

SCHOOL BOARD MEETING AGENDA ITEM FORM

MEETING DATE: June 17, 2008

AGENDA ITEM: Adoption of the 2008-09 Operating, Debt Service, Food Service, and Other Funds w/Transfers to and (from) Operating

INFORMATION SUBMITTED BY: Richard Matkin
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COMMENTS:

The 2008-09 Budget is presented for your consideration and adoption. All budgets have been presented to the Board at previous work sessions. This meeting culminates a series of extensive discussions by the Board of Trustees on the 2008-09 Budget. The budget packet includes several attachments for your review:

- A. Proposed General Operating Fund Budget by Function & Aggregate Spending Per Student
- B. Summary of Other Funds with Annually Adopted Budget
- C. Proposed General Operating Fund Budget by Object
- D. Proposed General Operating Fund Budget by Function and Object
- E. Proposed Debt Service Fund Budget and Debt Requirements
- F. Key Indicators 2008 - 09 Budget
- G. Revenue Summary 2008 - 09
- H. Expenditure Targets 2008 - 09

The Budget recommended is as follows:

Maintenance & Operating – This budget includes total revenues and other sources of \$493,953,071 and an appropriation budget of \$508,620,535 including recapture. A summary of increases/decreases by object code is as follows (Reference Exhibits C, D & G):

Revenue – Increase of \$9M over FY 2007-08 Adopted Budget

- Local Revenue increase of \$23.1M, due to two cent increase in tax rate and increased local values.
- State funds decrease of \$21.7M, due to current school funding legislation.
 - Target revenue formula in place
 - Based on 2005-06 local tax revenue and state funding per WADA
 - District equalized at \$5,408 per WADA – hard dollar cap – no index factor – decrease in recapture nets against revenue per WADA
 - Decrease in Foundation revenue - \$26.9M
 - Includes \$3.9M increase in TRS On-Behalf flow through funding
- Transfer-In increase of \$8M, due to transfer from the Worker's Comp Fund, \$3M, and transfer from the Health Self-Insurance Fund, \$5M.

Appropriations – Increased from the FY 2007-08 Adopted Budget by \$8.9M. Highlights of this increase are listed below:

- **Salary & Benefits** – Increase of \$16.9M
 - 3% of the control rate general pay increase for all pay ranges including 840 and below – includes all teachers, librarians, counselors and nurses as well as all other professional and paraprofessional staff on these pay ranges.
 - 2.5% of the control rate general pay increase for all pay ranges above 840 – includes administrators and other professional staff on these pay ranges.
 - Includes \$3.9M increase in TRS On-Behalf flow through funding.
 - Includes additional new teaching positions & counselors, reclassification of staff from federal grants and increases for Athletics and Fine Arts stipends.
- **Contracted Services** – Increase of \$3.1M, due to rising utility cost, increased participation in masters program, increased cost for service contracts due to rising CPI and reclassification of printing by Copy Center.
- **Supplies & Materials** – Decrease of \$924K with the major decrease, due to reclassification of printing by Copy Center to contracted services. An offsetting increase in the Transportation function of \$893K is due to increased fuel cost and bus parts.
- **Other Operating** – Decrease of \$134K, due to decreased travel and reclassification of transportation shuttle cost.
- **Capital Outlay** – Decrease of \$211K, due to no vehicle purchases for Transportation and significantly reduced vehicles approved for Facility Services.
- **Purchase of WADA** – Decrease of \$9.5M
 - Change in state finance formula increases EWL to \$374,200
 - Small increase in PISD WADA
 - Direct payment to the State
 - Change in recapture nets with local tax revenue and state funding to provide flat revenue stream tied to target revenue of \$5,408 per WADA

Other Subsidiary Funds – The General Fund includes transfers-in and out from the Operating Fund. The General Fund contributes to the following:

Head Start	\$ 328,195
Tuition Reimbursed Fund	\$ 2,021,657
Athletics Fund	\$ 1,408,738
Special Programs Center Fund	\$ 3,882,066
Employee Child Care Fund	\$ 64,746
Family Literacy	\$ 288,818
Special Events	\$ 96,666

The General Fund will receive a transfer-in from the PASAR Fund of \$1,581,570 and approximately \$13,900 from the Off-Campus PE and GED fee based programs.

Net Impact Operating Fund Balance – Deficit budget of \$14.7M, which is 2.9% of the entire budget. Historically, the District does not spend 1% of the budget.

Debt Service – This budget includes a total revenue budget of \$93,122,899 and an appropriation budget of \$92,838,206. The tax rate for debt service is recommended to increase by \$0.015 to \$0.2634.

Revenue – Includes \$89.6 M in tax revenue, \$1.0 M in investment earnings from the Debt Service Fund and \$2.5 M transfer from Construction Fund investment earnings.

Appropriations – Includes repayment of Unlimited Tax Bonds – Series 2000-2008.

Net Impact Fund Balance – Proposed Debt Service Budget is projecting a small increase of \$284K. After paying the debt service payments due in August 2009, the estimated fund balance will be \$18.6M.

Food and Nutritional Services – The proposed budget does not include a price increase for student meals, but does include a ten cent increase for adult meals. The Compensation Plan increase approved by the Board of Trustees is included in this budget. This budget projects a slight deficit of \$486K. The Food and Nutritional Services budget presented at the May 6th Board Meeting did not include the Compensation plan, as it had not been approved at that time.

PASAR After School Care – The budget for PASAR projects a profit of \$1,581,570 to be transferred to the Operating fund.

Employee Child Care - The budget for the Employee Child Care Center projects a deficit of \$64,746 to be funded by the Operating Fund in this first year of operation. It is planned to be a cost neutral operation in future years.

Plano Family Literacy – The budget for Plano Family Literacy projects a deficit of \$288,818 to be funded by the Operating fund.

Events – The budget for this fund projects a deficit of \$96.7K to be funded by the Operating fund.

BUDGET/FINANCIAL IMPLICATIONS:

Adoption will establish the Budget for 2008-2009.

RECOMMENDATION:

The Administration recommends the adoption of the 2008-09 Operating, Debt Service, Food Service, and Other Funds with transfers to and (from) the Operating fund as presented.