



Community Budget Advisory Committee

February 13, 2019

Brief Review of Last Meeting

CBAC Consensus on Preliminary Suggestions to Board:

Suggestion #1 – Equalize district contribution for Health Benefits at \$326 for all participating employees (**\$1 M**)

Suggestion #2 – Reduce expenditures 2% across the board with primary focus on Non-Campus Org's – Technology & Facilities (**\$8 M**)

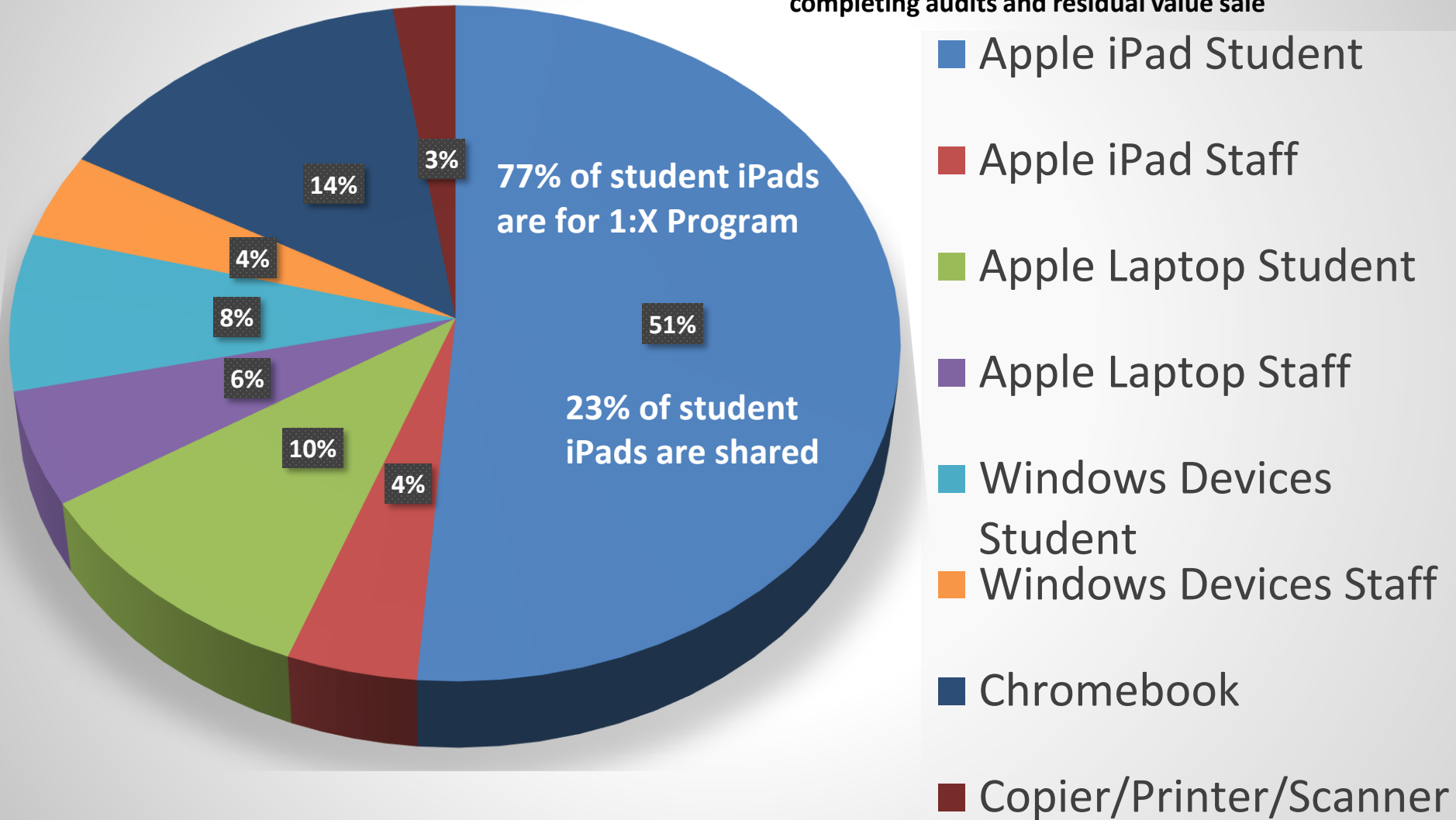
Suggestion #3 – Consider TRE at some amount TBD. Most concerned about full but what is right amount community can support? Some concerned there has not been any *pain* (**\$13.5 M - \$35.5 M**)

Suggestion #4 – Consider Extracurricular Fees. Ensure some type of tiered system for Free/Reduced lunch students; do not implement if there is TRE since it is *double whammy* to taxpayers (**\$750K**)

Suggestion #5 – Change HS Schedule. CBAC realizes this does not provide savings immediately. (**\$2.5 - \$3.0 M**)

A random update re: Technology - Device #s

This is based upon 86,478 devices currently in use- this number has decreased since November due to completing audits and residual value sale



Efficiency and Staffing Analysis



Efficiency Team

- Team members from technology and assessment/accountability form the team.
- Their task is to create reports that pull together data from various data systems regarding student enrollment, class size, and staffing schedules.
 - Staff Utilization Reports
 - Staffing Analyzer Reports

Staffing Analysis of Schools

Four Rounds of Meetings with each MS and HS principal:

Round 1: Staffing utilization sheets for each secondary school that account for all teaching periods for all staff and the subsequent number of students served in each class period

Round 2: Staffing analyzer sheets that model staffing needs using course request and enrollment data *from Spring 2018* at 3 different class size averages (low, district suggested target, high)

Round 3: Staffing analyzer sheets that model staffing needs using course request and enrollment data *from February 2019* to determine staffing for the 2019-20 school year

Round 4: Finalize staffing decisions

Staffing Analyzer Report: Class Size Calculator Tab

Middle School Template wo ActiveX.xlsm - Microsoft Excel

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7 **STEP 2: ADJUST YOUR CLASS SIZES**

8

9 **Class Size Adjustment Choices**

		Low Range	District Suggested Target	High Range
11	GOL General on level	24	26	28
12	PAP PAP/GT	26	28	30
13	ART Art	30	32	34
14	PE PE	35	40	45
15	BO Band/ Orchestra	35	40	45
16	CH Choir/Theatre	35	40	45
17	ELEC Electives	26	28	30
18	REM Math Lab	15	20	25

19

20 Class Sections Per Teacher: 6

21 Class Sections Per Elective Teacher: 7

22

23 **STEP 3: CHOOSE THE WORKSHEET YOU WOULD LIKE TO VIEW**

24

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27 Select the tab you would like to view

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31

Choices and Assumptions Summary ELA Math Science SS Lote PEAthletics Band_Orchestra Choir_Art_Theatre Electives Adj

Ready

Save a copy for the campus

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Click on Subject Name to go to the specific details for

COURSE REQUEST ANALYSIS (2018-19)

LOW CLASS AVG STRICT SUGGEST HIGH CLASS AVG

Program Adjustments

COURSE REQUEST ANALYSIS AFTER PROGRAM ADJUSTMENTS (2018-19)

LOW CLASS AVG STRICT SUGGEST HIGH CLASS AVG

CURRENT YEAR SCHEDULE

SUBJECT	# of Sections Needed	# of FTE Needed	# of Sections Needed	# of FTE Needed	# of Sections Needed	# of FTE Needed	# of Sections for Program Adjustments	# of FTE	# of Sections Needed	# of FTE Needed	# of Sections Needed	# of FTE Needed	# of Sections Needed	# of FTE Needed	# of Sections	# of FTE Currently scheduled
ELA	63.4	10.6	58.7	9.8	54.6	9.1	4.0	0.7	67.4	11.2	62.7	10.4	58.6	9.8	70.0	11.7
MATH	32.1	5.4	29.7	5.0	27.7	4.6	-	-	32.1	5.4	29.7	5.0	27.7	4.6	35.0	5.8
SCIENCE	32.0	5.3	29.6	4.9	27.6	4.6	-	-	32.0	5.3	29.6	4.9	27.6	4.6	33.0	5.5
SOCIAL STUDIES	32.0	5.3	29.6	4.9	27.6	4.6	-	-	32.0	5.3	29.6	4.9	27.6	4.6	33.0	5.5
LOTE	8.6	1.4	7.9	1.3	7.4	1.2	-	-	8.6	1.4	7.9	1.3	7.4	1.2	7.0	1.2
PE/ATHLETICS	13.9	2.3	12.3	2.1	11.0	1.8	16.0	2.7	29.9	5.0	28.3	4.7	27.0	4.5	38.0	6.3
BAND/ORCHESTRA	-	-	-	-	-	-	15.0	2.5	15.0	2.5	15.0	2.5	15.0	2.5	14.0	2.3
CHOIR/ART/OTHER FA	14.1	2.3	12.6	2.1	11.4	1.9	-	-	14.1	2.3	12.6	2.1	11.4	1.9	20.0	3.3
ELECTIVES	27.8	4.0	25.8	3.7	24.1	3.4	-	-	27.8	4.0	25.8	3.7	24.1	3.4	30.0	5.0
TOTALS	224.0	36.7	206.3	33.8	191.3	31.3			259.0	42.5	241.3	39.6	226.3	37.1	280.0	46.7
									259.0	43.0	242.0	40.0	227.0	38.0		

INDEXED SECTIONS AND FTE'S

CURRENT STAFF INFORMATION

Category of Staff (Click on the box next to category to see who's included)	Current Year Count of Staff	Adjust Staff (click here)	Final Staff Numbers
Teacher	46	15	47.5
Title 1 Teacher	0	-	-
Aide	3	-	3.0
Title 1 Aide	0	-	-
Support Staff	1	-	1.0
Title 1 Support Staff	0	-	-
Admin	3	-	3.0
Counselor	2	-	2.0
Nurse	1	-	1.0
Office	4	-	4.0
Library	1	-	1.0
SPED	7	(0.5)	6.5
SPED Aide	4	-	4.0
SPED Counsel	0	-	-

Agreed Upon Final Numbers

STAFF CERTIFICATIONS AS OF OCTOBER

SHOW ME ALL MY STAFF

Show me who can teach ELA/Reading

Show me who can teach Math

Show me who can teach Science

Show me who can teach Social Studies

Show me who can teach LOTE

Show me who can teach PE/Athletics

Show me who can teach Fine Arts

Show me who can teach Electives

SHOW ME BILINGUAL/ESL STAFF

How Many Sections does the teacher teach?

FTE Amount	
0.2	1
0.3	2
0.5	3
0.7	4
0.8	5
1.0	6

Choices and Assumptions Summary ELA Math Science SS Lote PE Athletics Band Orchestra Choir Art Theatre Electives Adj

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Program
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COURSE REQUEST ANALYSIS AFTER PROGRAM ADJUSTMENTS (2018-19)

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SUBJECT

of
Sections
Needed# of
FTE
Needed# of
Sections
Needed# of
FTE
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Sections
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Needed# of Sections
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Adjustments# of
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ELA

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58.7

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67.4

11.2

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58.6

9.8

MATH

32.1

5.4

29.7

5.0

27.7

4.6

-

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32.1

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4.6

SCIENCE

32.0

5.3

29.6

4.9

27.6

4.6

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32.0

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29.6

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4.6

SOCIAL STUDIES

32.0

5.3

29.6

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27.6

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32.0

5.3

29.6

4.9

27.6

4.6

LOTE

8.6

1.4

7.9

1.3

7.4

1.2

-

-

8.6

1.4

7.9

1.3

7.4

1.2

PE/ATHLETICS

13.9

2.3

12.3

2.1

11.0

1.8

16.0

2.7

29.9

5.0

28.3

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4.5

BAND/ORCHESTRA

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15.0

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CHOIR/ART/OTHER FA

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12.6

2.1

11.4

1.9

-

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14.1

2.3

12.6

2.1

11.4

1.9

ELECTIVES

27.8

4.0

25.8

3.7

24.1

3.4

-

-

27.8

4.0

25.8

3.7

24.1

3.4

TOTALS

224.0

36.7

206.3

33.8

191.3

31.3

259.0

42.5

241.3

39.6

226.3

37.1

INDEXED SECTIONS AND FTE'S

259.0

43.0

242.0

40.0

227.0

38.0

1	Select the tab you would like to go back to							COURSE REQUESTS FOR 18-19							CURRENT YEAR BREAKDOWN 18-19							
2																						
3								Click Here to Input Course Adjustments							I NEED TO MAKE ADJUSTMENTS							
							Final Student Request Numbers	Number of Sections Needed	Number of Teachers Needed	Number of Sections Needed	Number of Teachers Needed	Number of Sections Needed	Number of Teachers Needed	Current Year Students	Student Adjustments	Final Student Count	Current Year Actual Sections	Section Adjustments	Final Sections	Current Avg. Class Size	Current Teachers Used	
4	UniqueID	Grade Level	Course Name	Class Multiplier	Class Size Calculator	Student Requests	Adjustments															
5	MM31	6	Math	1	GOL	139	0	139	5.79	0.97	5.35	0.89	4.96	0.83	125	0	125	6	0	6	20.8	1.0
6	MM35	7	Math	1	GOL	147	0	147	6.13	1.02	5.65	0.94	5.25	0.88	141	0	141	7	0	7	20.1	1.2
7	MM39	8	Math	1	GOL	190	0	190	7.92	1.32	7.31	1.22	6.79	1.13	198	0	198	8	0	8	24.8	1.3
8	MM30	6	Math PAP NG	1	PAP	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0.0	0.0
9	MM32	6	Math PAP	1	PAP	111	0	111	4.27	0.71	3.96	0.66	3.70	0.62	141	0	141	5	0	5	28.2	0.8
10	MM36	7	Math 7 PAP	1	PAP	117	0	117	4.50	0.75	4.18	0.70	3.90	0.65	110	0	110	5	0	5	22.0	0.8
11	MM43	8	Algebra 2 PAP	1	PAP	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0.0	0.0
12	MM41	8	Algebra I	1	PAP	92	0	92	3.54	0.59	3.29	0.55	3.07	0.51	92	0	92	4	0	4	23.0	0.7
13	MM43	8	Algebra II A	1	PAP	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0.0	0.0
14	MM44	8	Algebra II B	1	PAP	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0.0	0.0
15	MM34	6	CBE Math	0	GOL	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0.0	0.0
16	MM38	7	CBE Math	0	GOL	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0.0	0.0
17	MM45	8	CBE Math	0	GOL	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0.0	0.0
18	MM33	6	Math ESL	1	GOL	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0.0	0.0
19	MM37	7	Math ESL	1	GOL	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0.0	0.0
20	MM40	8	Math ESL	1	GOL	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0.0	0.0
21	MM42	8	Geometry PAP	1	PAP	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	2	-2	0	2	-2	0	0.0	0.0
22	HM101	10	Geometry PAP	1	PAP	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0.0	0.0
50	MATH TOTALS					796	0	796	32.14	5.36	29.74	4.96	28	4.61	809	-2	807	37	-2	35	23.1	5.8
51	ACTUAL TEACHERS NEEDED DUE TO ROUNDING									6.00		5.00		5.00								
52	ACTUAL CLASS SIZE IF ALL 6 SECTIONS TAUGHT ARE MATH									22.11		26.53		26.53								

Reduction of District Contribution for Employee Health Insurance

Dr. Buddy Bonner

Review from previous meeting

- TRS Active Care districts are required by law to pay \$225 monthly as district contribution for each employees' health insurance.
- 4,512 employees participate in 4 plans with employee only; employee & spouse; employee & children; and employee & family).
- Currently, each tier provides a district contribution of differing amounts for each tier.

Current District contributions:

- Employee Only Plan 1 - \$326
- Employee Only all other plans - \$358
- Employee/Spouse all plans - \$388
- Employee/Children all plans - \$372
- Employee/Family all plans - \$393
- Employee/ District spouse all plans - \$335

Total cost of district contribution for employee health insurance is \$18.7m.

Option 1

Lowering district contribution to state-required amount (\$225) saves **\$6.5m.**

Option 2

Lowering district contribution to \$300 per month per employee saves **\$2.5m.**

Option 3

Equalize all district contribution to \$326 same as employee only tier saves \$1.0m.

Proposal: Standardize District Contribution of \$326

Benefits Plan	Employee Enrollment	Monthly Increase	Annual Increase
Employee Only-Plan 1 HD	2704	N/A	N/A
Employee Only-all other plans	384	\$32	\$384
Employee + Spouse all plans	133	\$62	\$744
Employee + Children all plans	1059	\$46	\$552
Employee + Family all plans	237	\$67	\$804
Employee + District Spouse	18	\$9	\$108

Premiums for all plans are likely to increase for 2019-20.

The District contribution for Employee Only-Plan 1 HD coverage is \$326/month. Employees enrolled in this plan pay \$41/month for benefits.

Standardizing the District contribution lowers costs by \$1,023,468.


Employee Participation

Medical Plan offered by Lewisville ISD	Employees in each plan	% of employees in each plan
TRS-ActiveCare Plan 1-HD	3948	87.1%
TRS-ActiveCare Plan 2	299	6.5%
TRS-ActiveCare Select	248	5.5%
TRS-ActiveCare HMO	40	0.9%

Since 2003, Lewisville ISD employees have had the option to participate in health insurance offered by the Texas Teacher Retirement System called TRS Active Care. Each plan has several tiers: employee only, employee + child(ren), employee + spouse, and employee + family.

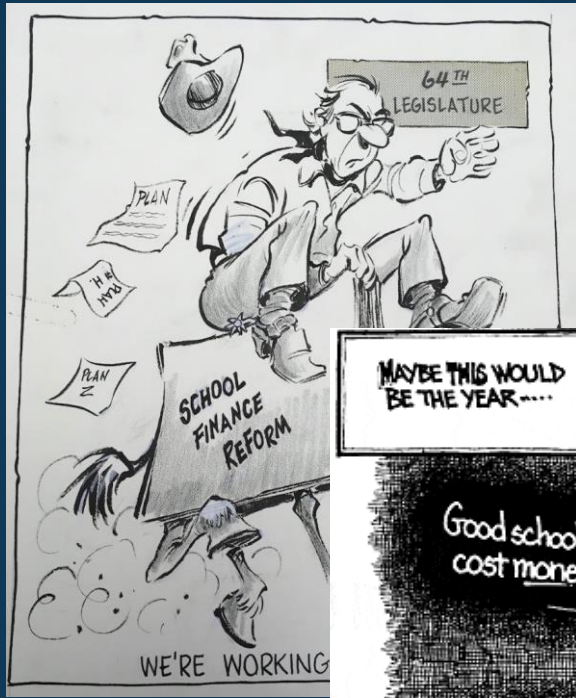
NOTE: 4,535 staff members currently participate in TRS-Active Care plans.

*Fewer employees participate in more expensive tiers and the Benefits department reports no increased leave usage in hardship or sick leave bank by those employees.



**86th Legislative Session –
“Help” is on the way, right?**

1975



1995



2004

January 8, 2019



Comparing the House and Senate Base Bills (FSP)

	Current Biennium		House Base		Senate Base	
	2018	2019	2020	2021	2020	2021
Foundation School Program	\$21,468,235,602	\$21,503,735,602	\$21,754,335,602	\$21,881,635,602	\$21,756,585,602	\$21,883,885,602
Recapture	-\$2,049,900,000	-\$2,521,000,000	-\$3,236,700,000	-\$3,786,200,000	-\$3,236,700,000	-\$3,786,200,000
FSP Total Net of Recapture	\$19,418,335,602	\$18,982,735,602	\$18,517,635,602	\$18,095,435,602	\$18,519,885,602	\$18,097,685,602
Additional FSP Riders			\$4,500,000,000	\$4,500,000,000	\$3,000,000,000	\$3,000,000,000
Total Increase				\$7,212,000,000		\$4,216,500,000



\$3 billion difference

Base Appropriations Bills - FSP

- Base Foundation School Program (FSP) rider for House and Senate looks similar. Both include enrollment growth (\$2.4 billion) and increase in Austin yield for golden pennies (estimated at \$2.2 billion). Basic Allotment is unchanged in both bills (**same \$5,140 from 2015**)
- House includes **\$9 billion** on top of base for school finance, recapture reduction, and property tax relief. To accomplish that, could increase the Basic Allotment, increase early education funding and teacher compensation. We don't know how that amount would be divvied up yet among those priorities.
- Senate includes **\$6 billion** on top of base, with \$2.3 billion for property tax reduction and \$3.7 billion for \$5,000 pay increase for classroom teachers (SB 3).

Senate Bill 3 – Teacher Pay Raise

- **\$5,000 across-the-board increase** in salary over what the teacher would have received in 2019-20 school year for every **full-time classroom teacher**
- \$5,000 provided for every full-time classroom teacher employed by the district – with funding provided through an allotment or a **credit against the district's recapture**
- Does not increase the Minimum Salary Schedule, so therefore does not apply to other district employees subject to the MSS (or not) and does not provide funding for districts to make the increased contribution to TRS on the additional \$5,000

Governor Abbott's Proposal

- **Teacher Quality Allotment**, to pay the best teachers more, especially those that teach in the “most difficult classrooms”
- **Financial incentives to improve state outcomes**, especially for achievement among low-income students in 3rd grade and high school
- **School finance reforms** to bring about a system that ensures “similar children receive similar funding, regardless of where they live” with the elimination of the Cost of Education Index (CEI) with the compensatory education weight based on a spectrum of need, and weights for English Language Learners (ELLs) that extend to five years
- **2.5% Tier 1 M&O Revenue Cap** with promised state revenue to “ensure districts do not lose money as a result of this compression of tax collections.”



Legislative Developments with Direct Impact to LISD Future Budgets

Tax Relief Bills

- SB 2 and HB 2 - Introduced Text Identical
- Senate Committee on Property Tax conducted hearing on SB 2 Monday, 2/11/2019
- Effective Tax Rate now called “No-New-Revenue” Tax Rate in SB 2
- Increases power of the Comptroller over local Appraisal Districts
- Local District Judges given greater involvement in selecting members of the Appraisal Review Board and appointment of Chairman

Legislative Developments with Direct Impact to LISD Future Budgets

Tax Relief Bills

- Provides term limits for Appraisal Review Board Members
- Rollback Tax Rate would equal “No-New-Revenue” M&O Rate x 1.025
- Entities with Sales Tax will be required to reduce property taxes by amount of “sales tax gain”
- “Real Time” database to be established

SB 2 - Impact of 2.5% Cap on Revenue Growth

Lewisville ISD Analysis of Effect of Utilization of 2.5% Cap on Revenue Growth

Current Law

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
M&O State Revenue	\$ 68,769,061	\$ 39,710,165	\$ 41,167,674	\$ 27,113,353	\$ 34,235,767	\$ 24,268,104	\$ 31,135,434
M&O Tax Collections	339,344,286	370,390,190	400,432,519	422,790,908	446,490,799	471,612,685	498,241,884
Recapture Payments	-	-	(32,847,846)	(65,821,628)	(92,175,600)	(118,394,698)	(147,728,372)
Net State and Local M&O Revenue	\$ 408,113,347	\$ 410,100,355	\$ 408,752,347	\$ 384,082,633	\$ 388,550,966	\$ 377,486,091	\$ 381,648,946

Using 2.5% Cap on Revenue Growth

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
M&O State Revenue	\$ 68,769,061	\$ 39,710,165	\$ 41,167,674	\$ 26,723,504	\$ 34,235,767	\$ 24,268,104	\$ 31,135,434
M&O Tax Collections	339,344,286	370,390,190	400,432,519	409,748,513	419,297,408	429,085,026	439,117,334
Recapture Payments	-	-	(32,847,846)	(63,744,896)	(86,435,852)	(107,370,727)	(129,816,859)
Net State and Local M&O Revenue	\$ 408,113,347	\$ 410,100,355	\$ 408,752,347	\$ 372,727,121	\$ 367,097,323	\$ 345,982,403	\$ 340,435,909
Net Reduction in Available Funding	\$ -	\$ -	\$ -	\$ (11,355,512)	\$ (21,453,643)	\$ (31,503,688)	\$ (41,213,037)
Cummulative Effect (If Begun in 2019-20)			\$ -	\$ (11,355,512)	\$ (32,809,155)	\$ (64,312,843)	\$ (105,525,880)

In order to provide sufficient formula funding to make LISD whole with respect to current law funding, the Basic Allotment would need to be in the range of \$6,200 for the 2019-20 funding year and increased each year thereafter.

Background - The Texas Commission on Public School Finance

85th Texas Legislature, through House Bill 21, established a Commission to develop and make recommendations for improvements to the state's current public school finance system. The Commission was charged with developing recommendations to address several issues including:

- *the purpose of the public school finance system and the relationship between state and local funding in that system;*
- *the appropriate levels of local maintenance and operations and interest and sinking fund tax effort necessary to implement a public school finance system that complies with the requirements under the Texas Constitution; and*
- *policy changes to the public school finance system necessary to adjust for student demographics and the geographic diversity in the state.*

The 13-member Commission was appointed by Gov. Abbott, Lt. Gov. Patrick, and Speaker Straus and chair of SBOE Donna Bahorich. It is chaired by former Texas Supreme Court Justice Scott Brister with 6 Commission members appointed by the Texas Legislature, all of whom serve on the education committees in their respective chambers (including both chairs). The Commission also included an elected representative from SBOE, a current district superintendent, a school district CFO, a classroom teacher, and community leaders.

Members created 3 working groups: Student Outcomes (chaired by Todd Williams); Expenditures (chaired by Rep. Dan Huberty); and Revenue (chaired by Sen. Paul Bettencourt).

Some of the Commission's Recommendations:

- **Move from prior year to current year values (one-time \$1.8 B state savings)**
- Eliminate the Cost of Education Index (CEI) (\$2.9 billion state savings)
- Eliminate Gifted and Talented Allotment (\$165 M state savings)
- Eliminate High School Allotment (\$400 M state savings)
- Decrease Golden Penny yield to be tied to a certain percentile of wealth, rather than the Austin ISD yield (will result in state savings, amount unknown at this time)
- Increase Copper Penny yield to an amount indexed to 75 percentile of wealth, resulting in an increased yield of approximately \$43.50 and EWL of \$435,000 (compared to \$31.95/\$319,500 in current law) (initial state cost of \$286 M)
- Increase Comp Ed funding by using a sliding scale weight based on the concentration of poverty per campus (\$1.1 B cost)
- Additional 0.1 weight for every low-income or ELL K-3 student (if both, 0.2), (\$780 M).
- Outcomes-based funding for 3rd grade students meeting reading proficiency standards (\$400 M cost) and for students graduating and meeting certain achievement targets (\$400 M cost)
- New Dual Language Allotment (\$50 million cost), Dyslexia Allotment (\$100 million cost), and Extended Year Allotment (\$50 million cost)

Increase Basic Allotment with all remaining funds saved from changes to the formula. Above list saves at least \$2.3 billion more than it spends

*((\$5,800 figure for the BA is referenced in document, though amount is left blank in recommendation)

Commission – Use Current Year Property Values for State Funding Calculations

Lewisville ISD

Analysis of Effect of Utilization of Current Year Property Values for State Funding Purposes

(all data elements held constant except property values)

Current Law

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
M&O State Revenue	\$ 68,769,061	\$ 39,710,165	\$ 41,167,674	\$ 27,113,353	\$ 34,235,767	\$ 24,268,104	\$ 31,135,434
M&O Tax Collections	339,344,286	370,390,190	400,432,519	422,790,908	446,490,799	471,612,685	498,241,884
Recapture Payments	-	-	(32,847,846)	(65,821,628)	(92,175,600)	(118,394,698)	(147,728,372)
Net State and Local M&O Revenue	\$ 408,113,347	\$ 410,100,355	\$ 408,752,347	\$ 384,082,633	\$ 388,550,966	\$ 377,486,091	\$ 381,648,946

Using Current Year Property Values

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
M&O State Revenue	\$ 38,111,330	\$ 26,805,295	\$ 38,889,237	\$ 24,887,856	\$ 32,059,452	\$ 22,116,030	\$ 28,999,967
M&O Tax Collections	339,344,286	370,390,190	400,432,518	422,790,907	446,490,799	471,612,685	498,241,884
Recapture Payments	-	(29,815,952)	(59,807,819)	(91,798,501)	(117,809,768)	(143,443,345)	(172,772,927)
Net State and Local M&O Revenue	\$ 377,455,616	\$ 367,379,533	\$ 379,513,936	\$ 355,880,262	\$ 360,740,483	\$ 350,285,370	\$ 354,468,924
Net Reduction in Available Funding	\$ (30,657,731)	\$ (42,720,822)	\$ (29,238,411)	\$ (28,202,371)	\$ (27,810,483)	\$ (27,200,721)	\$ (27,180,022)
Cummulative Effect (If Begun in 2019-20)			\$ (29,238,411)	\$ (57,440,782)	\$ (85,251,265)	\$ (112,451,986)	\$ (139,632,008)

In order to provide sufficient formula funding to make LISD whole with respect to current law funding, the Basic Allotment would need to be in the range of \$6,500 for the 2019-20 funding year and increased each year thereafter.

Analysis of 2 Cent Tax Swap TRE, \$1.14 TRE and \$1.17 TRE on LISD General Fund

DRAFT

12/6/2018

Fiscal Year Ending----->

		8/31/2019 Proj. Fund Bal.	8/31/2020 Projected	8/31/2021 Projected	8/31/2022 Projected	8/31/2023 Projected
M&O Rate	\$ 1.0400					
	Tax Collections		\$ 423,191,523	\$ 446,891,415	\$ 472,013,301	\$ 498,642,501
	Foundation Sch Fund		17,204,120	15,947,669	14,671,416	13,343,060
	Avail School Fund		9,767,946	18,176,838	9,615,018	17,899,302
	Recapture		(66,920,832)	(92,704,665)	(118,237,515)	(146,792,798)
	Available Revenue		\$ 383,242,757	\$ 388,311,257	\$ 378,062,220	\$ 383,092,065
Projected Deficit at \$1.04 Tax Rate			\$ (37,280,478)	\$ (40,263,700)	\$ (58,716,932)	\$ (62,046,722)
Projected Ending Fund Balance at \$1.04 Tax Rate		\$ 145,460,543	\$ 108,180,065	\$ 67,916,365	\$ 9,199,433	\$ (52,847,289)

M&O Rate	\$ 1.0600					
	Tax Collections		\$ 430,921,501	\$ 455,077,161	\$ 480,682,160	\$ 507,823,459
	Foundation Sch Fund		23,036,109	21,199,711	19,304,802	17,384,843
	Avail School Fund		9,767,946	18,176,838	9,615,018	17,899,302
	Recapture		(66,865,805)	(92,632,504)	(118,172,434)	(146,690,461)
	Available Revenue		\$ 396,859,751	\$ 401,821,206	\$ 391,429,546	\$ 396,417,143
Net Benefit of Two Cent Tax Swap with No Tax Increase			\$ 13,616,994	\$ 13,509,949	\$ 13,367,326	\$ 13,325,078
Projected Deficit at \$1.06 Tax Rate			\$ (23,663,484)	\$ (26,753,751)	\$ (45,349,606)	\$ (48,721,644)
Projected Ending Fund Balance at \$1.06 Tax Rate		\$ 145,460,543	\$ 121,797,059	\$ 95,043,308	\$ 49,693,702	\$ 972,058

M&O Rate	\$ 1.1400					
	Tax Collections		\$ 461,805,421	\$ 487,784,149	\$ 515,321,602	\$ 544,511,302
	Foundation Sch Fund		22,980,829	21,149,928	19,260,674	17,346,350
	Avail School Fund		9,767,946	18,176,838	9,615,018	17,899,302
	Recapture		(81,576,582)	(109,186,792)	(136,746,021)	(167,192,158)
	Available Revenue		\$ 412,977,614	\$ 417,924,123	\$ 407,451,273	\$ 412,564,796
Net Benefit over \$1.04 rate of \$1.14 Tax Rate			\$ 29,734,857	\$ 29,612,866	\$ 29,389,053	\$ 29,472,731
Projected Deficit at \$1.14 Tax Rate			\$ (7,545,621)	\$ (10,650,834)	\$ (29,327,879)	\$ (32,573,991)
Projected Ending Fund Balance at \$1.14 Tax Rate		\$ 145,460,543	\$ 137,914,922	\$ 127,264,088	\$ 97,936,209	\$ 65,362,218
Additional Tax Collections over \$1.04 Tax Rate			\$ 38,613,898	\$ 40,892,734	\$ 43,308,301	\$ 45,868,801
Increase in Recapture over \$1.04 Tax Rate			\$ 14,655,750	\$ 16,482,127	\$ 18,508,506	\$ 20,399,360
Percentage of Additional Collections to Recapture			37.95%	40.31%	42.74%	44.47%

M&O Rate	\$ 1.1700					
	Tax Collections		\$ 473,373,315	\$ 500,035,694	\$ 528,297,816	\$ 558,255,665
	Foundation Sch Fund		22,953,189	21,125,037	19,238,610	17,327,103
	Avail School Fund		9,767,946	18,176,838	9,615,018	17,899,302
	Recapture		(87,076,767)	(115,378,488)	(143,692,199)	(174,864,473)
	Available Revenue		\$ 419,017,683	\$ 423,959,081	\$ 413,459,245	\$ 418,617,597
Net Benefit over \$1.04 rate of \$1.17 Tax Rate			\$ 35,774,926	\$ 35,647,824	\$ 35,397,025	\$ 35,525,532
Projected Deficit at \$1.17 Tax Rate			\$ (1,505,552)	\$ (4,615,876)	\$ (23,319,907)	\$ (26,521,190)
Projected Ending Fund Balance at \$1.17 Tax Rate		\$ 145,460,543	\$ 143,954,991	\$ 139,339,115	\$ 116,019,208	\$ 89,498,018
Additional Tax Collections over \$1.04 Tax Rate			\$ 50,181,792	\$ 53,144,279	\$ 56,284,515	\$ 59,613,164
Increase in Recapture over \$1.04 Tax Rate			\$ 20,155,935	\$ 22,673,823	\$ 25,454,684	\$ 28,071,675
Percentage of Additional Collections to Recapture			40.17%	42.66%	45.23%	47.09%

The Texas School Finance Commission delivered its report to the Governor and Legislature in December, 2018.

At its December 11th meeting, the biggest debate among Commission members was whether schools need new revenue or not. Senators Bettencourt and Larry Taylor suggested the dollar amounts should be referred to as “guidelines” rather than calls for new funding. Chairman Brister indicated he was uncomfortable calling for new funding for schools.

SBOE member Keven Ellis said legislature is looking to Commission for answers with price tags and Rep. Diego Bernal agreed. House Public Education Chairman Dan Huberty said the Commission’s responsibility is to say the Legislature needs to spend additional money. He said, “I would not be willing to sign a report that doesn’t say we’re going to spend more money and new money on public education.” Rep. Ken King also said, “Any report that I sign should absolutely recommend more money for public education.”

Thus, you see the dilemma!

In their own Words

“Public school finance is a shared responsibility of the state and local school districts. Any period in which property values rise at a rate greater than enrollment growth, the local share (and property taxes) will increase, while the state share will decrease.”

(Slide 14 – Governor’s Office of Budget and Policy Presentation)

What does “Hold Harmless” mean?

TX School Districts are skeptical of Legislative Promises

History on Teacher Pay Raises

HB 1 (79S-3 in 2006)	HB 3646 (81R – 2009)
\$2,500 across-the-board per minimum salary schedule employee (teachers, nurses, counselors, and librarians) \$500 increase for all other full-time employees (\$250 per other part-time employees)	School districts were to use the greater amount of \$60 per WADA or \$800 per employee on the Minimum Salary Schedule to provide uniform salary increases to full-time employees on the MSS, plus speech pathologists
\$802 million per year (\$1.6 billion biennial cost)	Paid for through the overall increase in funding, which added about \$1 billion per year more to the funding formulas.


History on Property Tax Rate Compression

- HB 1 in 2006 compressed property tax rates by 1/3
- Districts were promised **Additional State Aid for Tax Reduction (ASATR)** to help them reach their “target revenue” amount and make up the difference in their loss of revenue due to the lower tax rate
- **New business margins tax** implemented by HB 1 to pay for the tax rate compression never performed up to projected levels, causing a funding deficit for the Property Tax Relief Fund
- **Cost of HB 1:** \$3.9 billion in 2007, \$8.7 billion in 2008, and approximately \$10 billion every year after that
- In 2009, federal dollars became available and filled the deficit

In 2006, the State compressed property tax rates and said they would make up the difference...until 2011 when they cut school funding.

**REMEMBER
THE ASATR!**

2006

A painting depicting a battle scene. In the foreground, several soldiers are engaged in combat. One soldier in the center is holding a rifle high, firing it. To his left, another soldier is aiming a pistol. In the background, a large, ornate building, possibly a school or government building, is visible. A flag with the year '1832' is flying from a pole. The overall scene is set against a fiery, orange-hued sky, suggesting a battle or destruction.

2011 - LARGEST education cuts in state history

- Schools absorbed \$4 billion in school finance formula cuts and \$1.4 billion in programs cuts
- In 2011-2012, across-the-board reduction of 5-6%
- In 2012-2013, cuts ranged from 1-9%, depending on ASATR amount, and those cuts remained
- In 2017, ASATR funding expired completely, and the promise to make up the difference was forgotten

With the Legislative Session behind us...



QUESTIONS?



Topics to Explore Next Meeting...

Contracted Services including transportation

Partnerships with Public & Private Companies

OTHER?



LEWISVILLE INDEPENDENT SCHOOL DISTRICT