



# Community Budget Advisory Committee

September 26, 2018

# Brief Review of Last Meeting

- **Two Buckets of Money – Can't be Mixed**
- **Student Needs Are Increasing**
  - **Costs increase to meet those needs**
- **State Funds Decreasing as Costs Rise**
- **Recapture is Now a Factor for LISD**
  - **\$34.5 Million in 2018-19 Fiscal Year**

# Two Buckets of Funding – Can't be Mixed



## Student Needs

### Gifted/Talented (G/T)

Students who perform or show the potential to perform at a remarkably high level of accomplishment when compared to others of the same age, experience, or environment in areas defined by TEA

### Special Education

Students with autism, emotional disturbances, learning disabilities, speech impairments, visual impairments, medically fragile, or have severe cognitive delays, etc.

### English Language Learners

Over 85 languages spoken in LISD with students arriving at all different grade levels speaking various levels of English and educational backgrounds.

### Dyslexia

Students who are identified from specific dyslexia testing

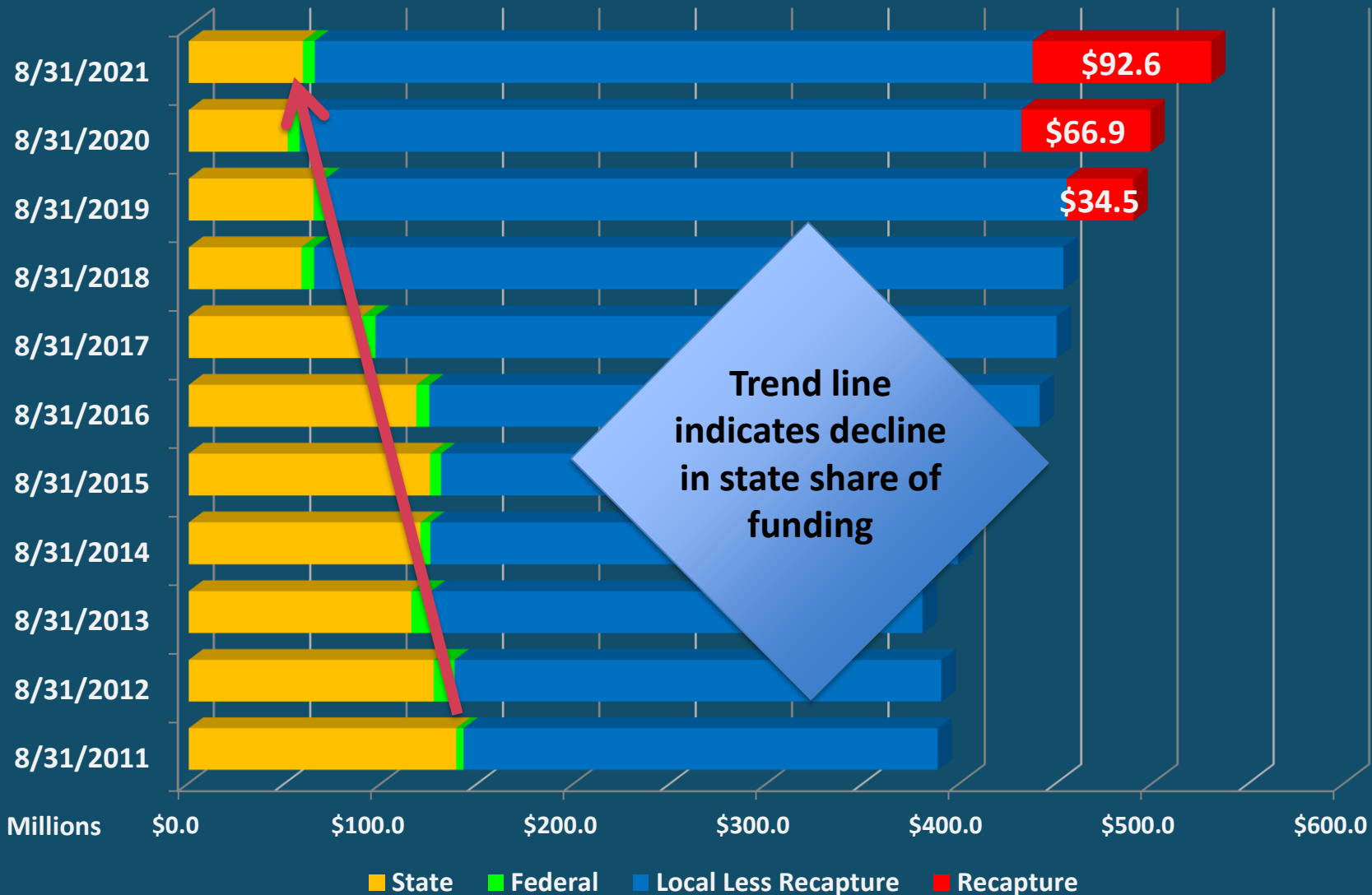
### Economically Disadvantaged

Students whose parents qualify for free and reduced lunch. Often the meals provided at school are the most consistent food students receive.

### Career and Technical Education (CTE)

Programs that provide students career preparation in health science, engineering, manufacturing, graphic design, and animal science, etc.

# 10-Year Context



# Here's How It Works

## Actual Projected Amounts

Last Year's (2017) Property Values	\$35,372,317,892
2018-19 Projected WADA	62,520
Projected Property Value per Student	\$ 565,776

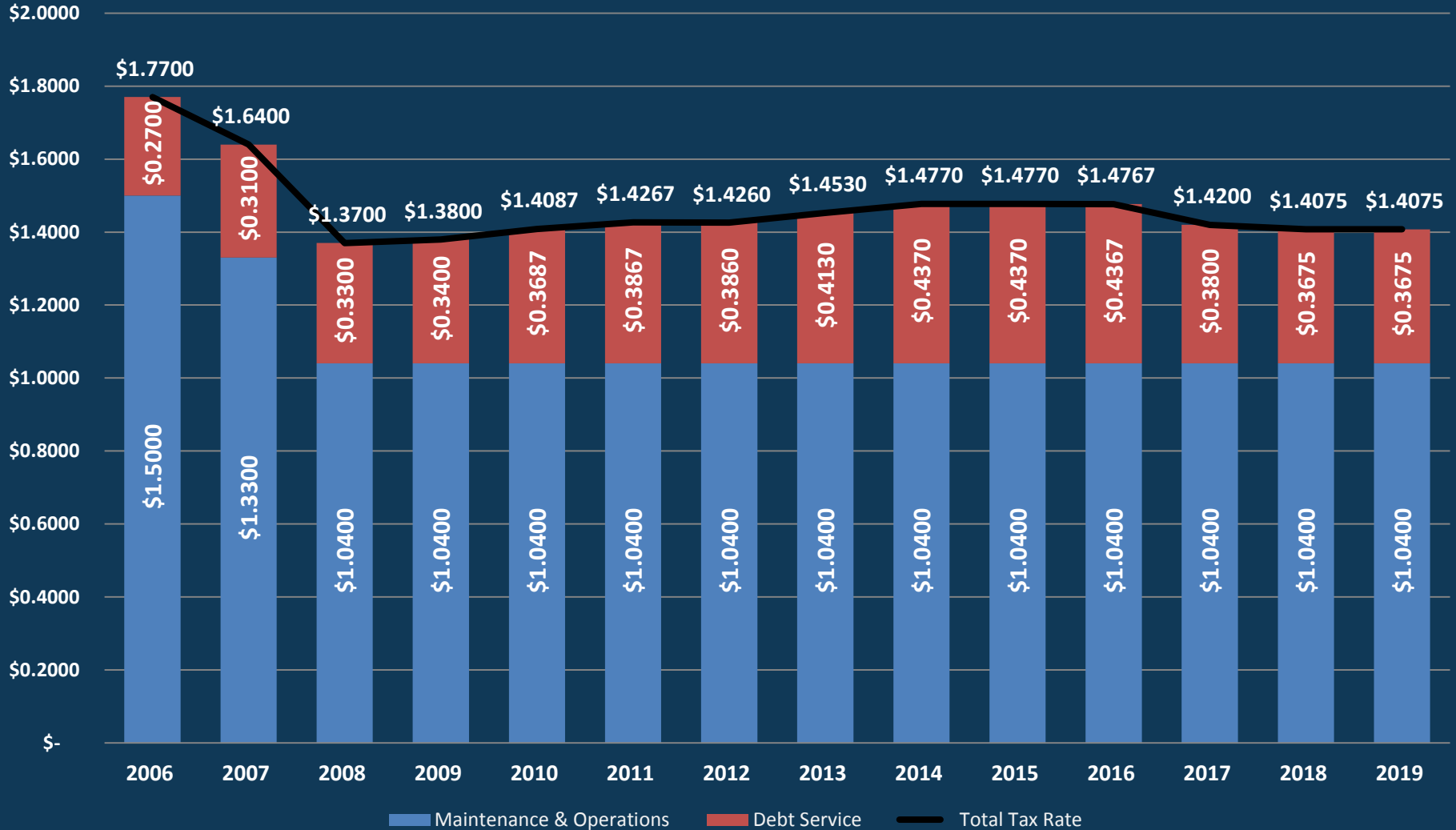
## "Equalized" Property Value per Student

Tax Base Retained (WADA x \$514K +/- Adj)	\$32,135,188,508
Projected Taxes on Actual Prop Values	\$ 400.4 million
Projected Taxes on "Equalized" Values	<u>\$ -365.9 million</u>
Local Tax Money must be Paid to State	\$ 34.5 million

# Resource Stewardship



# Tax Rates Prior to Compression





# The Future



# 3-Year Budget Outlook

(in Millions)

	2018-2019	2019-2020	2020-2021
Local Revenues	\$ 418.9	\$ 441.3	\$ 465.0
State Revenues	64.7	54.1	61.9
Federal Revenues	<u>6.2</u>	<u>6.2</u>	<u>6.2</u>
Total Revenues	<u>489.8</u>	<u>501.6</u>	<u>533.1</u>
Salaries & Benefits	379.3	386.7	394.6
Non Payroll Expenditures	84.7	85.6	86.5
Recapture Payments	<u>34.5</u>	<u>66.9</u>	<u>92.6</u>
Total Expenditures	<u>498.5</u>	<u>539.2</u>	<u>573.7</u>
Projected Surplus (Deficit)	\$ <u>(8.7)</u>	\$ <u>(37.6)</u>	\$ <u>(40.6)</u>
Projected Ending Fund Balance	\$ <u>145.9</u>	\$ <u>108.3</u>	\$ <u>67.7</u>

# How Tax Rates affect Recapture

	<u>Tax Rate</u>	<u>2018-19 Wealth per WADA</u>	<u>Statutory Authority</u>
1st EWL*	\$1.00	\$514,000	TEC 41.002 (1) and Gen. Approp. Act – Art. III
2nd EWL	0.06 ***	Unlimited**	TEC 41.002 (2)
3rd EWL	<u>0.11</u> ***	\$319,500	TEC 41.002 (3)
Max. M&O Rate	\$1.17		

\* EWL = Equalized Wealth Level

\*\* Requires Legislature to appropriate guaranteed yield on equivalent tax rate at same yield as Austin ISD

\*\*\* Election required for this tax rate

# Already Done for 2018-19

- **Staffing reductions**
  - **Achieved savings**
  - **Used some savings to enhance Safety and Security**
    - **School Resource Officers at all Secondary Campuses**
    - **Student Assistance Counselors**
- **Determine tolerance for class-size waivers**
- **Substitute cost reductions (25%)**
- **Reductions in non-payroll budgets**
- **Continuation of review of all non-campus openings**

# Ticket Items



## Behavior Intervention Specialists

Assign specialists to multiple campuses to provide support before having to take disciplinary action. Support behavioral Rtl.

**NO**



## College and Career Counselors

Providing this position would support conversations to implement class rank changes and provide a comprehensive college and career readiness curriculum.

**NO**



## School Resource Officers

This would provide for an addition of 8 SROs for middle schools. This would place a full time SRO at each middle school.

**YES**

# ADMIT 3-5

Student Assistance  
Counselors



35077882873

## Student Assistance Counselors

This position would provide assistance to support the social and emotional challenges that can impede academic success.

YES

# ADMIT 1

GT/LEAP Facilitator



35077882873

## GT/LEAP Facilitator

There have been no additions the last two years for GT despite the increase in numbers. Additional position will serve growing populations at Vickery and Southridge.

NO

AVID at  
Additional  
Secondary  
Schools

NO

# AVID

Follow up from previous  
Board discussion



35077882873

# Future Action Steps

- Help us look at all viable options for balancing future budgets
- Everything will be on the table for consideration:
  - Expenditure reductions or Revenue increases
  - No “sacred cows”
  - What do we value?

# Staffing Presentation

Dr. Buddy Bonner





# Lewisville ISD Guiding Principles

## Vision

- All of our students enjoy thriving, productive lives in a future they create.

## Mission

- Students, staff and community design and implement a learning organization that provides engaging, innovative experiences every day.



# Payroll Costs in Budget

Lewisville ISD payroll costs are 81.73% of total budget net of recapture.

Payroll costs	\$379,280,913
Recapture	\$34,476,000
Total expenditures	\$498,509,815

Total expenditures – Recapture =  
Expenditures net of Recapture \$464,033,815

Payroll costs / Expenditures net of Recapture = 81.73%

# Payroll Costs in Budget

The District employs 6,544 people in 6,336.26 positions full-time equivalent (FTE) positions. Average payroll costs for various positions are below:

What options exist for reducing the personnel costs in the District?

- Reduced personnel
- Reduced payroll and/or benefits

Position	Average Cost		Budget Reduction		
	N	Cost	\$5m	\$10m	\$15m
Instructional Aide	742	\$22,030	227	454	681
Office Staff	464	\$35,319	142	283	425
Teacher	3826	\$64,438	78	155	233
Nurse	71	\$62,698	NA	NA	NA
Counselor	137	\$75,422	66	133	NA
Assistant Principal	126	\$86,354	58	116	NA
Principal	67	\$109,569	46	NA	NA
Facilities	111	\$61,344	82	NA	NA
Technology	106	\$63,952	78	NA	NA
Administrator	294	\$86,174	58	116	174

# Budgeted Benefits Cost Health Insurance District Contribution

## CURRENT DISTRICT CONTRIBUTIONS

•Employee Only Plan 1-HD	\$326
•Employee Only all other plans	\$358
•Employee & Spouse all plans	\$388
•Employee & Children all plans	\$372
•Employee & Family all plans	\$393
•Additional spouse at LISD (pooling)	\$335

## DC COST ESTIMATE FOR 2018-19 YEAR

•Estimated DC cost for 2018-19	\$ 18,777,274
•Estimated number of participants	4,539

## STATE REQUIRED DISTRICT CONTRIBUTION

•State of Texas	\$ 75
•Required of District	\$150
•Unchanged since the program was implemented in 2001	
•Employee premiums have increased as much as 238 percent for some employees since 2003	

# Are there statutory guidelines that limit staffing reductions? YES

Texas Education Code: Chapter 21 contracts required for all “teachers,” which is defined as:

“Superintendent, principal, supervisor, classroom teacher, school counselor, or other full-time professional employee who is required to hold a certificate issued under Subchapter B or a nurse.”

School districts have specific statutory guidelines/policies on personnel reductions.

# How are campuses staffed?

Student enrollment projections drive staff allocations.

Student projections and course selections are gathered in January - February, then staffing meetings are conducted with all campuses.

Please review staffing guideline handout for discussion on the allocation of positions at ES's, MS's, and HS's.

Student:Teacher Ratios			
School Campus		SY14-15	SY18-19
Elementary	K-4th*	22:1	22:1
	5th	23:1	23.5:1
Middle	<60%	23.5:1	24:1
	60%+	22:1	22.5:1
High	All	25:1	26:1

\*State requirement with waiver available

# Elementary School Staffing

- Grades Pre-Kindergarten to 4th 22:1 per state law
  - State law provides a waiver process when elementary classes up to 4th grade exceed 22:1.
- The usage of classroom waivers in Lewisville ISD over the past 4 years:
  - SY15-16      18
  - SY16-17      5
  - SY17-18      12
  - SY18-19      7 (to date)
- Grade 5 23.5:1
- Ratios exist for all other positions including Special Education and Specials teachers, support staff and others as indicated on the staffing guidelines.

# Elementary School Staffing

Staff Count	Hedrick	Heritage
Principal	1	1
Assistant Principal	1	1
Nurse	1	1
Counselors	2	1
Office Staff	4	3
Bilingual Classroom Teachers	17	0
General Classroom Teachers	15	29
Instructional Support Teachers	4	0
Specials Teachers	4	4
Instructional Aides	8	0
Special Education Teachers	6	2
Special Education Aides	5	2

Sample elementary school staffing with average-sized schools.

Differences in staffing are due to services provided (bilingual, self-contained Special Education) and socio-economic status (Title I funds).

Total	68	44
Total Students	546	543
Total Special Education Students	66	40



# Middle School Staffing

- Classroom teachers at MS are based on a staffing formula:

Student Count \* (Student periods/Teacher periods) = Teacher FTE

Classroom Count

- Currently, Lewisville ISD staffs middle schools at 24:1 unless the campus rate of low socio-economic student population is over 60%. Two campuses--Hedrick MS and DeLay MS--are staffed at 22.5:1. Ratios exist for all other positions including Special Education, bilingual, support staff and others as indicated on the staffing guidelines.

# Middle School Staffing

Staff Count	Griffin MS
Principal	1
Assistant Principals	2
Nurse	1
Counselors	2
Office Staff	6.5
Content Area Teachers	44
Fine Arts Teachers	3.5
Instructional Aides	2
Special Education Teachers	12
Special Education Aides	6
Total Staff	80
Total Students	777
Total Special Education Students	139

Sample middle school with average-sized student enrollment.

Larger than average Special Education student population results in increased staff.

Enrollment lower than student projections results in some additional staff.

# High School Staffing

- Classroom teachers at HS are based on a staffing formula which holds:

$$\frac{\text{Student Count} * (\text{Student periods}/\text{Teacher periods})}{\text{Classroom Count}} = \text{Teacher FTE}$$

Classroom Count

- Currently, Lewisville ISD staffs high schools at 26:1. Ratios exist for all other positions including Special Education, support staff and others as indicated on the staffing guidelines.

# High School Staffing

Staff Count	Killough LHS	The Colony HS
Principal	1	1
Assistant Principals	3	5
Assesment	2	1
Nurse	1	1
Security Guards	0	2
Counselors	3	6
Office Staff	6	11
Athletics	0	4
Content Area Teachers	54.5	106
Fine Arts Teachers	0	6
Instructional Aides	6	5
Special Education Teachers	9	16
Special Education Aides	7	10

Total Staff	92.5	174
Total Students	1010	2038
Total Special Education Students	163	256

Sample high school staffing with average-sized schools.

Differences in staffing include campus size, athletic coordinator and trainers, and security guards.

# What do increased average classroom sizes look like?

## Middle School

Student Count	Students per Teacher								
11804	22.5	23	23.5	24	24.5	25	25.5	26	
Teachers required	699	684	670	656	642	629	617	605	

## High School

Student Count	Students per Teacher								
17039	26	26.5	27	27.5	28	28.5	29	29.5	30
Teachers required	874	857	841	826	811	797	783	770	757

Above numbers are rounded and reflect formula application to gross attendance figures and do not account for increased results based on dividing by individual campus attendance.

# Other Secondary Campuses

LISD has 3 secondary campuses which offer specialized instruction:

- Dale Jackson Career Center
- Career Center East
- Lewisville Learning Center
  - Accelerated Campus
  - Night High School
  - School Age Parenting Program
  - District Alternative Education Placement (DAEP) Campus

These campuses are staffed based on student need (LLC) and student requests for Career and Technology Education programs (DJCC/CCE).

# Non-Campus Departments

What groups comprise non-campus departments?

- Superintendent
- Records Management and PEIMS
- Legal Services
- Communication
- Chief Financial Officer
- Employee Services
- Employee Benefits
- Procurement and Contracts
- Accounting and Budgeting
- Fine Arts
- Special Education
- Assessment and Accountability
- Distribution Center
- Instructional Materials Warehouse
- Learning and Teaching
- Elementary and Secondary Curriculum and Programs
- Technology
- Chief of Schools / Assistant Chiefs of School
- Safety and Security
- Guidance and Counseling
- Professional Learning
- Health Services
- Athletics
- Campus Support Services
- Energy Management
- Facilities and New Construction

# How are non-campus departments staffed?

The non-campus departments are not staffed by a defined student:staff ratio; however, student needs drive the process.

Over the past several years, non-campus staff increases have been provided in the following areas:

- Special Education
- Bilingual Services/Language Acquisition
- Communications
- Social Workers
- Security and SROs
- Dyslexia
- Career and Technology Education
- Counseling Services



# Takeaways

- Staffing is driven by student enrollment **and** student needs.
- School districts have statutory constraints regarding the reduction of staff.
- LISD follows guidelines that provide a staff framework for campus and student needs.
- Payroll costs are 82% of the overall budget (less recapture).

QUESTIONS?

Thank you for your time and  
attention

# What is a 2-cent Tax Swap? TRE?

Presented by Mike Ball

# Tax Swap

	<u>Current Tax Rate</u>	<u>Rate After 2-Cent Tax Swap</u>
M&O Tax Rate	\$1.0400	\$1.0600 + 2 cents
I&S Tax Rate	<u>0.3675</u>	<u>0.3475</u> - 2 cents
Total Tax Rate	<u>\$1.4075</u>	<u>\$1.4075</u> Unchanged

## Why?

- The 2 cent swap transfers the benefit of the remaining pennies that are not subject to recapture from the I&S Fund to the General Fund
- The swap results in no change in Total Tax Rate

## Why Not?

- Requires an election
- Provides only partial solution to the budget deficit prospectively
- Relies on increasing property values to fund bond payments

# Tax Ratification Election

Current M&O Tax Rate	\$1.0400
Pennies allows by statute	<u>0.1300</u> (What rate needed?)
Max. M&O Tax Rate	<u>\$1.1700</u>

## Why?

- Takes advantage of the benefit of the remaining pennies that are not subject to recapture
- Could provide a long-term solution to the District's budget deficits

## Why Not?

- Requires an election
- Would result in a tax increase
- Some of the additional tax revenue would be paid to the State in the form of recapture

# Elevator Speech Points (general)

- “Recapture payments from LISD and other Chapter 41 Districts go into the State’s General Revenue Fund, not directly to property poor school districts.”
- “Student needs are increasing.”
- “LISD continues to do more with less.”
- “Day-to-day items and bond construction items are separate funds that can’t be mixed.”
- “The State of Texas benefits from rising property values, not LISD.”
- “LISD is repaying its debt much faster than most districts.”

# Conclusions

- We have time to do this in an orderly manner with the least disruption to instruction.
- LISD must make adjustments to its expenditure budgets and/or revenue stream over the next 2 budget cycles.
- It will be important to obtain community buy-in to the solutions ultimately chosen.

**QUESTIONS?**







LEWISVILLE INDEPENDENT SCHOOL DISTRICT