

Date: June 10, 2019

Division: Finance

Subject: Instructional Materials Allotment Funding and Associated Proposed Budget Amendment

Background Information:

- Senate Bill 6 from the 82nd Texas Legislature, First Called Session, 2011, created an instructional materials allotment (IMA) for the purchase of instructional materials, technological equipment, and technology-related services.
- Each district and open-enrollment charter school is entitled to an IMA. The amount of the IMA is determined biennially by the commissioner and is based on the legislative appropriation.
- Districts and open-enrollment charter schools have access to their allotment through the educational materials ordering system known as EMAT.
- Instructional materials are primarily funded with the IMA.
- In the 2017-19 biennium the LISD allotment was \$10,005,798
- In the 2015-17 biennium the LISD allotment was \$10,595,846
- New biennium IMA funds are allotted at the conclusion of the Legislative Session. While the session ended Monday, May 27, 2019, the funds are not available in the EMAT system until the Governor signs the biennium budget bill and TEA releases the funds to local school districts. TEA anticipates needing approximately two weeks after the Governor signs the budget bill in order to allocate funds to local school districts.
- The IMA funding from the previous biennium budget was not made available until late July.

Administrative Consideration:

- The Board approved the recommended language arts materials recommended on April 15th, 2019.
- As described in a previous weekly update, the coinciding of a legislative session with one of the largest content area material adoptions creates challenges.
- The student materials ordered through this allotment include new adoptions and annual recurring needs from other instructional material purchases.
 - The current carryover of the IMA from the 2017-19 biennium is \$6,132,264
 - With the anticipation of such a large material adoption with language arts the district had conservatively reserved this \$6.1M in the IMA budget to have as carryover.
 - The cost to support the 2019-2020 annual recurring instructional material needs is \$152,492.
 - The total cost to support the language arts adoption is \$7,414,774.
 - The total cost to support current instructional material needs and the language arts adoption is \$7,567,266.

- Since, this combined cost is more than what is available in the carryover IMA fund by \$1,435,002, staff is requesting the ability to utilize local funds from the General Fund to minimize the risk of not being able to order the materials needed and allow time for shipment and processing.
- These expenditures would be reimbursed with IMA funds in the 2019-2020 fiscal year.
- LISD has not requested using this approach in the past as it relates to IMA purchases. However, considering the constraints described, LISD may want to consider this strategy in the future should similar circumstances require it.
- A budget amendment is needed to appropriate funds for the expenditure in the event that reimbursement is not received prior to the end of the current fiscal year.
 - Proposed increase to the total appropriations budget in the amount of \$1,435,002.

Recommendations:

- That the Board of Trustees approve the expenditure from the General Fund in the amount of \$1,435,002 and the associated budget amendment for Instructional Materials to be reimbursed from the Instructional Materials Allotment when those funds are release by Texas Education Agency.

Timeline/Report:

- Effective Upon Approval