



318,000
30,000
404,188
76,681
7,024,466
431,087
234,370
170,112
2,072
<b>IFIED TOTALS</b>
<b>LE ELM ISD</b>
<b>d Totals</b>
Value
533,875,047
293,500

# Little Elm ISD

## 2017 -18 Budget Hearing

Grant Anderson, Assistant Superintendent of Finance and Operations

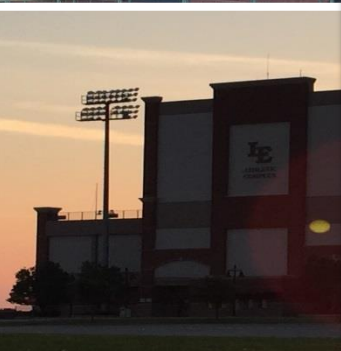
August 21, 2017  
6:00 PM

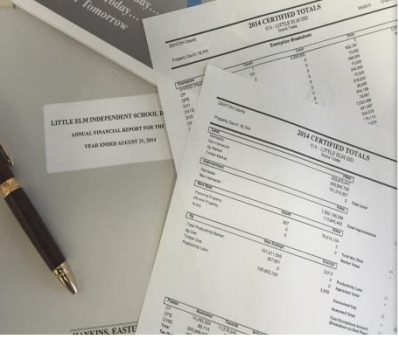
<b>HANKINS, EASTU</b>			
Freeze	Assessed	Taxable	Actual
DP			
DPS	14,492,304		
OV65	89,114	11,578,345	
Total	343,949,075	64	
Tax Rate	358		
3,808	Appraised Value		(-)
	Homestead Cap		=
	Assessed Value		(-)
	Total Exemptions Amount		=
	(Breakdown on Next Page)		(-)
			2,64



## Budget based on Current Tax Rate

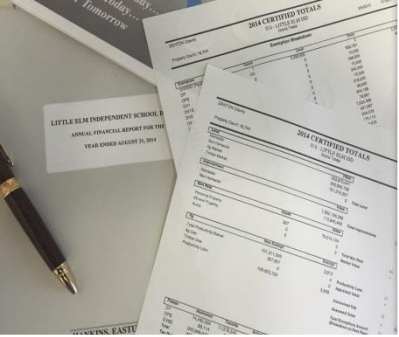
- The 2017-18 proposed budget is based on maintaining the Maintenance and Operations tax rate at \$1.17 and Debt Service tax rate at \$.37. This keeps the overall tax rate at \$1.54 for the 8<sup>th</sup> year in a row.





# Budget Facts

- The 2017-18 M&O proposed budget is a balanced budget. The overall budget reflects an 8% increase (\$4.9 million) from 2016-17's initial board approved budget.
- Little Elm ISD budgets to revenue
  - ✓ The state allocates funding based on a funding formula. This formula calculates how much state funding LEISD will receive.
  - ✓ LEISD is a fast growth school district and is under heavy budgetary pressures due to adding 150-300 new students each year. Over the past 5 years LEISD's student enrollment has increased over 1,100 students.
  - ✓ The proposed balanced budget is a product of ongoing instructional need assessment and prioritization.



# Budget Facts - Revenue

- 92% of LEISD's M&O revenue is generated from state funding formula and property tax collections.

## Two major Revenue drivers:

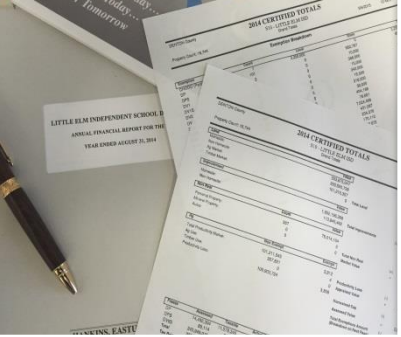
Property Values  
(\$2.8 to \$3.3 billion)

major factor – tax rate & collections

Enrollment  
(7,371 to estimated 7,519 students)

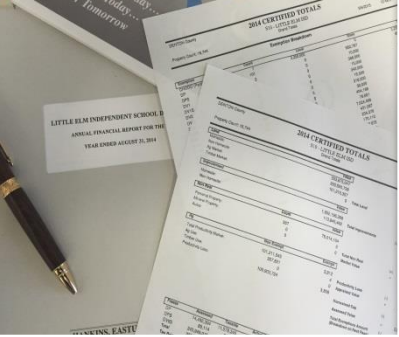
major factor – state funding formula





# Budget Facts - Appropriations

- 77.2% of LEISD's M&O appropriations are allocated for payroll costs.
- 77% of LEISD's M&O appropriations are budgeted at the school campus level.
- 14% of LEISD's M&O appropriations are budgeted in maintaining the schools, custodians, technology, and safety and security.
- Administration and support service functions are held flat at 5% of total budget.
- General fund debt payments, county appraisal district fees and chapter 41 recapture to equalize wealth payments make up the other 4% of the M&O budget.



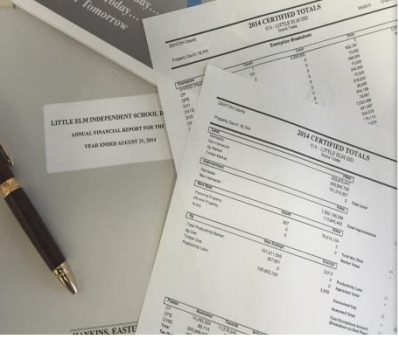
# Budget Facts - Appropriations

Appropriations increase \$4.9 million from 2016-17's initial budget to the 2017-18 proposed budget. \$3.2 million is for Payroll and payroll related costs. This is mainly due to:

- 1) \$820 thousand required TRS on-behalf of entry to reflect the state's contribution to TRS. This is a book entry only and offset by a book entry to revenue. This does not impact cash.
- 2) 2% raise for all staff based on the criteria discussed at the July 2017 board meeting. The administration will recommend the board approve the 2% raise at the August 21, 2017 regular board meeting.

Prior Board Approval:

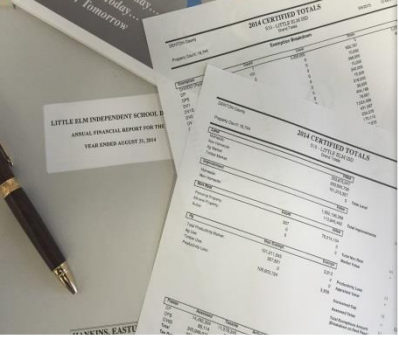
- 3) Additional \$312 per year health insurance contribution.
- 4) Increase starting teacher salary from \$48,000 to \$50,000.
- 5) Additional 14 positions for 2017-18 school year.



# Budget Facts - Appropriations

Other major changes in appropriations:

- Professional and Contracted Services increased \$880 thousand from budget increases for contracts including educational consultants (LINK), student transportation, and utilities.
- Supplies and Materials budget decreased \$350 thousand through cost containment at the departmental level.
- Capital Outlay increased \$580 thousand dollars mainly for costs associated with on-going renovation projects.
- Chapter 41 State Recapture to equalize wealth. LEISD is projecting \$500,000 in recapture to the state.

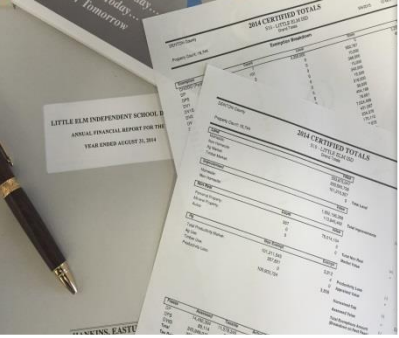


**2017-18 Additional Funding Recap from initial 2016-17 Budget**

Major Increases in Payroll Budget	Major Costs	Revenue Balance
<b>Additional Revenue</b>		<b>\$4,900,000</b>
TRS on-behalf of entry	\$820,000	
2% employee raise for 2017-18 (no raise in 2016-17)	\$880,000	
Additional health insurance contribution	\$170,000	
Increase teacher starting pay and steps	\$107,000	
14 new Positions for 2017-18 school year	\$840,000	
New Positions added during 2016-17 school year	\$383,000	
<b>Total Increase in Payroll Budget:</b>	<b>\$3,200,000</b>	<b>\$1,700,000</b>

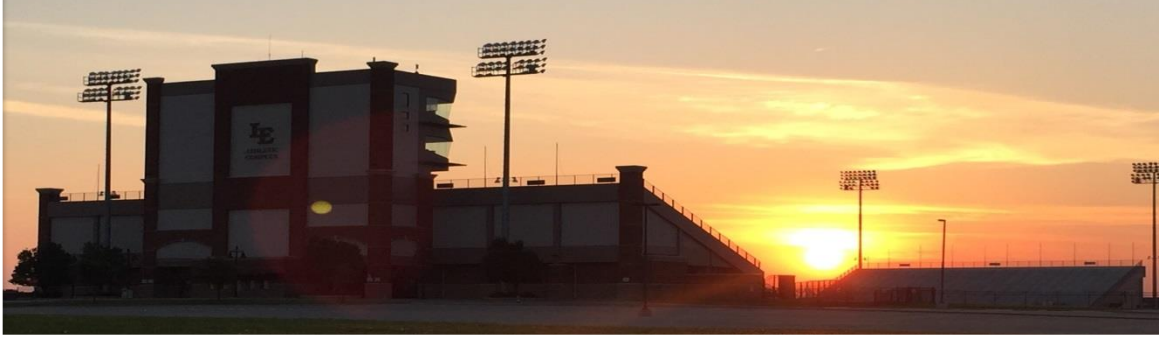
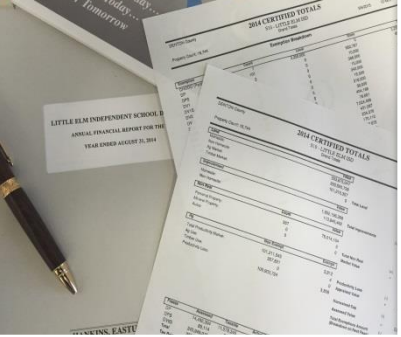
This chart does not detail all the changes in payroll. There are other additional costs which were offset by decreases in line item payroll expenditures.





2017-18 Additional Funding Recap from initial 2016-17 Budget

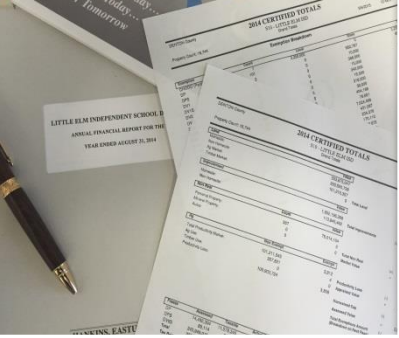
Major Increases in Non-Payroll Budget	Major Costs	Revenue Balance
Revenue available for non-payroll budget		\$1,700,000
Chapter 41 state recapture to equalize wealth	\$500,000	
Student Transportation Costs	\$410,000	
Educational Contracted Services (LINK, MyOn)	\$230,000	
General Fund debt payments	\$200,000	
Safety & Security	\$130,000	
*Decrease in materials and supplies	(\$350,000)	
Capital Outlay and renovations	\$580,000	
<b>Total Increase in Non-Payroll Budget:</b>	<b>\$1,700,000</b>	<b>- 0 -</b>



# Budget Facts – Major Key Indicator

Major Key Indicator: Major revenue to Payroll ratio

- ✓ Major Revenue: 92% of LEISD's M&O revenue is generated from state funding formula and property tax collections.
- ✓ Major Cost: 78.49% of LEISD's major revenue appropriations are allocated for payroll costs.



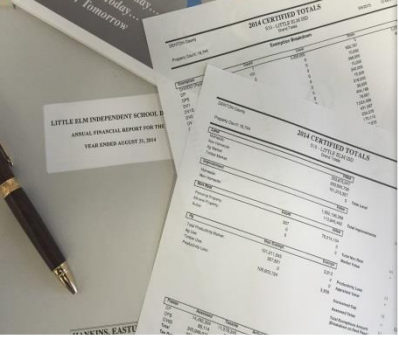
# Budget Facts – Budgeting to Revenue

Historical Key Indicator: LEISD's Payroll to Major Revenue.

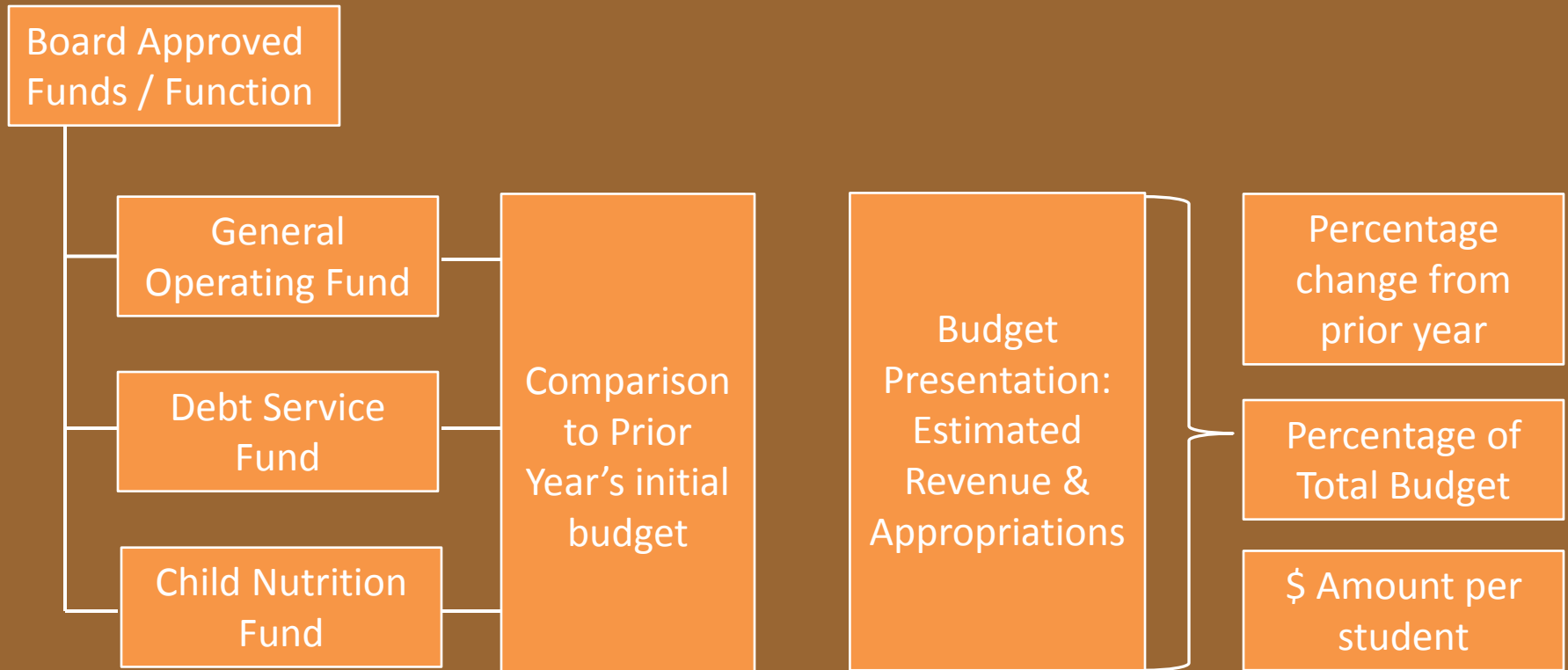


	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Budget	2017-18 Budget
Payroll to Major Revenue	79.52%	76.22%	76.02%	79.46%	78.49%
Budgetary Surplus/(Deficit)	*( <b>\$1.7 million</b> )	1.6 million	\$3.8 million	( <b>\$3.7 million</b> )	-\$0-

\*2013-14 backing out insurance recovery and tax maintenance note as other revenue source.



# Budget Map



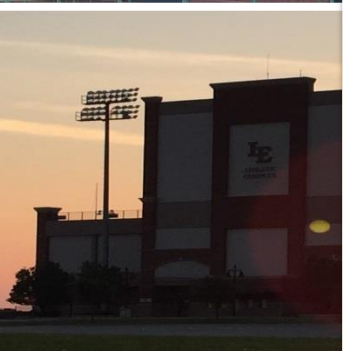
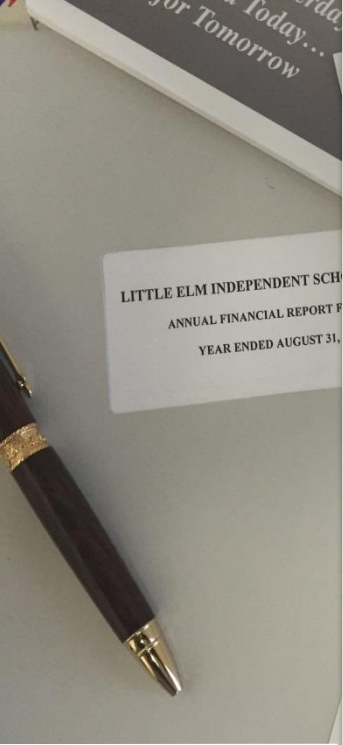
Presentation: Budget presented in millions and comparative data is to the initial 2016-17 budget

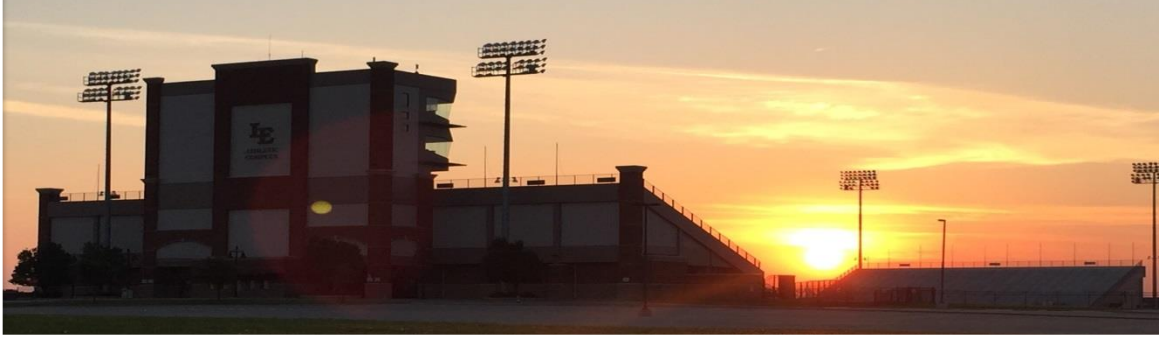
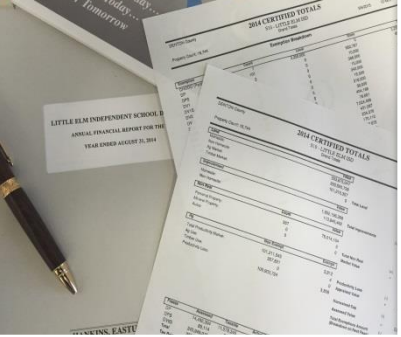


## Board Approved Funds / Function

The following funds are required to be approved by the Board of Trustees at the function level (Section 44.0041 Education Code & Texas Education Agency Financial Accountability Resource Guide, Budgeting Legal Requirements 2.6):

- General Fund (1xx): to account for general operating proceeds and expenditures.
- Debt Service Fund (5xx): to account for the payment of general long-term debt.
- Child Nutrition Fund (240): to account for resources and expenditures for LEISD's federal child nutrition program.
- Function Level Expenditures: to classify and identify the purpose of the expenditure. (example: function 11 is to identify expenditures directly related to the instruction of a student)





General Operating Fund

Total Revenue, Expenditures, & Change in Fund Bal (FB)	2016-17 Initial Approved Budget	2017-18 Proposed Budget	Change from Prior Year's Initial Budget
Estimated Revenue	\$61.7	\$66.55	\$4.9
Appropriations (Expenses)	\$61.7	\$66.55	\$4.9

Major reasons for changes from prior year:

Revenue increased \$4.9 million from 2016-17 initial budget mainly due to the increase in property tax collections from growing property values.

Appropriations increased mainly due to:

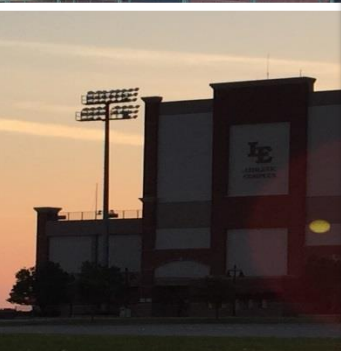
Increase in personnel costs from 2016-17 initial budget.

Note: Change from Prior Year's final amended budget is nearly flat. Prior Year's final amended estimated revenue is \$66 million.

# General fund revenue

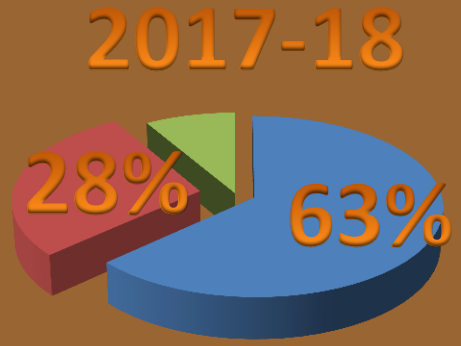
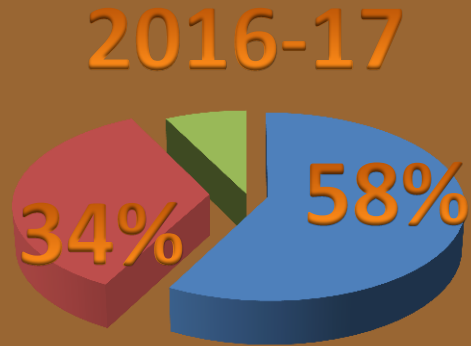
Total Revenue by Source	2016-17 Initial Budget	%	*\$ per Student 7,371	2017-18 Proposed Budget	%	\$ per Student 7,519	% Chg
Local	\$36.2	58.8%	\$4,917	\$43.0	64.5%	\$5,713	18.5%
State	\$24.2	39.2%	\$3,278	\$22.4	33.6%	\$2,972	-7.5%
Federal	\$1.3	2.0%	\$170	\$1.3	1.9%	\$166	0%
Total	\$61.7	100%	\$8,365	\$66.55	100%	\$8,851	8%

- Local revenue increased \$6.7 million mainly from an increase in property tax revenue.
- State revenue decreased 7.5% or \$1.8 million from prior year's initial budget due to a decrease in estimated revenue from state funding formula.
- Federal revenue in the general fund remained flat.
- Overall revenue increased \$4.9 million or 8% from PY's initial estimate of \$61.7 million to 2017-18 proposed estimate of \$66.55 million.



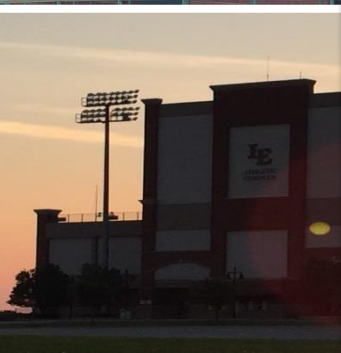
# General fund revenue source

Major Revenue	2016-17 Initial Approved Budget	2017-18 Proposed Budget	Change
State Formula	\$21.5	\$18.8	(\$2.7)
Property Tax	\$35.6	\$42.1	\$6.5
Other	\$4.6	\$5.7	\$1.1
<b>Total Revenue</b>	<b>\$61.7</b>	<b>\$66.55</b>	<b>\$4.9</b>

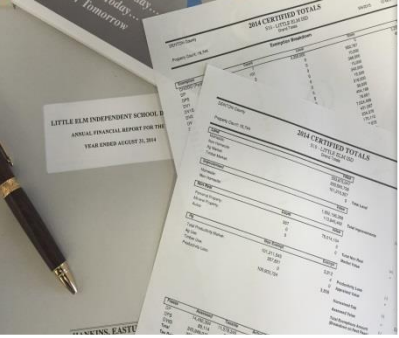


■ State Formula    
 ■ Property Tax    
 ■ Other

Approximately 91-92% of LEISD's general fund revenue is generated from Property Taxes and State funding formula.



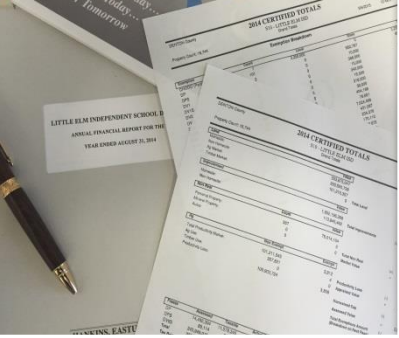




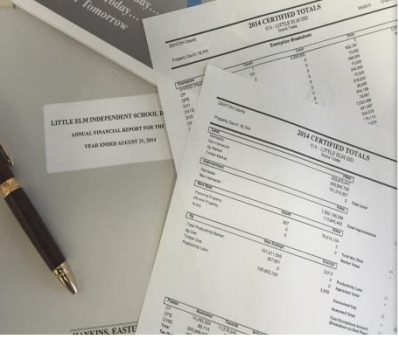
General Fund Expenditures by Function Category	2016-17 Initial Budget			2016-17 Proposed Budget			% Chg
	\$ per Student	%	\$ per Student	\$ per Student	%	\$ per Student	
1x Instructional	\$38	61%	\$5,116	\$40	60%	\$5,263	4.9%
2x School Leadership	\$5.4	9%	\$736	\$5	8%	\$701	(2.8%)
3x Student Services	\$5.8	10%	\$793	\$6.6	10%	\$882	13.4%
4x Admin Services	\$2.8	5%	\$391	\$3.2	4.8%	\$423	10.4%
5x Support Services	\$8.2	13%	\$1,116	\$8.9	13%	\$1,197	9.4%
6x Community Services	\$.04	-	\$5	\$.04	-	\$5	7.9%
7x Debt Services	\$1.2	2%	\$163	\$1.4	2%	\$187	16.6%
8x Capital Outlay	\$0	-	\$0	\$.6	.9%	\$78	-
9x Intergovernmental	\$.3	-	\$44	\$.9	1.3%	\$115	168%
<b>Total Appropriations</b>	<b>\$61.7</b>	<b>100%</b>	<b>\$8,365</b>	<b>\$66.55</b>	<b>100%</b>	<b>\$8,851</b>	<b>7.9%</b>

80%

77%



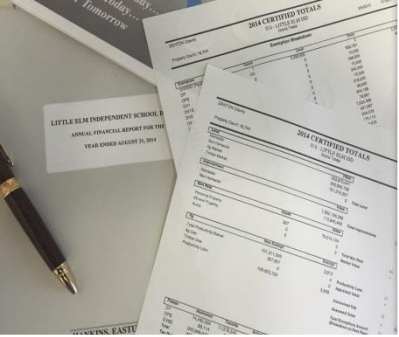
General Fund Expenditures by Object	2016-17		\$ per Student 7,371	2017-18		\$ per Student 7,509	% Chg
	Initial Budget	%		Proposed Budget	%		
61xx Payroll	\$48	78%	\$6,533	\$51.4	77.2%	\$6,830	6.6%
62xx Contracted Services	\$7.3	11.8%	\$988	\$8.7	13%	\$1,152	19%
63xx Supplies & Materials	\$3	5%	\$416	\$2.7	4%	\$359	(12%)
64xx Other Operating	\$1.6	2.7%	\$226	\$1.7	3%	\$232	4.7%
65xx Debt Payments	\$1	2%	\$163	\$1.4	2%	\$187	17%
66xx Capital Outlay	\$ .8	1%	\$38	\$ .7	.5%	\$91	146%
<b>Total Appropriations</b>	<b>\$61.7</b>	<b>100%</b>	<b>\$8,365</b>	<b>\$66.55</b>	<b>100%</b>	<b>\$8,851</b>	<b>7.9%</b>



Debt Service Fund

<b>Debt Service Fund Revenue &amp; Expenditures</b>	<b>2016-17 Initial Budget</b>	<b>\$ per Student 7,371</b>	<b>2017-18 Proposed Budget</b>	<b>\$ per Student 7,519</b>	<b>% Chg</b>
Total Revenue	\$11.5	\$1,560	\$13.7	\$1,827	19.5%
71 Debt Service Pmts	\$12.0	\$1,640	\$11.9	\$1,594	(.9%)
Budgeted Surplus/(deficit)	(\$.5)	-	\$1.8	-	-

- 2016-17 Outstanding principal debt: \$150,007,748 = \$20,351 per student
- 2017-18 Outstanding debt: \$145,779,189 = \$19,388 per student



Child Nutrition Fund

<b>Child Nutrition Fund Revenue &amp; Expenditures</b>	<b>2016-17 Initial Budget</b>	<b>\$ per Student 7,371</b>	<b>2017-18 Proposed Budget</b>	<b>\$ per Student 7,519</b>	<b>% Chg</b>
Local Revenue	\$1.4	\$191	\$1.5	\$206	9.7%
Federal Revenue	\$2.1	\$281	\$2.2	\$287	4.4%
35 CN Expenditures	\$3.5	\$475	\$3.7	\$495	6.5%
Budgeted Surplus/(deficit)	\$0	-	\$0	-	-

- 2016-17 Free & reduced student eligibility: 45% or 3,159 children
- 2017-18 Free & reduced student eligibility: 44% or 3,224 children



**LITTLE ELM INDEPENDENT SCHOOL DISTRICT**  
**2017-18 Board Proposed Budget**  
**Combined Funds**

		General Fund	Student Nutrition Fund	Debt Service Fund	Combined Total
<b>Estimated Revenue</b>					
5700	Local Revenue	42,952,567	1,548,000	13,740,450	58,241,017
5800	State Revenue	22,354,908	19,000	0	22,373,908
5900	Federal Revenue	1,250,000	2,157,775	0	3,407,775
<b>Total Revenue</b>		<u>66,557,475</u>	<u>3,724,775</u>	<u>13,740,450</u>	<u>84,022,700</u>
<b>Appropriations</b>					
11	Instructional	37,534,485			37,534,485
12	Instructional Resources & Media Services	691,292			691,292
13	Curriculum & Instructional Staff Development	1,347,779			1,347,779
21	Instructional Leadership	1,200,953			1,200,953
23	School Leadership	4,071,730			4,071,730
31	Guidance, Counseling, & Evaluation Services	1,931,897			1,931,897
32	Social Work Services	31,300			31,300
33	Health Services	556,638			556,638
34	Student (Pupil) Transportation	2,132,622			2,132,622
35	Food Services	109,499	3,724,775		3,834,274
36	Cocurricular/Extracurricular Activities	1,867,951			1,867,951
41	General Administration	3,180,633			3,180,633
51	Plant Maintenance & Operations	6,616,320			6,616,320
52	Security and Monitoring Services	984,288			984,288
53	Data Processing Services	1,399,108			1,399,108
61	Community Services	42,380			42,380
71	Debt Services	1,404,700		11,984,037	13,388,737
81	Facilities Acquisition and Construction	582,900			582,900
91	Chapter 41 Recapture	500,000			500,000
95	Payments to JJAEP	40,000			40,000
99	CAD Appraisal Fees	325,000			325,000
<b>Total Appropriations</b>		<u>66,551,475</u>	<u>3,724,775</u>	<u>11,984,037</u>	<u>82,260,287</u>
<b>Net Surplus/(Deficit)</b>		<u>6,000</u>	<u>0</u>	<u>1,756,413</u>	<u>1,762,413</u>
00	Transfer Out	6,000	0	0	6,000
<b>Budgetary Fund Balance</b>		<u>0</u>	<u>0</u>	<u>1,756,413</u>	<u>1,756,413</u>