

BOARD OF TRUSTEES

Meeting:
Place:
Date:
Time:

Public Hearing
Virtual Meeting
August 24, 2020
5:45 P.M.

Notice for this meeting was posted online for at least 72 hours as permitted by the suspended portions of the Texas Open Meetings Act as approved by Governor Abbott. The meeting was livestreamed at the following web link: <https://youtu.be/IozviSqlOoA>

MINUTES

- I. The meeting was called to order by Isidoro Nieto, Board President.
- II. A quorum was established. The following board members participated in the meeting by video conference with Google Meets.

Isidoro Nieto, President
Dr. Richard Rivera, Vice-President
Andrew Gonzalez, Secretary
Armando Cuellar, Trustee
Patrick Kennedy, Trustee
Erasmio Lopez, Trustee
Dr. Jaime Rodriguez, Trustee

III. Public Hearing on Proposed 2020-2021 Budget and Tax Rate

Mr. Andres Sanchez, Assistant Superintendent of Business and Finance, presented on the proposed 2020-2021 Budget and Tax Rate.

- The table below highlights a conservative ADA figure for 2020-2021 of 15,200.

Highlights of Proposed 2020–2021 Budget (continued)		
Budget Year	Budgeted ADA	Actual ADA
2015-2016	15,800	16,334
2016-2017	16,100	16,096
2017-2018	16,170	15,906
2018-2019	15,905	15,820 (including SASI ADA)
2019-2020	15,751	15,891 (15,093 Regular ADA + 798 SASI ADA)
2020-2021	15,200	(96.5% of 2019-2020 budget) or 100.7% of 2019-2020 Regular ADA

The table above shows a projected ADA for 2020-2021 of 15,200.

The preliminary 2020-2021 budget reflects a local funds basic allocation to the schools based on 92.5% of the ADA budgeted for the 2019-2020 fiscal year. The basic allocation for the schools is as follows:

- ✓ Elementary Schools \$120
- ✓ Middle Schools \$135
- ✓ High Schools \$200

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Highlights of Proposed 2020–2021 Budget (continued)

- The Hidalgo County Appraisal District released the 2020 certified property values on July 17, 2020. **There is an increase of 8.3 % over last year's certified taxable property values (2020-21 - \$2,615,319,836, 2019-20 - \$2,415,149,487 = Increase \$200,170,349).**
- The proposed 2020-2021 budget is conservatively based on 96.5% of the ADA budgeted for FY 2019-2020 which was 15,751.
- The projected 2020-2021 budgeted ADA is 15,200.
- The Gifted & Talented & High School Allotment Budgets were allocated at 90% of 2019-2020 budget amount. Both of these programs are locally budgeted.
- The State Allotments' budgets: CTE (Vocational Ed), Special Education, Bilingual Ed, Early Education, & Dyslexia were calculated at 94% of last year's budget allocation.
- The State SCE (State Comp Ed) budget was also calculated at 94% of the geographical counts provided by TEA for SY 2019-2020.

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- Mr. Nieto asked how the \$2 million dollar increase would benefit the district.
 - According to Mr. Sanchez, the district will receive a little bit more revenues.

Highlights of Proposed 2020–2021 Budget (continued)

The proposed 2020-2021 budget is short in revenues compared to the 2019-2020 adopted budget due to the uncertainty faced by Weslaco ISD under the current circumstances imposed by the CORONAVIRUS PANDEMIC.

- State ADA revenues are currently budgeted at 551 less ADA than FY 2019-2020.
- $\$7,100 \times 551 \text{ ADA} = \$3,912,100$ less State ADA revenue
- The property tax revenues:
 - The budgeted figure for current property tax revenues are budgeted 91 %.
 - Prior year property tax revenues are budgeted at 10 % instead of 20% as in 2019-2020.
- Athletic event revenues are budgeted at 15% from 2019-2020.
- Investment interest income is budgeted at the current rates instead of the much higher interest rates in effect at the beginning of 2019-2020.

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Mr. Sanchez reviewed the tax rates for the last two years.

- Dr. Rivera asked if the citizens were going to pay fewer taxes.
 - Mr. Sanchez explained that taxpayers will pay a little bit more because the property values increased. A taxpayer who owns a home valued at \$100,000.00 will pay \$84.00 more per year, which is about \$7.00 per month.
- The total proposed tax rate for 2020-2021 for Weslaco ISD is \$1.01890.
- For informational purposes to the public, Dr. Rivera clarified that the district did not increase taxes. The taxes increased because the appraisal district increased the property values.

Highlights of Proposed 2020–2021 Budget (continued)

- The 2020-2021 M&O Compressed Tax Rate as confirmed by TEA is \$0.9989 per \$100 of taxable property valuation. It is \$0.04981 less than the current rate.
- After further consideration, we are recommending to maintain the I&S tax rate at 2 pennies for the payment of the bond debt service payments.
- Weslaco ISD's tax rates for 2018-2019, 2019-2020 and the proposed tax rates for 2020-2021 are listed below:

Fiscal Year	M & O	I & S	TOTAL
2018-2019	\$ 1.13970	\$ 0.02	\$ 1.15970
2019-2020	\$ 1.04871	\$ 0.02	\$ 1.06871
2020-2021	\$ 0.99890	\$ 0.02	\$ 1.01890

- The 2020-2021 M&O Compressed Tax Rate, \$0.9989, is lower than initially expected because of the increase in the 2020 (2020-2021) property values in excess of 2.5 %.

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Highlights of Proposed 2020–2021 Budget (continued)

Health Insurance

- Based on the Risk Management Department Staff's review of the 2019-2020 health claims data through July 31, 2020, we anticipate to at least break even for the fiscal year 2019-2020 on the medical plan.
- Based on the same review, we are not recommending any increases in the contribution(s) to the medical plan, by the district nor employees for the 2020-2021 fiscal year plan.

Unemployment Compensation Insurance

- On Friday, August 21, 2020, we received a notice (from TASB) that the many unemployment compensation claims filed on Weslaco ISD since the COVID-19 pandemic started in March 2020, had caused our liability for the quarter ended June 30, 2020 to increase by about 50 times compared to the quarter ended June 30, 2019. 06/30/2019 \$ 16,700 // 06/30/2020 \$171,869
- We will keep a close eye on the unemployment compensation insurance expenditures for the 2020-2021 fiscal year.

- Staff anticipates having a surplus on the medical plan.
- There will be no increases in contribution(s) to the 2020-2021 plan, by the district nor employees.
- Unemployment Compensation Insurance: Due to Covid-19, there is a big increase from June 30, 2019 (\$16,700.00) through June 30, 2020 (\$171,869.00).
- Districts could possibly receive reimbursement for 50% of the increase through the CARES Act, but the District will still need to recognize this amount in the 2020 budget.

Highlights of Proposed 2020–2021 Budget (continued)

- The current proposed budget is balanced by making the following adjustments.
 1. Vacancies in budget – There were 28 teacher vacancies from teachers that retired or resigned at the end of the 2019-2020 year totaling \$1,778,000 that were included in the budget. Those teacher vacancies will be filled in from within.
 2. Substitute teachers salaries – We cut **\$178,138** from that budget.
 3. Increased the budget for current levy property tax collections from 85% to 91%.
- No other budget cuts were made.
- The budget does not include a budget for COVID-19 related costs for the 2020-2021 year. These funds would need to be taken from the Unassigned Fund Balance in FY 2020-2021. We would seek reimbursement from the State for 75% of the costs.

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- The current budget does not reflect any pay raises to staff members.
- Administration recommended approval of two (2) one-time incentive payments to all district staff in lieu of a pay raise for the 2020-2021 fiscal year.

Highlights of Proposed 2020–2021 Budget (continued)

COMPENSATION

1. The current budget figures do not reflect any pay raises to staff members.
2. Administration would like to recommend approval of TWO (2) One-Time Stipend Payments to All District Staff in lieu of a Pay Raise for the 2020-2021 fiscal year.
3. The amounts to be recommended are shown in the next page:
 - ✓ One stipend will be paid in December 2020.
 - ✓ Other one-time stipends would be paid **CONTINGENT ON THE DISTRICT GENERATING ADDITIONAL ADA REVENUES DISTRICT-WIDE ABOVE THE ADA FIGURE BUDGETED.**
 - ✓ The additional ADA would need to generate enough funds to cover the cost of the stipends and related benefits.
 - ✓ We should be able to have this figure at the end of the second semester and possibly pay the stipends in May or June 2021.
 - ✓ These stipends would probably not be eligible as TRS compensation.

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- The chart reflects the proposed amounts to be paid to staff in December 2020 based on the different categories. The overall amount is included in the budget.

Highlights of Proposed 2020–2021 Budget (continued) Proposed Stipends To Be Paid in December 2020

Category	Count	Amount
Teachers	1045	\$ 400.00
RN	16	\$ 325.00
Counselors	45	\$ 325.00
Librarians	17	\$ 325.00
Trainers	6	\$ 325.00
Inst. Coach	15	\$ 325.00
Para-Professional	462	\$ 250.00
Manual Trades	508	\$ 250.00
Admin Scale	189	\$ 325.00
Budget Needed	2303	\$ 820,000.00

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Dr. Rivera said that during the last board meeting he mentioned that the Board should have the option to increase the amount to a higher amount if the ADA increased in December and there was monies in the fund balance. He wanted to know if the Board had to approve these amounts at the special meeting or if they could wait until December when they have a better idea of how much money will be available based on the ADA or additional savings. He would like to leave the door open for the Board to decide in December.

Mr. Sanchez responded that the amount recommended by administration is included in the budget; however, the Board would have to approve a higher amount now if they choose to do so, subject to getting the money from the budget or fund balance. Otherwise, if they wait to approve the amount later in the year, the Board will have to hold another Public Hearing.

Board President Isidoro Nieto concurred with Dr. Rivera, stating that they would have a better idea in December on what the ADA would look like. The Board could make a motion with the option to amend the amounts in case funds are available at that time.

The Superintendent shared that TASB recommends that any incentive payment to be paid to employees be approved as part of the compensation plan and budget process in order to comply with state laws.

Dr. Rivera addressed the stipend approved by the Board last year for employees and questioned why checks were not issued to employees in June 2019. Mr. Sanchez replied that the stipend was contingent on the whole district meeting the ADA at the end of the year. Since the district did not achieve the ADA as a whole, employees did not receive the stipend even if their campus met the ADA because there was no money available. The monies would have to come from the fund balance.

Dr. Rivera commented that it was unfair for the schools that achieved their ADA and for employees not to get any money. He said, "We can't make a promise and not keep it."

Mr. Lopez voiced his concern stating that the district should pay the incentive to employees at each respective school that meets their ADA, because these employees are doing their part. He felt that this would push employees at each respective school to try harder to meet the ADA if they want to get an incentive. He pointed out that the district was not able to give pay raises this coming year because there were no additional funds available; however, he did not agree with the amounts presented for the one-time stipend and suggested that all employees across the board receive a \$1,000.00 incentive. He shared that the district has put money in the fund balance every year for a rainy day. Due to the COVID-19 crisis on hand, he felt that the district should pay the incentive pay from the fund balance. Mr. Lopez felt the amount recommended was justifiable due to unforeseeable expenses incurred by every single employee during this crisis and said, "We need to protect and help all our employees."

Mr. Armando Cuellar concurred with Dr. Rivera and Mr. Lopez and asked that staff come up with something that was equitable for every employee. He pointed out that the cost of living was getting out of hand and stated that the prices of groceries at the store were the same for everyone regardless of their background. He agreed in giving all employees a stipend across the board.

Mr. Patrick Kennedy pointed out that he would like to see a significant stipend for employees since they are having to work remotely from home and are incurring additional expenses such as computer repairs, internet service, etc. He hopes the district can find some funds to cover the stipend. Even though the Board does not like going into the fund balance because these funds are set aside for a rainy day, he agreed with Mr. Lopez that this was a rainy day and that was the purpose of these funds.

Dr. Jaime Rodriguez shared that the district would have a better idea on the surplus amount in December and therefore the Board could make the necessary adjustments to the stipend at that time.

- According to Mr. Sanchez, the district anticipates having a surplus of \$3.5 to \$4 million, which will go into the fund balance.

Dr. Rivera reiterated that the Board should be given the option to make changes to the stipend in December pending the amount of monies available.

Mr. Andrew Gonzalez commented that the \$400.00 stipend recommended by staff was not enough for the employees. He also preferred to have the opportunity to make changes to the stipend sometime in November or December, pending availability of funds.

> Mr. Sanchez asked that the Board indicate in their motion an increase of the stipend subject to additional funds, if available. A brief discussion was held on the anticipated surplus amount and the possibility of using these funds to cover the stipends. Mr. Sanchez mentioned that the district has tried to add surplus money to the fund balance on an annual basis in order to maintain a fund balance that includes three months of funds to pay employees in case TEA cannot provide any funds to the district.

Dr. Rivera reiterated that WISD is fortunate to have a \$3 million dollar surplus, funds that could be used for facilities, projects, and salaries.

The board members agreed that the money for the stipends could be obtained from the fund balance since they anticipate a good surplus from the 2019-2020 fiscal year.

Highlights of Proposed 2020–2021 Budget (continued)					
Proposed Stipends Contingent on Increased ADA					
Category	Count	Amount	Amount	Amount	Amount
Teachers	1045	\$ 400.00	\$ 600.00	\$ 800.00	\$ 1,000.00
RN	16	\$ 325.00	\$ 500.00	\$ 650.00	\$ 800.00
Counselors	45	\$ 325.00	\$ 500.00	\$ 650.00	\$ 800.00
Librarians	17	\$ 325.00	\$ 500.00	\$ 650.00	\$ 800.00
Trainers	6	\$ 325.00	\$ 500.00	\$ 650.00	\$ 800.00
Inst. Coach	15	\$ 325.00	\$ 500.00	\$ 650.00	\$ 800.00
Para-Professional	462	\$ 250.00	\$ 375.00	\$ 500.00	\$ 625.00
Manual Trades	508	\$ 250.00	\$ 375.00	\$ 500.00	\$ 625.00
Admin Scale	189	\$ 325.00	\$ 500.00	\$ 650.00	\$ 800.00
Budget Needed	2303	\$ 820,000.00	\$ 1,234,000.00	\$ 1,639,000.00	\$ 2,044,000.00
	BUDGETED ADA	ADA NEEDED	ADA NEEDED	ADA NEEDED	ADA NEEDED
	15,199	200	250	300	350

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>Mr. Sanchez reviewed the pay raises approved by the Board for fiscal year 2019-2020.

Highlights of Proposed 2020–2021 Budget (continued)	
Pay Raises Approved for FY 2019-2020	
On July 29, 2019, the Board approved the following pay raises:	
FOR CLASSROOM TEACHERS, LIBRARIANS, COUNSELORS, AND NURSES \$5,139,599	
<ul style="list-style-type: none"> > \$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	
<ul style="list-style-type: none"> > 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
<ul style="list-style-type: none"> > 5% from the Mid-point Per Employee Category to be Paid from Local Funds. 	
TOTAL PAY RAISES FOR ALL DISTRICT STAFF	\$8,283,167
<u>WE WILL KEEP THE SAME COMPENSATION – NO PAY RAISES – FOR FISCAL YEAR 2020-2021.</u>	

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- Below is a list of projects that are needed in the next five years and are not included in the 2020-2021 Budget.

Dr. Rivera suggested that the district get a Maintenance Tax Note loan to be paid in 15 years in order to complete all the projects listed. He asked Mr. Sanchez to provide information on their weekly update on the type of loans the district is currently paying and the date paid in full. He mentioned that the Business Office building is very old and staff is very crowded, and suggested that this building be included on the list.

**Highlights of Proposed 2020–2021 Budget (continued)
Facility Projects Needed in the Next Five Years
That are Not Included in the 2020-2021 Budget**

- **Districtwide Roofing**
- **HVAC Controls Districtwide**
- **Replacement of HVAC Systems Districtwide**
- **Sealcoat Existing Parking Lots and Restripe**
- **Pavilions Maintenance & Pigeon Control Districtwide**
- **Districtwide Installation of Touchless Water Fixtures**
- **Transportation, Custodial, Maintenance, Energy Management & Warehouse Complex**

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- Mr. Sanchez gave a brief presentation on the Cares Act.

- **ESSER Grant (\$6.6 Million):** The District will keep 99.14% of the grant which will be used for teacher payroll.
- **Coronavirus Relief Fund (CRF):** The District will receive reimbursement for items used for sanitation purposes and masks purchased for employees. Items had to be purchased between March 13, 2020 and May 20, 2020 to be eligible for reimbursement. Staff is still checking on items purchased within this timeframe.

Highlights of Proposed 2020–2021 Budget (continued)

Cares Act, Inc.

- 1. ESSER Grant Application – 99.14 % of the grant will be allocated to Weslaco ISD to reimburse the district's local maintenance fund for teacher payroll paid between April and May 2020. The application was submitted via email to TEA, today, Monday, August 24, 2020.
The remaining 0.86 % of the grant will be allocated to 2 private non-profit schools.**
- 2. Coronavirus Relief Fund (CRF) – This grant will reimburse 75% of eligible expenditures spent by the District between March 13, 2020 and May 20, 2020. Will submit CRF Grant application to the Texas Department of Emergency Management (TDEM) in mid September 2020.**

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Highlights of Proposed 2020–2021 Budget (continued)

Tentative Timeline for Approval of the 2020–2021 Budget & Tax Rate

June 8, 2020	–	Preliminary Budget Presentation
July 6, 2020	–	Budget Workshop # 1
August 10, 2020	–	Budget Workshop # 2
August 14, 2020	–	Advertisement of Notice of Public Hearing in The Monitor
August 17, 2020	–	Budget Workshop # 3
August 24, 2020	–	Public Hearing to Discuss 2020-2021 Proposed Budget and Tax Rate
August 24, 2020	–	Special Meeting to Approve the 2020-2021 Budget and Tax Rate

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Mr. Sanchez reviewed the amounts in the Official Budget for year 2020-2021.

The Board needs to approve two governmental funds in the budget: 1) General Fund and 2) Debt Service Fund. The Special Revenue Fund and Capital Projects Fund do not require board approval. The funds are approved at the administration level.

- General Fund Total Revenues: \$175,776,721 (Balanced Budget)
 - Local Revenue: \$24,908,510
 - State Revenue: \$137,408,250
 - Federal Revenue: \$13,459,961
- Total Expenditures: \$175,776,721
- Debt Service Fund: \$1,252,027
 - Property Tax Collections & Interest Revenues: \$593,828
 - State IFA Revenues: \$658,199
 - Payment of Bonds: \$3,958,075
 - Deficit: \$2,706,048
- Transferred \$2 million from the local maintenance fund to help pay the bonds.
- Fund Balance at end of August 31, 2021: \$3,309,317
 - Less deficit of \$2,706,048
 - \$603,269: Left at end of next year if all revenues are collected

Dr. Rivera commended Mr. Sanchez and his staff for a job well done for coming up with a balanced budget as well as a surplus at the end of the year.

Mr. Sanchez thanked Mrs. Melva Segura (Human Resources Director), Mr. Mike De La Rosa (Risk Management/Employee Benefits Director), and Carlos Martinez (Technology Director) for their help in preparing the 2020-2021 Budget.

IV. Public Comments on Proposed 2020-2021 Budget and Tax Rate

The public had the opportunity to participate in Public Comments by registering no later than 5:15 p.m. at the following web link: <https://www.wisd.us/superintendentboard/new-page>

No one signed up to address the Board.

V. Adjournment

The Public Hearing adjourned at 6:40 p.m.