



## 2023-24 Public Hearing on Proposed Budget and Tax Rate

August 15, 2023

# Adoption of 2023-24 Budgets

- Three budgets require official adoption by the Board of Trustees
  - General Fund
  - Debt Service Fund
  - Child Nutrition Fund
- Lamar CISD adopts the budget at the functional category level
  - Functional category refers to the TEA's required uniform coding structure and describes the focus of the expenditure
  - Amendments during the fiscal year that “cross” functions require board approval

# General Fund

# Current Estimate of Revenues

Description	2023-24 Proposed Revenue Budget	Local, State, Federal Groupings
Property Taxes, Current Year Levy and Delinquent Taxes	186,734,562	
Penalties, Interest, and Other Tax Revenues	900,000	
Other Miscellaneous Local Revenues	4,078,800	
<b>Revenues from Local Sources</b>	<b>191,713,362</b>	<b>42.894%</b>
State Per Capita Apportionment	16,090,902	
Foundation School Program Act Entitlements*	213,689,287	*\$8.1 million proration of FGA
Other State Program Revenues	22,025,000	
<b>Revenues from State Sources</b>	<b>251,805,189</b>	<b>56.339%</b>
Federal Revenues Distributed by TEA and Federal Government	400,000	
School Health and Related Services (SHARS)	3,000,000	
Medicaid Administrative Claims (MAC)	25,000	
<b>Revenues from Federal Sources (and reported in General Fund)</b>	<b>3,425,000</b>	<b>0.767%</b>
<b>Total Revenues</b>	<b>446,943,551</b>	

# Property Tax Revenues: Property Values

- Certified Net Taxable Values (adjusted for Over 65 and DP freeze) total \$25.065 billion
  - Taxable Value for budgeting: \$24.982 billion
- Estimated taxable values to be up approximately **9.06%** over 2022 values, allowing for the increase in Homestead Exemption (HE);
  - Increase if HE had remained at \$40k: **18.39%**
- Increases in value over prior years:
  - 23.67% in 2022, 9.80% in 2021, 9.26% in 2020, 7.57% in 2019, 3.65% in 2018

# Property Tax Revenues: Tax Rate Compression and Legislative Changes

- Property tax relief is provided to taxpayers simply by decreasing the M&O tax rate in relation to the property value growth experienced by each school district in the State of Texas
- Mandated formula is used that results in a tax rate that is TEA-approved and referred to as the MCR (Maximum Compressed Rate)
  - It is the starting point for the M&O tax rate
  - Lamar CISD MCR, approved by TEA, is \$0.6192 after additional compression required by legislative action
- Homestead Exemption increased to \$100,000 (up from \$40,000)

# Property Tax Revenues: M&O Tax Rate

- Components
  - MCR of \$0.6192
  - Tier II enrichment of \$0.05
- Total M&O tax rate: \$0.6692/\$100 valuation

# Property Tax Revenues: Property Values

- Current year taxes are estimated at \$185.135 million for the General Fund
- Delinquent tax collections are estimated at \$1.6 million
- **Total Current and Delinquent Taxes: \$186.735 million**



# 2023-24 Expenditure Summary

6100	Payroll Costs	369,741,993
6200	Professional & Contracted Costs	37,509,677
6300	Supplies and Materials	21,312,666
6400	Other Operating Costs	7,768,425
6600	Capital Outlay	1,740,825
	<b>Total Expenditures</b>	<b>438,073,586</b>

# Current Estimate of 2023-24 Budget

Total Projected Revenue	446,943,551
Less: Total Expenditures	(438,073,586)
<b>Net Revenues in Excess of Projected Expenditures*</b>	<b>\$8,869,965</b>

- Due to rapid District growth and the number of new campuses being opened over the next 3-5 years, a plan is being developed to earmark a portion of any excess revenue as Assigned Fund Balance as of 8/31/2023 (October 2023 Agenda)
- Additional benefit: Potential positive impact on underlying credit rating

# 2023-24 Compensation Plan

- Includes all positions and pay categories authorized by the Board of Trustees, including rates of pay for supplemental duties and part-time employees
- Pay schedules contained in the Plan
  - Teacher Hiring Schedule
  - Pay Grade Tables
    - Administrative/Professional, Clerical/Paraprofessional, Technical, Manual Trades
  - Stipends
  - Athletic Events/Concessions
  - Fine Arts Events
  - Substitutes, Administrators, and Paraprofessionals
  - Part-time Employees

# Review of Compensation Plan

- New for 2023-24
  - Beginning teacher salary - \$62,500
  - Raises for all returning staff
    - Flat raise of \$1,950 for all paid according to the Teacher Hiring Schedule
    - 3% of midpoint raise for all other staff

# Debt Service Fund

# Debt Service Fund

Property Taxes (Tax rate of \$0.48/\$100 valuation and at 99% Collection Rate)	132,792,274
Penalties, Interest, and Delinquent Taxes	550,000
Interest Earnings - Debt Service and Capital Projects Funds, including Capitalized Interest	6,954,139
State Hold Harmless Funding for Debt Service/Facilities	<u>15,194,882</u>
<b>Total Revenues and Other Resources</b>	<b>155,491,295</b>
Bond Principal	(34,110,000)
Bond Interest	(121,243,795)
Bond Fees	(137,500)
<b>Total Debt Service Expenditures</b>	<b>155,491,295</b>

# Debt Service Fund (cont'd)

Tax Rate Component	2022-23	2023-24
Interest and Sinking (I&S)	\$0.3874	\$0.4800

- Increase in debt rate recommended for future planning and debt rate management
  - To accommodate significant increase in principal and interest due in 2023-24 due to Series 2023 and 2023A bond sales during the 2022-23 fiscal year
  - Achieve limited certainty in a period of new legislation and increase in Homestead Exemption
  - Save Capitalized Interest for future payments and/or payments on future bond elections
  - Potential to maximize savings to taxpayers by using the funds to pay down a significant amount of outstanding debt during the 2023-24 fiscal year

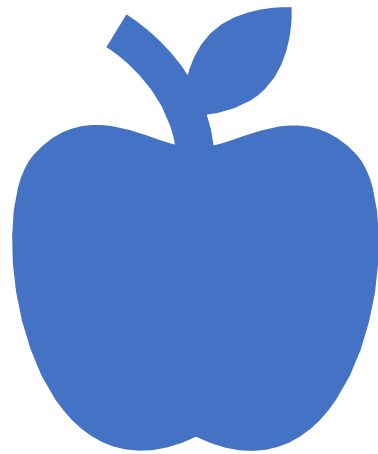
# Tax Rate



# Two-Part Tax Rate To Be Considered (per \$100 valuation)

Tax Rate Component	2022-23	2023-24
Maintenance and Operations (M&O)	\$0.8546	\$0.6692
Interest and Sinking (I&S)	\$0.3874	\$0.4800
<b>Total Tax Rate</b>	<b>\$1.2420</b>	<b>\$1.1492</b>

# Child Nutrition Fund



# Child Nutrition Budget

- **Balanced budget, self-supporting**
- Estimated budget for 2023-24 is \$26.06 million
- Revenues are generated from:
  - Breakfast and lunch sales
  - Federal reimbursements
- Expenditures (typical)
  - Salaries/Benefits
  - Food Costs
  - Other Supplies
  - Capital Outlay

# 2023-24 Child Nutrition Expenditures

Object	Category	Amount
6100	Payroll and Benefit Costs	\$12,266,000
6200	Professional and Contracted Services	\$297,500
6300	Supplies and Materials	\$13,214,100
6400	Other Operating Costs	\$67,000
6600	Capital Outlay	\$215,000
	<b>Total Expenditures</b>	<b>\$26,059,600</b>

**QUESTIONS?**