

**SUBJECT: APPROVAL OF 2017-18 RECOMMENDED DISTRICT BUDGET**

As required by the Texas Education Code, all school districts in Texas must adopt an operating budget no later than August 31, 2017 for the 2017-18 school year. The recommended budget denotes the projected allocation of revenues and expenditures needed to support educational programs and services defined by the *district’s mission to provide a sound educational program which meets the needs of our diverse student population* with an emphasis on the four principles and six beliefs.

The vision of district leadership is articulated through financial and operating policies and is a deliberate balance of choices representing the educational needs of students and the ability of the community and the state to provide the financial support to serve them.

The recommended budget that must be adopted is required to be presented to the Board of Trustees in a format which presents revenues by fund and source – **top of page 6 of 7** and expenditures by fund and function – **bottom of page 6 of 7**.

Budget planning for 2017–18 has been a year-long process, which included a review of all campuses, departments, initiatives and district-wide accounts. Major accounts reviewed included:

Category of Expense	Amount Paid
• Salaries*	\$7,795,585
• Benefits	\$811,951
Internal Revenue Service	\$849,988
Teacher Retirement System	\$898,911
TRS ActiveCare	\$853,338
• Other Contracted Services	\$697,470
Food Services – Gordon Food Service	\$ 337,072
Lawn Maintenance – Gary’s Landscape	\$107,750
• Facility Rental – Maxi Realty Corporation	\$ 325,000
• Utilities	\$506,877

\*Major Object Codes (6119) – Teachers and Other Professionals and (6129) - Support Personnel

District-wide initiatives/programs included in the 2017-18 recommended budget to include:

- ✓ **Literacy** initiative is designed to improve reading fluency and comprehension and to increase the number of books in classrooms and student homes.
- ✓ **Second Language Program (Spanish/English)** is designed to provide an opportunity for students and staff to learn a second language.
- ✓ **Accelerated Bridges Program** is designed to provide curriculum and additional learning opportunities for the gifted and talented students.
- ✓ **Technology** initiative provides additional instructional technology for teachers and students. These technology tools will be used to transition and support computerized grading, attendance and campus back office support.
- ✓ **Professional Development** provides intensive staff training to support literacy and technology initiatives.
- ✓ **Parent Engagement Initiative** provides support for the district personnel along with parents of identified student populations to best support student engagement and achievement.
- ✓ **Incentives** are designed to support teacher and staff performance and retention goals.

- ✓ **Campus Support** to facilitate the goal of improved student achievement and parental involvement the following staff will continue for each campus:
  - 1 Parent Liaison
  - 2 Instructional Facilitators – (based on need and campus size)
  - 2 Instructional Coaches
  - 1 additional Physical Educational Coach – (based on campus size)
  - 1 SPED Stipend-Based Teacher (an additional 1 may be added, based on need)
  - 1 ESL Stipend-Based Teacher (an additional 1 may be added, based on need)
  - 1 Data Management & Testing Director – Districtwide
  
- ✓ **Campus Support – New Positions:**
  - 1 Counselor – District-wide
  - 1 Professional Development Director – District-wide
  
- ✓ **Campus Maintenance** is to support facilities upgrade at Southwest campus.
- ✓ **Construction Loan Repayment** is for ongoing construction projects to support facilities upgrade.

Projected revenues for the 2017–18 General Fund are **\$13,798,968** and represent a **\$1,547,880 Decrease** over the original 2016–17 budgeted revenues of **\$15,337,310**. There was a budget amendment for the 2016-2017 school year to reduce the budgeted revenues to **\$13,190,873**. This was a result of a decrease in student enrollment by approximately 4% or 61 Students. The following chart provides a three year comparison of student enrollment and attendance:

Description	2014-2015	2015-2016	2016-2017	2017-2018
Enrollment	1,614	1,668	1,607	1,574
Average Attendance Rate	95.9%	95.1%	95.3%	95

Appropriations included in the recommended budget for the General Fund total **\$13,796,144**, represent an **8%** decrease over the original 2016–17 budgeted expenditures of **\$15,008,098**.

The following chart provides a multi-year historical analysis along with the 2017-2018 projections of revenue and expenditures:

Fund	Object Type	Enrollment Fall PEIMS	Actual	Actual	Actual	Estimated
			1,614	1,668	1,607	1,620
		Average ADA	1360.8	1421.1	1391.0	
		Description	2014-2015	2015-2016	2016-2017	2017-2018
240	57XX	Local Revenue	(\$23,789.04)	(\$37,154.81)	(\$30,644.00)	(\$30,662.00)
240	58XX	State Revenue	(\$6,853.88)	(\$5,961.52)	(\$6,002.60)	(\$6,003.00)
240	59XX	Federal Revenue	(\$1,086,923.21)	(\$970,426.30)	(\$976,816.90)	(\$1,002,090.00)
240	79XX	Operating Transfer	\$0.00	(\$191,506.24)	(\$350,000.00)	(\$350,000.00)
240	61XX	Payroll Expense	\$374,509.26	\$555,962.61	\$573,737.07	\$599,028.00
240	62XX	Contracted Service	\$40.00	\$130.00	\$631.49	\$631.50
240	63XX	Supplies	\$734,165.89	\$659,706.61	\$786,000.27	\$786,001.00
240	64XX	Operating Expense	\$812.58	\$790.99	\$3,095.02	\$3,095.00
420	57XX	Local Revenue	(\$531,424.42)	(\$67,693.04)	(\$25,500.00)	(\$25,000.00)
420	58XX	State Revenue	(\$12,484,837.06)	(\$13,235,145.00)	(\$12,851,945.00)	(\$13,773,468.00)
420	5949	Insurance Recovery	(\$581,198.92)	(\$0.00)	(\$0.00)	(\$0.00)
420	59XX	Federal Revenue - Erate	(\$0.00)	(\$28,709.80)	(\$0.00)	
420	61XX	Payroll Expense	\$7,254,197.17	\$7,733,030.07	\$8,582,218.87	\$9,015,709.00
420	62XX	Contracted Service	\$2,911,117.92	\$2,924,379.04	\$2,975,134.57	\$2,841,135.00
420	63XX	Supplies	\$655,309.99	\$686,945.81	\$892,103.63	\$624,494.00
420	64XX	Operating Expense	\$776,404.55	\$721,169.85	\$764,803.65	\$764,806.00
420	65XX	Debt Expense	\$0.00	\$1,028.14	\$58,013.04	\$200,000.00
420	66XX	Assets	\$0.00	\$0.00	\$902,502.79	
420	8949	Due Back to TEA	\$2,046,976.00	\$0.00	\$0.00	
420	89XX	Operating Transfer	\$0.00	\$191,506.24	\$350,000.00	\$350,000.00

**Notes:**

- 1) 2017-18 State Revenue is calculated based on the estimated per student allocation in the 2016-17 school year. Current 2016-17 funding for 1,421.678 **refined** ADA is \$13,115,615. Per student calculation is \$13,115,615 **Divided by** 1,421.78 = \$9,225.45 per refined ADA
- 2) 2017-18 projected enrollment is 1,574. **Multiplied by** 95% attendance = 1,495 Projected Refined ADA
- 3) 2017-18 estimated revenue 1,495 refined ADA **multiplied by** \$9,225.45 = **\$13,754,000**
- 4) The 2017-18 recommended budget allocates for a 3% across the board increase. There are three new positions being considered and included in the budget for the 2017-18 year. These three positions are two Counselors and one Professional Development Director. There are two additional positions being considered and included in the budget for the 2017-2018 year. These two positions are Tech Support Specialist and Business and Finance Analyst. Multiple position titles have changed to better align the role, positions, duties and responsibilities.
- 5) The 2017-18 recommended budget allocates fees for the 403(b) and 457(b) on behalf of the plan participant:
  - 403b – \$18/year for active contributions
  - 457b – 0.35% and \$18/year for administration, 0.35% for investment advisor and \$1.20/year

Based on employee surveys and the number of employees, the total cost for each product should not exceed:

403b	\$3,618.00
457b	<u>\$14,479.20</u>
<b>Total</b>	<b><u><u>\$18,097.20</u></u></b>

- 6) The 2017-18 recommended budget includes allocations for the second language program (Spanish/English). The program includes material, monitoring, tracking and professional development totaling an estimated cost of \$40,000.00.
- 7) The 2017-18 recommended budget includes \$125,000 allocation to support the parent engagement initiative.

The budget information for the 2017-18 Recommended District Budget as well as 2016-17 actual budget is attached.

The administration recommends that the Board adopt and approved the 2017-18 Recommended District Budget.

Preliminary entitlements received from the Texas Education Agency (TEA) include the following grants:

Grants	2016-17		C 2017-18 Allotment	Difference A minus C
	A Allotment	B Roll Forward		
Title I Part A – Improving Basic Programs	\$772,313	\$42,149	\$756,584	\$(15,729)
IDEA B	\$241,370	\$88,039	\$226,411	\$(14,959)
IDEA B Preschool	\$5,545	\$4,951	\$5,346	\$(199)
Title II Part A –Teacher and Principal Training & Recruiting	\$95,304	\$93,743	\$64,918	\$(30,386)
Title III Part A – LEP	\$69,202	\$17,090	\$65,835	\$(3,367)
Title IV, Part A - SSAEP	\$0	\$0	\$18,001	\$18,001
State Textbook Allotment	\$	\$	\$	\$
<b>Grant Totals</b>	<b>\$1,183,734</b>	<b>\$245,972</b>	<b>\$1,137,095</b>	<b>\$(46,639)</b>

The 2017–2018 Recommended District Budget also includes the following recommended appropriations:

Funding Source	2016-2017	2017-2018	Difference
National School Lunch Program-Federal Funding	\$976,817	\$1,002,090	\$25,273
National School Lunch Program-Local Funding	\$386,647	\$386,665	\$18
<b>NSLP Total</b>	<b>\$1,363,464</b>	<b>\$1,338,755</b>	<b>\$25,291</b>

## The Varnett Public Schools - 2017-2018 Recommended Budget By Fund and Function

Fund	Major Object	YTD Sum of 2016-2017 Budget	Sum of Anticipated 08-31-17	Sum of 2017-2018
<b>240-NSLP</b>	57XX-Local Revenue	\$38,016.15	\$30,644.00	\$30,662.00
	58XX-State Revenue	\$6,002.60	\$6,002.60	\$6,003.00
	59XX-Federal Revenue	\$927,973.00	\$976,816.90	\$1,002,090.00
	79XX-Operating Transfer	\$300,000.00	\$350,000.00	\$350,000.00
<b>240-NSLP Total</b>		<b>\$1,271,991.75</b>	<b>\$1,363,463.50</b>	<b>\$1,388,755.00</b>
<b>420-Foundation School Program</b>	57XX-Local Revenue	\$21,000.00	\$25,500.00	\$25,500.00
	58XX-State Revenue	\$13,169,873.00	\$12,851,945.00	\$13,773,468.00
<b>420-Foundation School Program Total</b>		<b>\$13,190,873.00</b>	<b>\$12,877,445.00</b>	<b>\$13,798,968.00</b>
<b>Grand Total</b>		<b>\$14,462,864.75</b>	<b>\$14,240,908.50</b>	<b>\$15,187,723.00</b>

Fund	Function	YTD Sum of 2016-2017 Budget	Sum of Anticipated 08-31-17	Sum of 2017-2018
<b>240-NSLP</b>	35-Food Services	\$1,273,708.30	\$1,363,463.85	\$1,388,755.00
<b>240-NSLP Total</b>		<b>\$1,273,708.30</b>	<b>\$1,363,463.85</b>	<b>\$1,388,755.00</b>
<b>420-Foundation School Program</b>	11-Instructional Services	\$6,262,309.69	\$6,213,150.98	\$6,219,327.00
	12-Library & Media Services	\$146,957.53	\$146,704.31	\$151,407.00
	13-Curriculum & Staff Development	\$294,207.12	\$250,921.08	\$480,383.00
	21-Program Admin	\$1,969.00	\$1,969.00	\$1,969.00
	23-Campus Admin	\$1,362,623.63	\$1,384,968.47	\$1,402,976.00
	31-Counseling & Assessment	\$73,350.00	\$71,600.00	\$146,350.00
	33-Health Services	\$153,362.97	\$149,895.96	\$156,937.00
	34-Transportation	\$845,713.21	\$856,747.45	\$858,917.00
	35-Food Services	\$332,692.58	\$380,692.58	\$380,692.00
	41-District Admin	\$996,890.07	\$978,556.28	\$986,850.00
	51-Maint & Operations	\$2,076,772.38	\$2,075,999.54	\$1,845,932.00
	52-Security Services	\$273,776.72	\$266,602.09	\$270,082.00
	53-Networking & Technology	\$622,049.61	\$669,656.27	\$640,459.00
	61-Community Services	\$153,539.41	\$116,810.68	\$121,687.00
	71-Debt Services	\$38,062.55	\$58,013.04	\$200,000.00
99-Assets	\$793,687.56	\$902,502.79	\$60,000.00	
<b>420-Foundation School Program Total</b>		<b>\$14,427,964.03</b>	<b>\$14,524,790.52</b>	<b>\$13,923,968.00</b>
<b>Grand Total</b>		<b>\$15,701,672.33</b>	<b>\$15,888,254.37</b>	<b>\$15,312,723.00</b>

**Net of Revenue to Expenses**

**(\$125,000.00)**

**The Varnett Public Schools**  
**2017-2018 Proposed Budget By Fund and Major Object**

Fund	YTD Sum of 2016-2017 Budget	Sum of Anticipated 08-31-17	Sum of 2017-2018
<b>240-NSLP</b>			
61XX-Payroll Expense	\$577,170.77	\$573,737.07	\$599,028.00
62XX-Contracted Services	\$631.49	\$631.49	\$631.00
63XX-Supplies	\$694,047.66	\$786,000.27	\$786,001.00
64XX-Operating Expenses	\$1,858.38	\$3,095.02	\$3,095.00
<b>240-NSLP Total</b>	<b>\$1,273,708.30</b>	<b>\$1,363,463.85</b>	<b>\$1,388,755.00</b>
<b>420-Foundation School Program</b>			
61XX-Payroll Expense	\$8,686,120.94	\$8,582,218.87	\$9,015,709.00
62XX-Contracted Services	\$2,989,439.88	\$2,975,134.57	\$2,968,958.00
63XX-Supplies	\$842,262.70	\$892,117.60	\$564,495.00
64XX-Operating Expenses	\$778,390.40	\$764,803.65	\$764,806.00
65XX-Debt Services	\$38,062.55	\$58,013.04	\$200,000.00
66XX-Assets	\$793,687.56	\$902,502.79	\$60,000.00
89XX-Operating Transfer	\$300,000.00	\$350,000.00	\$350,000.00
<b>420-Foundation School Program Total</b>	<b>\$14,427,964.03</b>	<b>\$14,524,790.52</b>	<b>\$13,923,968.00</b>
<b>Grand Total</b>	<b>\$15,701,672.33</b>	<b>\$15,888,254.37</b>	<b>\$15,312,723.00</b>