

KILLEEN ISD
FISCAL YEAR 2020 PROPOSED
BUDGETS DISCUSSION

AUGUST 13, 2019

BOARD APPROVED BUDGETS

- GENERAL FUND (MAINTENANCE AND OPERATIONS)
- SCHOOL NUTRITION FUND
- DEBT SERVICE FUND (INTEREST AND SINKING)

M&O BUDGET PLAN COMPONENTS

- Taxable property values increase of 9.8% to \$8.56 Billion
- M&O tax rate reduced from \$1.04 to \$0.97
- Increased compensation for employees
 - 8% for bus drivers
 - 6% for auxiliary
 - 4.5% for nurses, librarians and counselors
 - 3.5% for administrators
- Increased teacher starting salary from \$47,000 to \$50,300
 - 6.6%-10% increases based on years of experience
- Transfer of 1.25% of Expenditures for Capital Improvement Projects
- Impact aid budgeted revenue remains at \$47.6M (same level since FY 2015)

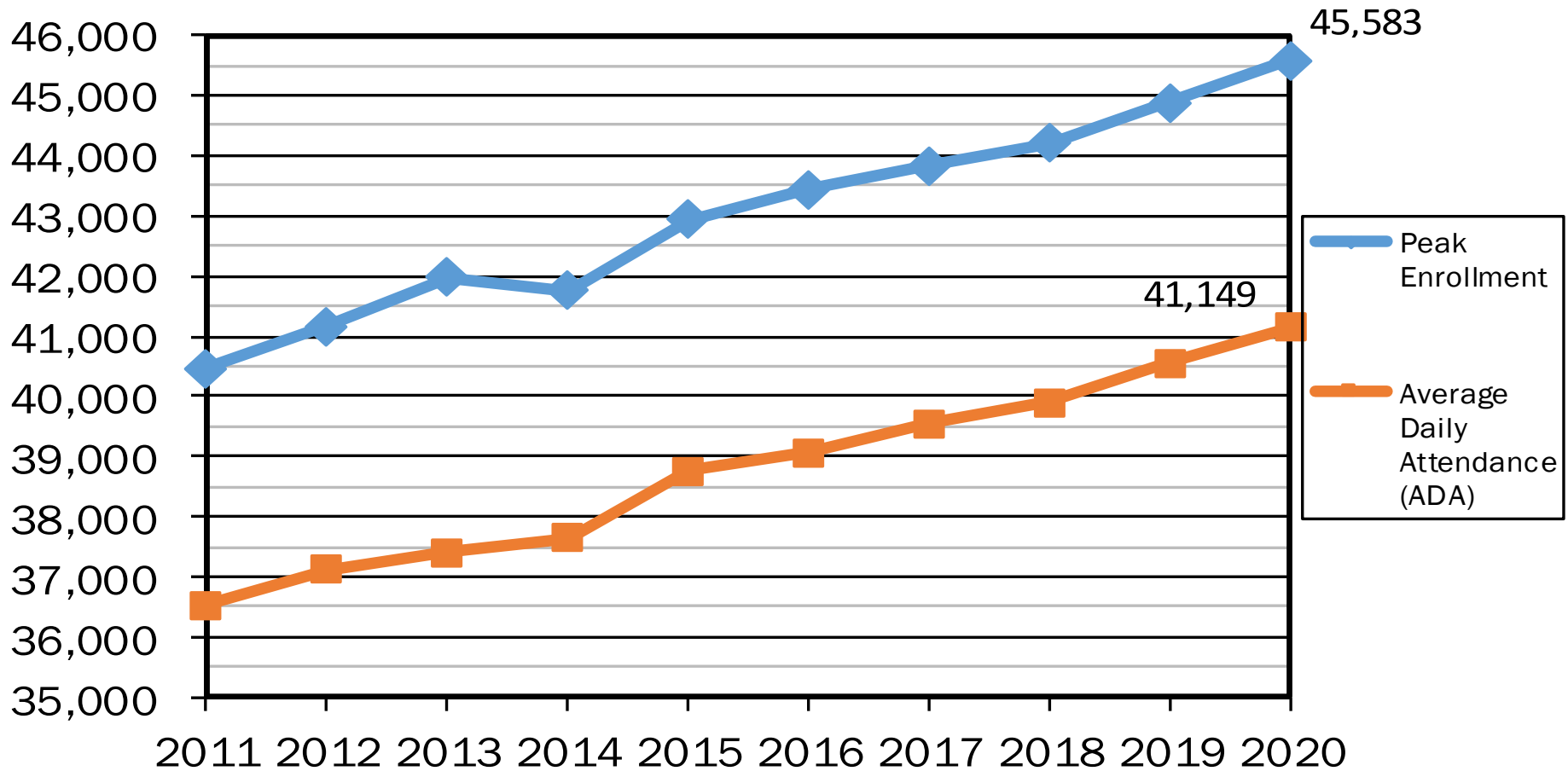
M&O BUDGET PLAN COMPONENTS

- Teacher classroom supply stipend of \$100 per teacher per year and \$50 warehouse certificate for new teachers
- Continued monthly health care contribution of \$400 or flexible benefits contribution of \$200
- Projected peak student enrollment of 45,583
- Based on projected student Average Daily Attendance of 41,149
- Continued staffing 22:1 at PK-4 and 23:1 at 5-12; utilizing waivers on a case by case need

M&O BUDGET PLAN COMPONENTS

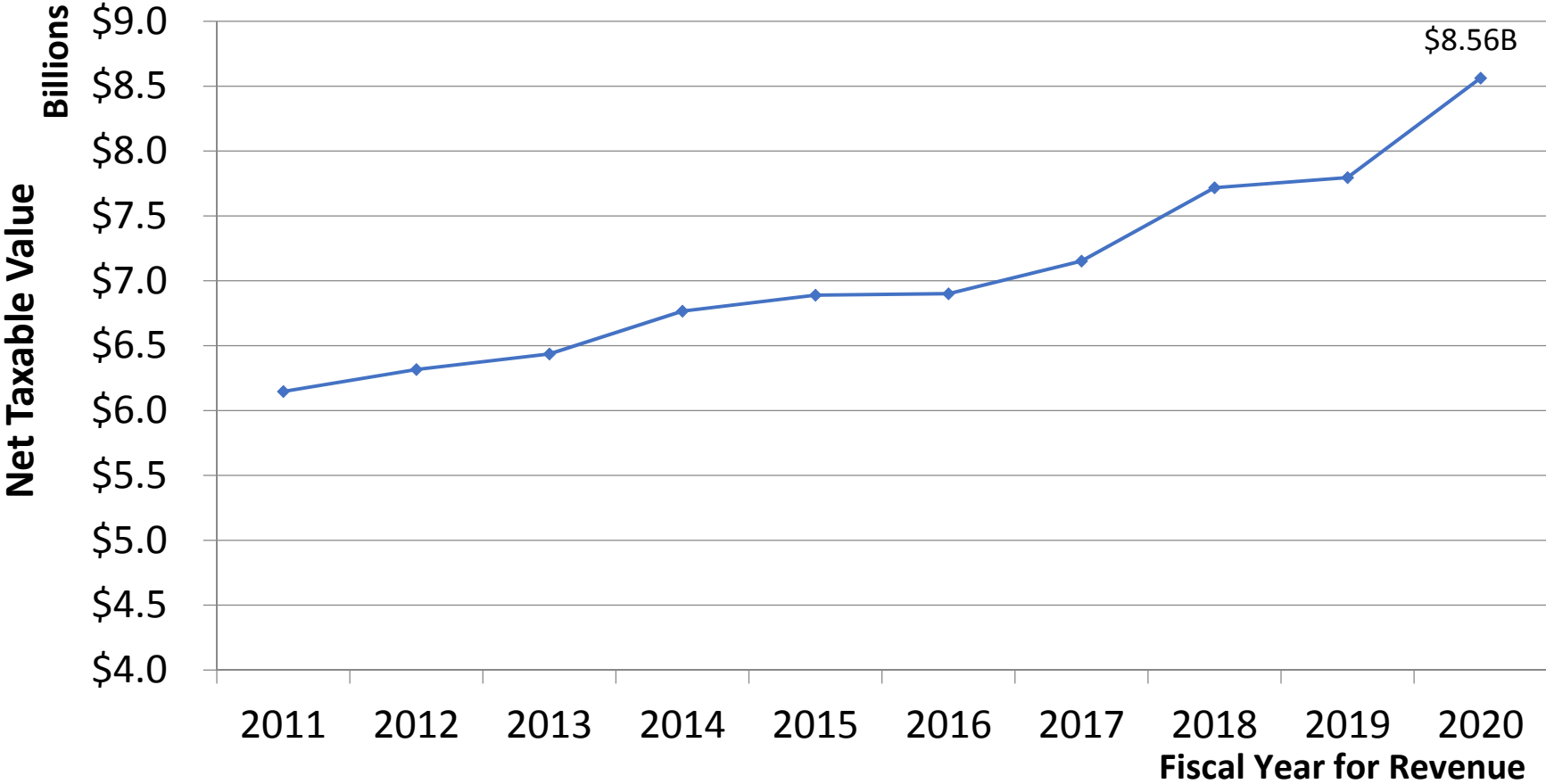
- Funding 6,751.75 Full Time Equivalent employees approved by the school board on April 9, 2019 from all funding sources (6,676.56 in March 2018)
- Provides funding to support instructional needs of 4 traditional high schools, 11 middle schools, 32 elementary schools, an Early College High School, a Career Center, Pathways Academic Campus and several other specialized campuses (AdventHealth, Gateway)

ENROLLMENT COMPARED TO AVERAGE DAILY ATTENDANCE (ADA)



2011-2019 Actual Peak Enrollment, 2020 Projected Peak Enrollment
2011-2019 Actual ADA, 2020 Projected ADA used for revenue

NET TAXABLE VALUE GROWTH

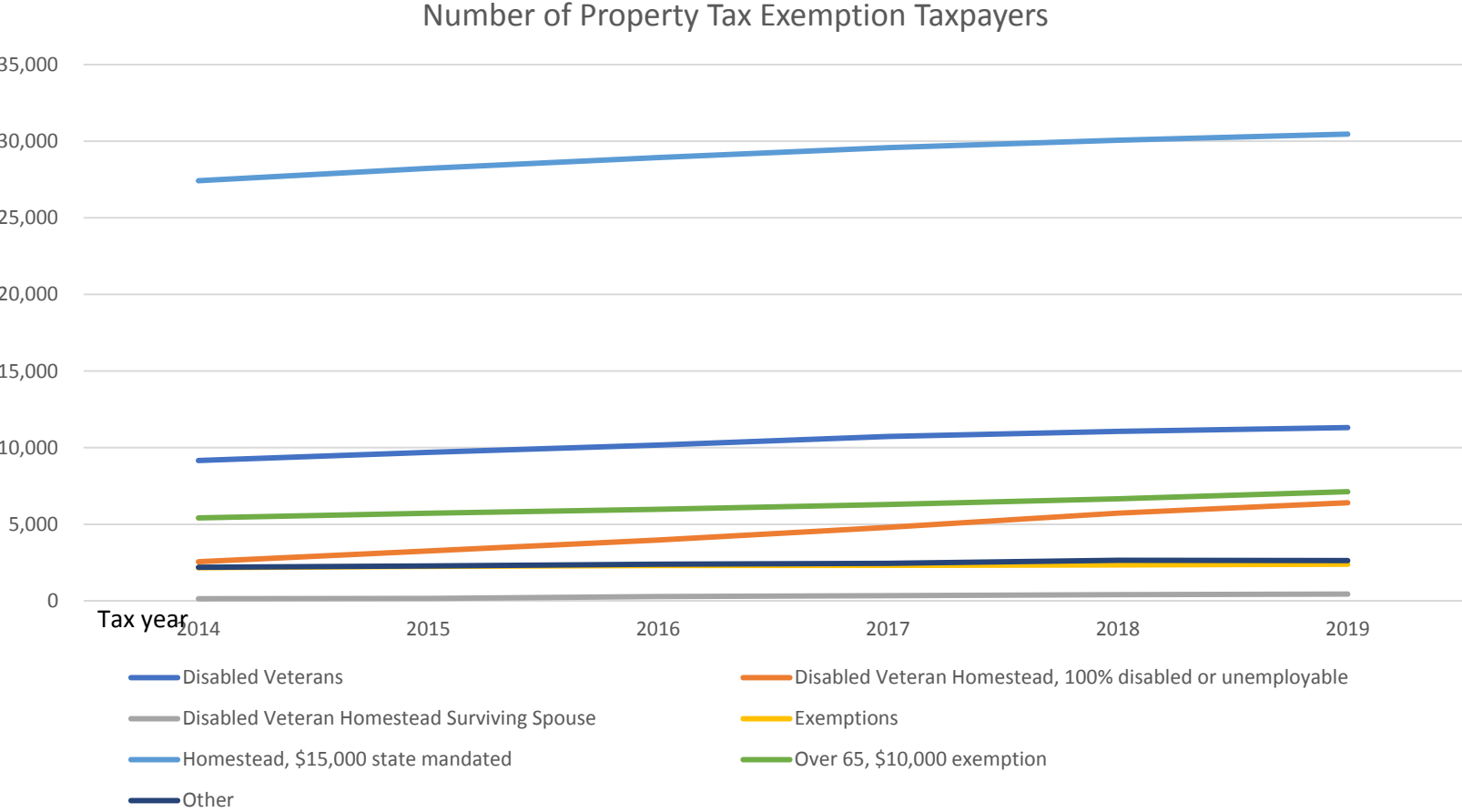


\$10,000 additional homestead exemption started in FY 2016

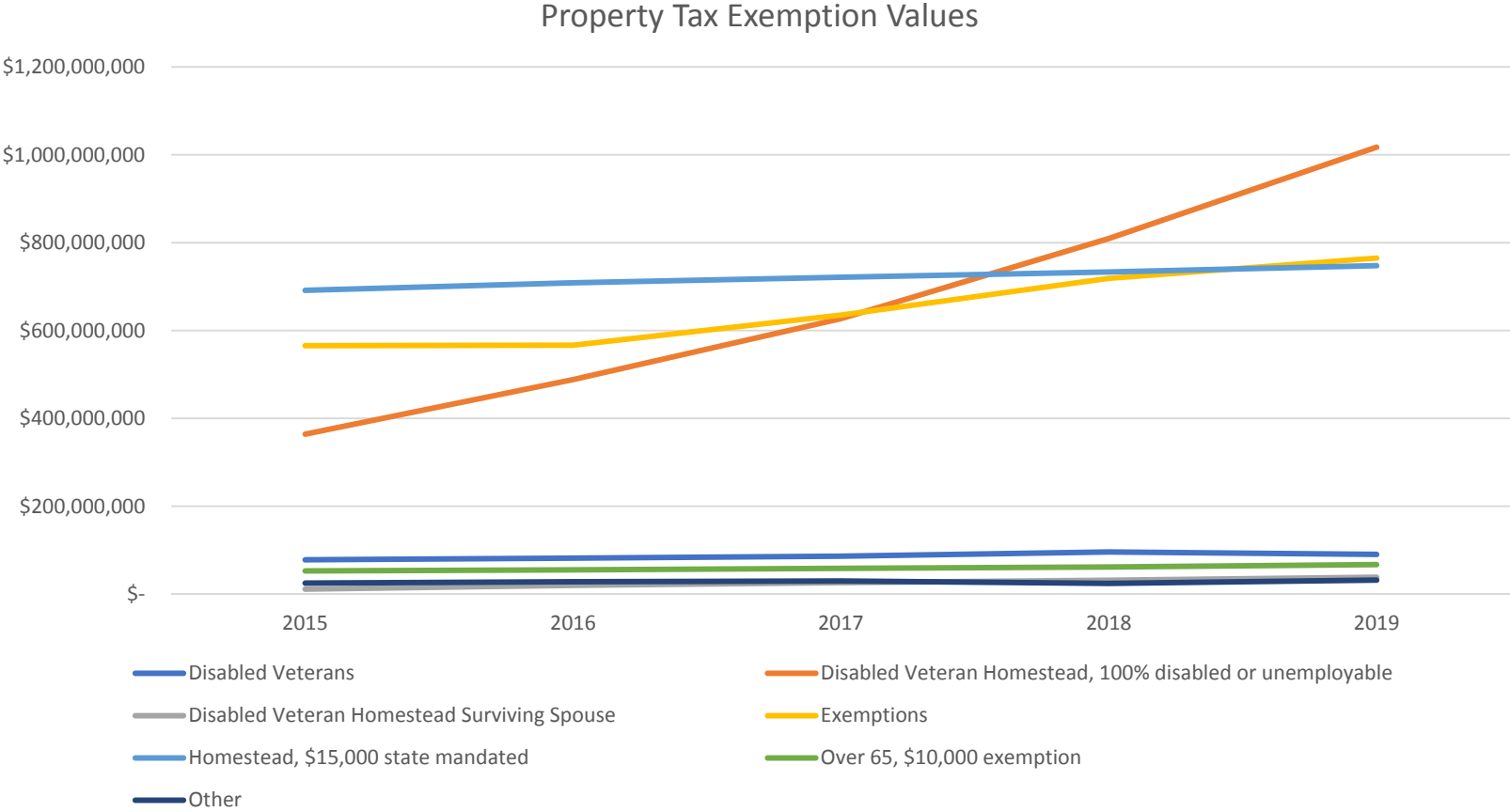
TOP TEN TAXPAYERS

Name of Taxpayer	Assessed Value
ONCOR Electric Company	\$116,165,363
HH/Killeen (Seton) Health System	53,532,290
Cole MT Harker Heights (Market Heights Shopping Center)	33,968,749
Wal-Mart Stores Texas	29,574,749
Watercrest Place	27,215,442
HH/Killeen (Seton) Health System	25,500,000
Credit Suisse First Boston Mortgage (Killeen Mall)	23,943,075
Amber Chase Townhomes & Huntington Apartments (Stone Creek)	23,712,447
H-E-B	21,479,717
Wal-Mart Real Estate Trust	<u>19,247,476</u>
3.3%	<u>\$374,339,308</u>

PROPERTY TAX EXEMPTIONS



PROPERTY TAX EXEMPTIONS



PROPERTY TAX PAYMENT DISCOUNT

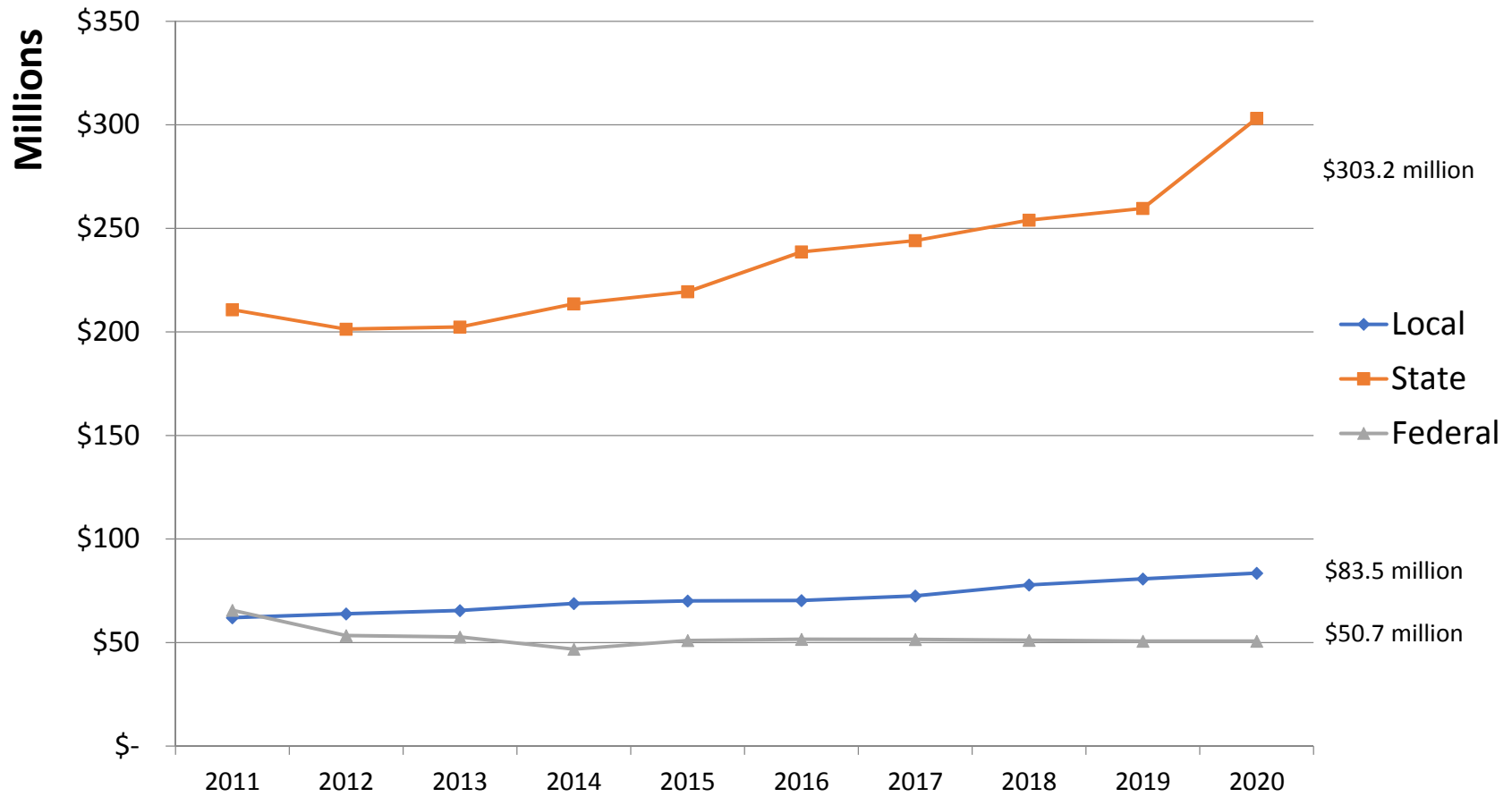
Number of taxpayers who paid with a discount for the 2018 tax collection:

	Number	Discount
October 2018	46,058	3%
November 2018	3,250	2%
December 2018	2,818	1%
January 2019	<u>70</u>	
	52,196	

per BCAD

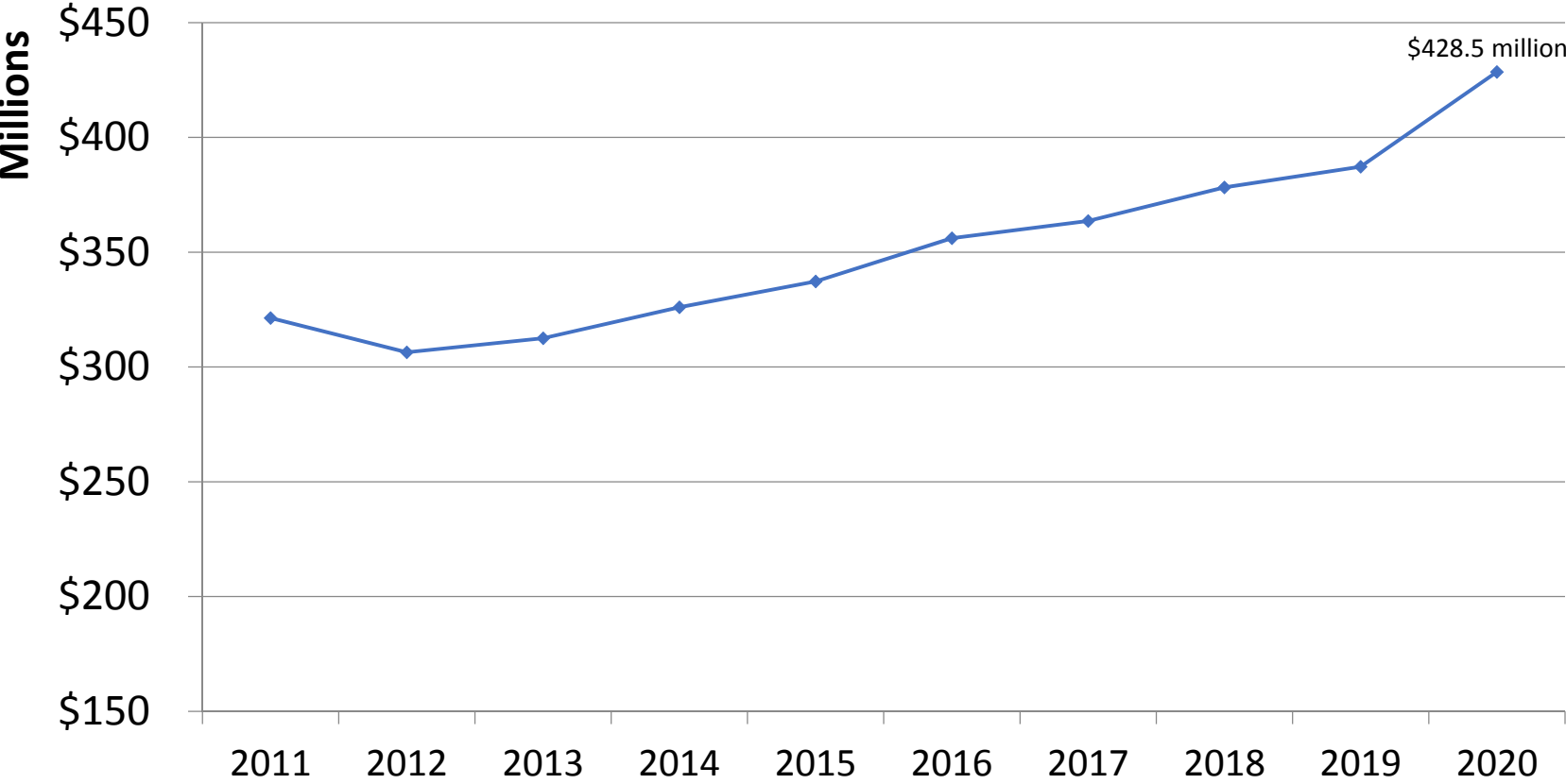
Property tax discount in 2020 budgets = \$2.35 million

GENERAL FUND REVENUE



2011-2019 ADOPTED BUDGETS; 2020 PROPOSED

M&O BUDGETED EXPENDITURE HISTORY



2011-2019 ADOPTED BUDGETS; 2020 PROPOSED

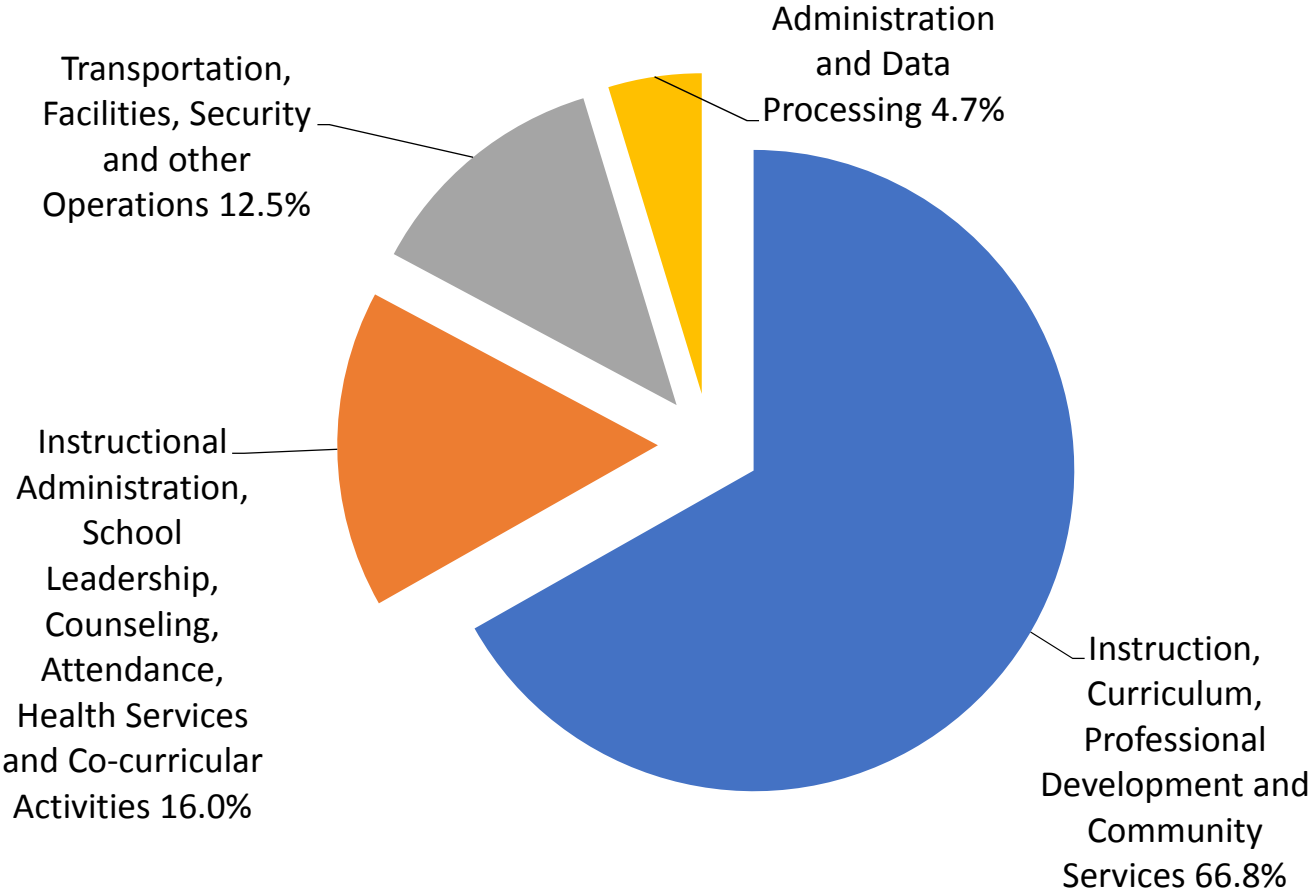
M&O BUDGET COMPARISON

	Adopted		Proposed		
	FY 18-19		FY 19-20		Inc/(Dec)
REVENUE	\$	391,067,518	\$	437,395,390	\$ 46,327,872
EXPENDITURES					
Payroll & Benefits	\$	325,595,601	\$	353,184,624	\$ 27,589,023
Professional Services		27,101,398		31,106,993	4,005,595
Supplies & Materials		20,890,268		22,379,064	1,488,796
Operating Costs		12,246,552		19,488,166	7,241,614
Capital Outlay		1,440,952		2,360,057	919,105
EXPENDITURES	\$	387,274,771	\$	428,518,904	\$ 41,244,133
OTHER SOURCES/(USES)	\$	3,792,747	\$	8,876,486	\$ 5,083,739
EXCESS/ (DEFICIENCY)	\$	-	\$	-	\$ -

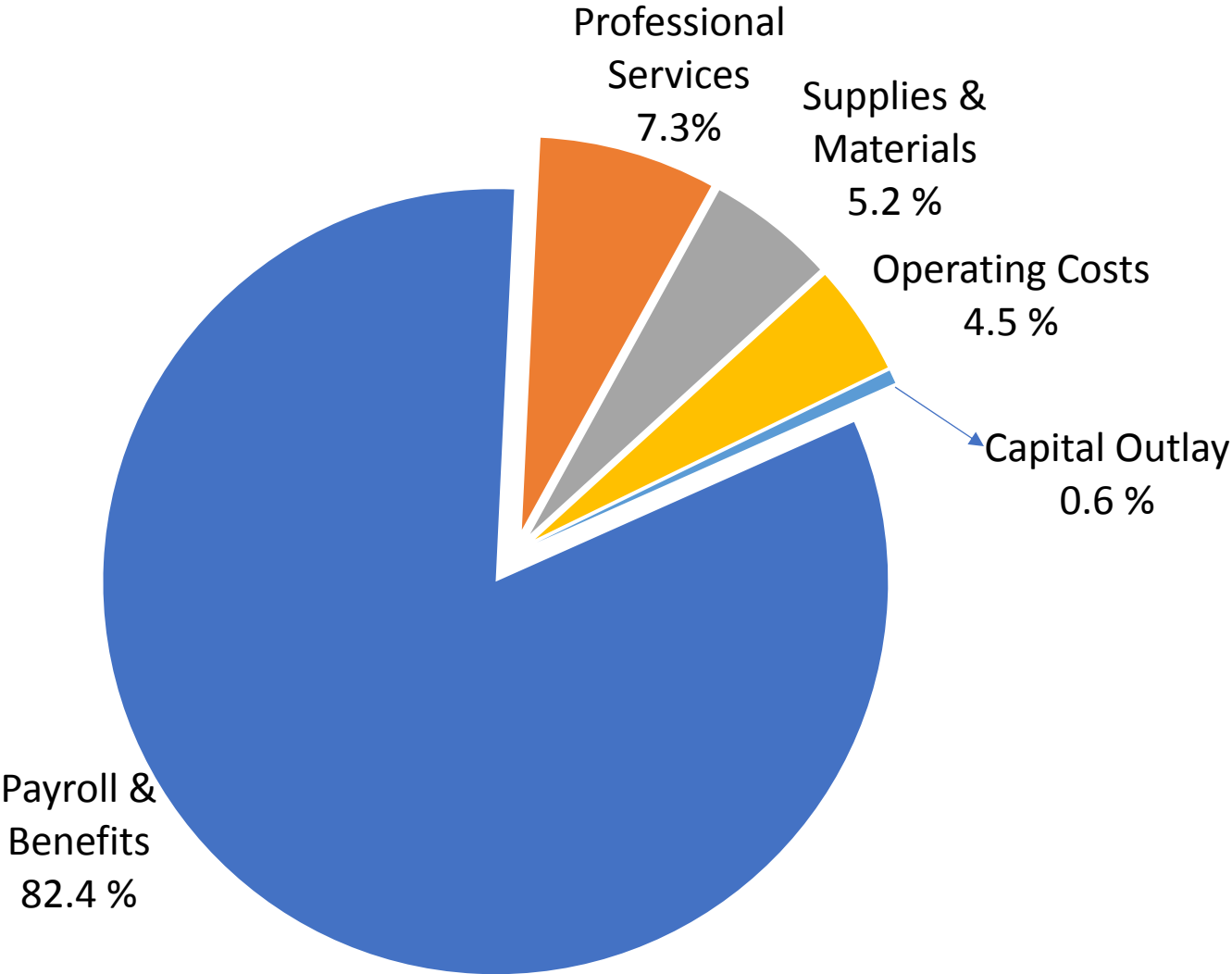
M&O EXPENDITURES BY FUNCTION

	2018-2019 Adopted	2019-2020 Proposed
11 Instruction	\$ 240,079,910	\$ 266,144,000
12 Instructional Resources and Media Services	11,191,212	11,511,446
13 Curriculum Development and Instructional Staff Development	7,329,938	7,504,241
21 Instructional Leadership	4,226,579	4,902,642
23 School Leadership	23,990,535	25,085,769
31 Guidance, Counseling and Evaluation Services	16,629,386	21,893,691
32 Social Work Services	1,427,780	1,668,403
33 Health Services	5,012,132	5,083,511
34 Student Transportation	12,522,923	14,507,759
35 Food Services	406,191	441,712
36 Cocurricular/Extracurricular Activities	9,700,054	10,036,728
41 General Administration	10,301,841	10,758,987
51 Plant Maintenance and Operations	34,158,384	35,140,971
52 Security and Monitoring Services	3,413,802	3,569,259
53 Data Processing Services	5,036,704	8,370,304
61 Community Services	989,218	960,010
99 Other Intergovernmental Charges	858,182	939,470
	<u>\$ 387,274,771</u>	<u>\$ 428,518,903</u>

M&O EXPENDITURES BY MAJOR FUNCTION



M&O EXPENDITURES BY MAJOR OBJECT



SCHOOL NUTRITION BUDGET PLAN COMPONENTS

- Employee compensation plan applied
- Meal plan as required by the Healthy, Hunger-Free Kids Act of 2010
- 425 Cafeteria staff; 22 Central Office staff
- Continuing the Community Eligibility Program at 28 campuses

Alternative Learning
Bellaire ES
Brookhaven ES
Cavazos ES
Cedar Valley ES
Clifton Park ES
Eastern Hills MS
Gateway HS
Gateway MS
Harker Heights ES

Hay Branch ES
Iduma ES
Ira Cross ES
Live Oak MS
Manor MS
Maude Moore Wood ES
Maxdale ES
Nolan MS
Palo Alto MS
Pathways

Peebles ES
Pershing Park ES
Rancier MS
Reeces Creek ES
Sugarloaf ES
Trimmier ES
West Ward ES
Willow Springs ES

SCHOOL NUTRITION BUDGET COMPARISON

	Adopted		Proposed		
	FY 18-19		FY 19-20		Inc/(Dec)
REVENUE	\$ 20,535,905	\$	20,454,527	\$	(81,378)
EXPENDITURES					
Food Services	\$ 20,486,171	\$	20,380,464	\$	(105,707)
Plant M & O	49,734		74,063		24,329
Facilities Construction	-		-		-
EXPENDITURES	\$ 20,535,905	\$	20,454,527	\$	(81,378)
OTHER SOURCES/(USES)	-	\$	-	\$	-
EXCESS/ (DEFICIENCY)	-	\$	-	\$	-

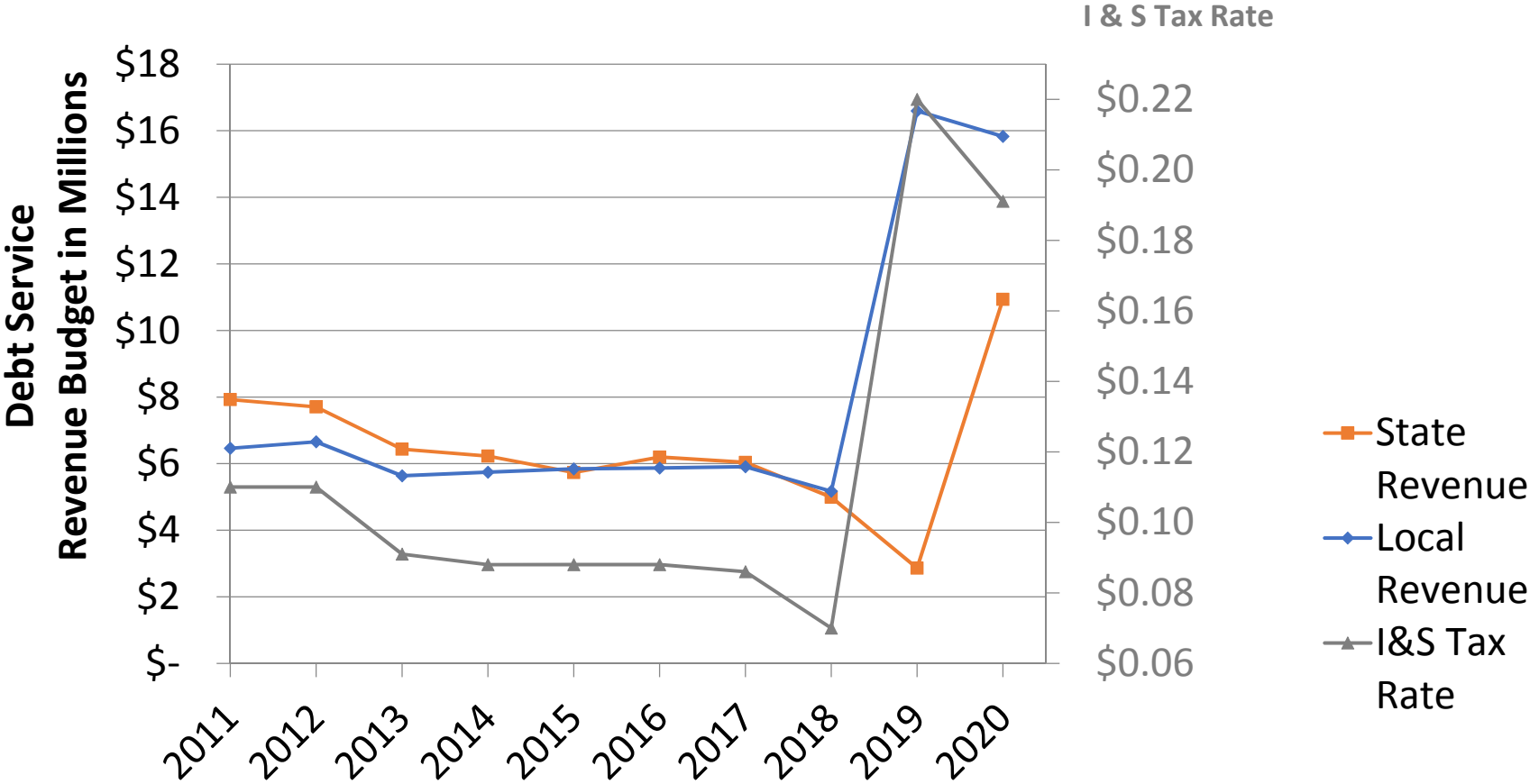
SCHOOL NUTRITION BUDGET COMPARISON

	Adopted		Proposed		
	FY 18-19		FY 19-20		Inc/(Dec)
REVENUE	\$	20,454,527	\$	20,535,905	\$ 81,378
EXPENDITURES					
Payroll & Benefits	\$	9,499,135	\$	9,782,583	\$ 283,448
Professional Services		302,730		289,880	\$ (12,850)
Supplies & Materials		9,843,137		10,253,092	\$ 409,955
Operating Costs		19,750		10,350	\$ (9,400)
Capital Outlay		789,775		200,000	\$ (589,775)
EXPENDITURES	\$	20,454,527	\$	20,535,905	\$ 81,378
OTHER SOURCES/(USES)	\$	-	\$	-	\$ -
EXCESS/ (DEFICIENCY)	\$	-	\$	-	\$ -

I&S BUDGET PLAN COMPONENTS

- \$426 million bond election passed by voters in May 2018
- \$300 million sold July 2018/ \$126 million sold July 2019
- I&S tax rate increased from \$0.07 to \$0.22 for FY 2019
- I&S tax rate decreased from \$0.22 to \$0.1911 for FY 2020
- Total outstanding debt service as of 8/31/19:
 - principal - \$422,765,000
 - interest - \$265,575,037
 - total - \$688,340,037
- Debt service through 2044
- Annual debt service payments range from \$19.2M to \$27.8M

I&S FUND REVENUE



2011-2019 ADOPTED BUDGETS; 2020 PROPOSED

I&S BUDGET SUMMARY

	Adopted FY 18-19	Proposed FY 19-20	Inc/(Dec)
REVENUE	\$ 19,456,765	\$ 26,759,350	\$ 7,302,585
EXPENDITURES			
Principal on Long Term Debt	\$ 5,005,000	\$ 8,300,000	\$ 3,295,000
Interest on Long Term Debt	14,217,835	18,455,150	\$ 4,237,315
Bond Issuance Costs and Fees	3,750	4,200	\$ 450
EXPENDITURES	\$ 19,226,585	\$ 26,759,350	\$ 7,532,765
OTHER SOURCES/(USES)	\$ -	\$ -	\$ -
EXCESS/ (DEFICIENCY)	\$ 230,180	\$ -	\$ (230,180)

KILLEEN INDEPENDENT SCHOOL DISTRICT
Preliminary Tax Rate Impact Analysis - New Bond Authorization

Scenario: Issue \$426,000,000 of Unlimited Tax Bonds in Two Installments, Structured to Produce Level to Descending Tax Rate, Utilizing a 25-Year Amortization, With EDA Assistance, RADA to grow 1.00% for 5 years, TAV to grow 1.50% for 5 years.																
A	B	C	D	E	F	G	H	I	J	K	L	M	N O P			
Fiscal Year Ending	Total Original Outstanding Debt Service	Series 2018 \$300,000,000 @ 3.62%	Series 2019 \$126,000,000 @ 2.97%	Total Projected Outstanding Debt Service	Less: Projected IFA Assistance	Less: Projected EDA Assistance	Less: Frozen Levy Revenues	Less: Other Available Revenues	Net Combined Debt Service	Gross Taxable Assessed Valuation	Net Taxable Assessed Valuation	TAV Growth %	Tax Rate Impact Analysis -			
													Tax Rate Outstanding Debt Service	Tax Rate Combined Debt Service	Tax Rate Difference	
2019	\$5,833,425	\$13,389,410	\$24,114	\$19,246,949	\$2,699,603	\$0	\$645,000	\$24,114	\$15,878,232	\$7,795,969,322	\$7,367,390,502	1.0%	\$0.2200	\$0.2199		
2020	5,834,125	16,580,525	4,340,500	26,755,150	2,383,849	8,548,423	710,000	0	15,112,877	8,562,186,862	8,070,607,977	9.5%		0.1911	(\$0.029)	
2021	5,833,575	16,655,525	4,340,500	27,029,600	2,366,546	8,598,734	710,000		15,354,320	8,690,619,665	8,191,667,097	1.5%		0.1913		
2022	5,826,225	17,242,525	4,340,500	27,409,250	2,346,422	8,621,735	710,000	145,000	15,686,093	8,820,978,960	8,314,542,103	1.5%		0.1913		
2023	5,823,200	17,524,900	4,340,500	27,688,600	2,327,966	8,644,021	710,000	190,000	15,816,593	8,953,293,644	8,439,260,235	1.5%		0.1912		
2024	5,477,525	17,750,275	4,409,450	27,637,250	2,173,517	8,701,183	710,000		16,052,550	9,087,593,049	8,565,849,138	1.5%		0.1912		
2025	5,485,775	17,418,025	4,728,400	27,632,200	2,127,156	8,502,780	710,000		16,292,264	9,223,906,945	8,694,336,875	1.5%		0.1912		
2026	5,486,636	17,413,400	4,869,275	27,769,313	2,127,490	8,640,296	710,000		16,291,526	9,223,906,945	8,694,336,875	0.0%		0.1912		
2027	4,360,250	18,046,275	4,928,775	27,335,300	1,690,724	8,641,097	710,000		16,293,479	9,223,906,945	8,694,336,875	0.0%		0.1912		
2028	1,020,075	20,419,025	5,037,400	26,476,500	395,543	9,078,299	710,000		16,292,659	9,223,906,945	8,694,336,875	0.0%		0.1912		
2029	0	20,993,275	5,090,025	26,083,300	0	9,078,299	710,000		16,295,001	9,223,906,945	8,694,336,875	0.0%		0.1912		
2030	0	19,234,900	8,535,775	27,770,675	0	10,768,314	710,000		16,292,361	9,223,906,945	8,694,336,875	0.0%		0.1912	(0.0000)	
2031	0	19,233,775	8,536,275	27,770,050	0	10,768,072	710,000		16,291,978	9,223,906,945	8,694,336,875	0.0%		0.1912		
2032	0	19,235,650	8,535,025	27,770,675	0	10,768,072	710,000		16,292,603	9,223,906,945	8,694,336,875	0.0%		0.1912		
2033	0	19,234,150	8,536,400	27,770,550	0	10,768,072	710,000		16,292,478	9,223,906,945	8,694,336,875	0.0%		0.1912		
2034	0	19,232,900	8,534,775	27,767,675	0	10,767,151	710,000		16,290,524	9,223,906,945	8,694,336,875	0.0%		0.1912		
2035	0	19,235,275	8,533,850	27,769,125	0	10,767,713	710,000		16,291,412	9,223,906,945	8,694,336,875	0.0%		0.1912		
2036	0	19,234,650	8,535,550	27,770,200	0	10,767,713	710,000		16,292,487	9,223,906,945	8,694,336,875	0.0%		0.1912		
2037	0	19,234,400	8,537,650	27,772,050	0	10,767,713	710,000		16,294,337	9,223,906,945	8,694,336,875	0.0%		0.1912		
2038	0	19,232,925	8,534,850	27,767,775	0	10,767,190	710,000		16,290,585	9,223,906,945	8,694,336,875	0.0%		0.1912		
2039	0	19,237,200	8,531,850	27,769,050	0	10,767,684	710,000		16,291,366	9,223,906,945	8,694,336,875	0.0%		0.1912		
2040	0	19,235,325	8,533,575	27,768,900	0	10,767,626	710,000		16,291,274	9,223,906,945	8,694,336,875	0.0%		0.1912		
2041	0	19,236,400	8,532,075	27,768,475	0	10,767,461	710,000		16,291,014	9,223,906,945	8,694,336,875	0.0%		0.1912		
2042	0	19,237,750	8,534,125	27,771,875	0	10,767,461	710,000		16,294,414	9,223,906,945	8,694,336,875	0.0%		0.1912		
2043	0	19,222,200	8,549,275	27,771,475	0	10,767,461	710,000		16,294,014	9,223,906,945	8,694,336,875	0.0%		0.1912		
2044	0	0	27,745,025	27,745,025	0	10,758,368	710,000		16,276,657	9,223,906,945	8,694,336,875	0.0%		0.1910	(0.0002)	
Total	\$50,980,813	\$462,910,660	\$193,695,514	\$707,586,986	\$20,638,836	\$248,560,942	\$18,395,000	\$359,114	\$419,633,095							

TAX RATE IMPACT ON AVERAGE HOME

	2018	2019	Difference
Average Homestead Taxable Value*	\$ 121,311	\$ 129,211	\$ 7,900
Total Proposed Tax Rate	\$ 1.26000	\$ 1.16110	\$ (0.099)
Taxes Assessed by Killeen ISD	\$ 1,529	\$ 1,500	\$ (28)

* per Bell County Appraisal District

PROPOSED BUDGETS FOR ADOPTION

	General Fund	School Nutrition Fund	Debt Service Fund	2019-20 Budget
5700 Local, Intermediate, and Out-of-state	\$ 83,540,656.00	\$ 2,350,346.60	\$ 15,827,078.00	\$ 101,718,080.60
5800 State Program Revenue	303,153,748.75	113,000.00	10,932,272.00	314,199,020.75
5900 Federal Program Revenue	<u>50,700,985.00</u>	<u>17,991,180.27</u>	-	<u>68,692,165.27</u>
Total Revenues	437,395,389.75	20,454,526.87	26,759,350.00	484,609,266.62
11 Instruction	266,144,000.36	-	-	266,144,000.36
12 Instructional Resources and Media Servic	11,511,445.61	-	-	11,511,445.61
13 Instructional Staff Development	7,504,241.23	-	-	7,504,241.23
21 Instructional Leadership	4,902,642.21	-	-	4,902,642.21
23 School Leadership	25,085,768.80	-	-	25,085,768.80
31 Guidance, Counseling and Evaluation Ser	21,893,691.25	-	-	21,893,691.25
32 Social Work Services	1,668,403.37	-	-	1,668,403.37
33 Health Services	5,083,510.86	-	-	5,083,510.86
34 Student Transportation	14,507,758.83	-	-	14,507,758.83
35 Food Services	441,712.21	20,380,463.87	-	20,822,176.08
36 Cocurricular/Extracurricular Activities	10,036,727.79	-	-	10,036,727.79
41 General Administration	10,758,986.68	-	-	10,758,986.68
51 Plant Maintenance & Operations	35,140,971.27	74,063.00	-	35,215,034.27
52 Security and Monitoring Services	3,569,258.93	-	-	3,569,258.93
53 Data Processing Services	8,370,304.29	-	-	8,370,304.29
61 Community Services	960,009.77	-	-	960,009.77
71 Debt Services	-	-	26,759,350.00	26,759,350.00
99 Other Intergovernmental Charges	<u>939,470.00</u>	<u>-</u>	<u>-</u>	<u>939,470.00</u>
Total Expenditures	428,518,903.46	20,454,526.87	26,759,350.00	475,732,780.33
Other Sources (Uses)	<u>(8,876,486.29)</u>	<u>-</u>	<u>-</u>	<u>(8,876,486.29)</u>
Excess (Deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>