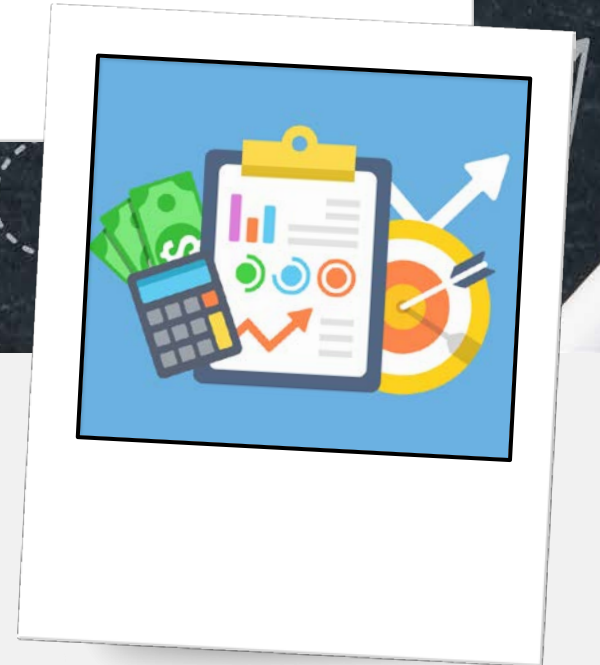
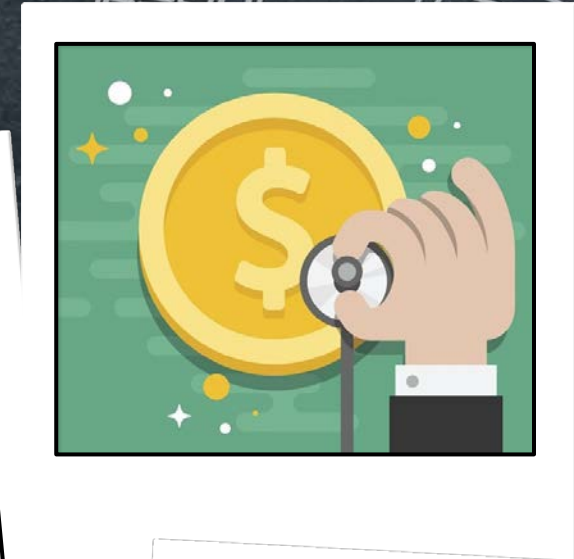


2021-22 Budget Presentation #1

*Finance Update and Salary
Discussion*

July 19, 2021



General Considerations



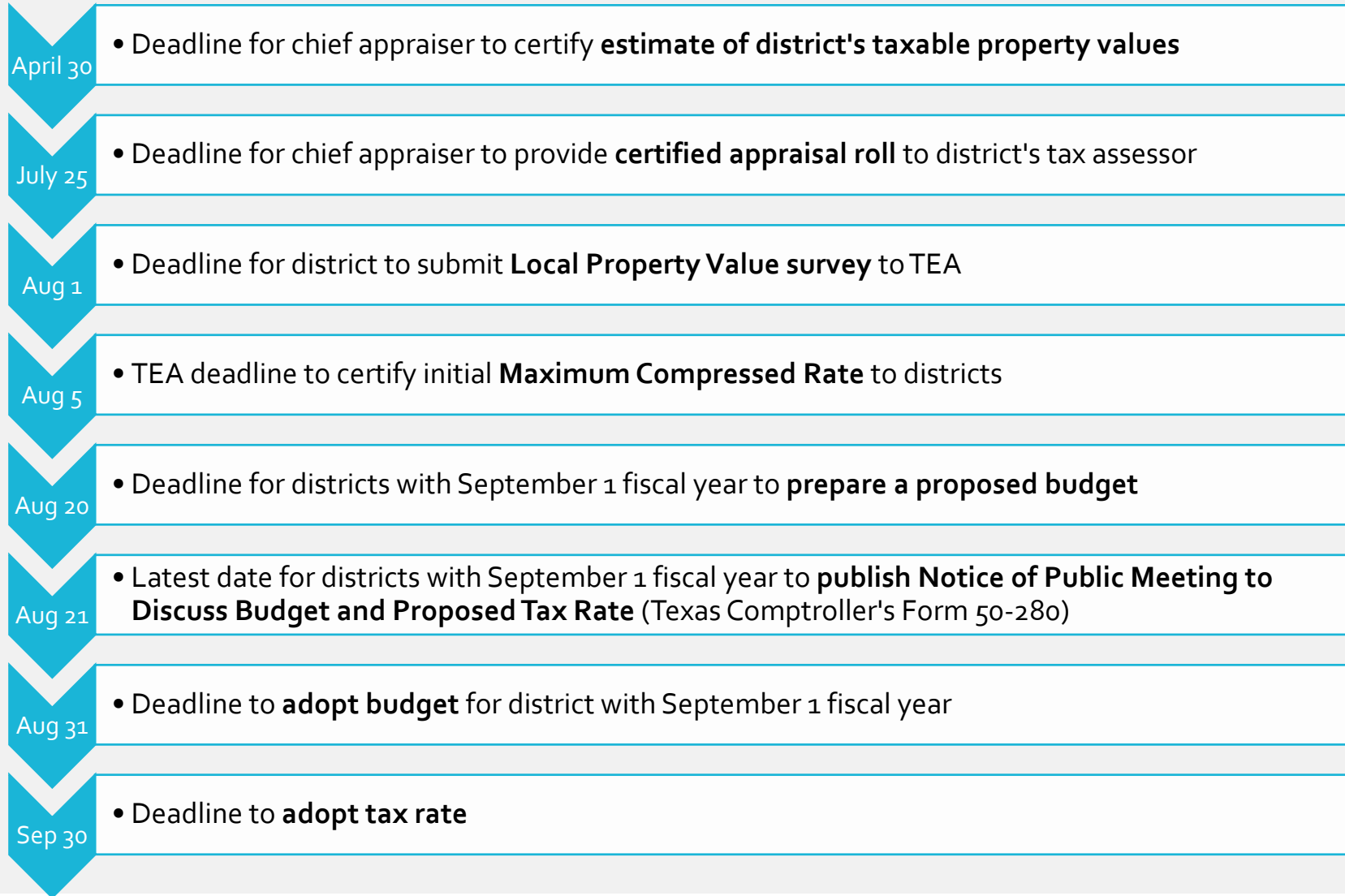
2021-22 Budget Considerations



2021-22 Budget Calendar

Timeframe	Board Meeting Dates	Action Needed	Responsible Parties
March - June		Review of 2020-2021 Budgets Estimate actual revenues and expenditures Submission of 2021-2022 budget requests	Director of Finance Director of Finance Principals and Directors
Late April		2021 <u>Estimated</u> Tax Values to CISD	Appraisal District
July	July 19, 2021 Regular Meeting	Budget Workshop w/ Board Legislative Update and Preliminary Budget Information Set salary scales for 2021-2022	Supt/Director of Finance Board of Trustees
Late July		2021 <u>Certified</u> Tax Values to CISD	Appraisal District
Early August		Tax Value Data Collection Due to TEA TEA Issues Tier 1 Tax Rate for the District	Director of Finance TEA
Early August	August 9, 2021 Regular Meeting	Budget Workshop w/ Board Presentation of Notice to Set Tax Rate and Preliminary Budget *Board may adopt a tax rate lower than what is published	Supt/Director of Finance
Mid August		Notice of Hearing to Set the Tax Rate and Adopt the Budget PUBLISHED in Nueces Co Record Star *Must be published 10-30 days before hearing, 2021-2022 deadline August 13, 2021	Director of Finance
Late August	August 23, 2021 Special Meeting	Conduct Hearing to Set the Tax Rate and Adopt the Budget Conduct Special Meeting to Approve: Final Budget Amendments for 2020-2021 Set Tax Rate for Tax Year 2021 Adopt Budgets for 2021-2022 Adopt 2021-2022 Compensation Plan	Supt/Director of Finance Board of Trustees

Budget and Tax Rate Timeline



Disclaimers and Considerations

- On a \$40 million budget, a 1% variation in revenue or expense is **\$400,000**
- **\$1 million** will pay the annual salaries of approximately **18 teachers**
- The main sources of school district funding are:
 - **Local** Funding – Property Tax Collections
 - **State** Funding – Foundation School Program, driven by Student Counts and Attendance, Property Values and Growth, and Hold Harmless Laws
 - **Federal** Funding – SHARS and Indirect Cost from Federal Grants

State Funding Impacts

- COVID Impact to Enrollment, Attendance, and ADA projections
- Prorated Allotments
 - Gifted and Talented, Formula Transition Grant, New Instructional Facilities Allotment, and School Safety Allotment
- Tax Rate Compression
 - Tax Year 2021 & 2022 – 0.3% Compression
 - Future Tax Years – Unknown, Future Legislation?
- **5 year projections becoming increasingly complicated and more difficult**
 - **HB 3, COVID-19, and HB 1525**

Fund Balance Considerations

- Per TEA, the **ideal fund balance** is 3 month's operating expenses – or **\$10.5 million** for CISD
- 2019-2020 audited fund balance: **\$21,293,322**
 - \$7 million assigned for construction – Magee repairs and 2018 Bond overruns
- Reasons to continue to maintain a healthy fund balance:
 - Cash flow
 - Hurricane or other disaster, increased **insurance deductible is 2% or \$4 million**
 - **Single large taxpayer**, represents 18% of our tax base, or a **\$2.5 million risk**
 - **MAGEE Repairs**
 - Bond Project overruns
 - Future Legislative session impacts
 - **HB3 impact of fixed income diet**

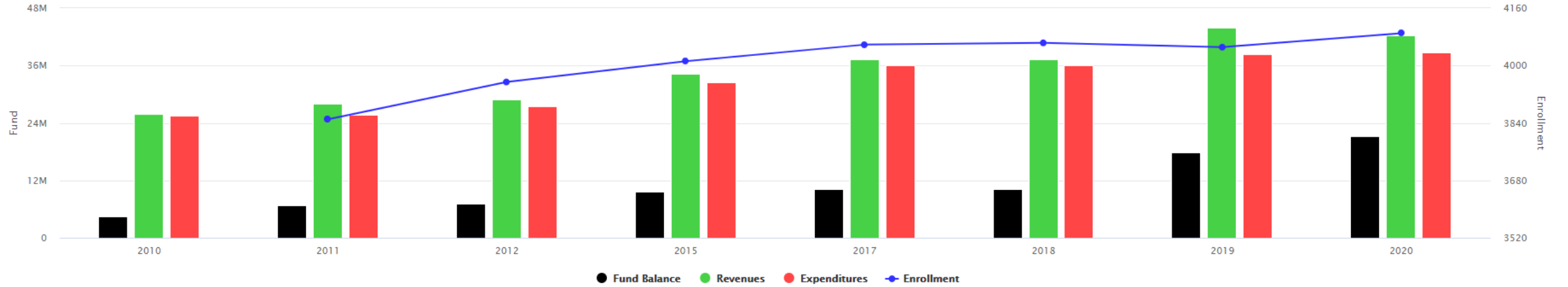
Magee Elementary Repairs

- Civil Work **\$1,008,067**
 - GMP Approved, work completed during Summer 2020
- Plumbing, Foundation, and Masonry Repairs **\$1,657,184**
 - GMP Approved, work starting Fall 2021
- Roof Repairs **\$500,000**
 - Estimate, to be completed in Spring 2022
- Electrical Repairs **\$500,000**
 - Unknown, beginning electrical systems review in Fall 2021
- A/C Roof Top Unit Replacement **\$1,200,000**
 - Estimate, procurement to be released in early Fall 2021
- Estimated Lawyers Fees **\$1,500,000**

**Estimated
Grand
Total:
\$6,365,251**


General Fund Revenues and Expenditures Compared to Enrollment

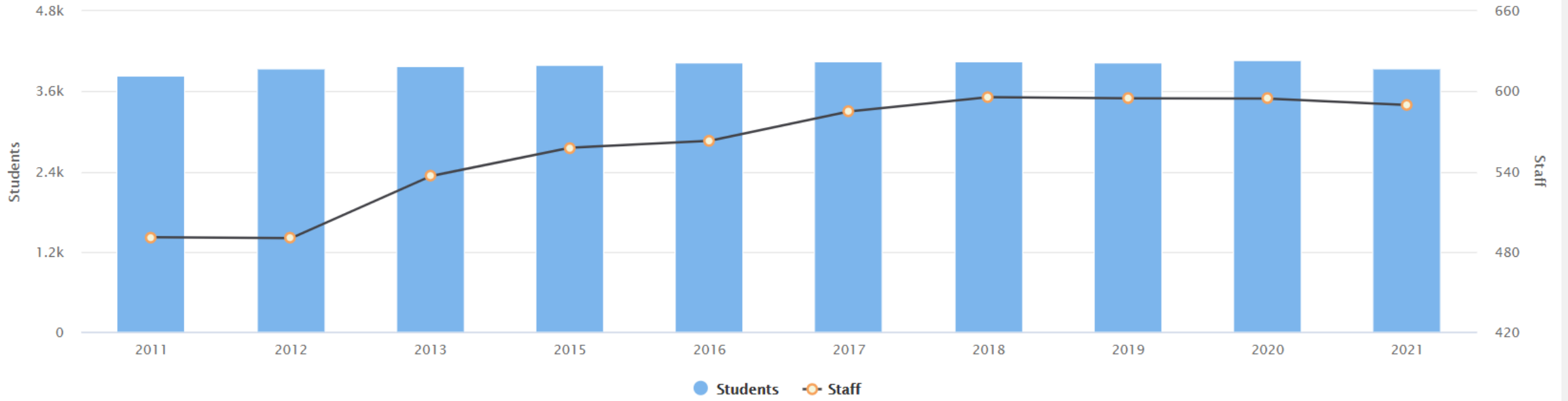
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School Year	Ending fund Balance	Revenues	Expenditures	Student / Staff FTE Ratio	Enrollment	All Staff FTE
2009 - 2010	\$4,457,865	\$25,851,706	\$25,462,217	NP	ND	ND
2010 - 2011	\$6,715,384	\$28,032,474	\$25,774,990	7.81	3,850	492.80
2011 - 2012	\$7,053,912	\$28,886,443	\$27,501,927	8.04	3,954	491.60
2014 - 2015	\$9,633,610	\$34,231,754	\$32,525,272	7.19	4,012	557.80
2016 - 2017	\$10,169,948	\$37,341,845	\$36,130,170	6.94	4,058	584.90
2017 - 2018	\$10,169,948	\$37,341,845	\$36,130,170	6.82	4,063	595.60
2018 - 2019	\$17,819,524	\$43,955,292	\$38,393,924	6.81	4,051	594.60
2019 - 2020	\$21,293,322	\$42,367,256	\$38,757,918	6.88	4,090	594.50

Financial Well Being – Total Staff and Total Students by School Year

 Print/Download



Property Tax Update



*2021-2022 Preliminary Property Tax
Projections and Chapter 313
Updates*



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 Tax Rate
2018-19	2018	N/A	1.00	1.1700	N/A	1.1700
2019-20	2019	7%	0.93	1.0683	N/A	1.0683
2020-21	2020	2.5%	0.9164	1.0864	>4.01% Value Growth	0.9915
2021-22	2021	0.3%	0.9134	1.0834	>2.8% Value Growth	0.9706 Estimate
2022-23	2022	0.3%	0.8971	1.0671	>4.36% Value Growth	TBD

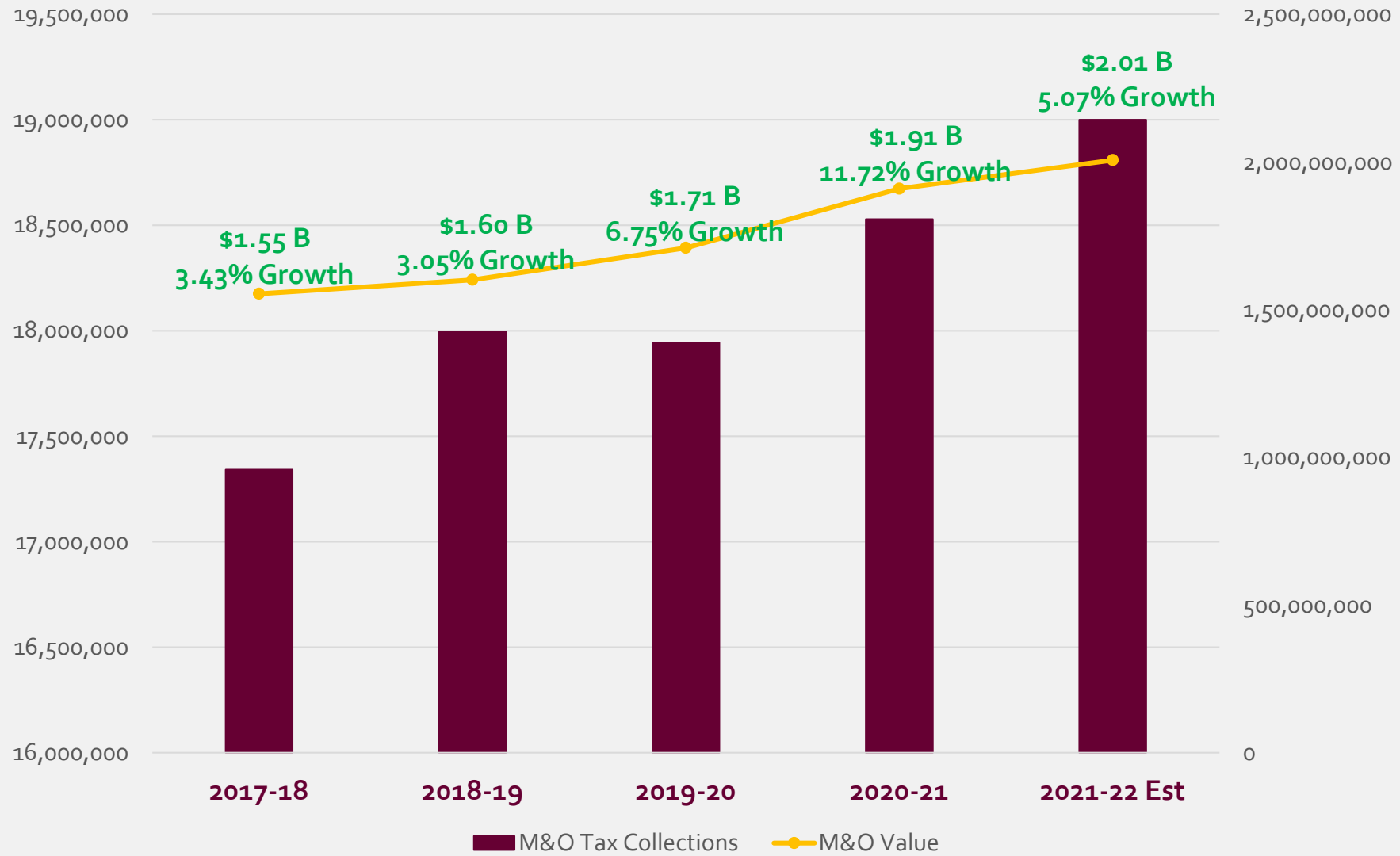
Property Tax Values, Rates, & Collections

	2019-20 Certified	2020-21 Certified	2021-22 Preliminary Estimates	2021-22 New Estimates
M&O Value	\$1,709,009,959	\$1,909,303,972	\$1,851,968,316	\$2,006,168,687
Value Growth	6.75%	11.72%	-3.01%	5.07%
Tax Rate	1.0683	0.9915	0.9915	0.9706
Tax Collections	\$17,725,042	\$18,528,325	\$17,400,000	\$18,650,000
I&S Value	\$2,319,514,929	\$2,500,956,572	\$2,521,539,989	\$2,700,433,380
Value Growth	7.06%	7.82%	0.85%	7.98%
Tax Rate	0.233	0.243	0.243	0.243
Tax Collections	\$5,490,955	\$5,971,794	\$5,850,000	\$6,325,000

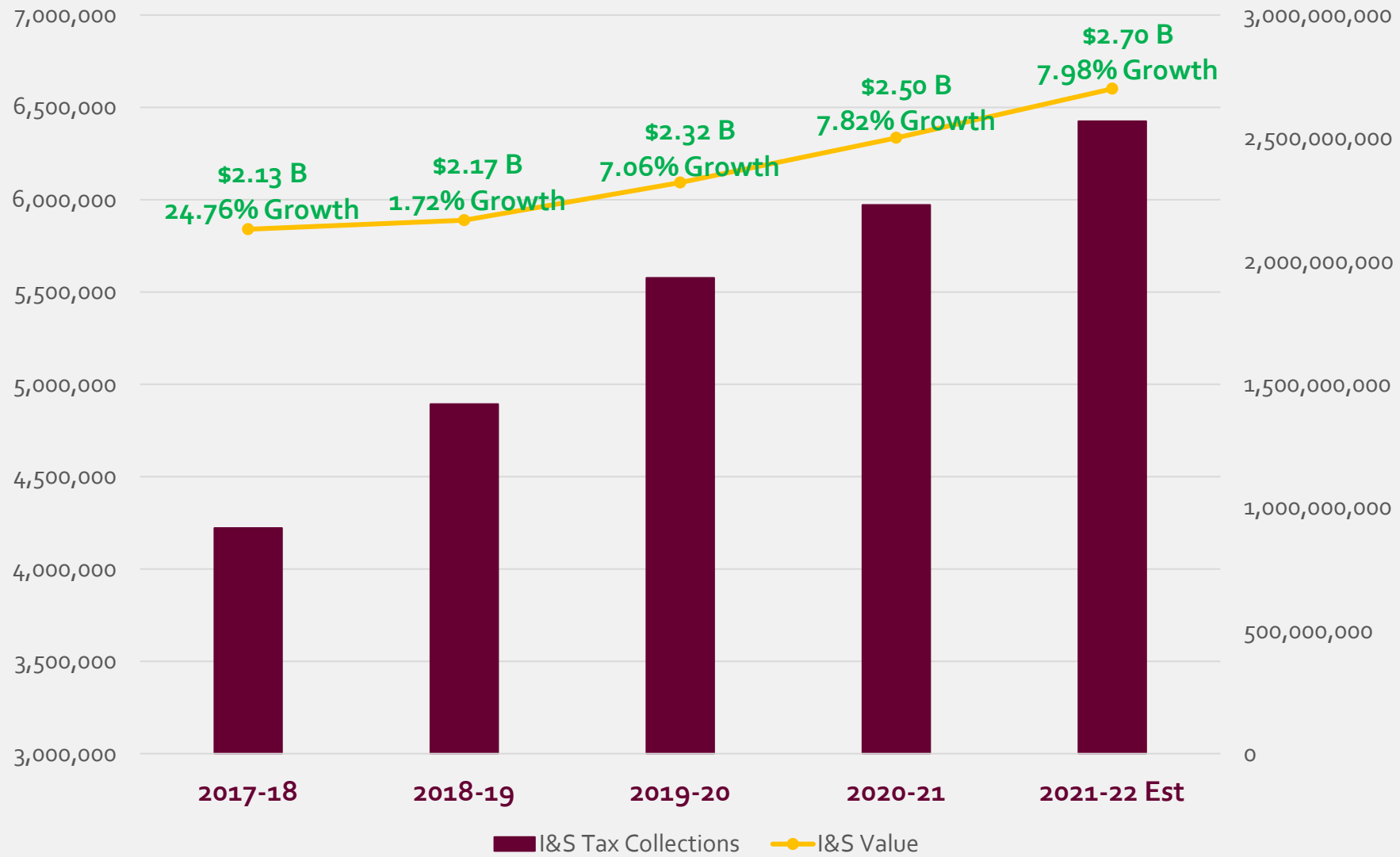
Notes:

- Final Compression of M&O Tier 1 Tax Rate will be determined by TEA in early August
- A Bond Prepayment is needed for FY 21-22, estimated to collect \$1.7M over bond payments

M&O Property Values & Collections History



I&S Property Values & Collections History



Chapter 313 Agreements

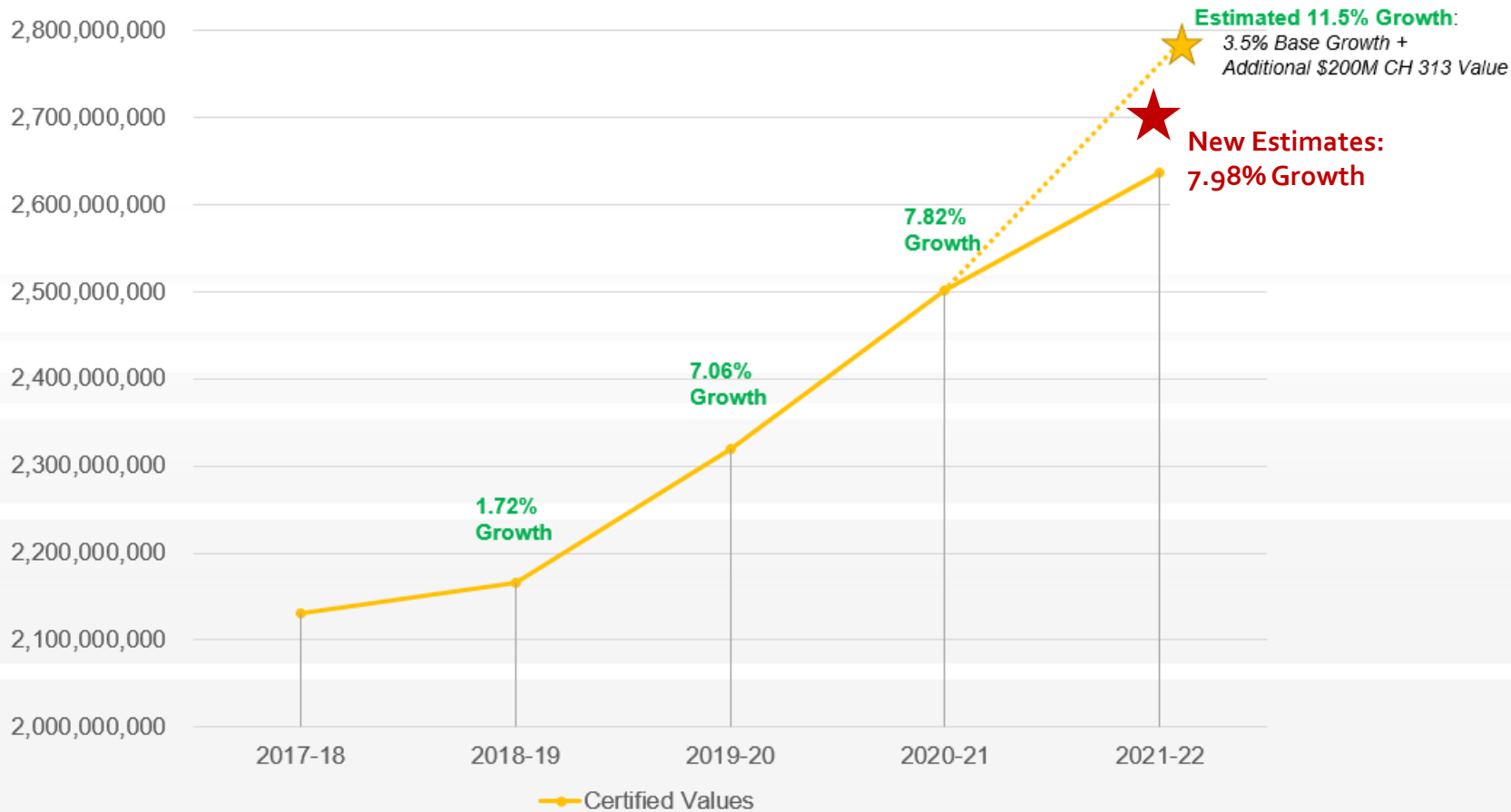
Additional Revenue From 313 Agreements

Estimates as of 6/14/2021

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	0	461,452	0	381,500	848,639	384,176	2,075,767	648,361
2022	2022-23	0	436,615	0	381,500	0	384,176	1,202,291	(873,476)
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
			5,440,315		11,926,842		8,205,359	25,572,516	

Potential November 2021 Bond Implications

I&S Property Value Growth



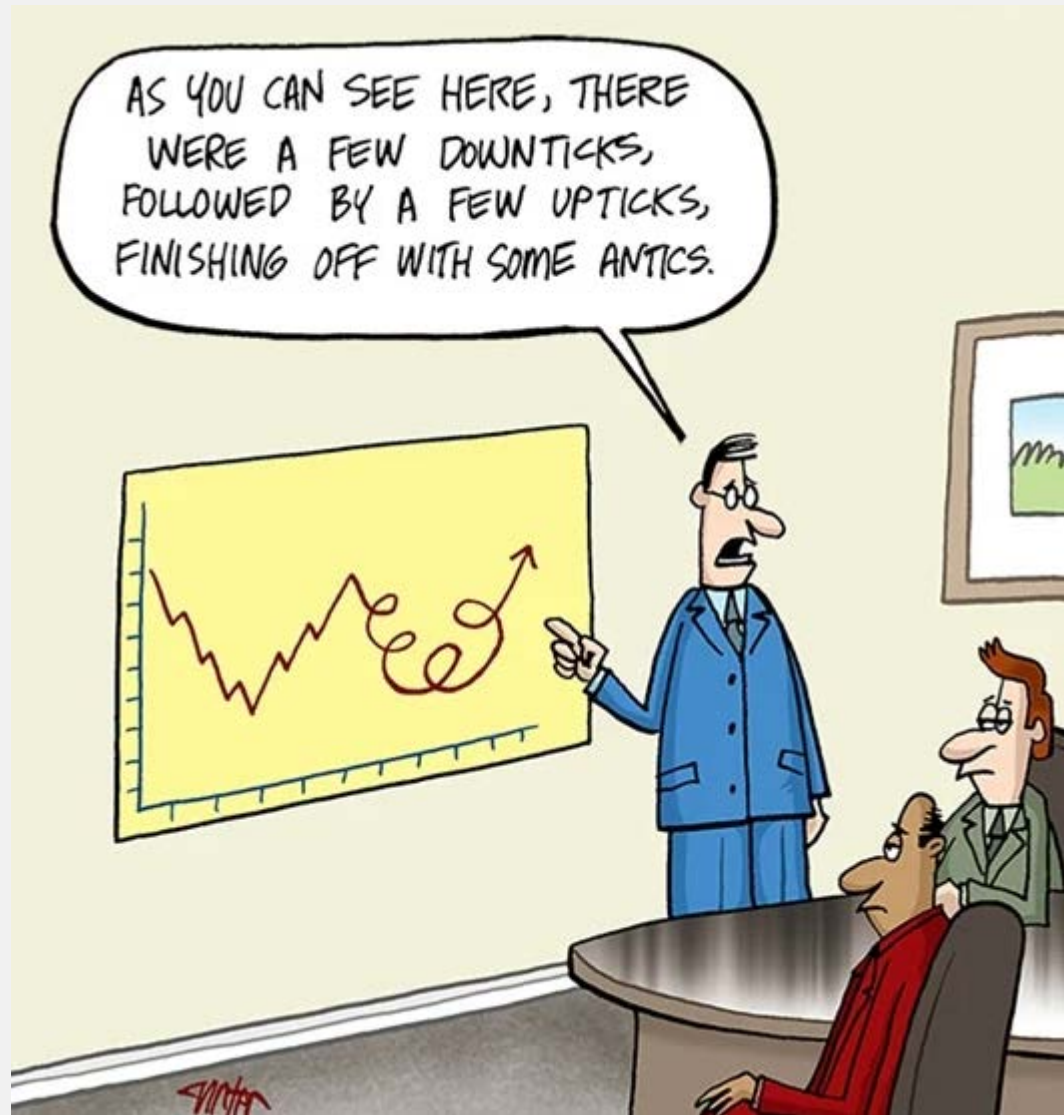
- Decrease in estimated I&S Property Value Growth for 2021-22
- Chapter 313 uncertainty
- COVID-19 Pandemic
- 2020-21 Test Scores and Academic Data
- Focus on Student Learning Loss and Recovery
- Influx of Federal Grants and Demands

Finance Update



2021-2022 Preliminary Property Tax Projections and Chapter 313 Updates





ADA History and Projections

	October Snapshot Enrollment	Final ADA
2016-17	4,058	3,830.728
2017-18	4,063	3,815.406
2018-19	4,051	3,807.330
2019-20	4,090	3,851.899
2020-21	3,956	3,701.967
2021-22	???	???



- Uncertainty exists in predicting 2021-22 enrollment and ADA due to COVID-19 pandemic
- Conservative approach to 2021-22 budget will be utilized:
 - Early budget workshops and estimates will be based on flat enrollment and ADA for 2021-22
 - Start of school is August 12th
 - August budget workshops and final budget will be based on actual August enrollments

2021-22 Revenue Considerations

- **ADA:** Unknowns and uncertainties, Budgeted 2020/21 actual
- **Interest on Earnings:** plummeted due to economic recession, have not recovered to pre-pandemic levels to-date
- **Chapter 313 Payment:** Only ½ of anticipated estimates
- **SHARS Revenue:** slow to recover from pandemic and decline in services during virtual instruction
- **Local Revenue:** unknown if we will return to pre-pandemic volumes

General Fund - Revenue

	2017-18	2018-19	2019-20	2020-21 YE Estimates	2021-22 Prelim Budget
Property Taxes	\$17,737,790	\$18,113,333	\$17,942,639	\$18,446,457	\$18,650,000
Other Local	\$532,654	\$697,485	\$577,936	\$236,217	\$220,000
State Revenue	\$15,729,063	\$16,689,161	*\$19,149,891	*\$19,148,034	**\$18,270,000
TRS On-Behalf	\$1,891,454	\$1,842,667	\$2,214,710	\$1,994,749	\$2,024,225
Federal Revenue	\$563,787	\$555,998	\$376,518	\$365,440	\$300,000
Subtotal	\$36,090,748	\$37,898,644	\$40,261,694	\$40,190,897	\$39,464,225
<i>Ch 313s</i>	\$5,821,692	\$2,577,314	\$1,629,015	\$1,427,406	\$2,000,000
<i>Hurr Harvey</i>		\$3,479,330			
<i>COVID-19</i>			\$476,546	\$278,458	
Total	\$41,912,440	\$43,955,288	\$42,637,255	\$41,896,791	\$41,464,225
<i>Tax Collection Growth</i>	1.64%	4.26%	-0.94%	2.81%	1.10%
<i>State Funding Growth</i>	5.10%	6.10%	14.74%	-0.01%	-4.59%
<i>YOY w/o CH 313 & Others</i>	4.15%	5.01%	6.24%	-0.18%	-1.81%

*State Revenue Reduced and Supplanted with ESSER Federal Grant Funds

**Assumes no enrollment growth from 2020-21 School Year

2021-22 Expense Considerations

- **3% Budgeted Increase** for Insurance Premiums
- **5% Increase** on Custodial Warehouse Supplies & Maintenance Supply Costs
- **\$160,000 Increase** for Technology Projects and Increased Costs
- **\$140,000 Increase** for 2021 Maintenance Tax Notes Payment
- **\$20,000 Increase** for Employer Paid Life Insurance policy

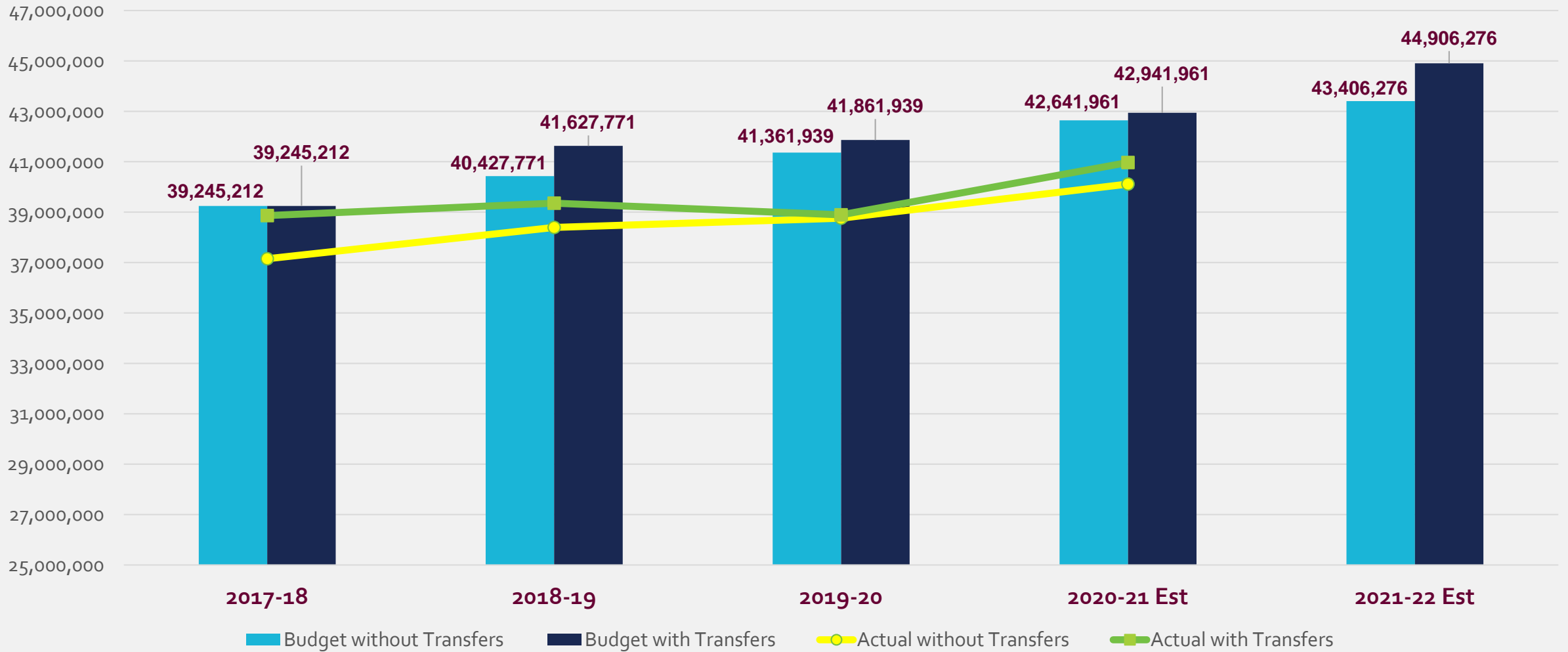
- **10% Decrease** to Workers Compensation Expense
- **\$175,000 Decrease** to Electricity Contract

General Fund - Expenses

	2017-18	2018-19	2019-20	2020-21 YE Estimates	2021-22 Prelim Budget
Instruction	\$22,099,946	\$22,627,035	\$23,537,346	*\$24,009,683	\$25,308,949
Instructional Support	\$6,351,607	\$6,320,468	\$6,185,121	*\$6,227,907	\$7,184,287
Central Administration	\$1,240,952	\$1,316,959	\$1,367,134	\$1,378,020	\$1,468,529
District Operations	\$6,873,132	\$7,538,374	\$7,077,011	\$7,893,133	\$8,678,511
Debt Service	\$335,075	\$335,500	\$334,800	\$336,000	\$476,000
Other	\$250,502	\$255,573	\$256,476	\$269,617	\$290,000
Subtotal	\$37,151,214	\$38,393,909	\$38,757,888	\$40,114,360	\$43,406,276
Transfers Out	\$1,712,413	\$960,616	\$135,569	\$855,000	\$1,500,000
Total	\$38,863,627	\$39,354,525	\$38,893,457	\$40,969,360	\$44,906,276
YOY w/o Transfers	2.83%	3.34%	0.95%	3.50%	8.21%
YOY Total Increase	4.19%	1.25%	-1.19%	5.07%	8.77%

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

General Fund - Expenses



General Fund – Fund Balance

	2017-18	2018-19	2019-20	2020-21 YE Estimates	2021-22 Prelim Budget
Total Revenue	\$41,912,440	\$43,955,288	\$42,367,255	\$41,896,761	\$41,464,225
Total Expense	(\$38,863,627)	(\$39,354,525)	(\$38,893,457)	(\$40,969,360)	(\$44,906,276)
Net Roll/Loss	\$3,048,813	\$4,600,763	\$3,473,798	\$927,401	*(\$3,442,051)
Beg Fund Balance	\$10,169,948	\$13,218,761	\$17,819,524	\$21,293,322	\$22,220,723
End Fund Balance	\$13,218,761	\$17,819,524	\$21,293,322	\$22,220,723	\$18,778,672

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 \$1,942,051**

General Fund – Future Projections

	2020-21 YE Estimates	2021-22 Prelim Budget	2022-23	2023-24	2024-25
Total Revenue	\$41,896,761	\$41,464,225	\$41,559,497	\$43,343,722	\$41,092,731
Total Expense	(\$40,969,360)	(\$44,906,276)	(\$44,040,713)	(\$43,178,823)	(\$43,826,506)
Net Roll/Loss	\$927,401	(\$3,442,051)	(\$2,481,215)	\$164,889	(\$2,733,774)
Beg Fund Balance	\$21,293,322	\$22,220,723	\$18,778,672	\$16,297,459	\$16,462,358
End Fund Balance	\$22,220,723	\$18,778,672	\$16,297,459	\$16,462,358	\$13,728,583

Notes and Considerations:

- **2021-22 & 2022-23 includes a \$1,500,000 budgeted transfer for Magee Repairs**
- 2023-24 assumes the Chapter 313 payment in full
- Projection forward: 1.5% increase on salaries each year, inflation on supplies and materials each year

Compensation Plan Discussion



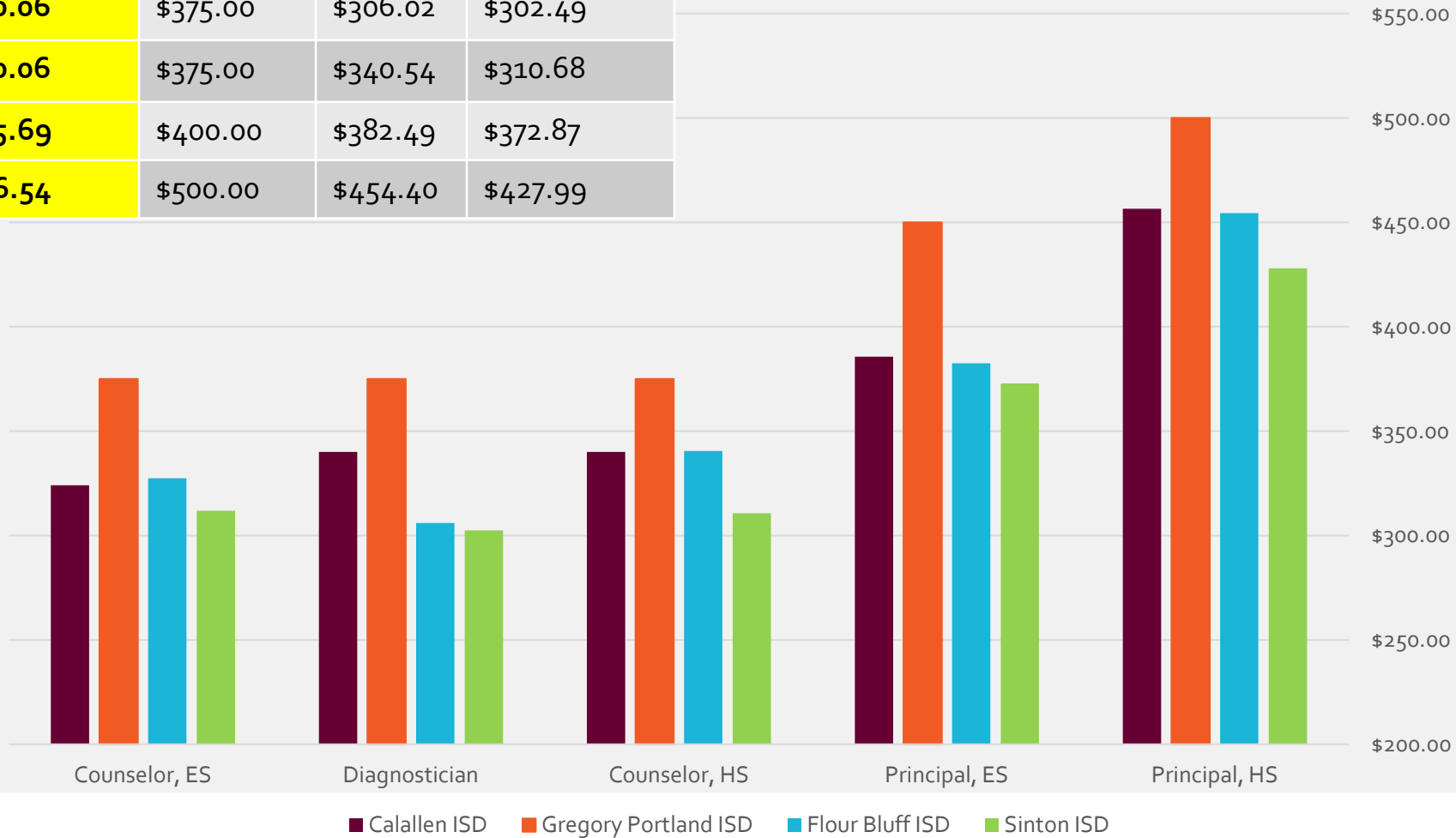
*Salary and Benefits for the 2021-
2022 School Year*



2020-2021 Administrative Professional Area Comparison

	Calallen ISD	GPISD	FBISD	Sinton ISD
Counselor, ES	\$324.10	\$375.00	\$327.44	\$311.85
Diagnostician	\$340.06	\$375.00	\$306.02	\$302.49
Counselor, HS	\$340.06	\$375.00	\$340.54	\$310.68
Principal, ES	\$385.69	\$400.00	\$382.49	\$372.87
Principal, HS	\$456.54	\$500.00	\$454.40	\$427.99

*Figures reported
are Pay Grade
Midpoint Daily
Rates*



2020-2021 Clerical Paraprofessional Area Comparison

	Calallen ISD	GPISD	FBISD	Sinton ISD
Aide, Inst.	\$16.67	\$18.23	\$13.00	\$13.33
Attendance, HS	\$20.00	\$20.05	\$14.60	\$14.40
Registrar, HS	\$22.00	\$20.05	\$17.98	\$16.85
Accts Payable	\$26.62	\$24.10	\$21.22	\$21.15
Admin Asst Superintendent	\$30.61	\$26.55	\$26.53	\$26.02

*Figures reported
are Pay Grade
Midpoint Hourly
Rates*

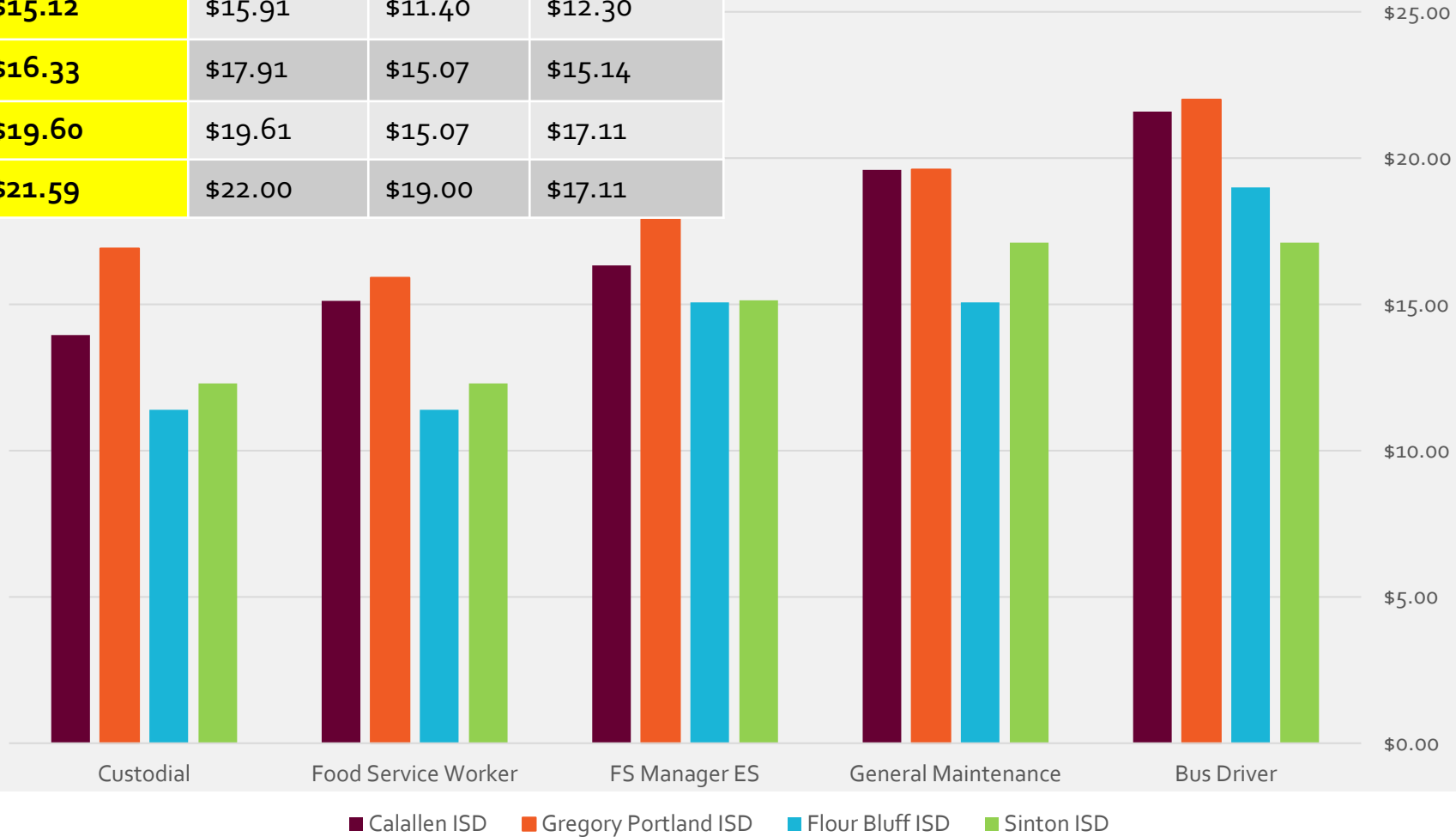


■ Calallen ISD ■ Gregory Portland ISD ■ Flour Bluff ISD ■ Sinton ISD

2020-2021 Auxiliary Area Comparison

	Calallen ISD	GPISD	FBISD	Sinton ISD
Custodial	\$13.95	\$16.91	\$11.40	\$12.30
Food Service	\$15.12	\$15.91	\$11.40	\$12.30
FS Manager ES	\$16.33	\$17.91	\$15.07	\$15.14
Gen Maintenance	\$19.60	\$19.61	\$15.07	\$17.11
Bus Driver	\$21.59	\$22.00	\$19.00	\$17.11

Figures reported are Pay Grade Midpoint Hourly Rates



2020-2021 Teacher Step Area Comparison

	Gregory-Portland ISD	Sinton ISD	Calallen ISD	Flour Bluff ISD	Tuloso-Midway ISD
Teacher Step 0	\$57,000	\$48,800	\$48,750	\$46,500	\$46,200
Teacher Step 5	\$58,518	\$49,800	\$50,020	\$49,125	\$47,930
Teacher Step 10	\$61,145	\$50,900	\$50,820	\$52,300	\$50,395
Teacher Step 15	\$63,334	\$54,900	\$54,070	\$54,700	\$54,045
Teacher Step 20	\$64,415	\$58,500	\$58,270	\$57,200	\$58,445
Teacher Step 25	\$69,514	\$58,500	\$62,070	\$57,200	\$62,295
Teacher Step 30	\$73,428	\$58,500	\$63,870	\$57,200	\$63,565

TRS Contribution Changes

For Pay Received On or After	Fiscal Year	State Contribution Rate	Public Education Employer Contribution Rate	Member Contribution Rate	Pension Surcharge
9/1/2019	2019-2020	7.5%	1.5%	7.7%	15.2%
9/1/2020	2020-2021	7.5%	1.6%	7.7%	15.2%
9/1/2021	2021-2022	7.75%	1.7%	8.0%	15.75%
9/1/2022	2022-2023	8.0%	1.8%	8.0%	16.0%
9/1/2023	2023-2024	8.25%	1.9%	8.25%	16.5%
9/1/2024	2024-2025	8.25%	2.0%	8.25%	16.5%

- On current salaries for the District, the increase from 1.6% to 1.7% will cost approximately \$25,000
- On an **average teacher salary**, the increase from 7.7% to 8.0% will result in an approximate increased deduction of **\$165**

Salary and Benefits History – Option 1

Salary Increases

Fiscal Year	% Increase	187 Day Teacher Increase	Starting Teacher Salary	Other Employee Increase
2016-17	4.2%	\$1,880	\$45,330	\$1.35/hr
2017-18	3.2%	\$1,400	\$46,730	\$1.00/hr
2018-19	2.0%	\$840	\$47,520	\$0.60/hr
2019-20	3.4%	\$1,450	\$48,570	\$0.75/hr
2020-21	1.5% \$500 retention stipend	\$800 Further equity adj for steps 2-20	\$48,750	1.5% Of pay grade midpoint
2021-22	2.5% \$500 retention stipend	\$1,382	\$49,750	2.5% Of pay grade midpoint

District Contribution to Health Insurance Premiums



Salary and Benefits History – Option 2

Salary Increases

Fiscal Year	% Increase	187 Day Teacher Increase	Starting Teacher Salary	Other Employee Increase
2016-17	4.2%	\$1,880	\$45,330	\$1.35/hr
2017-18	3.2%	\$1,400	\$46,730	\$1.00/hr
2018-19	2.0%	\$840	\$47,520	\$0.60/hr
2019-20	3.4%	\$1,450	\$48,570	\$0.75/hr
2020-21	1.5% \$500 retention stipend	\$800 Further equity adj for steps 2-20	\$48,750	1.5% Of pay grade midpoint
2021-22	3.0% \$500 retention stipend	\$1,658	\$50,000	3.0% Of pay grade midpoint

District Contribution to Health Insurance Premiums



21-22 Compensation Plan Summary

Option 1

- 2.5% Increase
- Teacher Raise: **\$1,382**
- Starting Teacher Salary: **\$49,750**
- Step 30 Teacher Salary: **\$65,002**
- Cost to the District for 2.5% Increase:
\$675,000

Option 2

- 3.0% Increase
- Teacher Raise: **\$1,658**
- Starting Teacher Salary: **\$50,000**
- Step 30 Teacher Salary: **\$65,278**
- Cost to the District for 3.0% Increase:
\$810,000

December 2021 Retention Stipends

- **\$500** for all permanent, full-time employees scheduled to work **7.5 hours or more** per day
- **\$250** for all permanent employees regularly scheduled to work **less than 7.5 hours** per day
- One-Time Cost to the District: **\$325,000**
- To be paid from **ESSER III Grant funds**
- Paid on special payroll run on **December 16, 2021**