

# Midland Independent School District 2020-21 Official Budget



615 W. Missouri Ave  
Midland, TX 79701  
[www.midlandisd.net](http://www.midlandisd.net)

# Midland Independent School District Midland, Texas



## **2020-2021 APPROVED BUDGET**

*Effective*  
*July 1, 2020 – June 30, 2021*

**Prepared by:**

*Darrell Dodds*  
*Chief Financial Officer*

*Carla Martin*  
*Executive Director of Financial Services*

*Tony Kingman*  
*Director of Budget*



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

This Pathway to the MBA Award is presented to

# MIDLAND INDEPENDENT SCHOOL DISTRICT

for excellence in the preparation and issuance of its budget  
for the Fiscal Year 2020-2021.

The budget adheres to the principles and standards  
of ASBO International's Meritorious Budget Award criteria.



A handwritten signature in black ink, reading 'W. Edward Chabal'.

**W. Edward Chabal**  
President

A handwritten signature in black ink, reading 'David J. Lewis'.

**David J. Lewis**  
Executive Director

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# EXECUTIVE SUMMARY

## **BOARD OF TRUSTEES**

Rick Davis, President  
Tommy Bishop, Vice President  
Bryan Murry, Secretary  
James Fuller, Trustee  
John Kennedy, Trustee  
Robert Marquez, Trustee  
John Trischitti III, Trustee

## **ADMINISTRATION**

Darrell Dodds, Chief Financial Officer  
Elisabeth Goodnow, Chief Academic Officer  
Kellie Spencer, Chief Operating Officer  
Dr. Elise Kail, Chief Transformation Officer  
Woodrow Bailey, Chief of Human Capital  
Elana Ladd, Chief Communications Officer  
Katie Atkins, Chief of Staff

## **CONSULTANTS AND ADVISORS**

Orrick Herrington & Sutcliffe L.L.P.  
Bond Counsel – Austin, Texas  
Hilltop Securities Inc.  
Financial Advisor – Dallas, Texas  
Eide Bailly, L.L.P.  
Independent Auditors – Abilene, Texas

July 1, 2020

Board of Trustees  
Midland Independent School District  
Midland County, Texas

Dear Board Members:

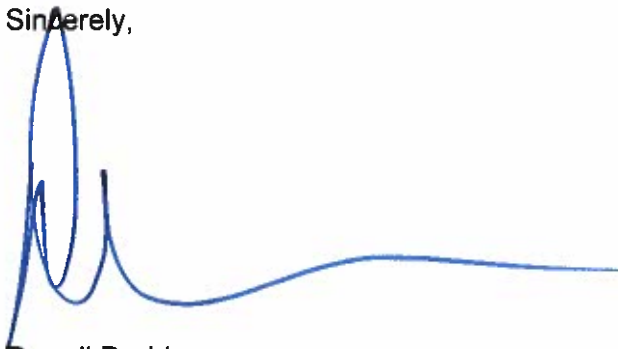
We are pleased to present Midland Independent School District's 2020-2021 budget document to the Board of Trustees and the Midland community. The document was prepared by the district's Financial Services staff. The Financial Services Department has the responsibility for the accuracy and fairness of the financial information and disclosures contained in the document.

The primary purpose of this document is to provide general information about Midland Independent School District's (MISD) Budget for the 2020-21 Fiscal Year. The budget is developed as a direct result of information gathered from departments, campuses, administrative staff, the Superintendent, and the Board of Trustees. This budget document and the year-end Annual Financial Report (AFR) are the primary instruments used to present the financial plan and the results of operations of the district.

The information included in the budget document is assembled to meet the requirements of the Path Way to the Meritorious Budget Award (MBA) of the Association of School Business Officials International (ASBO). To receive this award, Midland ISD must publish a budget document that meets a number of specific program criteria and serves as a policy document, a financial plan, and operations guide to the district. The Meritorious Budget Award or the Path Way to the Meritorious Budget Award is valid for a period of one year only.

2020-21 is the first year that the District has applied for this award. The Financial Services department believes our current budget satisfies the requirements of this program, and we are submitting this document to ASBO to determine its eligibility for the award.

Sincerely,



Darrell Dodds  
Chief Financial Officer



Carla Martin  
Executive Director of Financial Services



## SCHOOL BOARD'S STUDENT OUTCOME GOALS

- The percentage of students in kindergarten–grade 2 who are reading on or above grade level on two measures shall increase from 50 percent to 75 percent by the end of the Fiscal Year 2020.
- The percentage of students in grades 3–8 who meet standards on both reading and mathematics STAAR shall increase from 52 percent to 75 percent by the end of the Fiscal Year 2020.
- The four-year graduation rate shall increase from 85 percent for the graduating class of 2015 (reported in November 2016) to 95 percent for the graduating class of 2020 (reported in November 2021).

## MAJOR GOALS AND OBJECTIVE OF BUDGET PROCESS

The following major goals and objectives have driven the budget process so that the focus remains on the education of our students:

- Provide curriculums and opportunities for all students to exceed their educational goals
- Provide essential resources to reach the goals established in all campus improvement plans as well as the District improvement plan
- Provide a compensation package to attract, recruit, and retain highly qualified staff
- Fulfill all House Bill 3 requirements
- Provide financial support to campuses and departments with all of their COVID-19 related expenses

## BUDGET DOCUMENT PURPOSES

The following presentation has been prepared to provide useful information concerning the financial status of Midland ISD, in order to facilitate financial decisions that support the educational goals of the District. In addition, historical trends and statistics assist administrative staff in determining projected outcomes that may impact relevant factors that determine the funding levels and related expenses of a specific fund. The budget provides the financial resources necessary to improve the instructional environment for all students, to continue offering a competitive salary & benefits package to employees, and to operate our campuses. Additional information may be available within the district's board policies, administrative procedures, additional manuals, or other web resources.

## BUDGET DOCUMENT SECTIONS

Midland ISD's budget is organized into four major sections: *Executive Summary, Organizational, Financial, and Informational*. All sections assist the reader in understanding all areas that determine the annual budget of Midland Independent School District.

The **EXECUTIVE SUMMARY SECTION** provides an overview of the budget document for the 2020-21 Fiscal Year.

The **ORGANIZATIONAL SECTION** provides the framework and context which the Financial Services department used to develop and manage the budget. This framework includes the District's organizational and financial structure as well as the financial policies and procedures that govern the development and administration of the budget.

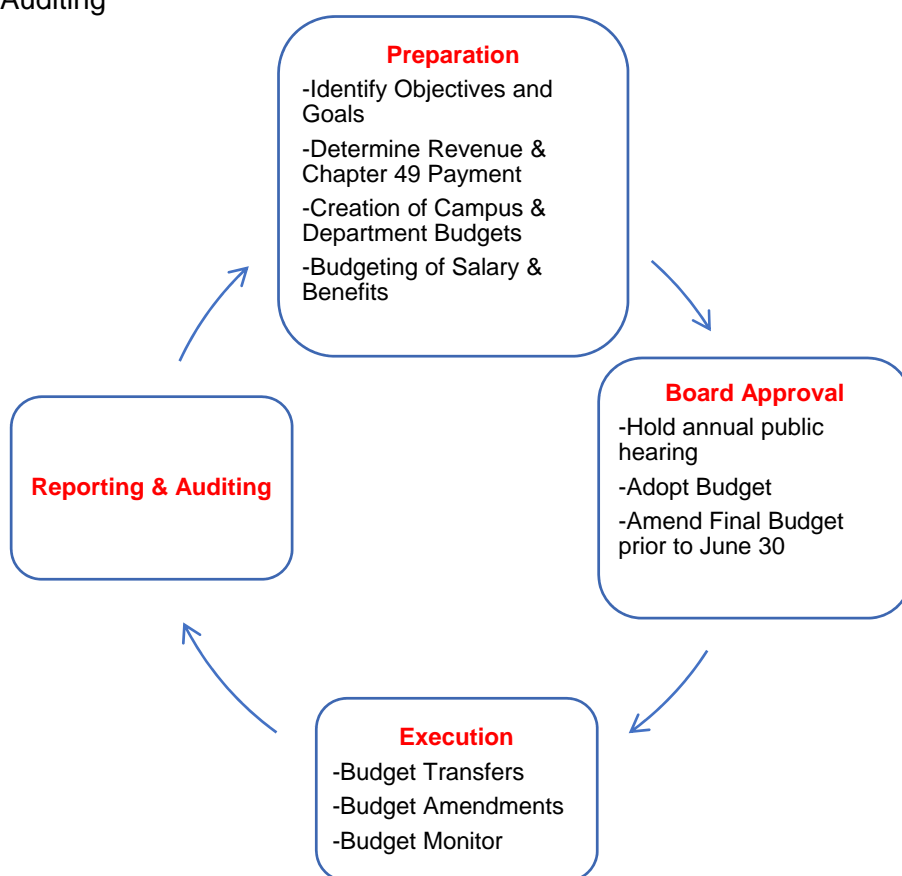
The **FINANCIAL SECTION** contains the budget for the 2020-21 Fiscal Year. This section provides substantial budget data for the General Fund, Food Service Fund, and Debt Service Fund. This section also provides to the reader key financial trends and the direct impact on the District's fund balance.

The **INFORMATIONAL SECTION** is the final section of the budget document. This section provides relevant information to the budget such as: tax values, financial accountability information, and additional information.

## BUDGET PROCESS AND TIMELINE

### Budget Process

The budgeting process is comprised of four steps: Preparation, Board Approval, Execution and Reporting & Auditing



### Significant Changes:

As a result of COVID-19, the approval process for campus and department budgets had to be modified from in-person meeting to virtual meeting. Midland ISD will consider to continue utilizing virtual meetings for the approval process for the upcoming year.

## Key Dates in The Budget Development

November 15, 2019:	Development of Campus, Department, and Program Detailed Spending Plans for FY2020-21. Discussion on Budget Priorities, Student Needs, Options to Address
December 7, 2019:	Open 2020-21 Proposed Budget for Campuses and Departments Input
January 7, 2020:	Begin Student Enrollment & Staffing Projections for FY 2020-21
February 15, 2020:	Evaluate/Review Student Enrollment Projections and Staffing
April 20, 2020:	Review and Approval of Campus, Department, and Program 2020-21 Proposed Budgets
May 5, 2020:	MCAD provided Preliminary Appraisal Values to District for 2020 Tax Year
April 18, 2020:	Determine 2020-21 district revenues and finalize district expenditures.
June 30, 2020:	Budget and tax rate adoption

## ALLOCATION OF HUMAN AND FINANCIAL RESOURCES

The Superintendent and Board of Trustees set priorities to ensure academic success for all students. Campuses are focusing on building curriculums that help all students graduate, prepared and ready for college or career. The accountability system now also includes A-F grading for each campus and 78% of Midland ISD campuses received a “C” or higher rating. For the district as a whole, Midland received an overall rating of “C” (75/100) for the 2018-19 school year. Rating data, along with other factors, is used during budget development to provide targeted assistance to improvement needed campuses.

Please see below for the 2020-21 Superintendent and Board Priorities:

Item	Priority	Amount
<b>Tier 1</b>		
A	Increase Starting Teacher Pay Scale – \$56,500	5,590,367
B	Increase Minimum Support Staff Pay to \$12 per hour with 3% Pay Increase	1,201,272
C	Differential Pay Scale Adjustment for other Staff with 3% Pay Increase	2,197,498
D	Innovative Compensation (Perfect Attendance & Early Resignation)	1,800,000
E	Additional Staff	1,731,167
F	Retention Incentives for All Staff (Non Professional and Professional)	2,784,000
G	1:1 Student Technology Initiative	2,800,000
H	1:1 Teacher Technology Initiative	2,127,075
I	Buses – 10	1,100,000
J	COVID 19 Expenses	1,000,000
K	Additional Security Cameras, Access Entry, and Other Safety Technology	67,903
L	PA/Intercom Upgrade for Secondary Schools	2,000,000
M	RO System – All Secondary Campuses	1,629,400

N	Synthetic Turf for Softball Varsity Fields	1,042,099
O	Refurbish Auditorium for Lee High School	21,000
P	Violin, Cello, and Bass Racks for All Elementary Campuses	46,008
Q	Band Instruments for High School Campuses	51,314
R	Orchestra Instruments for High School Campuses	72,000
S	Synthetic Turf for Football Game Fields	1,462,236
T	Synthetic Turf for Baseball Game Fields	2,201,337
U	Upgrade Lighting for Athletics Fields	1,993,671
V	Four Lane Athletics Tracks	1,209,967
	<b>TOTAL</b>	<b>\$ 34,128,314</b>

- For the 2020-21 Fiscal Year, the district continues to apply the student-weight allocation method to determine the appropriate staffing allocation for campuses and departments.
- Midland ISD increased starting teacher pay from \$53,500 to \$56,500, increased minimum support staff pay from \$10 per hour to \$12 per hour and increased salaries for all staff by at least 3%. In addition to raising teacher pay and minimum pay, Midland ISD also implemented innovation compensation which gives teachers and staff opportunities to earn more through attendance rate and class size.
- The reason for the salaries increase is to improve the fulfillment rate and retain high quality staff so Midland ISD could improve its accountability score and achieve the board's student outcome goals. Midland ISD projected a 94% position fulfillment rate throughout the district.
- Worth noting, Midland ISD will also utilize the projected surplus and Debt Service Fund Balance - \$13,040,957 (as of 2018-19 Fiscal Year End) to pay down the principal of the district current debt obligation (totaling of \$173.2 Million).

## 2020-21 BUDGET OVERVIEW

A public hearing on the budget was held on June 22, 2020 at 5:30 P.M. in the auditorium of the Bowie Fine Arts Academy, 805 Elk Street, Midland, TX, as required by State law. Notice was provided as required by Section 44.003 of the Texas Education Code (TEC). In addition, the District concurrently posted a summary of the budget on the Midland ISD website as required by Section 44.0041 of the TEC.

The 2020-21 budget includes the General, Food Service, and Debt Service Funds. The total revenues for these funds are \$435,619,773 and the total expenditures are \$429,445,511.

The annual budget serves as the foundation for the District's financial planning and includes a number of investments to support student learning and staff throughout the 2020-2021 Fiscal Year. Midland ISD maintains control throughout all of its financial systems in order to ensure compliance with legal provisions embodied in the appropriations approved by the Board.

For the 2020-21 Fiscal Year, Midland ISD continues to use the student-weight allocation method to determine the campuses' expenditure budget and the zero-based budgeting method to determine the departments' expenditure budget.

Comparing to the final 2019-20 amended budget, Midland ISD 2020-21 revenue budget and expenditure budget shows a decrease of -2.7% and an increase of 0.4%, respectively.

### Total Approved Budget by Fund

	<b>General Fund</b>	<b>Food Service Fund</b>	<b>Debt Service Fund</b>	<b>Total 2020-21</b>
Revenue	\$ 396,746,083	\$ 12,819,405	\$ 26,054,285	\$ 435,619,773
Expenditures	396,746,083	12,819,405	19,880,023	429,445,511
Excess of Revenue Over (Under) Expenditures	\$ -	\$ -	\$ 6,174,262	\$ 6,174,262

### SIGNIFICANT EVENTS AND INITIATIVES

#### House Bill 3 Information

On June 11, 2019, the Texas Governor signed the “Public School Finance Reform Bill” - House Bill 3, into law. The bill's signing represented a capstone to state leaders' focus on reforming school finance and property taxes since the beginning of the 2019 legislative session. Please see below for the highlight of how House Bill 3 affects Midland ISD funding for the 2020-21 Fiscal Year:

#### Teacher Pay:

- School districts must use 30% of the increased formula funding the district receives to increase compensation for full-time employees (other than administrators), with 75% of that amount going toward increased compensation for teachers, nurses, counselors, and librarians (with priority for those with 5 years of experience or more) and the remaining 25% to increase full-time employee compensation at the district's discretion.
- The Minimum Salary Schedule will be increased due to the increase to the Basic Allotment (BA). Worth noting, the State's share of TRS contributions will also increase.

#### Recapture:

- Recapture will be based on the amount of local revenue generated by the district's Tier 1 tax rate that exceeds the district's Tier 1 entitlement plus the Available School Fund per-capita funding entitlement.
- A district's local share of funding is based upon the \$0.93 compressed tax rate (in 2020 Tax Year) multiplied by current year property values; districts must tax at least as high as \$0.93 to qualify for their full entitlement.

#### Tax Rates:

- Tier one tax compression does not impact the overall level of funding a district is entitled to. Tax compression impacts the balance of state and local share of a school district's total tier one entitlement.

- Maintenance and operations (M&O) tax rates for 2020 Tax Year (TY) will continue to be compressed using either state or local compression percentage rates using a base of \$0.93 for both.
- Midland ISD M&O tier 1 tax rate is \$0.9164 and tier 2 tax rate is \$0.04 for the total M&O tax rate of \$0.9564. Please see below for House Bill 3 tax rate calculation and explanation from TEA:

*Tier one tax compression for 2020 Tax Year and 2020–2021 School Year (SY)*

In 2020 Tax Year, state and local compression of tax rates will apply to district tier one tax rates (the portion of the M&O tax rate that previously comprised the first \$1.00 in prior law but now based on \$0.93 under HB 3 for TY 2019 and SY 2019–2020). State and local compression work in parallel, and districts receive the method which results in the greatest amount of compression (i.e. the lowest tax rate).

*State Compression*

State compression compares the extent to which estimated statewide property value growth (set by the general appropriations act at 4.01 percent for TY 2020) exceeds 2.5 percent to determine the state maximum compressed rate (MCR) for TY 2020, calculated as follows:

$$\text{TY 2020 MCR} = 0.93 \times (1.025 \div 1.0401) = \$0.9164.$$

*Local Compression*

Similarly, local compression uses individual district property value growth compared to 2.5 percent to determine MCR. Since districts receive the greater of the MCR calculated under state compression or local compression, only districts whose local value growth exceeds 4.01 percent (the statewide growth in property values) will have additional compression below \$0.9164 (the state compression MCR).

*Limit on Local Compression*

In order to maintain tax rate equity, no district may have an MCR less than 90 percent of any other district. Districts which grow more than 15.58 percent for TY 2020 will meet this limitation. As a result, no district will have a maximum tier one tax rate lower than \$0.8247 for TY 2020 and SY 2020-21.

*Tier two and voter approval elections*

There will be no further compression to the tier two tax rate in TY 2020, because copper penny compression in TY 2019 was linked to the increase in the copper penny yield from \$31.95 to \$49.28. For TY 2019, school districts were prohibited from holding a voter approval election unless meeting specific exception criteria set forth under HB 3.

Beginning in TY 2020, districts may:

- Levy up to the district's maximum tier one compressed rate as discussed above without voter approval;

- Levy the district's maximum tier one compressed rate plus four golden pennies without voter approval;
- Levy an additional fifth golden penny without voter approval, but only with a unanimous board vote; and
- Levy a total of 17 enrichment pennies above the district's maximum tier one compressed rate (any previously authorized pennies do not require voter approval).

For more information regarding House Bill 3 and its budget implications, please refer to the following link: <https://tea.texas.gov/about-tea/government-relations-and-legal/government-relations/house-bill-3>

### **COVID-19 Implications**

The COVID-19 pandemic has caused uncertainty in regards to funding. We anticipate that Midland ISD expenses will increase due to the costs associated with the COVID-19 response and its future effects. Of note, the approved 2020-21 budget was created using the district administration's current knowledge of the pandemic and its impact to the local economy. The Financial Services Department will amend the budget during the year as data on local tax collections, enrollment and attendance, and Texas Education Agency rules are solidified.

The district anticipates to receive \$3.35 million from the CARES Act ESSER Fund and Governor's Emergency Education Relief funding related to the COVID-19 pandemic.

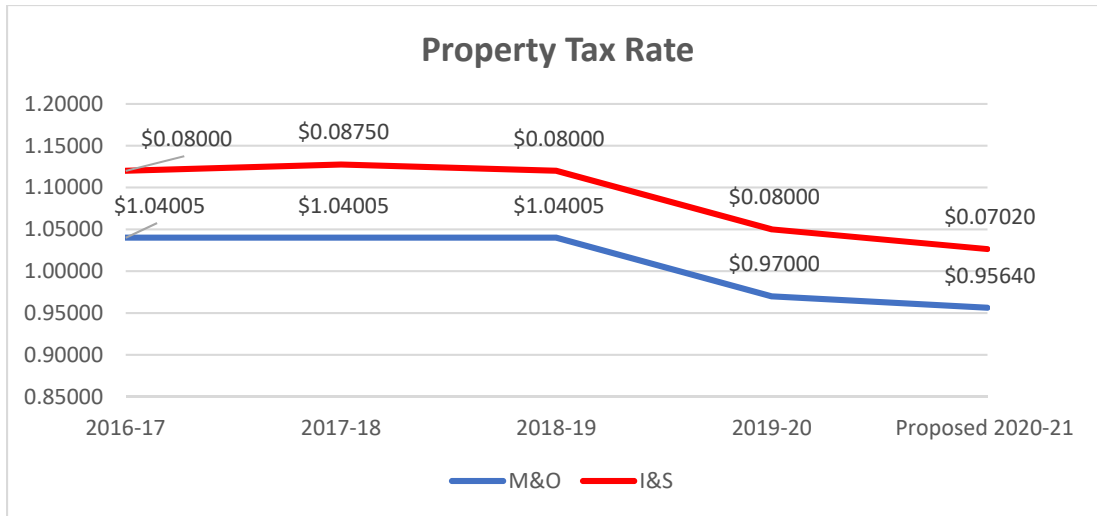
#### Investments in response to COVID-19 include:

- Child Nutrition Services has provided over 590,000 meals in our community from March 06 to June 31.
- Technology department has provided 5,000 Chromebooks to students for continuous learning.
- Over 1,400 hotspots have been provided to our families most in need and additional 3,500 hotspots will be purchased in 2020-21.
- 5 Wi-Fi buses have been sent out into our community in areas where students are in greatest need.
- 2020-21 Technology investment for Virtual and Blended Learning Instruction: \$5 million
- 2020-21 Budget Allocation for COVID-19 Expenses: \$1 million.

### **FINANCIAL TRENDS AND DEMOGRAPHIC CHANGES**

#### **Tax Rate**

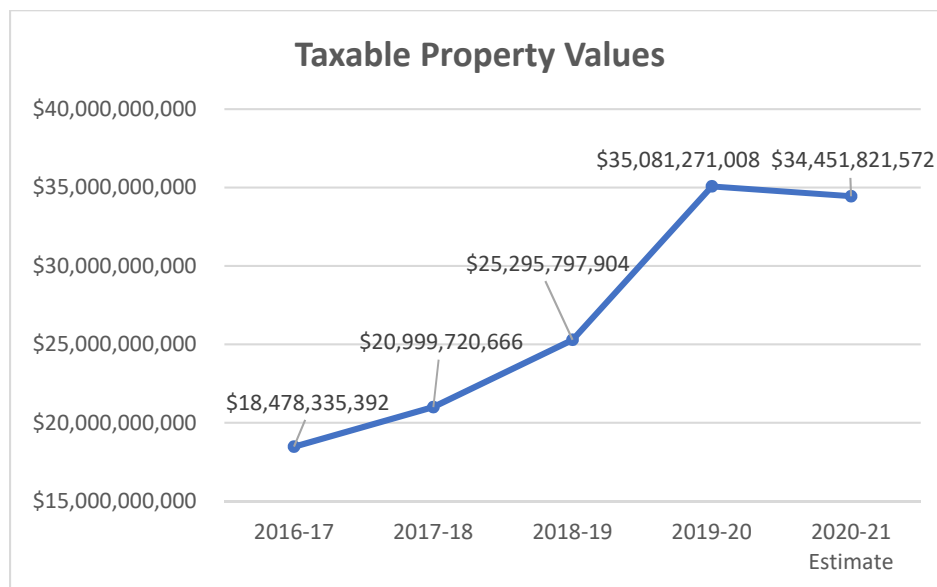
The total proposed tax rate for 2020-21 is \$1.0266 per \$100 of valuation. The school district's tax rate is comprised of two components: local maintenance (M&O), and debt service (I&S). Midland ISD's combined tax rate decreased by \$0.0234 from the 2019-20 Fiscal Year. The graph below identifies the adopted tax rates for the last four years and the proposed tax rate for 2020-2021:



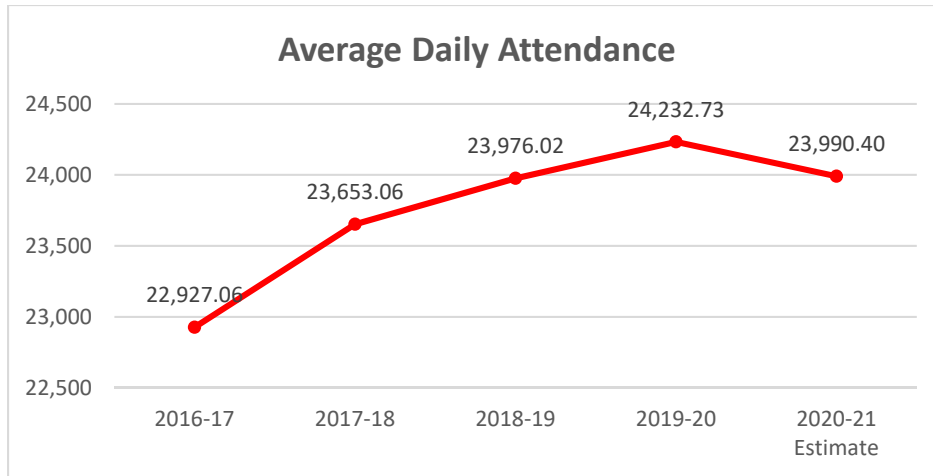
### Property Values and Average Daily Attendance

Midland Independent School District projects to serve about twenty-six thousand students in the 2020-21 Fiscal Year. Midland ISD student population has increased in recent years. The District's average daily attendance (ADA) also has experienced a steady increase over the last four Fiscal Years with taxable values increasing at a faster rate in the same period of time. However, with historical, as well as projected information from the Midland Central Appraisal District (MCAD) and the anticipated impact from the COVID-19 pandemic, Midland ISD expects a 1% decrease in its ADA and no increase in its revenue from ad valorem taxes in the 2020-21 Fiscal Year. Worth noting, the MCAD projected a decrease of 2% in property taxable value for the 2020 Tax Year compared to the 2019 Tax Year certified property value.

The charts below identify these trends accordingly:





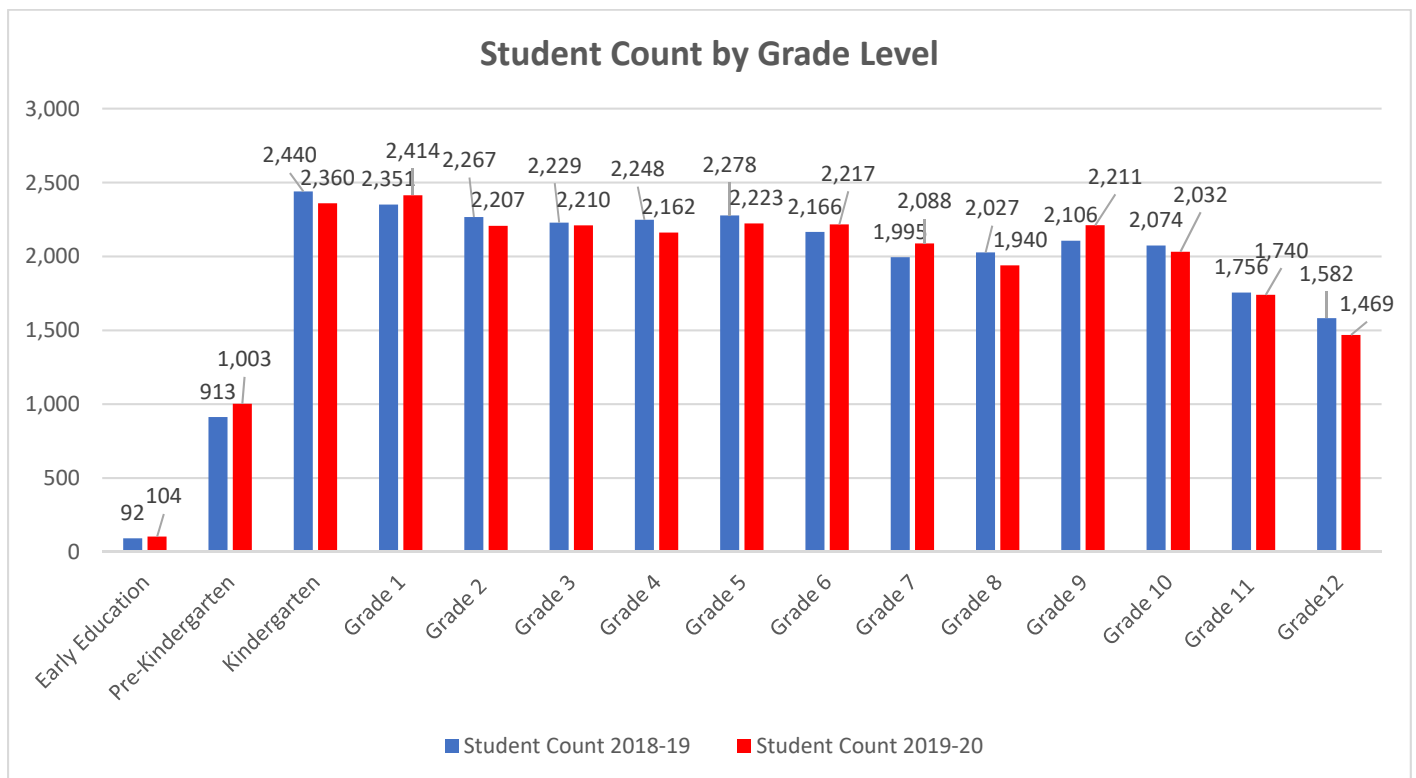


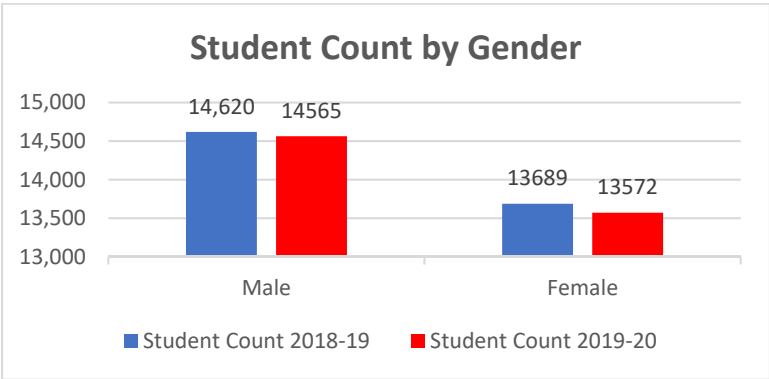
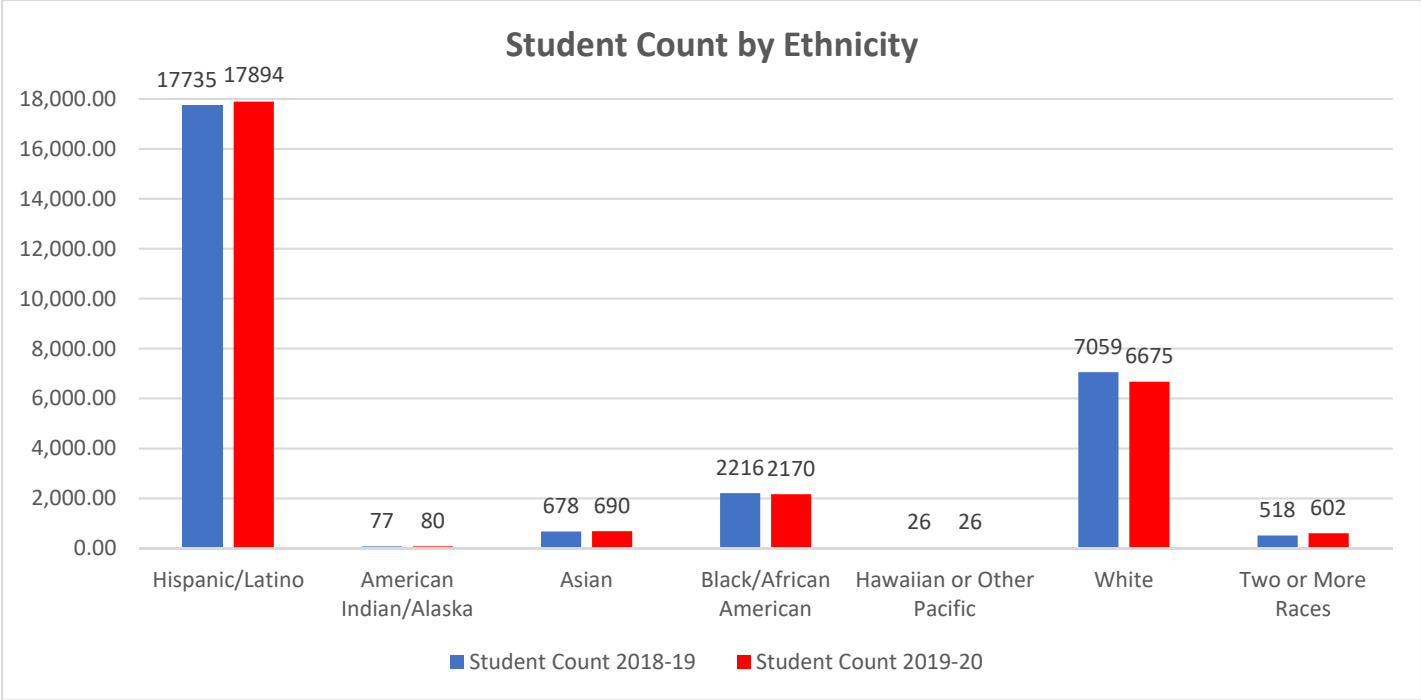
### Demographic Changes

Overall, the projected 2020-21 demographics (ethnicity groups, program types, and economic groups) do not show any significant changes compared to previous years' data. The following demographic trends have been identified and expenditures related to these trends have been included in the 2020-21 approved budget:

- Increasing Pre-K Program Type
- Increasing reliance on technology by student population

Please see below for the demographic comparison between 2018-19 TEA Summer Attendance Data submission and 2019-20 TEA Summer Attendance Data:





**LONG RANGE FINANCIAL FORECAST**

The district’s property value was projected to decrease by 2% in 2020-21. This was due to the downturn in the local economy and the energy industry. Based on preliminary taxable value information received from MCAD, a 5% or more decrease is expected for 2021-22. Due to COVID-19 and the recession in the country’s economy, the long range forecasts were prepared with the assumption of a 5.0% decrease for 2021-22 and a 3% increase in subsequent years for Midland County property tax. Enrollment is expected to decrease by 1% for 2020-21 fiscal year and remain relatively stable with 1% increase in subsequent years based on current trends.

General Fund revenue projections are based on current funding formulas adopted during the 86th Legislative session. All State revenue projections are based on the formulas currently in place with estimated effects of required tax compression shown based on information currently available. With insignificant enrollment growth projected, overall revenue is expected to increase minimally for future years. Increases in local revenue due to property value growth will be offset by reductions in State revenue.

The projections for 2021-22 fiscal year and beyond do not include a salary increase. Midland ISD Board of Trustees will determine the actual salary increase each year, if any, after considering each year's revenues & expenditures and market analysis.

General fund balance is projected at approximately 30% of the following year's expenditures at the end of 2019-20. Additional increases in fund balance are not estimated for the subsequent years. However, those projections are preliminary at the time of preparation and only represent one of many scenarios that will be developed as the Board of Trustees makes decisions in each year's budget adoption process. Maintaining appropriate fund balance levels will remain a Superintendent and Board of Trustees priority.

Food Service Fund projected revenues and expenditures include minimal growth for normal inflation. The projected increases in federal revenues are conservative at 2% increase year over year. If actual federal revenues in the future years do not exceed projected revenues, the District will have to potentially increase meal prices or consider other cost saving measures.

Debt Service Fund expenditures are projected to meet the District's debt obligation. The Debt Service Fund revenue is projected to follow the General Fund revenue's trend. The Debt Service revenue forecasts were prepared with the assumption of a 5.0% decrease for 2021-22, a 3% increase subsequent years for Midland county property tax and no early payment for current outstanding bonds. Worth noting, for the projected years, Midland ISD is more than likely to make early payments for current outstanding bonds to make additional saving in interest payments.

	<b>Budget 2020-21</b>	<b>Projected 2021-22</b>	<b>Projected 2022-23*</b>	<b>Projected 2023-24*</b>
<b>General Fund</b>				
Revenues	396,746,083	387,371,095	392,045,004	401,629,224
Expenditures	396,746,083	387,371,095	392,045,004	401,629,224
Ending fund balance	141,000,000	141,000,000	141,000,000	141,000,000
Tax Rate	0.9565	0.9430	0.9298	0.9168
<b>Food Service Fund</b>				
Revenues	12,819,405	13,075,793	13,337,308	13,876,136
Expenditures/Sinking fund	12,819,405	13,075,793	13,604,055	13,876,136
Ending fund balance	3,052,262	3,052,262	3,052,262	3,052,262
<b>Debt Service Fund</b>				
Revenues	26,054,285	22,509,413	23,179,296	23,869,275
Expenditures	19,880,023	15,019,315	14,538,990	13,152,965
Ending fund balance	16,040,957	26,648,267	38,499,301	52,522,660
Tax Rate	0.0702	0.0702	0.0702	0.702
* Does not include callable Bonds				

## **SUMMARY**

The 2020-21 budget was developed according to the district goals and direction established by the Board of Trustees, the Superintendent, and the Midland community. These goals are present in all areas of the budget, as human and financial resources are allocated as necessary to meet the established goals and priorities.

Midland Independent School District is ready and prepared to meet the challenges of the upcoming fiscal year and foreseeable future. Midland ISD Board of Trustees is committed to fulfill the district's mission and to provide a quality school district for our students and members of the Midland community.

# ORGANIZATIONAL SECTION

## MISSION STATEMENT

All students will graduate prepared and ready for college or career.

## SCHOOL BOARD'S STUDENT OUTCOME GOALS

### Student Outcome Goal 1

The percentage of students in kindergarten–grade 2 who are reading on or above grade level on multiple measures will increase from 50 percent to 75 percent by the end of school year 2020.

Annual Targets  
School Year 2019–20           **75%**

#### Goal Progress Measures:

1. The percentage of students in kindergarten–grade 2 who are reading on or above grade level on iStation/iEspañol will increase from 57 percent to 85 percent by the end of school year 2020 (December 2016 baseline of 57 percent).

Annual Targets  
School Year 2019–20           **85%**

2. The percentage of students in kindergarten–grade 2 who are reading on or above grade level on Fountas & Pinnell (F&P) will increase from 68 percent to 85 percent by the end of school year 2020 (December 2016 baseline of 68 percent).

Annual Targets  
School Year 2019–20           **85%**

3. The percentage of prekindergarten students producing 40 letter sounds on a District checkpoint will increase from 72 percent to 78 percent by the end of school year 2020 (May 2017 baseline of 72 percent).

Annual Targets  
School Year 2019–20           **78%**

### Student Outcome Goal 2

The percentage of students in grades 3–8 who meet passing standards (“approaches,” “meets,” or “masters” grade level) on both reading and math STAAR will increase from 52 percent to 75 percent by the end of school year 2020 (2015–16 Math and Reading STAAR baseline of 52 percent).

Annual Targets  
School Year 2019–20           **75%**

#### Goal Progress Measures:

1. The percentage of students in grades 3–8 on track to meet passing standards (“approaches,” “meets,” or “masters” grade level) on both reading and math District check- points

(using iStation and Imagine Math) will increase from 52 percent to 75 percent by the end of school year 2020. (Goal Progress Measure Annual Targets set using 2015– 16 STAAR Reading and Math data, 52 percent meeting the standards on both.)

Annual Targets  
School Year 2019–20                    **75%**

2. The percentage of economically disadvantaged students in grades 3–8 on track to meet passing standards (“approaches,” “meets,” or “masters” grade level) on both reading and math District checkpoints (using iStation and Imagine Math) will increase from 39 percent to 70 percent by the end of school year 2020. (Goal Progress Measure Annual Targets set using 2015–16 STAAR Reading and Math data, 39 percent meeting the standards on both.)

Annual Targets  
School Year 2019–20                    **70%**

3. The percentage of students in grades 3–8 on track to meet the highest passing standard (“masters” grade level) on both math and reading District checkpoints (using iStation and Imagine Math) will increase from six percent to 15 percent by school year 2020 (2015–16 Math and Reading STAAR baseline of six percent meeting “masters” on both).

Annual Targets  
School Year 2019–20                    **15%**

### **Student Outcome Goal 3**

The four-year graduation rate will increase from 85 percent for the graduating class of 2015 (reported in November 2016) to 95 percent for the graduating class of 2020 (reported in November 2021).

Annual Targets  
School Year 2020–21 (Class of 2020)                    **95%**

#### Goal Progress Measures:

1. The percentage of first-year freshmen leaving grade 9 with Algebra I credit will increase from 79 percent to 91 percent by the end of school year 2020. (Baseline data based on May 2016.)

Annual Targets  
School Year 2019–20                    **91%**

2. The percentage of first-year grade 9 students earning 6 or more credits will increase from 79 percent to 88 percent by the end of school year 2020 (excluding Early College High School in 2018–19 and beyond). (Baseline data based on May 2016.)

Annual Targets  
School Year 2019–20                    **88%**

## Budget Impact

The following salaries and benefits budget is included in the 2020-21 fiscal year:

- \$21.9 million for kindergarten–grade 2 instructors
- \$49.8 million for grade 3 - 8 instructors
- \$363.5 thousand for kindergarten–grade 8 reading specialists
- \$6.8 million in salaries and benefits for freshman instructors
- In addition to the salaries and benefits budget, \$500 thousand is budgeted for the student outcome goals related programs and supplies, such as: \$207 thousand for iStation, \$222 thousand for Imagine Math; and other programs. \$25 thousand has also been budgeted for Data-Management for Assessment to help with analyzing data and administering local assessments

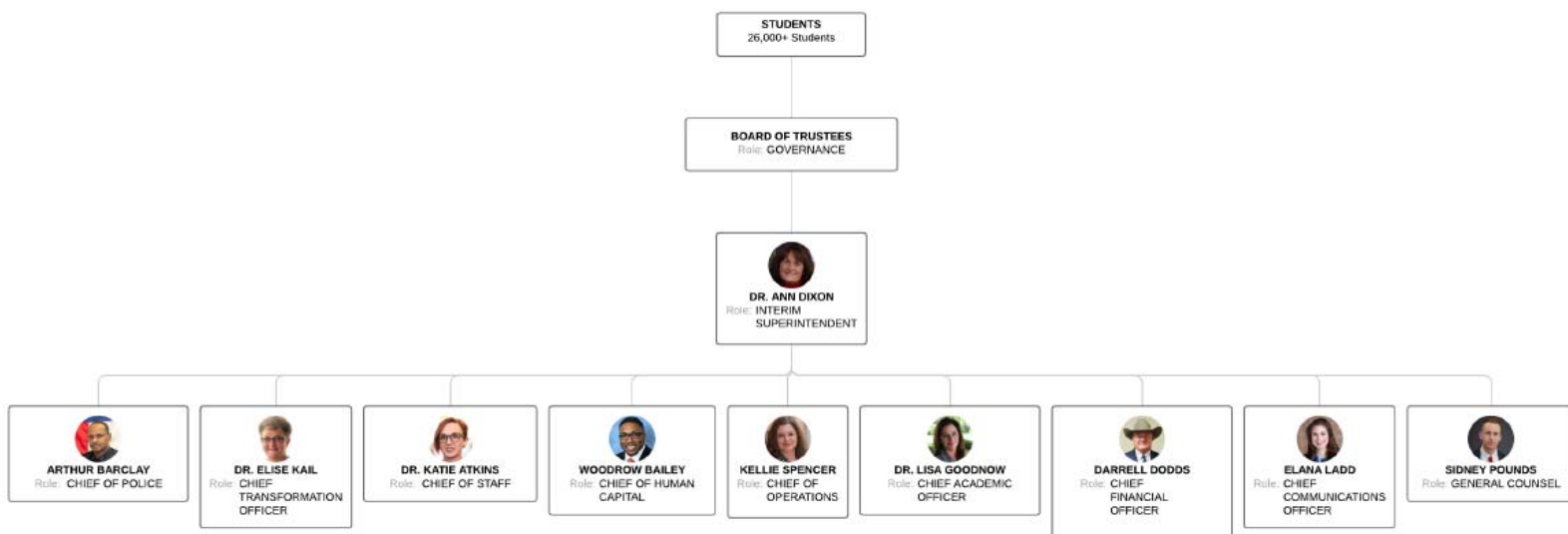
## MAJOR GOALS AND OBJECTIVE OF BUDGET PROCESS

The following major goals and objectives have driven the budget process so that the focus remains on the education of our students:

- Provide curriculums and opportunities for all students to exceed their educational goals
- Provide essential resources to reach the goals established in all campus improvement plans as well as the District improvement plan
- Provide a compensation package to attract, recruit, and retain highly qualified staff
- Fulfill all House Bill 3 requirements
- Provide financial support to campuses and departments with all of their COVID-19 related expenses

## DISTRICT ORGANIZATIONAL INFORMATION

### District Organizational Chart



Please visit the following link for the detailed district organizational chart:

<https://www.midlandisd.net/Page/28167>



## School Board Members and Structures



**Rick Davis, President**  
District 6  
[rickdavis@midlandisd.net](mailto:rickdavis@midlandisd.net)

Mr. Richard “Rick” D. Davis, Jr. grew up in Harlingen, Texas and graduated from Harlingen High School in 1978. He received a B.B.A. from The University of Texas at Austin in 1982, and a J.D. from Texas Tech University’s School of Law in 1985. After serving a one-year clerkship with The Supreme Court of Texas, Rick joined the Cotton Bledsoe Tighe & Dawson, P.C. law firm, in Midland, where he worked full-time until 2011, when he became vice president of Midland Energy, Inc. and Petroplex Energy, Inc., two oil and gas exploration and production companies. In 2018, he became general counsel for BTA Oil Producers, LLC. He and his wife, Karen, have a son, Jordan, a daughter-in-law, Sara, and two daughters, Taylor and Mills, all of whom graduated from Midland High School.

Rick helped found the Pro Bono Legal Clinic at Casa de Amigos and is a four-time West Texas Legal Services Pro Bono Attorney Award winner. He is a current and founding board member of the Midland County Library Foundation. He is a former trustee, an elder, and deacon at First Presbyterian Church of Midland, a Midland Leadership graduate, a former board member and past president of West Texas’ Make-A-Wish Foundation and Big Brothers Big Sisters of Midland, and a former board member of the City of Midland’s Football and Baseball Complex Development Corporation. Rick and his wife, Karen, were the recipients of the Centers for Children and Families’ Harriet Herd Founders Award for Community Service in 2018.

As a member of the Midland ISD Board of Trustees since 2008, Rick said, “I want to help ensure that Midland ISD meets all of our children’s educational needs by setting priorities and developing policies that result in the best education our students can receive. I want to seek community support of that objective.”



**Tommy Bishop, Vice President**

District 3

[tbishop@midlandisd.net](mailto:tbishop@midlandisd.net)

Mr. Tommy Bishop was born and raised in Crane, Texas. He attended Sul Ross State University, where he played baseball and football. He is retired from Chevron Exploration & Production, where he worked for over 27 years. He is now employed with Bison Trucking as their Safety & DOT Manager. Mr. Bishop is one of two board members in the State of Texas that has served on two different school boards. He served on the Crane ISD School Board for 12 years, and served as president for two years. He was president of the Region 18 School Board Association for four years. He has been a member of 4-H, FFA, the Hispanic Chamber of Commerce, the City of Midland 4B Board, and a member of True Lite Christian Fellowship Church. Tommy and his wife, Claudine, have three children, Nathan, Ebony and Jayde. Tommy has served on the MISD Board of Trustees since 2006. He now serves as the Board Vice President. He said, "I serve on the Board to see that every child gets a fair opportunity at an education."



**Bryan Murry, Secretary**

District 7

[bryan.murry@midlandisd.net](mailto:bryan.murry@midlandisd.net)

Mr. Bryan Murry was born and raised in Odessa, Texas and is a 1988 graduate of Permian High School. He earned a Bachelor of Business Administration in Accounting from West Texas State University in May of 1992 and his CPA license in September of 1994. Bryan previously worked in public accounting, a public oil and gas company and is currently Controller of III N Investments where he has been employed since February 1, 2000.

Mr. Murry is a graduate of Leadership Odessa and has been active in the Midland and Odessa communities having served as Treasurer of Permian Basin Child's Play; President, Vice President and Treasurer of the Ellen Noël Art Museum; President and Treasurer of the Lee High School Football Booster Club; Treasurer of the Lee High School Baseball Booster Club and the Board of the Greater Midland Football League. Bryan is a past President of the Greathouse Elementary PTA, past President of the Midland Council of PTAs and is a lifetime member of Texas PTA. He has also served the Midland Independent School District on two school bond committees in 2010 and 2012, an elementary school-naming committee, and the committee to select the current Executive Director of Athletics.

Bryan is married to Amy Murry, who is in her 21st year of teaching and currently teaches fourth grade at Fasken Elementary. He has three sons, Bryson, Brock and Britton. Bryson and Brock are graduates of Lee High School and currently attend Texas Tech University. Britton currently attends Lee High School. Lyndi, Bryan's stepdaughter, attends Fasken Elementary. Amy and Bryan are members at Stonegate Fellowship where they serve in the SGKids Department in the GemTown class for 3 year-olds.



**James Fuller**

District 1

[jfuller@midlandisd.net](mailto:jfuller@midlandisd.net)

Mr. James E. Fuller (USMC, Honorably Discharged) was born and raised in San Angelo, Texas. He attended the San Angelo ISD public schools and graduated from San Angelo Central High School (1966). He is a graduate of San Angelo Junior College (Angelo State University) where he earned an Associate in Arts Degree (English) in 1963. Mr. Fuller earned a Bachelor of Arts (English) in 1966 from the University of North Texas (NTSU) and a Master of Arts Degree (English) in 1974 from Texas Tech University. He has done postgraduate work at Texas Tech University and the University of Texas of the Permian Basin. He taught in Lubbock ISD in the disciplines of Social Studies (Struggs Junior High) and English (Coronado High), and served as the department chair of English at Coronado High.

He is currently employed at Midland College as the coordinator of the Professional Development/Teaching and Learning Center at Midland College, co-facilitator of the Faculty Academy, and facilitator of the faculty evaluation process. Fuller is a member of the English faculty, director of the Midland College Writing Lab, developmental studies instructor, assistant director of developmental studies, and coordinator of the P-16 Initiative.

As a Midland ISD Board of Trustees member, James is chair of the Board Facilities Committee, and a member of the Board Policy Committee. He is involved in the Midland African-American Roots Historical/Cultural Arts Council, Inc., Midland African-American Entrepreneurs Chamber of

Commerce, Inc., and a member and officer of the Texas Caucus of Black School Board Members. He is a member of the Texas Association of School Boards, a member of the National School Board Association, a Certified Lay Leader/Speaker and a Certified Lay Minister of the United Methodist Church (St. Mark's United Methodist Church). He is an education coordinator for St. Mark's, a lay delegate for the annual UMC Northwest Texas Conference, and an Honorary Life Member of the PTA and NAACP. He has served on the Midland County Library Board, Project Blueprint, Leadership Midland, as a Key Communicator, as Region 10 director of the Barbara Jordan Historical Essay Competition, on Habitat for Humanity, and on the Federation of Citizens United to Serve (FOCUS).

James is married to Robbyne Hocker Fuller. They have a son, Jason, four grandchildren, Jashe, Jayce, Kendrick, and J'erlicia, and a great-grandson, Jakylan. As a Board member since 1988, Fuller said, "The purpose of my serving on the Midland ISD Board of Trustees is to advocate for a quality public school education for all children."



**Robert Marquez**

District 2

[robert.marquez@midlandisd.net](mailto:robert.marquez@midlandisd.net)

Mr. Robert Marquez was born in Pecos, Texas and raised in a farm community near Verhalen, Texas. Marquez has resided in Midland for the last 39 years. He attended Midland High School, Midland College, College of the Air Force and Troy State University. He served his country in the United States Air Force as MH-53 Sikorsky helicopter crew chief with the 1st Special Operations Wing at Hurlburt Field, Florida. He has worked in the Oil & Gas Industry for 29 years and currently works as an independent oil & gas consultant. He is a parishioner at San Miguel Arcangel Catholic Church where he served on the church council, Cursillo ministry, Knights of Columbus, Chair of the Jamaica Festival and Eucharistic Minister. His community involvement includes serving as secretary of the Lee High School Football Booster Club, a mentor at James Bowie Fine Arts Academy, and a member of the ad hoc committee for the new construction of Bunche Elementary.

"My kids attended and graduated from MISD public schools, my wife Delia is an educator and my stepdaughter is a counselor with MISD. I am extremely proud of both of them," he shared. Marquez' oldest son graduated as a Civil Engineer from University of Texas at Austin and is currently a Dominican novice with the religious Order of Preachers (a Catholic order founded in 1216). His youngest son is currently attending Midland College. Mr. Marquez is very proud of his two beautiful grandchildren who are also attending school in Midland ISD.

"My passion has been to unlock the God given potential of everyone I come in contact with. I am here to promote the most effective learning environment and advocate for the best educational

system in Texas, all while maintaining the most economic delivery model as required by our community," Marquez shared.



**John Kennedy**

District 4

[john.kennedy@midlandisd.net](mailto:john.kennedy@midlandisd.net)

Mr. John Kennedy was born in Midland. He attended Henderson and Rusk elementary, then graduated from Richardson High School in 1974. After receiving his BBA in Finance from the University of Texas in 1978, he returned to Midland in 1980 and worked for Lantern Petroleum Corporation for 20 years. Upon Lantern's sale, he moved to Houston in 2000. In 2005 he moved to Enid, Oklahoma to market all of Continental Resources crude oil. John returned to Midland in 2007 and currently is President of Diamond K Petroleum. He is an Elder and small group facilitator at First Presbyterian Church. John is currently on the Board of Trustees for the Petroleum Museum. John and his wife Leslie have three grown children, all of which attended MISD schools.



**John Trischitti III**

District 5

[john.trischitti@midlandisd.net](mailto:john.trischitti@midlandisd.net)

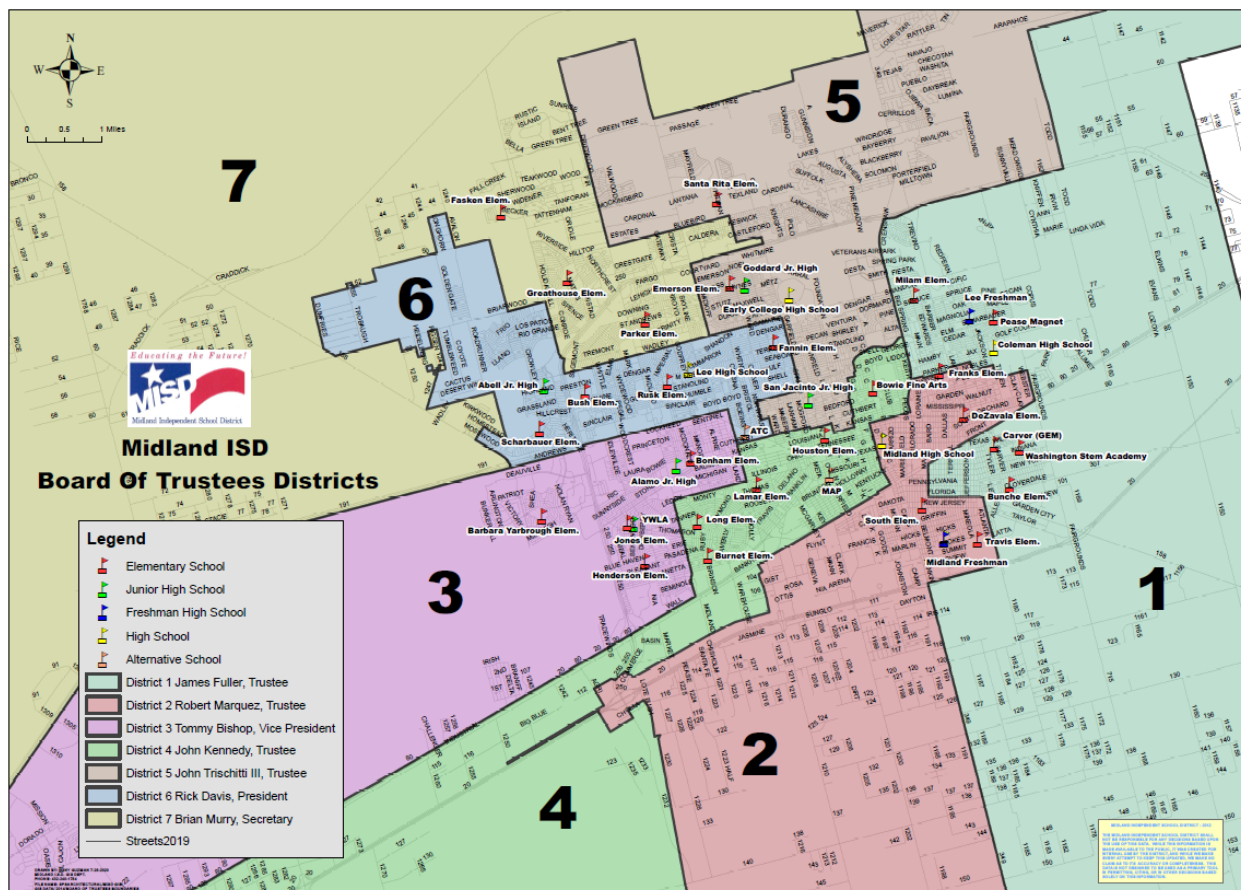
Mr. John Trischitti III grew up in Lubbock and graduated from Coronado High School. He received a Bachelor of Arts degree from Wayland Baptist University in 2000 and received his Masters of Library Science from the University of North Texas in 2009. Trischitti served as the Director of the Midland County Public Libraries from 2011 to 2019.

In 2019, he was named Executive Director of the Midland Development Corporation, an organization which creates opportunities for businesses and families located within Midland through economic development activities, outreach, education and by providing support.

Trischitti is a former Texas Librarian of the Year and is active in both the Texas Library Association and the American Library Association. He served on the Texas Library Association’s Bluebonnet Award selection committee from 2011-2014 and served on the Texas State Library and Archives Commission’s Library Systems Act Board, the accreditation Board for public libraries in Texas. Trischitti is a TED Talk presenter on the topics of the social impacts of illiteracy. He is a frequent speaker and program presenter across the state on children’s literature and best practices for public libraries. John currently serves on the City of Midland Airport Board and Basin PBS. He and his wife, Diana, attend Golf Course Road Church of Christ and have five children, Jay, Olivia, Dean, Charlotte and Paul who attend MISD schools.

“Education changed my life and I want the same opportunity for all students in Midland,” he shared.

### Board of Trustees District Boundary Map



Please visit the following link for the detailed Board of Trustees District Boundary Map: <https://www.midlandisd.net/Page/28167>

## Student Enrollment

Campus	15-16	16-17	17-18	18-19	19-20
LEE H S	2,221	2,240	2,209	2,288	2,281
MIDLAND H S	2,149	2,229	2,374	2,365	2,319
VIOLA M COLEMAN H S	166	161	164	153	170
EARLY COLLEGE H S AT MIDLAND COLLEGE	330	310	299	352	351
YOUNG WOMENS LEADERSHIP ACADEMY	0	0	0	0	148
BARBARA CULVER JUVENILE DETENTION CENTER	11	6	8	6	6
MIDLAND ALTERNATIVE PROGRAM	19	19	12	18	8
ALAMO J H	732	731	732	841	814
LEE FRESHMAN H S	804	777	805	853	843
MIDLAND FRESHMAN H S	818	798	842	803	843
SAN JACINTO J H	735	765	698	882	902
GODDARD J H	1,047	1,063	1,212	1,046	1,009
ABELL J H	984	986	1,036	1,077	1,095
BONHAM EL	697	585	631	647	614
BURNET EL	627	545	553	511	581
CROCKETT EL	422	412	0	0	0
DE ZAVALA EL	470	455	588	647	696
FANNIN EL	517	534	579	599	584
HENDERSON EL	469	466	468	409	412
SAM HOUSTON COLLEGIATE PREPARATORY EL	473	491	464	407	372
JONES EL	384	365	373	383	401
LAMAR EL	580	527	544	503	521
LONG EL	538	527	518	557	553
MILAM EL	465	362	450	439	463
EMERSON EL	497	521	496	505	482
RUSK EL	423	445	415	423	357
SOUTH EL	662	589	583	598	551
TRAVIS EL	667	702	779	745	685
PARKER EL	444	461	486	523	580
SANTA RITA EL	540	561	600	590	613
SCHARBAUER EL	515	701	766	783	721
CARVER CENTER	468	450	505	511	529
BUSH EL	451	456	473	479	531
GREATHOUSE EL	704	714	779	830	838
WASHINGTON STEM ACADEMY	418	440	464	474	440
PEASE COMMUNICATIONS/TECHNOLOGY ACADEMY	568	550	621	583	514
JAMES BOWIE FINE ARTS ACADEMY	467	499	518	507	501
BARBARA YARBROUGH EL	720	607	707	763	774
BARBARA FASKEN EL	566	867	755	793	869
RALPH BUNCHE EL	787	775	812	834	858
GENERAL TOMMY FRANKS EL	0	0	398	456	535
PRE-K ACADEMY AT MIDLAND COLLEGE	0	0	0	0	68
<b>TOTAL</b>	<b>24,555</b>	<b>24,692</b>	<b>25,716</b>	<b>26,183</b>	<b>26,432</b>

## **Description of Entity**

Midland Independent School District (Midland ISD), is an independent public educational agency operating under applicable laws and regulations of the State of Texas. Midland County covers 902 square miles in west Texas. A seven-member Board of Trustees elected to staggered four-year terms by the District's residents autonomously governs the District. The Texas Education Agency provide the District's K-12 education accreditation. Midland educates more than 26,000 students across 38 campuses, including two comprehensive 6A high schools, two freshman high schools, an early college high school, an alternative high school, four junior highs, 27 elementary schools and a technology center. Our diverse student body speaks 37 languages, and is led by a teaching and support staff of nearly 3,000. Midland ISD maintains fiscal independence and free legal autonomy.

## **Regulations and Policies**

### Legal Requirements:

Sections 44.002 through 44.006 of the Texas Education Code establish the legal basis for budget development in school districts.

- The superintendent is the budget officer for the district and prepares or causes the budget to be prepared.
- The district budget must be prepared by a date set by the state board of education (June 30 for districts with a July 1 fiscal year state date)
- The president of the board of trustees must call a public meeting of the board of trustees, giving ten days public notice in a newspaper, for the adoption of the district budget. Any taxpayer in the district may be present and participate in the meeting.
- No funds may be expended in any manner other than as provided for in the adopted budget. The board does have the authority to amend the budget or adopt a supplementary emergency budget to cover unforeseen expenditures.
- The budget must be prepared in accordance with GAAP (generally accepted accounting principles) and state guidelines.
- The budget must be legally adopted before the adoption of the tax rate.

### Fiscal Year:

The District shall operate on a fiscal year beginning July 1 and ending June 30.

### Budget Planning:

Budget planning shall be an integral part of overall program planning so that the budget effectively reflects the District's programs and activities and provides the resources to implement them. In the budget planning process, general educational goals, specific program goals, and alternatives for achieving program goals shall be considered, as well as input from the District and campus level planning and decision-making committees. Budget planning and evaluation are continuous processes and shall be a part of each month's activities.



Public Meeting on Budget and Proposed Tax Rate:

The annual public meeting to discuss the proposed budget and tax rate shall be conducted as follows:

1. The Board President shall request at (or prior to) the beginning of the meeting that all persons who desire to speak on the proposed budget and/or tax rate sign up on the sheet provided.
2. Prior to the beginning of the meeting, the Board may establish time limits for speakers.
3. Speakers shall confine their remarks to the appropriation of funds as contained in the proposed budget and/or the tax rate.
4. No officer or employee of the District shall be required to respond to questions from speakers at the meeting.

When the budget has been prepared, the board president shall call a board meeting for the purpose of adopting a budget for the succeeding fiscal year. Any taxpayer of a district may be present and participate in the meeting. Education Code 44.004(a), (f)

The meeting must comply with the notice requirements of the Open Meetings Act. Gov't Code 551.041, .043

Authorized Expenditures:

The adopted budget provides authority to expend funds for the purposes indicated and in accordance with state law, Board policy, and the District's approved purchasing procedures. The expenditure of funds shall be under the direction of the Superintendent, or designee, who shall ensure that funds are expended in accordance with the adopted budget.

Report of Revenues and Expenditures:

A record must be kept of all revenues realized and of all expenditures made during the fiscal year for which a budget is adopted. A report of the revenues and expenditures for the preceding fiscal year shall be filed with TEA on or before the date set by the State Board of Education. Education Code 44.007(c) and 44.007(d):

(c) A record must be kept of all revenues realized and of all expenditures made during the fiscal year for which a budget is adopted. A report of the revenues and expenditures for the preceding fiscal year shall be filed with the agency on or before the date set by the State Board of Education.

(d) The State Board of Education shall require each district, as part of the report required by this section, to include management, cost accounting, and financial information in a format prescribed by the board and in a manner sufficient to enable the board to monitor the funding process and determine educational system costs by district, campus, and program.

Published Notice:

The board president shall provide for publication of notice of the budget and proposed tax rate meeting in accordance with Education Code 44.004.

Publication of Proposed Budget Summary:

Concurrently with the publication of notice of the budget under Education Code 44.004, a district shall post a summary of the proposed budget on the school district's internet website or, if the district has no internet website, in the district's central administrative office.

The budget summary must include a comparison to the previous year's actual spending and information relating to per student and aggregate spending on:

1. Instruction;
2. Instructional support;
3. Central administration;
4. District operations;
5. Debt service; and
6. Any other category designated by the commissioner.

Education Code 44.0041

Budget Adoption:

The board, at the meeting called for that purpose, shall adopt a budget to cover all expenditures for the succeeding fiscal year. The budget must be adopted before the adoption of the tax rate for the tax year in which the fiscal year covered by the budget begins. Education Code 44.004(f)–(g)  
Districts with July 1 Fiscal Year

A district with a fiscal year beginning July 1 may use the certified estimate of the taxable value of district property [see CCG(LEGAL)] in preparing the required notice if the district does not receive the certified appraisal roll on or before June 7. A district that uses a certified estimate may adopt a budget at the public meeting designated in the published notice prepared using the estimate, but the district may not adopt a tax rate before the district receives the certified appraisal roll for the district. Education Code 44.004(h)–(i)

Budget Adoption After Tax Rate Adoption:

Notwithstanding Education Code 44.004(g), (h), and (i), above, a district may adopt a budget after the district adopts a tax rate for the tax year in which the fiscal year covered by the budget begins if the district elects to adopt a tax rate before receiving the certified appraisal roll for the district. If a district elects to adopt a tax rate before adopting a budget, the district must publish notice and hold a meeting for the purpose of discussing the proposed tax rate. Following adoption of the tax rate, the district must publish notice and hold another public meeting before the district may adopt a budget. The State comptroller shall prescribe the language and format to be used in the notices. The district may use the certified estimate of taxable value in preparing a notice under this provision. Education Code 44.004(j)

Publication of Adopted Budget:

On final approval of the budget by the board, the district shall post on the district's internet website a copy of the budget adopted by the board. The district's website must prominently display the electronic link to the adopted budget. A district shall maintain the adopted budget on the district's website until the third anniversary of the date the budget was adopted. Education Code 44.0051  
On or before a date set by the SBOE, the budget must be filed with the Texas Education Agency according to rules established by the SBOE. Education Code 44.005

- Internet Posting of Tax Rate and Budget Information

Each district shall maintain an internet website or have access to a generally accessible internet website that may be used for the purposes of these provisions. Each district shall post or cause to be posted on the internet website the following information in a format prescribed by the state comptroller:

1. The name of each member of the board;
2. The mailing address, email address, and telephone number of the district;
3. The official contact information for each member of the board, if that information is different from the information described by item 2;
4. The district's budget for the preceding two years;
5. The district's proposed or adopted budget for the current year;
6. The change in the amount of the district's budget from the preceding year to the current year, by dollar amount and percentage;
7. The tax rate for maintenance and operations adopted by the district for the preceding two years;
8. The interest and sinking fund tax rate adopted by the district for the preceding two years;
9. The tax rate for maintenance and operations proposed by the district for the current year;
10. The interest and sinking fund tax rate proposed by the district for the current year; and
11. The most recent financial audit of the district.

Tax Code 26.18

*Budget Amendments:*

The Board shall amend the budget when a change is made. The change may result in an increase/decrease in any one of the functional spending categories or an increase/decrease in revenue object accounts and other resources.

**Budget Process and Implementation**

*Budget Development:*

The budgeting process is comprised of four steps: Preparation, Board Approval, Execution and Reporting & Auditing.

*Preparation:*

In this step, the District defines the goals and objectives of campuses and departments. Once these goals and plans have been established, budgetary resource allocations are made to support them.

*Determine the District Revenue and Chapter 49 – Excess Local Revenue Payment (Recapture)*

*General Fund:*

The Budget department will create the district's general fund revenue budget and Chapter 49 Budget based on the latest estimated taxable value and the forecasted ADA Average Daily Attendance (ADA). The estimated taxable value will be provided to the budget department by the Midland Central Appraisal District. The historical ADA will be provided to the budget department by Midland ISD's Student Services Department. Midland ISD's ad valorem taxes revenue, state revenue, and Chapter 49 Budget are created based on Region 12 Woody Template, and Region

13 Omar Template. In addition, to the ad valorem tax revenue and state revenue, Midland ISD also receives revenue from other local sources of revenue and federal revenue. Other Local Revenue may include: interest income, income from athletics revenue, gifts & bequest, etc. Federal Sources of Revenue are the amounts of money collected and distributed by the federal government to provide for federal qualified expenditures.

#### *Food Service Fund:*

The food service fund revenue budget is prepared by the Director for Child Nutrition Services based on historical data, projected student enrollment, and free and reduced lunches data. The budget is then evaluated by the Budget Committee and the Financial Services department.

#### *Debt Service Fund:*

The Financial Services department develops the debt service fund revenue budget. The budget is based primarily on tax base assumptions (for Ad Valorem Taxes revenue projections), State funding estimates, and required and projected debt retirement requirements.

#### Creation and Management of Individual Expenditure Budgets:

##### *General Fund:*

- Non Salaries and Benefits:

Budget managers were selected according to their level of influence and control over expenses in each campus and department of MISD. For the campuses, the principals were chosen as the budget managers. For the departments, the department heads were chosen as the budget managers. From the first quarter of each fiscal year, it is essential that the Financial Services Office Administrators meet with all of the Budget Managers. The purpose of these meetings is to explain the budget creation process, which consists of showing the budget managers the following items: the current budget and actual expenses, a timeline of expected submissions and a quick overview over the account numbering system used by MISD. The budget manager is responsible to ensure that the campus/department's plan and the campus/department's proposed budget are aligned with each other, i.e. all new items listed on the campus/department's plan should be included in the proposed budget. It is also the budget manager's responsibility to ensure that special program funds are budgeted for all special populations represented on the campus.

During this step, budget managers are recommended to communicate with the Financial Services office to resolve budgeting questions. Budget managers will also receive training about uploading their individual budgets to the accounting system (Skyward). Of note, campus and department staff are also recommended to monitor their respective budget on a regular basis.

All budget managers must submit their preliminary budget to the budget department, by the end of the second quarter of each fiscal year. During the third quarter of each fiscal year, the Superintendent and/or the Chief Financial Officer will review the submitted budgets and meet with budget managers to make adjustments as needed.

- Salaries and Benefits (Facilitated by Midland ISD Human Capital Management)

Salaries should be budgeted based on the employee's position, employee's assigned location, and the purpose of the position. The budget plan should be based on the compensation plan presented by MISD's Human Capital Management department.

The number of teachers are based on the number of students per teacher ratio. The maximum ratio according to the District's plan are:

- 22 students per teacher for Pre-K to 2<sup>nd</sup> grade.
- 24 students per teacher for 3<sup>rd</sup> grade to 4<sup>th</sup> grade
- 28 students per teacher for 5<sup>th</sup> grade to 6<sup>th</sup> grade
- Secondary teacher/students ratio is based on teaching subjects

Budgeting for campus/department may be determined by roles and responsibilities of staff. For example, transportation staff shall be based on the total bus routes for regular, special education, and special programs. Food Service staff shall be based on the meals per labor hour at each campus

#### *Food Service Fund:*

The food service fund expenditure budget is prepared by the Director for Child Nutrition Services based on historical data, projected student enrollment, and free and reduced lunches data. The budget is then evaluated by the Budget Committee and the Financial Services department

#### *Debt Service Fund:*

The Financial Services department develops the Debt Service Fund expenditure budget. This budget is constructed based on the current principal and interest of the outstanding debts/bonds and their related expenditures that Midland ISD currently has.

#### *Capital Projects Fund Budget Procedure:*

Capital Projects Fund is used to account for the construction and equipping of new school facilities, to purchase school sites and renovations or repair of existing facilities. The District's Board of Trustees does not formally adopt the Capital Projects Funds budgets annually. These budgets are prepared on a project basis. and its equity is re-allocated in each year's budget, through budget amendments. The impact of the Capital Projects Fund budgets must be considered during development of the annual budgets for all other funds, especially the general fund. Future operating costs associated with capital improvements and new facilities must be projected and included in the general fund budget.

### **Financial Services Office Administrators' Duties**

#### *Budget Creation:*

- Human Capital Management determines the staffing needs for the upcoming fiscal year
- Review all individual budgets to ensure that they are reasonable and follow all legal requirements.
- Collaborate with other divisions in the district to prepare and submit a prioritized list of major projects – to include costs associated with proposed new programs, building renovations, fixed assets (equipment with a unit cost > \$5000,) and technology projects
- Determine Chapter 49 Recapture Payment

- Determine the District's revenue and tax rate for the upcoming fiscal year based on student projections and inputs from MCAD, local economy and other relevant sources

Expenditure Control and Approvals:

Each budget manager is responsible for approving the expenditure of funds within their respective campus or department. The Financial Services department will then verify if the funds are expended in accordance with District purchasing procedures and legal requirements. Each budget manager is granted online access to the accounting codes and available balances for their campus or department. This access includes budget transfer, purchase order, account inquiry and reporting capabilities.

Purchase Orders:

The Board of Trustees approves all bid awards and contracts. The Financial Services department verifies for the availability of funds, proper account coding and compliance with legal purchasing procedures. The purchasing department issues Purchase Orders (P.O.) to the appropriate vendor. After items are received by the campus or department and the Financial Services department receives vendor invoice, payment is made.

Amending the Budget:

The budget is legally adopted at the fund and function level for the general fund, food service fund and debt service fund. The Board of Trustees must approve budget amendments when adjustments are made between funds or functions.

Monitoring the Budget:

Relevant financial reports are submitted to the Superintendent and the Board of Trustees on a monthly basis. The final step in the budget monitoring process is the evaluation of the results of operations, which are presented annually in the District's Comprehensive Annual Financial Report.

Reporting to the Texas Education Agency (TEA):

The District budget must be submitted to TEA via the Public Education Information Management System (PEIMS) transmission process as of the date established in the annual instructions for the system. TEA monitors for compliance at the District level only. This monitoring is a legal requirement to ensure mandatory expenditure levels in certain areas. In addition, amended budgets are reflected on the schedules comparing budget and actual results in the Comprehensive Annual Financial Report. The requirement for filing the amended budget with TEA is formally met when the District submits its Comprehensive Annual Financial Report.

## Budget Calendar

	Description	Date	Responsible Dept.
1	20-21 Fiscal Year Begins	July 1, 2020	District Wide
2	Annual Secretaries Training	July 20-21, 2020	Financial Services Department
3	Conduct One On One Budget Training For Budget Managers and Secretaries	July 22- Aug 10, 2020	Budget/Purchasing Departments
4	Midland Central Appraisal District (MCAD) Provides Certified Estimated Appraisal Values to the District for 2020 Tax Year	July 24, 2020	MCAD
5	Payroll Review to Ensure Projections for FY 2020-21 Are In line And Appropriately Coded. Prepare Budget Amendment As Needed	August, 2020	Finance and Human Resources Departments
6	Midland Central Appraisal District (MCAD) Provides Certified Tax Value to the District for 2020 Tax Year	August 24, 2020	MCAD
7	Adoption of Ordinance Setting the Tax Rate for 20-21 Budget	September 21, 2020	Board of Trustees Action Item
8	1st FY 2020-21 Budget Amendment	September 21, 2020	Board of Trustees Consent Item
9	MCAD Provides Certified Appraisal Values to District for 2020 Tax Year	October, 2020	MCAD
10	Approval of Final Tax Roll	October, 2020	Board of Trustees Action Item
11	1st Six Weeks Attendance Budget Update	October 12, 2020	Financial Services Department
12	1st Budget Committee Meeting: Discussion on FY 2020-21, FY 2021-22 Budget and 1st Six Weeks Data	October 14, 2020	Budget Committee
13	2nd FY 2020-21 Budget Amendment	October 19, 2020	Board of Trustees Consent Item
14	2nd Six Weeks Attendance Budget Update	November 24, 2020	Financial Services Department
15	Development of Campus, Department, and Program Detailed Spending Plans for FY 2021-22. Discussion on Budget Priorities, Student Needs, Options to Address	November-December, 2020	Superintendent's Cabinet
16	Determination of Projected Campus and Department Expenditures. Determination of Maintenance of Effort.	December, 2020	Financial Services Department
17	Begin Student Enrollment & Staffing Projections for FY 2021-22	November 30, 2020	Budget Committee
18	Open 2020-21 Proposed Budget for Campuses and Departments Input	December 7, 2020	Financial Services Department
19	Finance - Human Resources Meeting: Discuss Supplemental Salaries Budget, Create Salaries and Benefits Budget and Staffing Formulas for 2021-22	January, 2021	Finance and Human Resources Departments
20	3rd FY 2020-21 Budget Amendment	January 19, 2021	Board of Trustees Consent Item
21	3rd Six Weeks Attendance Budget Update	January 20, 2021	Financial Services Department
22	First Draft of Campus and Department FY 2021-22 Budgets are Submitted	January 25, 2021	District Wide
23	2nd Budget Committee Meeting: Discussion on FY 2020-21 Update and FY 2021-22 Budget Progress	February, 2021	Budget Committee
24	Evaluate/Review Student Enrollment Projections and Staffing	February, 2021	Budget Department
25	Finance - Human Resources Meeting: Health Care Costs Discussion and Update on Supplemental Salaries Budget	February, 2021	Finance and Human Resources Departments

26	Review and Approval of Campus, Department, and Program 2021-22 Proposed Budgets	February, 2021	Executive Directors
27	Preliminary Review and Approval of Campus, Department, and Program 2021-22 Proposed Budgets	February, 2021	Superintendent's Cabinet
28	Board Budget Workshop 2020-21: Superintendent and Board Priorities Updates	February, 2021	Board of Trustees Workshop
29	4th Six Weeks Attendance Budget Update	February 14, 2021	Financial Services Department
30	Review and Approval of Campus, Department, and Program 2021-22 Proposed Budgets	March, 2021	Superintendent
31	Finance - Human Resources Meeting: Supplemental Salaries Budget Due, Discuss Salaries Negotiations Plan and Vacancies	March, 2021	Finance and Human Resources Departments
32	Review and Proposal of edits to align Expenditures with Revenue, Board and Superintendent's Priorities	March, 2021	Superintendent's Cabinet
33	4th Six Weeks Attendance Budget Update	March 3, 2021	Financial Services Department
34	Last Day to Submit Requisitions for FY 2020-21	March 5, 2021	Budget/Purchasing Departments
35	4th FY 2020-21 Budget Amendment	March 22, 2021	Board of Trustees Consent Item
36	MCAD Provides Preliminary Appraisal Values to District for 2021 Tax Year	April, 2021	MCAD
37	Finance - Human Resources Meeting: Update on Salaries Negotiations Plan and Vacancies, Finalize Health Care Cost	April, 2021	Finance and Human Resources Departments
38	Board Budget Workshop #1: FY 2021-22 Forecast. Includes Revenue Projections, Pupil Projections, Compensation Plan, Health Care Costs, and Discussion of Board Priorities	April, 2021	Board of Trustees Workshop
39	5th Six Weeks Attendance Budget Update	April 21, 2021	Financial Services Department
40	Complete FY 2021-22 Revenue Estimates	May, 2021	Financial Services Department
41	3rd Budget Committee Meeting: Discussion on FY 2021-22 Budget Progress	May, 2021	Budget Committee
42	Finance - Human Resources Meeting: Review all Salaries and Benefits Budget	May, 2021	Finance and Human Resources Departments
43	Board Budget Workshop #2: FY 2021-22 Forecast. Projections for Historical Exemption and Approval of Budget Public Meeting Information	May, 2021	Board of Trustees Workshop
44	Adopt FY 2021-22 Compensation Plan	May 17, 2021	Board of Trustees Action Item
45	Board Budget Workshop #3: FY 2021-22 Forecast. Projections for Historical Exemption, Legislative Updates, and Approval of Budget Public Meeting Information	June, 2021	Board of Trustees Workshop
46	Post Budget Summary on Website, Publish Budget and Tax Rate Advertisement of Public Hearing in Newspaper	June, 2021	Financial Services Department
47	Adopt FY 2021-22 Budget ( Must be adopted by June 30, 2021)	June, 2021	Board of Trustees Action Item
48	6th Six Weeks Attendance Budget Update	June 16, 2021	Financial Services Department
49	Public Hearing on Budget and Proposed Tax Rate	June 28, 2021	Board of Trustees Public Hearing
50	Final FY 2020-21 Budget Amendment	June 28, 2021	Board of Trustees Consent Item
51	20-21 Fiscal Year Ends	June 30, 2021	District Wide

### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements, as well as the proprietary and fiduciary fund financial statements, are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability



is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. The Proprietary Fund Types and Fiduciary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position. Property taxes and penalties and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the District receives cash.

Texas Education Agency legal requirements state that budgets for the General Fund, the Food Service Fund (whether accounted for in the General Fund, a Special Revenue Fund or Enterprise Fund) and the Debt Service Fund must be included in the official district budget (legal or fiscal year basis). These budgets must be prepared and approved at least at the fund and function levels to comply with the state's legal level of control mandates.

General Fund - The general fund serves as the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund. The principal sources of revenue include State Revenue for Student ADA, local property taxes, state reimbursement for professional salaries and other operating expenditures and interest on fund investments. Expenditures include all costs necessary for the daily operation of the District except for specific programs funded by the federal or state government, food service, debt service and capital projects.

The tax rate for the general fund is \$0.95640 which decreased from 0.97000 compare to 2019-2020 Fiscal Year.

Food Service Fund - National School Breakfast and Lunch Program Fund is used to account for federal reimbursement revenue from the United States Department of Agriculture as well as user fees (meal charges) for the National School Breakfast and Lunch Programs.

Debt Service Fund - The Debt Service Fund (commonly referred to as the 'Interest and Sinking Fund' or the 'I&S fund') is primarily funded by local property tax collections. It is used to account for the District's current portion of voter approved debt and the Foundation School Program's facilities allotment for bonded indebtedness.

Additionally, the District reports the following non major fund types:

Special revenue funds - a governmental fund type, account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District accounts for each federal and state grant in a separate special revenue fund.

Capital Projects Fund – a governmental fund type, is used to account for the proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.

The internal service funds, a proprietary fund type. Revenues and expenses are related to services provided to organizations inside the District on a cost reimbursement basis. Internal service funds inherently create redundancy because their expenses are recorded a second time in the fund that are billed for the services they provide. Therefore, on the government-wide financial statements, the operations of the internal service funds are consolidated and inter-fund transactions are eliminated. The District has an internal service fund for health, dental and workers' compensation benefits and another internal service fund for employee housing.

The District has the following fiduciary funds:

Private purpose trust funds – Donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District's Private Purpose Trust Fund is the scholarship fund.

Employee benefit trust funds – These funds are used to account for other employee benefit funds that are provided by the District.

Agency funds – The District accounts for resources held for others in a custodial capacity in agency funds. The District's Agency Fund is the student activity fund.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the transportation internal service fund are District contributions for the transportation fund. Operating expenses include depreciation and other operating expense and administrative expense for administering the transportation fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources, as they are needed.

### **Classification of Revenues and Expenditures**

Section 44.007 of the Texas Education Code requires that a standard school district fiscal accounting system be adopted by each school district. The system must meet at least the minimum requirements prescribed by the State Board of Education and also be subject to review and comment by the state auditor. Additionally, the accounting system must conform with Generally Accepted Accounting Principles (GAAP). This section further requires that a report be

provided at the time that the school district budget is filed, showing financial information sufficient to enable the State Board of Education to monitor the funding process, and to determine educational system costs by school district, campus and program.

A major purpose of the accounting code structure is to establish the standard school district fiscal accounting system required by law. Although certain codes within the overview may be used at local option, the sequence of the codes within the structure, and the funds and chart of accounts, are to be uniformly used by all school districts in accordance with GAAP.

Midland ISD revenues are classified by fund and object or source. There are three major sources: local sources, state sources and federal sources.

Expenditures budgets are legally adopted at the fund and function level. Following is a description of the function codes used throughout this document.

Function:

Instruction & Instr. Related Services	General Administration
11 Instructional Services	41 General Administration
12 Instructional Resources & Media Serv.	
13 Staff Development	
Instructional & School Leadership	Support Services / Non-Student Based
21 Instructional Administration	51 Plant Maintenance and Operations
23 Campus Administration	52 Security and Monitoring Services
	53 Data Processing Services
Support Services - Student	61 Community Services
31 Guidance/Counseling and Assessments	71 Debt Services
32 Social Services	81 Facilities Acquisition & Construction
33 Health Services	91 Contracted Instructional Services
34 Student (Pupil) Transportation	99 Other Inter-governmental Charges
35 Food Services	
36 Co-curricular/Extracurricular Activities	

**Fund Balance Policies**

Midland ISD is currently in the process of updating its fund balance policy. Please see below for the Declaring a Financial Exigency policy that relates to Midland ISD fund balance

- The Board may adopt a resolution declaring a financial exigency for the District under one or more of the following conditions: A decrease of more than 20 percent in unassigned General Fund balance per student in weighted average daily attendance over the past two years or a projected reduction of 20 percent compared to the current year

# FINANCIAL SECTION

## GENERAL BUDGET INFORMATION

### Revenue Overview Information

The approved local, state, and federal revenues are calculated based upon input from relevant sources and the latest state revenue finance template which includes changes from the 86th (latest) Legislative Session.

### Major Revenue Assumptions

Midland ISD continuously monitors the student ADA as well as the changes in the revenue from property tax. Given that the District approves its annual budget in June, before the first week of school and before certified tax rolls are available, the District relies on historical and trending ADA numbers and estimated tax valuations when preparing the budget. Since COVID-19 and House Bill 3 passed into law, the District also relies on the most updated information from The Texas Education Agency (TEA) to create the 2020-21 approved revenues budget. Furthermore, Midland ISD works closely with the appraisal district to aid in the budget process.

### Expenditure Overview Information

Midland Independent School District diligently plans for all anticipated expenditures. The District's goal is to fulfill the majority of the students, campuses, and District's needs with the projected revenue that the District will receive.

### Recapture Information:

In a 1993 response to court rulings calling for a more equitable school funding system, the Legislature began requiring school districts with higher levels of property wealth per student to pay recapture. Recapture is the process through which these districts send some of their local property tax revenue to the state. Midland ISD will continue being a Recapture Paying District in the 2020-21 Fiscal Year and has been a Recapture Paying District since 2013-14. The approved recapture amount is based on the most updated school financial template and the latest information from TEA. After House Bill 3 was passed by the 86th Texas Legislature in 2019, Recapture amount is now determined based on current year property value instead of prior year property value.

### Other Budgetary Information

In 2019-20 Fiscal Year, TEA has awarded Midland ISD with an "A" – Superior rating for financial accountability. The Study is part of the TEA's annual report on the Financial Integrity Rating System of Texas (FIRST). Midland ISD scored a 100 out of a possible 100 points. Please also see below for Midland ISD's Bond ratings:

Organization	Rating	Significance
S & P Global	AA	Bonds of the highest quality that offer the lowest degree of investment risk. Issuers are considered extremely stable and dependable.
Moody's Investor Services, Inc	Aa2	Bonds of high-quality by all standards, but carry a slightly greater degree of long-term investment risk.

**MIDLAND INDEPENDENT SCHOOL DISTRICT  
APPROVED BUDGET  
2020-2021**

	<b>100-199 GENERAL FUND</b>	<b>240 FOOD SERVICE FUND</b>	<b>599 DEBT SERVICE FUND</b>	<b>TOTAL</b>
<b>REVENUES</b>				
Ad Valorem Taxes	\$ 309,327,080	\$ -	\$ 25,874,285	\$ 335,201,365
Other Local Revenue	1,087,000	3,649,000	40,000	4,776,000
State Revenue	75,283,952	58,905	140,000	75,482,857
Federal Revenue	1,685,000	9,111,500	-	10,796,500
TRS On-Behalf	9,363,051	-	-	9,363,051
<b>Total Revenues</b>	<b>396,746,083</b>	<b>12,819,405</b>	<b>26,054,285</b>	<b>435,619,773</b>
<b>EXPENDITURES</b>				
11 - Instructional Services	147,344,080	-	-	147,344,080
12 - Instructional Resources and Media Services	2,579,521	-	-	2,579,521
13 - Staff Development	5,026,007	-	-	5,026,007
21 - Instructional Administration	4,590,927	-	-	4,590,927
23 - Campus Administration	23,154,185	-	-	23,154,185
31 - Guidance and Counseling	10,375,204	-	-	10,375,204
32 - Social Services	344,145	-	-	344,145
33 - Health Services	3,024,513	-	-	3,024,513
34 - Student (Pupil) Transportation	9,283,835	-	-	9,283,835
35 - Food Services	-	12,819,405	-	12,819,405
36 - Cocurricular / Extracurricular Activities	6,603,557	-	-	6,603,557
41 - General Administration	10,069,037	-	-	10,069,037
51 - Plant Maintenance and Operation	25,325,738	-	-	25,325,738
52 - Security and Monitoring Services	3,509,401	-	-	3,509,401
53 - Data Processing Services	13,828,676	-	-	13,828,676
61 - Community Services	563,267	-	-	563,267
71 - Debt Service - Bond Principal	-	-	11,270,000	11,270,000
72 - Debt Service - Interest on Bonds	-	-	8,059,728	8,059,728
73 - Debt Service - Issuance Costs/Fees	-	-	550,295	550,295
81 - Facilities Acquisition and Construction	9,920,097	-	-	9,920,097
91 - Contracted Instructional Services	118,578,719	-	-	118,578,719
93 - Shared Service Arrangements	-	-	-	-
99 - Other Intergovernmental Charges	2,625,174	-	-	2,625,174
<b>Total Expenditures</b>	<b>396,746,083</b>	<b>12,819,405</b>	<b>19,880,023</b>	<b>429,445,511</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>6,174,262</b>	<b>6,174,262</b>

## GENERAL FUND SUMMARY

The general fund serves as the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

The tax rate for the general fund is \$0.95640 which decreased from 0.97000 compare to 2019-2020 Fiscal Year.

The Approved General Fund budget includes the following financial highlights:

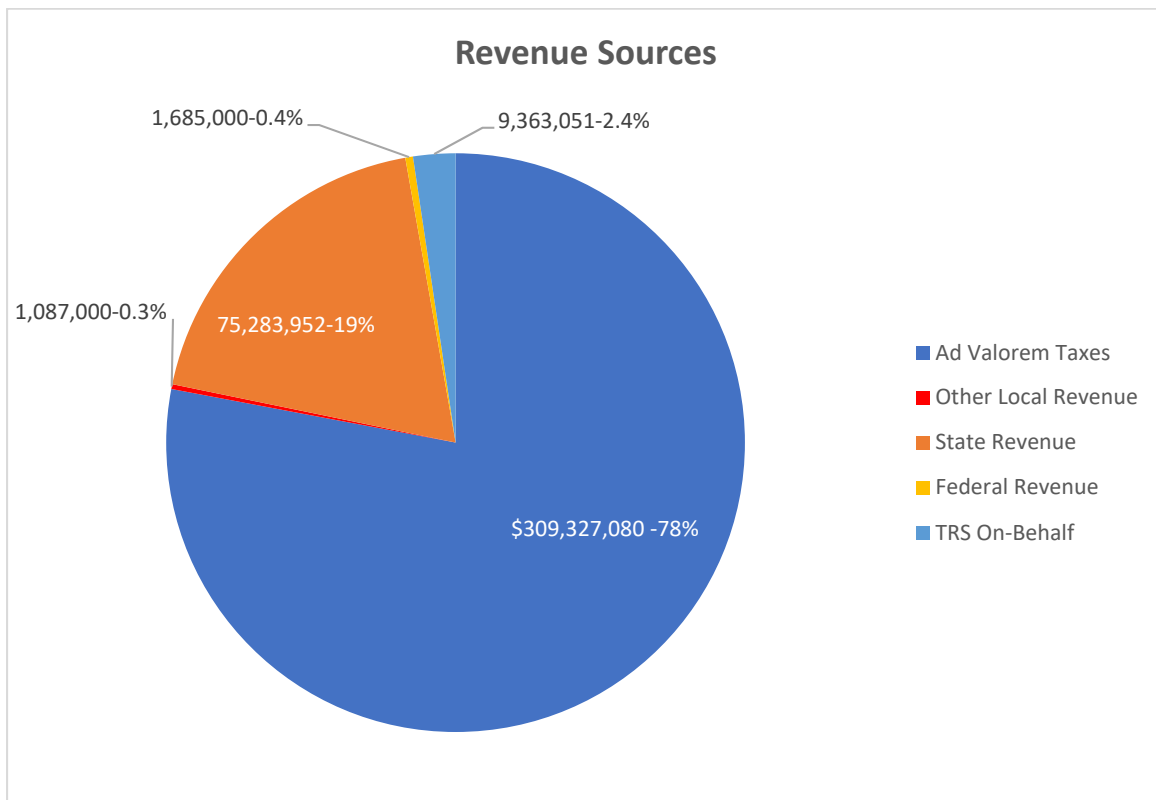
- Total Revenues \$ 396,746,083
- Total Expenditures \$ 396,746,083
- Budget Surplus (Deficits) \$ -0-
- M&O Tax Rate \$ 0.95640

Midland ISD projects an increase of \$56,862,099 in General Fund's Fund Balance as of 2019-20 Fiscal Year End. The 2020-21 beginning estimated Fund Balance is \$ 158,060,877.

### Revenues

Midland ISD's Revenues are derived from these five revenue sources: Ad Valorem Taxes, Other Local Revenue, State Revenue, Federal Revenue and TRS On-Behalf.

Overall, the revenue sources for general fund are presented as follows:



Ad Valorem Revenue:

Ad Valorem Revenue is revenue from taxes levied by a school district on the assessed value of real and personal property located within the school district that, within legal limits, is the final authority in determining the amount to be raised for school purposes. From 2019 October certified value to 2020 April 29 estimate, property tax decreased from \$35.1 Billion to \$34.4 Billion. Comparing to the final 2019-20 amendment budget, Midland ISD projects to receive an estimate of \$14 million less from ad valorem revenue. Worth noting, local property taxes continue to be a substantial revenue source for the District.

Other Local Revenue:

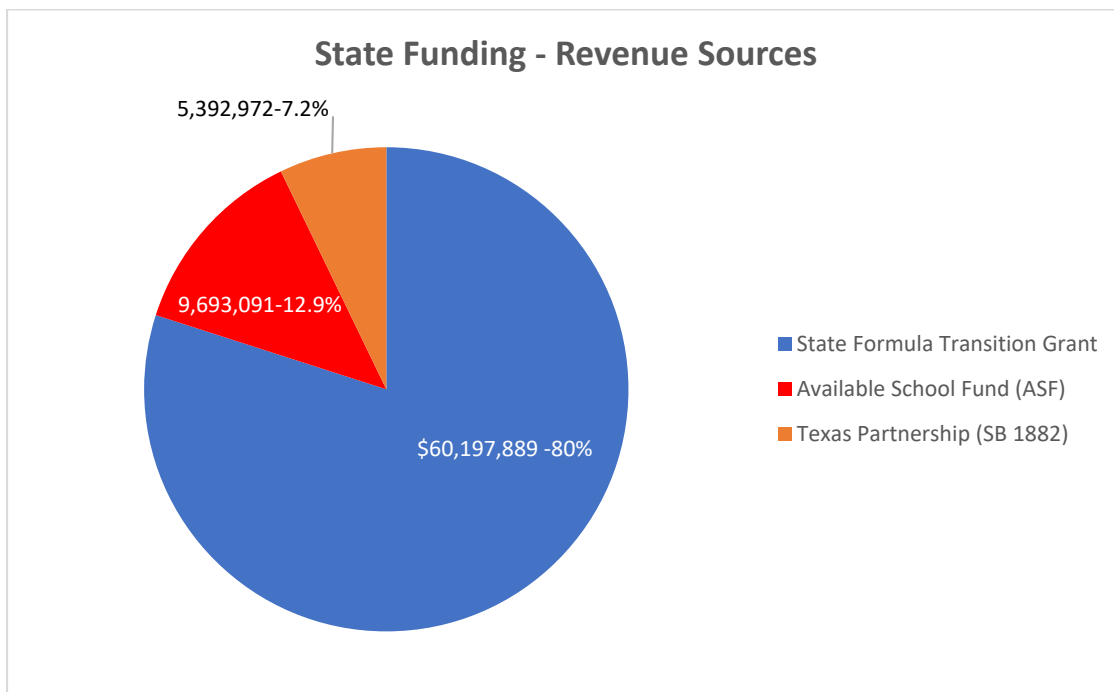
Other Local Revenue includes various sources, such as: interest income, income from athletics department, gifts & bequest, etc. Other local source accounts for 0.3% of the total revenue for Midland ISD.

Federal Revenue:

Federal Sources of Revenue are the amounts of money collected and distributed by the federal government to provide for federal qualified expenditures. Federal Sources of Revenue only account for 0.4% of Midland ISD's total revenue.

State Revenue:

Under House Bill 3, the amount of state aid given to Midland ISD will be determined based on current property value instead of prior year values as it was before. The state revenue budget is approved as below:



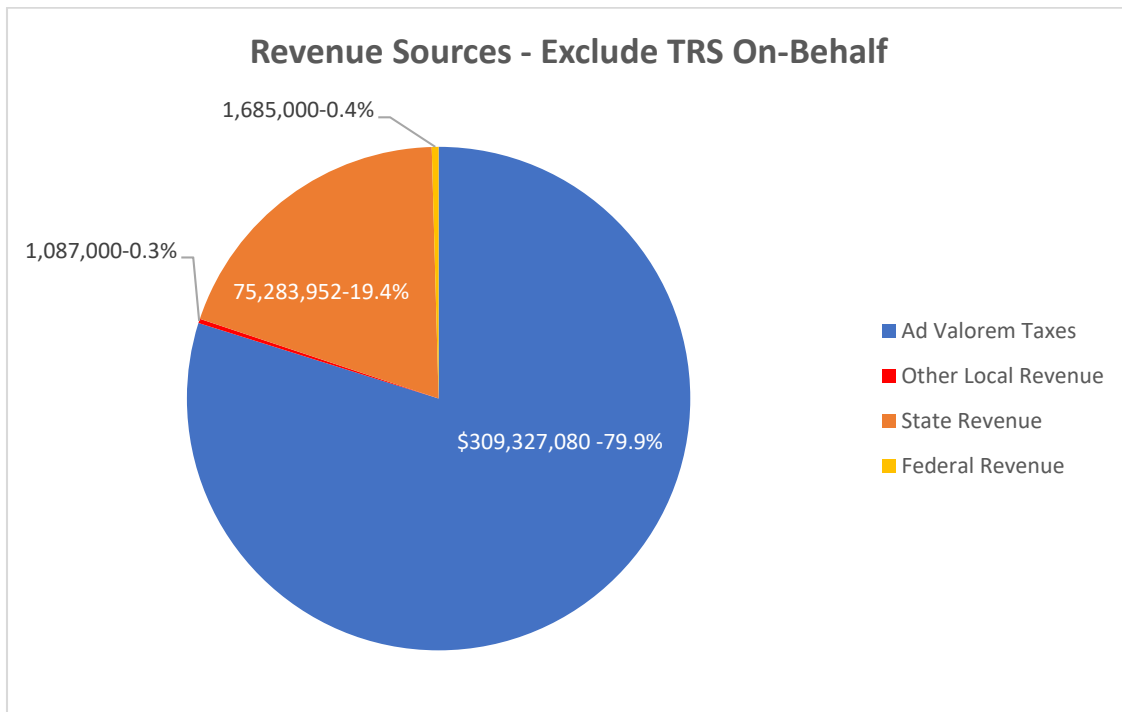


- Available School Fund: All Texas school districts and charter schools are entitled, under the Texas Constitution, to receive payments from the ASF for each eligible student enrolled. The ASF is primarily made up of earnings from the Permanent School Fund (PSF), 25% of the state's motor fuels tax, and transfers from the General Land Office (GLO). The ASF serves as a finance method for the Foundation School Program (FSP). This source of revenue helps pay the state's FSP payments to school districts and charter schools. ASF payments are based on a district's or charter school's prior year average daily attendance (ADA). The payment rate per ADA (the distribution rate) is adopted each year by the State Board of Education. ASF payments are referred to as "per capita" payments.
- State Formula Transition Grant: Texas State provides "formula transition grants" for five years so that all school districts and charter schools will receive at least the lesser of (1) 103% of the amount they would have received under current law or (2) 128% of the statewide average amount of M&O revenue that would have been provided for the 2020-21 under current law.
- Additional Aid for Operating Partnership (SB 1882): SB 1882 is an Act relating to a school district contract to partner with an open-enrollment charter school or other eligible entity to operate a district campus. Worth noting, a 100% of Texas Partnership revenue will be spent on Midland ISD eight charter schools related expenses.

TRS On-Behalf:

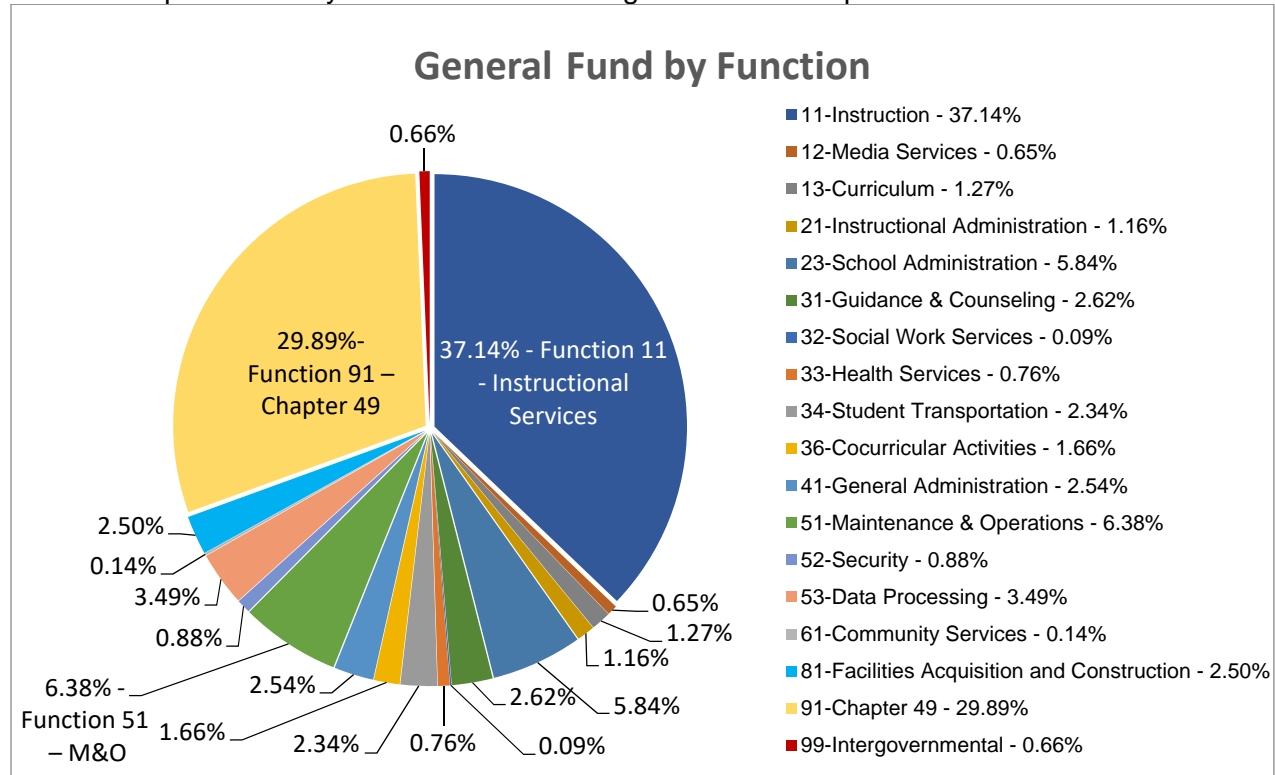
TRS On-Behalf is a terminology used to describe the direct payments made by the state to the Teacher Retirement System of Texas on behalf of Midland ISD. The payments must be recognized as equal revenues and expenditures by Midland ISD.

When excluded, the revenue for TRS On-Behalf, almost 80 cents of every dollar collected is from the local property taxpayer.



## Expenditures

The total expenditures by each function for the general fund are presented as follows:



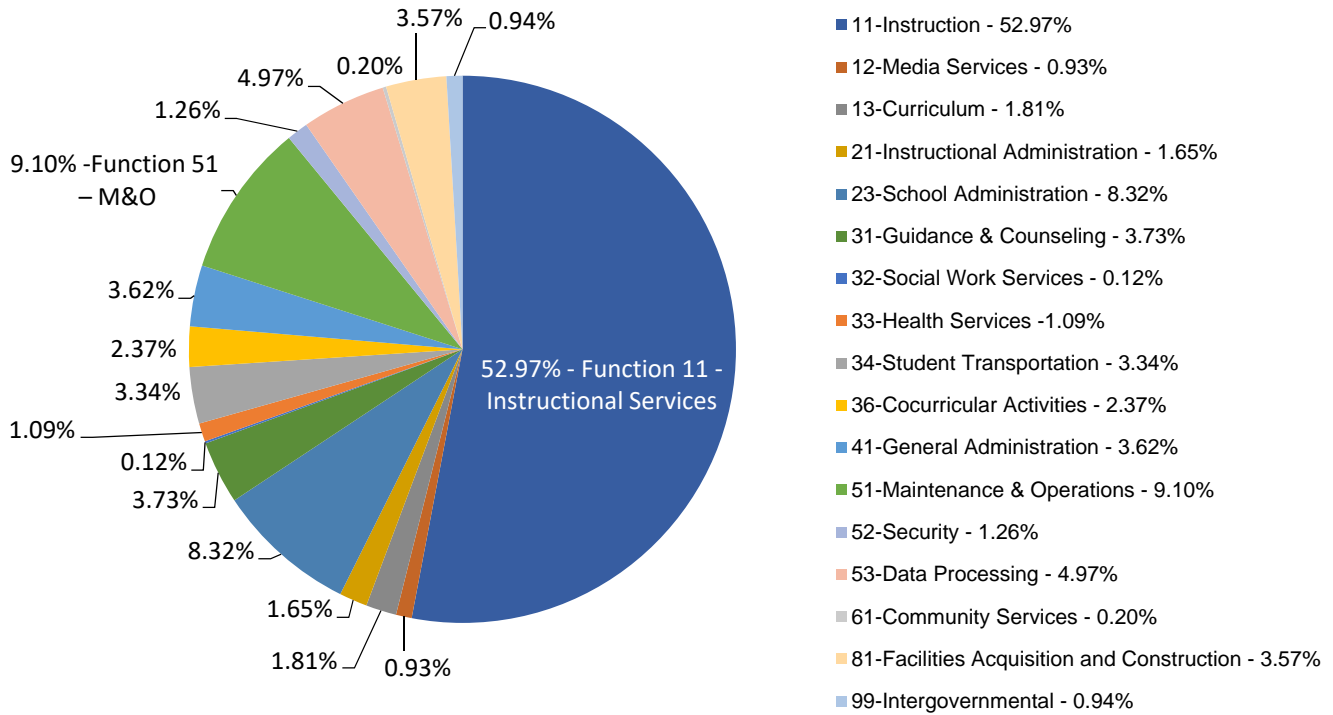
### Chapter 49 Recapture – Excess Local Revenue:

Recapture is the primary means by which Chapter 49 school districts send local property tax revenue to the State for redistribution among other districts. Chapter 49 School Districts are those with property wealth per student, as measured by Weighted Average Daily Attendance (WADA), above a certain threshold defined in law. Districts with property wealth above certain levels are required to “share the wealth” through the “Robin Hood” school finance plan by paying “recapture.” Midland ISD has been a recapture paying district since 2013-14.

The amount of recapture Midland ISD pays depends upon the district's property wealth per student, which is measured by dividing the District's current year property values by the number of weighted students.

The estimated recapture amount for 2020-21 is \$118,578,719 which equals to 29.89% of the District's expenditures. This estimated amount decreased from \$137,377,602 (34.8% of the 2019-20 final amended budget) and increased from \$64,924,677 (25% of the 2018-2019 actual expenditures). Worth noting, the increase or decrease in recapture correlates with the movement in local property tax values.

## General Fund by Function - Exclude Chapter 49 Recapture



### Non-Payroll Campus Budget Allocation:


The Non-Payroll Campus Budget allocation is calculated based on 2019-20 Number of Students and the below criteria:

Allocation Per Student**	\$ Amount
Comprehensive High School	133.00
Non-Traditional High School	130.00
Freshman High School	120.00
Junior High School	115.00
Elementary School	94.00
High School Fine Arts*	48.28
Freshman Fine Arts*	11.50
Secondary School Athletics*	3.67
Pre K	100.00
Early Education	200.00


Allocation Per Campus:	\$ Amount
Consolidated at Risk	20,000.00
Early College	20,000.00
Alternative Program	27,000.00
Signature School	25,000.00
School Transition	5,000.00

\* In addition to Department's Budget


\*\* Campus may receive additional budget based on specific campus needs. All requests must get approval from the Superintendent

002 LEE HIGH SCHOOL		Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services		\$ 89,445	16.9%	\$ 105,306	17.1%	\$ 15,861	17.7%
Supplies and Materials		222,314	42.1%	237,429	38.6%	15,115	6.8%
Other Operating Expenditure		216,036	40.9%	257,185	41.9%	41,149	19.0%
Capital Outlay		-	-	14,458	0	(14,458)	14,458
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>		<b>527,795</b>	<b>100%</b>	<b>614,378</b>	<b>100%</b>	<b>86,583</b>	<b>16.4%</b>


Budgeted Enrollment: 2,283

003 MIDLAND HIGH SCHOOL		Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services		\$ 85,355	15.7%	\$ 130,655	28.7%	\$ 45,300	53.1%
Supplies and Materials		243,006	44.8%	148,783	32.7%	(94,223)	-38.8%
Other Operating Expenditure		209,100	38.5%	176,100	38.7%	(33,000)	-15.8%
Capital Outlay		5,500	0	-	0.0%	5,500	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>		<b>542,961</b>	<b>100%</b>	<b>455,538</b>	<b>100%</b>	<b>(87,423)</b>	<b>-16.1%</b>


Budgeted Enrollment: 2,320

004 COLEMAN HIGH SCHOOL		Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services		\$ 5,800	13.0%	\$ 6,501	15.0%	\$ 701	12.1%
Supplies and Materials		27,845	62.3%	23,304	53.9%	(4,541)	-16.3%
Other Operating Expenditure		11,055	24.7%	13,400	31.0%	2,345	21.2%
Capital Outlay		-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>		<b>44,700</b>	<b>100%</b>	<b>43,205</b>	<b>100%</b>	<b>(1,495)</b>	<b>-3.3%</b>

Budgeted Enrollment: 170

006 EARLY COLLEGE		Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services		\$ 4,688	7.1%	\$ 10,740	13.4%	\$ 6,052	129.1%
Supplies and Materials		26,593	40.4%	28,731	35.9%	2,138	8.0%
Other Operating Expenditure		34,479	52.4%	40,610	50.7%	6,131	17.8%
Capital Outlay		-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>		<b>65,760</b>	<b>100%</b>	<b>80,081</b>	<b>100%</b>	<b>14,321</b>	<b>21.8%</b>

Budgeted Enrollment: 351

030 MIDLAND ALTERNATIVE		Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services		\$ 4,480	13.8%	\$ 3,281	6.1%	\$ (1,199)	-26.8%
Supplies and Materials		18,458	56.9%	43,030	79.4%	24,572	133.1%
Other Operating Expenditure		9,500	29.3%	7,850	14.5%	(1,650)	-17.4%
Capital Outlay		-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>		<b>32,438</b>	<b>100%</b>	<b>54,161</b>	<b>100%</b>	<b>21,723</b>	<b>67.0%</b>

Budgeted Enrollment: 14

**041  
ALAMO JH**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$23,300	22.9%	\$ 19,190	18.6%	\$ (4,110)	-17.6%
Supplies and Materials	61,155	60.1%	69,856	67.6%	8,701	14.2%
Other Operating Expenditure	17,260	17.0%	14,365	13.9%	(2,895)	-16.8%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>101,715</b>	<b>100%</b>	<b>103,411</b>	<b>100%</b>	<b>1,696</b>	<b>1.7%</b>

Budgeted Enrollment: 815

**042  
LEE FRESHMAN HS**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$21,725	18.1%	\$ 18,945	14.3%	\$ (2,780)	-12.8%
Supplies and Materials	80,395	66.8%	93,825	70.9%	13,430	16.7%
Other Operating Expenditure	18,180	15.1%	19,480	14.7%	1,300	7.2%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>120,300</b>	<b>100%</b>	<b>132,250</b>	<b>100%</b>	<b>11,950</b>	<b>9.9%</b>

Budgeted Enrollment: 843

**044  
MIDLAND FRESHMAN HS**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 8,465	7.5%	\$ 8,465	6.8%	\$ -	0.0%
Supplies and Materials	79,092	69.7%	83,663	67.1%	4,571	5.8%
Other Operating Expenditure	25,985	22.9%	32,517	26.1%	6,532	25.1%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>113,542</b>	<b>100%</b>	<b>124,645</b>	<b>100%</b>	<b>11,103</b>	<b>9.8%</b>

Budgeted Enrollment: 843

**045  
SAN JACINTO JH**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$31,380	25.5%	\$ 31,380	24.0%	\$ -	0.0%
Supplies and Materials	74,195	60.3%	77,682	59.5%	3,487	4.7%
Other Operating Expenditure	17,521	14.2%	21,521	16.5%	4,000	22.8%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>123,096</b>	<b>100%</b>	<b>130,583</b>	<b>100%</b>	<b>7,487</b>	<b>6.1%</b>

Budgeted Enrollment: 902

**047  
ABELL JH**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$23,200	18.0%	\$ 22,700	16.5%	\$ (500)	-2.2%
Supplies and Materials	80,800	62.7%	92,082	67.1%	11,282	14.0%
Other Operating Expenditure	24,855	19.3%	22,440	16.4%	(2,415)	-9.7%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>128,855</b>	<b>100%</b>	<b>137,222</b>	<b>100%</b>	<b>8,367</b>	<b>6.5%</b>

Budgeted Enrollment: 1095

101

BONHAM ELEMENTARY



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 17,219	27.2%	\$ 17,319	27.7%	\$ 100	0.6%
Supplies and Materials	37,353	59.1%	36,393	58.3%	(960)	-2.6%
Other Operating Expenditure	8,646	13.7%	8,706	13.9%	60	0.7%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>63,218</b>	<b>100%</b>	<b>62,418</b>	<b>100%</b>	<b>(800)</b>	<b>-1.3%</b>

Budgeted Enrollment: 609

104

BURNET ELEMENTARY



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 8,124	13.9%	\$ 9,084	14.7%	\$ 960	11.8%
Supplies and Materials	38,166	65.2%	40,627	65.8%	2,461	6.4%
Other Operating Expenditure	12,250	20.9%	12,050	19.5%	(200)	-1.6%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>58,540</b>	<b>100%</b>	<b>61,761</b>	<b>100%</b>	<b>3,221</b>	<b>5.5%</b>

Budgeted Enrollment: 580

106

DEZAVALA ELEMENTARY



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 7,840	11.6%	\$ 12,640	16.3%	\$ 4,800	61.2%
Supplies and Materials	56,248	83.6%	61,993	79.9%	5,745	10.2%
Other Operating Expenditure	3,230	4.8%	3,000	3.9%	(230)	-7.1%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>67,318</b>	<b>100%</b>	<b>77,633</b>	<b>100%</b>	<b>10,315</b>	<b>15.3%</b>

Budgeted Enrollment: 694

107

FANNIN ELEMENTARY



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 7,100	12.6%	\$ 7,800	13.6%	\$ 700	9.9%
Supplies and Materials	45,206	80.0%	44,542	77.4%	(664)	-1.5%
Other Operating Expenditure	4,200	7.4%	5,200	9.0%	1,000	23.8%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>56,506</b>	<b>100%</b>	<b>57,542</b>	<b>100%</b>	<b>1,036</b>	<b>1.8%</b>

Budgeted Enrollment: 583

108

HENDERSON  
ELEMENTARY

	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 7,900	19.3%	\$ 7,900	18.3%	\$ -	0.0%
Supplies and Materials	26,446	64.7%	24,973	58.0%	(1,473)	-5.6%
Other Operating Expenditure	6,500	15.9%	10,200	23.7%	3,700	56.9%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>40,846</b>	<b>100%</b>	<b>43,073</b>	<b>100%</b>	<b>2,227</b>	<b>5.5%</b>

Budgeted Enrollment: 413

**110  
JONES ELEMENTARY**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 9,000	21.8%	\$ 10,700	23.6%	\$ 1,700	18.9%
Supplies and Materials	29,002	70.4%	33,048	73.0%	4,046	14.0%
Other Operating Expenditure	3,200	7.8%	1,500	3.3%	(1,700)	-53.1%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>41,202</b>	<b>100%</b>	<b>45,248</b>	<b>100%</b>	<b>4,046</b>	<b>9.8%</b>

Budgeted Enrollment: 401

**111  
LAMAR ELEMENTARY**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$27,532	51.1%	\$ 26,500	45.6%	\$ (1,032)	-3.7%
Supplies and Materials	22,500	41.8%	23,250	40.0%	750	3.3%
Other Operating Expenditure	3,850	7.1%	8,399	14.4%	4,549	118.2%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>53,882</b>	<b>100%</b>	<b>58,149</b>	<b>100%</b>	<b>4,267</b>	<b>7.9%</b>

Budgeted Enrollment: 520

**112  
LONG ELEMENTARY**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 13,020	23.0%	\$ 14,020	19.1%	\$ 1,000	7.7%
Supplies and Materials	37,858	66.9%	51,166	69.5%	13,308	35.2%
Other Operating Expenditure	5,680	10.0%	8,400	11.4%	2,720	47.9%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>56,558</b>	<b>100%</b>	<b>73,586</b>	<b>100%</b>	<b>17,028</b>	<b>30.1%</b>

Budgeted Enrollment: 553

**114  
EMERSON ELEMENTARY**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 9,456	18.8%	\$ 9,541	13.1%	\$ 85	0.9%
Supplies and Materials	33,107	65.9%	57,637	79.3%	24,530	74.1%
Other Operating Expenditure	7,707	15.3%	5,545	7.6%	(2,162)	-28.1%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>50,270</b>	<b>100%</b>	<b>72,723</b>	<b>100%</b>	<b>22,453</b>	<b>44.7%</b>

Budgeted Enrollment: 483

**116  
RUSK ELEMENTARY**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 7,500	14.3%	\$ 5,800	15.5%	\$ (1,700)	-22.7%
Supplies and Materials	33,364	63.7%	28,050	75.1%	(5,314)	-15.9%
Other Operating Expenditure	11,498	22.0%	3,500	9.4%	(7,998)	-69.6%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>52,362</b>	<b>100%</b>	<b>37,350</b>	<b>100%</b>	<b>(15,012)</b>	<b>-28.7%</b>

Budgeted Enrollment: 355

**117  
SOUTH ELEMENTARY**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 25,340	38.5%	\$ 21,240	33.4%	\$ (4,100)	-16.2%
Supplies and Materials	30,250	46.0%	31,374	49.3%	1,124	3.7%
Other Operating Expenditure	10,222	15.5%	11,022	17.3%	800	7.8%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>65,812</b>	<b>100%</b>	<b>63,636</b>	<b>100%</b>	<b>(2,176)</b>	<b>-3.3%</b>

Budgeted Enrollment: 549

**122  
PARKER ELEMENTARY**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 12,780	23.7%	\$ 13,636	22.0%	\$ 856	6.7%
Supplies and Materials	34,682	64.3%	41,866	67.5%	7,184	20.7%
Other Operating Expenditure	6,500	12.0%	6,500	10.5%	-	0.0%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>53,962</b>	<b>100%</b>	<b>62,002</b>	<b>100%</b>	<b>8,040</b>	<b>14.9%</b>

Budgeted Enrollment: 575

**123  
SANTA RITA ELEMENTARY**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 7,740	11.4%	\$ 9,495	15.3%	\$ 1,755	22.7%
Supplies and Materials	49,874	73.7%	38,353	61.9%	(11,521)	-23.1%
Other Operating Expenditure	10,046	14.8%	14,137	22.8%	4,091	40.7%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>67,660</b>	<b>100%</b>	<b>61,985</b>	<b>100%</b>	<b>(5,675)</b>	<b>-8.4%</b>

Budgeted Enrollment: 611

**125  
SCHARBUAER  
ELEMENTARY**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 36,900	48.2%	\$ 38,775	37.6%	\$ 1,875	5.1%
Supplies and Materials	32,502	42.5%	52,184	50.6%	19,682	60.6%
Other Operating Expenditure	7,100	9.3%	12,100	11.7%	5,000	70.4%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>76,502</b>	<b>100%</b>	<b>103,059</b>	<b>100%</b>	<b>26,557</b>	<b>34.7%</b>

Budgeted Enrollment: 720

**127  
BUSH ELEMENTARY**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 16,030	32.3%	\$ 16,730	27.8%	\$ 700	4.4%
Supplies and Materials	30,866	62.2%	34,410	57.3%	3,544	11.5%
Other Operating Expenditure	2,730	5.5%	8,935	14.9%	6,205	227.3%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>49,626</b>	<b>100%</b>	<b>60,075</b>	<b>100%</b>	<b>10,449</b>	<b>21.1%</b>

Budgeted Enrollment: 531



**128  
GREATHOUSE  
ELEMENTARY**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 12,560	13.9%	\$ 23,281	23.9%	\$ 10,721	85.4%
Supplies and Materials	67,085	74.4%	63,769	65.4%	(3,316)	-4.9%
Other Operating Expenditure	10,475	11.6%	10,475	10.7%	-	0.0%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>90,120</b>	<b>100%</b>	<b>97,525</b>	<b>100%</b>	<b>7,405</b>	<b>8.2%</b>

Budgeted Enrollment: 831

**129  
WASHINGTON STEM  
ACADEMY**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 18,290	26.3%	\$ 12,706	18.6%	\$ (5,584)	-30.5%
Supplies and Materials	35,969	51.7%	45,422	66.4%	9,453	26.3%
Other Operating Expenditure	15,297	22.0%	10,300	15.1%	(4,997)	-32.7%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>69,556</b>	<b>100%</b>	<b>68,428</b>	<b>100%</b>	<b>(1,128)</b>	<b>-1.6%</b>

Budgeted Enrollment: 440

**130  
PEASE COMMUNICATIONS &  
TECHNOLOGY ACADEMY**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 17,870	22.4%	\$ 44,970	43.2%	\$ 27,100	151.7%
Supplies and Materials	46,032	57.7%	44,636	42.9%	(1,396)	-3.0%
Other Operating Expenditure	15,900	19.9%	14,400	13.8%	(1,500)	-9.4%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>79,802</b>	<b>100%</b>	<b>104,006</b>	<b>100%</b>	<b>24,204</b>	<b>30.3%</b>

Budgeted Enrollment: 514

**131  
BOWIE FINE ARTS  
ACADEMY**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 5,000	6.9%	\$ 8,771	11.8%	\$ 3,771	75.4%
Supplies and Materials	64,294	88.5%	63,275	85.0%	(1,019)	-1.6%
Other Operating Expenditure	3,364	4.6%	2,401	3.2%	(963)	-28.6%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>72,658</b>	<b>100%</b>	<b>74,447</b>	<b>100%</b>	<b>1,789</b>	<b>2.5%</b>

Budgeted Enrollment: 501

**132  
YARBROUGH  
ELEMENTARY**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 14,263	18.5%	\$ 16,101	19.9%	\$ 1,838	12.9%
Supplies and Materials	52,359	67.9%	56,309	69.7%	3,950	7.5%
Other Operating Expenditure	10,500	13.6%	8,400	10.4%	(2,100)	-20.0%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>77,122</b>	<b>100%</b>	<b>80,810</b>	<b>100%</b>	<b>3,688</b>	<b>4.8%</b>

Budgeted Enrollment: 773

**133  
FASKEN ELEMENTARY**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 16,263	15.7%	\$ 20,367	22.7%	\$ 4,104	25.2%
Supplies and Materials	83,829	81.0%	64,131	71.4%	(19,698)	-23.5%
Other Operating Expenditure	3,450	3.3%	5,300	5.9%	1,850	53.6%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>103,542</b>	<b>100%</b>	<b>89,798</b>	<b>100%</b>	<b>(13,744)</b>	<b>-13.3%</b>

Budgeted Enrollment: 863

**135  
FRANKS ELEMENTARY**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$26,400	38.6%	\$ 54,785	57.8%	\$ 28,385	107.5%
Supplies and Materials	33,746	49.3%	28,312	29.9%	(5,434)	-16.1%
Other Operating Expenditure	8,318	12.1%	11,700	12.3%	3,382	40.7%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>68,464</b>	<b>100%</b>	<b>94,797</b>	<b>100%</b>	<b>26,333</b>	<b>38.5%</b>

Budgeted Enrollment: 533

**999  
MISD DEPARTMENTS**



	Original Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Professional & Contracted Services	\$ 13,986,857	9.4%	\$ 17,210,480	10.2%	\$ 3,223,623	23.0%
Recapture	118,457,146	79.6%	118,578,719	70.1%	121,573	0.1%
Utilities	5,823,158	3.9%	5,849,208	3.5%	26,050	0.4%
Supplies and Materials	5,118,700	3.4%	9,267,452	5.5%	4,148,752	81.1%
Other Operating Expenditure	3,079,879	2.1%	4,495,108	2.7%	1,415,229	46.0%
Capital Outlay	2,380,260	1.6%	13,868,758	8.2%	11,488,498	482.7%
<b>TOTAL DEPT BUDGET ALLOCATION</b>	<b>148,846,000</b>	<b>100%</b>	<b>169,269,725</b>	<b>100%</b>	<b>20,423,725</b>	<b>13.7%</b>

Salaries & Benefits Expenditures:

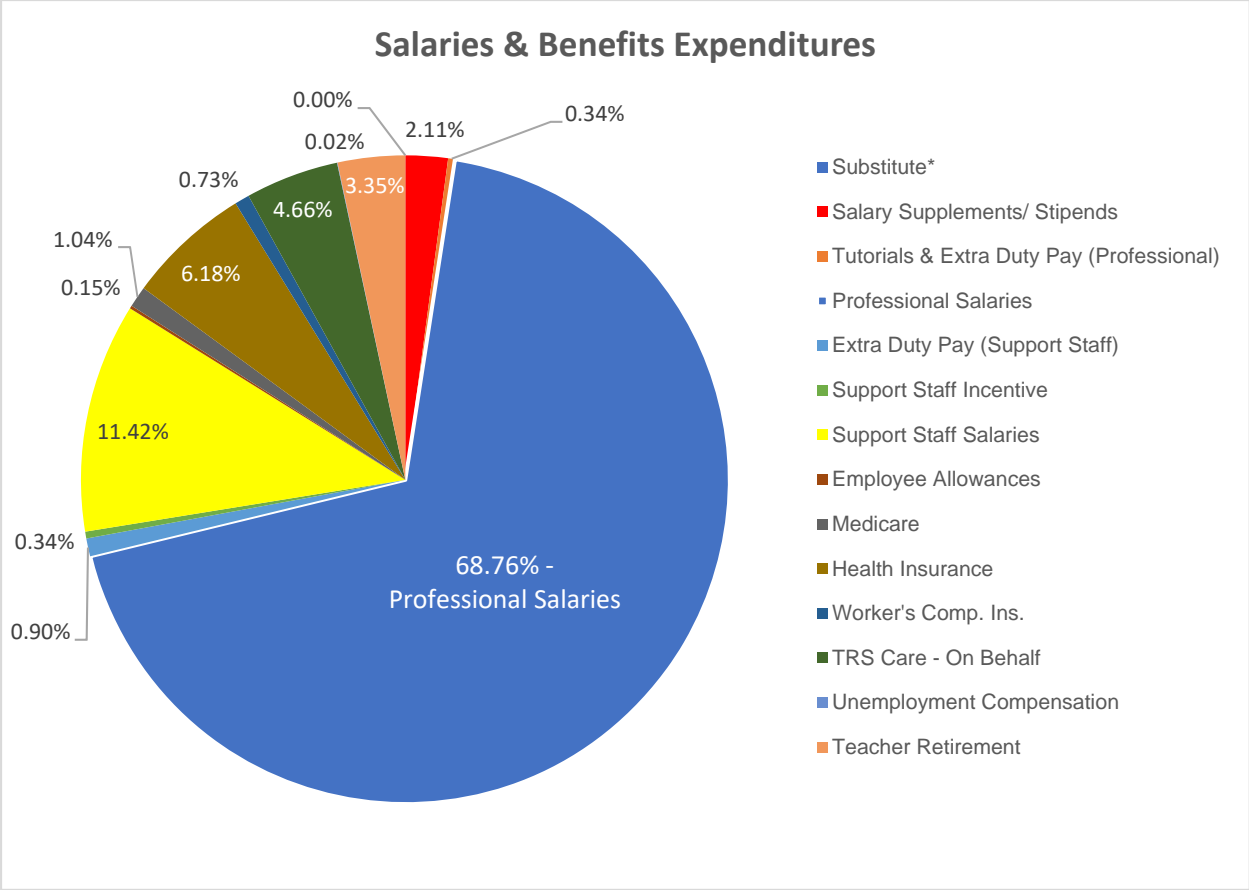
*Salaries & Benefits Highlights*

- For the 2020-21 Fiscal Year, the district continues to apply the student-weight allocation method to determine the appropriate staffing allocation for campuses and departments.
- Midland ISD increased starting teacher pay from \$53,500 to \$56,500, increased minimum support staff pay from \$10 per hour to \$12 per hour and overall increased salaries for all staff by at least 3%. In addition to raising teacher pay and minimum pay, Midland ISD also implement innovation compensation which gives teachers and staff opportunities to earn more through attendance rate and by long-term commitment.
- Midland ISD projected a 94% position fulfillment rate throughout the district.
- In the 2020-21 Fiscal Year, Midland ISD will continue using ESS Resources to fulfill the district's substitute needs. In 2019-20, Midland ISD has the fulfillment of over 80% for the substitute needs.

*Salaries & Benefits Expenditures by Categories*

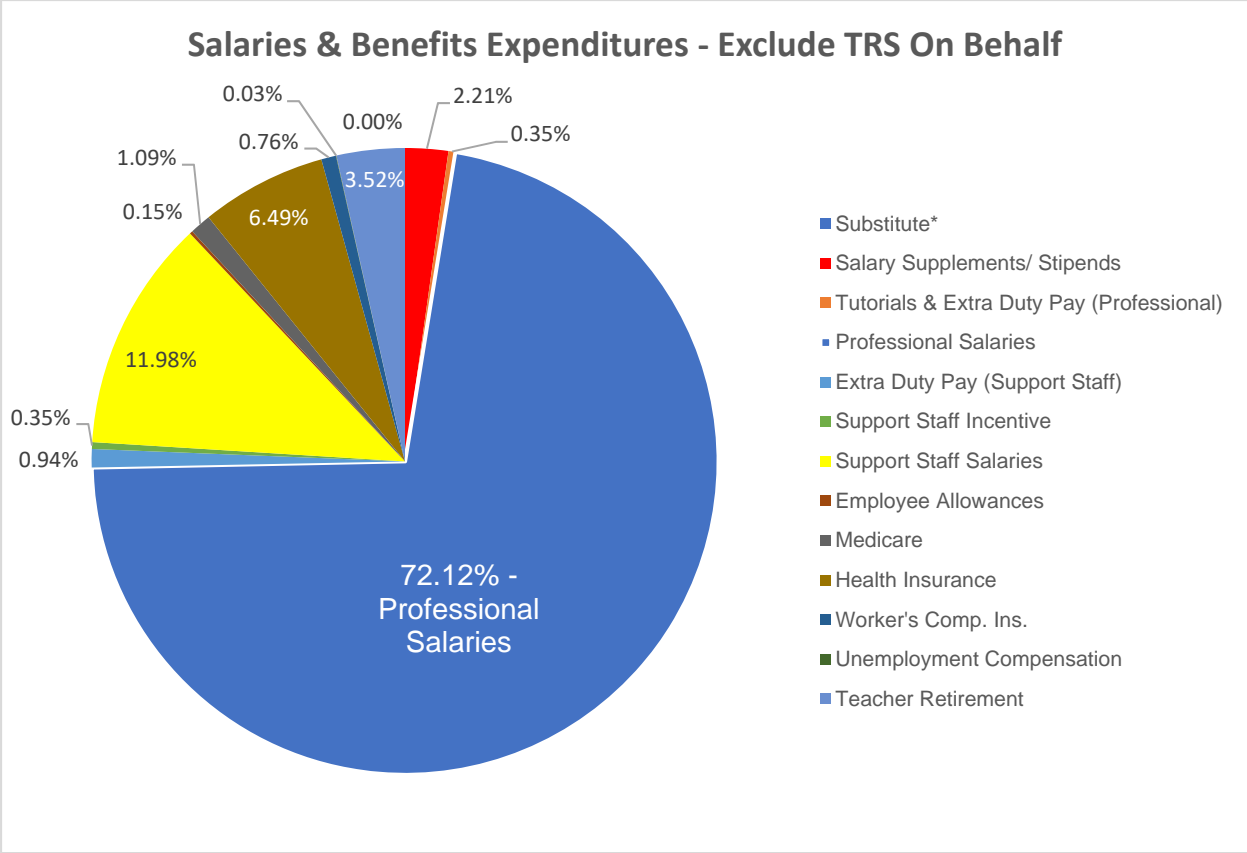
The 2020-21 approved salaries and benefits budget is presented as follows:

<b>Budget Code</b>	<b>Categories</b>	<b>Amount</b>	<b>Percentage</b>
6117	Salary Supplements/ Stipends	\$ 4,201,228	2.11%
6118	Tutorials & Extra Duty Pay (Professional)	668,285	0.34%
6119	Professional Salaries	136,808,506	68.76%
6121	Extra Duty Pay (Support Staff)	1,780,989	0.90%
6127	Support Staff Incentive	668,900	0.34%
6129	Support Staff Salaries	22,727,719	11.42%
6139	Employee Allowances	292,931	0.15%
6141	Medicare	2,074,360	1.04%
6142	Health Insurance	12,304,547	6.18%
6143	Worker's Comp. Ins.	1,447,399	0.73%
6144	TRS Care - On Behalf	9,268,604	4.66%
6145	Unemployment Compensation	48,400	0.02%
6146	Teacher Retirement	6,667,993	3.35%
<b>TOTAL</b>	<b>Salaries &amp; Benefits Expenditures</b>	<b>\$ 198,956,861</b>	<b>100%</b>



Without TRS On- Behalf, the Salaries and Benefits for General Fund increased by \$12.9 Million (6.5%) compare to 2019-20 final amended budget. This is mainly due to:

- The increase in minimum teacher pay to \$56,500 (\$5,590,367)
- The increase to minimum support staff pay to \$12 (\$1,201,272)
- 3% pay increase for all other staff (\$2,197,498)
- Innovative Compensation (\$1,800,000)
- Additional Staff (\$1,731,167)



Under House Bill 3, Midland ISD is required to spend 30% of the Revenue from the increase in Funding toward increasing compensation for all employees other than administrators\*. Therefore, Midland ISD also budgeted \$11,076,31. for this required expenditure and for future board priorities.


\*Increase in Funding is defined as follows: Revenue increase per ADA multiplied by the projected ADA for the 2020-21 Fiscal Year.

**Midland ISD Partnership Related Expenditures**


In the 2020-21 Fiscal Year, Midland ISD will have eight partnership campuses: Young Women’s Leadership Academy, REACH Goddard Junior High, REACH Bunche Elementary, Carver Center, Ben Milam International Academy, IDEA Public Schools Travis Elementary, Midland College Pre-K Academy and Third Future Schools Sam Houston Collegiate Preparatory Elementary.

Midland ISD Partnership total budget for 2020-21 is \$30.02 Million, a \$3.34 million increase compared to 2019-20 final amended budget.


Midland ISD committed to spend 100% revenue that the District will generate from the partnership campuses on these campuses’ related expenses. Worth noting, Midland ISD received an additional SB 1882 funding (\$5,392,972 - 7.2% of the district’s total state revenue) for the 2020-21 Fiscal Year as the result of these partnerships. Please see below for the list of schools and the expenditures associated with the Texas Partnership (SB 1882):

007 YWLA		Final Amended Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Salaries & Benefits		\$ 865,870	83.48%	\$ 1,569,604	80.2%	\$ 703,734	81.27%
Professional & Contracted Services		48,776	4.70%	139,000	7.1%	90,224	184.98%
Supplies and Materials		54,110	5.22%	146,500	7.5%	92,390	170.74%
Other Operating Expenditure		68,517	6.61%	101,600	5.2%	33,083	48.28%
Capital Outlay		-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>		<b>1,037,273</b>	<b>100%</b>	<b>1,956,704</b>	<b>100%</b>	<b>919,431</b>	<b>88.64%</b>


Budgeted Enrollment: 200

046 GODDARD JH		Final Amended Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Salaries & Benefits		\$ 6,190,841	90.09%	\$ 6,703,379	96.7%	\$ 512,538	8.28%
Professional & Contracted Services		293,469	4.27%	107,750	1.6%	(185,719)	-63.28%
Supplies and Materials		374,774	5.45%	102,325	1.5%	(272,449)	-72.70%
Other Operating Expenditure		12,928	0.19%	20,165	0.3%	7,237	55.98%
Capital Outlay		-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>		<b>6,872,012</b>	<b>100%</b>	<b>6,933,619</b>	<b>100%</b>	<b>61,607</b>	<b>0.9%</b>


Budgeted Enrollment: 1009

109 SAM HOUSTON COLLEGIATE PREPARATORY ELEMENTARY		Final Amended Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Salaries & Benefits		\$ 2,218,503	95.44%	\$ 2,064,092	88.79%	(154,411)	-6.96%
Professional & Contracted Services		54,303	2.34%	703,230	30.25%	648,927	1195.00%
Supplies and Materials		43,749	1.88%	-	0.00%	(43,749)	-100.00%
Other Operating Expenditure		8,059	0.35%	-	0.00%	(8,059)	-100.00%
Capital Outlay		-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>		<b>2,324,615</b>	<b>100%</b>	<b>2,767,322</b>	<b>100%</b>	<b>442,707</b>	<b>19.0%</b>

Budgeted Enrollment: 350

113 MILAM ELEMENTARY		Final Amended Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Salaries & Benefits		\$ 2,439,146	81.63%	\$ 3,089,234	94.22%	650,088	26.65%
Professional & Contracted Services		363,879	12.18%	138,800	4.23%	(225,079)	-61.86%
Supplies and Materials		161,843	5.42%	41,300	1.26%	(120,543)	-74.48%
Other Operating Expenditure		23,206	0.78%	9,380	0.29%	(13,826)	-59.58%
Capital Outlay		-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>		<b>2,988,074</b>	<b>100%</b>	<b>3,278,714</b>	<b>100%</b>	<b>290,640</b>	<b>9.7%</b>

Budgeted Enrollment: 462

126 CARVER CENTER		Final Amended Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Salaries & Benefits		\$ 2,555,072	80.10%	\$ 2,687,996	84.29%	132,924	5.20%
Professional & Contracted Services		268,070	8.40%	264,144	8.28%	(3,926)	-1.46%
Supplies and Materials		297,627	9.33%	201,250	6.31%	(96,377)	-32.38%
Other Operating Expenditure		68,946	2.16%	35,500	1.11%	(33,446)	-48.51%
Capital Outlay		-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>		<b>3,189,715</b>	<b>100%</b>	<b>3,188,890</b>	<b>100%</b>	<b>(825)</b>	<b>0.0%</b>

Budgeted Enrollment: 529

**134  
BUNCHE ELEMENTARY**



	Final Amended Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Salaries & Benefits	\$ 4,809,287	80.45%	\$ 5,740,566	95.03%	931,279	19.36%
Professional & Contracted Services	597,113	9.99%	116,000	1.92%	(481,113)	-80.57%
Supplies and Materials	494,008	8.26%	156,192	2.59%	(337,816)	-68.38%
Other Operating Expenditure	77,857	1.30%	28,000	0.46%	(49,857)	-64.04%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>5,978,265</b>	<b>100%</b>	<b>6,040,758</b>	<b>100%</b>	<b>62,493</b>	<b>1.0%</b>

Budgeted Enrollment: 859

**136  
MIDLAND COLLEGE  
PRE-K**



	Final Amended Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Salaries & Benefits	\$ -	0.00%	\$ 155,367	70.52%	155,367	N/A
Professional & Contracted Services	30,650	13.93%	42,600	19.34%	11,950	38.99%
Supplies and Materials	186,962	84.99%	17,551	7.97%	(169,411)	-90.61%
Other Operating Expenditure	2,365	1.08%	4,800	2.18%	2,435	102.95%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>219,977</b>	<b>100%</b>	<b>220,318</b>	<b>100%</b>	<b>341</b>	<b>0.2%</b>

Budgeted Enrollment: 68

**137  
TRAVIS ELEMENTARY**



	Final Amended Budget 2019-20	% of Total Campus Budget	Proposed Budget 2020-21	% of Total Campus Budget	Net Change Increase (Decrease)	% Change
Salaries & Benefits	\$ 3,678,456	90.23%	\$ -	0.00%	(3,678,456)	-100.00%
Professional & Contracted Services	339,791	8.34%	5,613,796	99.50%	5,274,005	1552.13%
Supplies and Materials	53,841	1.32%	-	0.00%	(53,841)	-100.00%
Other Operating Expenditure	4,460	0.11%	28,000	0.50%	23,540	527.80%
Capital Outlay	-	-	-	-	-	-
<b>TOTAL CAMPUS BUDGET ALLOCATION</b>	<b>4,076,548</b>	<b>100%</b>	<b>5,641,796</b>	<b>100%</b>	<b>1,565,248</b>	<b>38.4%</b>

Budgeted Enrollment: 685

## FOOD SERVICE FUND SUMMARY

National School Breakfast and Lunch Program is used to account for federal reimbursement revenue from the United States Department of Agriculture as well as user fees (meal charges) for the National School Breakfast and Lunch Programs.

The approved Food Services Fund budget includes the following financial highlights:

- Total Revenues \$ 12,819,405
- Total Expenditures \$ 12,819,405
- Budget Surplus (Deficit) \$ -0-

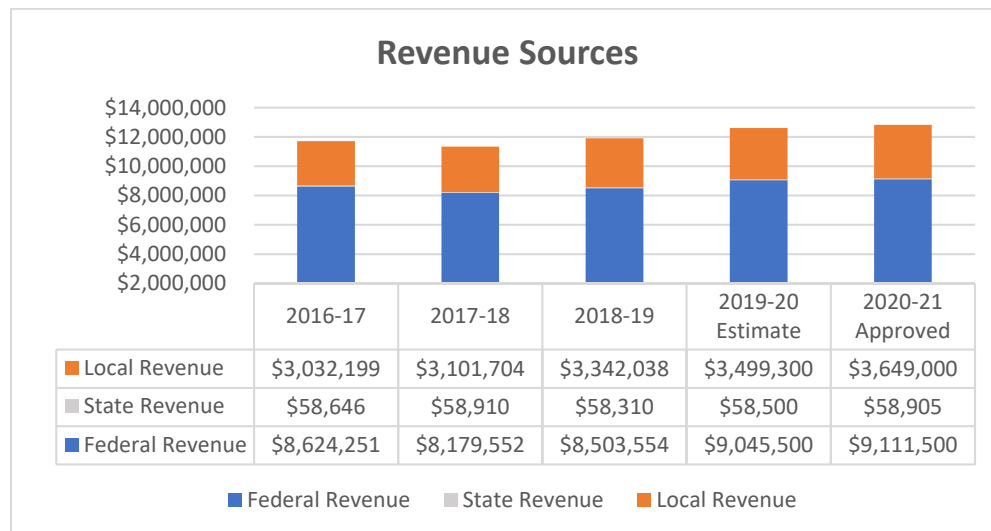
Midland ISD projects Food Service Fund Balance will change to \$3,302,262 as of the 2019-20 Fiscal Year End.

The food service budget was prepared based on enrollment growth with similar breakfast and lunch schedules (as compared to the 2019-20 Fiscal Year). Midland ISD will continue the current meal pricing for the 2020-21 Fiscal Year.

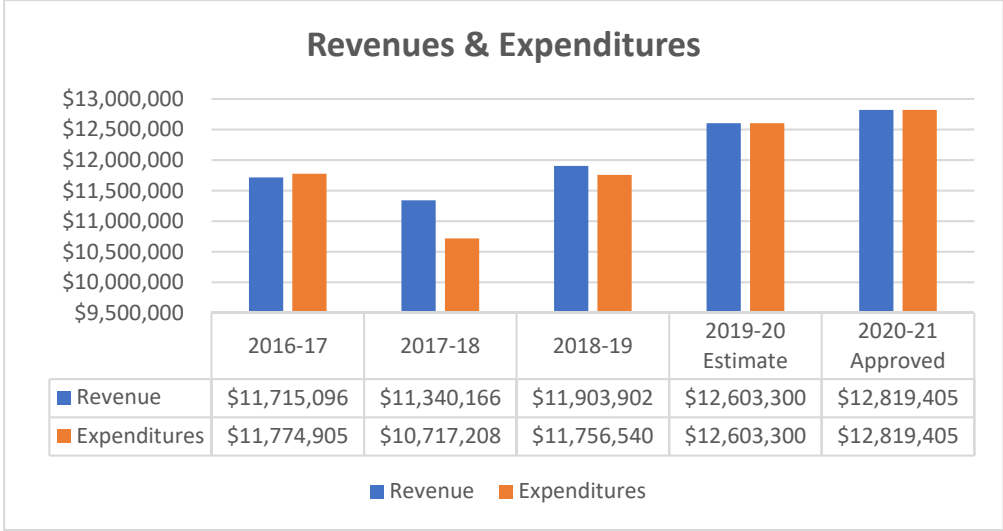
	Elementary Meal Pricing	Secondary Meal Pricing	Adult Meal Pricing	Reduced Meal Pricing
2019-20 Fiscal Year	\$ 3.15	\$ 3.40	\$ 4.05	\$ 0.40
2020-21 Fiscal Year	\$ 3.15	\$ 3.40	\$ 4.05	\$ 0.40

The District's school nutrition department is committed to continuously provide nutritional choices for our students at reasonable costs.

The trend for revenues and expenditures for the last four years and the approved budget for the 2020-2021 Fiscal Year are presented as follows:







**DEBT SERVICE FUND SUMMARY**

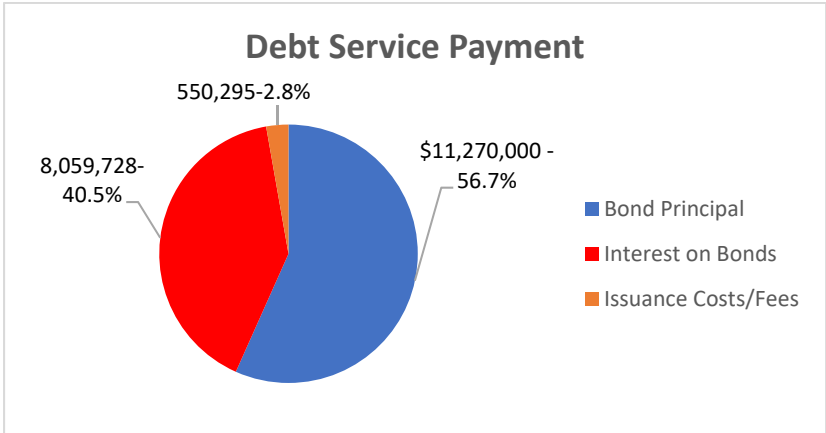
The Debt Service Fund (commonly referred to as the ‘Interest and Sinking Fund’ or the ‘I&S fund’) is primarily funded by local property tax collections. It is used to account for the District’s current portion of voter approved debt and the Foundation School Program’s facilities allotment for bonded indebtedness.

The approved Debt Services Fund budget includes the following financial highlights:

- Total Revenues \$ 26,054,285
- Total Expenditures \$ 19,880,023
- Budget Surplus (Deficit) \$ 6,174,262
- I&S Tax Rate \$ 0.0702

Midland ISD will utilize the projected surplus and I&S’ Fund Balance - \$13,040,957 (as of 2018-19 Fiscal Year End) to pay down the principal of the district current debt obligation (totaling of \$173.2 Million)

The expenditures associate with the principal and interest owed on outstanding bonds for 2020-21 budget are identified as follows:



# INFORMATIONAL SECTION

**APPRAISAL ESTIMATED**  
(Provided by Midland Appraisal District)



**MIDLAND CENTRAL APPRAISAL DISTRICT**

April 28, 2020

26.01e - ESTIMATED TAXABLE VALUE DETAIL

**MIDLAND INDEPENDENT SCHOOL DISTRICT**

	4/28/2020	ETR	10/12/2019	Percent
	Current		2019	
	Estimate	Form	Taxable	Change
<b>ESTIMATED TAXABLE VALUES:</b>				
REAL PROPERTY (R) *	\$15,493,933,334		\$14,716,121,099	105.3%
BUSINESS PERSONAL PROPERTY (BBP) *	\$1,854,787,889		\$1,862,030,850	99.6%
INDUSTRIAL PERSONAL PROPERTY (IUP) *	\$5,163,697,203		\$6,350,507,850	81.3%
MINERAL (O&G)*	\$12,507,844,212		\$12,152,611,209	102.9%
<b>TOTAL</b>	<b>\$35,020,262,638</b>	L1 >	\$35,081,271,008	<b>99.8%</b>
<b>FROZEN PROPERTY:</b>				
TAXABLE PROPERTY VALUE FROZEN	\$1,527,872,807	< 17A	\$1,447,178,646	105.6%
TAXABLE VALUE LOSS DUE TO FREEZE	\$568,441,066		\$547,468,026	
<b>NEW TAXABLE:</b>				
NEW REAL	\$503,012,516		\$473,581,218	106.2%
NEW PERSONAL	\$54,515,499		\$73,048,997	74.6%
INDUSTRIAL PP (IUP) *	TBD		\$552,662,380	
<b>HOMESTEAD PROPERTY:</b>				
AVERAGE HOMESTEAD MARKET VALUE	\$299,921		\$297,353	100.9%
AVERAGE HOMESTEAD TAXABLE VALUE	\$291,535		\$280,579	103.9%
HOMESTEAD CAP LOSS:	\$252,626,148		\$515,494,323	49.0%
<b>CURRENTLY UNDER PROTEST:</b>				
	\$0	16A >	\$0	0.0%
2019 MARKET VALUE NEW PRODUCTIVITY	TBD	< 9A		
2020 NEW PRODUCTIVITY	TBD	< 9B		
2020 NEW PARTIAL EXEMPTIONS	TBD	< 8B		
2020 POLLUTION CONTROL EXEMPTION	TBD	< 15B		
2020 NEW ABSOLUTE EXEMPTIONS	TBD	< 8A		
2019 TAX CEILING	TBD	< 2A		

\* Adjusted for estimated loss for appeals.

The Valuation Estimate provided is in accordance to the requirement prescribed by Sec. 26.01(e) of the Texas Property Tax Code. The values presented are **estimates only**, and are subject to significant change.

Texas law allows property owners until May 15 to provide rendered information to the appraisal district or district contractors. In addition, informal settlements and formal appeals will also change these initial estimates. The Appraisal Review Board is required by Sec 41.12 to approve the appraisal roll by July 20, with 95% of valuation not under protest. Soon thereafter, the chief appraiser is required to certify the appraisal roll to the entities by July 25.

While every effort has been made to provide the taxing entities with reliable information based on resources available. Accuracy of the estimates increase as the appeals process progresses. Please be aware, all value estimates made prior to official certification by the chief appraiser are to be considered only estimates.

Sincerely,

Jerry M. Bundick, RPA, RTA  
Chief Appraiser  
Midland Central Appraisal District

**2020 TAXABLE VALUE ESTIMATE  
MIDLAND I. S. D.**

GROSS VALUE	\$38,270,867,064
LOSS DUE TO AGRICULTURAL USE	(\$533,278,480)
CONSTITUTIONAL EXEMPT PROPERTY	(\$719,127,252)
DISABLED VETERAN EXEMPTION	(\$3,524,750)
DISABLED VETERAN EXEMPTION FROZEN	(\$2,643,830)
DISABLED VETERAN EXEMPTION (100%)	(\$37,992,879)
GENERAL HOMESTEAD EXEMPTION	(\$523,864,319)
GENERAL HOMESTEAD EXEMPTION FROZEN	(\$204,935,555)
HOMESTEAD EXEMPTION (LOCAL OPTION)	\$0
HOMESTEAD EXEMPTION FROZEN (LOCAL OPTION)	\$0
HOMESTEAD EXEMPTION ( LOCAL PERCENT OPTION)	(\$603,049,030)
HOMESTEAD EXEMPTION ( LOCAL PERCENT OPTION) FROZEN	(\$203,333,235)
OVER 65 EXEMPTION	(\$2,879,386)
FROZEN OVER 65 EXEMPTION	(\$75,636,269)
OVER 65 EXEMPTION (LOCAL OPTION)	\$0
OVER 65 EXEMPTION FROZEN (LOCAL OPTION)	\$0
DISABLED EXEMPTION	(\$50,000)
DISABLED EXEMPTION FROZEN	(\$4,353,130)
DISABLED EXEMPTION (LOCAL OPTION)	\$0
DISABLED EXEMPTION (LOCAL OPTION) FROZEN	\$0
ABATEMENTS	\$0
POLLUTION CONTROL	(\$46,317,677)
FREEPORT EXEMPTION	\$0
MINIMUM VALUE LOSS (MINERALS & PERSONAL PROPERTY)	(\$466,170)
PARTIAL YEAR EXEMPTION/ LEASED VEHICLES & OTHER	(\$36,526,316)
10% CAP LOSS	(\$252,626,148)
<b>TOTAL TAXABLE VALUE FOR 2020</b>	<b>\$35,020,262,638</b>
<b>LESS VALUE STILL UNDER PROTEST</b>	<b>\$0</b>
<b>ESTIMATED VALUE THAT WILL BE CERTIFIED BY ARB</b>	<b>\$0</b>
<b>ESTIMATED TOTAL TAXABLE VALUE FOR 2020</b>	<b>\$35,020,262,638</b>
<b>FREEZE LOSS VALUE DUE TO OVER 65 TAX AMOUNT FREEZE</b>	<b>(\$568,441,066)</b>
<b>ESTIMATED TOTAL TAXABLE VALUE FOR 2020</b>	<b>\$34,451,821,572</b>

# PUBLIC HEARING ADVERTISEMENT

## NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

The MIDLAND INDEPENDENT SCHOOL DISTRICT will hold a public meeting at 5:30 pm on June 22, 2020, in the auditorium of the Bowie Fine Arts Academy, 805 Elk Street, Midland, Texas 79701. **The purpose of this meeting is to discuss the school district's budget that will determine the tax rate that will be adopted. Public participation in the discussion is invited.**

The tax rate that is ultimately adopted at this meeting or at a separate meeting at a later date may not exceed the proposed rate shown below unless the district publishes a revised notice containing the same information and comparisons set out below and holds another public meeting to discuss the revised notice.

<b>Maintenance Tax</b>	\$	<u>0.9564</u>	/ \$ 100 (Proposed rate for maintenance and operations)
<b>School Debt Service Tax</b>	\$	<u>0.0800</u>	/ \$ 100 (Proposed rate to pay bonded indebtedness)
<b>Approved by Local Voters</b>			

### Comparison of Proposed Budget with Last Year's Budget

The applicable percentage increase or decrease (or difference) in the amount budgeted in the preceding fiscal year and the amount budgeted for the fiscal year that begins during the current tax year is indicated for each of the following expenditure categories:

Maintenance and operations	_____ % (increase)	or	<u>2.89</u> % (decrease)
Debt service	_____ % (increase)	or	<u>6.37</u> % (decrease)
Total expenditures	_____ % (increase)	or	<u>3.11</u> % (decrease)

### Total Appraised Value and Total Taxable Value (as calculated under Tax Code Section 26.04)

	Preceding Tax Year	Current Tax Year
Total appraised value* of all property	<u>\$39,057,971,500</u>	<u>\$38,387,592,686</u>
Total appraised value* of new property**	<u>\$779,063,028</u>	<u>\$768,130,888</u>
Total taxable value*** of all property	<u>\$35,495,630,574</u>	<u>\$35,185,556,571</u>
Total taxable value*** of new property**	<u>\$1,099,292,575</u>	<u>\$768,130,888</u>

\* "Appraised value" is the amount shown on the appraisal roll and defined by Section 1.04(8), Tax Code.  
 \*\* "New property" is defined by Section 26.012(17), Tax Code.  
 \*\*\* "Taxable value" is defined by Section 1.04(10), Tax Code.

### Bonded Indebtedness

Total amount of outstanding and unpaid bonded indebtedness \$ 272,425,725

### Comparison of Proposed Rates with Last Year's Rates

	Maintenance & Operations	Interest & Sinking Fund *	Total	Local Revenue Per Student	State Revenue Per Sudent
Last Year's Rate	\$0.97005	\$0.08000	\$1.05005	\$10,008	\$0
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	<u>\$0.98502</u>	<u>\$0.05080</u>	<u>\$1.03582</u>	<u>\$9,350</u>	<u>\$404</u>
Proposed Rate	<u>\$0.95640</u>	<u>\$0.08000</u>	<u>\$1.03640</u>	<u>\$9,030</u>	<u>\$404</u>

\* The Interest & Sinking Fund tax revenue is used to pay for bonded indebtedness on construction, equipment, or both. The bonds, and the tax rate necessary to pay those bonds, were approved by the voters of this district.

### Comparison of Proposed Levy with Last Year's Levy on Average Residence

	Last Year	This Year
Average Market Value of Residences	\$ <u>297,353</u>	\$ <u>299,921</u>
Average Taxable value of Residences	\$ <u>280,579</u>	\$ <u>291,535</u>
Last Year's Rate Versus Proposed Rate per \$100	\$ <u>1.05005</u>	\$ <u>1.03640</u>
Taxes Due on Average Residence	\$ <u>2,946</u>	\$ <u>3,021</u>
Increase (Decrease) in Taxes		\$ <u>75</u>

Under state law, the dollar amount of school taxes imposed on the residence homestead of a person 65 years of age or older or of the surviving spouse of such a person, if the surviving spouse was 55 years of age or older when the person died, may not be increased above the amount paid in the first year after the person turned 65, regardless of changes in tax rate or property value.

**Notice of Voter-Approval Rate:** The highest tax rate the district can adopt before requiring voter approval at an election is \$1.0464. This election will be automatically held if the district adopts a rate in excess of the voter-approval rate of \$1.0464.

### Fund Balances

The following estimated balances will remain at the end of the current fiscal year and are not encumbered with or by a corresponding debt obligation, less estimated funds necessary for operating the district before receipt of the first state aid payment :

Maintenance and Operations Fund Balances(s)	\$ <u>146,198,778</u>
Interest & Sinking Fund Balance(s)	\$ <u>13,040,957</u>

A school district may not increase the district's maintenance and operations tax rate to create a surplus in maintenance and operations tax revenue for the purpose of paying the district's debt service

Published on MRT Newspaper on 06/11/2020

## **BUDGET ASSUMPTIONS**

There are several factors that have to be considered when forecasting the financial impact of a particular fund and they are as follows:

- Student enrollment growth rate
- Student attendance rate
- Special population changes
- Changes in assessed valuations
- Delinquent tax collection rate
- Salary schedule considerations
- Programs and course offerings
- Fuel rate volatility
- Electricity rate changes (based on executed contracts)
- Inflationary considerations for insurance and other fixed costs each year
- Staff counts
- Grant funding changes

### **Financial Approach**

- It is the intent of Midland Independent School District to conservatively estimate the resources anticipated under law along with accurate assumptions and values.

### **Financial Department Message**

*For the 2020-21 Fiscal Year's budget, the Board of Trustees works diligently with the administrative staff to maximize limited resources in an effort to meet the needs of our students, teachers, and campuses. The District believes that this budget document displays a strong effort to satisfy the needs of the students and members of our community for the upcoming Fiscal Year. It is the District's goal to provide the best education for our students while being efficient, effective and transparent with the taxpayer funds of Midland ISD.*

*The District appreciates the support provided by the Board Members for the development, implementation, and maintenance of an excellent educational opportunity for the children of Midland ISD.*

*Budget book preparation date: 08/11/2020*