PUBLIC MEETING TO DISCUSS 2018-19 PROPSED BUDGET AND TAX RATE

Garland Independent School District

August 28, 2018

Brent Ringo, Ed.D., Chief Financial Officer
Gilbert Prado, Budget Director

NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

The Garland Independent School District will hold a public meeting at 6:00 PM, August 28, 2018 in the Board Room at 601 S. Jupiter, Garland, Texas 75042.. **The purpose of this meeting is to discuss the school district's budget that will determine the tax rate that will be adopted. Public participation in the discussion is invited.**

The tax rate that is ultimately adopted at this meeting or at a separate meeting at a later date may not exceed the proposed rate shown below unless the district publishes a revised notice containing the same information and comparisons set out below and holds another public meeting to discuss the revised notice.

Maintenance Tax	$1.040000/$100 (proposed rate for maintenance and operations)
School Debt Service Tax Approved by Local Voters	$0.420000/$100 (proposed rate to pay bonded indebtedness)

Comparison of Proposed Budget with Last Year's Budget

The applicable percentage increase or decrease (or difference) in the amount budgeted in the preceding fiscal year and the amount budgeted for the fiscal year that begins during the current tax year is indicated for each of the following expenditure categories.

Maintenance and operations	5.00 % increase
Debt Service	-4.93 % decrease
Total expenditures	3.69 % increase

Total Appraised Value and Total Taxable Value
(as calculated under Section 26.04, Tax Code)

	Preceding Tax Year	Current Tax Year
Total appraised value* of all property	$21,675,878,050	$24,263,983,800
Total appraised value* of new property**	$406,545,366	$464,487,837
Total taxable value*** of all property	$17,615,904,083	$19,701,949,552
Total taxable value*** of new property**	$369,502,571	$450,288,794

*Appraised value is the amount shown on the appraisal roll and defined by Section 1.04(8), Tax Code.
** "New property" is defined by Section 26.012(17), Tax Code.
*** "Taxable value" is defined by Section 1.04(10), Tax Code.

Bonded Indebtedness

Total amount of outstanding and unpaid bonded indebtedness* $606,420,090

*Outstanding principal.

Comparison of Proposed Rates with Last Year's Rates

	Maintenance & Operations	Interest & Sinking Fund*	Total	Local Revenue Per Student	State Revenue Per Student
Last Year's Rate	$1.040000	$0.420000*	$1.460000	$4,574	$5,321
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	$1.138000	$0.371850*	$1.509850	$4,878	$4,918
Proposed Rate	$1.040000	$0.420000*	$1.460000	$5,176	$4,963

*The Interest & Sinking Fund tax revenue is used to pay for bonded indebtedness on construction, equipment, or both.
The bonds, and the tax rate necessary to pay those bonds, were approved by the voters of this district.

Comparison of Proposed Levy with Last Year's Levy on Average Residence

	Last Year	This Year
Average Market Value of Residences	$175,898	$199,071
Average Taxable Value of Residences	$150,898	$174,071
Last Year's Rate Versus Proposed Rate per $100 Value	$1.460000	$1.460000
Taxes Due on Average Residence	$2,203.11	$2,541.44
Increase (Decrease) in Taxes		$338.33

Under state law, the dollar amount of school taxes imposed on the residence homestead of a person 65 years of age or older or of the surviving spouse of such a person, if the surviving spouse was 55 years of age or older when the person died, may not be increased above the amount paid in the first year after the person turned 65, regardless of changes in tax rate or property value.

Notice of Rollback Rate: The highest tax rate the district can adopt before requiring voter approval at an election is $1.465119. This election will be automatically held if the district adopts a rate in excess of the rollback rate of $1.465119.

Fund Balances

The following estimated balances will remain at the end of the current fiscal year and are not encumbered with or by a corresponding debt obligation, less estimated funds necessary for operating the district before receipt of the first state aid payment.

Maintenance and Operations Fund Balance(s)	$169,872,613
Interest & Sinking Fund Balance(s)	$21,716,951

Budget Summary Report for GARLAND ISD

	2017 - 18 Actual Budget	Aggregrate Expenditures	Per Pupil Expenditures		2018 - 19 "Proposed" Budget	Aggregrate Expenditures	Per Pupil Expenditures
Instruction				Instruction			
11	Instruction	$286,995,380	$5,024	11	Instruction	$295,348,700	$5,220
12	Instructional Resources, Media Services	$8,066,139	$141	12	Instructional Resources, Media Services	$7,696,249	$136
13	Curriculum Development & Staff Development	$12,523,876	$219	13	Curriculum Development & Staff Development	$12,888,440	$228
95	Payment to Juvenile Justice AEP	$75,000	$1	95	Payment to Juvenile Justice AEP	$75,000	$1
	Total:	$307,660,395	$5,386		Total:	$316,008,389	$5,585
Instructional Support				Instructional Support			
21	Instructional Leadership	$9,108,162	$159	21	Instructional Leadership	$9,669,360	$171
23	School Leadership	$32,259,298	$565	23	School Leadership	$32,599,012	$576
31	Guidance & Counseling, Evaluation	$24,407,673	$427	31	Guidance & Counseling, Evaluation	$24,378,869	$431
32	Social Work Services	$1,189,246	$21	32	Social Work Services	$980,069	$17
33	Health Services	$7,393,319	$129	33	Health Services	$7,294,606	$129
36	Co-curricular/ Extra-curricular Activities	$10,577,511	$185	36	Co-curricular/ Extra-curricular Activities	$9,567,720	$169
	Total	$84,935,209	$1,487		Total	$84,489,636	$1,493
							$0
Central Administration				Central Administration			$0
41*	General Administration	$16,945,021	$297	41*	General Administration	$18,009,344	$318
District Operations				District Operations			
51	Plant Maintenance & Operations	$41,431,203	$725	51	Plant Maintenance & Operations	$41,415,360	$732
52	Security and Monitoring	$6,629,531	$116	52	Security and Monitoring	$6,639,749	$117
53	Data Processing	$13,875,075	$243	53	Data Processing	$13,868,645	$245
34	Student Transportation	$15,331,325	$268	34	Student Transportation	$15,881,380	$281
35	Food Services	$30,466,500	$533	35	Food Services	$32,335,000	$571
	Total:	$107,733,634	$1,886		Total:	$110,140,134	$1,947

Debt Service				Debt Service			
71	Debt Service	$74,478,464	$1,304	71	Debt Service	$70,856,636	$1,252
Other				Other			
61	Community Service	$2,169,907	$38	61	Community Service	$2,194,399	$39
81	Facilities Acquisition and Construction	$0	$0	81	Facilities Acquisition and Construction	$0	$0
91	Contracted Instructional Services Between Public schools	$0	$0	91	Contracted Instructional Services Between Public schools	$0	$0
92	Incremental Cost Associated with Chapter 41 School Districts	$0	$0	92	Incremental Cost Associated with Chapter 41 School Districts	$0	$0
93	Payments to Fiscal Agents for Shared Service Arrangements	$0	$0	93	Payments to Fiscal Agents for Shared Service Arrangements	$0	$0
97	Payments to Tax Increment Funds	$0	$0	97	Payments to Tax Increment Funds	$0	$0
99	Inter-government charges not Defined in Other codes	$835,728	$15	99	Inter-government charges not Defined in Other codes	$925,839	$16
	Total:	$3,005,635	$53		Total:	$3,120,238	$55
Object Code: 6491 is calculated in function code 41. (This is for reference only)	Expenditures to publish all statutorily required public notices in the newspaper by the school district or their representatives.	$23,270	$0	Object Code: 6491 is calculated in function code 41. (This is for reference only)	Expenditures to publish all statutorily required public notices in the newspaper by the school district or their representatives.	$24,434	$0

GARLAND INDEPENDENT SCHOOL DISTRICT

2018-19 Proposed Budgert Overview Summary & Tax Rates

September 1, 2018 - June 30, 2019 (10-Month)

	General Fund	Student Nutrition Fund	Debt Service Fund
	199	240	*599
Total Revenue Summary	479,268,899	30,281,000	85,575,042
Total Expenditure Summary	474,657,741	30,281,000	58,507,225
Operational Surplus (Deficit)	4,611,158	-	27,067,817
Other Financing Sources (Uses)	(16,950,000)	-	-
Net Change in Fund Balance	(12,338,842)	-	27,067,817
Projected Beginning Fund Balance	169,193,758	6,624,529	21,716,951
Projected Ending Fund Balance	156,854,916	6,624,529	48,784,768
Proposed Tax Rate	1.04	-	0.42

*Must Have Enough in Fund Balance to Cover August Debt Service Payment in FY 2019-20

GENERAL FUND
COMPARISON TO PRIOR YEAR REVENUE

	2017-18	2018-19	Change	% Change
Local	$176,744,264	$196,033,150	$19,288,886	10.91 %
State	$295,221,323	$275,535,749	($19,685,574)	(6.67) %
Federal	$1,700,000	$7,700,000	$6,000,000	352.94 %
Total Revenue	$473,665,587	$479,268,899	$5,603,312	1.18%

GENERAL FUND

Comparison to Prior Year Expenditures

Description	2017-18 (12-Month)	2018-19 (10-Month)
Payroll	$414,695,487	$408,524,878
Contracted Services	$39,096,186	$33,302,856
Supplies & Materials	$26,079,392	$24,064,818
Other Operating	$7,785,141	$8,502,200
Capital Outlay	$154,601	$262,989
Total Expenditures	**$488,810,807**	**$474,657,741**

Note: FY 2018-19 Transfer Out of $16,950,000 not included in figures above.

GENERAL FUND BALANCE – FY 10-MONTH

Beginning Fund Balance – 9/1/18 (est.)	$169,193,758
Revenues	$479,268,899
Expenditures (FY 10 Month)	($474,657,741)
Other Sources (Uses)	($16,950,000)
Operational Surplus (Deficit)	($12,338,842)
Projected Fund Balance – 6/30/19	$156,854,916

DEBT SERVICE
2018-19 (FY 10-MONTH)

Beginning Fund Balance - 9/1/18 (est.)	$21,716,951
Revenues	
Local - Property Taxes/Investments	$77,935,214
State - IFA and EDA	$7,405,082
Federal - QSCB subsidy	$234,746
Total Revenue	$85,575,042
Expenditures	
Principal, Interest, and Fees	($58,507,225)
Operational Surplus (Deficit)	$27,067,817
Projected Fund Balance - 6/30/19	$48,784,768

Note: Fund Balance Must Cover August Debt Service Payment in FY 2019-20

Garland ISD
2018-19 Proposed Budget - 10 Month
August 28, 2018

		General Fund 199		Student Nutrition Services Fund 240		Debt Service Fund 599
REVENUES:						
57 Local Revenue	$	196,033,150	$	7,258,000	$	77,935,214
58 State Revenue		275,535,749		170,000		7,405,082
59 Federal Revenue		7,700,000		22,853,000		234,746
Total Revenues	$	479,268,899	$	30,281,000	$	85,575,042
EXPENDITURES:						
11 Instruction	$	279,810,660	$	-	$	-
12 Instructional Resources and Media Services		7,574,837				
13 Curriculum Development and Instructional Staff Development		12,740,401				
21 Instructional Leadership		8,793,216				
23 School Leadership		31,360,290				
31 Guidance, Counseling and Evaluation		22,890,770				
32 Social Work Services		796,953				
33 Health Services		6,885,439				
34 Student Transportation		15,039,629				
35 Food Services		300,000		30,206,000		
36 Extracurricular Activities		9,567,720				
41 General Administration [1]		17,108,260				
51 Facilities Maintenance and Operations		39,793,041		75,000		
52 Security and Monitoring Services		6,251,091				
53 Data Processing Services		12,710,067				
61 Community Services		2,084,604				
71 Debt Service - Principal on Long-Term Debt						41,850,090
72 Debt Service - Interest on Long-Term Debt						16,507,135
73 Bond Issuance Cost and Fees						150,000
81 Facilities Acquisition and Construction						
95 Juvenile Justice Program		24,924				
99 Other Intergovernmental Charges		925,839				
Total Expenditures	$	474,657,741	$	30,281,000	$	58,507,225
Excess (Deficiency) Revenues Over (Under) Expenditures	$	4,611,158	$	-	$	27,067,817
Other Financing Sources (Uses)	$	(16,950,000)	$	-	$	-
Net Change in Fund Balance	$	(12,338,842)	$	-	$	27,067,817

[1] **Includes 6491-Statutorily required Public Notice budgeted amount of $24,434**

Taxable Assessed Valuation

	Certified Roll	Change	% Change
2014-15	$13,889,150,942	$625,343,101	4.71%
*2015-16	$14,355,902,279	$466,751,437	3.36%
2016-17	$15,978,205,948	$1,622,303,569	11.30%
2017-18	$17,615,904,083	$1,637,698,135	10.25%
2018-19	$19,701,949,552	$2,086,045,469	11.84%

*2015-16: 25,000 Homestead Exemption

Property Values & Funding Lag

- The Texas Education Agency (TEA) uses prior year property values in calculating each school district's local share of the Foundation School Program funding.
- Using school districts prior year property values does not fully reflect the property values decline that may be experienced.
- TEA assumes the same estimated property value increase for all school districts.
- School districts experiencing slower value growth may experience significant underpayments, creating what is called a funding lag.

PROPOSED 2018-19 TAX RATE

	2016-17	2017-18	Proposed 2018-19	Change
Local Maintenance	$1.04	$1.04	$1.04	$0.00
Debt Service	$.42	$.42	$.42	$0.00
Total	$1.46	$1.46	$1.46	$0.00

Tax Impact (Average Value Home)

Fiscal Year	Average Market Value	Taxable Value	% Value Change	Tax Levy	Annual Change
2014-15	$113,330	$88,330	(14%)	$1,195	($93)
*2015-16	$133,284	$108,284	23%	$1,581	$386
2016-17	$150,898	$125,898	16%	$1,838	$257
2017-18	$175,898	$150,898	20%	$2,203	$365
2018-19	$199,071	$174,071	17%	$2,541	$338

Taxable Value assumes the home qualifies for state mandated homestead exemption.

*The exemption changed from $15,000 to $25,000 in 2015-16. The tax rate increased 10 cents same year.