



# ELGIN ISD

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## 2023-2024

# Budget Book



# *ELGIN ISD BOARD OF TRUSTEES*

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**Dr. Jana Rueter**  
Superintendent

**Dr. Peter Perez**  
Deputy Superintendent

**Dr. Sarah Borowicz**  
Assistant Superintendent of Teaching & Learning

**Al Rodriguez**  
Assistant Superintendent of Human Capital

**Brian Page**  
Chief Technology Officer

**Jeffri Orosco**  
Chief Financial Officer

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August 10, 2023

Elgin ISD Board of Trustees  
 1002 North Avenue C  
 Elgin, TX 78621

Dear Board Members:

We are pleased to present the budget for the fiscal year September 1, 2023 through August 31, 2024 for Elgin ISD. Revenues & Expenditures for the General Operating, Child Nutrition, and Debt Service funds are as follows:

	<i>Operating Fund</i>	<i>Child Nutrition Fund</i>	<i>Debt Service Fund</i>
<b>Total Revenue</b>	\$ 61,644,000	\$ 4,424,600	\$ 14,543,680
<b>Total Expense</b>	\$ 61,644,000	\$ 4,461,850	\$ 12,921,763
<b>Total Net Revenue</b>	\$ -	\$ (37,250)	\$ 1,621,917

During the second called special session of the 88<sup>th</sup> Legislative Session, the Texas Legislature passed Senate Bill 2, which raised the Homestead Exemption to \$100,000 pending voter approval in November 2023. This bill also further compressed the Maximum Compressed Tax Rate that Districts could adopt. Based on the certified values from the Bastrop, Lee, and Travis Central Appraisal Districts at the \$100,000 Homestead Exemption rate, local tax revenues are estimated based on Net Taxable Certified Values of \$2,909,204,453 and Freeze Adjusted Certified Values of \$2,646,431,332. Current tax revenues are estimated based on a Maintenance & Operations tax rate of \$0.7575 and I & S tax rate of \$0.4682 for a total tax rate of \$1.2257.

The General Fund reflects a balanced budget of \$61,644,000, and includes a 3% of midpoint pay increase approved by the Board of Trustees in May 2023, as a result of the Texas Association of School Board’s (TASB) Salary Study.

The Child Nutrition Fund has a slight deficit budget of \$35,000. Year after year, EISD has increased the Child Nutrition Fund Balance to the point where it is required to spend down this fund balance by adopting a deficit budget.

The Debt Service Fund revenue is based on estimated tax collections, additional state aid for homestead exemption, interest earnings, as well as an anticipation of sale of bonds. Elgin ISD is in the early planning stages of a May 2024 bond election. The Debt Service expenditures include principal and interest of currently issued bonds as well as an estimated defeasance amount of \$1,500,000. The actual amount of the defeasance will be determined in the early summer of 2024, based on collections.

The pages to follow in the 2023-24 EISD Budget Book will shed further insight on each of these funds.

Respectfully,

Dr. Jana Rueter  
 Superintendent

Jeffri Orosco, RTSBA  
 Chief Financial Officer

# BUDGET OVERVIEW AND HIGHLIGHTS

Elgin Independent School District is focused on providing a high quality education for all students. Our challenges continue to be managing new growth, inflation, increasing accountability requirements, and recruiting and retaining highly qualified teachers.

Federal, state, and local guidelines direct the budget development process. The annually adopted budget includes the General Fund, the Child Nutrition Fund, and the Debt Service Fund.

## GENERAL FUND

The General Fund is used to record all financial transactions not accounted for in other funds. The major sources of revenue are local property taxes; other local revenue, such as athletic ticket sales and interest earnings; state revenue; and other miscellaneous federal revenue, including indirect costs for federal grants and School Health and Related Services (SHARS). Expenditures include all costs associated with the operation of the District from September 1, 2023 through August 31, 2024, with the most significant cost being salaries and benefits.

## REVENUES

General Fund revenue is budgeted to increase \$5,271,000, or 9.35%, as compared to the adopted revenue budget for fiscal year 2022-23. The increase is primarily due to anticipated enrollment growth and increased revenue earnings from investments. Various factors must be considered in the estimation of revenue for the General Fund. Among those factors are property values and student enrollment. Property values and tax collections impact both local and state revenue estimates.

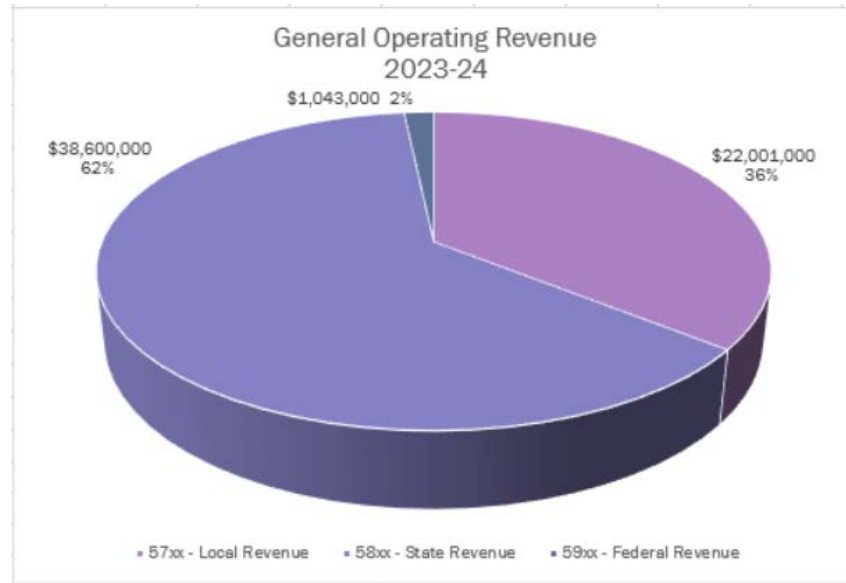
According to House Bill 3, beginning in tax year 2020, school district Maintenance & Operations (M&O) tax rates will be compressed to the lower of the state compressed rate or the local compressed rate when property values increase more than 2.5%. The more property values increase or grow, the further compressed the Maximum Compressed Rate (MCR) will become. Under current law, the highest possible MCR a district could have for tax year 2023 is \$0.7950, while the lowest MCR a district could have is \$0.7155. The lowest MCR is 90% of the highest MCR.

Due to ongoing and further tax rate compression mandated by SB2, the highest MCR will be further reduced by \$0.107 bringing the MCR ceiling to \$0.6880 and the MCR floor to \$0.6192. The District's awarded MCR from TEA is \$0.6192 based on continued property value growth. With the addition of the Tier II pennies of \$0.1383, the districts M&O tax will decrease from \$0.9429 in 2022-23 to \$0.7575. This tax rate is a savings of \$0.1854 per \$100 valuation. Paired with the increased homestead exemption from \$40,000 to \$100,000, taxpayers will see property value relief. Districts will be held-harmless by the state for this increase in property values. This change in legislation will decrease local tax collection revenue and increase state revenue in 2023-24.

The following table provides a comparison of revenue by source for 2022-23 and 2023-24.

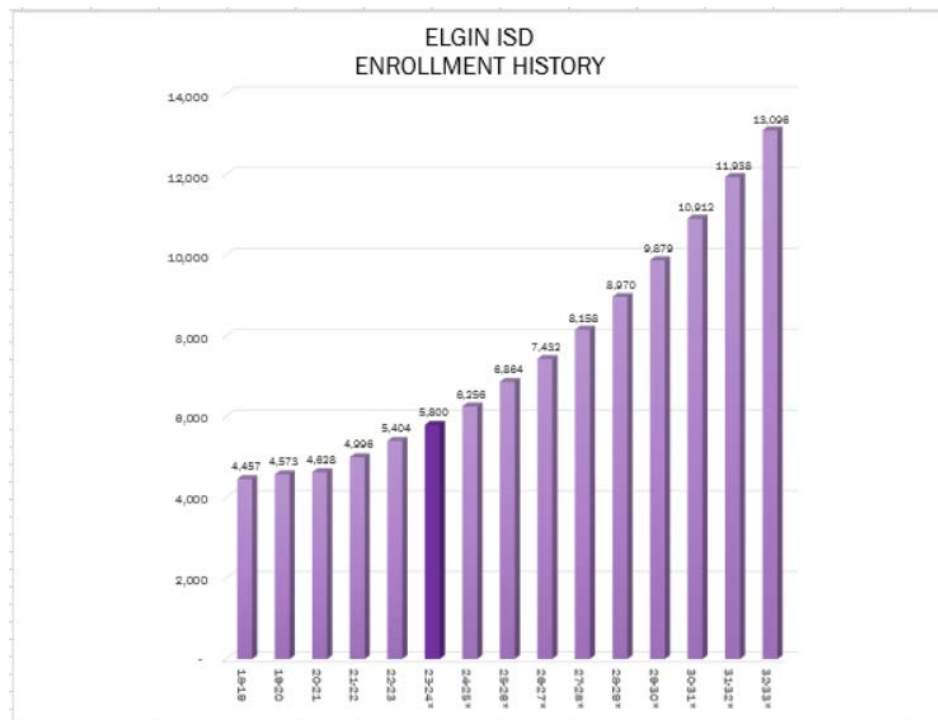
	<i>Adopted Budget</i>		<i>Proposed Budget</i>		
	<i>2022-23</i>		<i>2023-24</i>		
				<i>% Change</i>	
Local (57xx)	\$	23,035,000	\$	22,001,000	-0.045%
State (58xx)	\$	32,300,000	\$	38,600,000	19.50%
Federal (59xx)	\$	1,038,000	\$	1,043,000	0.005%
<b>Total</b>	<b>\$</b>	<b>56,373,000</b>	<b>\$</b>	<b>61,644,000</b>	<b>9.35%</b>

State revenue is the largest revenue source for Elgin ISD at 62.17%, local revenue is 35.69%, and federal revenue is 1.69%.



### Student Enrollment

Budgeted enrollment for the 2023-24 school year is 5,800 at 90% attendance rate, for an estimated Average Daily Attendance of 5,220. This is a 7.33% increase in enrollment over 2022-23 enrollment. Enrollment was budgeted based on conservative projections using enrollment estimates provided by Population and Survey Analysts (PASA) in the April 2023 demographic study. Increases in student population have a major impact on staffing decisions, per-pupil allocations, facility needs, debt issuance requirements, and other budgetary decisions. Based on demographic projections, Elgin ISD is expected to grow over 10,000 students by 2030-2031.



### EXPENDITURES

General Fund Appropriations are budgeted at \$61,644,000. This is an increase of \$5,271,000 or 9.35% from the prior year. The increase is attributable to new staff, compensation raises, loss of ESSER II funding, and increased funding to programs that are needed to address the District’s growth.

### EMPLOYEE COMPENSATION, BENEFITS, and STAFFING

Because payroll accounts for 74.6% of the budget, issues that affect staff have a major impact on the overall budget of the District. The District has worked very hard to ensure overall compensation is competitive with surrounding districts in an effort to attract and retain quality staff. TASB was contracted to do a compensation study, for the first time in 10 years in 2022-23, and EISD will continue to work with TASB to update and refresh

the study in 2023-24.

Based on the TASB study, the EISD Board of Trustees approved a raise for all employees in May 2023. The Teacher Salary Scale was increased for a new teacher by \$1,750 and employees on this scale received an increase based on the new scale and years of creditable experience. Employees on all other pay scales received a 3% increase based on the mid-point of their scale. Equity and special adjustments were also done within pay scales.

## NON-STAFFING EXPENDITURES

All campuses and departments receive a base allocation for managed appropriations. These appropriations include supplies, travel, training, etc. Department allocations start with the allocation for the previous year, but each department is required to analyze every line item and provide explanations for significant increases and decreases.

Campus instructional per pupil allocations for 2023-24 are as follows:

Campus	Allocation Per Student
Elgin High School (EHS)	\$105
Early College High School (ECHS)	\$140
Phoenix High School (PHS)	\$105
Elgin Middle School (EMS)	\$95
Elgin Intermediate School (EIS)	\$85
Elementary Schools (BTW, EES, NES)	\$80

In addition to the base instructional allocation, the Intermediate School, Middle School, and High School are given a band allocation for equipment and repairs. The Middle School and High School campuses also receive an extra-curricular allocation and an athletic allocation. Elementary campuses receive a fine arts allocation. All campuses receive a team building and library allotment per student.

## CHILD NUTRITION FUND

The District’s food service operations are accounted for in the Child Nutrition Fund. Annually, the Board of Trustees adopts the Child Nutrition Fund budget.

## REVENUES

Approximately 11.4% of the revenue in this fund is generated from student payment for meals and interest earnings. The remaining revenue is primarily received from the United States Department of Agriculture (USDA) under the National School Lunch Program and the School Breakfast Program.

## EXPENDITURES

Child Nutrition Services appropriations consist primarily of payroll (41.5%), contracted services (3.6%), food and supplies (47.7%), miscellaneous other expenses (0.4%), and capital outlay (6.7%). Expenditures are anticipated to be higher in 2023-24 due to increased employee compensation rates based on the TASB Salary Study to ensure Elgin ISD remains competitive with employee pay for Child Nutrition staff. Capital outlay is allocated in the 2023-24 budget due to construction projects occurring on the EHS campus and a refresh of kitchen equipment at several campuses.

The 2023-24 Child Nutrition projected revenues are \$37,250 less than the budgeted appropriations. Elgin ISD has had several consecutive years where the fund balance was over the allowable limits of 3 months’ operating expenses. To strive for compliance, EISD is making effort to decrease fund balance back to allowable limits by Texas Department of Agriculture. In order to achieve this, EISD is updating kitchen equipment and serving lines, continuing to procure high quality food, and competitive salaries.

## ***DEBT SERVICE FUND***

The Interest and Sinking Fund (I & S), or Debt Service Fund, accounts for payments to principal, interest, and related fees on the District's general obligation bonds. These bonds are used for capital improvements and construction. Under Texas law, only debt service payments can be charged to this fund.

### **REVENUES**

The property tax revenue estimate is derived from applying the I&S tax rate against net assessed property values at a rate of \$0.4682 per \$100 of value. Additional revenue to pay the general obligation bonds is contributed from interest earnings on the cash flows in this fund and state aid payments, including Instructional Facilities Allotment (IFA) funds, Existing Debt Allotment Funds (EDA), and Additional State Aid for Homestead Exemption (ASAHE) payments. The total anticipated revenue for this fund for 2023-24 is \$13,043,680. The District is also in the early planning stages for a May 2024 bond election. With the successful passage of the election, the District may also sell voter-authorized bonds. The sale of bonds may generate additional other financing sources, which is estimated at \$1,500,000 at this time.

### **EXPENDITURES**

The expenditure budget for 2023-24 consists of the following amounts: \$4,150,000 for bond principal payments, \$7,256,763 for bond interest payments, \$15,000 for agent fees, and \$1,500,000 for defeasance. In 2022-23, Elgin ISD defeased about \$1,000,000 in Series 2014 bonds. Defeasing bonds allows the District to lower interest payments and free up additional bonding capacity for future debt. EISD is anticipating defeasing bonds again in 2023-24. Currently, the budget has a defeasement amount of \$1,500,000, but the final amount will be determined in the early summer of 2024 based on tax collections and interest earnings.

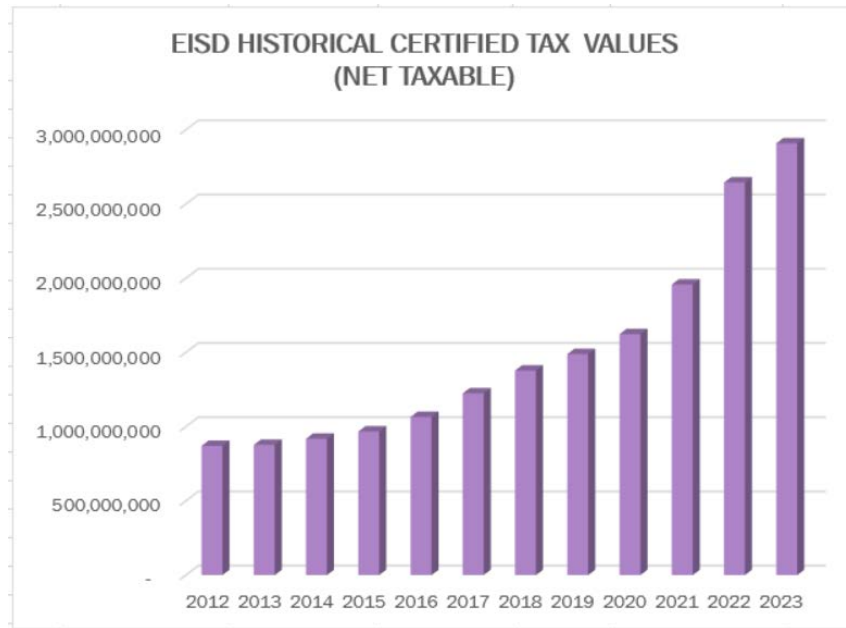
## ***PROPERTY VALUES AND PROPERTY TAX INFORMATION***

Under current law, the District grants an exemption to the market value of residence homesteads of \$40,000 mandated by the state in May 2022. With the recent passage of Senate Bill 2, in the second called special session of the 88th Legislative Session, an increase of the homestead exemption to \$100,000 will be on the ballot in November 2023. Based on the recent legislation, the increased homestead exemption is currently used to determine revenue estimates in both the General Operating Fund and the Debt Service Fund.

Elgin ISD falls within three different counties, Bastrop, Travis, and Lee. Bastrop County collects the District's taxes.

Certified values are based on the July 25th certification date with no during the year adjustments added or subtracted. Certified Appraisal District numbers are typically higher than the actual taxable values the District can collect on because the over 65 values are included in the values.

Property values and tax levy estimates are important in developing revenue forecasts for both the state and local components in both the General Operating Fund and Debt Service Fund. Property value growth in tax year 2023 in the District is projected to increase 9.98% over tax year 2022. The \$100,000 Hold Harmless slowed the rapid property growth trend that EISD has seen the past several tax years.



Certified Year	Certified Tax Values (Net Taxable)	% Growth
2012	870,820,438	1.26%
2013	877,556,250	0.77%
2014	919,016,837	4.72%
2015	967,692,131	5.30%
2016	1,065,529,478	10.11%
2017	1,224,748,918	14.94%
2018	1,378,575,655	12.56%
2019	1,489,005,023	8.01%
2020	1,623,522,183	9.03%
2021	1,957,641,972	20.58%
2022	2,645,180,014	35.12%
2023	2,909,204,453	9.98%

## TAX RATE

Property taxes are levied by October 1 on the assessed value listed as of January 1 for all real and business property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October levy date. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs. Below is a table of the M&O, I&S, and Total tax rates for the past 10 years. These tax rates are based on \$100 property valuation. With the recent passage of Senate Bill 2 and continued property value growth, the M&O Tax Rate was further compressed and will decrease by \$0.1854 from the 2022 Tax Rate. The EISD I&S Tax Rate will remain stable to continue to defease debt and remain stable.

Tax Year	M&O Tax Rate	I&S Tax Rate	EISD Total Tax Rate
2014-15	\$ 1.17	\$ 0.37	\$ 1.54
2015-16	\$ 1.17	\$ 0.37	\$ 1.54
2016-17	\$ 1.17	\$ 0.37	\$ 1.54
2017-18	\$ 1.17	\$ 0.37	\$ 1.54
2018-19	\$ 1.17	\$ 0.37	\$ 1.54
2019-20	\$ 1.0683	\$ 0.45	\$ 1.5183

2020-21	\$	1.0125	\$	0.4482	\$	1.4607
2021-22	\$	0.9603	\$	0.4682	\$	1.4285
2022-23	\$	0.9429	\$	0.4682	\$	1.4111
2023-24	\$	0.7575	\$	0.4682	\$	1.2257

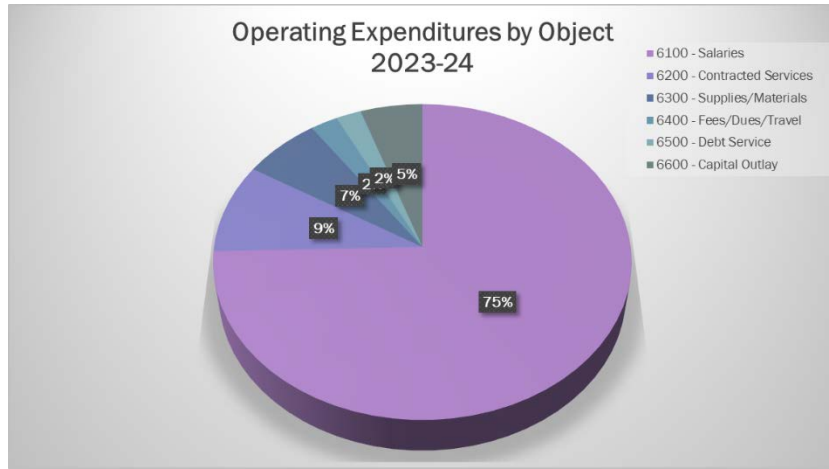
# EXHIBITS

## 2023-24 PROPOSED BUDGET BY FUND & FUNCTION FOR BOARD APPROVED FUNDS

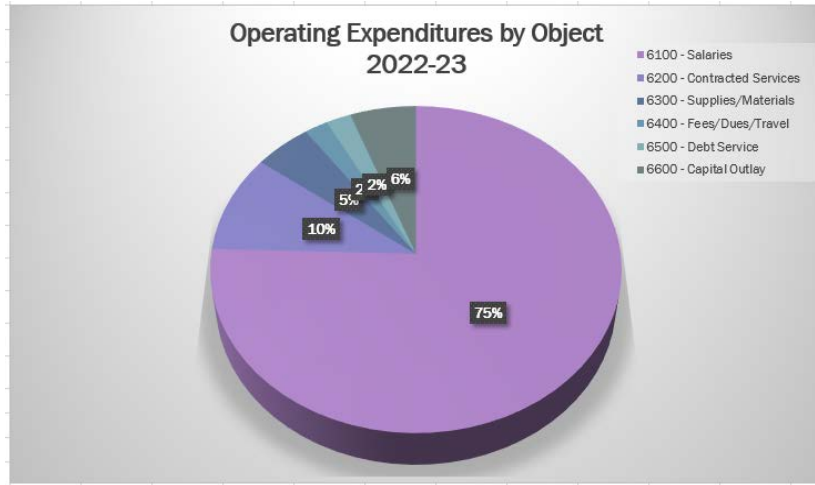
ELGIN INDEPENDENT SCHOOL DISTRICT 2023-24 PROPOSED BUDGET			
FUNCTION	GENERAL FUND	FOOD SERVICE FUND	DEBT SERVICE FUND
<b>ESTIMATED REVENUES</b>			
571X - Property Taxes	\$ 20,200,000		\$ 12,690,000
5700 - Other Local Revenue	\$ 1,801,000	\$ 508,300	\$ 353,680
5800 - State Revenue	\$ 36,100,000	\$ -	
5831 - State TRS On-Behalf	\$ 2,500,000	\$ 10,000	
5900 - Federal	\$ 1,043,000	\$ 3,906,300	
<b>Total Estimated Revenues</b>	<b>\$ 61,644,000</b>	<b>\$ 4,424,600</b>	<b>\$ 13,043,680</b>
<b>ESTIMATED EXPENDITURES</b>			
11 - Instruction	\$ 27,857,246		
12 - Instructional Resources	\$ 644,129		
13 - Curriculum/Staff Development	\$ 1,020,099		
21 - Instructional Leadership	\$ 2,712,424		
23 - Campus Administration	\$ 4,955,293		
31 - Guidance & Counseling	\$ 2,153,662		
32 - Social Work	\$ 236,314		
33 - Health Services	\$ 760,673		
34 - Student Transportation	\$ 3,568,564		
35 - Food Service	\$ -	\$ 4,161,850	
36 - Co-Curricular Activities	\$ 1,616,683		
41 - General Administration	\$ 2,872,475		
51 - Maintenance and Operations	\$ 6,299,979	\$ 50,000	
52 - Security and Monitoring	\$ 711,607		
53 - Technology Data Processing	\$ 1,297,119		
61 - Community Services	\$ 657,380		
71 - Debt Service	\$ 1,320,353		\$ 12,921,763
81 - Facilities Acquisition & Construction	\$ 2,450,000	\$ 250,000	
93 - Shared Service Arrangements	\$ 35,000		
99 - Intergov Charges-Tax Appraisals	\$ 475,000		
<b>Total Estimated Expenditures</b>	<b>\$ 61,644,000</b>	<b>\$ 4,461,850</b>	<b>\$ 12,921,763</b>
<b>Excess/(Deficiency)</b>	<b>\$ -</b>	<b>\$ (37,250)</b>	<b>\$ 121,917</b>
<b>Other Resources/(Uses)</b>	<b>\$ -</b>		<b>\$ 1,500,000</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ (37,250)</b>	<b>\$ 1,621,917</b>
<b>TAX RATE</b>	<b>\$ 0.7575</b>		<b>\$ 0.4682</b>
<b>Total Revenue - All Funds</b>	<b>\$ 80,612,280</b>		
<b>Total Expenditures - All Funds</b>	<b>\$ 79,027,613</b>		
<b>Excess/(Deficiency)</b>	<b>\$ 1,584,667</b>		

OPERATING BUDGET BY MAJOR OBJECT CODE  
2023-24 COMPARED TO 2022-23

Elgin ISD Operating Budget by Object 2023-24	
Object	Budget
6100 - Salaries	\$ 45,966,167
6200 - Contracted Services	5,658,188
6300 - Supplies/Materials	4,037,942
6400 - Fees/Dues/Travel	1,426,111
6500 - Debt Service	1,320,353
6600 - Capital Outlay	3,235,239
<b>Total</b>	<b>\$ 61,644,000</b>

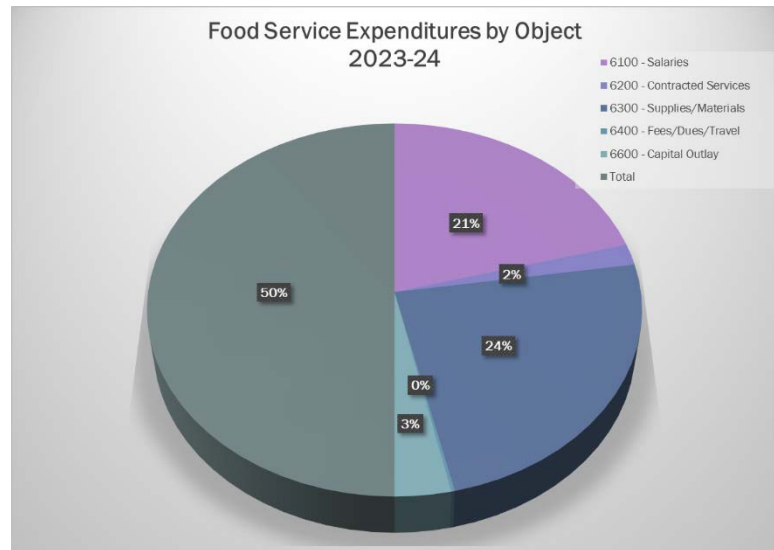


Elgin ISD Operating Budget by Object 2022-23	
Object	Budget
6100 - Salaries	\$ 42,560,040
6200 - Contracted Services	5,477,547
6300 - Supplies/Materials	2,775,303
6400 - Fees/Dues/Travel	1,135,977
6500 - Debt Service	1,212,209
6600 - Capital Outlay	3,211,924
<b>Total</b>	<b>\$ 56,373,000</b>

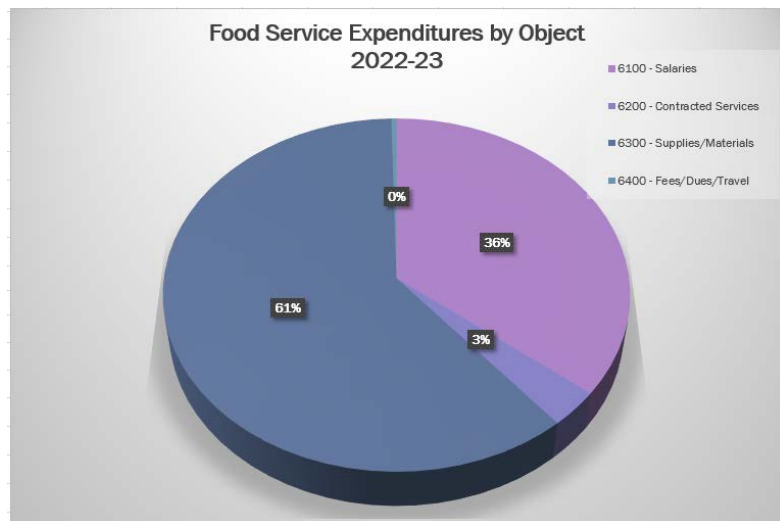


**CHILD NUTRITION FUND BUDGET BY MAJOR OBJECT CODE  
2023-24 COMPARED TO 2022-23**

<b>Elgin ISD Food Service Budget by Object 2023-24</b>	
<b>Object</b>	<b>Budget</b>
6100 - Salaries	\$ 1,853,059
6200 - Contracted Services	162,000
6300 - Supplies/Materials	2,128,291
6400 - Fees/Dues/Travel	18,500
6600 - Capital Outlay	300,000
<b>Total</b>	<b>\$ 4,461,850</b>

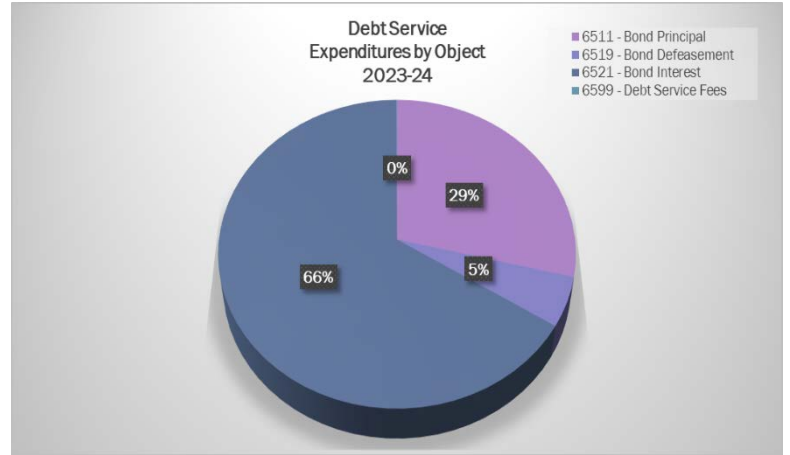


<b>Elgin ISD Food Service Budget by Object 2022-23</b>	
<b>Object</b>	<b>Budget</b>
6100 - Salaries	\$ 1,514,500
6200 - Contracted Services	139,500
6300 - Supplies/Materials	2,579,193
6400 - Fees/Dues/Travel	16,500
<b>Total</b>	<b>\$ 4,249,693</b>



DEBT SERVICE FUND BUDGET BY DETAILED OBJECT CODE  
2023-24 COMPARED TO 2022-23

Elgin ISD Debt Service Budget by Object 2023-24	
Object	Budget
6511 - Bond Principal	\$ 4,150,000
6519 - Bond Defeasement	1,500,000
6521 - Bond Interest	7,256,763
6599 - Debt Service Fees	15,000
<b>Total</b>	<b>\$ 12,921,763</b>



Elgin ISD Debt Service Budget by Object 2022-23	
Object	Budget
6511 - Bond Principal	\$ 3,350,000
6519 - Bond Defeasement	600,000
6521 - Bond Interest	7,649,217
6599 - Debt Service Fees	10,000
<b>Total</b>	<b>\$ 11,609,217</b>

