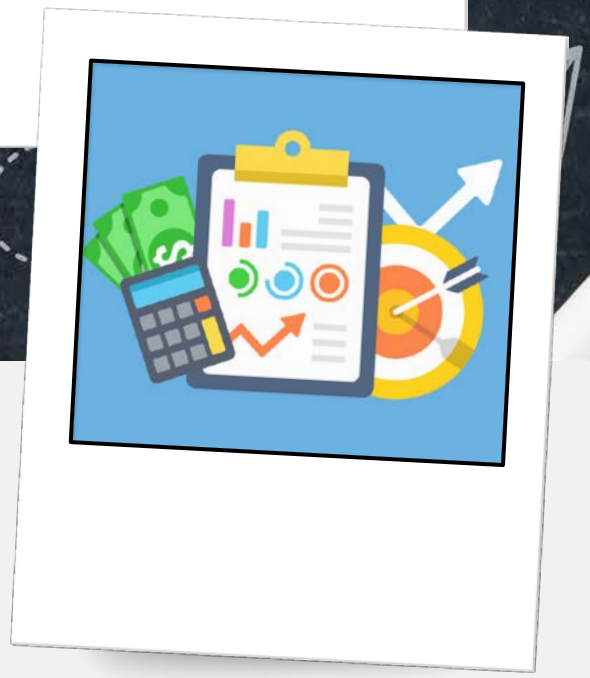
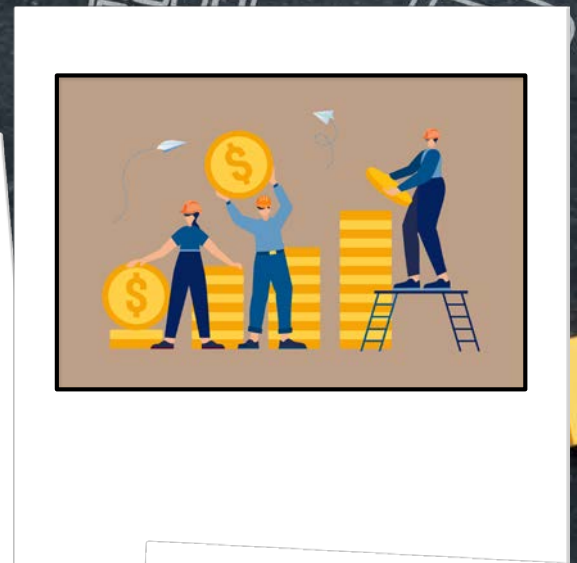


2021-2022 Budget Presentation #4

*Mid Year Budget, Finance, and
Construction Update
February 14, 2022*



Attendance & Enrollment



Updates to Attendance & Enrollment Projections Based on Fall PEIMS Snapshot and First Three Six Weeks Data



2021-2022 Hold Harmless

- Reduction in the minimum number of required 75,600 minutes of operation for all LEAs during the **first six-week attendance reporting period of the 2021–2022 school year**.
- **This adjustment to operational minutes does not hold a district harmless for losses of ADA** due to enrollment declines.
- This adjustment will account for the lesser of the following:
 - Average percentage attendance rate for the first six-week attendance reporting period of the 2019-2020 school year
 - Combined percentage attendance rate average for the **final three six-week attendance reporting periods of the 2021-2022 school year**

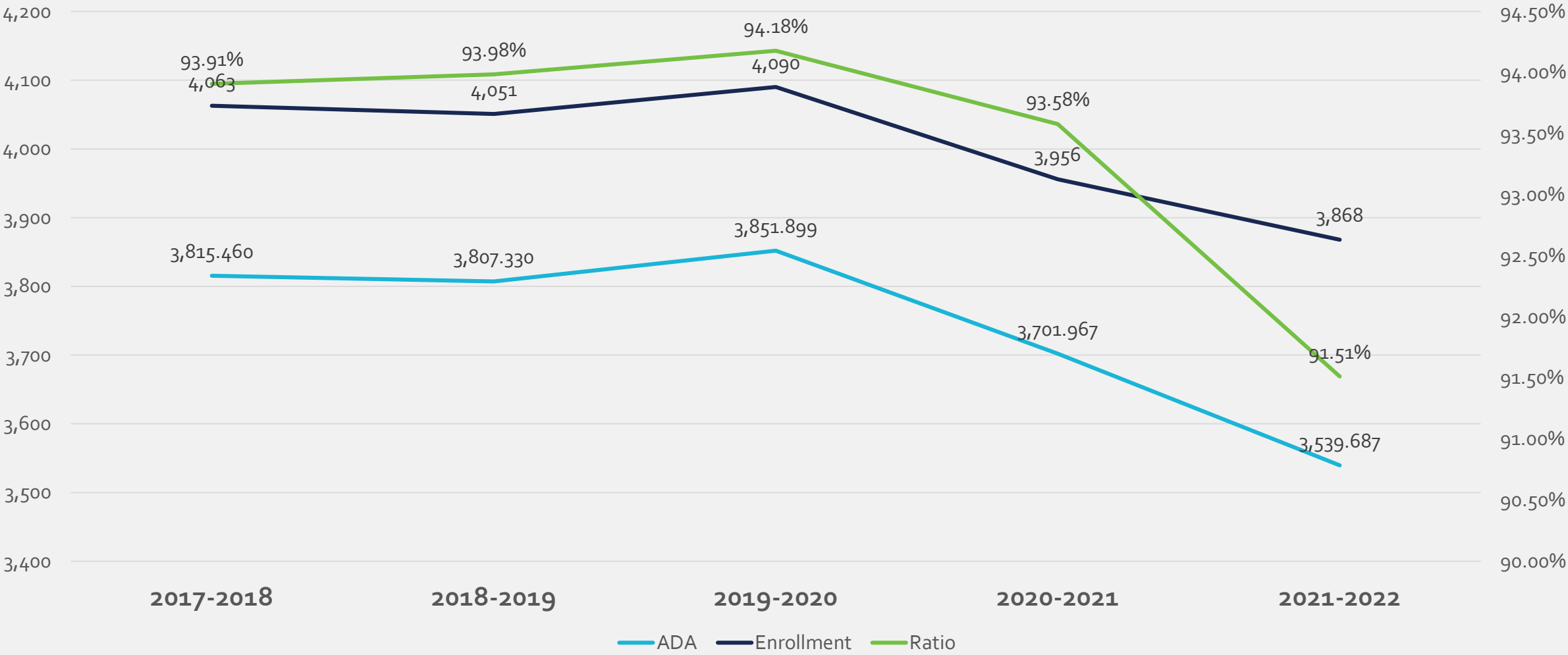
2021-2022 Hold Harmless



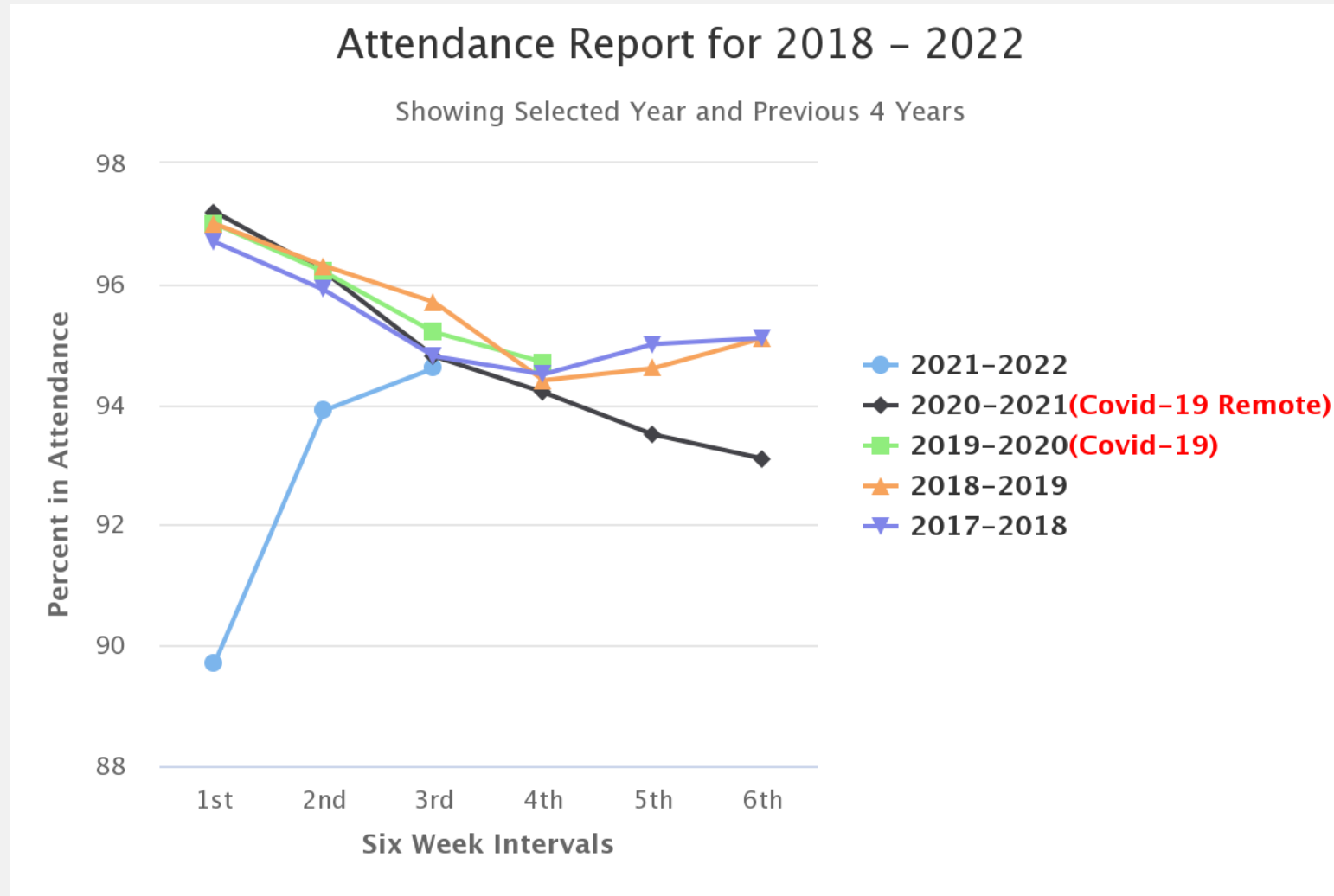
Further adjustments to minutes / ADA

- The agency is aware that attendance rate declines continue to occur due to COVID-19 during the spring semester.
- While no final decision has been made, the agency is currently exploring options to ensure school systems will not experience significant financial difficulties.

ADA, Attendance & Enrollment Graph



5 Year Six Week Attendance Report

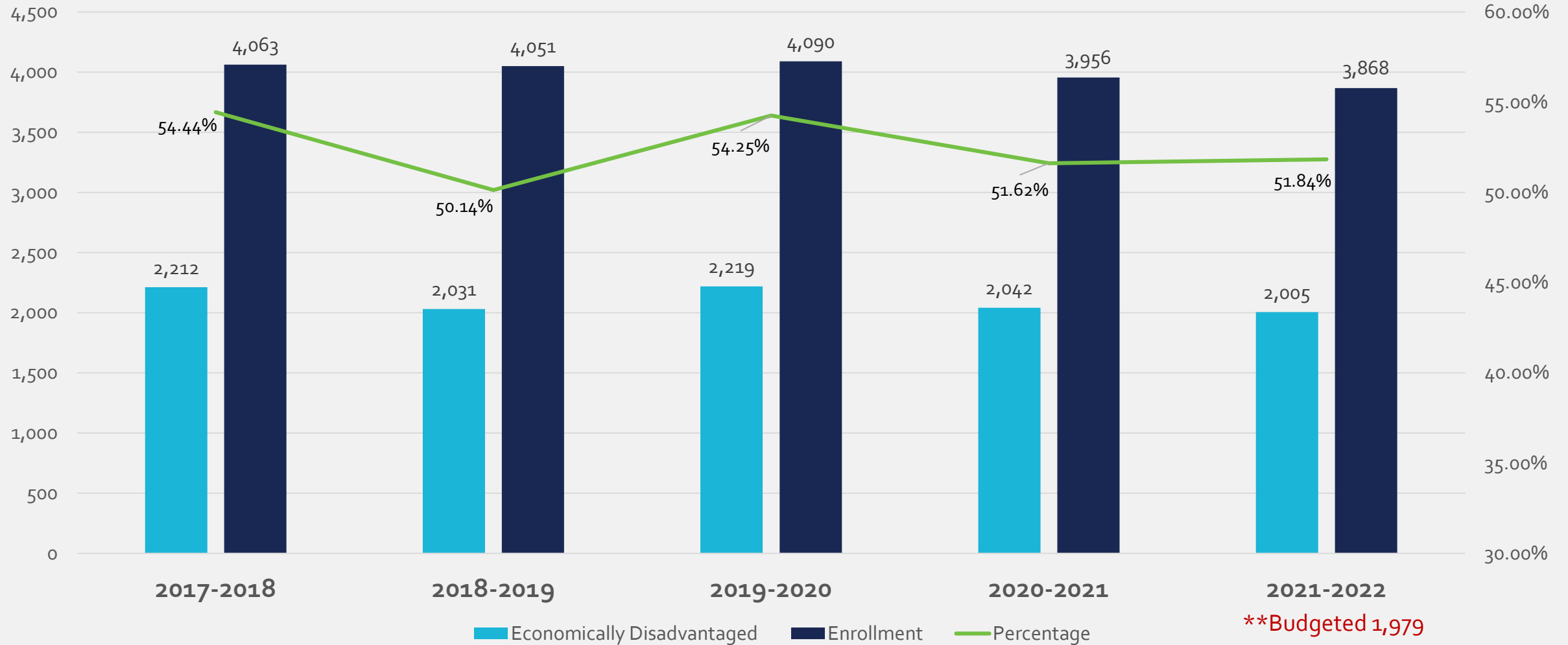


ADA & Enrollment History and Projections

	October Snapshot Enrollment	Final ADA	Attendance Ratio
2017-18	4,063	3,815.406	93.91%
2018-19	4,051	3,807.330	93.98%
2019-20	4,090	3,851.899	94.18%
2020-21	3,956	3,701.967	93.58%
2021-22 Budget	3,824	3,589.145	93.85%
2021-22 Actual	3,868	3,539.687	91.51%
2021-22 Projection*	3,868	3,610.775	HH

**Based on current understanding of HH provision and historical trends*

Enrollment vs. Economically Disadvantaged Graph



Budget and Finance Updates



2021-22 Year End Budget and Finance Estimates



General Considerations

- **UNKNOWN & FLEXIBILITY**

- Everything presented today is current information, however, it is all subject to change. The District is still receiving updates from TEA, TDA, and others on new rules and changes to existing rules as we continue to work through this pandemic with a large influx of federal dollars.

- **5 year projections becoming increasingly complicated and difficult.**

- **VOLATILITY in numbers**

COVID-19 Financial Impact Big Picture

2019-2020

District Finances Stable

Remote learning, unstable attendance in last two six weeks.

Saw areas of underspending, including:

- Substitutes, Travel, Transportation, Utilities, Athletics, Contracted Services

Increased technology purchases to support distance learning

2nd Semester Hold Harmless, but offset with Supplant of Federal Funds

\$3,473,798 Increase to Fund Balance

2020-2021

District Finances Stable

Optional Remote Learning First Semester – focused on back to school

Legislative session – gloom and doom better than anticipated

Enrollment declines, attendance stable

Large Influx of Federal Grants

Full School Year Hold Harmless, but offset with Supplant of Federal Funds

\$1,844,296 Increase to Fund Balance

2021-2022 & Beyond

Potential Financial Implications

Enrollment and attendance DECLINES

Hold Harmless – minimal and unknown

Large Influx of Federal Grants

Federal Grant Positions

Reopening Magee Intermediate

Looming HB4545 Costs

Deficit Budget

COVID-19 Funding To-Date **\$7,626,912**

Grant	Award	Agency	Notes
CARES Act Provider Relief Fund	\$10,082	HHS	<ul style="list-style-type: none"> PPE and Online Special Education Services
Emergency Operational Cost Reimbursement	\$29,427	TDA	<ul style="list-style-type: none"> Financial relief is provided based on loss of revenue due to COVID-19
Supply Chain Assistance Grant	\$86,560	TDA	<ul style="list-style-type: none"> Offset supply chain disruptions and related financial difficulties/needs
2021–2022 School Health Support Grant	\$152,583	TEA	<ul style="list-style-type: none"> PPE & Supplies, Portable HEPA Filters, District COVID RN
Coronavirus Relief Fund (CRF)	\$178,233	TDEM	<ul style="list-style-type: none"> 75% Reimbursement Technology, PPE, Cleaning Supplies
IDEA-B ARP	\$182,592	TEA	<ul style="list-style-type: none"> Supplemental IDEA-B funding
TCLAS	\$187,500	TEA	<ul style="list-style-type: none"> Strategic planning supports, Data strategy FTE position, and decodable texts for learning to read
Operation Connectivity	\$257,450	TEA	<ul style="list-style-type: none"> 50% Match for 1,800 Chromebooks & 500 Hotspots
CRF Bulk Purchase Local Match	\$257,450	City of Corpus Christi & TEA	<ul style="list-style-type: none"> 1,800 Chromebooks & 500 Hotspots
CARES Act ESSER	\$514,323	TEA	<ul style="list-style-type: none"> Supplanted State Funding in FY 2019-2020 Food Service, Counselors, Technology, PPE, Cleaning Supplies
CRRSA ESSER II	\$1,777,472	TEA	<ul style="list-style-type: none"> Supplanted State Funding in FY 2020-2021 Buses, Technology, Director of Curriculum and Instruction, Technology Integration Specialist, Set Aside for Learning Loss
ARP ESSER III	\$3,993,240	TEA	<ul style="list-style-type: none"> Stakeholder Input Technology, Library Redesign, Summer School, Retention Stipend, Interventionists, Family Liaisons, Technology Integration Specialist

M&O Tax Rate Compression History

Fiscal Year	Tax Year	Tier 1 State Compression Percentage	Tier 1 Tax Rate Ceiling	Maximum M&O Tax Rate	Additional Local Compression Kicks In At	Calallen ISD M&O Value Growth	Calallen ISD M&O Tax Rate
2018-19	2018	N/A	1.00	1.1700	N/A	3.05%	1.1700
2019-20	2019	7%	0.93	1.0683	N/A	6.75%	1.0683
2020-21	2020	2.5%	0.9164	1.0864	>4.01% Value Growth	11.72%	0.9915
2021-22	2021	0.3%	0.9134	1.0834	>2.8% Value Growth	2.72%	0.9896
2022-23	2022	0.3%	0.8941	1.0641	>4.36% Value Growth	TBD	TBD

Chapter 313 Agreements

Additional Revenue From 313 Agreements Estimates as of 10/19/2021

Tax Year	Fiscal Year	TexStar Project #341		Equistar Project #305		Epic Project #1230		Combined to be paid to CISD	
		Hold Harmless "Rev Loss"	"Share" w/CISD	Hold Harmless "Rev Loss"	"Share" w/CISD	Hold Harmless "Rev Loss"	"Share" w/CISD		
2014	2014-15	0	0					0	
2015	2015-16	0	0					0	
2016	2016-17	1,164,376	0	1,524,285	0			2,688,661	
2017	2017-18	19,301	383,502	5,073,889	345,000			5,821,692	3,133,031
2018	2018-19	256,373	371,679	4,119	1,945,143			2,577,314	(3,244,378)
2019	2019-20	866,494	378,430	4,358	379,733			1,629,015	(948,299)
2020	2020-21	78,124	610,946	0	361,315	0	377,021	1,427,406	(201,609)
2021	2021-22	15,691	673,402	3,923	360,878	1,339,943	385,281	2,779,118	1,351,712
2022	2022-23	0	436,615	0	381,500	0	384,176	1,202,291	(1,576,827)
2023	2023-24	0	413,023	0	381,500	1,985,411	384,176	3,164,110	1,961,819
2024	2024-25	0	0	0	381,500	0	384,176	765,676	(2,398,434)
2025	2025-26	0	0	0	381,500	0	384,176	765,676	0
2026	2026-27	0	0	0	381,500	0	384,176	765,676	0
2027	2027-28	0	0	0	0	0	384,176	384,176	(381,500)
2028	2028-29	0	0	0	0	0	384,176	384,176	0
2029	2029-30	0	0	0	0	0	384,176	384,176	0
2030	2030-31	0	0	0	0	0	384,176	384,176	0
2031	2031-32	0	0	0	0	0	384,176	384,176	0
2032	2032-33	0	0	0	0	0	384,176	384,176	0
2033	2033-34	0	0	0	0	0	384,176	384,176	0
		5,667,956		11,910,143		8,697,768		26,275,867	

*2021-22 Budget Estimate \$2,075,767

Reopening Magee Intermediate

- Rule of Thumb – Average Cost of Operating a New Campus

\$1,000,000

- Items to consider:

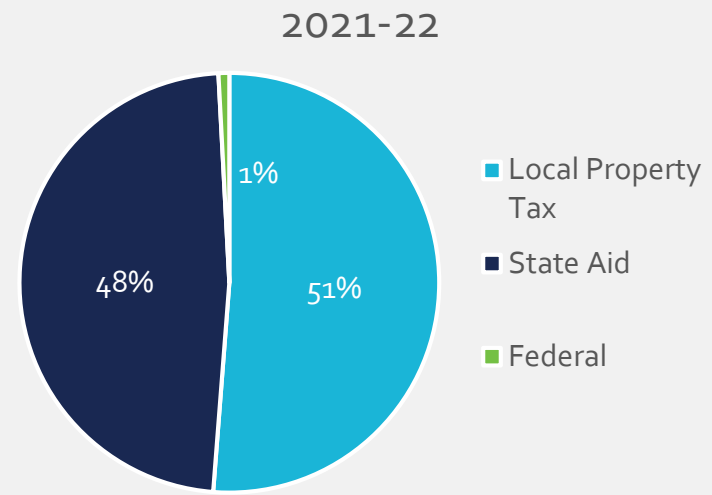
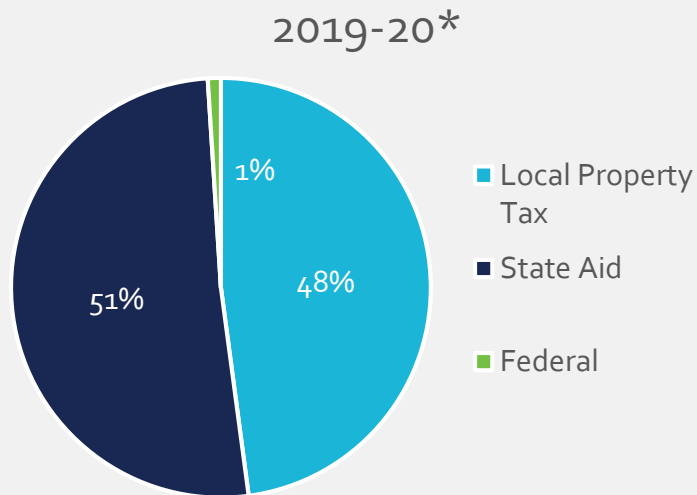
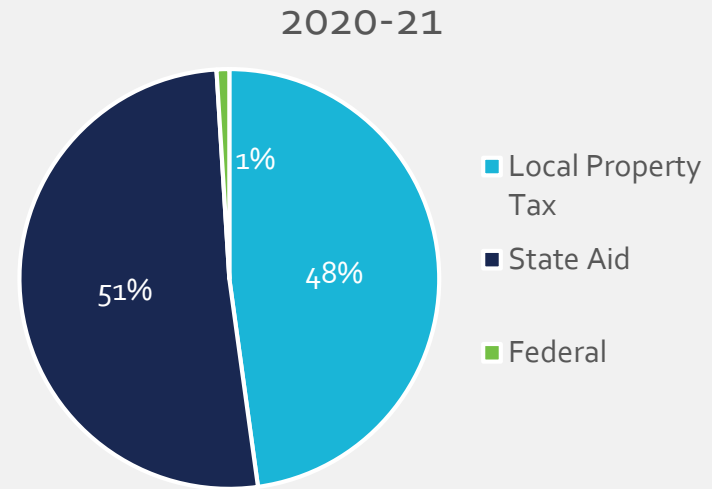
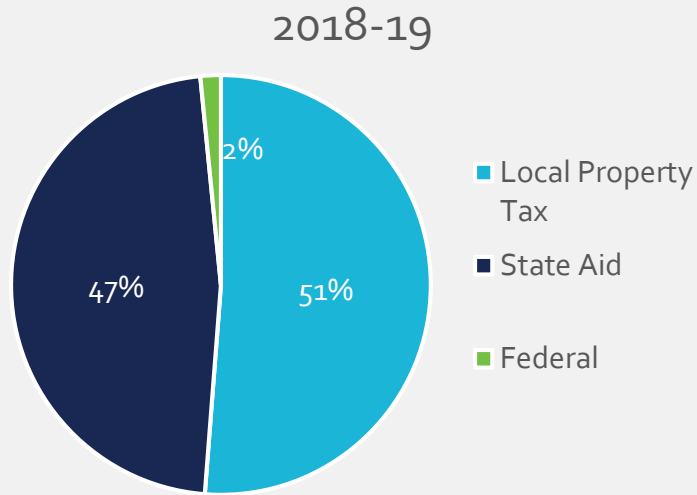
- How can we maximize staffing across all Elementary and Intermediate campuses?
Reminder – existing campuses will decline in enrollment for 2022-2023
- Additional Staffing – Principal, Assistant Principal, Counselor, PEIMS, Nurse, Cafeteria Manager, Custodial
- Start-up Costs: Furniture, Supplies and Materials
- Ongoing Costs: General Operating Campus Budget

General Fund - Revenue

	2018-19 Audited Financials	2019-20 Audited Financials	2020-21 Audited Financials	2021-22 Budget	2021-22 YE Estimate
Property Taxes	\$18,113,333	\$17,942,639	\$18,399,995	\$18,450,000	\$18,860,856
Other Local	\$697,485	\$577,936	\$275,662	\$225,000	\$239,799
State Revenue	\$16,689,161	*\$19,149,891	*\$19,701,764	\$17,550,000	\$17,648,395
TRS On-Behalf	\$1,842,667	\$2,214,710	\$2,103,919	\$2,071,819	\$2,116,635
Federal Revenue	\$555,998	\$376,518	\$376,665	\$300,000	\$306,427
Subtotal	\$37,898,644	\$40,261,694	\$40,858,005	\$38,596,819	\$39,172,112
<i>Ch 313s</i>	\$2,577,314	\$1,629,015	\$1,427,406	\$2,000,000	\$2,779,118
<i>Hurr Harvey</i>	\$3,479,330				
<i>COVID-19</i>		\$476,546	\$347,042		
Total	\$43,955,288	\$42,637,255	\$42,632,452	\$40,596,819	\$41,951,230
<i>Tax Collection Growth</i>	4.26%	-0.94%	2.55%	0.27%	2.50%
<i>State Funding Growth</i>	6.10%	14.74%	2.88%	-10.92%	-10.42%
<i>YOY w/o CH 313 & Others</i>	5.01%	6.24%	1.48%	-5.53%	-4.13%

*State Revenue Reduced and Supplanted with ESSER Federal Grant Funds, Hold Harmless

General Fund – Revenue by Source



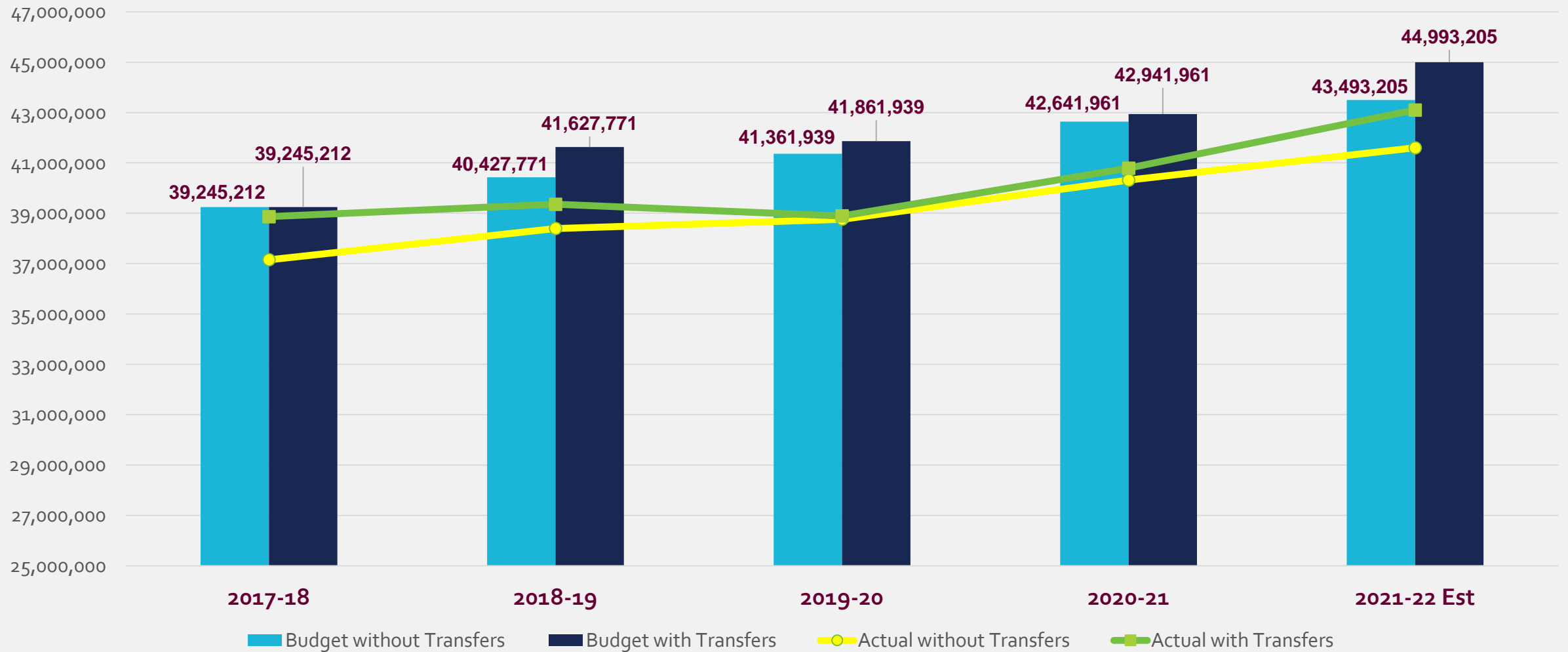
*2019-2020 was the first year of HB3 implementation

General Fund - Expenses

	2018-19 Audited Financials	2019-20 Audited Financials	2020-21 Audited Financials	2021-22 Budget	2021-22 YE Estimate
Instruction	\$22,627,035	\$23,537,346	\$24,399,522	\$25,817,616	
Instructional Support	\$6,320,468	\$6,185,121	\$6,013,639	\$6,893,096	
Central Administration	\$1,316,959	\$1,367,134	\$1,364,267	\$1,467,442	
District Operations	\$7,538,374	\$7,077,011	\$7,934,508	\$8,544,051	
Debt Service	\$335,500	\$334,800	\$333,500	\$476,000	
Other	\$255,573	\$256,476	\$269,617	\$295,000	
Subtotal	\$38,393,909	\$38,757,888	\$40,315,053	\$43,493,205	\$41,599,059
Transfers Out	\$960,616	\$135,569	\$473,103	\$1,500,000	\$1,500,000
Total	\$39,354,525	\$38,893,457	\$40,788,156	\$44,993,205	\$43,099,059
YOY w/o Transfers	3.34%	0.95%	4.02%	7.88%	3.18%
YOY Total Increase	1.25%	-1.19%	4.65%	9.35%	5.36%

* Moved Payroll Expenditures to ESSER Federal Grants to offset State Funding Supplant

General Fund - Expenses



General Fund – Fund Balance

	2018-19 Audited Financials	2019-20 Audited Financials	2020-21 Audited Financials	2021-22 Budget	2021-22 YE Estimates
Total Revenue	\$43,955,288	\$42,367,255	\$42,632,452	\$40,596,819	\$41,962,003
Total Expense	(\$39,354,525)	(\$38,893,457)	(\$40,788,156)	(\$44,993,205)	(\$43,099,059)
Net Roll/Loss	\$4,600,763	\$3,473,798	\$1,844,296	(\$4,396,386)	(\$1,147,829)
Beg Fund Balance	\$13,218,761	\$17,819,524	\$21,293,322	\$23,137,618	\$23,137,618
End Fund Balance	\$17,819,524	\$21,293,322	\$23,137,618	\$18,741,232	\$21,989,789

Notes and Considerations:

- 2017-18 Fund Balance inflated by Chapter 313 payments – Increase of \$3,133,031
- 2018-19 Fund Balance inflated by TEA Hurricane Harvey Property Value Decline Appropriation – Increase of \$3,479,330
- 2019-20 & 2020-21 Fund Balance inflated by COVID-19 decreased spending and Hold Harmless appropriations
- ***2021-22 includes a \$1,500,000 budgeted transfer for Magee Repairs, without the transfer the budgeted loss is \$2,896,386 and actual loss is**

Food Service Fund

	2019-20 Audited Financials	2020-21 Audited Financials	2021-22 Budget	2021-22 Year End Estimates
Federal	\$1,453,123	\$2,059,994	\$1,990,000	\$2,535,338
State/Local	\$591,958	\$228,260	\$244,500	\$370,489
Revenue Total	\$2,045,081	\$2,288,254	\$2,234,500	\$2,905,827
Payroll	\$952,499	\$1,058,843	\$1,223,173	\$1,234,156
Food	\$862,661	\$785,324	\$810,000	\$1,171,166
Other	\$220,243	\$305,977	\$479,500	\$325,461
Expense Total	\$2,035,403	\$2,150,144	\$2,512,673	\$2,730,783
Net Roll/Loss	\$9,677	\$138,110	(\$278,173)	\$175,044
End Fund Balance	\$221,063	\$359,173	\$81,000	\$534,217

* Moved Payroll Expenditures to ESSER Federal Grants to help offset decline in revenues from COVID-19 pandemic

Debt Service Fund

	2019-20 Audited Financials	2020-21 Audited Financials	2021-22 Budget	2021-22 Year End Estimates
Property Taxes/Local	\$5,604,878	\$5,959,255	\$6,195,000	\$6,359,493
State Revenue	\$50,776	\$44,959	\$50,000	\$43,034
Revenue Total	\$5,655,654	\$6,004,214	\$6,245,000	\$6,402,527
Bond Payments	\$5,512,431	\$5,970,644	\$6,305,000	\$6,300,285
Fees	\$5,011	\$4,050	\$10,000	\$5,000
Expense Total	\$5,517,442	\$5,974,694	\$6,315,000	\$6,305,285
Net Roll/Loss	\$138,212	\$29,520	(\$70,000)	\$97,242
End Fund Balance	\$705,707	\$735,227	\$665,227	\$832,469

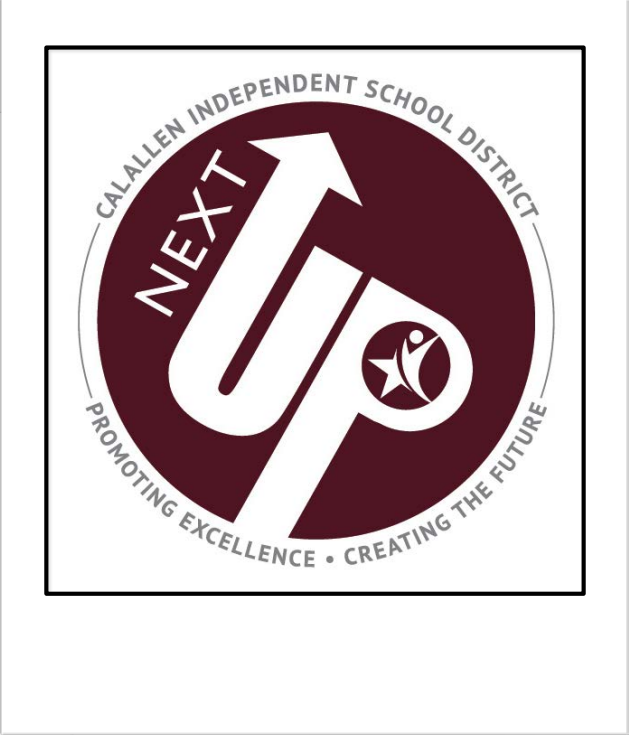
Fund Balance Considerations

- Per TEA, the **ideal fund balance** is 3 month's operating expenses – or **\$11 million** for CISD
- 2020-2021 audited fund balance: **\$23,137,618**
 - \$7 million assigned for construction – Magee repairs and 2018 Bond overruns
- Reasons to continue to maintain a healthy fund balance:
 - **MAGEE Repairs**
 - Bond Project overruns
 - Cash flow
 - Hurricane or other disaster, increased **insurance deductible is 2% or \$4.5 million**
 - **Single large taxpayer**, represents 18% of our tax base, or a **\$2.5 million risk**
 - Future Legislative session impacts
 - **HB3 impact of fixed income diet**

Construction Project Update



*Finance Update on Constructions
Funds and Review of Ongoing
Projects*



2018 Bond Projects – What was Accomplished?

- Academic Projects

- West Intermediate School
- High School Science Wing
- New HS Industrial Arts Building
- Expand HS AG Shop
- Remodel Current HS Industrial Arts Building
- Technology Upgrades

- Repair/Renovation Projects

- Athletic Upgrades
- HS Stadium Turf and Track Replacement
- HS Stadium Press Box
- HS Stadium Storage
- HS Field House Expansion
- Baseball Awnings
- Baseball Concession and Restrooms

- Repair/Renovation Projects

- Softball Bleachers and Awnings
- Tennis Court Awnings and Bleachers
- Remodel HS Interior
- HS Gym Bleachers
- Band Equipment
- MS Old Gym Remodel
- MS Gym Bleachers
- MS Field House Remodel
- East and Wood River Updates
- AG Barn Road and Parking
- Transportation Fuel Tanks
- Maintenance Storage Building
- Districtwide Roofs, Parking Lots, A/C Roof Top Units

Legend:

Completed Projects

Partially Completed

Postponed Projects

2018 Bond Projects – Fund 618 Summary

	Bond Budget	Total Revenue	
Bond Proceeds	\$39,500,000	\$39,500,000	
Interest Earnings	-	\$1,590,917	
Total Bond Revenue	\$39,500,000	\$41,090,917	
	Bond Budget	Total Projected Costs	Remaining Budget
Completed Projects	\$17,090,000	\$25,703,375	(\$8,613,375)
Construction In Progress	\$12,850,000	\$14,636,131	(\$1,786,131)
Partially Completed Projects	\$5,690,000	\$1,642,493	\$4,047,507
Postponed Projects	\$3,800,000	\$110,631	\$3,689,369
General Planning Costs	\$70,000	\$152,738	(\$82,738)
Total Bond Costs	\$39,500,000	\$42,245,368	(\$2,745,368)
Total Bond Funds Remaining		(\$1,154,451)**	

** Will require a transfer in from General Operating Funds, projected for FY 2022-2023

2021 Maintenance Tax Notes – Fund 635 Summary

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF CALALLEN INDEPENDENT SCHOOL DISTRICT:

SECTION 1. RECITALS, AMOUNT AND PURPOSE OF THE NOTES. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The Notes are hereby authorized to be issued and delivered in the aggregate principal amount of \$4,890,000 for the maintenance, repair, rehabilitation and replacement of school facilities in the Issuer, including replacing roofs, HVAC equipment, parking lots and other school facilities and to pay costs of issuance of the Notes.

Project	Amount
Proceeds	\$4,890,000
Expenses	
<i>2021 Summer RTU Projects</i>	<i>\$3,111,244</i>
Remaining Proceeds	\$1,778,756

Planned Use of Remaining Proceeds and Cost Estimates:

- High School Roof Replacement \$750,000
- High School Auditorium Upgrades \$200,000
- Elementary Playground Surfaces \$240,000
- Multipurpose Turf Repairs \$50,000
- MS Audio/Visual Project \$100,000
- Magee RTU Projects (partial) \$1,575,000**

** Will require a transfer in from General Operating Funds, projected for FY 2022-2023

Magee Elementary Repairs

- Civil Work **\$1,008,067**
 - GMP Approved, work completed during Summer 2020
- Plumbing, Foundation, and Masonry Repairs **\$1,657,184**
 - GMP Approved, work started Fall 2021 and ongoing
- Roof Repairs **\$775,000**
 - Estimate, to be completed in Summer 2023
- Electrical Repairs **\$50,000**
 - Board Approved Contract, to be completed in Spring 2022
- Fireproofing Repairs **\$350,000**
 - Board Approved Contract for Architect review, repair scope pending, to be completed in Summer 2022
- Other Fees and Services **\$142,750**

****Estimated
Repair
Grand Total:
\$3,983,001**

**** Not inclusive of potential settlement reimbursements or lawyers fees**

Summary of Construction Funds

	Proceeds	Expenditures	Impact to General Fund
2018 Bond	\$41,090,917	\$42,245,368	(\$1,154,451)
2021 Maintenance Tax Notes	\$4,890,000	\$6,026,244	(\$1,136,244)
Subtotal			(\$2,290,695)
Magee Repairs	Undetermined	\$3,983,001	(\$3,983,001)
Total			(\$6,273,696)

Available Funding For Construction Projects

- 2020-2021 General Operating Fund Balance **\$23,137,618**
- Transfer Out for Construction Funds **(\$6,273,696)**
- Remaining General Operating Fund Balance **\$16,863,922**
- Fund Balance Considerations:
 - Reopening Magee Intermediate (\$1,000,000)
 - Future Raises
 - ESSER Federally Funded Positions
 - Unknowns of Student Growth and Property Tax Values
 - Fixed Income Diet
 - Ideal Fund Balance = \$11,000,000

2018 Bond Projects – What was Accomplished?

- Academic Projects

- **West Intermediate School**
- **High School Science Wing**
- New HS Industrial Arts Building
- **Expand HS AG Shop**
- Remodel Current HS Industrial Arts Building
- **Technology Upgrades**

- Repair/Renovation Projects

- **Athletic Upgrades**
- **HS Stadium Turf and Track Replacement**
- HS Stadium Press Box
- **HS Stadium Storage**
- HS Field House Expansion
- **Baseball Awnings**
- **Baseball Concession and Restrooms**

- Repair/Renovation Projects

- **Softball Bleachers and Awnings**
- **Tennis Court Awnings and Bleachers**
- **Remodel HS Interior**
- **HS Gym Bleachers**
- **Band Equipment**
- MS Old Gym Remodel
- **MS Gym Bleachers**
- MS Field House Remodel
- **East and Wood River Updates**
- **AG Barn Road and Parking**
- **Transportation Fuel Tanks**
- **Maintenance Storage Building**
- **Districtwide Roofs, Parking Lots, A/C Roof Top Units**

Legend:

Completed Projects

Partially Completed

Postponed Projects

Questions Comments Discussion



*Updates to Attendance &
Enrollment Projections Based on
Fall PEIMS Snapshot and First
Three Six Weeks Data*

