



CONROE
INDEPENDENT
SCHOOL DISTRICT



2017-2018

Preliminary Budget Presentation

August 1, 2017
Public Hearing



CONROE
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SCHOOL DISTRICT

FINANCIAL HIGHLIGHTS 2016 - 2017

- I. Unassigned General Fund Balance equals 28% of the Budget @ 8/31/16
- II. Budget Presentation & CAFR Awards from ASBO (Over 22 Years) & GFOA (17 Years)
- III. **Financial Integrity Rating System of Texas (FIRST) – Superior Rating for year ended August 31, 2015**
- IV. Clean Audit from Weaver
- V. **Transparency Stars – Traditional Finances , Debt Obligations, and Contracts & Procurement.**
- VI. **5 - Star rating by the 2017 Texas Smart Schools. Based on the 2015-2016 fiscal year. One of only 3 ISD's to receive a 5-Star rating all 7 years.**
- VII. Lowest Tax Rate (\$1.28) compared to our Area Peer Group
- VIII. Surplus Fund Balance of \$33 M used to assist in Capital Projects program without issuing New Debt



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TXSmartSchools

Five Star Recipients



Seven Consecutive
Years

Conroe

Cypress-Fairbanks

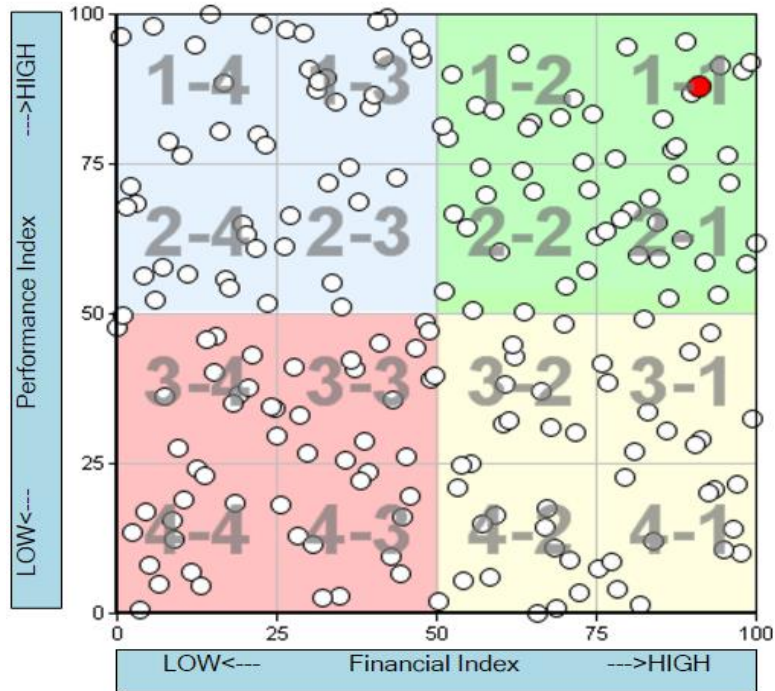
Friendswood

FAST | Financial Allocation
Study of Texas



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2016 ERG Position



1-1 Districts

Hurst-Euless-Bedford

Everman

Cypress-Fairbanks

Richardson

Conroe

Socorro

Pearland

Galena Park

Carrollton-Farmers Branch

United

Grand Prairie

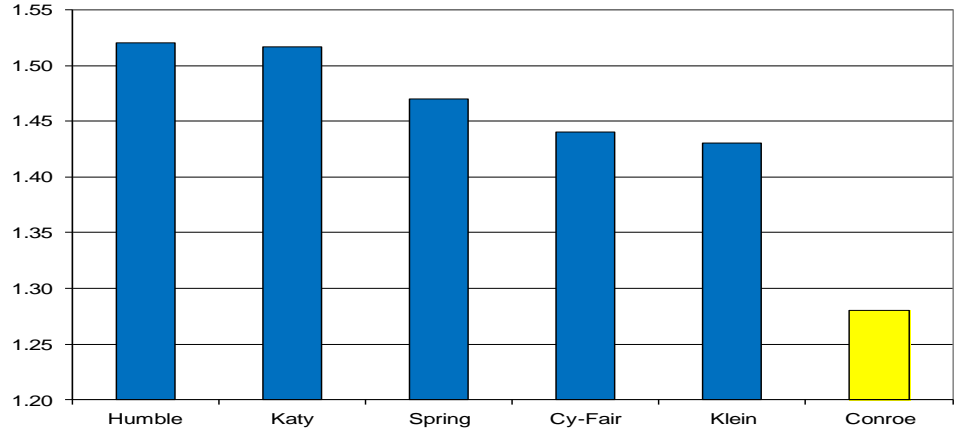
Houston



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2016 – 2017
Combined Tax
Rate Comparison
With Area
School Districts

2016-2017
Tax Rate Comparison



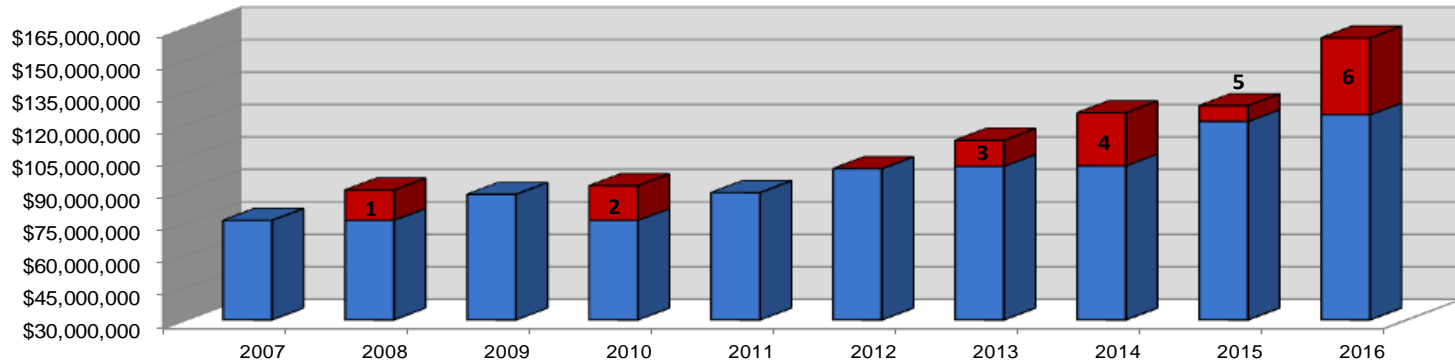
District	Fiscal Year 2016-2017		
	Total Rate	General	Debt Service
Humble	1.52000	1.170000	0.35000
Katy	1.51660	1.126600	0.39000
Spring	1.46996	1.040000	0.42996
Cy-Fair	1.44000	1.040000	0.40000
Klein	1.43000	1.040000	0.39000
Peer Average Tax Rate	1.4753	1.0833	0.3920
Conroe Tax Rate	1.2800	1.0400	0.2400



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General Fund Balance

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. \$33.3 M Capital Project & the health fund



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2017-2018 Budget Objectives

1. Meet the needs for the 2017-2018 school year
2. Provide a competitive raise for all, and additional salary adjustments for identified areas
3. Preserve funding for the 2018-2019 budget
(opening new high school and intermediate school)



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Fund Balance Analysis

Objective: Maintain an Unassigned Fund Balance of 25% of the Annual Budget which is 3 mos. of expenses.

2016-2017 Budget = \$ 447.6M

25% of Budget \$ 111.9 M

Unassigned Fund Balance @ 8-31-16 = \$ 119.4 M 26.7% of budget and (\$7.5 M over our objective)



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Attendance Data

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

Average
Enrollment
Growth
Per Year
1,536

Average
ADA
Growth
Per Year
1,522
3.2%

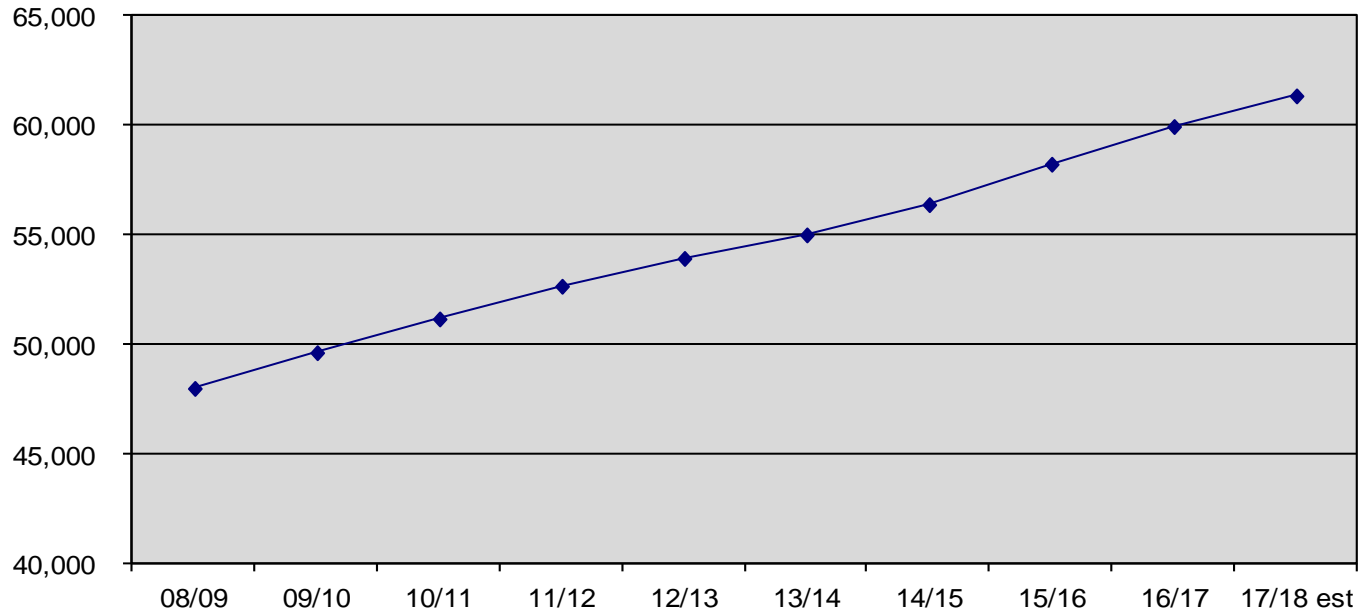
Year Ended	Enrollment		Average Daily Attendance			
	Actual Enrollment	Total Yearly Change	ADA Amount	Total Yearly Change	Percent (Decrease)	Percent of Enrollment
31-Aug						
2008	46,524	2,064	43,305	2,367	5.8%	93.08%
2009	47,996	1,472	44,915	1,610	3.7%	93.58%
2010	49,629	1,633	46,275	1,360	3.0%	93.24%
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	59,960	1,721	56,653	1,506	2.7%	94.48%
*2018	61,360	1,400	57,678	1,025	1.8%	94.00%
Ten Year Average		1,536		1,522	3.2%	93.89%

* BASED ON PROJECTED FIGURES



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Enrollment Trend





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Certified Property Value

Last 10 yr
Average
Increase
7.43%

Tax Year	Certified Value	Change in Certified Value	
		\$	%
2017	\$ 33,799,892,825	1,376,594,502	4.25%
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	1,831,798,239	8.30%
2012	22,077,072,916	1,086,730,457	5.18%
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%



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2017-2018 Funding Estimate

Tax Revenue Increase (4.25% AV Growth)		\$ 23.2 M
State Revenue:		
1,400 Student Growth	\$ 11.5 M	
SB 1 Increase Austin Yield	7.5	
8.66% AV Growth 2016-2017	<u>(25.7)</u>	
Net State Revenue Decrease		(6.7) M
Investment Income		1.7 M
TRS On Behalf		<u>1.5 M</u>
Total Estimated Available Funding		<u>\$ 19.7 M</u>



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Approved 2017-2018
Teacher
Hiring
Schedule

\$1,125 Raise with targeted equity adjustment.

Conroe ISD
2017-18 New Hire Guide for
Teachers, Librarians, and Nurses (RN)

Model 1: \$52,500 starting, 2.0% GPI

Year of Experience	New Hire Salary
0	\$52,500
1	\$52,700
2	\$52,900
3	\$53,100
4	\$53,540
5	\$53,920
6	\$54,295
7	\$54,520
8	\$54,820
9	\$55,120
10	\$55,520
11	\$56,020
12	\$56,520
13	\$57,020
14	\$57,520
15	\$58,020
16	\$58,520
17	\$59,020
18	\$59,520
19	\$60,020
20	\$60,520
21	\$61,120
22	\$61,620
23	\$62,120
24	\$62,620
25+	\$63,020



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2017-2018 Salary Increase

General Pay Increase 2% professional – 3% nonexempt staff (on the mid point)	\$	7,258,609
Police and Auxiliary Pay Adjustments		363,602
Admin Support, Education & Business Adjustments		162,262
Instructional Support & Special Ed Adjustments		200,844
Bus driver beginning pay to \$16.00/hr.		<u>129,414</u>
Total Salary Increase	\$	8,114,731



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Personnel - Growth

CAMPUS POSITIONS	Elementary	Intermediate	Junior High	High School	Grand Total	Total Cost
Teachers	20.17	14.00	12.50	30.83	77.50	\$ 4,674,800
Special Education Teachers	11.50	2.00	0.00	0.00	13.50	810,000
Contingency Teaching Positions	11.00	3.00	0.00	0.00	14.00	840,000
Other Professionals	2.00	0.00	0.00	1.00	3.00	190,000
Para-Professionals	3.50	1.00	0.00	(2.00)	2.50	56,000
Special Education Para-Professionals	12.00	0.00	0.00	0.00	12.00	230,000
Administrators	3.00	0.00	0.00	0.00	3.00	270,000
Total	63.17	20.00	12.50	29.83	125.50	\$ 7,070,800

SUPPORT POSITIONS	Operations	District Support	Grand Total	Total Cost
Technology Canvas Support	-	1.00	1.00	\$ 60,000
PreK Instructional Coach	-	1.00	1.00	60,000
District Interventional Reading Teachers	-	2.00	2.00	120,000
Special Education	-	8.00	8.00	565,000
Buyer-Purchasing	-	1.00	1.00	40,000
Police	2.00	-	2.00	61,500
Transportation	15.00	-	15.00	250,000
Custodial	7.00	-	7.00	180,000
Total	24.00	13.00	37.00	\$ 1,336,500

Total FTE Change

162.50

Total Payroll Additions

\$ 8,407,300



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Other Expense Detail

MCAD Fees	\$ 300,000
TRS On-Behalf	1,500,000
District Contribution TRS Increase	700,000
Supplies-Campus Growth	200,000
Utilities New Campus & Increase cost	350,000
Technology Mobile Device Manager & Web Accessibility	95,000
Fuel – Transportation, Police and Maintenance	150,000
Life Cycle, Insurance & Other	<u>830,000</u>
Other Expense Increase	\$ 4,125,000



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Projected Expenditure Budget
Increase for 2017-2018

Salary Increases	\$8,114,731
Additional Personnel	8,407,500
Payroll Budget Adjustment	(3,000,000)
Other Expenses	<u>4,125,000</u>
TOTAL	\$ 17,647,231



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2017-2018 Proposed Budget

Revenue

16-17 Amended Revenue Budget	\$ 453,344,811
17-18 Projected State Revenue Decrease (1,400 Student Growth)	(6,714,711)
17-18 Projected Local Revenue Increase	24,897,686
17-18 TRS On Behalf	1,500,000
Projected 17-18 Revenue Budget	<u>\$ 473,027,786</u>

Expenditure

16-17 Amended Expenditure Budget	\$ 455,380,555
Salary Increase	8,114,731
Additional Personnel	8,407,500
Payroll Budget Adjustment	(3,000,000)
Other Expenses	4,125,000
Projected 17-18 Expenditure Budget	<u>\$ 473,027,786</u>

Difference \$ -

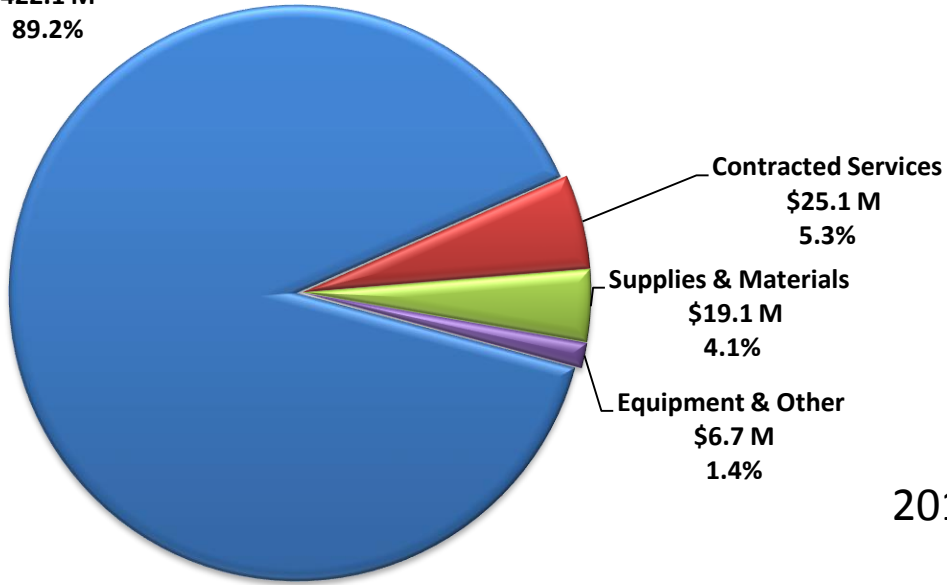
\$ 17.6 M equals a 3.875 % Budget Increase



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2017-2018
Proposed Budget Summary

Payroll,
422.1 M
89.2%



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

2017-2018 Proposed Budget
\$473,027,786



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	General Operating Funds	Child Nutrition Funds	Debt Service Fund
<i>2016-17 Tax Rate</i>	\$ 1.0400		\$ 0.2400
<i>Tax Rate Change</i>	-		-
<i>2017-18 Proposed Tax Rate</i>	\$ 1.0400		\$ 0.2400
Estimated Beginning Fund Balance	\$ 133,673,332	\$ 3,124,569	\$ 37,553,892
Estimated Revenue			
Local Revenues	350,396,367	8,429,784	81,369,743
State Funding	99,331,419	-	1,370,230
Federal Revenue	-	11,170,216	-
TRS In-Kind Funds	23,300,000	-	-
Total	<u>473,027,786</u>	<u>19,600,000</u>	<u>82,739,973</u>
Estimated Appropriations			
11 Instructional	302,943,877	-	-
12 Instructional Resources and Media Services	5,575,820	-	-
13 Staff Development	3,874,936	-	-
21 Instructional Administration	4,244,400	-	-
23 School Administration	30,157,148	-	-
31 Guidance and Counseling	14,988,375	-	-
32 Attendance and Social Work Services	734,400	-	-
33 Health Services	5,101,856	-	-
34 Pupil Transportation	23,367,335	-	-
35 Child Nutrition	-	18,106,000	-
36 Co-Curricular Activities	10,695,430	-	-
41 General Administration	8,420,865	-	-
51 Plant Maintenance and Operation	46,016,170	1,494,000	-
52 School Police	6,206,639	-	-
53 Technology	6,682,435	-	-
61 Community Service	18,100	-	-
71 Debt Service	-	-	93,544,913
81 Facilities Acquisition and Construction	-	-	-
99 Other Intergovernmental Charges	4,000,000	-	-
Total	<u>473,027,786</u>	<u>19,600,000</u>	<u>93,544,913</u>
Estimated Ending Fund Balance	\$ 133,673,332	\$ 3,124,569	\$ 26,748,952



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2017-2018 Proposed Tax Rate

	Tax Rate 2016-2017	Proposed Tax Rate 2017-2018	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 2017-2018 Proposed Tax Rate of \$1.28 is 48¢ lower than 2005-2006 Tax Rate of \$1.76



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Fund Balance Analysis

Objective: Maintain an Unassigned Fund Balance of 25% of the Annual Budget which is 3 months of expenses

Proposed 2017-2018 Budget = \$ 473 M

25% of Budget \$ 118.25 M

Estimated Unassigned Fund Balance @ 8-31-17 = \$ 128.3 M
27.1% of budget and (\$10.05M over our objective)



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Proposal for Fund Balance Surplus

- Save the Surplus in the General Fund Balance to support the 2018-2019 budget. (opening new high school and intermediate school)
- Utilize the surplus to support capital projects, reduce bond debt requirements, and cover any unforeseen expenditures.

NOTE: The 2017 AV increase and enrollment growth will determine available budget funding for 2018-2019.



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Pro-Forma 2018-2019 Budget

Beginning Revenue		\$ 473.04 M
Estimated Revenue Change		
Local Revenue 5% AV growth	\$ 14.60	
* State Funding 1,400 growth	(3.10)	
Total Revenue Increase		<u>11.50</u>
Total Revenue		\$ 484.54 M
Beginning Expenditures		\$ 473.04 M
Estimated Expenditure Increase		
2.0 % Salary Increase per TASB	\$ 8.50	
Additional Personnel for Growth	8.70	
New High School and Intermediate cost	5.50	
Other expenses	<u>2.00</u>	
Total Estimated Expenditure Increase		<u>24.70</u>
Total Expenditures		\$ 497.74 M
Potential Shortfall		\$ (13.20) M



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Legislative Special Session Agenda

1. Sunset legislation
2. **Teacher pay increase of \$1,000**
3. **Administrative flexibility in teacher hiring, firing and retention practices**
4. **School finance reform commission**
5. **School choice for special needs students**
6. **Property tax reform**
7. **Caps on state and local spending**
8. Preventing cities from regulating what property owners do with trees on private land
9. Preventing local governments from changing rules midway through construction projects
10. Speeding up local government permitting process
11. Municipal annexation reform
12. Texting while driving preemption
13. Privacy
14. Prohibition of taxpayer dollars to collect union dues
15. Prohibition of taxpayer funding for abortion providers
16. Pro-life insurance reform
17. Strengthening abortion reporting requirements when health complications arise
18. Strengthening patient protections relating to do-not-resuscitate orders
19. Cracking down on mail-in ballot fraud
20. Extending maternal mortality task force



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What's Next

- Public Hearing and Budget Approval

- August 15, 2017



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Reference Information



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Key Budget Data

	<u>16-17 Actual</u>	<u>17-18 Projected</u>
Assessed Value	32,423,298,323	33,799,892,825
% Increase in AV	8.66%	4.25%
Enrollment	59,960	61,360
ADA	56,653	57,678
WADA	70,518	72,004
Wealth per WADA	459,788	469,417
Chapter 41 Status	514,000	514,000
Chapter 41 Minimum	319,500	319,500



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Comparison To State Averages By Function

General Fund Expenditures By Function	2016-2017	2016-2017
	Conroe ISD Budget %	State Average Budget %
Instruction (11,95)	64.28%	58.80%
Instructional-Related Services (12,13)	2.11%	2.94%
Instructional Leadership (21)	0.91%	1.49%
School Leadership (23)	6.36%	6.51%
Student Support Services (31,32,33)	4.71%	4.86%
Student Transportation (34)	4.87%	3.37%
Food Service (35)	0.00%	0.88%
Co-Curricular/Extracurricular Activities (36)	2.34%	2.96%
Central Administration (41,92)	1.75%	3.72%
Plant Maintenance & Operations (51)	9.76%	11.32%
Security & Monitoring Services (52)	1.32%	1.04%
Data Processing Services (53)	1.59%	2.11%
Total	100.00%	100.00%
Budget Expenditures Per Student	\$7,573	\$8,382

Source: 2016-2017 Budgeted Financial Data (<http://www.tea.state.tx.us>)



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Top Ten 2015-2016 Expenditures

	Account	2015-2016 Total Y-T-D Expenditures	Percentage of Total
1	Payroll (Salaries & Benefits)	\$ 379,611,803	89.08%
2	Utilities	12,241,226	2.87%
3	General Supplies	6,891,036	1.62%
4	Tax Appraisal and Collections	3,082,741	0.72%
5	Building and Grounds Supplies	2,074,295	0.49%
6	Misc Contracted Services	2,013,557	0.47%
7	Computer/AV Supplies	2,007,387	0.47%
8	Travel - Student Only	1,934,020	0.45%
9	Building and Grounds Repairs	1,906,958	0.45%
10	Computer/AV Repairs	1,883,352	0.44%
	Top Ten Total Actual Expenditures	413,646,375	97.06%
	Total of All Expenditures	426,169,147	100.00%



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Reference Documents

CISD Finance Manual

<http://www.conroeisd.net/department/financial-services-internal-employees-only/>

2016-2017 Detailed Budget by Organization and Function

<http://www.conroeisd.net/wp-content/uploads/2017/01/Detailed-Budget-2016-2017-by-Org-and-Func-General-Fund.xls>

2016-2017 Official Budget Book

<https://conroeisd.net/wp-content/uploads/2016/04/Budget-Book-PDF-Website.pdf>

2015-2016 Comprehensive Annual Financial Report(CAFR)

<http://www.conroeisd.net/wp-content/uploads/2017/01/CAFR-15-16.pdf>