



# WESLACO INDEPENDENT SCHOOL DISTRICT

319 W. Fourth Street  
Weslaco, TX 78599-0266

**W**inners. **I**nnovators. **S**cholars. **D**oers.

*Dr. Priscilla Canales, Superintendent*

## BOARD OF TRUSTEES

Meeting:  
Place:  
Location:  
Date:  
Time

Public Hearing  
WISD Board Room  
319 W. Fourth Street  
August 26, 2019  
5:42 P.M

## MINUTES

- I. The Public Hearing was called to order by Isidoro Nieto, Board President.
- II. A quorum was established. The following board members were present:

Isidoro Nieto, President  
Andrew Gonzalez, Trustee  
Armando Cuellar, Trustee  
Erasmus Lopez, Trustee  
Dr. Jaime Rodriguez, Trustee

*Patrick Kennedy joined the meeting at 5:49 p.m.  
Dr. Richard Rivera was absent.*

- III. Public Hearing on Proposed 2019-2020 Budget and Tax Rate

Mr. Andres Sanchez, Assistant Superintendent for Business and Finance presented the following information on the proposed 2019-2020 Budget and Tax Rate.

### Highlights of Proposed 2019–2020 Budget

- The proposed 2019-2020 budget has been finalized.
- The budget's property tax revenues are based on the 2019 certified net taxable property values received from the Hidalgo County Appraisal District on July 29, 2019. The values are \$2,409,136,097.
- The 2018 (FY 2018-2019) certified net taxable property values were \$ 2,302,601,674. The certified net taxable property values increased by \$ 106,534,423 (4.6%) for the fiscal year 2019-2020.
- The following is a mandate of the 2019 State Legislature concerning school district property values:
  - ❖ For next fiscal year (2020-2021), as mandated by the 2019 State Legislature, any increase in certified net taxable property values will be limited to a 2.5 % increase over the prior year (2019-2020).

## Highlights of Proposed 2019–2020 Budget

### School District's Property Values and Funding Lag

- Up to Fiscal Year 2018-2019 (current year), the Texas Education Agency (TEA) had been using prior year property values in calculating each school district's local share of Foundation School Program (FSP) funding.
- Using school districts prior year property values does not fully reflect the property values decline that may be experienced by some school districts.
- When TEA calculates FSP payments during the fiscal year the agency is required to assume the same estimated property value increase in property values for all school districts.
- School districts with declining property values may experience significant underpayments creating what is called a funding lag.
- This funding lag may negatively impact cash flow and overall funding levels for some school districts.
- **Beginning with the 2019-2020 fiscal year, the state revenue funds for school districts will be calculated based on the State Comptroller certified property values for the current year.**

>Mr. Nieto wanted to know if WISD had declining property values.

- According to Mr. Sanchez, WISD does not have declining property values.

## Highlights of Proposed 2019–2020 Budget

- The newly adopted state laws related to taxpayer advocacy approved the compression of M&O tax rates for school districts. Weslaco ISD's current tax rates for 2018-2019 and the proposed compressed tax rates for 2019-2020 are as follows:

	M & O	I & S	TOTAL
2018-2019	\$ 1.1397	\$ 0.02	\$ 1.1597
2019-2020	\$ 1.0487	\$ 0.02	\$ 1.0687

- These lower tax rates will generate approximately \$1.9 million less current property tax revenues.
- Current Tax Collections are *budgeted at a 92% tax collection rate*. Collection goal is 94%. Actual 2018-2019 current levy tax collections are 94.77% through July 31, 2019.
- Delinquent Tax Collections are *budgeted on a 20% tax collection rate*. Collection goal is 27%. Actual 2018-2019 prior year levies tax collections are 24.96% through July 31, 2019.

## Highlights of Proposed 2019–2020 Budget

HB3 Provided New or Increased State Funding Allotments for the following programs:

### INCREASED FUNDING

- ✓ CTE
- ✓ Special Education
- ✓ Compensatory Education
- ✓ Bilingual Education

### NEW FUNDING

- ✓ Dyslexia (NEW) -- (Fund 168) \$244,552
- ✓ Early Education Allotment (NEW) -- (Fund 169) \$2,457,452
- ✓ Safety & Security (NEW) -- (Fund 199) \$153,100
- ✓ Career, College, Military Readiness (CCMR) – (NEW) -- (Fund 199) \$282,000 (only 55%)
- ✓ Dropout Recovery School & Residential Placement Facility Allotment -- (NEW) (Fund 199) \$20,653

- HB3 did not provide funding for Gifted & Talented nor High Allotment Programs. However, it does require for school districts to continue to fund those programs at the same level as before. The proposed budget includes funding for both programs at the amounts budgeted for FY 2018-2019.

>Mr. Nieto wanted to know how the CCMR funds would be used?

- As per Dr. Canales, some of the funds will support the high school allotment.
- TEA is still releasing the requirements for funding

## Highlights of Proposed 2019 – 2020 Budget

- The 2019-2020 budget reflects an amount allocated to the campuses based on the actual ADA for the 2018-2019 school year
  - ✓ Elementary Schools \$120
  - ✓ Middle Schools \$135
  - ✓ High Schools \$200
- After reviewing the general fund budget including: 1) payroll with the board approved pay raises, 2) some known vacancies, and 3) contingencies in every function, which will help schools and departments throughout next fiscal year, no additional budget allocation was provided to the schools.
- The Budget includes additional Allocations per student for: 1) Band, Orchestra & Mariachi: High Schools is \$450 & Middle Schools is \$80. 2) The Choir Allocation is \$100 and \$80 per student for High Schools and Middle Schools, respectively, and 3) There is a \$50,000 budget for instruments for each high school.
- Same as fiscal year 2018-2019, we have set up a budget for Fine Arts with these categories:
  - High Schools – Theater Arts, Dance & Visual Arts
  - Middle Schools – Theater Arts, Dance & Visual Arts
  - Elementary Schools – Music & Visual Arts

## Highlights of Proposed 2019 – 2020 Budget

### Health Insurance

- Using 2018-2019 claims data through July 31, 2019, Administration anticipates to have about a \$2,500,000 deficit in the 2018-2019 fiscal year plan.
- On July 29, 2019, the Board approved the Administration’s recommended contribution increases of 20% for the District (from \$485 to \$582 per employee per month) and 15% for the Employee contribution.
- The tables showing the approved district and employee health insurance contribution rates for 2019-2020 are shown in the next two pages.

## Highlights of Proposed 2019 – 2020 Budget

	Estimated Enrollment	District Rate	Employee Rate	Total Rates
<b><i>Low Plan</i></b>				
Employee Only	1,513	\$ 582.00	\$ 28.75	\$ 610.75
Employee & 1 Child	114	\$ 582.00	\$ 230.21	\$ 812.21
Employee & Children	279	\$ 582.00	\$ 426.65	\$ 1,008.65
Employee & Spouse	30	\$ 582.00	\$ 514.05	\$ 1,096.05
Employee & Family	46	\$ 582.00	\$ 868.25	\$ 1,450.25
<b>Totals Low Plan</b>	<b>1,982</b>	<b>\$ 13,842,288</b>	<b>\$2,929,668</b>	<b>\$16,771,956</b>
<b><i>High Plan</i></b>				
Employee Only	181	\$ 582.00	\$ 134.55	\$ 716.55
Employee & 1 Child	6	\$ 582.00	\$ 336.95	\$ 918.95
Employee & Children	22	\$ 582.00	\$ 635.95	\$ 1,217.95
Employee & Spouse	26	\$ 582.00	\$ 755.55	\$ 1,337.55
Employee & Family	4	\$ 582.00	\$ 1,116.65	\$ 1,698.65
<b>Totals High Plan</b>	<b>239</b>	<b>\$ 1,669,176</b>	<b>\$ 773,725</b>	<b>\$ 2,442,901</b>

## Highlights of Proposed 2019 – 2020 Budget

	Estimated Enrollment	District Rate	Employee Rate	Total Rates
<i>State Plan</i>				
Employee Only	103	\$ 582.00	\$ 198.95	\$ 780.95
Employee & 1 Child	5	\$ 582.00	\$ 463.45	\$ 1,045.45
Employee & Children	3	\$ 582.00	\$ 877.45	\$ 1,459.45
Employee & Spouse	2	\$ 582.00	\$ 1,008.55	\$ 1,590.55
Employee & Family	1	\$ 582.00	\$ 1,620.35	\$ 2,202.35
<b>Totals State Plan</b>	<b>114</b>	<b>\$ 796,176</b>	<b>\$ 348,947</b>	<b>\$ 1,145,123</b>
<b>TOTAL MEDICAL PLAN</b>	<b>2,335</b>	<b>\$ 16,307,640</b>	<b>\$4,052,340</b>	<b>\$20,359,980</b>

## Highlights of Proposed 2019 – 2020 Budget

### EMPLOYEE COMPENSATION

One of the Key Components of the 2019 Legislative Session that was passed is the mandated compensation to be provided to staff as follows:

- 30% of the total gain in state funds obtained for FY 2019-2020 comparing the current funding formulas and the recently approved House Bill 3 must be used to calculate for MANDATED employee compensation (gross pay and fringe benefits).
- 75% of that 30% will be used for compensation increases for classroom teachers, librarians, counselors, and nurses, prioritizing differentiated compensation for classroom teachers with more than five years of experience.
- The remaining 25% will be used for compensation increases for full-time employees other than Administrators as determined by the district.

## Highlights of Proposed 2019 – 2020 Budget

On July 29, 2019, the Board approved the following pay raises:

**FOR CLASSROOM TEACHERS, LIBRARIANS, COUNSELORS, AND NURSES \$5,139,599**

- \$3,400 (1 - 5 years of experience) on a 187-day contract (162 employees)
- \$3,600 (6 - 12 years of experience) on a 187-day contract (297 employees)
- \$3,800 (13 - 19 years of experience) on a 187-day contract (377 employees)
- \$4,000 (20 years + of experience) on a 187-day contract (379 employees)

❖ Counselors and several CTE Ag Farm teachers' compensation would be adjusted for their longer-term contracts.

**PARAPROFESSIONAL, MANUAL TRADES, TECHNICAL TRADES STAFF, AND BUS DRIVERS \$2,162,622**

- 7 % from the Mid-point Per Employee Category Ranges of pay raises.
- Ranges of the Mid-Point Average at the 7% Pay Raise are shown in the next two pages.

**ADMINISTRATORS \$ 980,947**

- 5% from the Mid-point Per Employee Category to be Paid from Local Funds.

**TOTAL PAY RAISES FOR ALL DISTRICT STAFF \$8,283,167**

**WE WILL KEEP THE SAME COMPENSATION – NO PAY RAISES – FOR FISCAL YEAR 2020-2021.**

➤ **There will be no additional pay raises for Fiscal Year 2020-2021.**

## Highlights of Proposed 2019 – 2020 Budget

**PARAPROFESSIONAL, MANUAL TRADES, AND TECHNICAL TRADES STAFF**

Mid-Point Average at 7% Pay Raise			
Category	Average	High	Low
Instructional Aide	\$1,749.23	\$1,749.23	\$1,749.23
Campus Secretary	\$2,624.84	\$2,713.82	\$2,598.29
Data Entry	\$2,119.01	\$2,270.49	\$2,045.10
Department Secretary	\$2,751.53	\$4,702.49	\$2,455.26
Maintenance	\$2,321.42	\$3,628.35	\$2,007.82
Custodial	\$2,037.61	\$2,815.57	\$2,007.82
Food Service	\$1,388.02	\$2,815.57	\$1,052.16
Security	\$2,508.63	\$2,762.61	\$2,481.02
Bus Drivers	\$1,974.49	\$2,475.20	\$1,881.60

## Highlights of Proposed 2019 – 2020 Budget

- ❖ The budget does include two (2) additional Resource Officers for a total of eight (8) Resource Officers to assist with safety & security of students and staff.
- There is no Transfer to the Construction Fund for facility projects.
- **TEACHER RETIREMENT SYSTEM (TRS) –**
- **Requirement to Report as Creditable Compensation Only the Amount Paid Every Month.**
  - **It affects employees with July & August start contracts.**

- Since the Board approves the pay raises in August, employees whose contracts begin in July will receive retroactive pay raise for July/August in their September check. From October through June, employees will receive their actual monthly pay raise.
- As per TEA, any retroactive compensation will not be eligible for retirement benefits.
- In the future, the Board would have to approve pay raises in June so that the July paycheck would reflect the amounts in August.

Board President Isidoro Nieto mentioned that another option would be to start the fiscal year July 1<sup>st</sup>. He suggested that the superintendent look into this for the coming year.

Mr. Erasmo Lopez wanted to know how much money is reserved for construction projects at this time.

- \$12 million in Fund Balance assigned for Facilities or Other Needs
- \$2 million will be transferred to the debt service fund for payment of bonds for next year
- Allocating \$1,200,000 for computers and projectors
- \$500,000 is allocated for Parking Improvements district-wide
- \$260,000 is allocated for the District Digital Billboard
- Balance of \$8.2 million for Facilities and Other Needs
- \$2.5 million to be transferred to the Health Insurance Fund
- Balance will go down to \$5.7 million
- Staff expects to have a surplus of \$4.5 million in the budget
- The district should have about \$7 million in the Fund Balance for Facilities or Other Needs plus any additional surplus, pending the final audit.

Mr. Lopez stressed the importance of the need to repair the roofs that are still leaking because the district is spending more money in having staff constantly repair ceiling tiles and other related work due to the rains. He wants to make sure the roofs are addressed. Mr. Sanchez will follow up on this matter with the superintendent and the athletic director.

## Highlights of Proposed 2019 – 2020 Budget

### STAFF VACANCIES

- The budget includes the following forty-nine (49) vacancies in the General Fund.

Count	Position	Fund
6	CTE Teachers: 2 High School, 4 Middle Schools	CTE
1	Speech Pathologist	Special Ed
4	Dyslexia Teachers	Dyslexia
1	Theater Arts Teacher – Fine Arts	Local Maintenance
8	Custodian Staff	Local Maintenance
9	Maintenance Staff	Local Maintenance
2	Security Guards	Local Maintenance
13	Instructional Aides (Full Day Pre-K -- HB3)	Local Maintenance
1	Lit for Literacy Café manager – Paraprofessional staff	Local Maintenance
1	Human Resources Compensation Analyst	Local Maintenance
1	Human Resources Staffing Specialist	Local Maintenance
1	Human Resources Receptionist	Local Maintenance
1	Bookkeeper – Business Office	Local Maintenance

We will evaluate closely any vacancies created during the 2019-2020 fiscal year. If there is staff that can be moved to another position safely without impairing instruction, we will do it.

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- >Aside from the 13 instruction aides, what other positions are considered para-professional?  
 •Para-professional positions include: Human Resources Receptionist and Bookkeeper

Mr. Sanchez reviewed the budget contingency accounts, which include a balance of \$1,680,575.

## Highlights of Proposed 2019 – 2020 Budget Budget Contingency Accounts

Function	Description	Budget	Function	Description	Budget
11	Instruction	\$ 780,597	35	Food Service	\$ 0
12	Media Services, Library	50,000	36	Co-Curricular, Extra-Curricular	300,000
13	Staff Development	45,000	41	General Administration	205,000
21	Instructional Administration	20,000	51	Maintenance and Operations	100,000
23	Campus Administration	20,000	52	Safety & Security	25,000
31	Counseling	20,000	53	Data Processing	25,000
32	Social Services	20,000	61	Ancillary Services	30,000
33	Health	40,000	95	Payments To Juvenile Alternative Ed	0
34	Transportation	0	99	Other Intergovernmental Charges	0
				<b>TOTAL CONTINGENCY BALANCES</b>	<b>\$1,680,575</b>



- Dr. Jaime Rodriguez questioned why Transportation did not have a contingency account.
  - As per Mr. Sanchez, \$300,000 was added to purchase buses as well as additional funds for payroll. These expenditures are already included in the budget.
  
- Mr. Lopez wanted to know how much money was allocated for the renovations at the Roosevelt campus and the anticipated day to move the staff over to this facility. He also wanted to know if the departments had the opportunity to choose their area.
  - According to Mr. Sanchez, the funds to renovate Roosevelt are included in the fund balance for facilities or other needs. Food Service will be moving in, but will not make major modifications to the building. Dr. Canales informed the Board that the departments would be moved one at a time. The Food Service Department will move in first, followed by Special Ed. and Library Services. The areas have been assigned based on the recommendations made by Robert Sands, the representative who is assisting the district with the facilities planning and did the assessment at Roosevelt.
  
- Mr. Oscar Riojas also shared that the recommendations on the areas assigned were based on the needs of the departments such as traffic and unloading of supplies and equipment, etc. Staff has met with all the departments and has a plan to start the moving process next week.
  
- Mr. Lopez questioned the insurance coverage for these buildings.
  - According to Mike De La Rosa, the district has a separate flood insurance policy on these buildings, so they are covered.

**Proposed 2019 – 2020 Budget  
Debt Service (Interest & Sinking) Fund**

- The transfer of Local Maintenance Surplus Funds of \$2,000,000 from the General Fund to the Debt Service Fund for the payment of Bond Debt, with Board Approval will be made before the end of the 2018-2019 fiscal year.
- The budget reflects an I&S tax rate of 2 pennies per \$100 of taxable property valuation. The 2 pennies generate approximately \$481,180 in property taxes and \$612,915 in State IFA revenues.
- **Another one of the changes RESULTING of House Bill 3 (HB3) approved by the 2019 legislature, a school district cannot approve a surplus budget with the intention of transferring surplus funds to the Debt Service Fund to pay bond debt.**

Account	Balance / Amount
Estimated Fund Balance at 8/27/2019 prior to transfer of surplus funds	\$ 1,071,436
Transfer of Surplus Funds from General Fund – <b>Board approval 08/26/2019</b>	2,000,000
Estimated Fund Balance as of August 31, 2019	\$ 3,071,436
<b>REVENUES AND EXPENDITURES FOR FICAL YEAR 2019-2020</b>	
Estimated Revenues (Taxes & Penalties)	\$ 481,180
Estimated Revenues (State IFA Revenues )	612,915
Investment Interest Revenue	40,000
Projected Funds Available to Pay Bond Debt	\$ 4,205,531
Payment of Bond Principal and Interest Requirements	(3,956,025)
Projected Fund Balance at 08/31/2020	\$ 249,506

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>Last week, Dr. Canales and Mr. Sanchez visited with Dr. Richard Rivera and Mr. Armando Cuellar who are on the Board President appointed Budget Committee to share the budget presentation.

Mr. Sanchez reviewed the summary budget and shared the following information:

- >The budget for the general fund is balanced.
  - Same amount of revenues and expenditures: \$183,844,750
- >Debt Service is not balanced – district is paying the bonds from the fund balance
  - Monies in the fund balance and the transfer of \$2 million will be available to pay the bonds next year

**Questions from the Board:**

- >Dr. Rodriguez wanted to know how soon the Pre-K vacancies would be filled.
  - The vacancies would be posted for the required 10 days.
  - Interview process should begin within the 10-day posting.
  - Substitutes have been assigned for the next two weeks (Substitutes are required to get a background check).
- >Mr. Lopez questioned the tax collections.
  - According to Mr. Sanchez, the district will collect about \$1.9 less property taxes for the 2019-2020 year since the tax rate is lower. The district will have less local funds but since the state has provided funds, the district has more money.

Mr. Lopez asked for reassurance that the district was not reducing services due to funding at a lower level. Mr. Sanchez replied that any issues that arise would be addressed through the contingency accounts.

Mr. Sanchez pointed out that the Public Hearing was advertised in The Monitor newspaper on Friday, August 16, 2019. School Districts are required by law to advertise the Public Hearing for at least ten days.

**Highlights of Proposed 2018 – 2019 Budget (continued)**

**Tentative Timeline for Approval  
of the 2019-2020 Budget & Tax Rate**

<b>June 10, 2019</b>	–	<b>Preliminary Budget Presentation (Regular Board Meeting)</b>
<b>July 1, 2019</b>	–	<b>First Budget Workshop</b>
<b>July 29, 2019</b>	–	<b>Second Budget Workshop</b>
<b>July 29, 2019</b>	–	<b>Approval of Pay Raises (Regular Board Meeting)</b>
<b>August 16, 2019</b>	–	<b>Advertising in The Monitor as Required by Law</b>
<b>August 26, 2019</b>	–	<b>Public Hearing to Discuss Budget &amp; Tax Rate</b>
<b>August 26, 2019</b>	–	<b>Approval of Budget &amp; Tax Rate (Special Board Meeting)</b>

The board members commended Mr. Sanchez and his staff for a job well done on balancing the budget.

Mr. Nieto mentioned that it was very important to continue to fund for facilities because of all the improvements that are needed within the district.

Dr. Canales informed the Board that staff should get a final report on the buildings by October.

#### IV. Public Comments on Proposed 2019-2020 Budget and Tax Rate

None

#### V. Adjournment

The Public Hearing adjourned at 6:15 p.m.