

2023-2024
Budget Presentation
August 15, 2023
Public Hearing

Legislative Update

Regular Session

HB 3 by Burrows - School Safety

\$10 per student in Average Daily Attendance - ADA (Currently \$9.72)

Additional \$15,000 per campus

Armed security officer at each campus

Special Session #2 – Property Tax Relief

SB2 by Bettencourt

Additional 10.7¢ of tax compression

Increase in the homestead exemption from \$40,000 to \$100,000

Includes hold harmless provision for the increase in homestead exemption

2023-2024 Budget Objectives

- **Meet the needs for the 2023-2024 school year.**
(Opening Hines Elementary, Moorhead Jr. High, & Veterans Memorial Intermediate)
- **Provide a competitive compensation plan.**
(Pending legislative action)
- **Provide a safe learning environment for our students and staff.**
- **Provide targeted support for students and staff by absorbing ESSER positions into the General Fund budget.**

Budget Challenges

- **Unprecedented growth**
- **No funding mechanism in current formula to:**
 - **Provide a raise for employees (waiting on legislature)**
 - **Address inflation**
- **ESSER funding cliff – 225 positions- \$16M**
- **No funding for employee retention stipend within the General Fund**

Fund Balance Analysis

2022-2023 Budget	\$ 619,827,991
Target Percentage	x 20%
	<hr/>
	\$ 123,965,598
Projected Unassigned Fund Balance @ 8/31/23	\$ 126,317,917
Target	123,965,598
	<hr/>
Available	\$ 2,352,319

Goal is to maintain an unassigned fund balance in the range of 20 to 25 percent of the budget



Attendance Data

Expenditure budgets are based on enrollment whereas state funding is provided based on average daily attendance (ADA)



Year Ended 31-Aug	Enrollment		Average Daily Attendance			
	Actual Enrollment	Total Yearly Change	ADA Amount	Total Yearly Change	Percent (Decrease)	Percent of Enrollment
	2014	55,009	1075	51,830	1365	2.7%
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	59,764	1,525	56,653	1,506	2.7%	94.79%
2018	61,580	1,816	58,001	1,348	2.4%	94.19%
2019	62,837	1,257	59,356	1,355	2.3%	94.46%
2020	64,799	1,962	60,983	1,627	2.7%	94.11%
2021	64,563	-236	61,007	24	0.0%	94.49%
2022	67,761	3,198	62,630	1,623	2.7%	92.43%
2023	70,794	3,033	65,366	2,736	4.4%	92.33%
2024 Proj	73,394	2,600	67,889	2,523	3.9%	92.50%
Ten Year Average		1,769		1,584	2.7%	93.87%

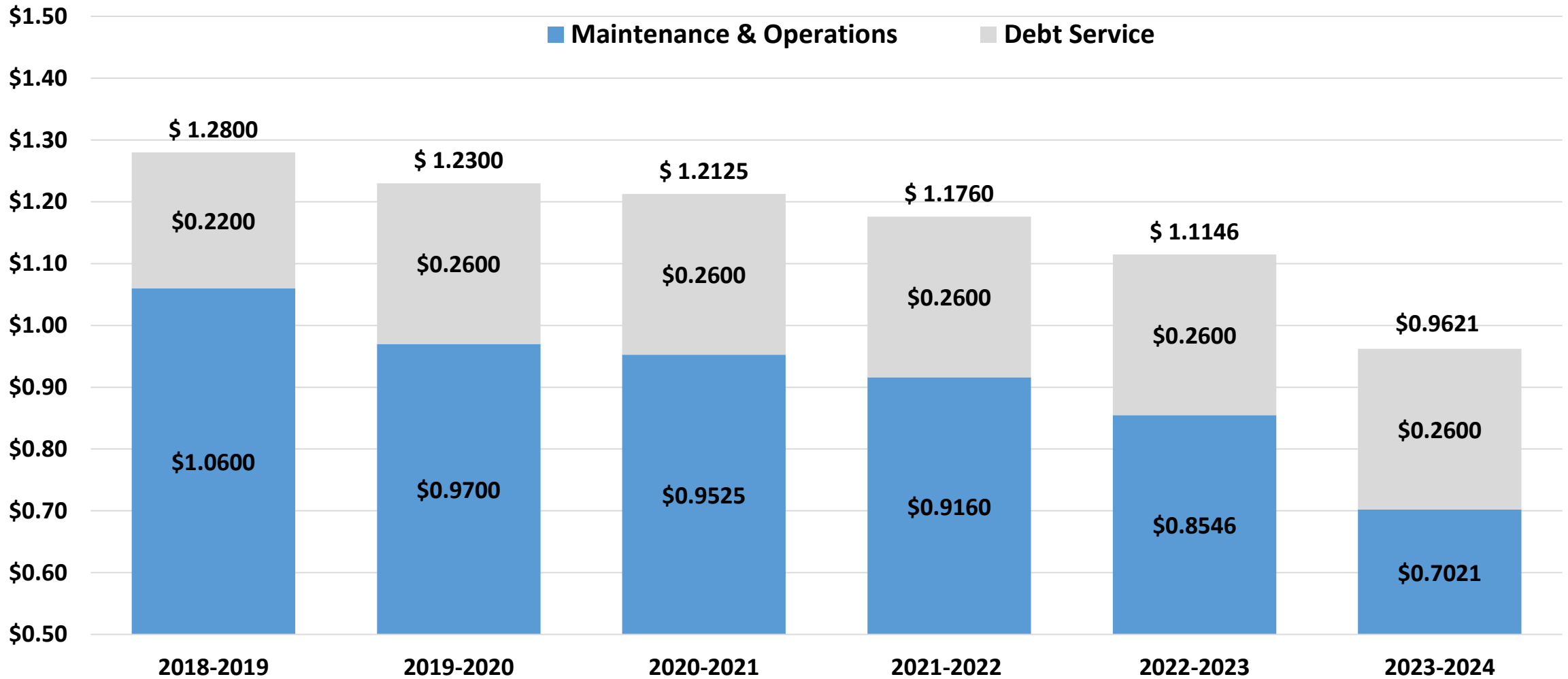
Certified Property Values

Tax Year	Certified Value	Change in Certified Value	
		\$	%
2023 Certified	\$ 54,875,597,445	\$ 2,740,835,366	5.26%
2022	\$ 52,134,762,079	\$ 9,019,328,455	20.92%
2021	\$ 43,115,433,624	\$ 2,994,783,377	7.46%
2020	\$ 40,120,650,247	\$ 2,025,755,895	5.32%
2019	\$ 38,094,894,352	\$ 2,357,351,036	6.60%
2018	\$ 35,737,543,316	\$ 1,937,650,491	5.73%
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%

Average Growth Last 10 Years
8.76%



Tax Rate History



2023-2024 Funding Estimate

Property Tax Revenue Decrease-SB2	\$ (60.26) M
State Funding Increase-SB2	60.26
State Funding Increase-Golden Penny Yield	13.50
State Funding Increase-New Students	29.91
Interest Income	4.30
TRS on Behalf	1.75
Total Estimated Funding Increase	\$ 49.46 M



2023-2024 Personnel Additions

CAMPUS POSITIONS	Elementary	Intermediate	K-6	Junior High	High School	Total FTE	Total Cost
Teachers	145.00	37.50	23.00	32.50	65.50	303.50	\$ 21,245,000
Other Professionals	9.00	5.00	2.00	1.00	7.00	24.00	1,895,000
Para-Professionals	35.00	19.00	3.00	3.00	19.80	79.80	2,005,000
Administrators	13.00	3.00	1.00	7.00	11.00	35.00	3,435,000
Total	202.00	64.50	29.00	43.50	103.30	442.30	\$ 28,580,000

DISTRICT SUPPORT	Operations	Administration	Total FTE	Total Cost
Special Ed Support				
Dyslexia Teachers	-	10.00	10.00	\$ 700,000
Behavior Specialist	-	1.00	1.00	70,000
Special Ed Coordinator	-	3.00	3.00	285,000
Teacher-District Level	-	2.00	2.00	140,000
Speech Language Pathologist	-	4.00	4.00	280,000
ARD Facilitators	-	5.00	5.00	350,000
LSSP's	-	5.00	5.00	400,000
Specialist (Speech)	-	1.00	1.00	90,000
District Professional Staff	4.00	26.25	30.25	2,688,750
Para-Professional Staff	-	12.00	12.00	497,500
Auxiliary	40.00	-	40.00	1,673,000
Total	44.00	69.25	113.25	\$ 7,174,250

Total FTE Change

555.55

Total Payroll Additions

\$ 35,754,250

Staffing Ratio Change 1-4 (22:1)

ESSER Positions

Special Ed Support

Additional Campus Support

Opening Three New Campuses



Expenditure Budget Increase 2023-2024

Salary Increase	\$	-	M
Additional Personnel for Growth 23-24		35.75	
Reading Academy, Summer School, Teacher Pipeline		2.10	
Inflation Adjustment		3.50	
Portable Buildings		3.00	
Increased Software Costs		1.00	
Other Expenses (Utilities, Fuel, Insurance, Supplies)		2.36	
TRS on Behalf		1.75	
Total Estimated Expenditure Increase	\$	49.46	M



Employee Raise Scenarios

Amount	Estimated Cost
2%	\$ 13,270,000
3%	\$ 17,570,000
4%	\$ 21,870,000
5%	\$ 26,170,000

* Pending legislative action for funding. Raise would be retroactive as a result of the resolution approved by the Board of Trustees at the June 2023 meeting.

Retention Stipend

Amount	Estimated Cost
\$ 500	\$ 4,500,000
\$1,000	\$ 8,750,000
\$1,200	\$ 11,000,000

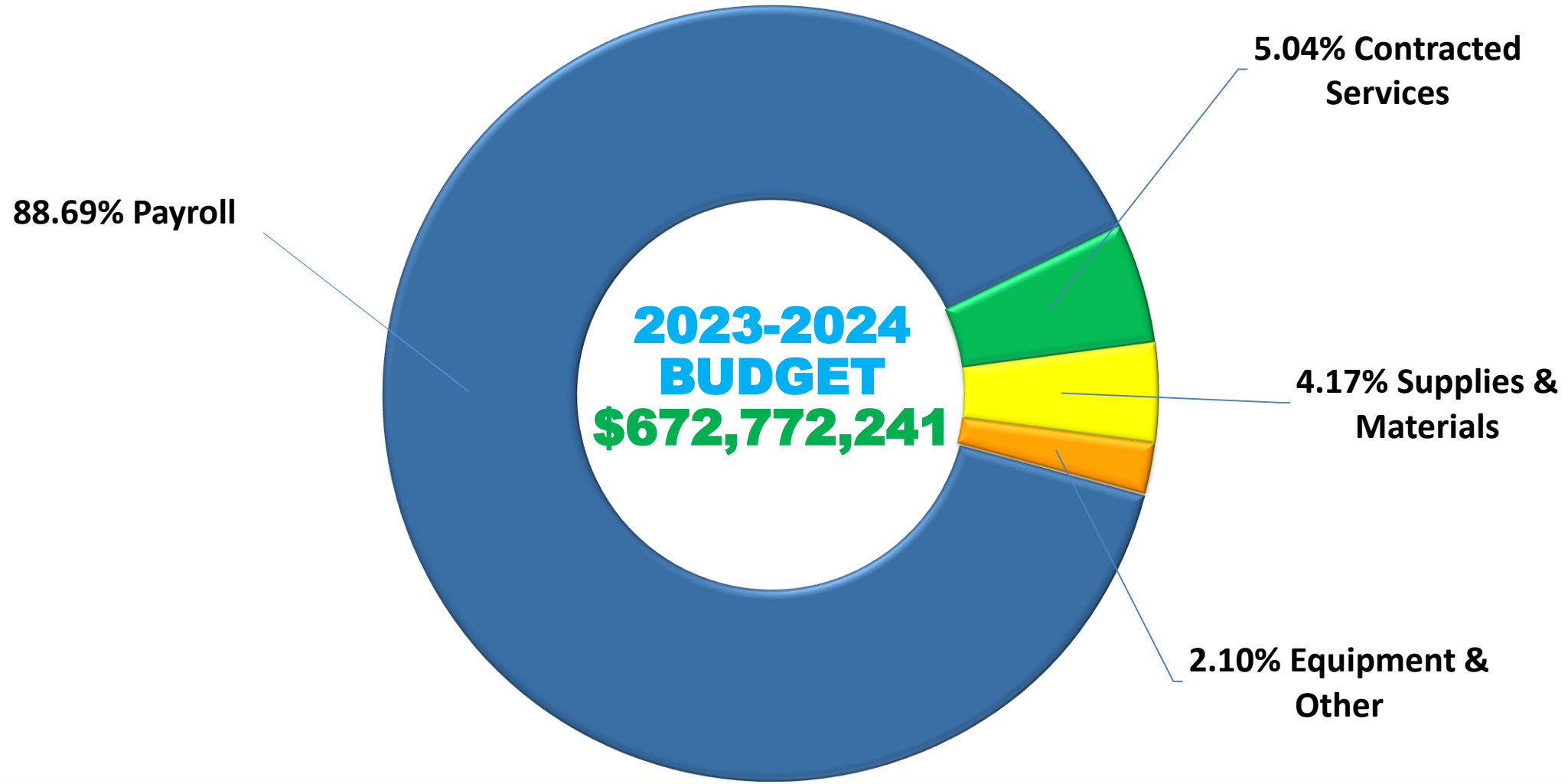


2023-2024 Approved Budget



Beginning Revenue-Amended		\$ 623.31	M
Estimated Revenue Change			
Property Tax Revenue Decrease - SB2	\$(60.26)		
State Funding Increase - SB2	60.26		
State Funding Increase - Golden Penny Yield	13.50		
State Funding Increase - New Students	29.91		
Interest Income	4.30		
TRS on Behalf	1.75		
Total Estimated Revenue Increase		49.46	
Estimated Total Revenue		\$ 672.77	M
Beginning Expenditures-Amended		\$ 623.31	M
Estimated Expenditure Increase			
Salary Increase	\$ -		
Additional Personnel for Growth 23-24	35.75		
Reading Academy, Summer School, Teacher Pipeline	2.10		
Inflation Adjustment	3.50		
Portable Buildings	3.00		
Increased Software Costs	1.00		
Other Expenses (Utilities, Fuel, Insurance Supplies)	2.36		
TRS on Behalf	1.75		
Total Estimated Expenditure Increase		49.46	
Estimated Total Expenditures		\$ 672.77	M
Balanced Budget		\$ -	M

2023-2024 Approved Budget



Approved 2023-2024 Budget

	General Operating Funds	Child Nutrition Funds	Debt Service Fund
<i>2022-23 Tax Rate</i>	\$ 0.8546		\$ 0.2600
<i>Tax Rate Change</i>	(0.1525)		-
<i>2023-24 Proposed Tax Rate</i>	\$ 0.7021		\$ 0.2600
Estimated Beginning Fund Balance	<u>\$ 184,416,844</u>	<u>\$ 11,733,645</u>	<u>\$ 21,642,417</u>
Estimated Revenue			
Local Revenues	396,981,570	9,940,145	143,176,553
State Funding	239,740,671	-	12,698,617
Federal Revenue	-	22,660,700	-
TRS In-Kind Funds	36,050,000	-	-
Total	<u>672,772,241</u>	<u>32,600,845</u>	<u>155,875,170</u>
Estimated Appropriations			
11 Instructional	410,237,364	-	-
12 Instructional Resources and Media Services	6,773,044	-	-
13 Staff Development	16,750,333	-	-
21 Instructional Administration	7,745,163	-	-
23 School Administration	42,937,340	-	-
31 Guidance and Counseling	24,103,710	-	-
32 Attendance and Social Work Services	1,062,777	-	-
33 Health Services	8,116,008	-	-
34 Pupil Transportation	35,741,475	-	-
35 Child Nutrition	-	35,816,000	-
36 Co-Curricular Activities	13,918,629	-	-
41 General Administration	12,145,034	-	-
51 Plant Maintenance and Operation	70,094,104	1,634,000	-
52 School Police	9,610,635	-	-
53 Technology	9,367,035	-	-
61 Community Service	19,590	-	-
71 Debt Service	-	-	147,208,818
99 Other Intergovernmental Charges	4,150,000	-	-
Total Expenditures	<u>672,772,241</u>	<u>37,450,000</u>	<u>147,208,818</u>
Estimated Ending Fund Balance	<u>\$ 184,416,844</u>	<u>\$ 6,884,490</u>	<u>\$ 30,308,769</u>

Notice of Public Meeting to Discuss Budget & Tax Rate

NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

The Conroe Independent School District will hold a public meeting at 6:00 PM, August 15, 2023 in Conroe ISD Board Room 3205 West Davis Conroe TX 77304. 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	\$0.7021/\$100 (proposed rate for maintenance and operations)
School Debt Service Tax Approved by Local Voters	\$0.2600/\$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	8.54 % increase
Debt Service	13.09 % increase
Total Expenditures	9.33 % 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	\$66,135,028,512	\$71,752,255,809
Total appraised value* of new property**	\$2,215,349,242	\$1,893,120,961
Total taxable value*** of all property	\$47,158,363,648	\$48,534,655,737
Total taxable value*** of new property**	\$1,201,316,121	\$1,253,478,023

*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* \$1,550,285,000

*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	\$0.8546	\$0.2600	\$1.1146	\$8,684	\$2,358
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	\$0.6671	\$0.2344	\$0.9015	\$7,296	\$3,617
Proposed Rate	\$0.7021	\$0.2600	\$0.9621	\$7,777	\$3,499

*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	\$348,751	\$386,445
Average Taxable Value of Residences	\$308,751	\$286,445
Last Year's Rate Versus Proposed Rate per \$100 Value	\$1.1146	\$0.9621
Taxes Due on Average Residence	\$3,441.34	\$2,755.89
Increase (Decrease) in Taxes		\$-685.45

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 Voter-Approval Rate: The highest tax rate the district can adopt before requiring voter approval at an election is \$0.9621. This election will be automatically held if the district adopts a rate in excess of the voter-approval rate of \$0.9621.

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)	\$175,117,917
Interest & Sinking Fund Balance(s)	\$22,013,483

A school district may not increase the district's maintenance and operations tax rate to create a surplus in maintenance and operations tax revenue for the purpose of paying the district's debt service.

Visit Texas.gov/PropertyTaxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

