

**WACO INDEPENDENT SCHOOL DISTRICT
SPECIAL MEETING
WISD Conference Center
115 S 5th Street
Waco, Texas 76701**

Thursday, August 10, 2023 - 6:00 PM

A Special Meeting of the Board of Trustees of Waco Independent School District will be held August 10, 2023, beginning at 6:00 PM in the WISD Conference Center, 115 S 5th Street, Waco, Texas.

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the same order as shown on this meeting notice/agenda.

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

AGENDA

1. **Call to Order**
2. **Public Comments on Agenda Items**
3. **Review and Discuss the Proposed Budget and Tax Rate for the 2023-2024 Fiscal Year**
Presenter: Sheryl Davis
4. **Consider, Discuss and Take Appropriate Action Regarding the Notice of Public Meeting to Discuss Budget and Proposed Tax Rate for the 2023-2024 Fiscal Year, Setting the Proposed Tax Rate and the Date, Time, and Place for the Public Meeting**
Presenter: Sheryl Davis
5. **Consider, Discuss and Take Appropriate Action Regarding Allowance Expenditure Authorization #9 for Waco High School**
Presenter: Gloria Barrera
6. **Consider, Discuss and Take Appropriate Action Regarding Approval of Allowance Expenditure Authorization #10 for Waco High School**
Presenter: Gloria Barrera
7. **Consider, Discuss and Take Appropriate Action Regarding Allowance Expenditure Authorization #5 for Tennyson Middle School**
Presenter: Gloria Barrera
8. **Announcements**
9. **Review and Discuss House Bill 3 Requirement for Armed Security Officers**
10. **Review and Discuss Potential Contracts on Real Property**
11. **Adjournment**

Waco Independent School District

Board of Trustee Meeting Agenda Item

Date: August 10, 2023

Contact Person: Sheryl Davis

RE: Review and Discuss the Proposed Budget and Tax Rate for the 2023-2024 Fiscal Year

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Background Information:

On or before a date set by the State Board of Education, the superintendent shall prepare, or cause to be prepared, a proposed budget covering all estimated revenue and proposed expenditures of the district for the following fiscal year. The budget must be prepared according to generally accepted accounting principles; rules adopted by the State Board of Education; and adopted policies of the board of trustees.

The administration will present information on the proposed budgets for funds included in the official budget as well as three funds for which the District is the fiscal agent. Information will also be presented on the proposed tax rate including a review of the draft notice for publication.

Fiscal Implications:

None

Administrative Recommendations:

Action will be taken in a separate item to approve the proposed tax rate and set the date of the public hearing on the proposed budget and tax rate.

Waco Independent School District

**Official Budget
2023-2024**

	General Fund	Child Nutrition Fund	Debt Service Fund	Memorandum Total
Revenues:				
Local and Intermediate Source Revenue	\$ 73,488,500	404,000	23,014,469	96,906,969
State Program Revenue	78,705,561	-	2,359,589	81,065,150
Federal Program Revenue	5,405,000	10,585,000	-	15,990,000
Total Revenues	157,599,061	10,989,000	25,374,058	193,962,119
Appropriations:				
Instruction	88,456,586	-	-	88,456,586
Instructional Resources and Media Services	530,514	-	-	530,514
Instructional Staff Development and Curriculum Development	4,585,198	-	-	4,585,198
Instructional Leadership	4,007,386	-	-	4,007,386
School Leadership	10,496,861	-	-	10,496,861
Guidance, Counseling and Evaluation Services	6,502,343	-	-	6,502,343
Social Work Services	829,625	-	-	829,625
Health Services	1,544,147	-	-	1,544,147
Student Transportation	3,729,228	-	-	3,729,228
Food Services	-	11,281,649	-	11,281,649
Extracurricular Activities	5,870,373	-	-	5,870,373
General Administration	7,446,584	-	-	7,446,584
Plant Maintenance and Operations	18,408,136	-	-	18,408,136
Security and Monitoring Services	3,602,281	-	-	3,602,281
Data Processing Services	2,979,816	-	-	2,979,816
Community Services	520,969	-	-	520,969
Debt Service	302,000	-	25,914,221	26,216,221
Facilities Acquisition and Construction	-	-	-	-
Payments to Shared Services Arrangement	300,000	-	-	300,000
Payments to Juvenile Justice Alternative Education Program	585,000	-	-	585,000
Payments to Tax Increment Fund	25,000	-	6,000	31,000
Other Intergovernmental Charges	938,000	-	-	938,000
Total Appropriations	161,660,047	11,281,649	25,920,221	198,861,917
Excess (Deficiency) of Estimated Revenues Over Appropriations	(4,060,986)	(292,649)	(546,163)	(4,899,798)
Other Financing Sources/(Uses)	(565,731)	-	-	(565,731)
Net Change in Fund Balance	(4,626,717)	(292,649)	(546,163)	(5,465,529)
Fund Balance, beginning of year	52,192,203	5,656,031	5,005,919	62,854,153
Fund Balance, end of year	47,565,486	5,363,382	4,459,756	57,388,624
Non-spendable Fund Balance	(400,000)	-	-	(400,000)
Restricted Fund Balance:				
Retirement of Long-term Debt	-	-	(4,459,756)	(4,459,756)
National School Lunch and Breakfast Program	-	(5,363,382)	-	(5,363,382)
Other Restricted Fund Balance	(2,355,428)	-	-	(2,355,428)
Committed Funds	(1,994,667)	-	-	(1,994,667)
Unassigned Fund Balance	\$ 42,815,391	-	-	42,815,391

2023-2024 PROPOSED BUDGET & TAX RATES

August 10, 2023



Agenda

- Legal Requirements and Overview of the Budget Process
- Enrollment and Average Daily Attendance
- 2023 Local Property Values and Proposed Tax Rates
- 2023-2024 General Fund Overview
 - Legislative Impact
 - Additional Costs
 - Transformation Zone
- Other Adopted Budgets

Legal Requirements & Overview of the Budget Process



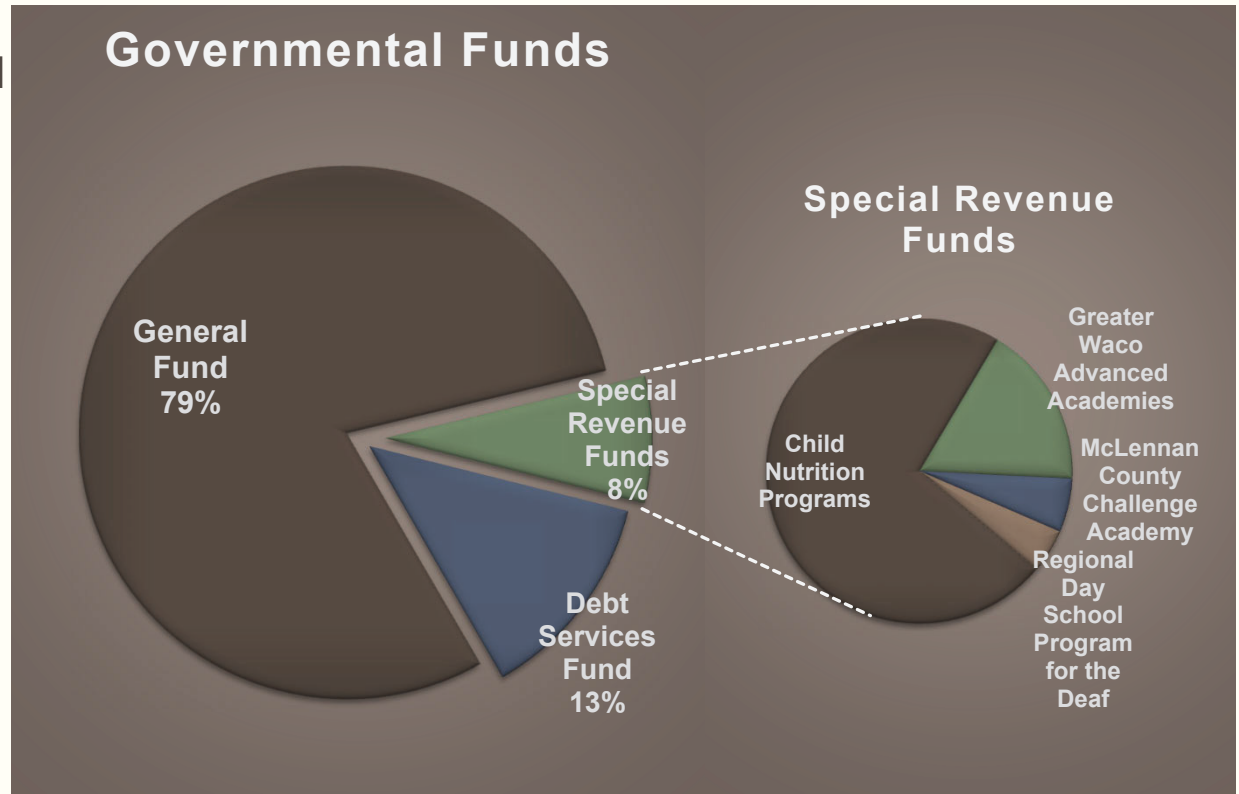
Legal Requirements

- Budgets must be developed in accordance with generally accepted accounting principles, i.e., modified accrual basis, revenues are recognized when received and expenditures are recognized when services are rendered or goods received
- For districts with a September 1 through August 31 fiscal year, a proposed budget must be prepared no later than August 20th
- Public hearing must be held prior to the adoption of the budget and tax rate
- Minimum ten day notice must be published in the local newspaper and on district's website in required formats
- Budget must be adopted by August 31st
- Last day to adopt a tax rate is September 30th or 60 days after certification of roll
- Budget must be adopted prior to the approval of the tax rate

Legal Requirements

- Budgets included in the “Official Budget” and required by TEA to be adopted by the Board of Trustees:
 - General Fund (includes the Transformation Zone)
 - Child Nutrition Fund
 - Debt Service Fund

- Other local special revenue fund budgets approved by the Board include:
 - Greater Waco Advanced Academies
 - McLennan County Challenge Academy (JJAEP)
 - Regional Day School Program for the Deaf



Factors Influencing the Budget Process

Student Enrollment &
Attendance

Property Values, Tax
Rates & Collections

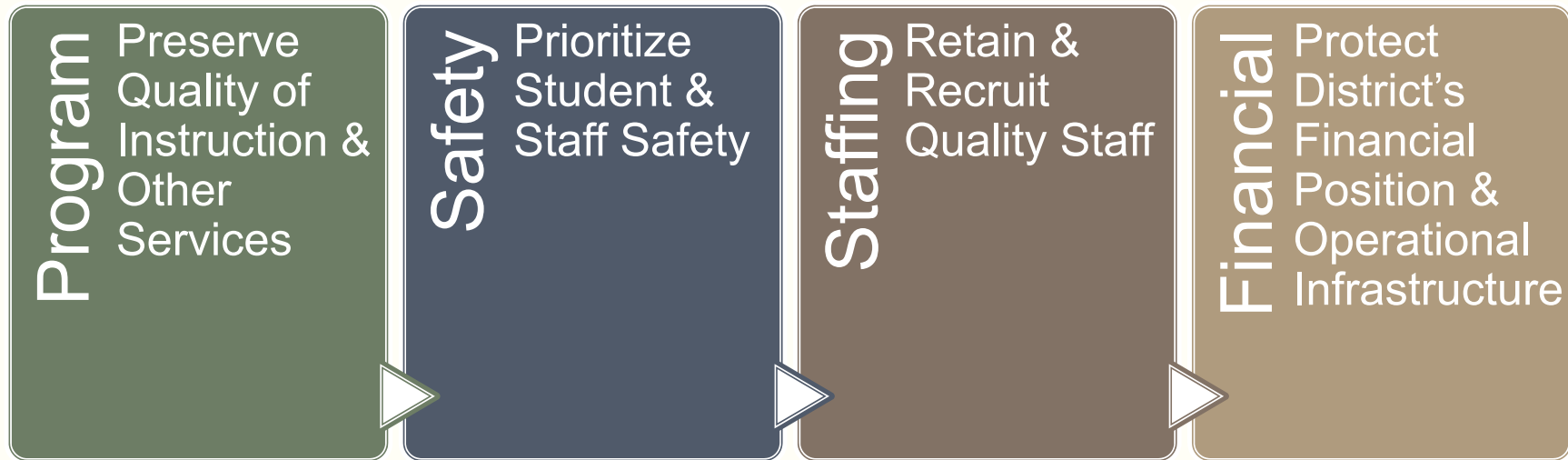
State Legislation

Available Federal
Funding

Recruitment &
Retention

Inflation

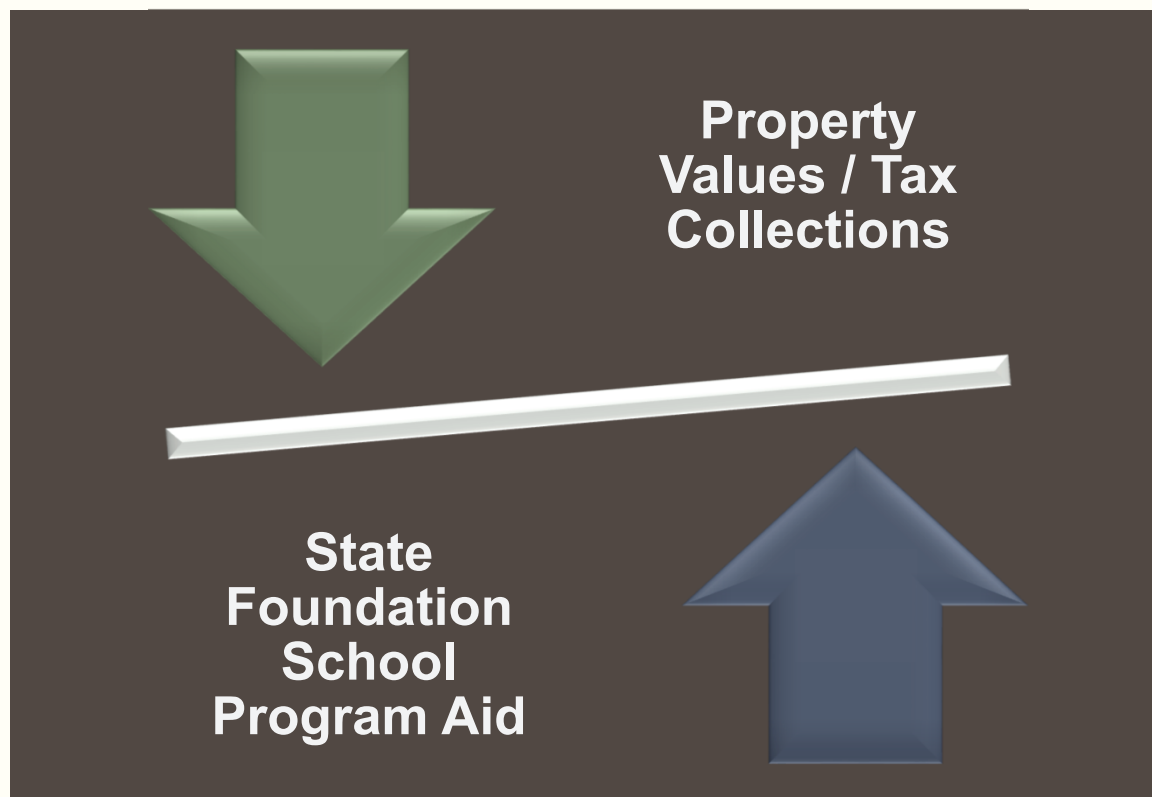
Budget Goals



Funding of School Districts

Almost 90% of General Fund revenues comes from two sources.

This is slightly lower from previous years because of the increase in earnings on investments and indirect cost recoveries from federal funds.



Funding of School Districts

Property Taxes

- Values determined by McLennan County Appraisal District
- Tax rate comprised of:
 - Maintenance & Operations (M&O)
 - Interest & Sinking (I&S)
- M&O rate is compressed and capped each year
 - Voter-Approval Tax Rate Election (can get additional enrichment pennies)

State Foundation School Program

- State funding formulas set by the legislature
- Basic allotment of \$6,160 is not adjusted for inflation
- Allotments are impacted by:
 - Enrollments
 - Average Daily Attendance (ADA)
 - Special populations
 - Enrichment pennies
 - Property values / wealth

Enrollment & Average Daily Attendance



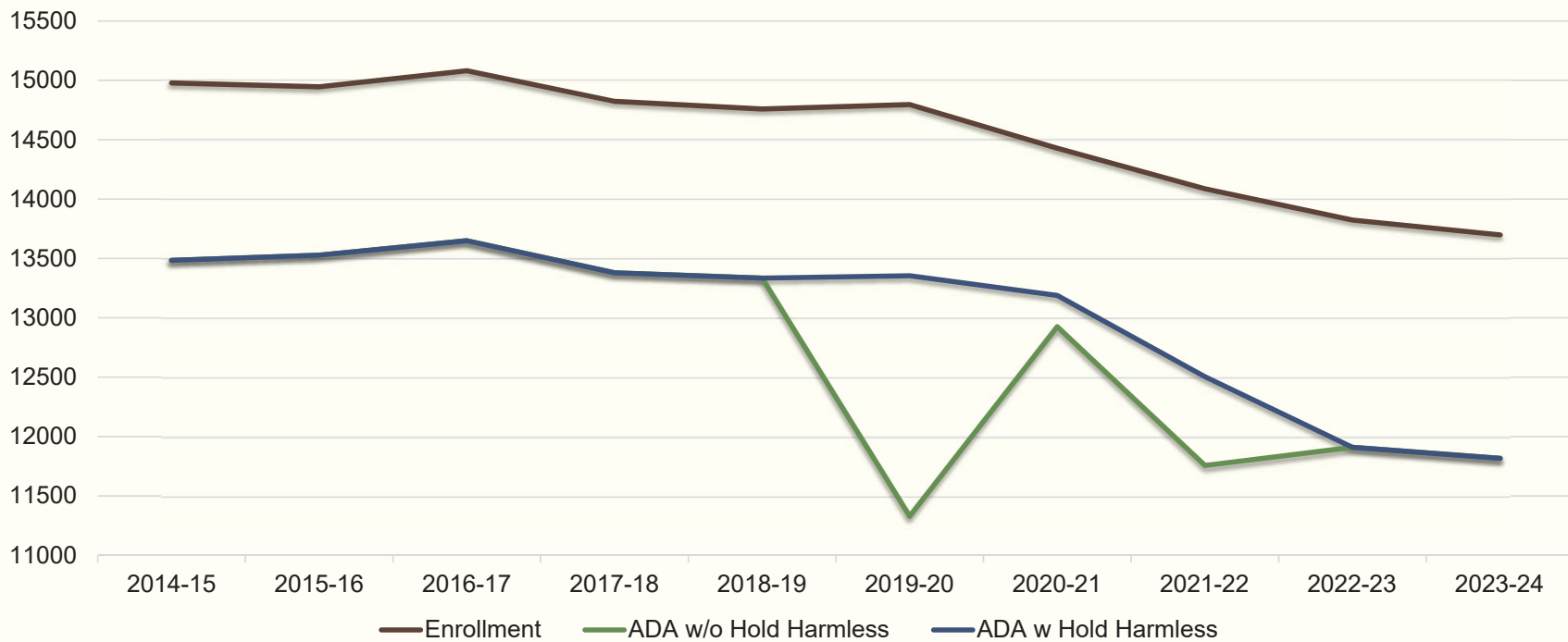
Enrollment & Average Daily Attendance

School Year	Fall PEIMS Enrollment	Total ADA per PEIMS Submission	Final ADA as a Percent of Fall PEIMS	TEA Summary of Finances ADA *with Hold Harmless	ADA Utilized for Budget Purposes	*State Hold Harmless Provisions
2014-2015	14,978	13,484	90.0%	13,484	13,453	
2015-2016	14,946	13,528	90.5%	13,528	13,452	
2016-2017	15,081	13,649	90.5%	13,649	13,455	
2017-2018	14,823	13,379	90.3%	13,379	13,669	
2018-2019	14,758	13,334	90.4%	13,334	13,301	
2019-2020	14,796	11,329	76.6%	13,354*	13,257	First 4 six weeks actual ADA with last two based on 2017-2018 ADA patterns
2020-2021	14,428	12,925	89.6%	13,188*	13,241	Received funding based on 2019-2020 ADA with 3-year trend of 100.4%, 13,537.681, difference came from ESSER funds
2021-2022	14,086	11,756	84.6%	12,503*	13,261	First 4 six weeks based on target percentage attendance rate from 2019-2020, 5 th & 6 th actual
2022-2023	13,823	11,909	86.2%	11,909	12,461	
2023-2024	13,698	11,816	86.3%	11,816	11,816	

Gained 38 in ADA since June estimates

Enrollment & Average Daily Attendance

Ten Year Trend in Enrollment & Average Daily Attendance



Other Student Counts for Funding Purposes

Program	2021-22*	2022-23	2023-24
Bilingual ADA:			
Bilingual Program	2635.894	1995.895	same
Dual Language Immersion Students (1-way or 2-way)	82.945	761.363	same
Career & Technology FTEs:			
Not in Approved Program of Study	74.210	71.862	same
Levels 1 & 2 Approved Program of Study	592.882	538.578	same
Levels 3 & 4 Approved Program of Study	515.503	458.928	same
Career, College, or Military Readiness	39	28	same
Compensatory Education - Educationally Disadvantaged Students:			
Economically Disadvantaged Census Blocks – Tier 1	817	363	361
Economically Disadvantaged Census Blocks – Tier 2	778	334	333
Economically Disadvantaged Census Blocks – Tier 3	1123	1475	1469
Economically Disadvantaged Census Blocks – Tier 4	4805	4992	4971
Economically Disadvantaged Census Blocks – Tier 5	5228	5213	5191

** All attendance-based counts have been recalculated based on hold harmless rules for fiscal year 2021-2022*

Other Student Counts for Funding Purposes

Program	2021-22*	2022-23	2023-24
Dropout Recovery School & Residential Placement Facility ADA	3.322	9.164	same
Dyslexia Enrollment	1055	1203	same
Early Education ADA (grades kindergarten – third)	4723.723	4420.111	4385.798
Gifted & Talented Enrollment (limited to 5% of ADA & prorated)	588	594	Same
Pregnant Students FTEs	2.661	0.000	Same
Special Education Weighted FTEs:			
Homebound	0.650	0.163	0.162
Hospital Class	0.000	0.000	0.000
Speech Therapy	28.250	31.799	33.997
Resource Room	220.820	253.139	274.233
Self-contained Mild/Moderate/Severe	120.456	119.408	128.186
Vocational Adjustment Class	5.541	7.242	6.117
Residential Care & Treatment	0.774	0.636	0.483
Special Education Mainstream ADA	529.037	602.688	615.240

2023 Local Property Values & Proposed Tax Rates



2023 Net Taxable Property Values

Tax Year	Net Taxable Values		Net Taxable Value Adjustment	Percent Change from:	
	Preliminary	Certified		Preliminary	Prior Year
2015	\$ 5,033,516,985	\$ 4,764,656,776	\$ (268,860,206)	- 5.34%	+ 4.29%
2016	5,337,750,193	5,251,460,667	(86,286,526)	- 1.62%	+10.22%
2017	5,952,976,568	5,744,499,011	(208,477,557)	- 3.50%	+ 9.39%
2018	6,530,822,722	6,341,596,283	(189,226,439)	- 2.90%	+10.39%
2019	7,014,667,561	6,827,446,082	(187,221,479)	- 3.21%	+ 7.66%
2020	7,587,072,447	7,247,140,447	(339,932,000)	- 4.48%	+ 6.74%
2021	7,421,037,502	7,557,152,053	136,114,551	+ 1.83%	+ 4.28%
2022	9,773,735,622	8,838,221,086	(935,514,536)	- 9.57%	+16.95%
2023	10,896,575,510	9,915,102,057*	(981,473,453)	- 9.00%	+12.18%
2023		9,191,914,689	(1,704,660,821)	-15.64%	+ 4.00%

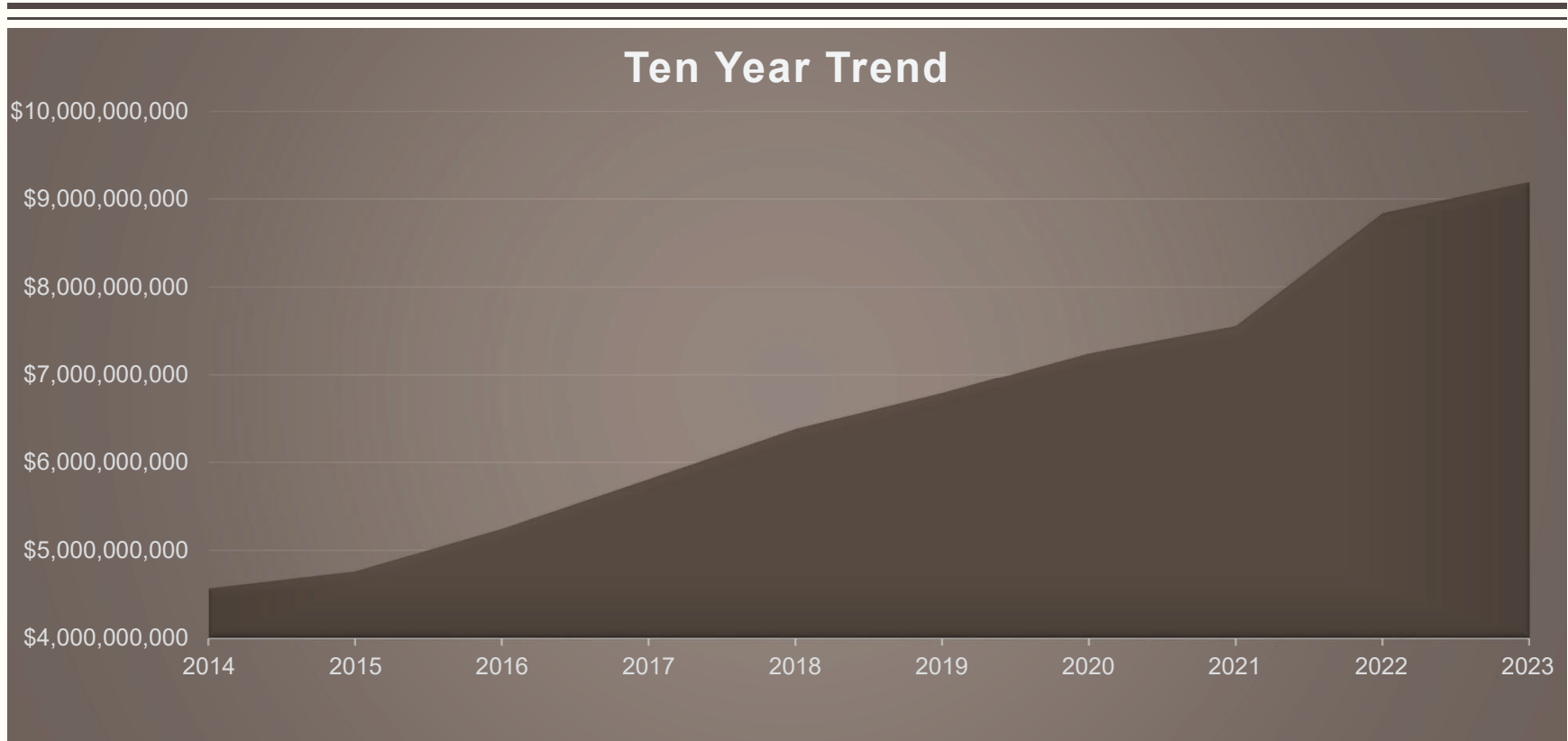
Homestead Exemption \$25,000

Homestead Exemption \$40,000

Homestead Exemption \$100,000

**Chief Appraiser's preliminary estimate was based on a historical decrease of 8.8%, preliminary estimate was \$9,937,676,865.*

2014-2023 Certified Property Values



Impact of \$100,000 Homestead Exemption

Homestead Exemption Amount	Total Homestead Exemptions	Net Taxable Value	Freeze Taxable Value	Freeze Adjusted Taxable Value	Net Taxable Value Under ARB Review
\$ 40,000	\$ 569,257,431				
\$100,000	\$1,333,665,486	\$9,191,914,689	\$ 620,111,320	\$8,571,803,369	\$ 104,804,845

If voters approve the constitutional amendment in November, homeowner will see an additional \$60,000 increase in their homestead exemption. The total impact on the District is a decreased in net taxable value of \$723,187,368.

Other Effective Rate Assumptions

Property Count		41,992
New Value		
Total New Value – Market		\$178,845,710
Total New Value - Taxable		\$168,966,386
New Exemptions Value Loss		
Average Homestead Value	Last Year	This Year
Count of Homestead Residences	13,791	14,243
Average market Value	\$ 216,342	\$ 233,514
Average Homestead Residences Exemptions	\$ 84,003	\$ 137,370
Average Taxable	\$ 132,339	\$ 96,144

2023 Maintenance & Operations Tax Rate

Description	M&O
District's Adopted M&O Tax Rate for Tax Year 2022 (per \$100 valuation)	\$ 0.942900
2022 Appraisal District Certified Taxable Property Values	\$8,838,221,086
2023 Appraisal District Certified Taxable Property Values	\$9,087,109,844
Central Appraisal District Value Growth	12.18%
2023 Comptroller Estimated Certified School District Value	\$9,512,252,849
Prior Year Maximum Compressed Tax Rate (MCR)	\$ 0.804600
Local Preliminary Maximum Compressed Tax Rate	\$ 0.735100
2023 State Compression Percentage	0.795000
Maximum Compressed Tax Rate (lesser of state or local compression)	\$ 0.628100
Golden Pennies (previously voter approved)	\$ 0.080000
Copper Pennies (previously voter approved)	\$ 0.058300
Total M&O Tax Rate for Tax Year 2023 (per \$100 valuation)	\$ 0.766400

Reduced by an additional \$0.107000 under SB2 (88-2)

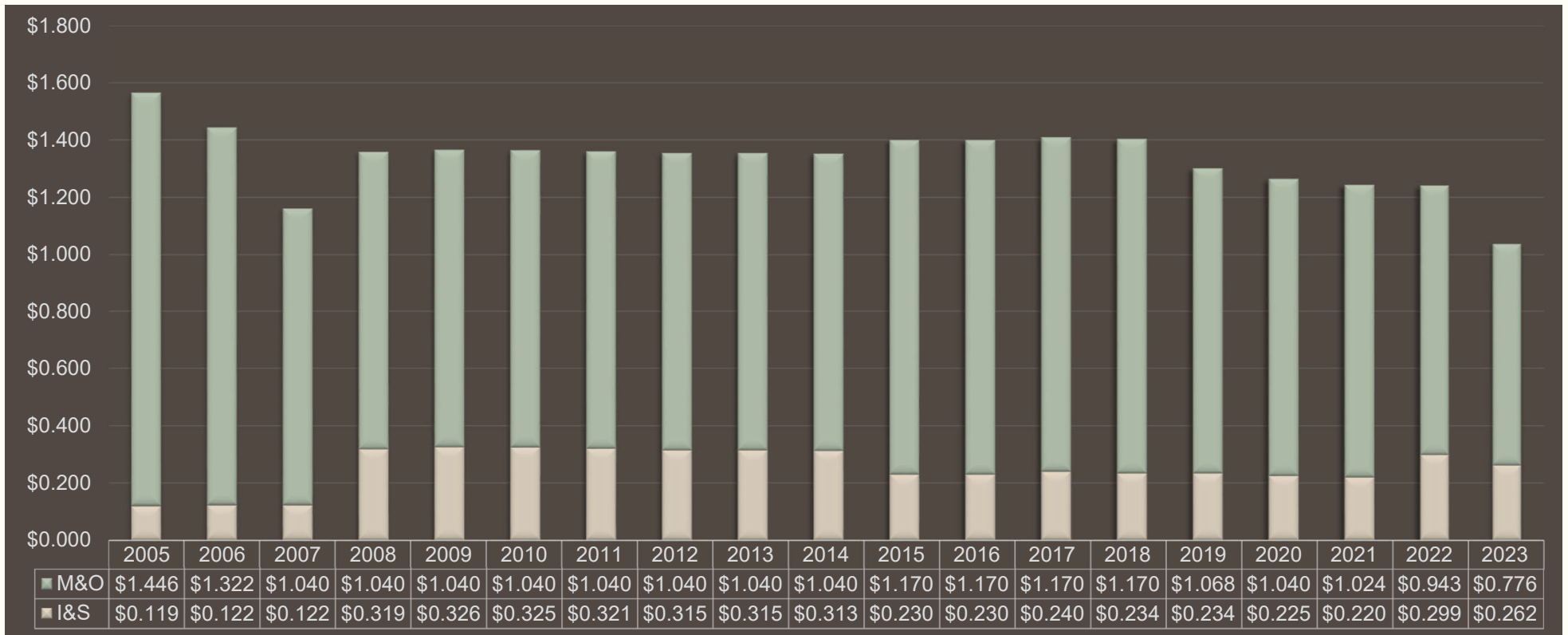
Decrease in the M&O tax rate of \$0.176500

2023 Interest & Sinking Tax Rate

Description	I&S
District's Adopted I&S Tax Rate for Tax Year 2022 (per \$100 valuation)	\$ 0.298969
Original Debt Service Requirements for Fiscal Year 2023-2024	\$ 21,148,523
Add: \$80 million in Unlimited Tax School Building Bonds Issued	4,426,219
Total Debt Service requirements for Fiscal Year 2023-2024	\$ 25,574,742
Less: Unencumbered fund balance (2022-2023 excess collections)	(817,356)
Less: State Aid received for paying principal & interest on bonds	(2,359,589)
Adjust Debt Service requirements	\$ 22,397,797
2023 Certified Collection Rate	100.00%
Total I&S Tax Rate for Tax Year 2023 (per \$100 valuation)	\$ 0.262187
Total Combined Tax Rate for Tax Year 2023 (per \$100 valuation)	\$ 1.028587

Decrease in the I&S tax rate of \$ 0.036782
Decrease in the combined tax rate of \$ 0.213282 or 17.2%

Property Tax Rates 2005 to Present



General Fund Revenues

Revenue Source	2022-2023 Adopted	2022-2023 Projected	2023-2024 Proposed	Variance from Adopted
Local Property Tax Collections	\$ 81,805,900	\$ 79,012,646	\$ 69,432,000	-12,373,900
Other Local Revenue	2,125,700	3,787,661	4,056,500	+ 1,930,800
State Foundation School Program	58,788,960	56,231,568	71,253,781	+12,464,821
Teacher Retirement On-Behalf	7,165,711	7,507,965	7,451,780	- 56,185
Indirect Cost Recovery Federal Pgms	1,814,000	2,341,278	2,154,000	- 187,278
Medicaid Reimbursements	2,758,000	2,738,459	3,020,000	+ 281,541
Other Direct Federal Programs	3,518,727	227,676	231,000	- 3,287,727
Total General Fund Revenue	\$157,976,998	\$152,053,598	\$157,599,061	- 377,977
Aid to Contract to Operate District Campuses	\$ 1,615,038	\$ 1,703,186	\$ 1,510,682	- 104,356

- 1 Interplay between local property tax collections ↓ and State Foundation School Program Aid ↑
- 2 In spite of a decrease in student enrollment, increased State funding components such as the Safety Allotment and the yield on the Golden pennies have resulted in increases of \$347,410 and \$4,108,022, respectively
- 3 The original budget included revenue and an offsetting appropriation for Erate projects which were ultimately funded through ESSER grants

Overview of 2023-2024 General Fund Budget

Description		Impact on General Fund
Salary increases:		
Cost estimate of general pay increase of 3%	\$ 3,425,448	
Adjustments – over range, pay range minimum, scale	470,648	
Reduction for projected salary savings	(3,050,752)	\$ 845,344
Benefit Rate Increases – Teacher Retirement +3.32%	491,665	191,660
Utilities Rate Adjustments		456,875
Other Insurance (Liability, Property)		234,985
Tax Collection Fees (Appraisal District & Tax Office)		121,016
Security & Monitoring Services		549,267
Special Education Services		1,258,240

Difference offset by TRS On-behalf revenue

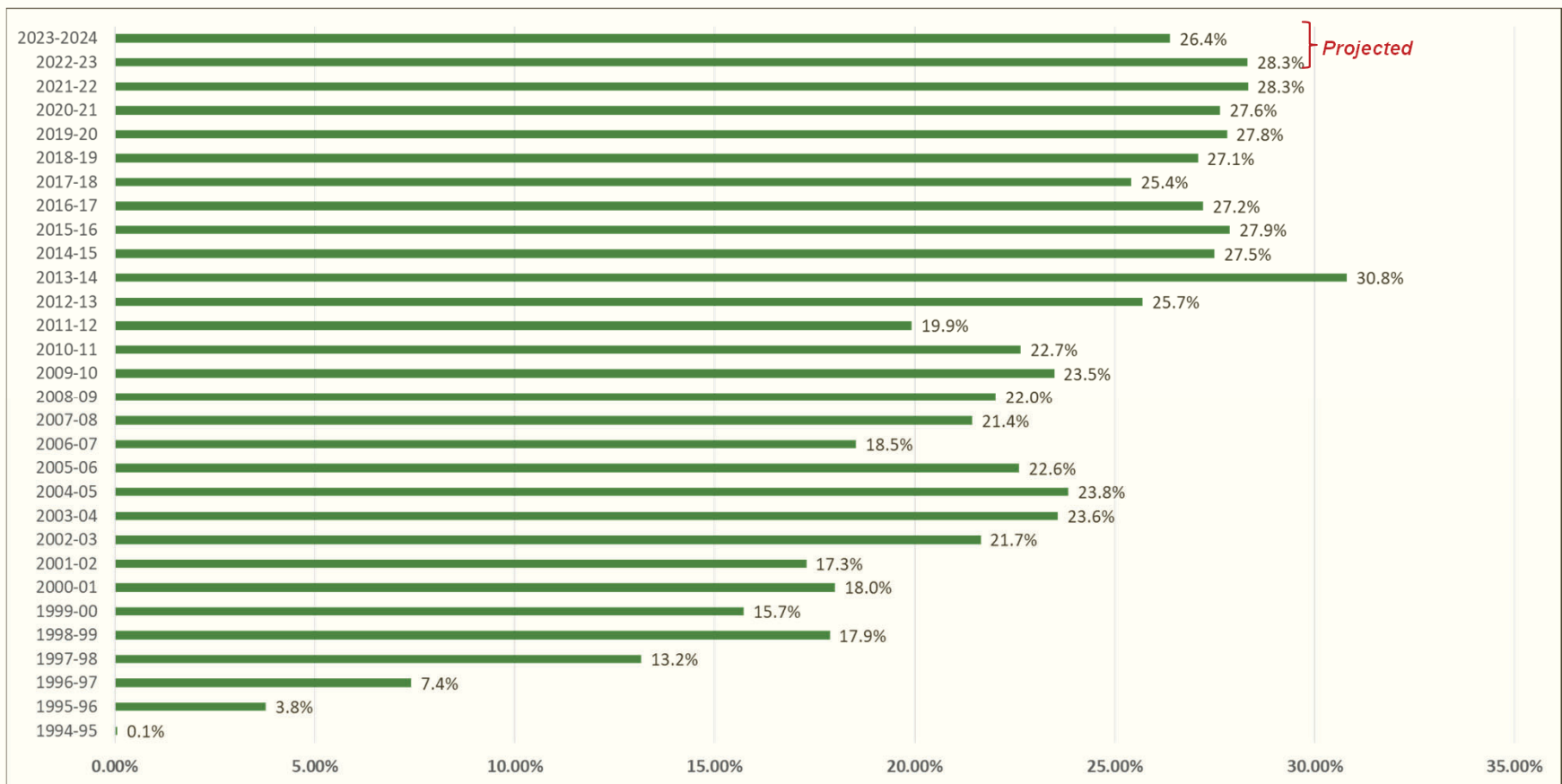
2023-2024 General Fund Proposed Budget

Total Fund Balance – Beginning (projected)		\$ 52,192,203
Revenues:		
Local and Intermediate Source	\$ 73,488,500	
State Program	65,050,675	
Federal Program	5,513,758	157,599,061
Expenditures*		(161,660,047)
Expenditures over Revenues		(4,060,986)
Other Resources & (Uses)		(565,731)
Expenditures & Uses over Revenue & Resources		(4,626,717)
Total Fund Balance – Ending		\$ 52,192,203

Overview of 2023-2024 General Fund Budget

	2021-2022	2022-2023		2023-2024	Change from Adopted	
	Audited	Adopted	Amended	Projected		Proposed
Revenues:						
Local and Intermediate Source	\$ 78,449,148	83,931,600	83,944,650	82,800,307	73,488,500	(10,443,100)
State Programs	80,837,451	65,954,671	67,637,426	65,050,675	78,705,561	12,750,890
Federal Programs	5,440,229	8,090,727	5,245,682	5,513,758	5,405,000	(2,685,727)
Total Revenues	<u>164,726,828</u>	<u>157,976,998</u>	<u>156,827,758</u>	<u>153,364,740</u>	157,599,061	(377,937)
Expenditures:						
Instruction and Instructional-Related Services	88,656,439	93,835,012	94,388,503	89,776,466	93,572,298	(262,714)
Instructional and School Leadership	13,555,195	14,276,150	14,545,798	14,273,055	14,504,247	228,097
Student Support Services	15,673,273	17,541,474	19,351,810	16,937,682	18,475,716	934,242
Administrative Support Services	6,203,811	7,323,927	7,505,290	6,909,333	7,446,584	122,657
Non-Student Based Support Services	23,670,411	24,672,686	26,323,679	25,054,664	24,990,233	317,547
Community Services	587,946	487,519	669,185	678,411	520,969	33,450
Debt Services	321,805	345,000	345,000	316,547	302,000	(43,000)
Facilities Acquisition and Construction	5,218,328	-	601,957	497,239	-	-
Intergovernmental Charges	8,583,222	1,828,424	1,952,984	1,755,682	1,848,000	19,576
Total Expenditures	<u>162,470,430</u>	<u>160,310,192</u>	<u>165,684,206</u>	<u>156,199,079</u>	161,660,047	1,349,855
Revenues Over/(Under) Expenditures	2,256,398	(2,333,194)	(8,856,448)	(2,834,339)	(4,060,986)	(1,727,792)
Other Financing Sources/(Uses)	(545,704)	(1,030,292)	(1,156,486)	(227,388)	(565,731)	464,561
Revenues/Sources Over/(Under) Expenditures/Uses	1,710,694	(3,363,486)	(10,012,934)	(3,061,727)	(4,626,717)	(1,263,231)
Fund Balance Beginning of the Year	<u>53,543,236</u>	<u>49,216,340</u>	<u>55,253,930</u>	<u>55,253,930</u>	52,192,203	2,975,863
Fund Balance End of the Year	55,253,930	45,852,854	45,240,996	52,192,203	47,565,486	1,712,632
Nonspendable, Restricted or Committed Funds	(9,543,251)	(7,435,123)	(9,357,860)	(6,501,810)	(4,750,095)	2,685,028
Unassigned Fund Balance	<u>\$ 45,710,679</u>	<u>38,417,731</u>	<u>35,883,136</u>	<u>45,690,393</u>	42,815,391	4,397,660
Unassigned Fund Balance as a Percent of Expenditures	28.1%	24.0%	21.7%	29.3%	26.5%	

History of Unassigned Fund Balance as a Percent of Budget



Other Board Adopted Budgets



2023-2024 Child Nutrition Programs Fund

Restricted Fund Balance – Beginning (projected)		\$ 5,656,031
Revenues:		10,989,000
Local revenue	404,000	
Federal program reimbursements	10,585,000	
Expenditures		11,281,649
Expenditures over Revenues		\$ (292,649)
Total Fund Balance - Ending		\$ 5,363,382
Fund Balance as a Percent of Expenditures		47.5%
Limitation – Excess Fund Balance		25.0%
Excess Fund Balance		\$ 2,538,371

2023-2024 Debt Services Fund

Restricted Fund Balance – Beginning (projected)		\$ 5,005,919
Revenues:		25,374,058
Local revenue	\$ 23,014,469	
Federal program reimbursements	2,359,589	
Expenditures		25,920,221
Expenditures over Revenues		\$ (546,163)
Total Fund Balance - Ending		\$ 4,459,756
Fund Balance as a Percent of Expenditures		17.2%
Outstanding Debt as of August 31, 2023		\$ 453,665,000

Other Special Revenue Funds Adopted by the Board

	Greater Waco Advanced		McLennan Co.	Regional	Memorandum Total
	Health Care Academy	Manufacturing Academy	Challenge Academy	Day School for the Deaf	
Revenues:					
Local and Intermediate Source Revenue	\$ 1,014,676	1,083,000	682,245	560,000	3,339,921
State Program Revenue	67,110	78,933	204,002	38,380	388,425
Total Revenues	<u>\$ 1,081,786</u>	<u>1,161,933</u>	<u>886,247</u>	<u>598,380</u>	<u>3,728,346</u>
Appropriations:					
Instruction	\$ 899,881	859,802	516,152	607,612	2,883,447
Instructional Staff and Curriculum Development	9,300	6,300	-	91,499	107,099
Instructional Leadership	265,676	175,882	-	-	441,558
School Leadership	-	-	209,921	-	209,921
Guidance, Counseling and Evaluation Svcs	96,220	187,257	75,550	-	359,027
Health Services	-	-	100	-	100
Plant Maintenance and Operations	75,709	112,692	7,300	-	195,701
Payments to Shared Services Arrangement	-	-	77,224	20,000	97,224
Total Appropriations	<u>\$ 1,346,786</u>	<u>1,341,933</u>	<u>886,247</u>	<u>719,111</u>	<u>4,294,077</u>
Excess (Deficiency) of Estimated Revenues Over Appropriations	\$ (265,000)	(180,000)	-	(120,731)	(565,731)
Other Financing Sources/(Uses)	265,000	180,000	-	120,731	565,731
Net Change in Deferred Revenue	\$ -	-	-	-	-
Deferred Revenue, beginning of year	-	-	459,036	-	459,036
Deferred Revenue, end of year	<u>\$ -</u>	<u>-</u>	<u>459,036</u>	<u>-</u>	<u>459,036</u>

Future Budget Issues

- Continued declines in enrollment
- Proposed budget includes expenditures & other uses that exceed revenues by \$4.6 million
- Inflation and other cost drivers have particularly impacted health care costs, utilities, and property insurance
- Competitive salaries and benefits critical to qualify recruitment & retention
- Capital asset replacements will eventually become a critical need
- ESSER funding ends September 30, 2024:
 - \$6.3 million in salary & benefit costs are currently funded (including \$1.0 million in dyslexia positions & \$1.1 million in library staffing)
 - For three years, technology purchases have been primarily funded through ESSER
 - As has interventions for instruction, social-emotional learning, bilingual & special education

Important Budget Dates

Activity	Date
Meeting to present the proposed budget for the following fiscal year (date by which the Superintendent shall cause to be prepared a proposed budget for the following fiscal year is 8/20/23)	8/10/2023
Notice of Budget and Tax Rate Meeting – must be 10 – 30 days before the date of the Public Hearing	8/11/2023
Budget and Tax Rate Meeting	8/24/2023
Meeting to Adopt the Budget and Tax Rate (budget must be adopted before the adoption of the tax rate for the ta year in which the fiscal year covered by the budget begins)	8/24/2023
First day of 2022-2023 fiscal year	9/1/2023

Waco Independent School District
Board of Trustee Meeting Agenda Item

Date: August 10, 2023

Contact Person: Sheryl Davis

RE: Consider, Discuss and Take Appropriate Action Regarding the Notice of Public Meeting to Discuss Budget and Proposed Tax Rate for the 2023-2024 Fiscal Year, Setting the Proposed Tax Rate and the Date, Time, and Place for the Public Meeting

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Background Information:

In accordance with Texas Education Code Section 44.004, NOTICE OF BUDGET AND TAX RATE MEETING; BUDGET ADOPTION, when the budget has been prepared under section 44.002, the president shall call a meeting of the Board of Trustees for the purpose of adopting a budget for the succeeding fiscal year. The purpose of this meeting is to discuss the school district's budget that will determine the tax rate that will be adopted. The president shall provide for the publication of notice of the budget and proposed tax rate meeting in a daily, weekly, or biweekly newspaper published in the district.

Inasmuch as the budget has been prepared as required under Section 44.002, the Board of Trustees should consider the proposed tax rate and set the date, time, and place to invite public discussion on the proposed 2023-2024 budget and the 2023 tax rate to support the proposed budget.

The tax rate that is ultimately adopted at this meeting or at a separate meeting at a later date may not exceed the proposed rate shown on the notice unless the district publishes a revised notice containing the same information and comparisons and holds another public meeting to discuss the revised notice.

A public notice of the date of the meeting will be published in the Waco Tribune between the 30th and 10th day prior to the public meeting. A copy of the notice, to be published, is attached along with the tax rate calculation forms used by the District's designated officer, the Chief Financial Officer, to calculate the District's no-new-revenue tax rate and voter-approval tax rate.

Fiscal Implications:

None

Administrative Recommendations:

The administration recommends that the Board of Trustees approve the Notice of Public Meeting to Discuss Budget and Proposed Tax Rate for the 2023-2024 fiscal year, setting the proposed tax rate and the date, time, and place for the public meeting, August 24, 2023 at 6:00 p.m. at the Waco ISD Administration Building.

NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

The Waco ISD will hold a public meeting at 06:00 PM, August 24, 2023 in Waco ISD Administration Building Conference Center 115 South 5th St Waco TX 76701. **The purpose of this meeting is to discuss the school district's budget that will determine the tax rate that will be adopted. Public participation in the discussion is invited.**

The tax rate that is ultimately adopted at this meeting or at a separate meeting at a later date may not exceed the proposed rate shown below unless the district publishes a revised notice containing the same information and comparisons set out below and holds another public meeting to discuss the revised notice.

Maintenance Tax	\$0.766400/\$100 (proposed rate for maintenance and operations)
School Debt Service Tax	\$0.262187/\$100 (proposed rate to pay bonded indebtedness)
Approved by Local Voters	

Comparison of Proposed Budget with Last Year's Budget

The applicable percentage increase or decrease (or difference) in the amount budgeted in the preceding fiscal year and the amount budgeted for the fiscal year that begins during the current tax year is indicated for each of the following expenditure categories.

Maintenance and operations	0.84 % increase
Debt Service	4.09 % increase
Total Expenditures	1.28 % increase

Total Appraised Value and Total Taxable Value (as calculated under Section 26.04, Tax Code)

	<u>Preceding Tax Year</u>	<u>Current Tax Year</u>
Total appraised value* of all property	\$12,660,090,530	\$14,230,037,635
Total appraised value* of new property**	\$215,949,380	\$178,845,710
Total taxable value*** of all property	\$8,058,531,066	\$8,571,803,369
Total taxable value*** of new property**	\$200,244,746	\$168,966,386

*Appraised value is the amount shown on the appraisal roll and defined by Section 1.04(8), Tax Code.

** "New property" is defined by Section 26.012(17), Tax Code.

*** "Taxable value" is defined by Section 1.04(10), Tax Code.

Bonded Indebtedness

Total amount of outstanding and unpaid bonded indebtedness* \$453,665,000

*Outstanding principal.

Comparison of Proposed Rates with Last Year's Rates

	<u>Maintenance & Operations</u>	<u>Interest & Sinking Fund*</u>	<u>Total</u>	<u>Local Revenue Per Student</u>	<u>State Revenue Per Student</u>
Last Year's Rate	\$0.942900	\$0.298969	\$1.241869	\$8,622	\$4,461
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	\$0.660880	\$0.291081	\$0.951961	\$6,882	\$6,210
Proposed Rate	\$0.766400	\$0.262187	\$1.028587	\$7,802	\$5,902

*The Interest & Sinking Fund tax revenue is used to pay for bonded indebtedness on construction, equipment, or both.

The bonds, and the tax rate necessary to pay those bonds, were approved by the voters of this district.

Comparison of Proposed Levy with Last Year's Levy on Average Residence

	<u>Last Year</u>	<u>This Year</u>
Average Market Value of Residences	\$214,410	\$233,567
Average Taxable Value of Residences	\$132,301	\$149,683
Last Year's Rate Versus Proposed Rate per \$100 Value	\$1.241869	\$1.028587
Taxes Due on Average Residence	\$1,643.01	\$1,539.62
Increase (Decrease) in Taxes		\$-103.39

Under state law, the dollar amount of school taxes imposed on the residence homestead of a person 65 years of age or older or of the surviving spouse of such a person, if the surviving spouse was 55 years of age or older when the person died, may not be increased above the amount paid in the first year after the person turned 65, regardless of changes in tax rate or property value.

Notice of Voter-Approval Rate: The highest tax rate the district can adopt before requiring voter approval at an election is \$1.028587. This election will be automatically held if the district adopts a rate in excess of the voter-approval rate of \$1.028587.

Fund Balances

The following estimated balances will remain at the end of the current fiscal year and are not encumbered with or by a corresponding debt obligation, less estimated funds necessary for operating the district before receipt of the first state aid payment.

Maintenance and Operations Fund Balance(s)	\$49,545,914
Interest & Sinking Fund Balance(s)	\$5,005,919

A school district may not increase the district's maintenance and operations tax rate to create a surplus in maintenance and operations tax revenue for the purpose of paying the district's debt service.

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

2023 Tax Rate Calculation Worksheet

Form 50-859

School Districts without Chapter 313 Agreements

Waco ISD	254-755-9440
School District's Name	Phone (area code and number)
PO Box 27 Waco, TX 76703	https://www.wacoisd.org
School District's Address, City, State, ZIP Code	School District's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll or certified estimate of value and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submit the rates to the governing body by Aug. 7 or as soon thereafter as practicable. Tax Code Section 26.04(e-1) does not require school districts to certify the tax rate calculations.

This worksheet is for **school districts without Chapter 313 agreements only**. School districts that have a Chapter 313 agreement should use Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School Districts with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do not use this form. Use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet*.

All other taxing units should use Comptroller Form 50-856 *Tax Rate Calculation, Taxing Units Other Than School Districts or Water Districts*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The Texas Education Agency (TEA) provides detailed information on and guidance to school districts in calculating their tax rates. Please review and rely on information provided by TEA when completing this worksheet. Additionally, the information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: No-New-Revenue Tax Rate

The no-new-revenue (NNR) tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of revenue if applied to the same properties that are taxed in both years (no new taxes). When appraisal values increase, the NNR tax rate should decrease.

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	2022 total taxable value. Enter the amount of 2022 taxable value on the 2022 tax roll today. Include any adjustments since last year's certification; exclude one-fourth and one-third over-appraisal corrections made under Tax Code Section 25.25(d) from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2). ¹	\$ 7,483,284,264
2.	2022 tax ceilings. Enter 2022 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. ²	\$ 821,247,949
3.	Preliminary 2022 adjusted taxable value. Subtract Line 2 from Line 1.	\$ 6,662,036,315
4.	2022 total adopted tax rate.	\$ 1.241869 /\$100
5.	2022 taxable value lost because court appeals of ARB decisions reduced 2022 appraised value.	
	A. Original 2022 ARB values: \$ 337,551,040	
	B. 2022 values resulting from final court decisions: - \$ 288,740,065	
	C. 2022 value loss. Subtract B from A. ³	\$ 48,810,975
6.	2022 taxable value subject to an appeal under Chapter 42, as of July 25.	
	A. 2022 ARB certified value: \$ 1,210,159,400	
	B. 2022 disputed value: - \$ 225,814,758	
	C. 2022 undisputed value. Subtract B from A. ⁴	\$ 984,344,642
7.	2022 Chapter 42-related adjusted values. Add Line 5 and 6.	\$ 1,033,155,617
8.	2022 taxable value, adjusted for actual and potential court-ordered adjustments. Add Line 3 and Line 7.	\$ 7,695,191,932
9.	2022 taxable value of property in territory the school deannexed after Jan. 1, 2022 Enter the 2022 value of property in deannexed territory. ⁵	\$ 0

¹ Tex. Tax Code § 26.012(14)
² Tex. Tax Code § 26.012(14)
³ Tex. Tax Code § 26.012(13)
⁴ Tex. Tax Code § 26.012(13)
⁵ Tex. Tax Code § 26.012(15)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
10.	2022 taxable value lost because property first qualified for an exemption in 2023 If the school district increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport goods-in-transit, or temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2023 does not create a new exemption or reduce taxable value.	
	A. Absolute exemptions. Use 2022 market value:	\$ 57,918,046
	B. Partial exemptions. 2023 exemption amount or 2023 percentage exemption times 2022 value:	+ \$ 740,550,250
	C. Value loss. Add A and B. ⁶	\$ 798,468,296
11.	2022 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2023. Use only properties that qualified in 2022 for the first time; do not use properties that qualified in 2022.	
	A. 2022 market value.	\$ 0
	B. 2023 productivity or special appraised value:	- \$ 0
	C. Value loss. Subtract B from A. ⁷	\$ 0
12.	Total adjustments for lost value. Add Lines 9, 10C and 11C.	\$ 798,468,296
13.	Adjusted 2022 taxable value. Subtract Line 12 from Line 8.	\$ 6,896,723,636
14.	Adjusted 2022 total levy. Multiply Line 4 by Line 13 and divide by \$100.	\$ 85,648,272
15.	Taxes refunded for years preceding tax year 2022. Enter the amount of taxes refunded by the district for tax years preceding tax year 2022. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2022. This line applies only to tax years preceding tax year 2022. ⁸	\$ 654,228
16.	Adjusted 2022 levy with refunds. Add Line 14 and Line 15. ⁹	
	Note: If the governing body of the school district governs a junior college district in a county with a population of more than two million, subtract the amount of taxes the governing body dedicated to the junior college district in 2022 from the result.	\$ 86,302,500
17.	Total 2023 taxable value on the 2023 certified appraisal roll today. This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in line 19). These homesteads include homeowners age 65 or older or disabled. ¹⁰	
	A. Certified values. ¹¹	\$ 9,087,109,844
	B. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property:	- \$ 0
	C. Total 2023 value. Subtract B from A.	\$ 9,087,109,844
18.	Total value of properties under protest or not included on certified appraisal roll. ¹²	
	A. 2023 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. ¹³	\$ 74,469,993
	B. 2023 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives school districts a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties are also not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value not on the roll. ¹⁴	+ \$ 0
	C. Total value under protest or not certified. Add A and B.	\$ 74,469,993
19.	2023 tax ceilings. Enter 2023 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. ¹⁵	\$ 618,926,268

⁶ Tex. Tax Code § 26.012(15)
⁷ Tex. Tax Code § 26.012(15)
⁸ Tex. Tax Code § 26.012(13)
⁹ Tex. Tax Code § 26.012(13)
¹⁰ Tex. Tax Code §§ 26.012, 26.04(c-2)
¹¹ Tex. Tax Code § 26.012(6)
¹² Tex. Tax Code § 26.01(c) and (d)
¹³ Tex. Tax Code § 26.01(c)
¹⁴ Tex. Tax Code § 26.01(d)
¹⁵ Tex. Tax Code § 26.012(6)(B)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
20.	2023 total taxable value. Add Lines 17C and 18C. Subtract Line 19.	\$ 8,542,653,569
21.	Total 2023 taxable value of properties in territory annexed after Jan. 1, 2023. Include both real and personal property. Enter the 2023 value of property in territory annexed by the school district.	\$ 0
22.	Total 2023 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2022. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the school district after Jan. 1, 2022, and be located in a new improvement.	\$ 168,966,386
23.	Total adjustments to the 2023 taxable value. Add lines 21 and 22.	\$ 168,966,386
24.	Adjusted 2023 taxable value. Subtract line 23 from line 20.	\$ 8,373,687,183
25.	2023 NNR tax rate. Divide line 16 by line 24 and multiply by \$100.	\$ 1.030639 /\$100

SECTION 2: Voter-Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. Most school districts calculate a voter-approval tax rate that is split into three separate rates.¹⁸

- Maximum Compressed Tax Rate (MCR):** A district’s maximum compressed tax rate is defined as the tax rate for the current tax year per \$100 of valuation of taxable property at which the district must levy a maintenance and operations tax to receive the full amount of the tier one allotment.¹⁹
- Enrichment Tax Rate :**²⁰ A district’s enrichment tax rate is defined as any tax effort in excess of the district’s MCR and less than \$0.17. The enrichment tax rate is divided into golden pennies and copper pennies. School districts can claim up to 8 golden pennies, not subject to compression, and 9 copper pennies which are subject to compression with any increases in the guaranteed yield.²¹
- Debt Rate:** The debt rate includes the debt service necessary to pay the school district’s debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The MCR and Enrichment Tax Rate added together make up the school district’s maintenance and operations (M&O) tax rate. Districts cannot increase the district’s M&O tax rate to create a surplus in M&O tax revenue for the purpose of paying the district’s debt service.²²

If a school district adopted a tax rate that exceeded its voter-approval tax rate without holding an election to respond to a disaster in the prior year, as allowed by Tax Code Section 26.042(e), the school district may not consider the amount by which it exceeded its voter-approval tax rate (disaster pennies) in the calculation this year. This adjustment will be made in Section 4 of this worksheet.

A district must complete an efficiency audit before seeking voter approval to adopt a M&O tax rate higher than the calculated M&O tax rate, hold an open meeting to discuss the results of the audit, and post the results of the audit on the district’s website 30 days prior to the election.²³ Additionally, a school district located in an area declared a disaster by the governor may adopt a M&O tax rate higher than the calculated M&O tax rate during the two-year period following the date of the *declaration without conducting an efficiency audit*.²⁴

Districts should review information from TEA when calculating their voter-approval tax rate.

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
26.	2023 maximum compressed tax rate (MCR). TEA will publish compression rates based on district and statewide property value growth. Enter the school districts’ maximum compressed rate based on guidance from TEA. ²⁵	\$ 0.628100 /\$100
27.	2023 enrichment tax rate. Enter the greater of A and B. ²⁶	\$ 0.138300 /\$100
	A. Enter the district’s 2022 enrichment tax rate, minus any required reduction under Education Code Section 48.202(f)	0.138300 \$ 0.0500 /\$100
	B. \$0.05 per \$100 of taxable value	\$ /\$100
28.	2023 maintenance and operations (M&O) tax rate. Add Lines 26 and 27. Note: M&O tax rate may not exceed the sum of \$0.17 and the district’s maximum compressed rate. ²⁷	\$ 0.766400 /\$100

¹⁶ [Reserved for expansion]
¹⁷ [Reserved for expansion]
¹⁸ Tex. Tax Code §26.08(n)
¹⁹ Tex. Edu. Code §48.2551(a)(3)
²⁰ Tex. Tax Code §26.08(j) and Tex. Edu. Code §45.0032
²¹ Tex. Edu. Code §548.202(a-1)(2) and 48.202(f)
²² Tex. Edu. Code §45.0021(a)
²³ Tex. Edu. Code §11.184(b)
²⁴ Tex. Edu. Code §11.184(b-1)
²⁵ Tex. Edu. Code §548.255, 48.2551(b)(1) and (b)(2)
²⁶ Tex. Tax Code §26.08(n)(2)
²⁷ Tex. Edu. Code §45.003(e)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
29.	<p>Total 2023 debt to be paid with property tax revenue. Debt means the interest and principal that will be paid on debts that:</p> <ul style="list-style-type: none"> (1) Are paid by property taxes; (2) Are secured by property taxes; (3) Are scheduled for payment over a period longer than one year; and (4) Are not classified in the school district’s budget as M&O expenses. <p>A. Debt includes contractual payments to other school districts that have incurred debt on behalf of this school district, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2022, verify if it meets the amended definition of debt before including it here.</p> <p>Enter debt amount: \$ <u>25,574,742</u></p> <p>B. Subtract unencumbered fund amount used to reduce total debt. - \$ <u>0</u></p> <p>C. Subtract state aid received for paying principal and interest on debt for facilities through the existing debt allotment program and/or instructional facilities allotment program. - \$ <u>2,359,589</u></p> <p>D. Adjust debt: Subtract B and C from A. \$ <u>23,215,153</u></p>	
30.	Certified 2022 excess debt collections. Enter the amount certified by the collector. ²⁹	\$ <u>817,356</u>
31.	Adjusted 2023 debt. Subtract line 30 from line 29D.	\$ <u>22,397,797</u>
32.	<p>2023 anticipated collection rate. If the anticipated rate in A is lower than actual rates in B, C and D, enter the lowest rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%.³⁰</p> <p>A. Enter the 2023 anticipated collection rate certified by the collector.³¹ <u>100.00</u> %</p> <p>B. Enter the 2022 actual collection rate <u>103.00</u> %</p> <p>C. Enter the 2021 actual collection rate <u>98.00</u> %</p> <p>D. Enter the 2020 actual collection rate <u>106.00</u> %</p> <p style="text-align: right;"><u>100.00</u> %</p>	
33.	<p>2023 debt adjusted for collections. Divide Line 31 by Line 32.</p> <p>Note: If the governing body of the school district governs a junior college district in a county with a population of more than two million, add the amount of taxes the governing body proposes to dedicate to the junior college district in 2022 to the result.</p>	\$ <u>22,397,797</u>
34.	2023 total taxable value. Enter the amount on Line 20 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>8,542,653,569</u>
35.	2023 debt rate. Divide Line 33 by Line 34 and multiply by \$100.	\$ <u>0.262187</u> /\$100
36.	<p>2023 voter-approval tax rate. Add Lines 28 and 35.</p> <p>If the school district received distributions from an equalization tax imposed under former Chapter 18, Education Code, add the NNR tax rate as of the date of the county unit system’s abolition to the sum of Lines 28 and 35.³²</p>	\$ <u>1.028587</u> /\$100

SECTION 3: Voter-Approval Tax Rate Adjustment for Pollution Control

A school district may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The school district’s expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The school district must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a school district that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
37.	<p>Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ.³³ The school district shall provide its tax assessor with a copy of the letter.³⁴</p>	\$ <u>0</u>

²⁸ Tex. Tax Code § 26.012(7)
²⁹ Tex. Tax Code §§26.012(10) and 26.04(b)
³⁰ Tex. Tax Code §§26.04(h), (h-1) and (h-2)
³¹ Tex. Tax Code §26.04(b)
³² Tex. Tax Code §26.08(g)
³³ Tex. Tax Code § 26.045(d)
³⁴ Tex. Tax Code § 26.045(i)

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
38.	2023 total taxable value. Enter the amount on Line 20 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>8,542,653,569</u>
39.	Additional rate for pollution control. Divide line 37 by line 38 and multiply by \$100.	\$ <u>0</u> /\$100
40.	2023 voter-approval tax rate, adjusted for pollution control. Add line 36 and line 39.	\$ <u>1.028587</u> /\$100

SECTION 4: Voter-Approval Tax Rate Adjustment in Year Following Disaster

If a school district adopted a tax rate that exceeded its voter-approval tax rate without holding an election to respond to a disaster in the prior year, as allowed by Tax Code Section 26.042(e), the school district may not consider the amount by which it exceeded its voter-approval tax rate in the calculation this year. ³⁵ As such, it must reduce its voter-approval tax rate for the current tax year.

This section applies to a school district in a disaster area that adopts a tax rate greater than its voter-approval tax rate without holding an election in the prior year, as provided for by Tax Code Section 26.042(e).

Line	Prior Year Disaster Adjustment Worksheet	Amount/Rate
41.	2022 adopted tax rate. Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>1.241869</u> /\$100
42.	2022 voter-approval tax rate. If the school district adopted a tax rate above the 2021 voter-approval tax rate without holding an election due to a disaster, enter the voter-approval tax rate from the prior year's worksheet.	\$ <u>0</u> /\$100
43.	Increase in 2022 tax rate due to disaster (disaster pennies). Subtract Line 42 from Line 41.	\$ <u>0</u> /\$100
44.	2023 voter-approval tax rate, adjusted for prior year disaster. Subtract Line 43 from one of the following lines (as applicable): Line 36 or Line 40 (school districts with pollution control).	\$ <u>1.028587</u> /\$100

SECTION 5: Total Tax Rate


Indicate the applicable total tax rates as calculated above.

No-New-Revenue Tax Rate.....	\$ <u>1.030639</u> /\$100
Enter the 2023 NNR tax rate from Line 25.	
Voter-Approval Tax Rate.....	\$ <u>1.028587</u> /\$100
As applicable, enter the 2023 voter-approval tax rate from Line 36, Line 40 or Line 44. Indicate the line number used: <u>36</u>	

SECTION 6: School District Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the school district. By signing below, you certify that you are the designated officer or employee of the school district and have calculated the tax rates in accordance with requirements in Tax Code and Education Code. ³⁶

print here → Randy H Riggs
 Printed Name of School District Representative

sign here → 
 School District Representative

Date 8-3-23

³⁵ Tex. Tax Code §26.042(f) and Tex. Edu. Code § 45.0032(d)
³⁶ Tex. Tax Code §26.04(c)

Waco Independent School District

Board of Trustee Meeting Agenda Item

Date: August 10, 2023

Contact Person: Gloria Barrera

RE: Consider, Discuss and Take Appropriate Action Regarding Allowance Expenditure Authorization#9 Waco High School

=====

Background Information:

When Guaranteed Maximum Price #2 for Waco High School was approved by the Board of Trustees on September 29, 2022, it included a deductive allowance in the amount of \$8,444,536. Roger’s O’Brien included this deductive allowance to bring the GMP#2 within the District’s budget allocation for the project. At the time of GMP approval, O’Connell Robertson and Waco ISD Administration had identified significant cost reduction items but there had not been time to finalize and re-price these design modifications.

These modifications included shifting the location of the CTE wing towards Trice St. to allow for the early demolition of the existing Performing Arts Center, moving the Central Utility Plant next to the CTE wing and modification of the classroom wing to reduce exterior wall area and building size as well as many other cost reduction suggestions that were developed by the project team. These changes were issued by O’Connell Robertson in Proposal Request #8 which was issued last spring.

Rogers O’Brien worked with their trade partners to revise their proposals to include all of these cost reduction items. The end result is Allowance Expenditure Authorization (AEA) #9 that applies this cost savings to the deductive allowance.

The Administration is requesting approval of AEA #9 to officially document that the cost reduction goal has been achieved and the required design modifications have been made and incorporated into the project.

Fiscal Implications

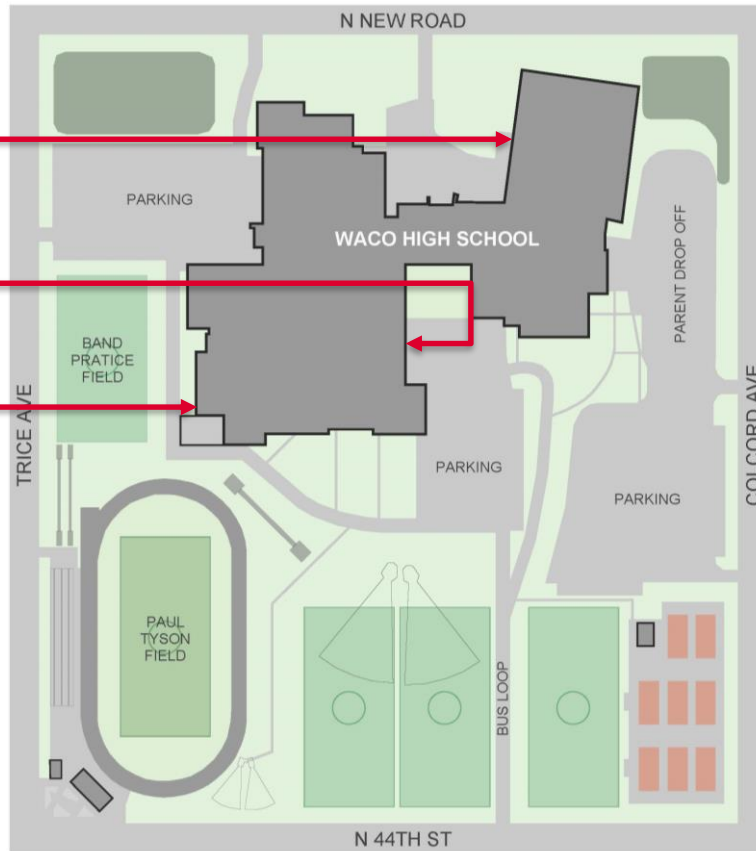
This does not increase the Guaranteed Maximum Price for the project or change the project schedule.

Administrative Recommendation(s):

Approve the Allowance Expenditure #9 (AEA) to reconcile cost reductions and design modifications and authorize the Superintendent to execute the AEA

Path to Budget: Value Management + Plan Modifications

- More efficient, simplified classroom layout
- Building shift to accommodate a single phase of construction
- Central Utility Plant integrated into building footprint
- Additional Value Management reductions in non-programmatic building components.



Single Phase Shift – CUP Location – Classroom Plan Modifications – VM Integration



ALLOWANCE EXPENDITURE AUTHORIZATION (AEA)

WACO ISD

ALLOWANCE FUND: OWNER CONTINGENCY

Construction Department

Date: 8/1/23

Project: Replacement Waco High School

AEA#: 9

To: Rogers-O'Brien Construction

Re: PCO # 1018 & PCO 1020 and Buyout Savings

You are authorized to perform the following item(s) of work and to adjust the Allowance Sum accordingly:

- PCO# 1018 PR008 Revisions - (\$803,318.72)
PCO # 1020 Misc VE and Substitution Request - \$(81,546.20)
Total Buyout Savings from GMP01 to Transfer to VE Management - \$(1,175,000.36)
Total Buyout Savings from GMP02 to Transfer to VE Management - \$(6,384,670.72)

THIS IS NOT A CHANGE ORDER AND DOES NOT INCREASE OR DECREASE THE CONTRACT AMOUNT OR CONTRACT TIME

Table with 2 columns: Description, Amount. Rows include Beginning Allowance Balance (8,444,536.00), Allowance Expenditures prior to this Authorization (-), Allowance will be Decreased by this Authorization (8,444,536.00), *amounts that increase allowance should be shown as negative, and New Allowance Balance (\$0.00).

O'Connell Robertson ARCHITECT (Firm name)

Rogers-O'Brien Construction CONTRACTOR

Waco ISD OWNER (Firm name)

Handwritten signature of architect

Handwritten signature of contractor

SIGNATURE

SIGNATURE

SIGNATURE

Jaiy Braulick, CA PRINTED NAME AND TITLE

John Eggeling, Senior PM PRINTED NAME AND TITLE

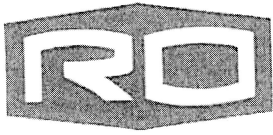
Dr. Susan Kincannon, Superintendent PRINTED NAME AND TITLE

8/1/2023 DATE

8/01/2023 DATE

DATE

- Attachments
Current AEA Log
PCO's



Rogers-O'Brien CONSTRUCTION

PCO #1018

Rogers-O'Brien Construction
3901 S Lamar Boulevard Suite 200
Austin, Texas 78704
Phone: (512) 486-3800
Fax: (512) 486-3701

Project: 212053 - Waco High School
2020 N 42nd Street
Waco, Texas 76710

CE #028 - PR008

TO:	Waco Independent School District 501 Franklin Avenue Waco, Texas 76701	DATE:	6/7/2023
PCO NUMBER/REVISION:	1018 / 0	TOTAL AMOUNT:	\$0.00
SCHEDULE IMPACT:			

POTENTIAL CHANGE ORDER DESCRIPTION:

CE #028 - PR008

Cost changes per PR008.

The following trades will have No Cost associated with PR008: Alpha Insulation & Waterproofing (Insulation & Fireproofing), Brit-Tex Plastering (EIFS), H2i Group (Lab Equipment), Houston Steel Equipment (Metal Lockers), Johnson & Sons (Epoxy Flooring), NEI (Low Voltage), Rubber Flooring Systems (Performance Floors), SFS Security Fire Systems (Fire Suppression), TFE Connect (Audio Visual), Texas Scenic (Theater Equipment).

The following trades have already incorporated PR008 in their base bid and contract values: RPC savings of \$(96,552.00), Anton Cabinetry (Millwork) adder of \$4,995.00; The Kitchen Guys (Kitchen Equipment) deduct of \$(2,840.08); Brazos Masonry (Masonry) deduct of \$(128,700.00); Choate (Landscaping) adder \$17,498.00.

The following items will be committed to through PR 008 for GMP 02 Courtyard - site paving with buyout savings of \$(747,150.00), site retaining walls adder of \$504,584.00 = additional totals savings of \$(242,566.00).

This excludes all civil work associated with this PR 008 due to PR 012 issuance, all costs associated with site utilities, site paving, and site earthwork will be submitted with PR 012.

This excludes the radius channel drain shown in landscaping at the Courtyard 1 area, this is currently being clarified, priced, and will be handled separately if the design still wants to incorporate it.

This excludes any cost to provide and install non-slip stair tread inserts, this will be addressed through the RFI process to clarify intent and provide a specified product to use.

ATTACHMENTS:

#	Subcontractor	Description	Amount
✓1	ModernCrete Concrete Design	Polished Concrete	\$(849.00)
✓2	Auzmet Architectural	Metal Wall Panels	\$(127,492.00)
✓3	Alamo Structural Steel, LLC	Structural Steel	\$(376,006.00)
✓4	AVAdek	Canopies	\$10,500.00
✓5	Bell County Glass Company, Inc.	Glass and Glazing	\$(151,030.00)
✓6	Cherry Painting Company, Inc.	Painting	\$117,061.00
✓7	Leland Collier Electric Co.	Electrical	\$(152,672.72)
✓8	Flooring Solutions, Inc.	Carpet	\$4,731.00
✓9	GQ Tile Co.	Tile	\$(7,347.00)
✓10	Handrail Design, Inc	Handrails	\$(13,935.00)
✓11	H & H Doors & Hardware	Doors and Hardware	\$(49,907.00)
✓12	Lasco Acoustics & Drywall-Austin, Inc.	Gypsum Board	\$(110,754.00)
✓13	Lochridge-Priest Inc.	Plumbing	\$299,357.00
✓14	Lochridge-Priest Inc.	HVAC	\$(295,960.00)
✓15	L.S. Decker, Inc. Hou	Waterproofing	\$(29,785.00)
✓16	Vogler Sheetmetal Company, Inc	Sheet Metal	\$65,270.00
17		PR008	\$803,318.72
18		PR008 Review	\$15,500.00

Waco Independent School District

Board of Trustee Meeting Agenda Item

Date: August 10, 2023

Contact Person: Gloria Barrera

RE: Consider, Discuss and Take Appropriate Action Regarding Approval of Allowance Expenditure Authorization #10 for Waco High School

=====

Background Information:

The Guaranteed Maximum Price #2 for Waco High School approved by the Board on September 29, 2022, included an owner’s contingency allowance to address unforeseen expenses.

AEA#10 for Waco High School includes costs associated for required changes to the civil documents by the City of Waco. Changes occurred after the plans were priced by Rogers O’Brien.

O’Connell Robertson’s engineer and district personnel have reviewed the proposed cost and find it to be acceptable.

Fiscal Implications

Funding for the additional \$114,614.48 in costs associated with this change will come from the Owner’s Contingency Allowance included in the project contract. This does not increase the Guaranteed Maximum Price for the project or change the project schedule.

Administrative Recommendation(s):

Approve the Allowance Expenditure Authorization (AEA)#10 for costs associated with changes to Waco High School’s civil plans and authorize the Superintendent to execute the AEA.



ALLOWANCE EXPENDITURE AUTHORIZATION (AEA)

WACO ISD
Construction Department
Date: 7/31/2023

ALLOWANCE FUND: OWNER CONTINGENCY

Project: Replacement Waco High School

AEA#: 10

To: Rogers-O'Brien Construction

Re: PCO #1022

You are authorized to perform the following item(s) of work and to adjust the Allowance Sum accordingly:

PCO #1022 - PR012 Civil Updates - \$114,614.48

*Cost deducted from GMP02 Owner Contingency

THIS IS NOT A CHANGE ORDER AND DOES NOT INCREASE OR DECREASE THE CONTRACT AMOUNT OR CONTRACT TIME

Table with 2 columns: Description, Amount. Rows include Beginning Allowance Balance (1,002,236.00), Allowance Expenditures prior to this Authorization (-), Allowance will be Decreased by this Authorization (114,614.48), *amounts that increase allowance should be shown as negative, and New Allowance Balance (887,621.52).

O'Connell Robertson
ARCHITECT (Firm name)

Rogers-O'Brien Construction
CONTRACTOR

Waco ISD
OWNER (Firm name)

Handwritten signature of architect

Handwritten signature of contractor

SIGNATURE

SIGNATURE

SIGNATURE

Jaiy Braulick, CA
PRINTED NAME AND TITLE

John Eggeling, Senior Project Manager
PRINTED NAME AND TITLE

Dr. Susan Kincannon, Superintendent
PRINTED NAME AND TITLE

7/31/2023
DATE

7/31/2023
DATE

DATE

Attachments
Current AEA Log
PCO's



Rogers-O'Brien CONSTRUCTION

PCO #1022

Rogers-O'Brien Construction
3901 S Lamar Boulevard Suite 200
Austin, Texas 78704
Phone: (512) 486-3800
Fax: (512) 486-3701

Project: 212053 - Waco High School
2020 N 42nd Street
Waco, Texas 76710

CE #037 - PR012 Civil Update

TO:	Waco Independent School District 501 Franklin Avenue Waco, Texas 76701	DATE:	6/29/2023
PCO NUMBER/REVISION:	1022 / 0	TOTAL AMOUNT:	\$0.00
SCHEDULE IMPACT:			

POTENTIAL CHANGE ORDER DESCRIPTION:

CE #037 - PR012 Civil Update
Costs related to PR012

Elarco has confirmed they will be no additional costs associated with this PR.

This pricing excludes concrete paving at the parking lot south side of the dumpster enclosure as that will be handled separately via RFI due to the excessive cost of it. RO is recommending changing that section back to asphalt.

Owner contingency to be used due to the majority of the additional cost of work incorporates the City of Waco Public works comments.

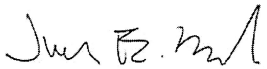
ATTACHMENTS:

#	Subcontractor	Description	Amount
1	Mechell Contracting, LLC	Site Utilities	\$50,579.54
2	Tri-C Contracting, LLC	Concrete Paving	\$64,034.94
3		Owner Contingency	\$(114,614.48)
Grand Total:			\$0.00

(O'Connell Robertson)
811 Barton Springs Rd, Suite 900
Austin, Texas 78704

Waco Independent School District
501 Franklin Avenue
Waco, Texas 76701

Rogers-O'Brien Construction Company
1901 Regal Row
Dallas, Texas 75235

 July 14, 2023
SIGNATURE DATE

 7/18/23
SIGNATURE DATE

 6/30/23
SIGNATURE DATE

Waco Independent School District

Board of Trustee Meeting Agenda Item

Date: August 10, 2023

Contact Person: Gloria Barrera

RE: Consider, Discuss and Take Appropriate Action Regarding Allowance Expenditure Authorization #5 Tennyson Middle School

=====

Background Information:

When CORE’s contract for Tennyson Middle School was approved by the Board in November 2022, it included a deductive value engineering allowance in the amount of \$582,000. CORE included this deductive allowance to bring the contract amount within the district’s budget allocation for the project. At that time, O’Connell Robertson and the district had identified significant cost reduction items but there had not been time to finalize and re-price those items.

CORE has worked with trade partners to include all of these cost reduction items. The end result is Allowance Expenditure Authorization (AEA) #5 that applies cost savings to the deductive allowance and returns an additional \$285,308 in cost savings to the project. These savings may be used to offset the cost of alternates or other items as the project progresses.

The Administration is requesting approval of AEA #5 to document the cost reduction and accept the additional \$285,308 in savings.

Fiscal Implications

This does not increase the Guaranteed Maximum Price for the project or change the project schedule. However, the owner’s contingency allowance will be increased by \$285,308.

Administrative Recommendation(s):

Approve the Allowance Expenditure Authorization #5 (AEA) to reconcile cost reductions and authorize the Superintendent to execute the AEA.



ALLOWANCE EXPENDITURE AUTHORIZATION (AEA)

WACO ISD
Construction Department

ALLOWANCE FUND: VE Target

Date: 07/28/2023

Project: Tennyson Middle School AEA#: 005

To: CORE Construction

Re: VE Credit 1

You are authorized to perform the following item(s) of work and to adjust the Allowance Sum accordingly:

PCO 22 **VE Credit 1**

THIS IS NOT A CHANGE ORDER AND DOES NOT INCREASE OR DECREASE THE CONTRACT AMOUNT OR CONTRACT TIME

Beginning Allowance Balance	\$ (582,000.00)
Allowance Expenditures prior to this Authorization	\$ -
Allowance will be Increased/(Decreased) by this Authorization	\$ 867,308.00
New Allowance Balance	\$ 285,308.00

O'Connell Robertson
ARCHITECT (*Firm name*)

CORE Construction
CONTRACTOR

Waco ISD
OWNER (*Firm name*)

Travis Lowe

Isaiah Unruh

SIGNATURE

SIGNATURE

SIGNATURE

Travis Lowe, CA

Isaiah Unruh, Project Manager

Dr. Susan Kincannon, Superintendent

PRINTED NAME AND TITLE

PRINTED NAME AND TITLE

PRINTED NAME AND TITLE

7/28/2023

07/28/2023

DATE

DATE

DATE

DATE



6320 Research Rd.
Frisco, TX 75033
T 972.668.9340

June 29th, 2023

Kevin Hafer
Waco ISD

Re: **PCO 022 - VE Credit 01**
Tennyson Middle School

Mr. Hafer,

The Value Engineering items indicated on the attached log and their respective prices have been accepted by WISD in consideration of recommendations provided by the Architect (O'Connell Robertson). We recommend this credit be applied to the below allowance.

VE Credit 01

(\$867,308.00)

If you have any questions regarding this Proposed Change Request call me at your earliest convenience.

Respectfully,

Isaiah Unruh

Fravis Lowe 6/29/23
Architect Review Date

- Owner Contingency
- Escalation Contingency
- VE Savings

K24 7/7/23
Owner Review Date



Value Engineering Log

Waco ISD Tennyson MS

6/6/2023

DESCRIPTION	Submittal or PR	TOTAL	STATUS	COMMENTS
Reduce walk pad quantities		(\$14,700)	Accepted	Accepted by OCR and WISD
Canopy reduction near weightroom		(\$32,525)	Accepted	Accepted by OCR and WISD
Only Quarry Tile to receive Epoxy Grout, other tile to receive High Performance Grout		(\$83,201)	Accepted	Accepted by OCR and WISD
Aux gym 3rds, Main gym 3rds at perimeter, 2nd at main floor.		(\$7,000)	Accepted	Accepted by OCR and WISD
Weight Room rubber flooring	PR 19	(\$9,816)	Accepted	Accepted by OCR and WISD
Alternate Fabric for AWP panels- J&E (No additional resizing credit ^)		(\$9,000)	Accepted	Accepted by OCR and WISD
1" Direct attached Tectum system ILO Finale- J&E	PR 5	(\$6,300)	Accepted	Accepted by OCR and WISD
Alternate ACT - Rockfon Education Standard		(\$101,000)	Accepted	Accepted by OCR and WISD
Deduct To furnish and install schedule 40 PVC for Storm Drain System above floor in lieu of cast iron no-hub.		(\$75,000)	Accepted	Accepted by OCR and WISD
Does not include Area-C- Rabroker		(\$11,875)	Accepted	Accepted by OCR and WISD
Delete redundant VFDs for S&HP & SHWP pumps- Rabroker	PR 5	(\$19,428)	Accepted	Accepted by OCR and WISD
Furnish air separator only in lieu of air/dirt separator for both chilled and heating water systems- Rabroker		(\$25,104)	Accepted	Accepted by OCR and WISD
Furnish individual SS flue in lieu of common flue system at boiler skid- Rabroker		(\$5,985)	Accepted	Accepted by OCR and WISD
Furnish ODP motors in lieu of TEFC at indoor pumps- Rabroker	PR 5	(\$25,650)	Accepted	Accepted by OCR and WISD
Furnish direct fired MPUs in lieu of IBT at CaptiveAire MAUs- Rabroker	PR 5	(\$206,697)	Accepted	Accepted by OCR and WISD
Defer 225-ton chiller	PR 11R			
Consolidate boilers and go to stick-built (remove packaged skid) - go from (4) 2000 MBH boilers with spot for (3) 2500 MBH boilers with spot for a fourth; lay out around fully Contractor-built components in lieu of packaged skid.				
Consolidate secondary heating water pumps and go to stick-built (remove packaged skid) - go from (3) 15-HP pumps with spot for a fourth to (2) 20-HP pumps (same end-suction type and model) with spot for a third; lay out around fully Contractor-built components in lieu of packaged skid.	PR 5	(\$56,459)	Accepted	Accepted by OCR and WISD
Consolidate chilled water pumps and go to stick-built (remove packaged skid) - go from (3) 50-HP pumps with a spot for a fourth to (2) 75-HP pumps (same end-suction type and model) with a spot for a third; lay out around fully Contractor-built components in lieu of packaged skid.				
Allow EMT homeruns with MC cable for branch wiring and power		(\$62,000)	Accepted	Accepted by OCR and WISD
Aluminum wire sizes #1 and larger except at chiller connections		(\$36,174)	Accepted	Accepted by OCR and WISD
Allow use of steel set screw in lieu of steel compression ONLY at dry areas		(\$20,000)	Accepted	Accepted by OCR and WISD
Use fiberglass elbows ILO tape wrapped rigid	PR 5	(\$18,000)	Accepted	Accepted by OCR and WISD
Wireless Lighting Controls		(\$39,394)	Accepted	Accepted by OCR and WISD
TOTAL VE Savings		(\$867,308)		