

Bryan ISD – Budget Discussions 2017-18

JULY 25, 2017

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Agenda

1. Revenue Information
 - a) Property Values
 - b) Revenue Estimates
 - c) 2018-19
2. Budget Summary
3. Budget Adoption and Tax Ratification Election Timeline

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Property Value - Certified

	07/2016 Certified M&O	7/2017 Certified M&O	2017 Certified Debt Serv
Assessed	\$ 8,676,223,973	\$ 9,548,434,379	\$ 8,676,223,973
Exemptions	(\$ 1,883,549,085)	(\$ 1,912,304,059)	(\$ 1,722,895,259)
Net Taxable	\$ 6,792,674,887	\$ 7,636,130,320	\$ 7,825,539,120
% Increase		12.42%	11.67%

The above includes both Brazos & Robertson County values.

The difference between Net Taxable for M&O and Debt Service is a 313 agreement.

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Historical Property Value Growth

Year	% Growth
2008-09	10.07%
2009-10	5.03%
2010-11	2.28%
2011-12	6.54%
2012-13	4.51%
2013-14	5.36%
2014-15	12.09%
2015-16	5.03%
2016-17	3.67%
2017-18	12.40%
Average 10 years	6.70%

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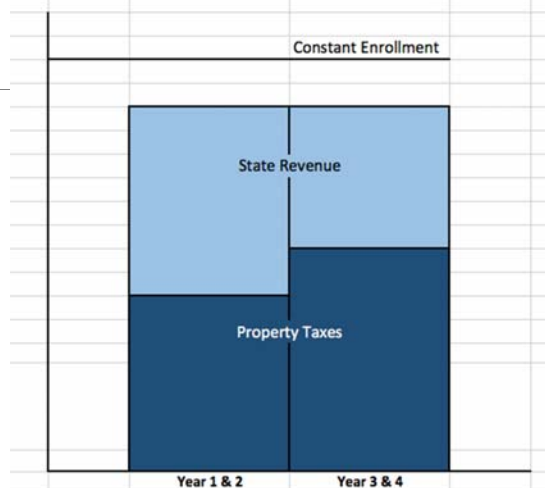
2017-18 Revenue Projections

	Current ADA / 12% Prop Growth \$1.04 tax rate	Current ADA / 12% Prop Growth \$1.06 tax rate
ADA	15,147	15,147
WADA	20,449	20,449
State Revenue	\$ 52,604,004	\$ 55,668,163
Property Tax Revenue	\$ 75,434,613	\$ 76,790,088
TRS on Behalf'	\$ 5,878,200	\$ 5,878,200
313 Settlement / Agreement	\$ 492,460	\$ 492,460
Other Local	\$ 800,000	\$ 800,000
Other Federal	\$ 1,030,000	\$ 1,030,000
	\$ 136,239,277	\$ 140,658,911
Estimated Total Increase		\$ 4,419,634
Estimated Increase in State Revenue		\$ 3,064,159

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Public Education Funding Concept



Conceptual Example of the affect of revenue sources with a growing property tax base and constant enrollment

2018-19 Revenue Discussion

	2017-18	2018-19	Estimated Loss
STUDENT POPULATION HELD CONSTANT	-	-	
PROPERTY VALUE GROWTH	0.12	0.08	
SUMMARY OF TOTAL STATE/LOCAL M&O REVENUE:			
M&O Rev From State	\$ 52,604,004	\$ 44,873,859	\$ (7,730,145)
M&O Rev From Local Taxes	\$ 72,533,284	\$ 78,335,946	\$ 5,802,662
M&O Rev From Local Taxes	\$ 2,901,331	\$ 3,133,438	\$ 232,107
2017-18 TOTAL STATE/LOCAL M&O REVENUE	\$ 127,786,481	\$ 126,071,407	\$ (1,715,074)

To sustain total revenue levels, property value growth must remain constant.
\$1.7 to \$2 million of 17-18 Revenue should be considered one year only.

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2017-18 of General Fund

Summary of additions:

- Healthcare plan increases
- Special Education Staffing
- Staffing increases for realignment and grade level enrollment increases
- 3% of the midpoint rate increase for auxiliary and paraprofessional staff
- Estimated raise amount for professional and administrative staff
- TRS rate increases
- Buses (7)
- CCTV upgrades
- General Inflation

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2017-18 General Fund

Excludes:

Rider 78 – Highly Qualified PK

This is estimated to be approximately \$700,000 over 2 years. It is to include items that are currently funded by the Highly Qualified PK grant received by Bryan ISD for 1 more year.

The implementation and requirements are uncertain at this time.

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Estimated General Fund 2017-18

Budget Assumptions:

Enrollment – held constant

Property Value Growth – 12.4%

Tax Rate - \$1.04 per \$100 value

Estimated Revenue \$1.04 Property Tax Rate/per \$100 value	\$ 136,239,277
Estimated General Fund Budgeted Expenditures	\$ 139,850,009
Estimated Shortfall	(\$ 3,610,732)

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Compensation Plan Discussion -

Below is pending the results of the Legislative Special Session--

Hire In Teacher Salary Schedule – Market Increases with more emphasis on 12 plus years of experience.

Expand the High-In Schedule to include 25 to 30 years experience.

Midpoint raise for all eligible staff professional and administrative staff.

Below has been approved by the Board of Trustees --

Market adjustments for Principals and Assistant Principals.

3% of the midpoint raise for eligible paraprofessional and auxiliary staff.

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Timeline – Budget Adoption

Date	Description
06/26/2017	2 nd Budget Workshop
07/15/2017	Potential Special Legislative Session
07/17/2017	Update on the 2017-18 Budget – potentially adopt raises
07/25/2017	Final date for certified property values
07/25/2017	Final review of the budget by Board of Trustees prior to adoption
07/28/2017	Advertise the public hearing and budget adoption in the newspaper and website
08/07/2017	Public hearing on the budget and tax rate – adopt the tax rate and budget



Timeline - Pending Tax Ratification Election

Date	Description
08/07/17	Adoption of the tax rate and Order to Call the Election by the Board of Trustees
09/25/17 – 10/06/17	Early Voting
10/07/17	Election Day

The above avoids the uniform election date in an effort to accommodate the option of split property tax payments and accurate invoicing to taxpayers.
Timeline for invoicing will be coordinated with the Brazos County Tax Office



Debt Service



Debt Service Fund

Principal & Interest Payments	\$ 20,346,531
Fees	\$ <u>7,500</u>
Estimated payments and fees	\$ 20,354,031
State Funds Applied to Debt Payments	\$ <u>224,000</u>
Amount needed from Property Taxes	\$ 20,130,031
Current Debt Rate	\$.3100
Estimated 2017-18 Rate	\$ <u>.2800</u>
Net Reduction	(\$.0300)



Summary Recommendations

Adopt the General Fund budget at the current tax rate of \$1.04 for revenue

Increase the Maintenance & Operations Tax Rate from \$1.04 to \$1.06

- Generates an estimated \$3 million of state revenue
- Increases property tax revenue by \$1.4 million

Decrease the Debt Service tax rate from \$.31 to \$.28

	<u>2016-17 Tax Rate</u>	<u>2017-18 Recommended Tax Rate</u>
M&O	\$1.04	\$1.06
Debt Serv	<u>\$0.31</u>	<u>\$0.28</u>
Total	\$1.35	\$1.34



Food Service



Food Service Fund – change to a Special Revenue Fund

For 2017-18, the Food Service Fund will be reported as a Special Revenue Fund.

As a Special Revenue Fund

- Capital assets will be expensed instead of depreciated.
- Some revenue codes will change
- The fund will still be self supporting
- The fund will continue to contribute to the utility expenses of the District

A Budget Amendment for 2016-17 will be submitted to make the reporting transition for the current year.



Discussion and Questions

