



Manor Independent School District



# **Board Budget Workshop #2**

## **Budget Orientation Session**

**February 11<sup>th</sup>, 2019**



***MANOR ISD***  
***BUDGET PLANNING CALENDAR***  
***BOARD WORKSHOPS SUMMARY***  
***2019-2020 Fiscal Year (July 1, 2019 – June 30, 2020)***

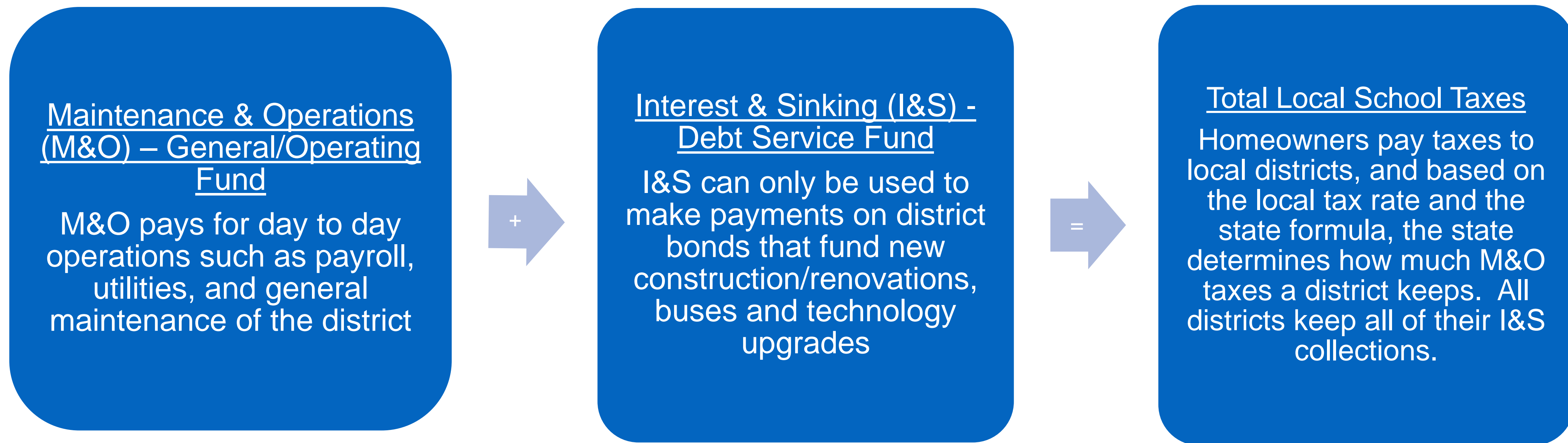
- ***Board Budget Workshop #1 – Monday, 1/14/19, 6:00pm*** – Presentation by Specialized Public Finance regarding Manor ISD bonding capacity
  
- ***Board Budget Workshop # 2 – Monday, 2/11/19, 6:00pm – Budget Orientation Session to provide Board with the following information:***
  - Public School Finance***
  - Review historical data***
  - Provide schedule of budget meetings with Principals and Directors***
  - Discuss Tax Ratification Elections (TRE)***
  
- ***Board Budget Workshop # 3 – Monday, 3/11/19, 6:00pm*** – Review, discuss and set Board Priority Goals for 2019-2020 budget
  
- ***Board Budget Workshop # 4 – Monday, 5/6/19, 6:00pm*** – Analyze revenue budget projections, establish revenue assumptions, provide update on expenditure projections, confirm board priority goals and provide 1<sup>st</sup> draft of budget
  
- ***Board Budget Workshop # 5 – Monday, 6/3/19, 6:00pm*** – Present 2nd draft of 2019-2020 Proposed Budget to Board of Trustees
  
- ***Present Proposed 2019-2020 Budget (Maintenance and Operations, Interest and Sinking and Child Nutrition) to Board of Trustees for Adoption (Budget Meeting # 6) - June 26, 2019, 6:00pm***

# Texas Public Schools Funding – Property Taxes



## Texas School Districts Taxing Overview (Local Funding)

Texas school districts annually collect local property taxes from two different sources – the Maintenance and Operations rate (M&O) and the Interest and Sinking rate (I&S).



- Assuming local voter approval **has not** been obtained, current state law allows school districts to set their maximum M&O tax rate at \$1.04 and their maximum I&S rate at \$0.50.

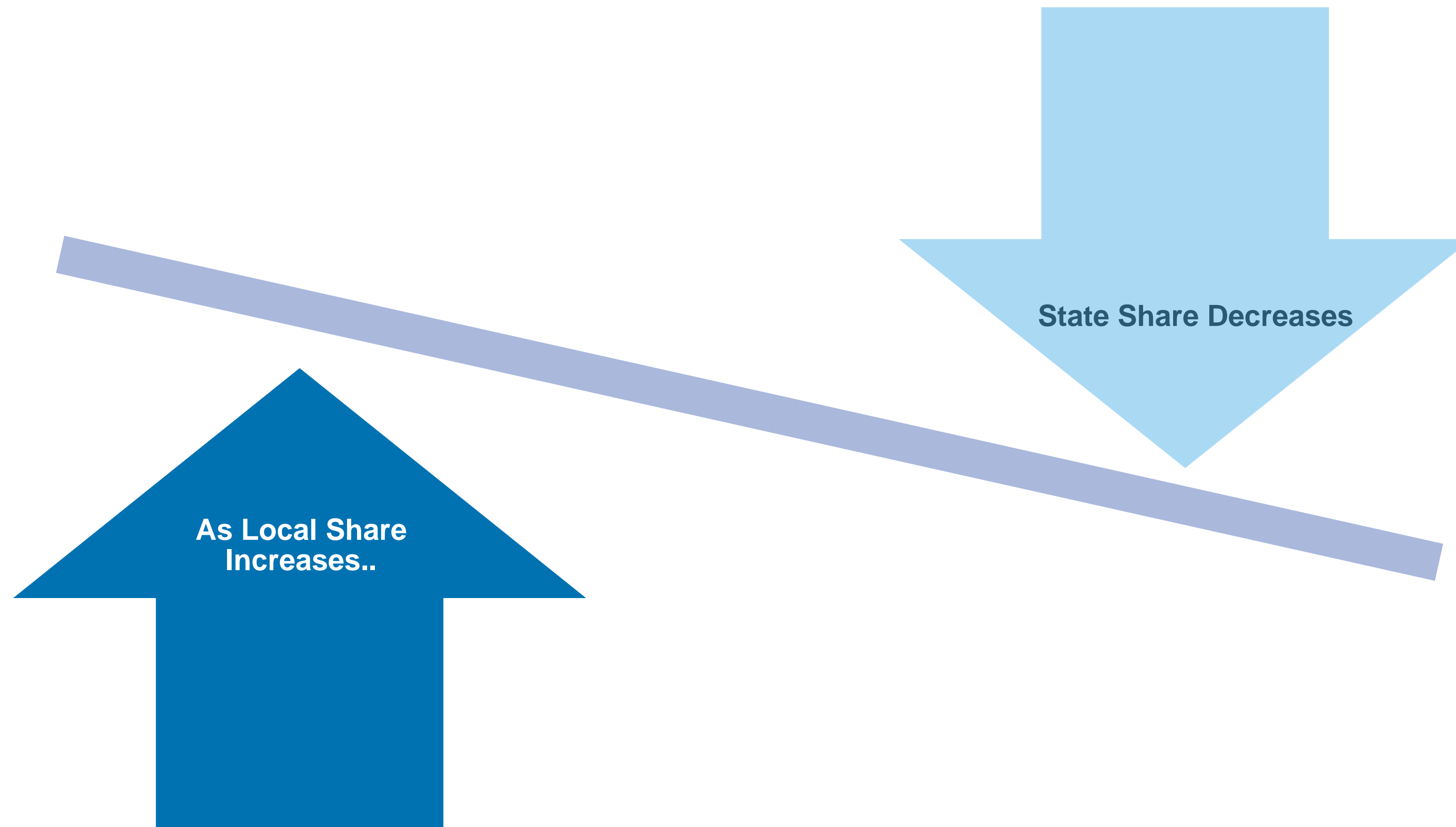


# Foundation School Program (FSP)

- The FSP establishes how much state funding school districts and charter schools are entitled to receive.
- Formulas are set in statute (Chapters 41, 42, and 46), and they consider both student and district characteristics including the number and type of students enrolled, district size and geographic factors, and local taxable property values and tax rates.
- Generally, once entitlements are established, the formulas are used to determine how much a district can generate locally (**local share**) through property taxes before making up the difference with state funds (**state share**).



# A balancing act: State Share vs. Local Share



# State Funding - Property Values Lag

## \*\*\*Funding Formulas Illustration



Description	2018-2019 - Current Law - Prior Year Values	2018-2019 - Falling Values Example	2018-2019 Current Year Values Example
2017-2018 Taxable Appraised Values	\$ 4,471,765,803	\$ 4,471,765,803	NA
2018-2019 Taxable Appraised Values	\$ 4,850,000,000	\$ 4,300,000,000	\$ 4,850,000,000
Total Tier I Funding (by State Calculations)	\$ 61,507,868	\$ 61,507,868	\$ 61,507,868
Less: Local Fund Assignment (Prior Year Local Tax Collections)	<u>\$ 43,823,305</u>	<u>\$ 43,823,305</u>	<u>\$ 48,000,000</u>
<b>State Share of Tier I</b>	<b>\$ 17,684,563</b>	<b>\$ 17,684,563</b>	<b>\$ 13,507,868</b>
Current Year Tax Collections	\$ 48,000,000	\$ 42,500,000	\$ 48,000,000
Plus: State Share of Tier I	<u>\$ 17,684,563</u>	<u>\$ 17,684,563</u>	<u>\$ 13,507,868</u>
<b>Current Year Total Tier I Funding</b>	<b>\$ 65,684,563</b>	<b>\$ 60,184,563</b>	<b>\$ 61,507,868</b>
Increase or Decrease Compared to State Calculation Using Prior Year Values	\$ 4,176,695	\$ (1,323,305)	\$ -

**\*\*\*Spreadsheet and values used are intended for illustration purposes only. Examples are not intended to be accurate for current funding year.**

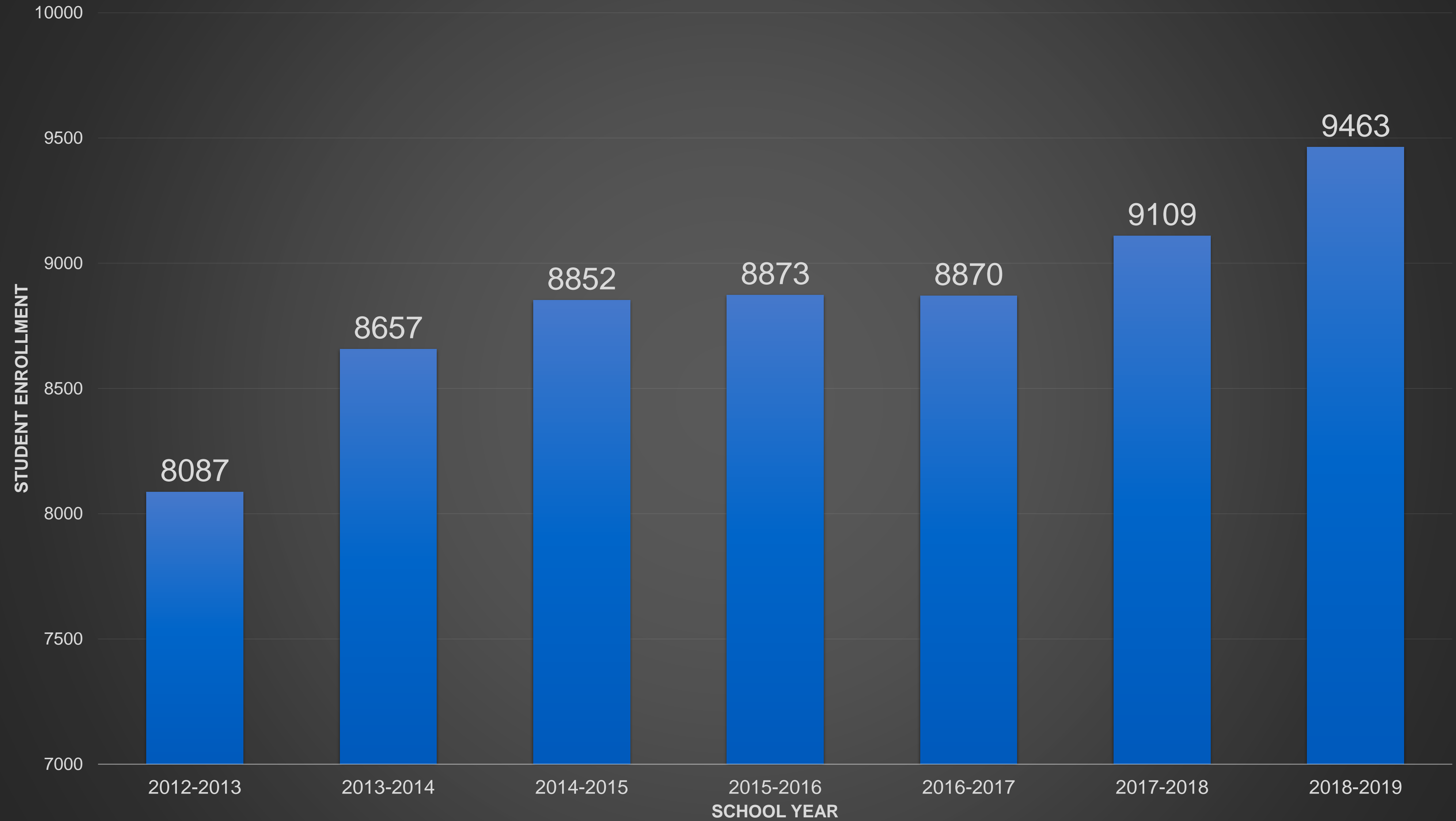


# Manor ISD

## Historical Trends



# Student Enrollment

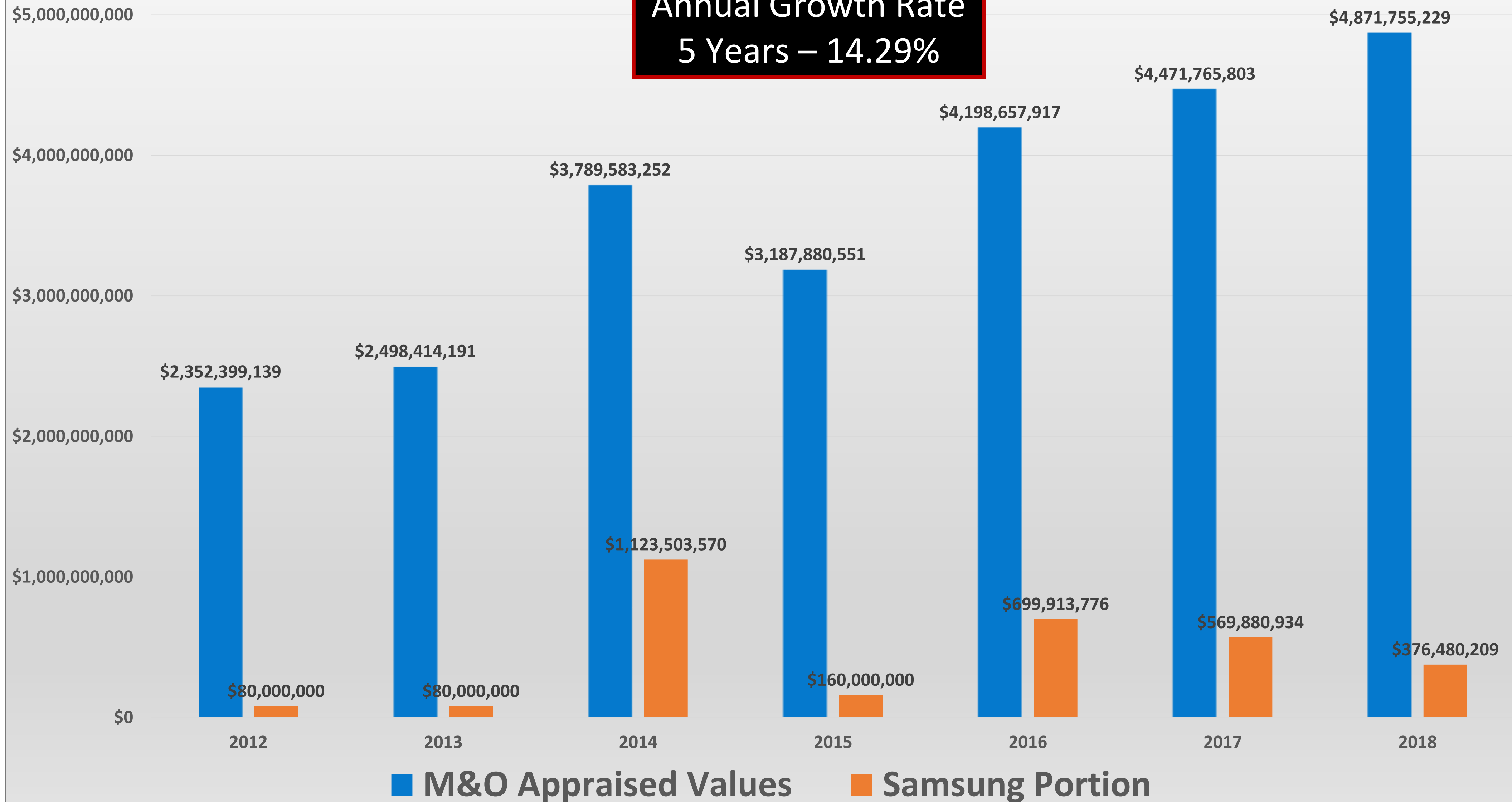


■ Enrollment



# M&O Taxable Appraised Values w/ Samsung Values Comparison

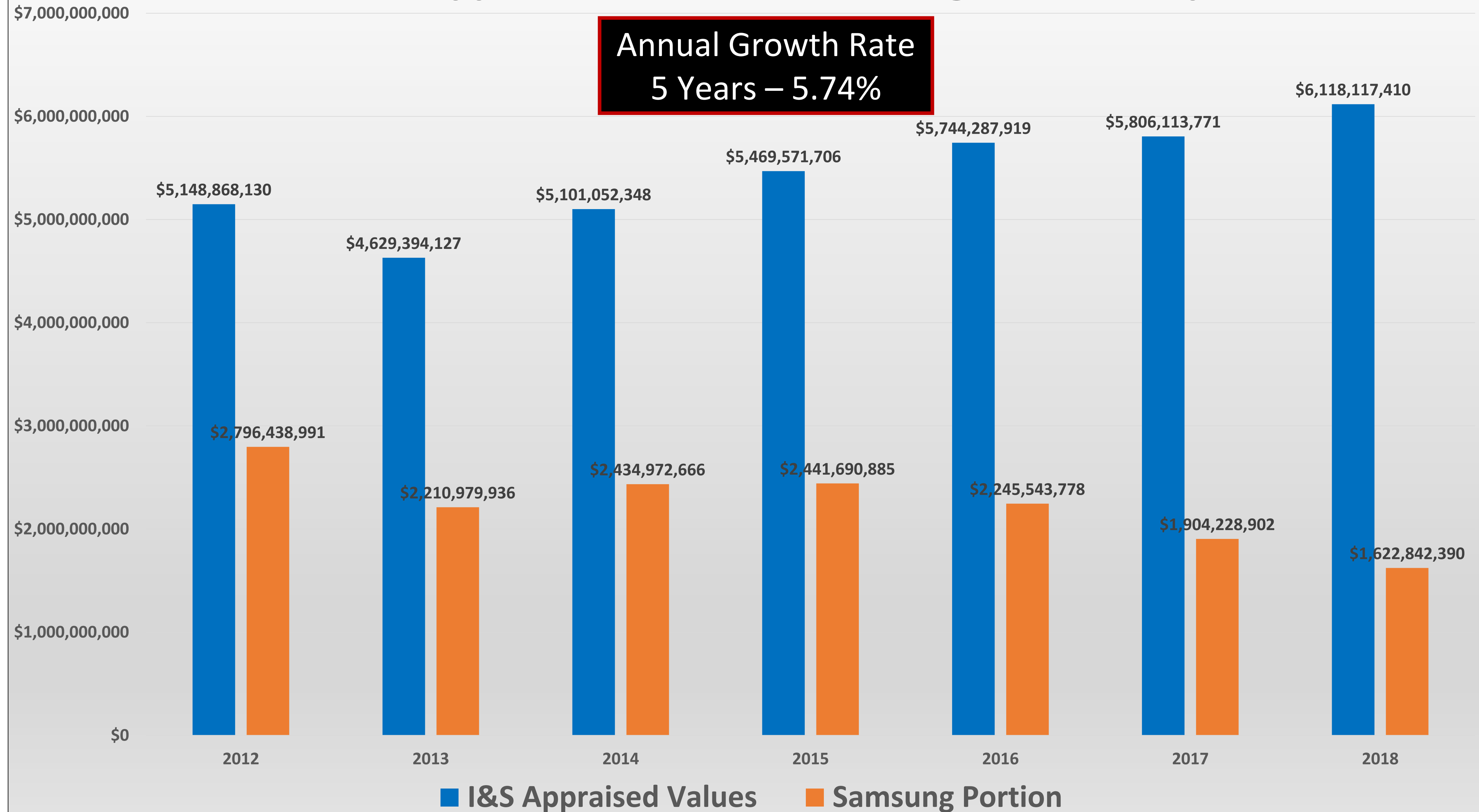
Annual Growth Rate  
5 Years – 14.29%





# I&S Taxable Appraised Values w/ Samsung Values Comparison

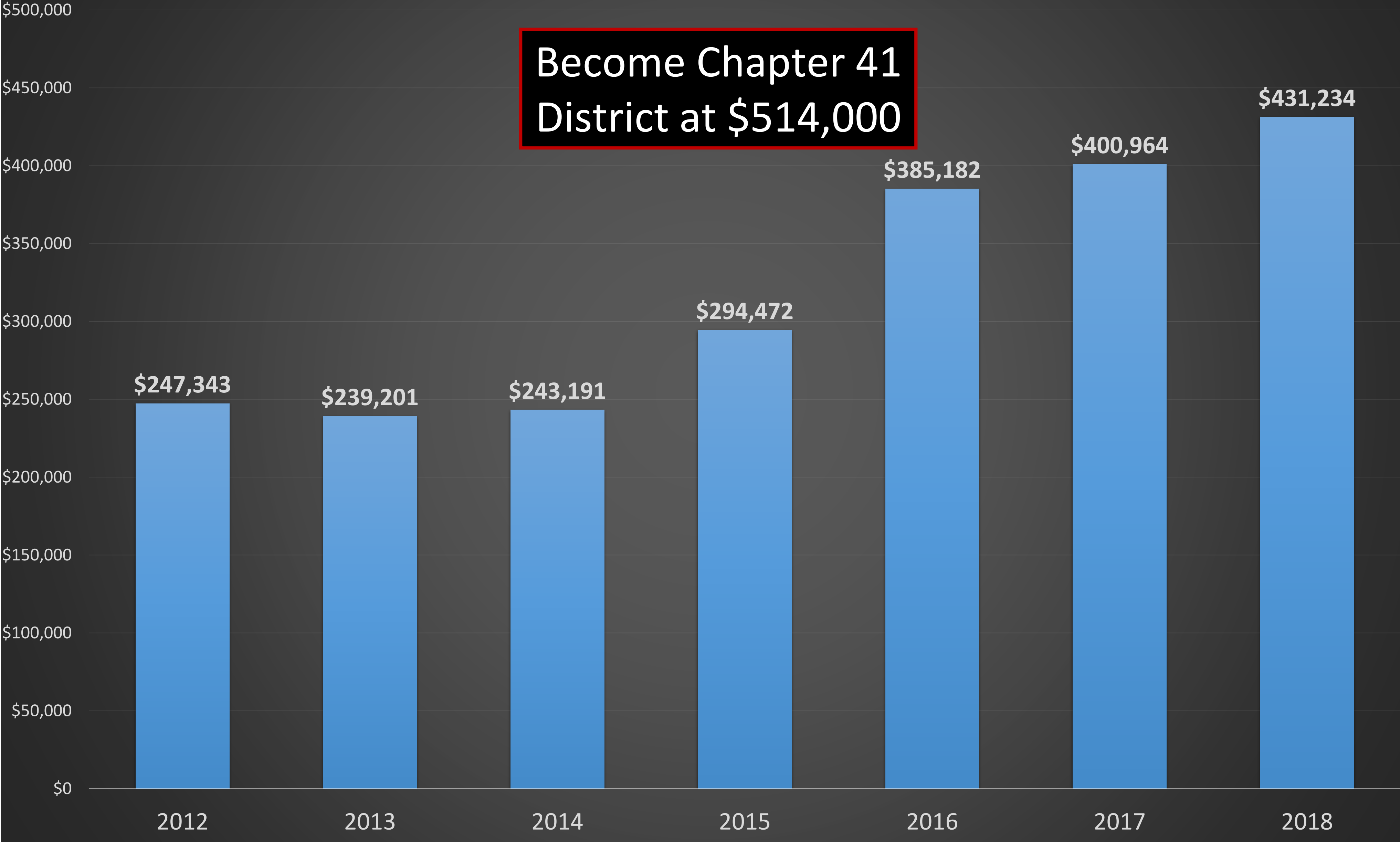
Annual Growth Rate  
5 Years – 5.74%





# Manor ISD M&O Wealth per WADA (Weighted Avg. Daily Attendance)

Become Chapter 41  
District at \$514,000



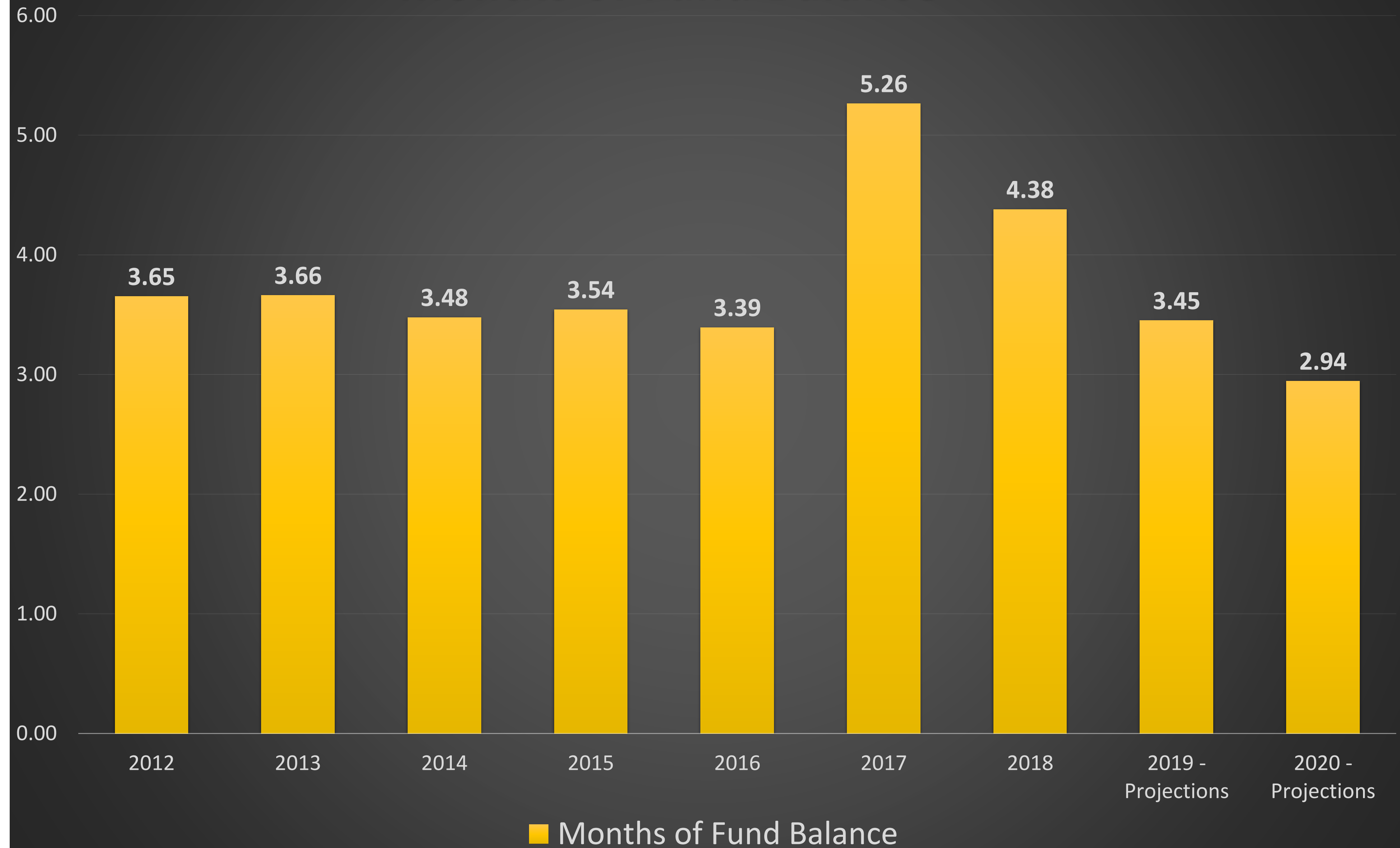


# Manor ISD - Historical Fund Balance

Year Ended - June 30	Fund Balance	Expenditures	Fund Balance % of Exp.	Months of Fund Balance
2012	\$15,844,817	\$52,061,511	30.43%	3.65
2013	\$16,942,024	\$55,528,161	30.51%	3.66
2014	\$18,846,825	\$65,041,249	28.98%	3.48
2015	\$22,882,295	\$77,513,396	29.52%	3.54
2016	\$22,786,623	\$80,610,138	28.27%	3.39
2017	\$32,221,260	\$73,455,731	43.86%	5.26
2018	\$29,760,248	\$81,542,087	36.50%	4.38
2019 - Projections	\$25,700,000	\$89,376,496	28.75%	3.45
2020 - Projections	\$22,700,000	\$92,500,000	24.54%	2.94



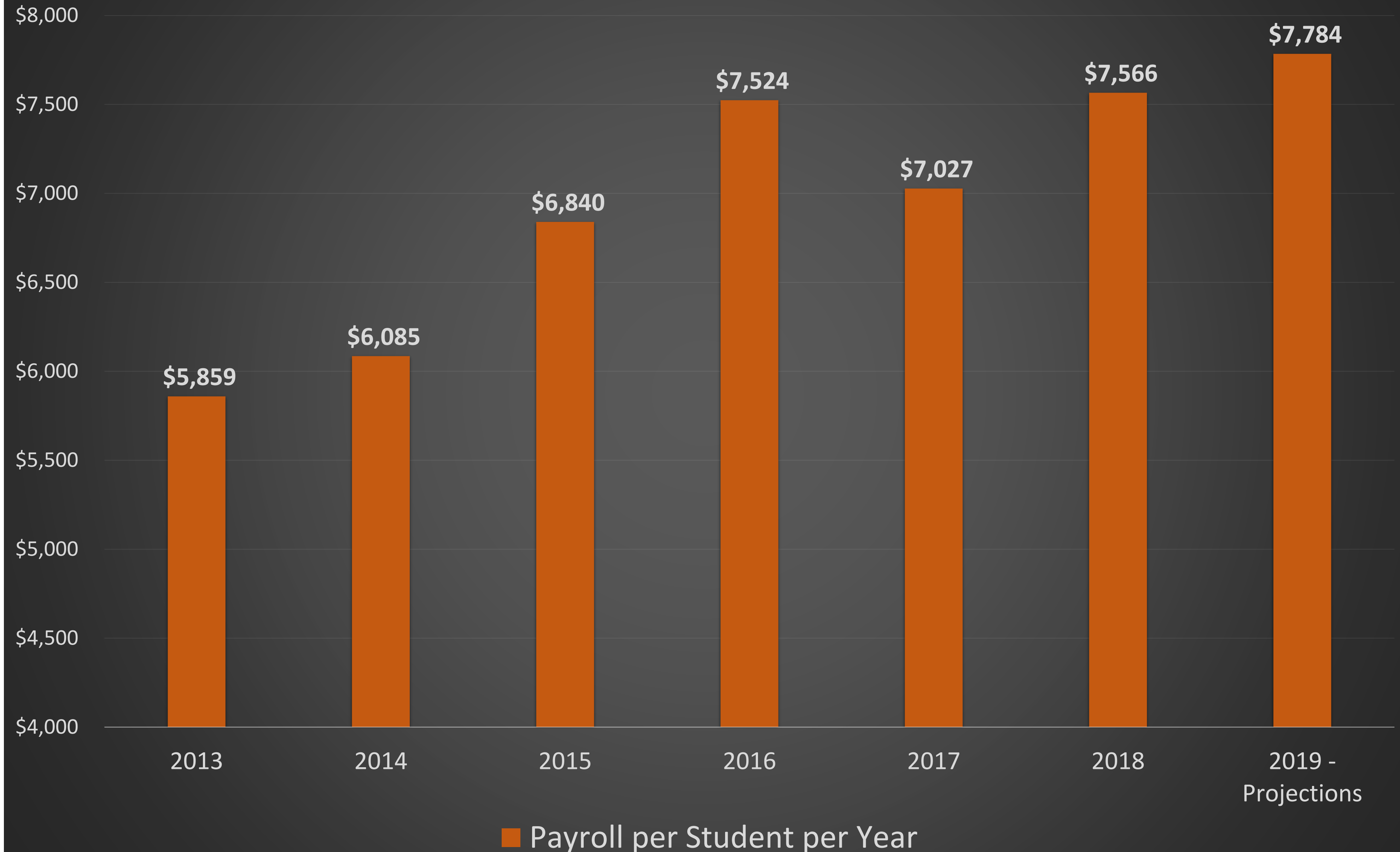
# Months of Fund Balance





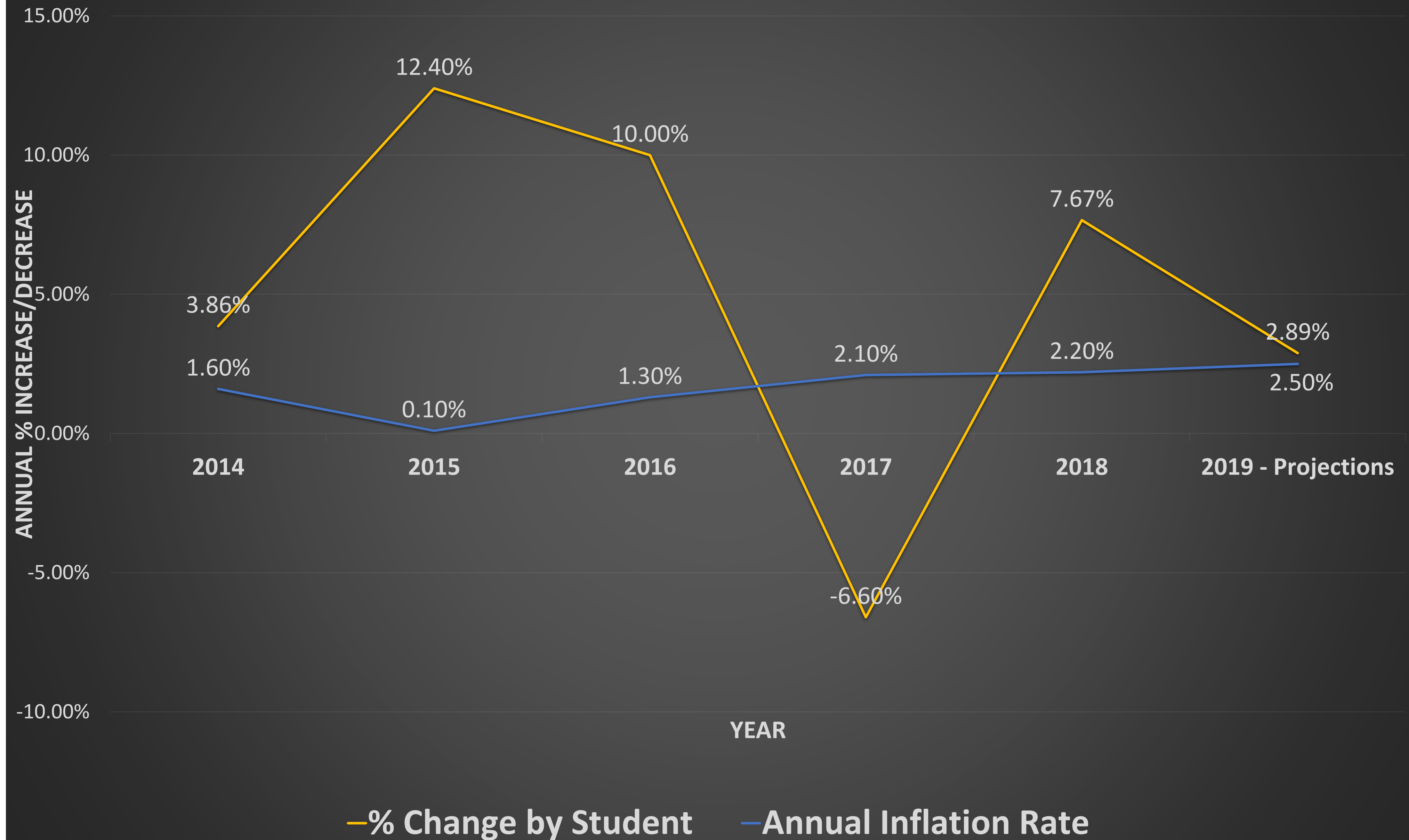


# Manor ISD Historical Payroll Per Student



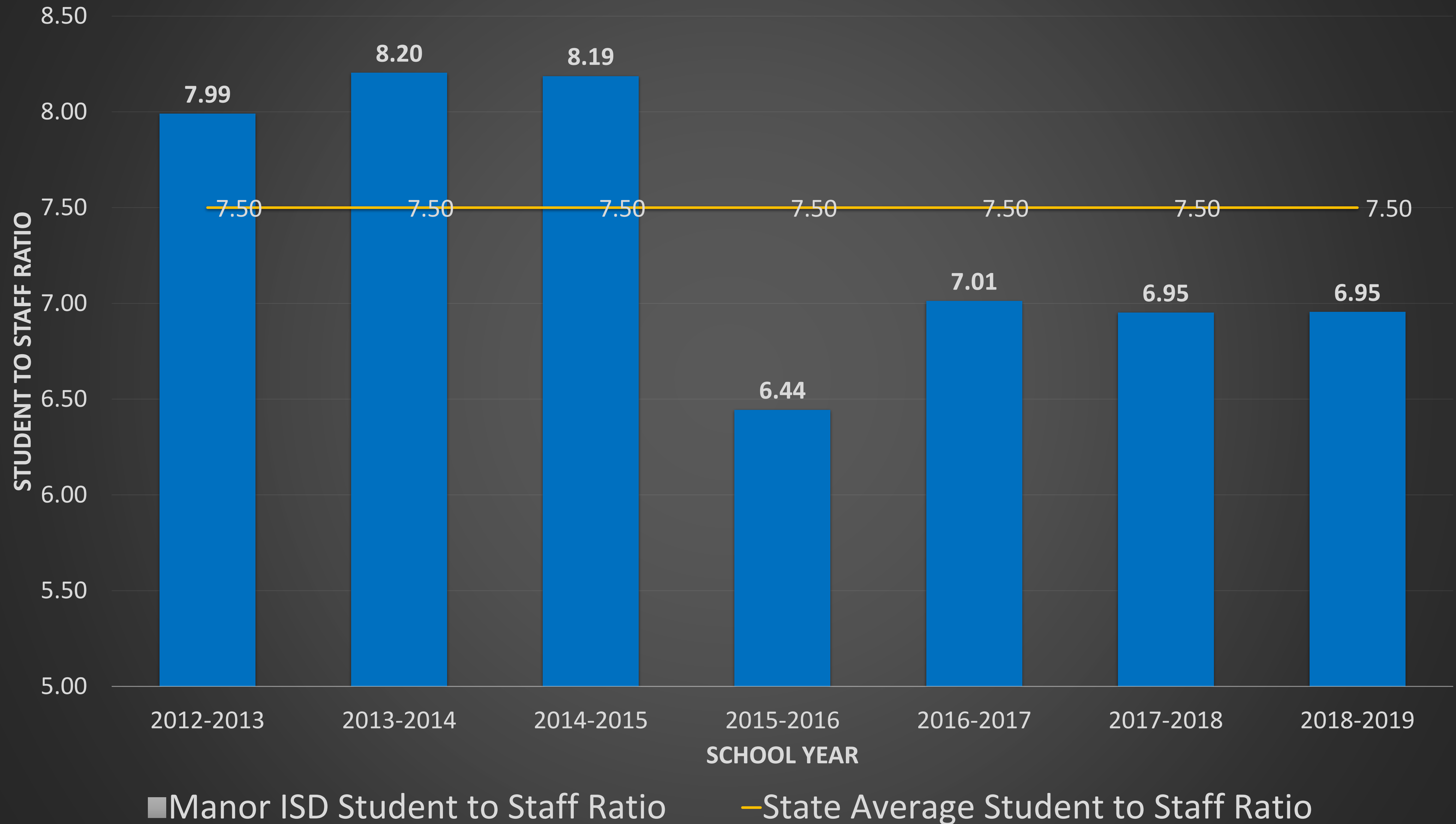


# Annual Payroll % Increase per Student vs Annual Inflation Rate



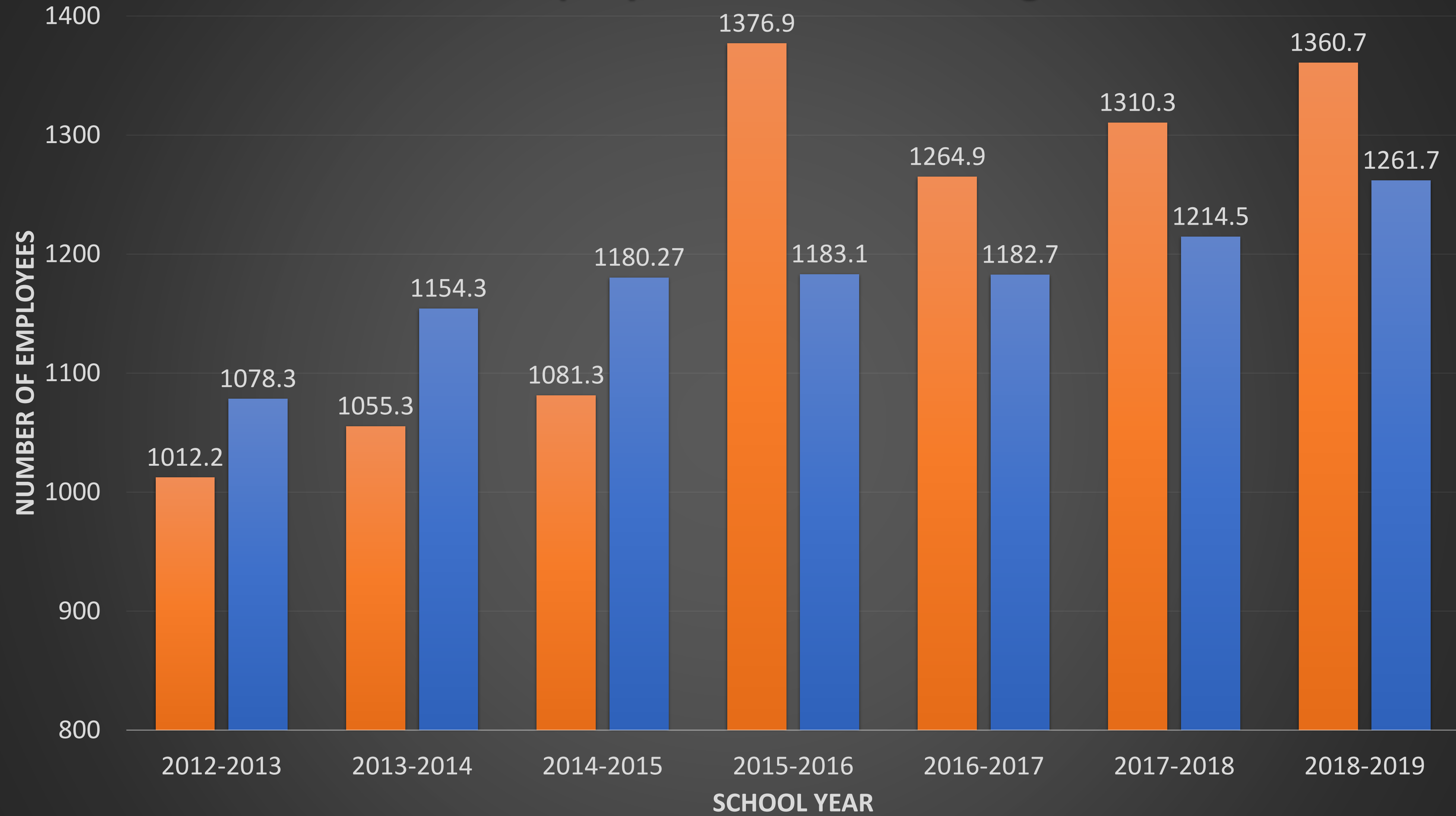


# Students To Staff Ratios





# Total Employees vs State Average

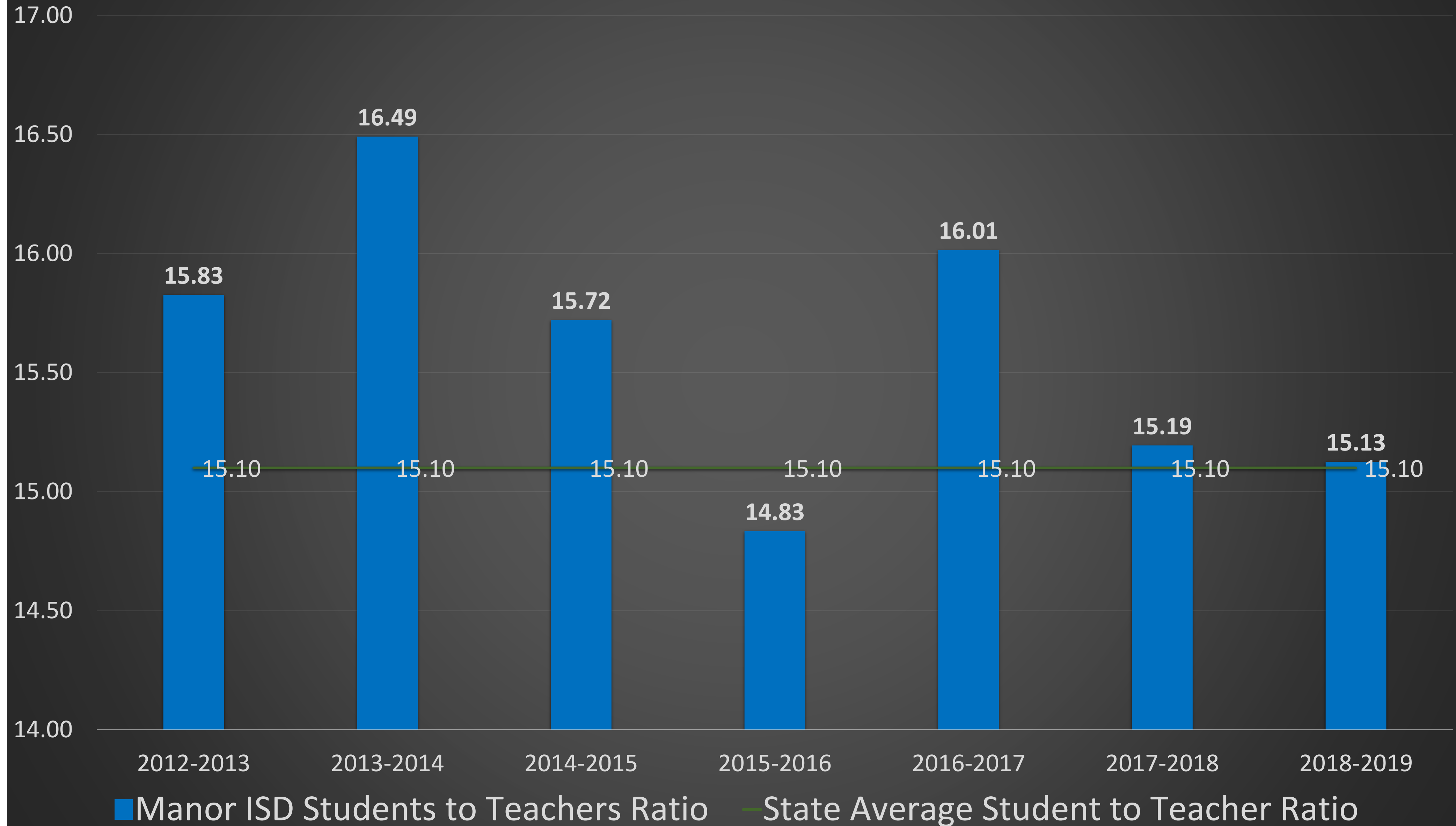


Manor ISD Total Staff FTE's

Total Staff FTE's at State Average



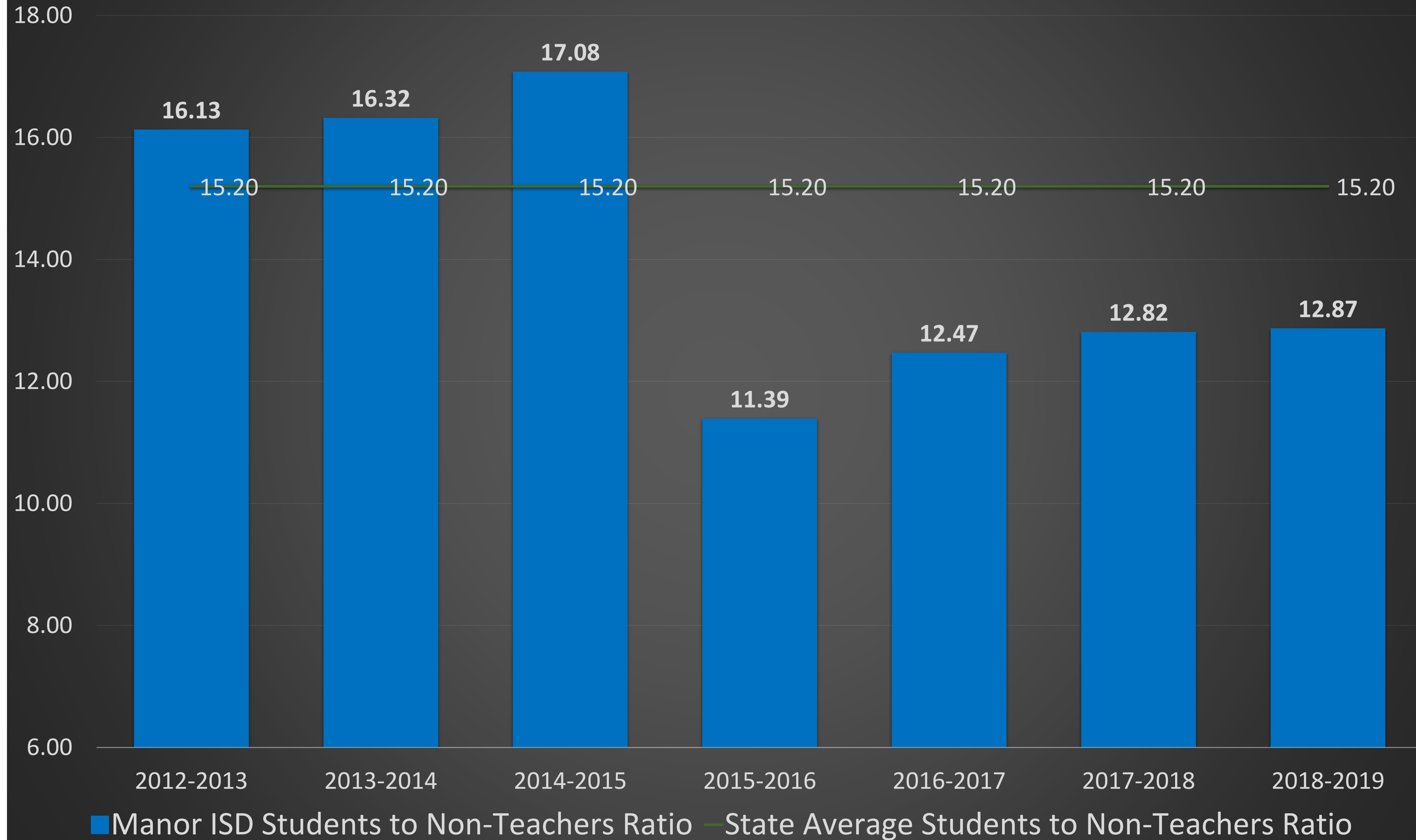
# Students to Teachers Ratios







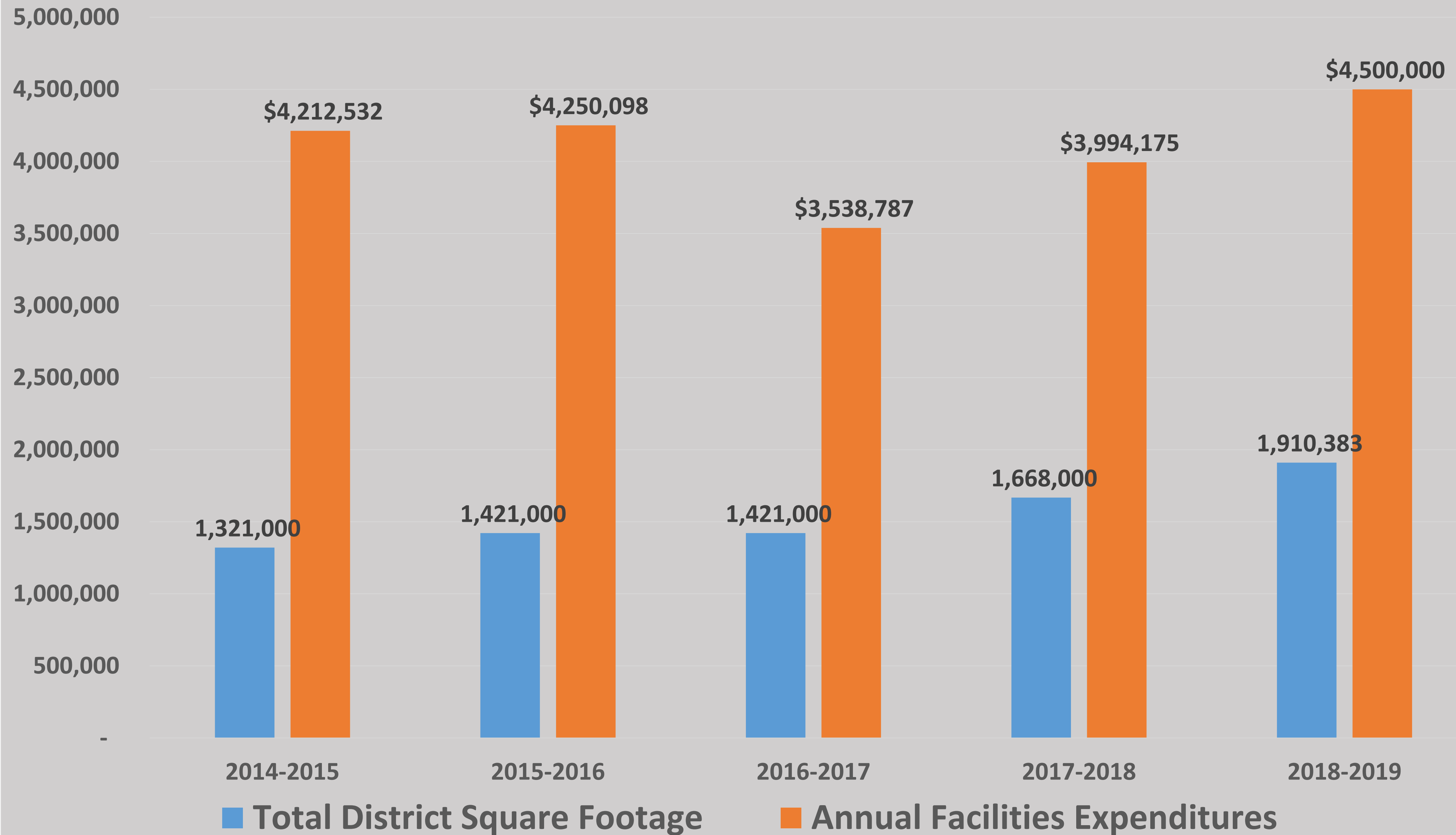
# Students to Non-Teachers Ratios





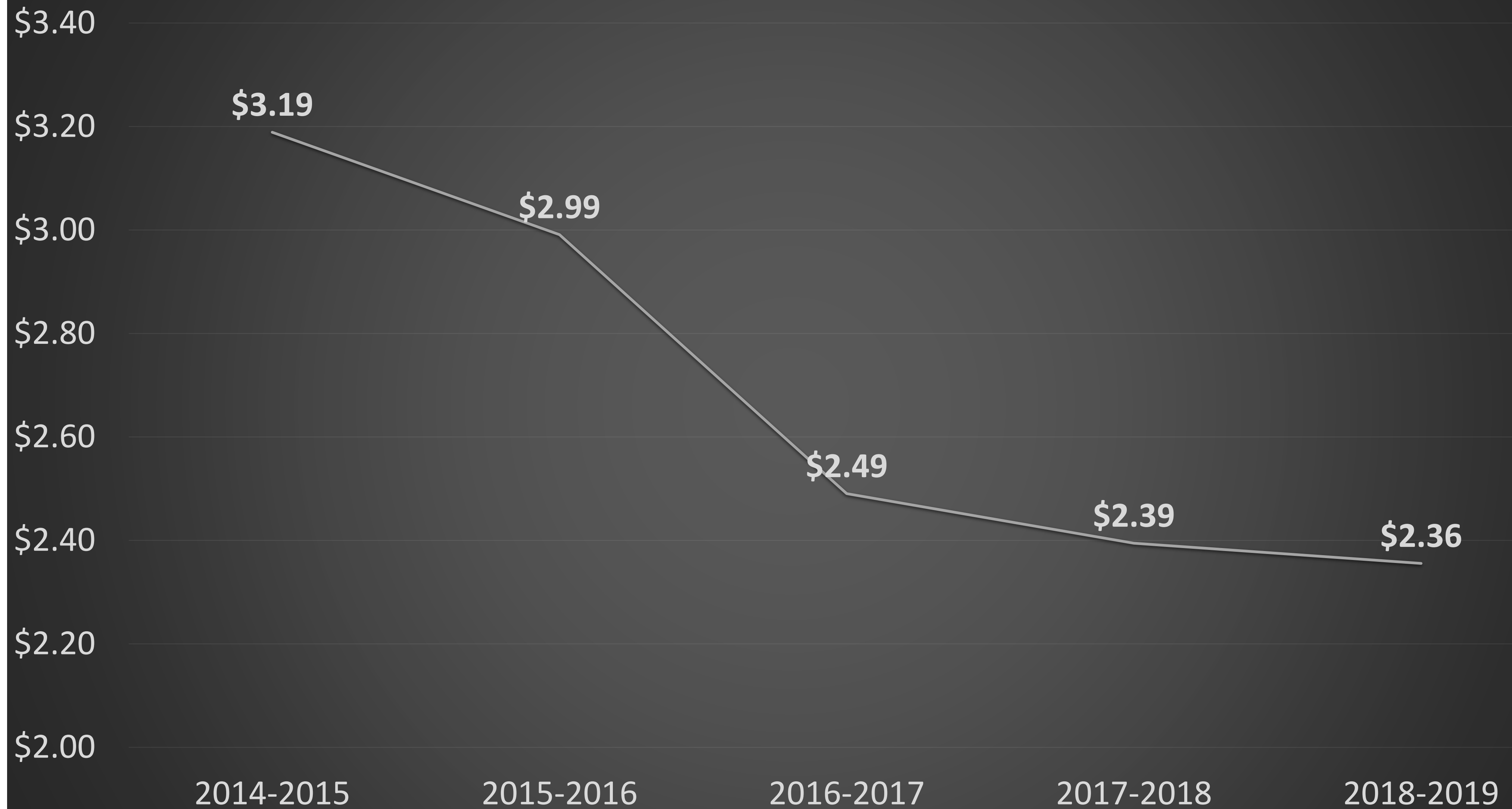


# Annual Facilities Expenditures





# Facilities Expenditures / Square Foot



–Expenditures / Square Foot



# 2018-2019 Payroll Projections



Month	2017-18 Actual	2018-19 Actual	Increase vs Prior Year	2018-19 Projected
July	\$ 2,047,034	\$ 5,811,617	\$ 3,764,583	
August	\$ 5,487,071	\$ 5,697,838	\$ 210,767	
September	\$ 5,607,602	\$ 5,989,410	\$ 381,808	\$ -
October	\$ 5,646,688	\$ 6,038,577	\$ 391,889	\$ -
November	\$ 5,745,101	\$ 6,105,700	\$ 360,599	\$ -
December	\$ 6,026,059	\$ 6,413,061	\$ 387,002	\$ -
January	\$ 5,517,469	\$ -	\$ 412,531	\$ 5,930,000
February	\$ 5,773,939	\$ -	\$ 416,061	\$ 6,190,000
March	\$ 5,775,062	\$ -	\$ 414,938	\$ 6,190,000
April	\$ 5,744,620	\$ -	\$ 415,380	\$ 6,160,000
May	\$ 6,174,982	\$ -	\$ 415,018	\$ 6,590,000
June	\$ 9,484,094	\$ -	\$ (2,884,094)	\$ 6,600,000
Total	\$ 69,029,721	\$ 36,056,203	\$ 4,686,482	\$ 37,660,000



	2017-2018	2018-2019	% Increase
Total Payroll	\$ 69,029,721	\$ 73,716,203	6.79%

# Manor ISD Financial Summary



	2016-2017	2017-2018	2018-2019	2018-2019	2018-2019	
<u>Revenues</u>	Actual	Actual - Audited	Approved Budget	Revised Budget	Projected	% of Revenues
Local and Intermediate Sources	\$ 45,539,269	\$ 47,741,460	\$ 53,714,500	\$ 53,993,200	\$ 53,920,746	63.87%
State Program Revenues	\$ 35,655,679	\$ 29,392,735	\$ 28,444,242	\$ 28,444,242	\$ 28,682,883	33.98%
Federal Program Revenues	\$ 3,099,616	\$ 1,680,513	\$ 1,760,000	\$ 1,760,000	\$ 1,812,516	2.15%
<b>Total Revenues</b>	<b>\$ 84,294,564</b>	<b>\$ 78,814,708</b>	<b>\$ 83,918,742</b>	<b>\$ 84,197,442</b>	<b>\$ 84,416,145</b>	<b>100.00%</b>
	=====	=====	=====	=====	=====	
<u>Expenditures</u>						
Payroll	\$ 62,077,371	\$ 69,093,532	\$ 75,291,913	\$ 75,079,258	\$ 73,716,203	87.32%
Purchased and Contracted Services	\$ 6,562,788	\$ 7,035,752	\$ 7,616,676	\$ 7,873,516	\$ 7,873,516	9.33%
Supplies and Materials	\$ 3,599,119	\$ 4,099,849	\$ 4,329,584	\$ 4,251,122	\$ 4,251,122	5.04%
Other Operating	\$ 1,377,896	\$ 1,437,470	\$ 1,986,323	\$ 2,332,360	\$ 2,332,360	2.76%
Capital Outlay	\$ 56,043	\$ 85,799	\$ 152,000	\$ 118,940	\$ 118,940	0.14%
					<b>\$ 300,000</b>	0.36%
<b>Total Expenditures/ Allocations</b>	<b>\$ 73,673,217</b>	<b>\$ 81,752,402</b>	<b>\$ 89,376,496</b>	<b>\$ 89,655,196</b>	<b>\$ 88,592,141</b>	<b>104.95%</b>
	=====	=====	=====	=====	=====	
<b>Surplus/Deficit</b>	<b>\$ 10,621,347</b>	<b>\$ (2,937,694)</b>	<b>\$ (5,457,754)</b>	<b>\$ (5,457,754)</b>	<b>\$ (4,175,996)</b>	



# Budget Meetings Calendar



Tuesday, February 5th			Thursday, February 7th			Monday, February 11th			Thursday, February 14th	
Time	Department		Time	Department		Time	Department		Time	Department
9:00 AM	S.Ross/Warehouse		1:00 PM	CTE		9:00 AM	CDC-Stacy Jo invite Nichole A.		1:00 PM	Beth Chapoton/Testing
9:30 AM	Dr. Sadikova/MECHS		1:30 PM	SEL - Ryan Marcum		9:30 AM	Nichole Aguirre		1:30 PM	Dan Vera -
10:00 AM	Counseling - Deaton		2:00 PM	Transportation-Fields		10:00 AM	Partnerships and Wellness - Lott		2:00 PM	Dr. Fannin
10:30 AM	L. Townsend/Health Services		2:30 PM	Multilingual-- Roddy & Hinojosa		10:30 AM	Athletics		2:30 PM	Dr. Yearwood
11:00 AM	Fine Arts - Joseph		3:00 PM	Student Information Services		11:00 AM	Alfredo Loredó - Technology		3:00 PM	Michael Perkins
11:30 AM	Linzenmeyer-504/Dyslexia		3:30 PM	Facilities-Davila		11:30 AM	Scott Thomas- Communications		3:30 PM	Michele McKinley/Rick Bean
			4:00 PM	Dr. Moger					4:00 PM	Dr. Balasubramanian
			4:30 PM	Superintendent						





# Tax Ratification Elections (TRE)



## TRE (Tax Ratification Election)

Local school districts have the ability to increase their M&O tax rates above the \$1.04 limit to a maximum rate of \$1.17 if approved by voters in a Tax Ratification Election (TRE). The additional revenues generated by the increased tax collections can be used to support any district initiatives approved by the school board as part of the annual budget approval process.

### Tax Rate Swap

A tax rate swap is a strategy used by many districts in Texas to increase the likelihood of a successful Tax Ratification Election. The “swap” is a simple process that allows for the increase of the M&O tax rate up to the maximum allowed \$1.17 without adding any tax burden on the local taxpayer. Basically, a swap means that for whatever increase is on the ballot for the M&O tax rate, the school board commits to lowering the I&S rate by the same amount so that the taxpayer pays the same total tax rate they are currently paying. See the example below.

	Current Year	TRE with Tax Swap	New Tax Rates if Approved
M&O Tax Rate	\$1.04	\$0.13 increase	\$1.17
I&S Tax Rate	\$0.475	(\$0.13) decrease	\$0.345
<b><i>Total Tax Rate</i></b>	<b><i>\$1.515</i></b>	<b><i>\$0.00 net increase/decrease</i></b>	<b><i>\$1.515</i></b>



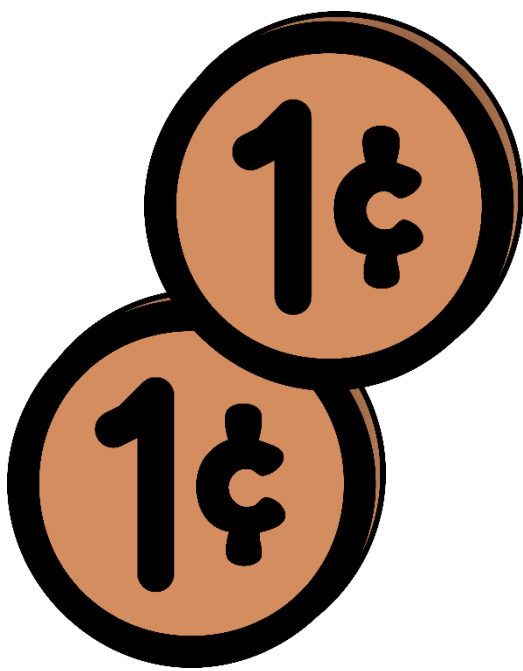
# TRE Benefit Analysis

2018-2019

Based on \$4,872,000,000 M&O appraised property values  
and \$6,118,000,000 I&S appraised property values



Tax Rate	Local M&O Collections	FSP	ASF	Recapture	Total M&O Funding	Per Penny M&O Revenue Increase	Overall M&O Revenue Increase	Per Penny I&S Revenues	M&O vs I&S Revenues Per Penny
\$1.04	\$51,253,194	\$20,856,663	\$3,695,136	\$0	\$75,804,993	\$0			\$0
\$1.05	\$51,730,626	\$21,019,040	\$3,695,136	\$0	\$76,444,802	\$639,809	\$639,809	\$599,564	\$40,245
\$1.06	\$52,208,058	\$21,169,357	\$3,695,136	\$0	\$77,072,551	\$627,749	\$1,267,558	\$599,564	\$28,185
\$1.07	\$52,685,490	\$21,169,357	\$3,695,136	\$196,249	\$77,353,734	\$281,183	\$1,548,741	\$599,564	(\$318,381)
\$1.08	\$53,162,922	\$21,161,535	\$3,695,136	\$196,262	\$77,823,331	\$469,597	\$2,018,338	\$599,564	(\$129,967)
\$1.09	\$53,640,354	\$21,161,535	\$3,695,136	\$244,211	\$78,252,814	\$429,483	\$2,447,821	\$599,564	(\$170,081)
\$1.10	\$54,117,786	\$21,161,535	\$3,695,136	\$325,547	\$78,648,910	\$396,096	\$2,843,917	\$599,564	(\$203,468)
\$1.11	\$54,595,218	\$21,161,535	\$3,695,136	\$406,851	\$79,045,038	\$396,128	\$3,240,045	\$599,564	(\$203,436)
\$1.12	\$55,072,650	\$21,161,535	\$3,695,136	\$488,124	\$79,441,197	\$396,159	\$3,636,204	\$599,564	(\$203,405)
\$1.13	\$55,550,082	\$21,161,535	\$3,695,136	\$569,366	\$79,837,387	\$396,190	\$4,032,394	\$599,564	(\$203,374)
\$1.14	\$56,027,514	\$21,161,535	\$3,695,136	\$650,578	\$80,233,607	\$396,220	\$4,428,614	\$599,564	(\$203,344)
\$1.15	\$56,504,946	\$21,161,535	\$3,695,136	\$731,761	\$80,629,856	\$396,249	\$4,824,863	\$599,564	(\$203,315)
\$1.16	\$56,982,378	\$21,161,535	\$3,695,136	\$812,916	\$81,026,133	\$396,277	\$5,221,140	\$599,564	(\$203,287)
\$1.17	\$57,459,810	\$21,161,535	\$3,695,136	\$894,044	\$81,422,437	\$396,304	\$5,617,444	\$599,564	(\$203,260)
						\$5,617,444		\$7,794,332	(\$2,176,888)





# Questions?

# Manor Independent School District



Elmer Fisher Jr., Board President  
Monique Celedon, Vice President  
Johnny Velasco, Secretary

Ana Cortez, Board Trustee  
Sam Samaripa Jr., Board Trustee  
Janie Serna, Board Trustee  
Temeika Thomas, Board Trustee

Dr. Royce Avery, Superintendent of Schools