

ABILENE INDEPENDENT SCHOOL DISTRICT

ANNUAL PROPOSED BUDGET 2019 – 2020



School Board Members

Randy Piersall.....	President
Daryl Zeller.....	Vice President
Cindy Earles.....	Secretary
Angie Wiley.....	Assistant Secretary
Samuel Garcia.....	Member
Dr. Danny Wheat.....	Member
Bill Enriquez.....	Member

Presented by: Dr. David Young, Superintendent of Schools
 Melissa Irby, CPA, Chief Financial Officer



Abilene Independent School District

241 Pine Street • Abilene, Texas 79601 • (325) 677-1444

August 22, 2019

To: Dr. David Young, Superintendent of Schools
From: Melissa Irby, Chief Financial Officer
Subject: Preliminary Budget Document for 2019-2020

The preliminary expenditure budgets for the 2019-2020 school year are as follows:

General Fund	\$139,128,481
Student Nutrition Fund	\$11,114,285
Debt Service Fund	\$17,894,022
Internal Service Fund	\$640,000

The preliminary expenditure budget for General Fund and Debt Service is based on an assumed tax rate of \$1.3214.

Funding at this level provides for the following major changes in the General Fund:

- Provides \$6,100,000 to fund pay increases for staff;
- Provides equity adjustments of \$308,505;
- Increases fine arts budget by \$170,000;
- Increases technology budget by 659,026.

Funding at this level will result in an estimated surplus budget of \$2,458,982 in the General Fund.

Property values are up this year by 4.19%. Attendance assumptions that have been used for 2019-20 are based on trends over the past three to five years. Compensatory education, and gifted and talented is projected to be flat. Bilingual ADA and Career and Technical Education are projected to continue to increase while special education FTE's are expected to continue decline but only slightly.

Based on the attendance assumptions used for 2019-20 state funding for the district is projected to be about \$11.5 million more than 2018-19 funding estimates. This is attributable to the legislature passing House Bill 3. Based on the passing of HB 3, the district will have an estimated reduction in local property tax revenue of \$2.0 million.

Supplemental information is provided regarding property taxes, historical ADA, fund balances and other information.

**ABILENE INDEPENDENT SCHOOL DISTRICT
PROPOSED BUDGET - SUMMARY
2019-20**

	Governmental Fund Types			Proprietary Fund Type
	General Fund	Student Nutrition Fund	Debt Service Fund	Internal Service Fund
Revenues				
Local	\$ 48,284,857	\$ 3,280,079	\$ 16,554,617	\$ 640,000
State	90,111,606	334,449	1,339,405	-
Federal	3,191,000	7,553,058	-	-
Total	<u>141,587,463</u>	<u>11,167,586</u>	<u>17,894,022</u>	<u>640,000</u>
Expenditures				
Instruction	77,757,195	-	-	-
Instructional Resources and Media Services	2,066,081	-	-	-
Curriculum and Instructional Staff Development	2,127,156	-	-	-
Instructional Leadership	3,079,700	-	-	-
School Leadership	8,829,172	-	-	-
Guidance, Counseling and Evaluation Services	5,659,936	-	-	-
Social Work Services	930,759	-	-	-
Health Services	2,102,466	-	-	-
Student Transportation	4,815,306	-	-	-
Food Service	-	10,765,660	-	-
Cocurricular and Extracurricular Activities	4,817,542	-	-	-
General Administration	4,924,272	-	-	640,000
Plant Maintenance and Operations	14,327,559	48,625	-	-
Security and Monitoring Services	663,658	-	-	-
Data Processing Services	5,459,766	-	-	-
Community Services	552,914	-	-	-
Debt Services	380,000	-	17,894,022	-
Facilities Acquisition and Construction	-	300,000	-	-
Payments to JJAEP	135,000	-	-	-
Other Intergovernmental Charges	500,000	-	-	-
Total	<u>139,128,481</u>	<u>11,114,285</u>	<u>17,894,022</u>	<u>640,000</u>
Excess Revenues Over/(Under)				
Expenditures	<u>\$ 2,458,982</u>	<u>\$ 53,301</u>	<u>\$ -</u>	<u>\$ -</u>

**ABILENE INDEPENDENT SCHOOL DISTRICT
PRELIMINARY BUDGET
GENERAL FUND - EXPENDITURES
2019-20**

Function	Payroll	Professional and Contracted Services	Materials and Supplies	Other Operating Costs	Debt Service	Capital Outlay	Total	% of Budget	
								2019-20	2018-19
Instruction	\$ 71,057,039	\$ 2,810,010	\$ 3,391,088	\$ 440,043	\$ -	\$ 59,015	\$ 77,757,195	55.88%	56.80%
Instructional Resources and Media Services	1,351,500	350,113	343,079	21,389	-	-	2,066,081	1.49%	1.44%
Curriculum and Instructional Staff Development	1,687,901	139,350	55,950	243,955	-	-	2,127,156	1.53%	1.40%
Instructional Leadership	2,788,677	32,386	184,156	74,481	-	-	3,079,700	2.21%	2.34%
School Leadership	8,536,223	74,535	87,994	130,420	-	-	8,829,172	6.35%	6.57%
Guidance, Counseling and Evaluation Services	5,479,157	69,137	61,220	50,422	-	-	5,659,936	4.07%	3.85%
Social Work Services	880,484	46,400	400	3,475	-	-	930,759	0.67%	0.67%
Health Services	1,996,876	16,366	81,039	8,185	-	-	2,102,466	1.51%	1.51%
Student Transportation	3,271,512	130,050	1,027,262	49,482	-	337,000	4,815,306	3.46%	3.03%
Cocurricular and Extracurricular Activities	2,401,709	410,692	706,962	1,298,179	-	-	4,817,542	3.46%	2.71%
General Administration	3,590,139	693,234	206,686	434,213	-	-	4,924,272	3.54%	3.73%
Plant Maintenance and Operations	8,455,756	3,936,696	1,628,648	52,859	-	253,600	14,327,559	10.30%	10.55%
Security and Monitoring Services	75,000	586,858	800	1,000	-	-	663,658	0.48%	0.30%
Data Processing Services	2,042,282	1,629,247	867,161	121,076	-	800,000	5,459,766	3.92%	3.87%
Community Services	494,301	13,250	15,991	29,372	-	-	552,914	0.40%	0.46%
Debt Service	-	-	-	-	380,000	-	380,000	0.27%	0.29%
Facilities Acquisition and Construction	-	-	-	-	-	-	-	0.00%	0.00%
Payments to JJAEP	-	135,000	-	-	-	-	135,000	0.10%	0.10%
Other Intergovernmental Charges	-	500,000	-	-	-	-	500,000	0.36%	0.38%
Total	\$ 114,108,555	\$ 11,573,324	\$ 8,658,436	\$ 2,958,551	\$ 380,000	\$ 1,449,615	\$ 139,128,481	100.00%	100.00%
% of Budget	82.02%	8.32%	6.22%	2.13%	0.27%	1.04%	100.00%		
2018-19 Total	\$ 111,400,565	\$ 10,053,470	\$ 7,395,421	\$ 2,496,586	\$ 380,000	\$ 756,666	\$ 132,482,708		
% of Budget	84.09%	7.59%	5.58%	1.88%	0.29%	0.57%	100.00%		

**ABILENE INDEPENDENT SCHOOL DISTRICT
PRELIMINARY BUDGET
GENERAL FUND - SUPPORTING INFORMATION
2019-20**

Property Taxes – Current

The following assumptions and estimates were used when computing the budget for current tax revenue:

Net taxable value @ 7/22/19 (certified)	\$ 4,998,546,544
Less: Freeze values (Over 65/Disabled)	<u>(530,362,483)</u>
Freeze adjusted taxable value	4,468,184,061
Multiply: Assumed tax rate	1.3214
Divide: Rate per \$100 of property value	<u>100</u>
Tax levy before freeze levy	59,042,584
Budgeted collection percentage	<u>98.3%</u>
	58,038,861
Add: Freeze levy	<u>4,210,613</u>
Budgeted tax collections	62,249,474
Less: Interest & Sinking tax collections	<u>(16,554,617)</u>
Budgeted M & O tax collections	<u><u>\$ 45,694,857</u></u>

The 2019-20 assumed tax rates are:

Maintenance & Operations	\$ 0.9700
Interest & Sinking	<u>0.3514</u>
Total assumed tax rate	<u><u>\$ 1.3214</u></u>

Historical information:

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Net taxable value	<u>\$ 4,280,261,809</u>	<u>\$ 4,469,378,022</u>	<u>\$ 4,647,033,634</u>	<u>\$ 4,841,606,467</u>
Percent increase from prior year	<u>1.40%</u>	<u>4.42%</u>	<u>3.97%</u>	<u>4.19%</u>
Tax rates:				
Maintenance & Operations	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
Interest & Sinking	0.1706	0.1641	0.1583	0.1624
Total tax rate	<u>\$ 1.2106</u>	<u>\$ 1.2041</u>	<u>\$ 1.1983</u>	<u>\$ 1.2024</u>
Tax levy	<u>\$ 49,964,696</u>	<u>\$ 51,944,747</u>	<u>\$ 53,839,804</u>	<u>\$ 56,157,604</u>

**ABILENE INDEPENDENT SCHOOL DISTRICT
PRELIMINARY BUDGET
GENERAL FUND - SUPPORTING INFORMATION
2019-20**

Foundation/Per Capita

The chart below reflects the state revenue, average daily attendance (ADA) and weighted average daily attendance (WADA) for the past three years. In addition, the ADA and WADA projections that were used in estimating the 2019-20 state revenue are included.

	2016-17	2017-18	2018-19 Preliminary	2019-20 Proposed
State revenue (foundation/per capita)	\$ 73,275,785	\$ 73,153,346	\$ 71,011,416	\$ 82,741,605
Refined ADA	15,478.060	15,225.014	15,035.000	15,000.000
Refined ADA (Grades 9-12 only)	4,039.896	4,013.557	3,807.600	3,810.000
Special Education FTE's:				
Homebound	0.292	0.359	0.426	0.385
Hospital class	0.426	1.584	0.755	1.283
Speech therapy	26.173	29.118	34.001	34.034
Resource room	337.317	398.302	447.462	447.514
Self-contained	184.783	182.644	181.467	180.916
Vocational adjustment class	21.330	21.228	20.866	18.967
Residential care	21.992	19.735	16.664	17.440
Mainstream ADA	300.707	253.958	255.592	253.745
Career and technology FTE's	712.569	715.523	665.083	675.000
Advanced CTE FTE's	92.283	137.634	-	-
Compensatory education*	11,426.000	11,612.170	11,612.170	11,600.000
Pregnant students FTE's	4.362	4.899	3.458	-
Bilingual ADA	792.247	849.367	906.387	-
Bilingual ADA - LEP Students				173.000
Bilingual ADA - Dual Language Immersion				192.000
Bilingual ADA - Non-LEP Dual Language				19.000
Dyslexia Enrollment				281.000
Early Education ADA				752.000
Gifted and talented**	773.903	761.251	751.750	-
Weighted ADA (WADA)	20,404.750	20,264.732	20,158.028	19,927.274

* Computed using best six month average of approved free and reduced breakfast/lunch pupils through 2018-19.

** Limited to a maximum of 5% of refined ADA (removed allotment effective 2019-20).

TRS On-Behalf

Eligible district employees have a percentage of their salaries withheld that is remitted to TRS for future retirement benefits. In addition, the State pays matching funds to the TRS on behalf of the employees. These funds are paid by the State directly to TRS and do not flow through the District. These matching amounts paid by the State must be recorded by the District as on-behalf payment revenues and expenditures in accordance with required accounting principles. The on-behalf expenditures are included in the payroll budget and offset the State on-behalf revenue amount of \$6,600,000.

**ABILENE INDEPENDENT SCHOOL DISTRICT
PRELIMINARY BUDGET
GENERAL FUND - SUPPORTING INFORMATION
2019-20**

Fund Balance

The fund balances in the General Fund as of August 31 audited financial statements were as follows:

	2015	2016	2017	2018
Nonspendable Fund Balance				
Investment in Inventory	\$ 760,065	\$ 814,821	\$ 720,847	\$ 775,123
Prepaid Items	1,920	20,725	8,321	11,867
Restricted Fund Balance				
Retirement of Long-term debt	1,169,694	1,498,963	1,841,865	2,198,726
Committed Fund Balance				
Construction	822,684	854,967	889,248	909,598
Other (Shotwell Improvements)	684,263	620,445	734,728	766,854
Assigned Fund Balance				
Construction	-	-	-	-
Outstanding Encumbrances	1,606,124	1,835,474	1,457,567	821,081
Unassigned Fund Balance	28,133,464	29,526,649	32,034,247	34,109,892
Total	\$ 33,178,214	\$ 35,172,044	\$ 37,686,823	\$ 39,593,141

Per Pupil Campus Allocations

Campus budgets are established by estimating pupil ADA for the following year and administratively setting a per-pupil amount. The campus allocation is used by the campus administrator to provide for non-payroll costs such as repairs, supplies, travel and equipment. It is used for instruction, instructional resources (LRC), staff development, campus administration, counseling and student extracurricular functional expenditures. It is not used to cover athletic or maintenance (e.g., utilities) costs. Following are the per-pupil allocation rates used for 2019-20 (an increase of \$3 from 2018-19):

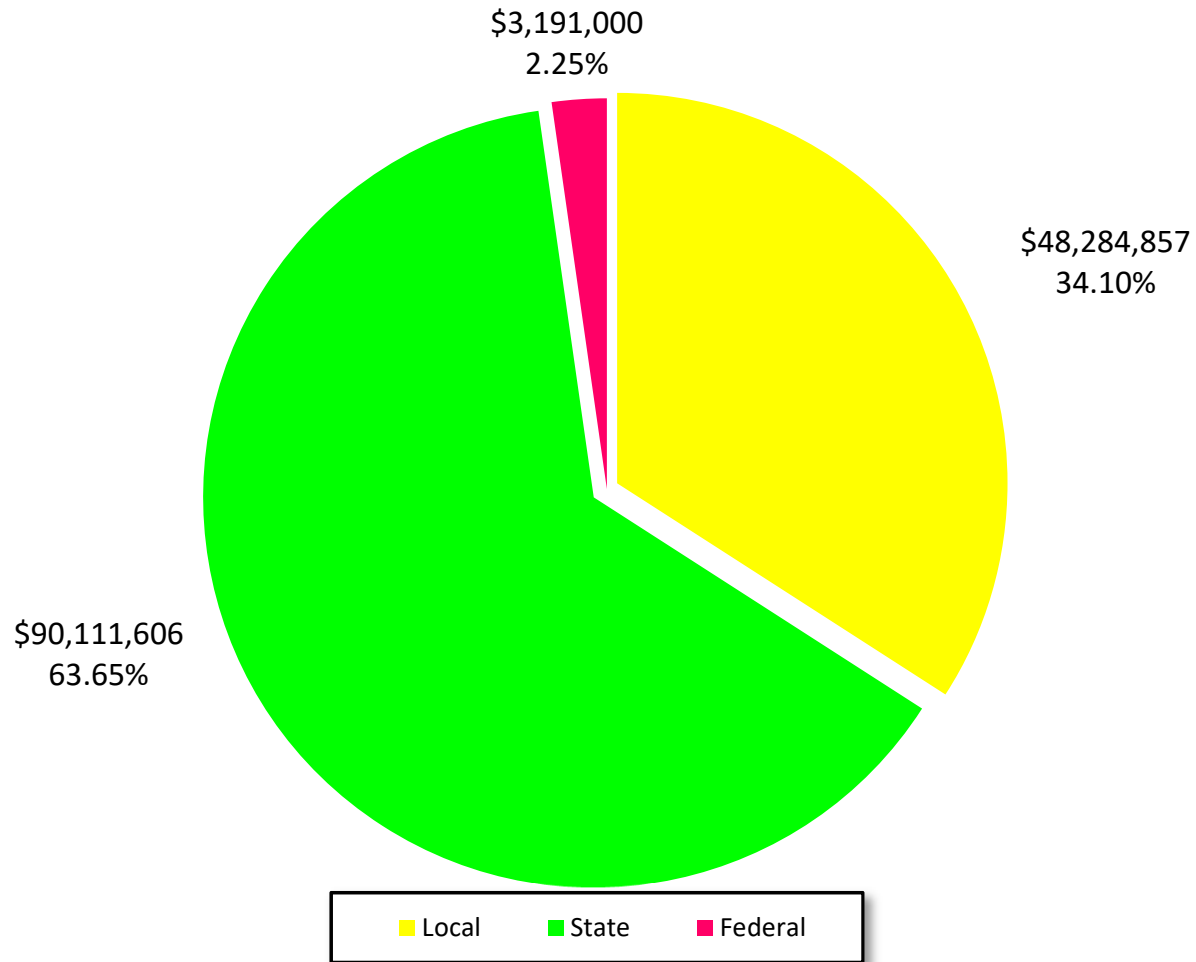
High School	\$196
Middle School	\$135
Elementary	\$116

Outstanding Encumbrances

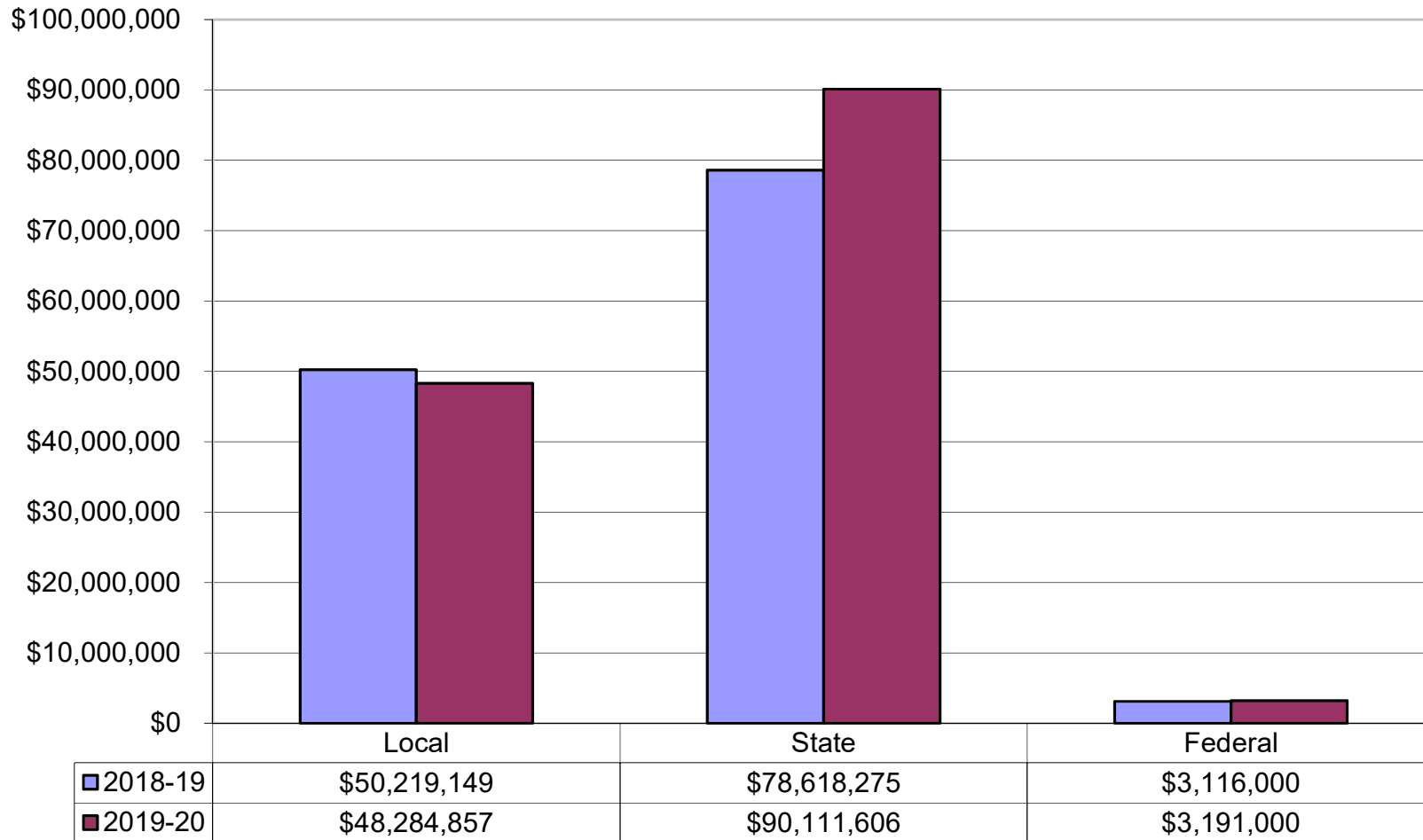
Budgets are the legal authority for expenditures. To exercise this authority, the District must have accurate up-to-date information on the status of budget balances at all times. Knowing how much money is spent is generally not sufficient. The amount committed must also be known to avoid over expenditure of budgeted funds. Encumbrances represent commitments related to contracts not yet performed and are used to control expenditures for the year and to enhance cash management. At the time these commitments are made, a purchase order is prepared and the appropriate account is checked for available funds. If an adequate balance exists, the amount of the purchase order is immediately charged to the account to reduce the available balance for control purposes. The encumbrance does not represent an expenditure for the period, only a commitment to expend resources.

Prior to the end of the year, every effort is made to liquidate all outstanding encumbrances. When encumbrances are outstanding at the fiscal year end, the District will honor the open purchase orders that support the encumbrances. For reporting purposes, outstanding encumbrances are not considered expenditures for the fiscal year. The appropriation authority expires at year-end; however, the items represented by the encumbrances are re-appropriated in the subsequent year's budget and will be reflected as expenditures in that year. During September, a budget amendment will be presented to the Board of Trustees that will allocate outstanding encumbrances to the proper expenditure accounts.

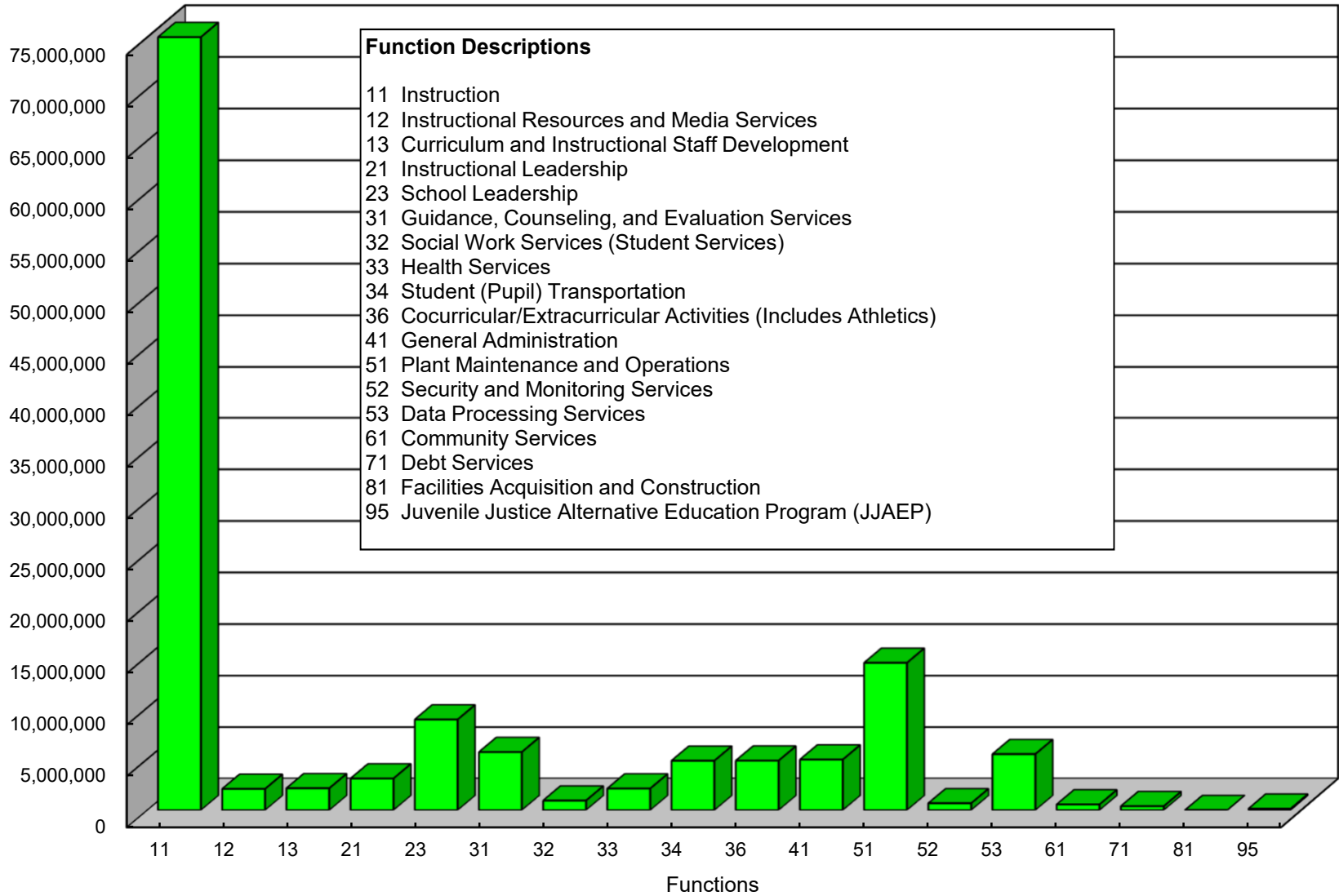
2019-2020 Budgeted General Fund Revenue



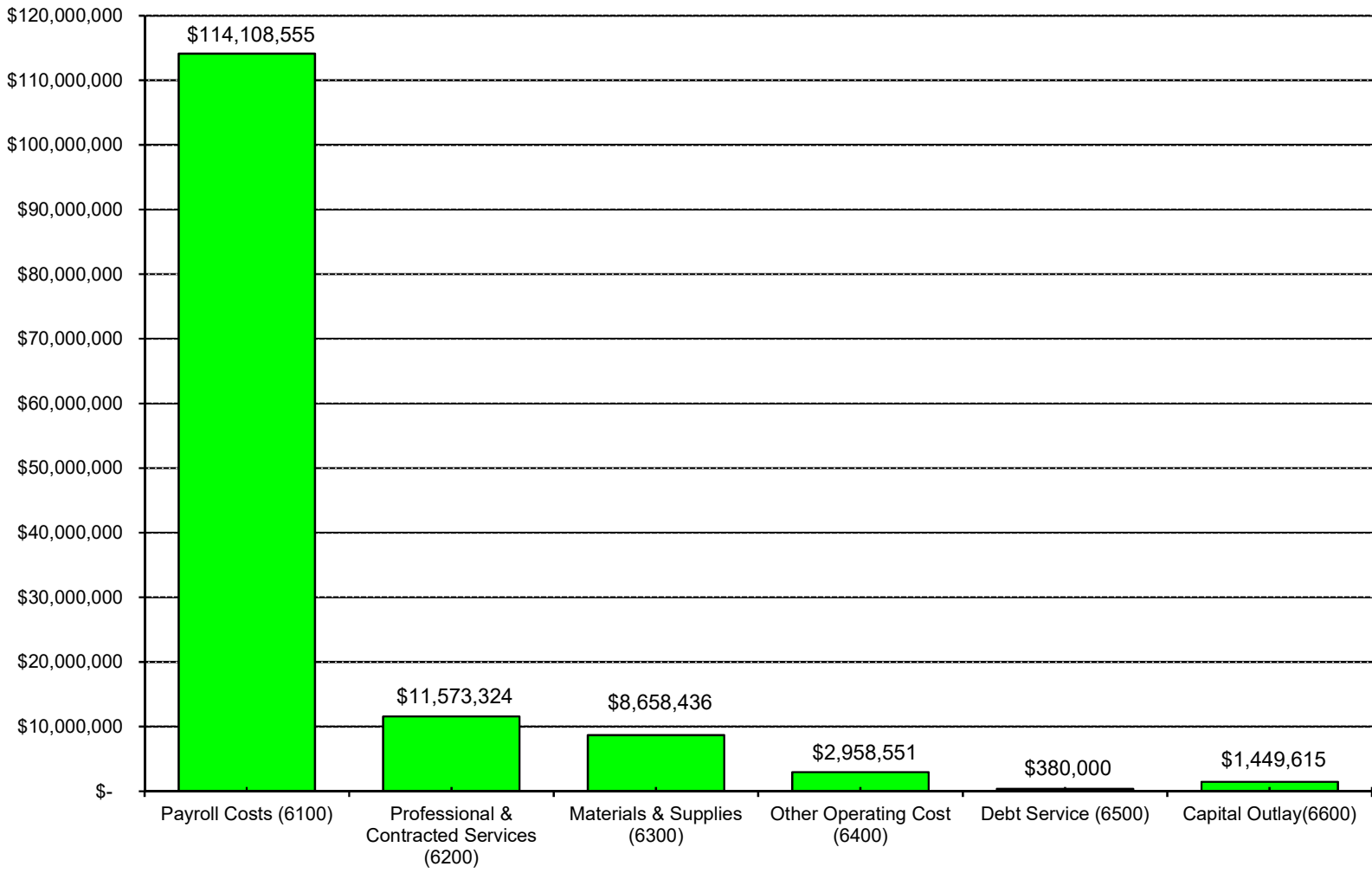
Budgeted General Fund Revenue Comparison



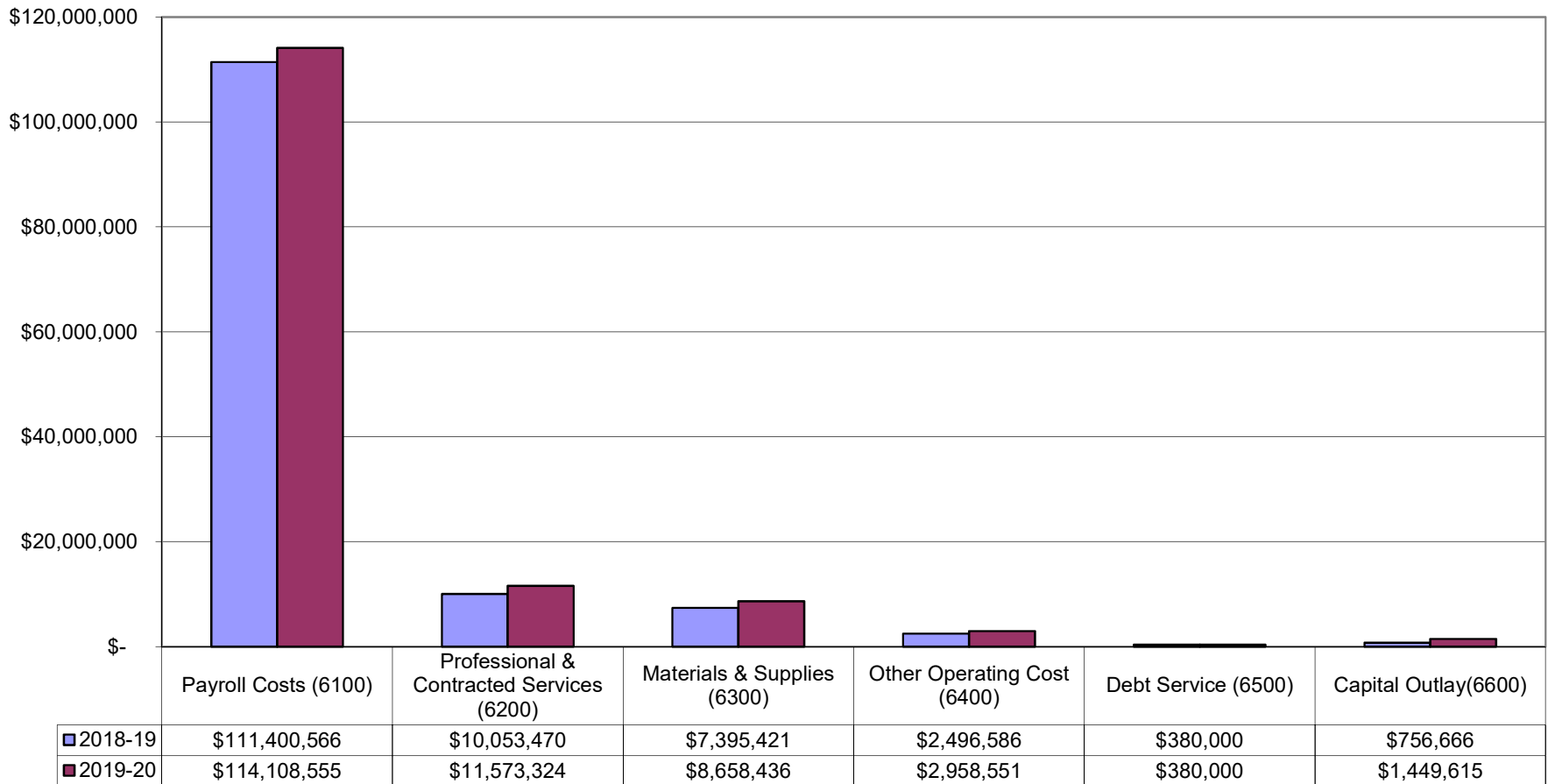
2019-20 General Fund Budget by Function



2019-20 General Fund Budget by Object

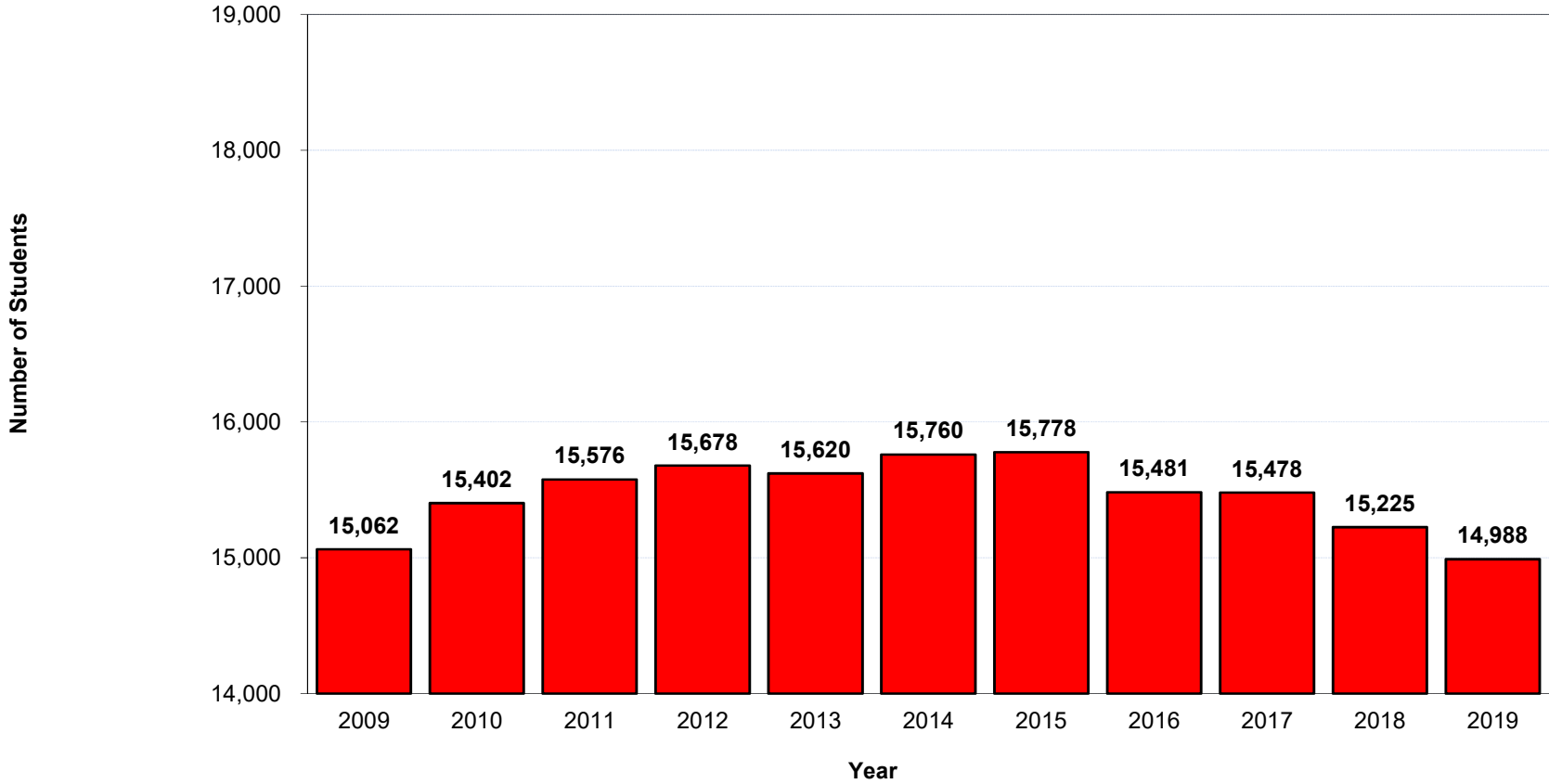


Budgeted General Fund Expenditure Comparison

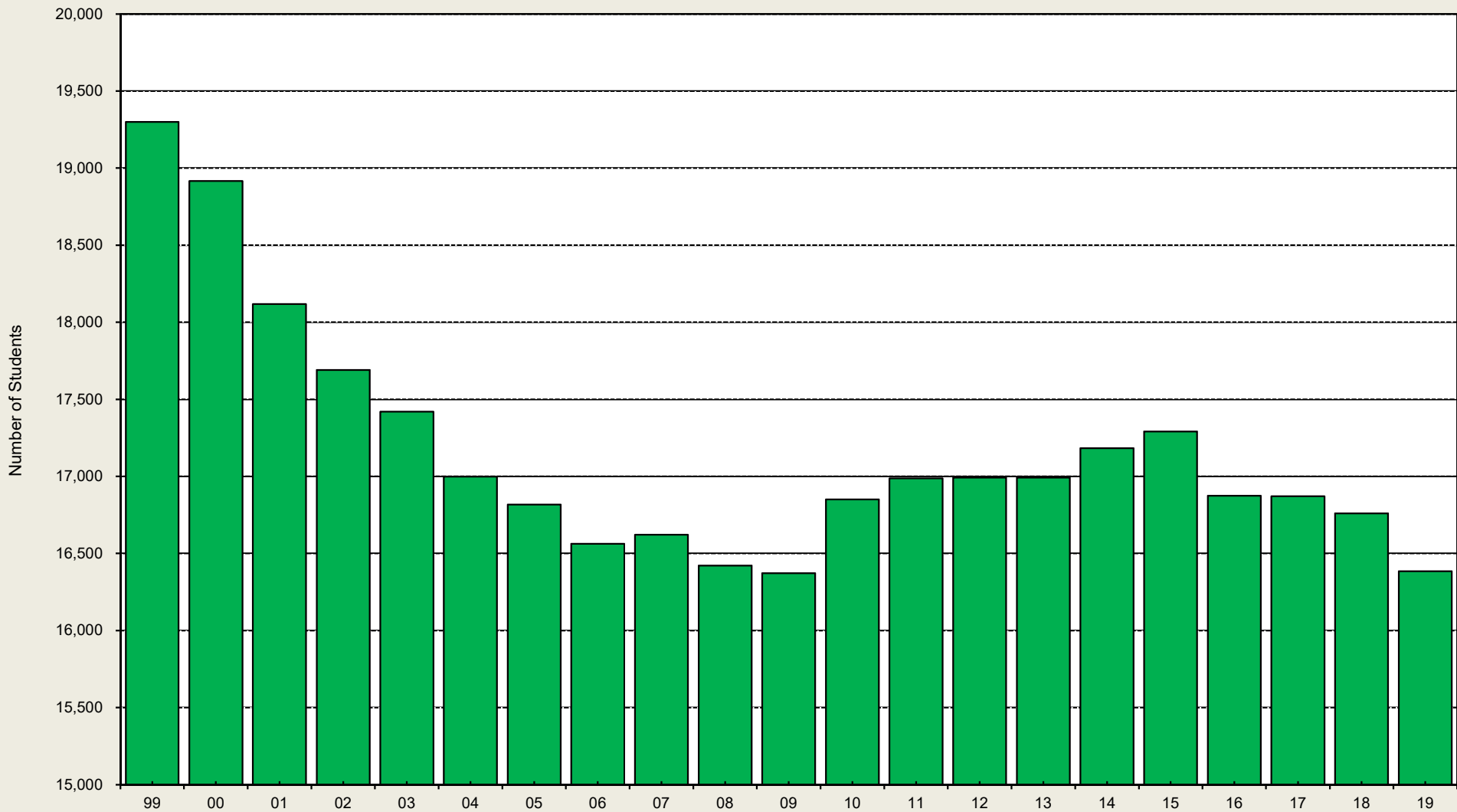


AISD's Average Daily Attendance

For the School Years Ending August 31



AISD's Enrollment History Since 1999



Unassigned Fund Balance

For Fiscal Years Ending August 31

