

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

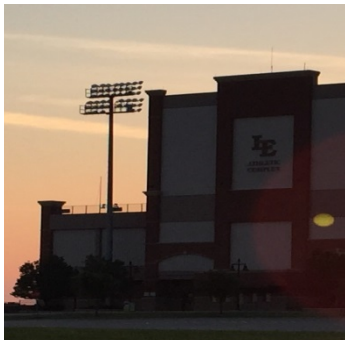
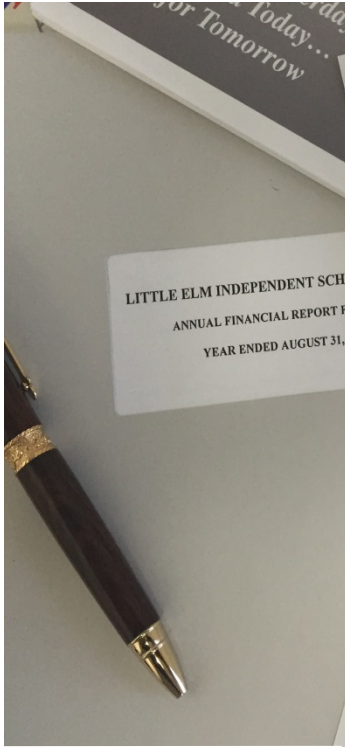
Little Elm ISD

2018 -19 Budget Hearing

Grant Anderson, Associate Superintendent & Chief Financial Officer

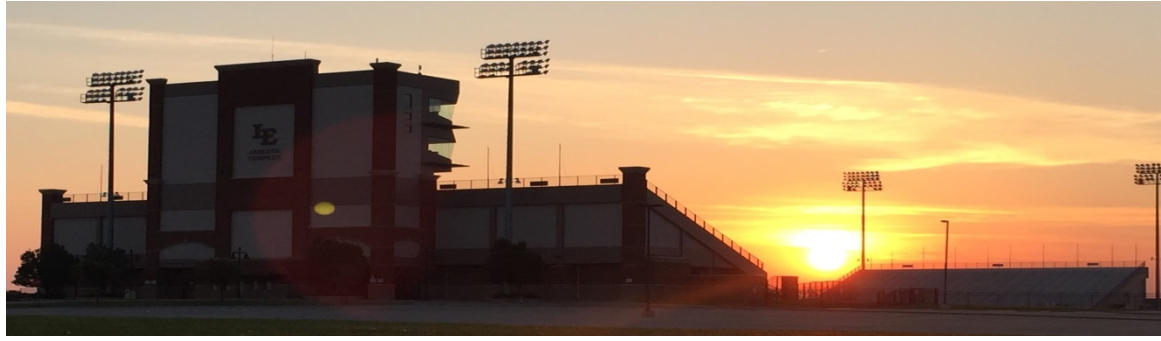
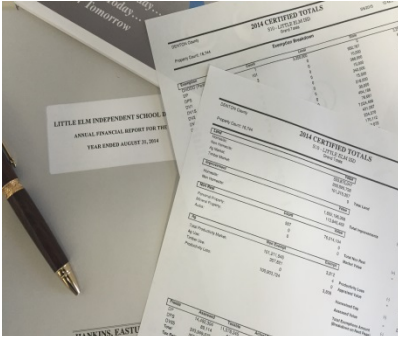
August 13, 2018
6:30 PM

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



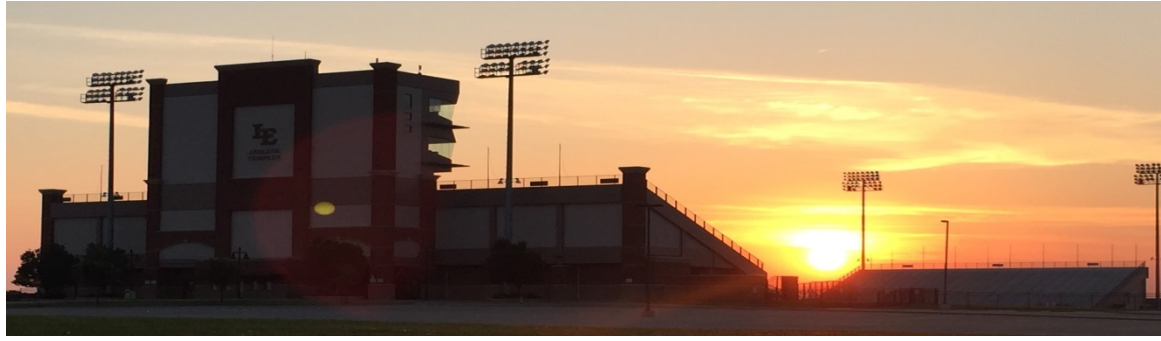
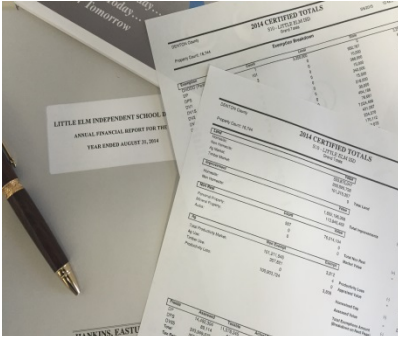
Budget based on a \$.10 Tax Rate Increase for Debt Service

- The 2018-19 proposed budget is based on maintaining the Maintenance and Operations tax rate at \$1.17 and increasing the Debt Service tax rate by \$.10 from \$.37 to \$.47.
- Administration will recommend a \$.10 increase in the overall tax rate from \$1.54 to \$1.64. This is the first tax increase in 9 years (last increase was 2009-10).
- Tax increase is due to the additional funds needed to pay the principal and interest for the sale of the bonds approved by the voters in the 2017 bond election.



Budget Facts

- The 2018-19 M&O proposed budget is a balanced budget. The overall budget reflects an 6.7% increase (\$4.5 million) from 2017-18'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.

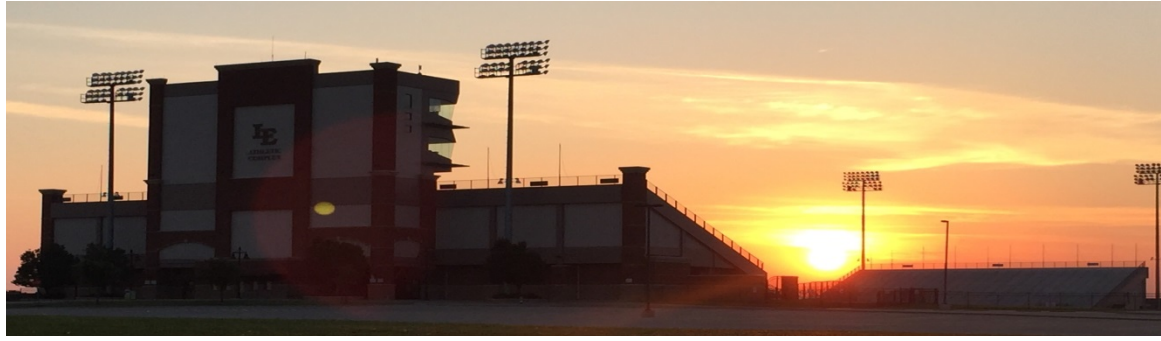
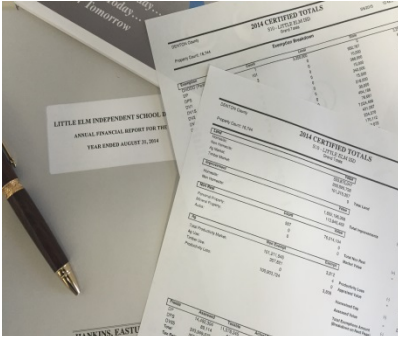
Two major Revenue drivers:

Property Values 21% increase
(\$3.3 to \$4.0 billion)

major factor – tax rate & collections

Enrollment 3% increase
(7,519 to estimated 7,748
students)

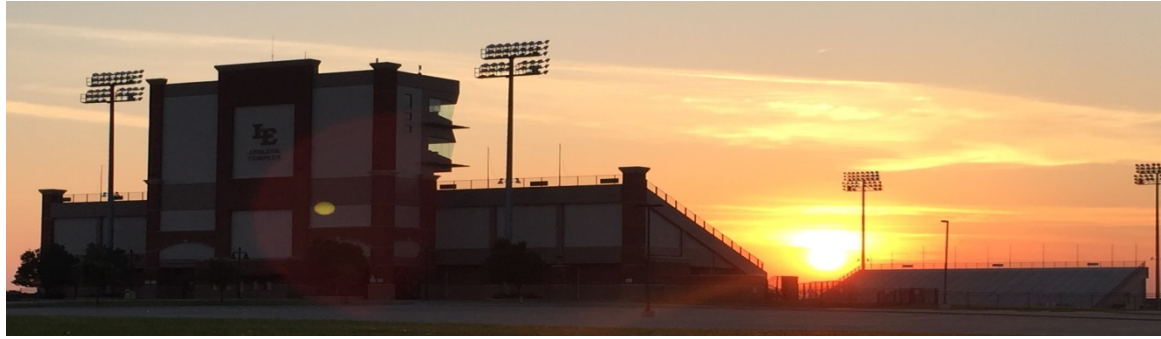
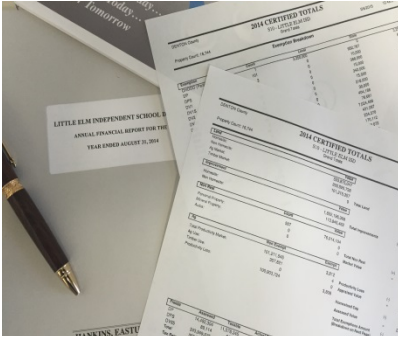
major factor – state funding formula



Budget Facts – State Funding

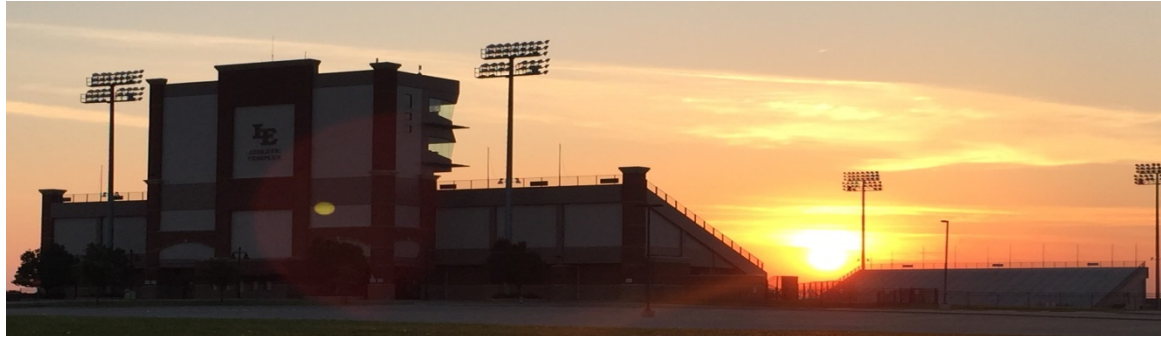
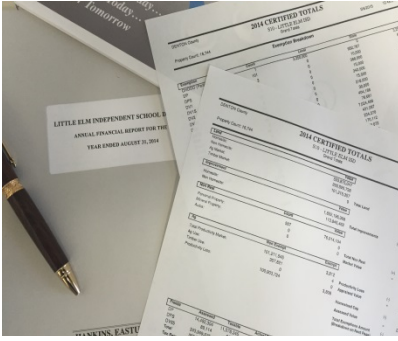
- Effect of State Funding Methodology (Summary of Finance) utilizing prior year's comptroller values to determine current year local effort.
- If the growth in taxable assessed property value slows down it is possible for the district's net revenue to decrease from prior year. State funding formula uses prior year's Comptroller Taxable Values for current year's local assignment.
- LEISD's possible loss of revenue within one year from TAV growth slowdown

Current Year:	20%	\$1.6 million
Next Year:	18%	\$1 million
	16%	\$250 thousand
	14%	(\$750 thousand)
	12%	(\$1.7 million)
	10%	(\$2.2 million)
	8%	(\$3.4 million)



Budget Facts - Appropriations

- 76.5% of LEISD's M&O appropriations are allocated for payroll costs. This includes the one time 3% retention stipend.
- 77% of LEISD's M&O appropriations are budgeted at the school campus level.
- 15% of LEISD's M&O appropriations are budgeted in maintaining the schools, custodians, technology, and safety and security.
- Administration and support service functions decreased 1.4% from prior year and makes up 4% of propose 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.



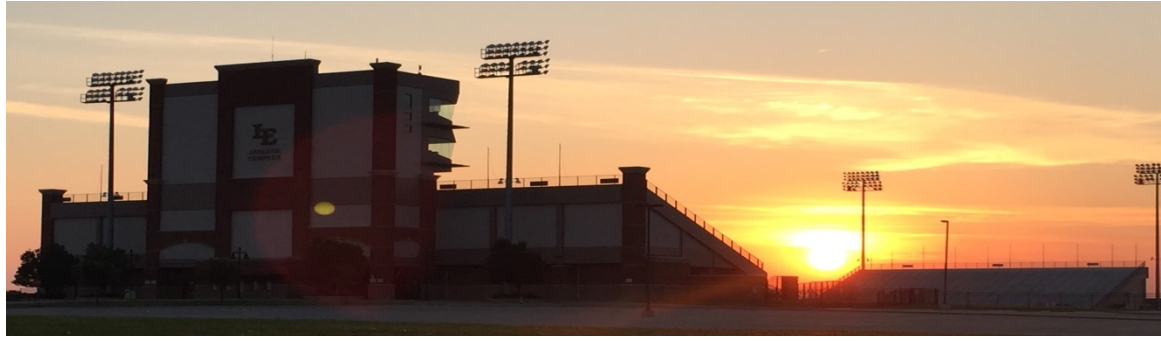
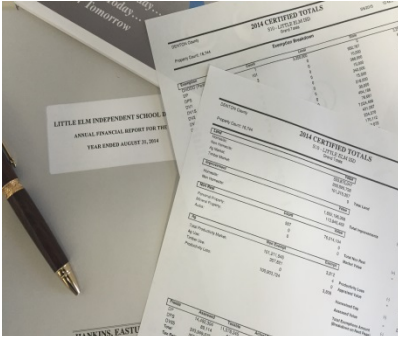
Budget Facts - Appropriations

Appropriations increase \$4.5 million from 2017-18's **initial** budget to the 2018-19 proposed budget. \$2.96 million is for Payroll and payroll related costs. This is mainly due to:

- 1) 3% retention stipend for staff based on the criteria discussed at August 2018 Board Workshop. The administration will recommend the board approve the 3% retention stipend at the August 20, 2018 regular board meeting.
- 2) Additional stipend and equity adjustments.

Prior Board Approval:

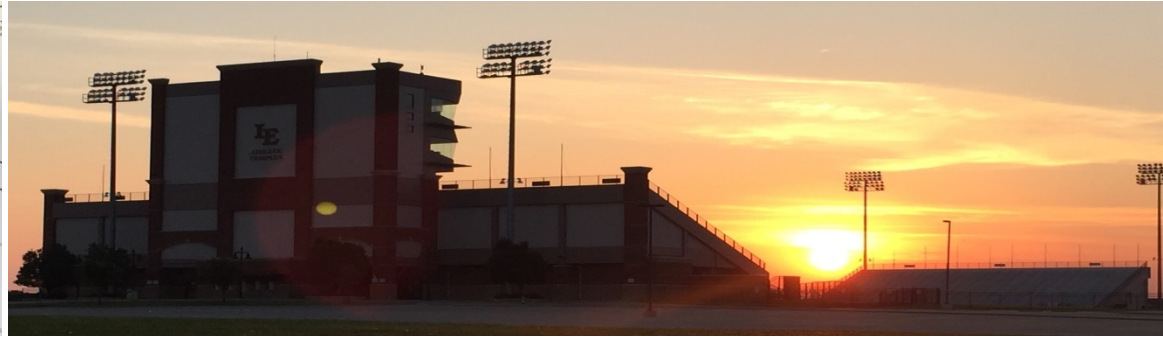
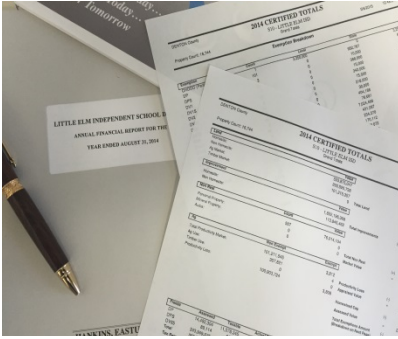
- 1) Additional \$192 per year health insurance contribution.
- 2) Additional 13 positions for 2018-19 school year.
- 3) Stipend list for 2018-19 school year.



Budget Facts - Appropriations

Other major changes in appropriations:

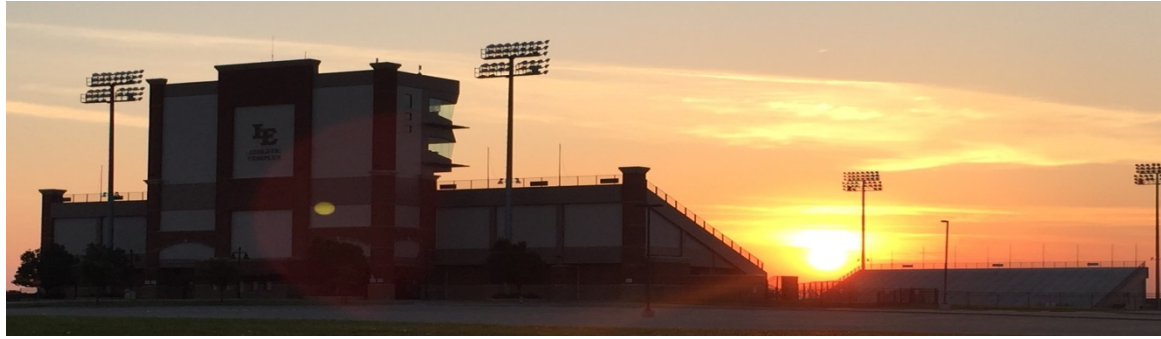
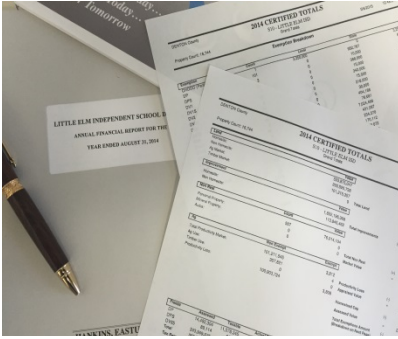
- Professional and Contracted Services increased \$1.7 million from budget due to increases for contracts including Chapter 41 recapture, student transportation, and utilities.
- Supplies and Materials budget increased \$132 thousand.
- Other Operating budget increased \$111 thousand.
- Capital Outlay decreased \$479 thousand dollars.
- Chapter 41 State Recapture to equalize wealth. LEISD is projecting \$1,100,000 in recapture to the state. An increase of \$600,000 from prior year.



2018-19 Additional Funding Recap from initial 2017-18 Budget

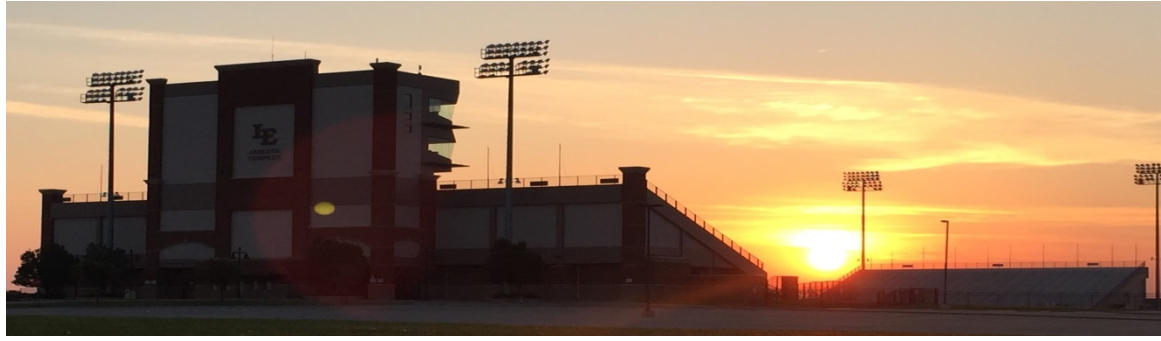
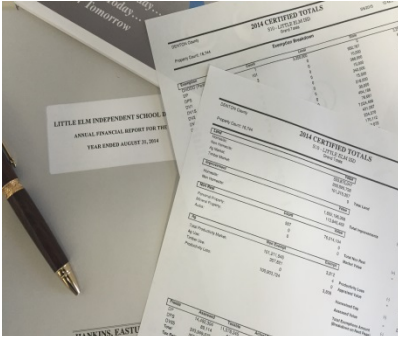
Major Increases in Payroll Budget	Major Costs	Revenue Balance
	Additional Revenue	\$4,476,000
TRS on-behalf of entry	\$295,000	
3% employee retention stipend	\$1,415,000	
Additional health insurance contribution	\$229,000	
13 new Positions for 2018-19 school year	\$372,000	
Additional stipends & equity adjustments	\$649,000	
Total Increase in Payroll Budget:	\$2,960,000	\$1,516,000

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.



2018-19 Additional Funding Recap from initial 2017-18 Budget

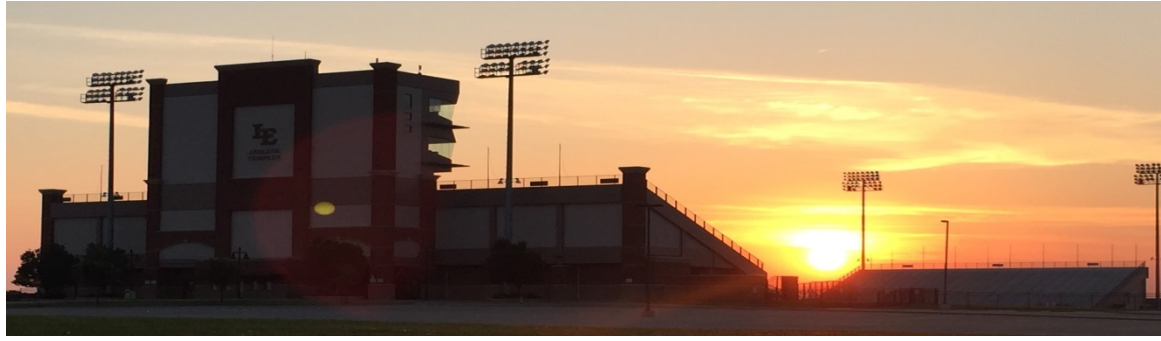
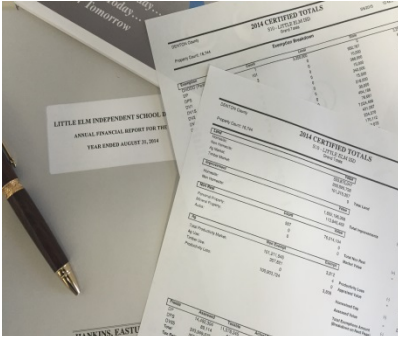
Major Increases in Non-Payroll Budget	Major Costs	Revenue Balance
Revenue available for non-payroll budget		\$1,516,000
Chapter 41 state recapture to equalize wealth	\$600,000	
Safety & Security (SRO's and safety equipment)	\$367,000	
Student Transportation Costs	\$198,000	
Property and Casualty Insurance	\$124,000	
Technology (identity software, firewall support)	\$214,000	
Maintenance (Preventive Maintenance)	\$184,000	
Other Net Difference	(171,000)	
Total Increase in Non-Payroll Budget:	\$1,700,000	- 0 -



Budget Facts – Major Key Indicator

Major Key Indicator: Major revenue to Payroll ratio

- ✓ Major Revenue: Major Revenue is total tax collections (less delinquent taxes) and state revenue less chapter 41 recapture. Major Revenue makes up 90% of LEISD's M&O revenue.
- ✓ Major Cost: 78.49% of LEISD's major revenue appropriations are allocated for payroll costs.

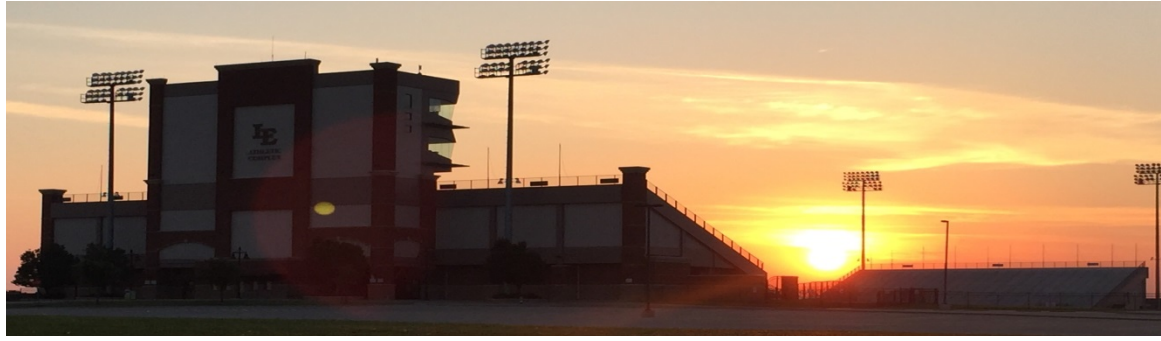
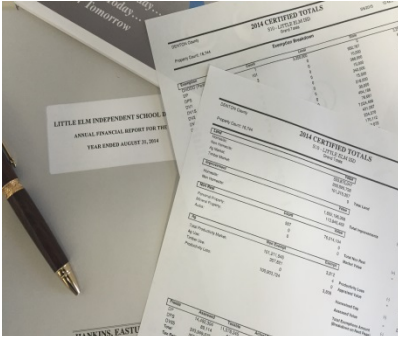


Budget Facts – Budgeting to Revenue

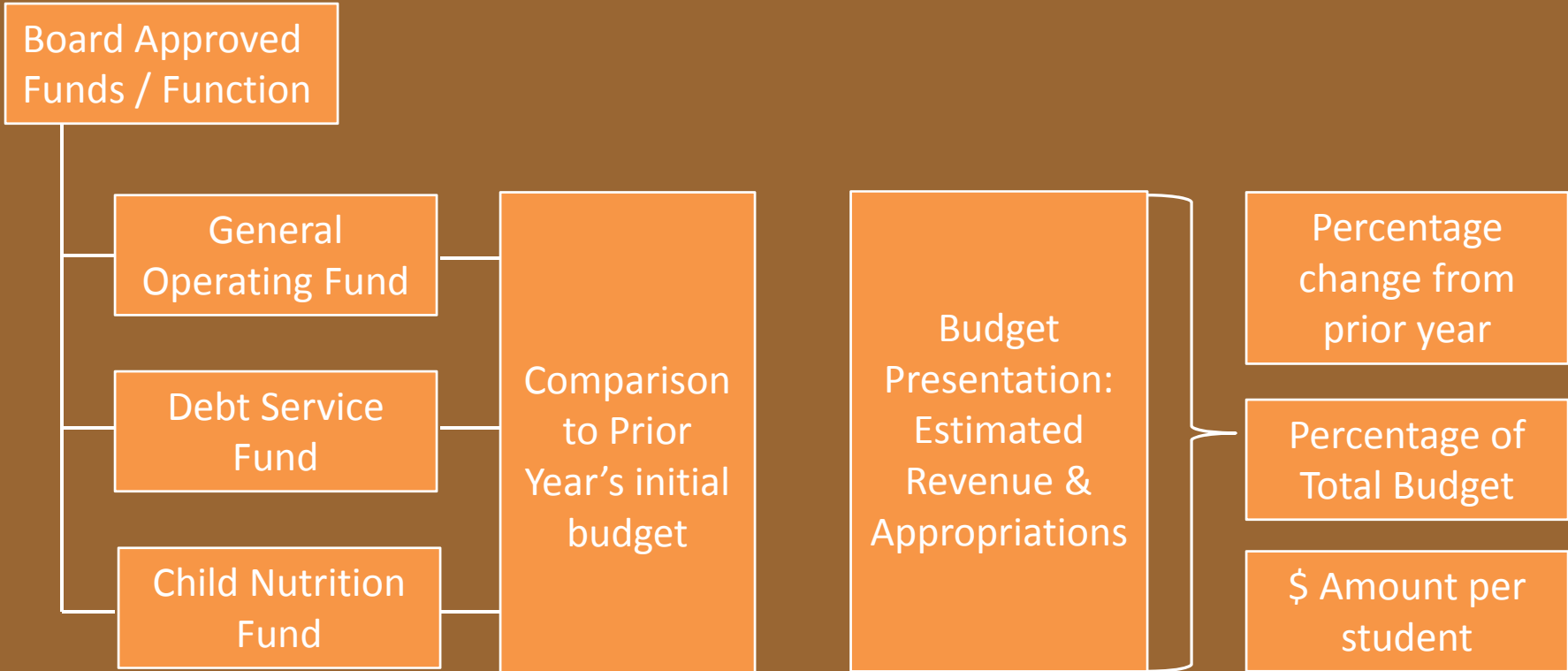
Historical Key Indicator: LEISD's Payroll to Major Revenue.

	▼	▼	▼	▼	▼
	2014-15	2015-16	2016-17	2017-18	2018-19
	Actual	Actual	Actual	Budget	Budget
Payroll to Major Revenue	76.22%	76.02%	74.92%	76.94%	79.05%
Budgetary Surplus/(Deficit)	1.6 million	\$3.8 million	\$743 thousand	\$1 million	-\$0-

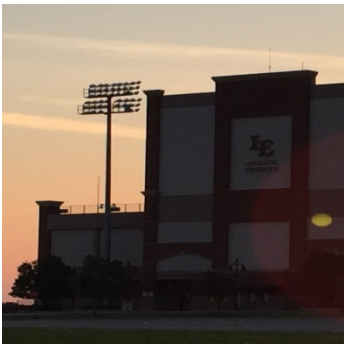
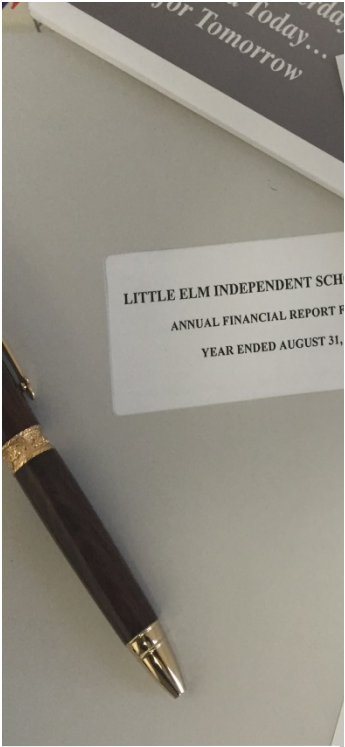
*2018-19 Budget set at 98% of revenue. Includes one time 3% retention stipend. Payroll to major revenue would be 76% without retention stipend.



Budget Map



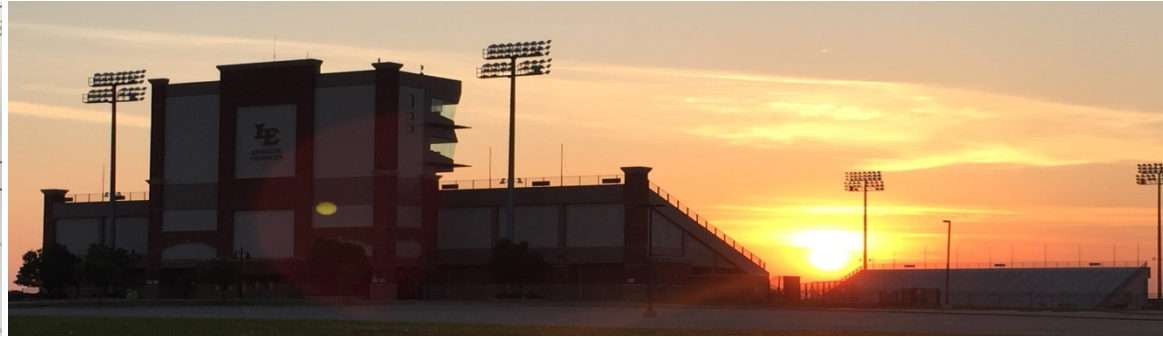
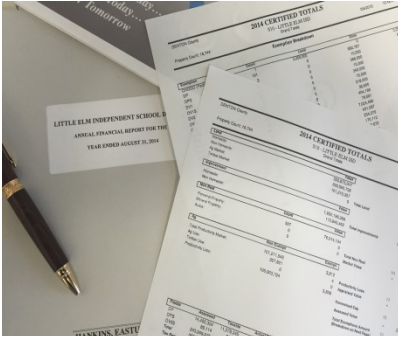
Presentation: Budget presented in millions and comparative data is to the initial 2017-18 budget



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

Amounts in millions

Total Revenue, Expenditures, & Change in Fund Bal (FB)	2017-18 Initial Approved Budget	2018-19 Proposed Budget	Change from Prior Year's Initial Budget
Estimated Revenue	\$66.55	\$71.0	\$4.5
Appropriations (Expenses)	\$66.55	\$71.0	\$4.5

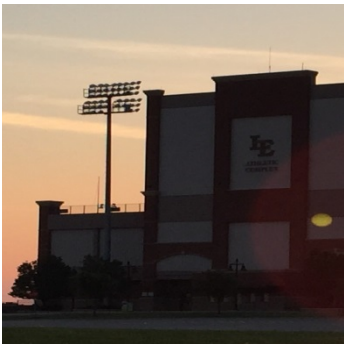
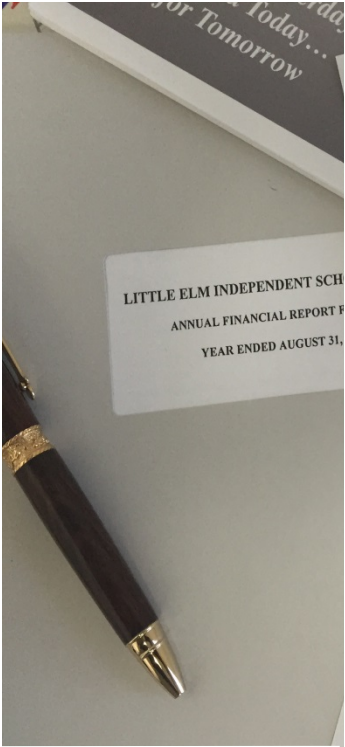
Major reasons for changes from prior year:

Revenue increased \$4.5 million from 2017-18 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 2017-18 initial budget.

Note: Change from Prior Year's final amended budget is nearly flat. Prior Year's final amended estimated revenue is \$71 million.



General fund revenue

Budget in millions

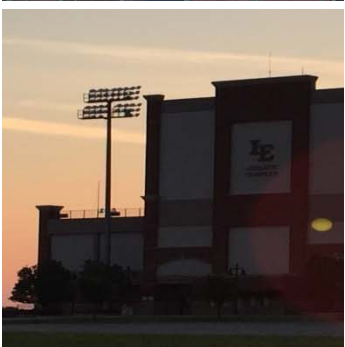
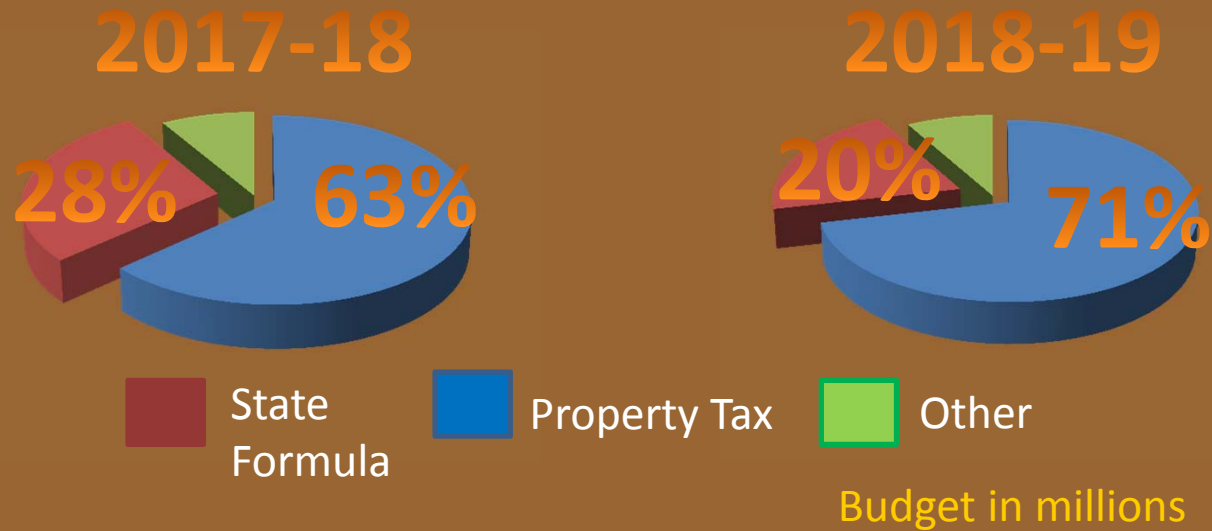
Total Revenue by Source	2017-18 Initial Budget	%	*\$ per Student 7,519	2018-19 Proposed Budget	%	\$ per Student 7,748	% Chg
Local	\$43.0	64.5%	\$5,713	\$51.5	72.5%	\$6,642	19.8%
State	\$22.4	33.6%	\$2,972	\$18.3	25.8%	\$2,364	-18.1%
Federal	\$1.3	1.9%	\$166	\$1.2	1.8%	\$161	0%
Total	\$66.55	100%	\$8,851	\$71	100%	\$9,168	6.7%

- Local revenue increased \$8.5 million mainly from an increase in property tax revenue.
- State revenue decreased 18.1% or \$4 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 \$4.5 million or 6.7% from PY's initial estimate of \$66.55 million to 2018-19 proposed estimate of \$71 million.

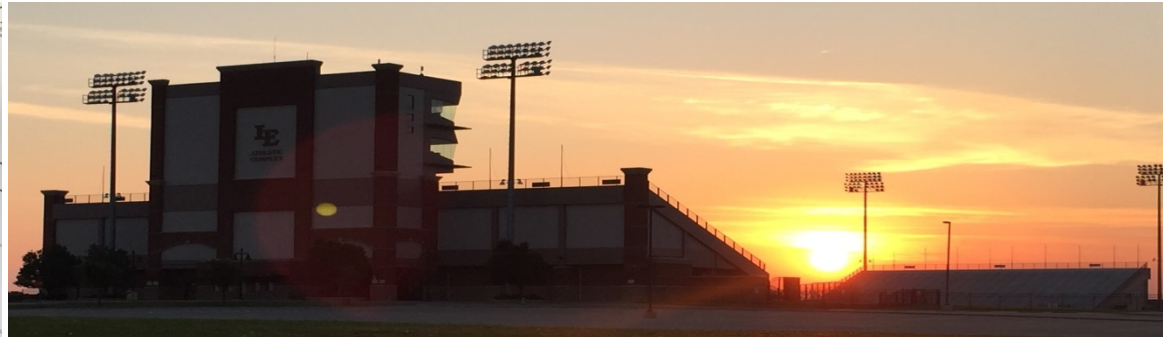
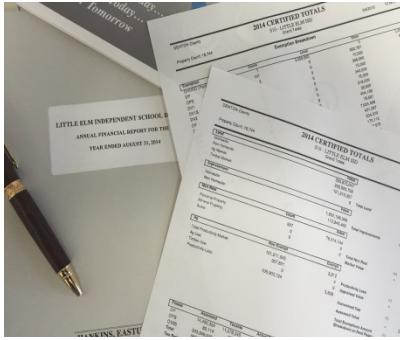


General fund revenue source

Major Revenue	2017-18 Initial Approved Budget	2018-19 Proposed Budget	Change
State Formula	\$18.8	\$14.5	(\$4.3)
Property Tax	\$42.0	\$50.7	\$8.7
Other	\$5.7	\$5.8	\$0.1
Total Revenue	\$66.5	\$71.0	\$4.5

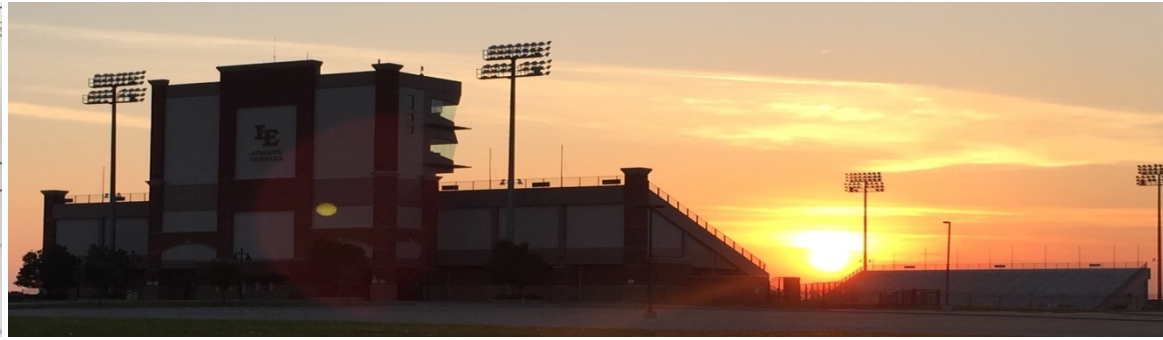
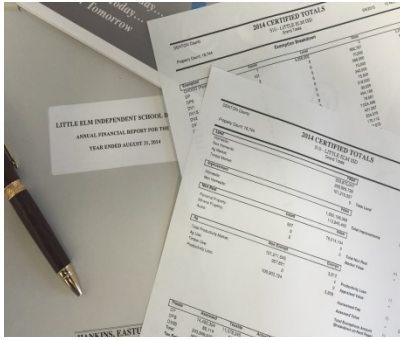


Approximately 91-92% of LEISD's general fund revenue is generated from Property Taxes and State funding formula.



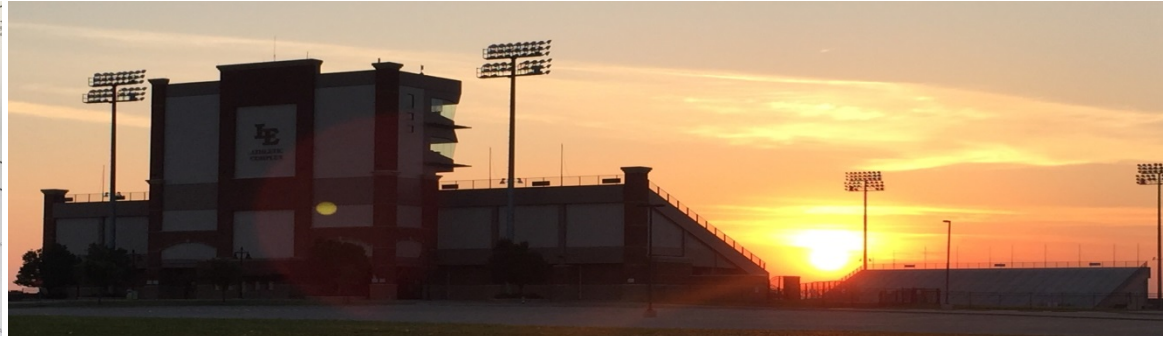
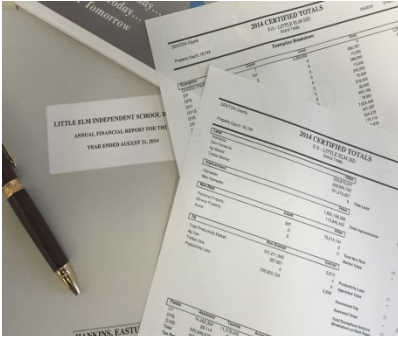
General Fund Expenditures by Function Category	2017-18		\$ per Student 7,519	2018-19		\$ per Student 7,748	% Chg
	Initial Budget	%		Proposed Budget	%		
1x Instructional	\$40	60%	\$5,263	\$42	59%	\$5,370	5.1%
2x School Leadership	\$5.4	7.7%	\$701	\$5.4	7.7%	\$704	3.4%
3x Student Services	\$6.6	10%	\$882	\$7.3	10%	\$942	10.1%
4x Admin Services	\$3.2	4.8%	\$423	\$3.1	4.4%	\$405	(1.4%)
5x Support Services	\$8.9	13%	\$1,197	\$10.3	14%	\$1,337	15%
6x Community Services	\$.04	-	\$5	\$.05	-	\$7	26.5%
7x Debt Services	\$1.4	2%	\$187	\$1.4	2%	\$181	-
8x Capital Outlay	\$.6	.9%	\$78	\$.2	.3%	\$25	(67%)
9x Intergovernmental	\$.9	1.3%	\$115	\$1.5	2.1%	\$197	76%
Total Appropriations	\$61.7	100%	\$8,365	\$71	100%	\$9,168	6.7%

Budget in millions



General Fund Expenditures by Object	2017-18		\$ per Student 7,519	2018-19 Proposed Budget		\$ per Student 7,748	% Chg
	Initial Budget	%			%		
61xx Payroll	\$51.4	77.2%	\$6,830	\$54.3	76.5%	\$7,010	5.8%
62xx Contracted Services	\$8.7	13%	\$1,152	\$10.4	14.7%	\$1,346	20%
63xx Supplies & Materials	\$2.7	4%	\$359	\$2.8	4%	\$366	4.9%
64xx Other Operating	\$1.7	3%	\$232	\$1.9	2.6%	\$240	6.3%
65xx Debt Payments	\$1.4	2%	\$187	\$1.4	2%	\$181	0%
66xx Capital Outlay	\$.7	.5%	\$91	\$.2	.3%	\$26	(70%)
Total Appropriations	\$66.55	100%	\$8,851	\$71	100%	\$9,168	6.7%

Budget in millions

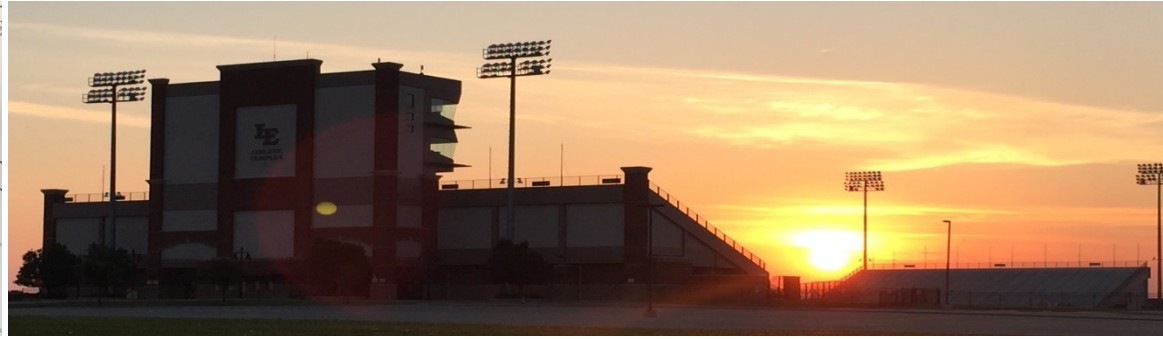
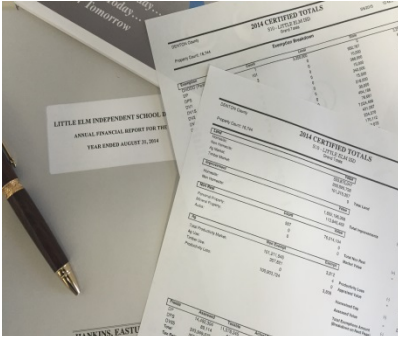


Debt Service Fund

Debt Service Fund Revenue & Expenditures	2017-18 Initial Budget	\$ per Student 7,519	2018-19 Proposed Budget	\$ per Student 7,748	% Chg 3%
Total Revenue	\$13.7	\$1,827	\$21.3	\$2,740	55%
71 Debt Service Pmts	\$11.9	\$1,594	\$21.1	\$2,723	76%
Budgeted Surplus/(deficit)	\$1.8	-	\$.1	-	-

- 2017-18 Outstanding debt: \$145,779,189 = \$19,388 per student
- 2018-19 Outstanding principal debt: \$300,413,031 = \$38,773 per student

Budget in millions



Child Nutrition Fund

Budget in millions

Child Nutrition Fund Revenue & Expenditures	2017-18 Initial Budget	\$ per Student 7,519	2018-19 Proposed Budget	\$ per Student 7,748	% Chg
Local Revenue	\$1.5	\$206	\$1.6	\$212	6.2%
State Revenue	\$.02	\$3	\$.02	\$3	-
Federal Revenue	\$2.2	\$287	\$2.2	\$282	1.3%
35 CN Expenditures	\$3.7	\$495	\$3.9	\$497	3.4%
Budgeted Surplus/(deficit)	\$0	-	\$0	-	-

- 2017-18 Free & reduced student eligibility: 44% or 3,224 children
- 2018-19 Free & reduced student eligibility: 45% of 3,454 children

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
2018-19 Board Proposed Budget
Combined Funds

		General Fund	Student Nutrition Fund	Debt Service Fund	Combined Total
Estimated Revenue					
5700	Local Revenue	51,464,245	1,644,050	21,230,000	74,338,295
5800	State Revenue	18,319,434	20,000	0	18,339,434
5900	Federal Revenue	1,250,000	2,186,778	0	3,436,778
Total Revenue		<u>71,033,679</u>	<u>3,850,828</u>	<u>21,230,000</u>	<u>96,114,507</u>
Appropriations					
11	Instructional	39,021,456			39,021,456
12	Instructional Resources & Media Services	731,379			731,379
13	Curriculum & Instructional Staff Development	1,852,210			1,852,210
21	Instructional Leadership	1,086,508			1,086,508
23	School Leadership	4,367,766			4,367,766
31	Guidance, Counseling, & Evaluation Services	2,150,614			2,150,614
32	Social Work Services	31,300			31,300
33	Health Services	578,378			578,378
34	Student (Pupil) Transportation	2,372,370			2,372,370
35	Food Services	175,525	3,850,828		4,026,353
36	Cocurricular/Extracurricular Activities	1,992,989			1,992,989
41	General Administration	3,136,703			3,136,703
51	Plant Maintenance & Operations	7,583,917			7,583,917
52	Security and Monitoring Services	1,215,934			1,215,934
53	Data Processing Services	1,560,918			1,560,918
61	Community Services	53,598			53,598
71	Debt Services	1,402,642		21,100,000	22,502,642
81	Facilities Acquisition and Construction	194,472			194,472
91	Chapter 41 Recapture	1,100,000			1,100,000
95	Payments to JJAEP	40,000			40,000
99	CAD Appraisal Fees	38,000			38,000
Total Appropriations		<u>71,033,679</u>	<u>3,850,828</u>	<u>21,100,000</u>	<u>95,984,507</u>
Net Surplus/(Deficit)		<u>0</u>	<u>0</u>	<u>130,000</u>	<u>130,000</u>
00	Transfer Out	0	0	0	0
Budgetary Fund Balance		<u>0</u>	<u>0</u>	<u>130,000</u>	<u>130,000</u>