



CONROE
INDEPENDENT
SCHOOL DISTRICT



2016 - 2017

Budget Presentation

August 16, 2016
Public Hearing



CONROE
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SCHOOL DISTRICT

FINANCIAL HIGHLIGHTS 2015 - 2016

- I. Unassigned General Fund Balance equals 28% of the Budget @ 8/31/15
- II. Budget Presentation & CAFR Awards from ASBO (Over 21 Years) & GFOA (16 Years)
- III. Financial Integrity Rating System of Texas (FIRST) - Pass Rating for year ended August 31, 2014
- IV. Clean Audit from Weaver & Tidwell
- V. District voters approved the 2015 Bond Referendum (\$487 Million)
- VI. Transparency Stars – Traditional Finances , Debt Obligations, and Contracts & Procurement.
- VII. 5 - Star rating by the 2015 Texas Smart Schools. One of only 3 ISD's to receive a 5-Star rating all 6 years.
- VIII. Lowest Tax Rate (\$1.28) compared to our Area Peer Group
- IX. Surplus Fund Balance of \$33 M used to assist in Capital Projects program without issuing New Debt
- X. Received Bond Ratings upgrades from both Moody's (Aa1) and S & P (AA+)



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TXSmartSchools

Five Star Recipients



Six Consecutive
Years

Conroe

Cypress-Fairbanks

Friendswood

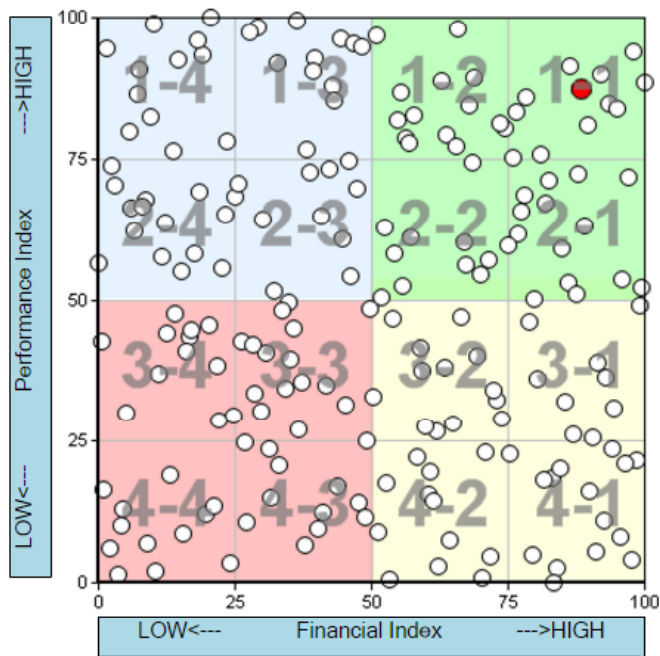
FAST

Financial Allocation
Study of Texas



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2015 ERG Position



1-1 Districts

Hurst-Euless-Bedford

Cypress-Fairbanks

Everman

Pearland

Richardson

Conroe

Socorro

Galena Park

Carrollton-Farmers Branch

Pasadena

Clint

North East



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2016-2017 Budget Objectives

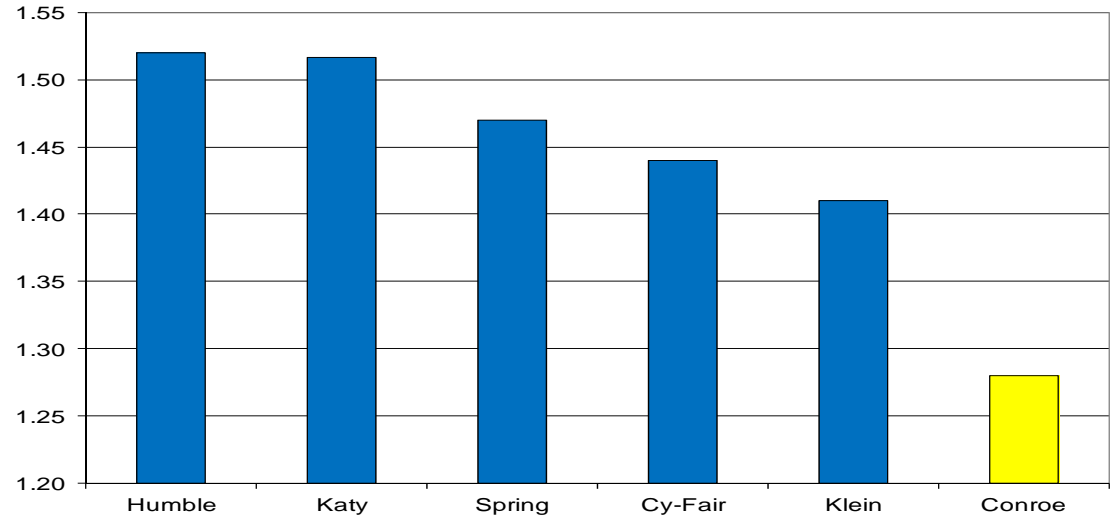
1. Meet the needs for the 2016-2017 school year
2. Provide a competitive raise for all, and additional salary adjustments for identified areas
3. Prepare for the upcoming legislative session and possible future budget reductions
4. Utilize budget surplus to support capital projects and reduce bond debt requirements



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**2015-2016
Tax Rate Comparison**

2015 – 2016
Combined Tax
Rate Comparison
With Area
School Districts

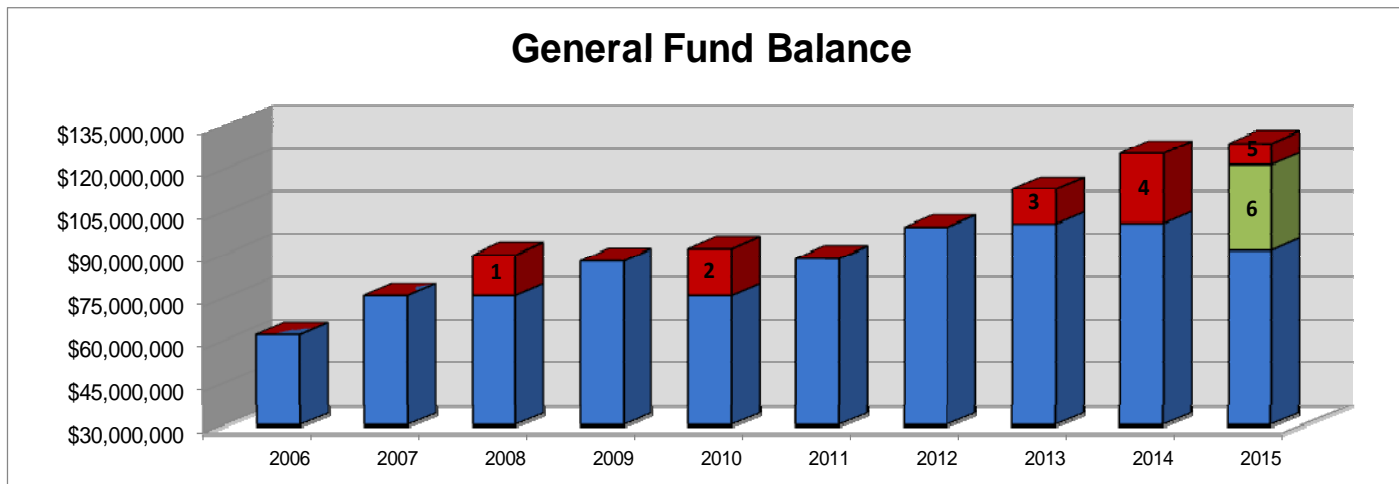


District	Total Rate	General	Debt Service
Humble	1.52000	1.170000	0.35000
Katy	1.51660	1.126600	0.39000
Spring	1.46996	1.040000	0.42996
Cy-Fair	1.44000	1.040000	0.40000
Klein	1.41000	1.040000	0.37000
Peer Average Tax Rate	1.4713	1.0833	0.3880
Conroe Tax Rate	1.2800	1.0400	0.2400



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General Fund Balance



1. \$14 M used to build Bonnie Wilkinson Elementary
2. \$16 M used for Construction projects and Safety & Technology needs
3. \$12 M used to cover life cycle and safety needs & the health fund
4. \$24.5M used for ORHS 9th grade, life cycle & the health fund
5. \$7.3 M used for TWHS girls locker room addition & the health fund
6. \$33 M designated for upcoming capital projects



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Fund Balance Analysis

2015-2016 Budget = \$ 416.6 M

Objective: Maintain an Unassigned Fund Balance of 16% to 24% of the Annual Budget (approx. 2-3 mos. of expenses)

16% of Budget \$ 66.7 M

24% of Budget \$ 100.0 M

Projected Unassigned Fund Balance @ 8-31-16 = \$ 115.1 M
28% of budget and (\$15.1M over high-end Target)



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Attendance Data

Last Nine Fiscal Years, Current Year, & One Year Projection

Average
Enrollment
Growth
Per Year
1,548

Average
ADA
Growth
Per Year
1,598
3.49%

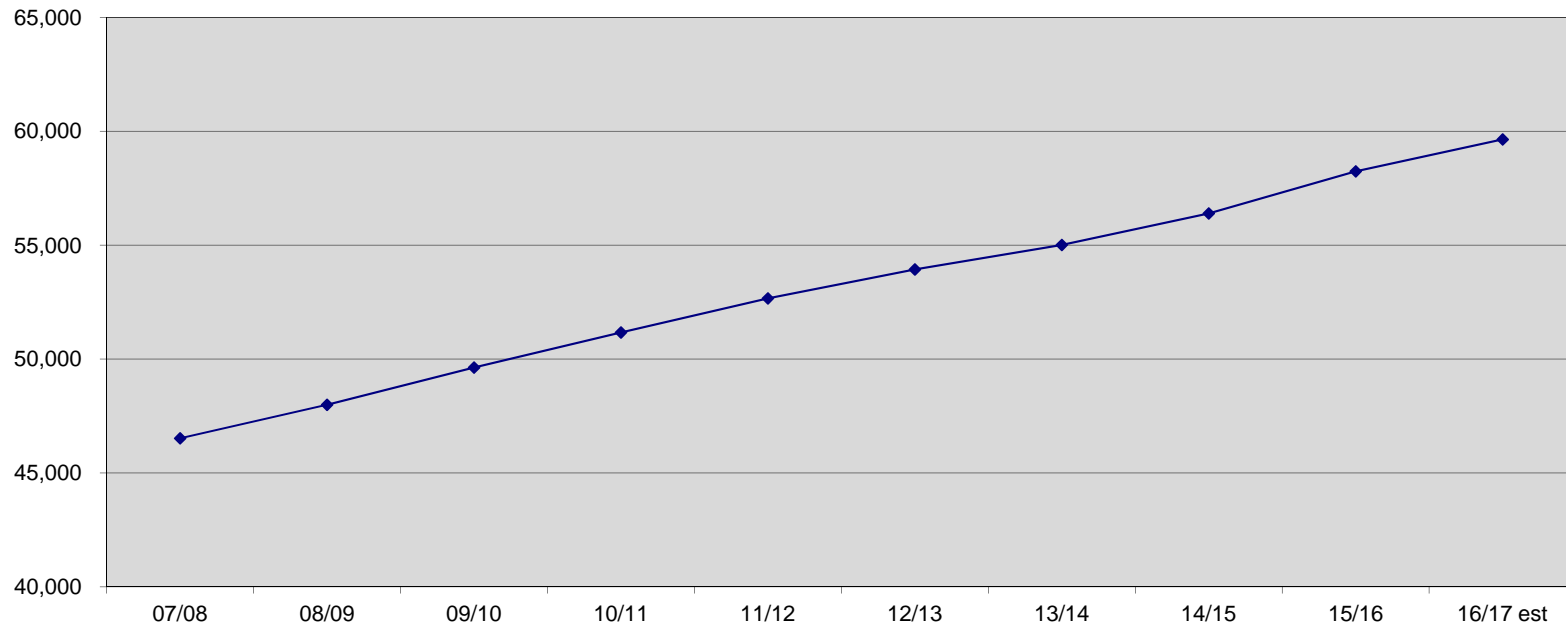
Year	Enrollment		Average Daily Attendance				
	Ended 31-Aug	Actual Enrollment	Total Yearly Change	ADA Amount	Total Yearly Change	Percent (Decrease)	Percent of Enrollment
2007		44,460	1,847	40,938	2,454	6.4%	92.08%
2008		46,524	2,064	43,305	2,367	5.8%	93.08%
2009		47,996	1,472	44,915	1,610	3.7%	93.58%
2010		49,629	1,633	46,275	1,360	3.0%	93.24%
2011		51,170	1,541	47,888	1,613	3.5%	93.59%
2012		52,664	1,494	49,498	1,610	3.4%	93.99%
2013		53,934	1,270	50,465	967	2.0%	93.57%
2014		55,009	1,075	51,830	1,365	2.7%	94.22%
2015		56,363	1,354	53,165	1,335	2.6%	94.33%
2016		58,239	1,876	55,147	1,982	3.7%	94.69%
2017		59,639	1,400	56,061	914	1.7%	94.00%
Ten Year Average			1,548		1,598	3.49%	93.83%

* State revenue estimates and campus expenditure budget allocations rely on enrollment data



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Enrollment Trend





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Certified Property Values

Last 10 yr
Average
Increase
8.2%

Tax Year	Certified Value	Change in Certified Value	
		\$	%
2016	32,423,298,323	2,582,889,266	8.66%
2015	29,840,409,057	2,911,859,001	10.81%
2014	26,928,550,056	3,019,678,901	12.63%
2013	23,908,871,155	1,898,891,099	8.63%
2012	22,009,980,056	1,019,637,597	4.86%
2011	20,990,342,459	717,354,839	3.54%
2010	20,272,987,620	558,807,212	2.83%
2009	19,714,180,408	1,358,634,446	7.40%
2008	18,355,545,962	1,768,563,478	10.66%
2007	16,586,982,484	2,092,386,379	14.44%
2006	14,494,596,105	1,537,496,618	11.87%



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2016-2017 Funding Estimate

Tax Revenue Increase (8.66% AV Growth)		\$ 26.9 M
State Revenue:		
1,400 Student Growth	\$ 11.1 M	
10.8% AV Growth 2015-2016	<u>(28.4) M</u>	
Net State Revenue Decrease		(17.3) M
Available Surplus from 2015-2016		<u>19.8 M</u>
Total Estimated Available Funding		<u>\$ 29.4 M</u>

Net Revenue Increase Equals \$9.6M



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Conroe ISD

**2016-17 New Hire Guide for
Teachers, Librarians, and Nurses (RN)**

Model 3: \$51,500 starting, 3.0% GPI

Approved 2016-2017
Teacher
Hiring
Schedule

\$1,650 Raise with targeted equity
adjustment for teachers with 7+ years of
service.

Years of Experience	New Hire Salary
0	\$51,500
1	\$51,700
2	\$51,975
3	\$52,415
4	\$52,795
5	\$53,170
6	\$53,395
7	\$53,695
8	\$53,995
9	\$54,395
10	\$54,895
11	\$55,395
12	\$55,895
13	\$56,395
14	\$56,895
15	\$57,395
16	\$57,895
17	\$58,395
18	\$58,895
19	\$59,395
20	\$59,995
21	\$60,495
22	\$60,995
23	\$61,495
24	\$61,895
25+	\$62,295



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2016-2017 Salary Increase

3% General Pay Increase on the mid-point	\$	9,214,676
Adjustments to Teachers (7+ years)		1,532,206
Police and Auxiliary Pay Adjustments		404,386
Increase Stipends Bilingual, Special Ed, and Fine Arts		408,200
Other Market Adjustments		<u>206,848</u>
Total Salary Increase	\$	11,766,316



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Personnel - Growth

CAMPUS POSITIONS	Elementary	Intermediate	Junior High	High School	Grand Total	Total Cost
Teachers	22.0	11.0	11.0	29.5	73.5	\$ 4,410,000
Contingency Teaching Positions	15.0	5.0	-	-	20.0	1,200,000
Special Ed Positions	10.0	8.0	-	-	18.0	725,000
Other Professionals	-	-	-	2.0	2.0	130,000
Para-Professionals	8.5	1.0	-	1.0	10.5	210,000
Administrators	1.0	3.0	-	-	4.0	340,000
Total	56.5	28.0	11.0	32.5	128.0	\$ 7,015,000

SUPPORT POSITIONS	Operations	Administration	Grand Total	Total Cost
Communications Specialist-Web Page	-	1.0	1.0	\$ 70,000
Staff Accountant	-	1.0	1.0	65,000
Permanent LVN Substitute	-	1.0	1.0	60,000
CTE Administration-Technology Support	-	1.0	1.0	65,000
Special Ed Coordinator	-	1.0	1.0	80,000
Maintenance	4.0	-	4.0	200,000
Police Officers	2.0	-	2.0	100,000
Transportation -Assistant Director	1.0	-	1.0	90,000
Transportation-Other	14.0	-	14.0	425,000
Total	21.0	5.0	26.0	\$ 1,155,000

Total FTE Change **154.0**
Total Payroll Additions **\$8,170,000**



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Other Expense Detail

MCAD Fees	\$	500,000
Supplies-Campus Growth		150,000
CTE		1,972,093
Health Insurance (District Contribution)		750,000
Heath Fund Support		750,000
Insurance & Other		212,420
AP Textbooks		100,000
Fuel Savings		<u>(750,000)</u>
Other Expense Increase	\$	3,684,513



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Adopted Expenditure Budget
Increase for 2016-2017

Salary Increases (3%) Plus Targeted Adjustments	\$11,766,316
Additional Personnel	8,170,000
Other Expenses	<u>3,684,513</u>
Total Adopted Expenditure Budget Increase	\$ 23,620,829



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2016-2017 Adopted Budget

Revenue

15-16 Amended Revenue Budget	\$ 443,732,438
16-17 Adopted Revenue Increase	<u>9,612,373</u>
Adopted 16-17 Revenue Budget	<u>\$ 453,344,811</u>

Expenditure

15-16 Amended Expenditure Budget	\$ 423,959,726
Salary Increase	11,766,316
Additional Personnel	8,170,000
Other Expenses	<u>3,684,513</u>
Adopted 16-17 Expenditure Budget	<u>\$ 447,580,555</u>

Potential Surplus \$ 5,764,256

\$ 23.6 M equals a 5.57 % Budget Increase



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Proposal for Fund Balance Surplus

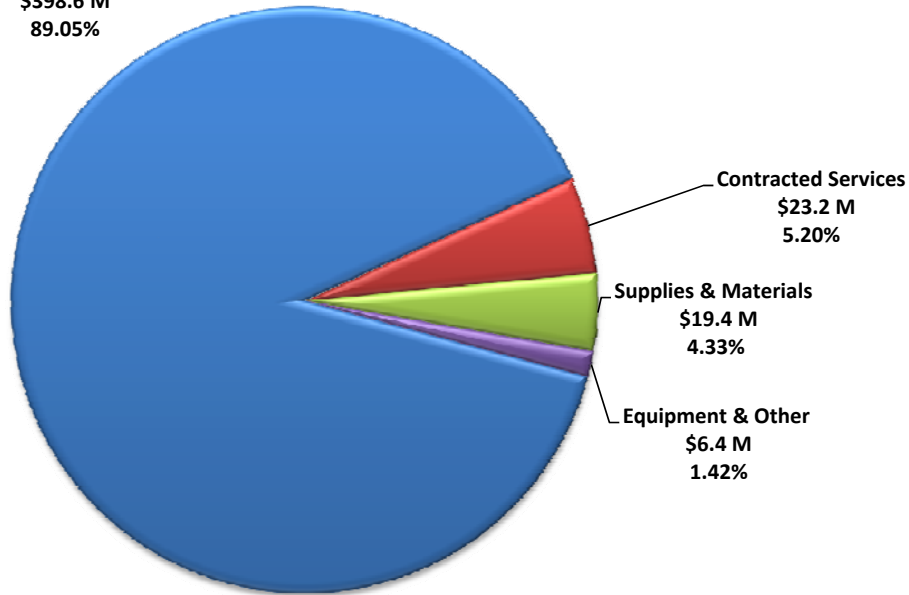
- Save the surplus in the General Fund Balance to support the 2017-2018 budget
- Utilize budget surplus to support capital projects, reduce bond debt requirements, and cover any unforeseen expenditures



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2016-2017
Adopted Budget Summary

Payroll & Benefits
\$398.6 M
89.05%



- Payroll
- Contracted Services
- Supplies & Materials
- Equipment & Other

2016-2017 Adopted Budget
\$447,580,555



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CISD
2016-2017
Adopted
Budget

	General Operating Funds	Special Revenue Funds	Debt Service Fund
<i>2015-16 Tax Rate</i>	\$ 1.0400		\$ 0.2400
<i>Tax Rate Change</i>	-		-
<i>2016-17 Adopted Tax Rate</i>	\$ 1.0400		\$ 0.2400
Estimated Beginning Fund Balance	\$ 121,910,261	\$ 2,969,793	\$ 39,267,108
Estimated Revenue			
Local Revenues	325,498,681	7,705,214	77,915,916
State Funding	106,046,130	-	1,547,762
Federal Revenue	-	10,294,786	-
TRS In-Kind Funds	21,800,000	-	-
Total	<u>453,344,811</u>	<u>18,000,000</u>	<u>79,463,678</u>
Estimated Appropriations			
11 Instructional	286,530,704	-	-
12 Instructional Resources and Media Services	5,302,485	-	-
13 Staff Development	3,424,184	-	-
21 Instructional Administration	3,862,470	-	-
23 School Administration	28,626,120	-	-
31 Guidance and Counseling	15,216,342	-	-
32 Attendance and Social Work Services	561,501	-	-
33 Health Services	4,855,515	-	-
34 Pupil Transportation	21,604,901	-	-
35 Child Nutrition	-	16,566,000	-
36 Co-Curricular Activities	10,367,083	-	-
41 General Administration	8,005,664	-	-
51 Plant Maintenance and Operation	43,264,267	1,434,000	-
52 School Police	5,927,712	-	-
53 Technology	6,313,007	-	-
61 Community Service	18,600	-	-
71 Debt Service	-	-	88,077,713
81 Facilities Acquisition and Construction	-	-	-
99 Other Intergovernmental Charges	<u>3,700,000</u>	<u>-</u>	<u>-</u>
Total	<u>447,580,555</u>	<u>18,000,000</u>	<u>88,077,713</u>
Estimated Ending Fund Balance	\$ 127,674,517	\$ 2,969,793	\$ 30,653,073



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2016-2017 Adopted Tax Rate

	Tax Rate 2015-2016	Adopted Tax Rate 2016-2017	Increase <Decrease>
M & O	\$1.04	\$1.04	\$0.00
Debt	\$0.24	\$ 0.24	\$0.00
Total	\$1.28	\$1.28	\$0.00

The 2016-2017 Adopted Tax Rate of \$1.28 is 48¢ lower than 2005-2006 Tax Rate of \$1.76



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Fund Balance Analysis

Adopted 2016-2017 Budget = \$ 447.6 M

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16% of Budget \$ 71.6 M

24% of Budget \$ 107.4 M

Estimated Unassigned Fund Balance @ 8-31-17 = \$ 120.9 M
27.0% of budget and (\$13.5M over high-end Target)



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Pro-Forma 2017-2018 Budget

2017-2018

Beginning Revenue		\$ 453.30 M
Estimated Revenue Change		
Local Revenue 6% AV growth	\$ 20.20	
* State Funding 1,400 growth	(23.00)	
	Total Revenue Decrease	<u>(2.80)</u>
Total Revenue		\$ 450.50 M
Beginning Expenditures		\$ 447.60 M
Estimated Expenditure Increase		
3.0 % Salary Increase per TASB	\$ 12.20	
Additional Personnel for Growth	9.00	
Other expenses	<u>3.50</u>	
	Total Estimated Expenditure Increase	<u>24.70</u>
Total Expenditures		\$ 472.30 M
Potential Shortfall		\$ (21.80) M