Unanimous

Opposed:

- D. Consideration for the Board of Trustees to decide on the Public Hearing Meeting date, Time & Place to discuss the 2015/2016 Budget and Proposed 2015 Tax Rate

Eduardo Zuniga read:

Staff is recommending that the following statement be approved by the Board of Trustees.

“The United Independent School District will hold a public meeting at 6:00 P.M., Wednesday, August 19, 2015 at the Bill Johnson Student Activity Complex at 5208 Santa Claudia, Laredo, Texas. The purpose of the meeting is to discuss the school district’s budget and the proposed tax rate. Public participation in the discussion is invited.”

Motion: So moved

Motion by: Ricardo Molina

Seconded by: Ricardo Rodriguez

Discussion:

In Favor:

Opposed:

VIII. Closed Session: Board will adjourn into closed session at 6:33 p.m. pursuant to the following sections of the Texas Open Meetings Act:

A. 551.071 Consultation with Board's Attorney

1. Consideration for Approval of Superintendent's Annual Evaluation
2. Consideration of Modifications to Superintendent's Employment Contract
3. Consultation with Legal Counsel regarding FFH (LOCAL) Board Policy

B. 551.071 Consultation with Board's Attorney

551.074 Discussion of Personnel or to Hear Complaints against Personnel

1. Consider Appointment of Principal for Clark Elementary School
2. Discussion re: Superintendent's Duties and Responsibilities

C. 551.074 Discussion of Personnel or to Hear Complaints against Personnel

551.076 Considering the deployment, specific occasions for, or implementation of, security personnel or devices

1. Student Activity Fund Audits - Prada Elementary, United South Middle, United South High School
2. Food Service Revenue
3. Payroll Process
4. Building Use Fees
5. Status of on-going Audits

The Board returned from Closed Session at 7:47 p.m. No action was taken in Closed Session.

IX. Reconvened from Closed Session, the Board will take appropriate action on items, if necessary, as discussed in Closed Session.

A. Appointment of Principal for Clark Elementary School

Mr. Roberto Santos – Recommendation is to appoint Ms. Gabriela Perez as Principal for Clark Elementary School

Motion: So moved

Moved by: Ricardo Rodriguez

Seconded by: Ramiro Veliz

Discussion: Mr. Ramirez - Give the blessings by Mr. Santos for any principal which is big responsibility that takes to render the proper education and bring in the tools that is giving by the educational house out of Texas. With that it is well recommended.

In Favor: Unanimous

Opposed:

B. Action re: Approval of Superintendent's Annual Evaluation

Ramiro Veliz, III – I move to approve Superintendent's Annual Evaluation as discussed in Closed Session

Motion: So moved

Moved by: Ramiro Veliz

Seconded by: Ricardo Rodriguez

Discussion:

In Favor: Unanimous

Opposed:

C. Approval of Modifications to Superintendent's Employment Contract

Ramiro Veliz, III – I move to approve the Superintendent's Employment Contract extension until June 30, 2018 and other Modifications as presented in Closed Session.

Motion: So moved

Moved by: Ramiro Veliz

Seconded by: Ricardo Molina

Discussion: Roberto J Santos – I want to thank the Board for their support. The people that are here in the auditorium really had a major part in the success that United has had throughout the years. On my contract I want to thank you for the support and trust you have given me throughout the years. Again, I go back we are only as strong as the people we have here. I want to thank you for my support. Thank you.

In Favor: Unanimous

Opposed:

D. Action regarding First and Final Reading of FFH (LOCAL) – Student Welfare - Freedom from Discrimination, Harassment, and Retaliation

Members of the Board the recommendation is to approve FFH (LOCAL) And the relevant changes that the district does take a firm stand towards any kind of harassment based on race, color, religion, gender and national origin and the new language sexual orientation gender identity expression whether its cared out either physically or through via electronic means. So, if approved by the school board it will take effect immediately.

Motion: So moved

Moved by: Ramiro Veliz

Seconded by: Ricardo Molina

Discussion:

In Favor: Unanimous

Opposed:

X. Adjournment

There being no further business before the Board, the Regular Meeting of July 20, 2015 was adjourned at 7:51 pm.

Javier Montemayor – President

Ricardo “Rick” Rodriguez – Secretary