

2023-2024 Budget Summary



Budget Proposal: August 28, 2023

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August 28, 2023

Dear Smithville Independent School District Board of Trustees,

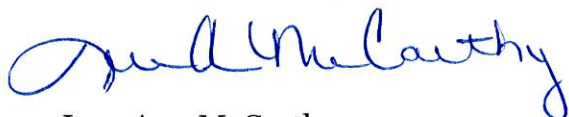
This report presents a summary of the 2023-2024 budget as currently recommended by Smithville Independent School District's administration for adoption. The budget described in this handout is the result of many hours of hard work by many individuals from campuses, departments, and administration.

We hope the information in this report is useful and easy to understand. On the pages that follow, we've included an overview of what we believe are the most important elements to highlight:

- Introductory Section: Budgeting Goals, Influencing Factors, Budgeting Process
- Historical Data
- General Fund (199)
- Debt Service Fund (599)
- Food Service Fund (240)
- Tax Rates

Smithville ISD is committed to excellence!

Sincerely,

A handwritten signature in blue ink that reads "Jean Ann McCarthy". The signature is fluid and cursive, with the first name "Jean" starting with a large loop and the last name "McCarthy" ending with a long, sweeping tail.

Jean Ann McCarthy
Chief Financial Officer

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Introductory Section

District Goals:

1. The district will provide a safe and educationally effective environment for students and staff.
2. The district will meet and exceed state and federal accountability standards.
3. The district will provide opportunities for parents and the community to collaborate with the district as partners.
4. The district will maintain a strategic, efficient operational and fiscal plan.

Budgeting Process

The adoption of the budget is the culmination of months of planning and decision-making to align resources with needs. Preparation of the District's 2023-2024 budget began in the Fall of 2022 when district-level administration began monitoring enrollment numbers, studying trends and projecting refined average daily attendance, which is one of the main driving forces of the budget. Administration began site-based decision budgeting in March with budget managers receiving budget development guidance. Individual meetings were held with all principals and directors to ensure district stakeholders were aligned and supported in reviewing their programs, budgets, requests for additional funds, and expenditure trends. Staffing meetings were held with each campus principal to ensure staffing levels at the campuses were sufficient to meet needs.

The budget is adopted at the functional level which means the Board authorizes the administration to expend funds within general operational areas (i.e. instruction, maintenance, transportation, etc.). Whenever the budget needs to be amended between these functional areas or when revenues/expenditures need to be increased or decreased, the budget must be amended by board action prior to expenditures being made.

The Board is required by law to adopt three budgets: the general fund (199), the food service fund (240), and the debt service fund (599). Other budgets, such as federal grants, do not require board approval. These non-adopted budgets are managed by the grant manager(s) according to the guidelines laid out by the granting organization and are reported to the Board during the year.

Summary of Proposed Budgets

Data as of August 22, 2023

SMITHVILLE INDEPENDENT SCHOOL DISTRICT 2023-2024 PROPOSED BUDGET

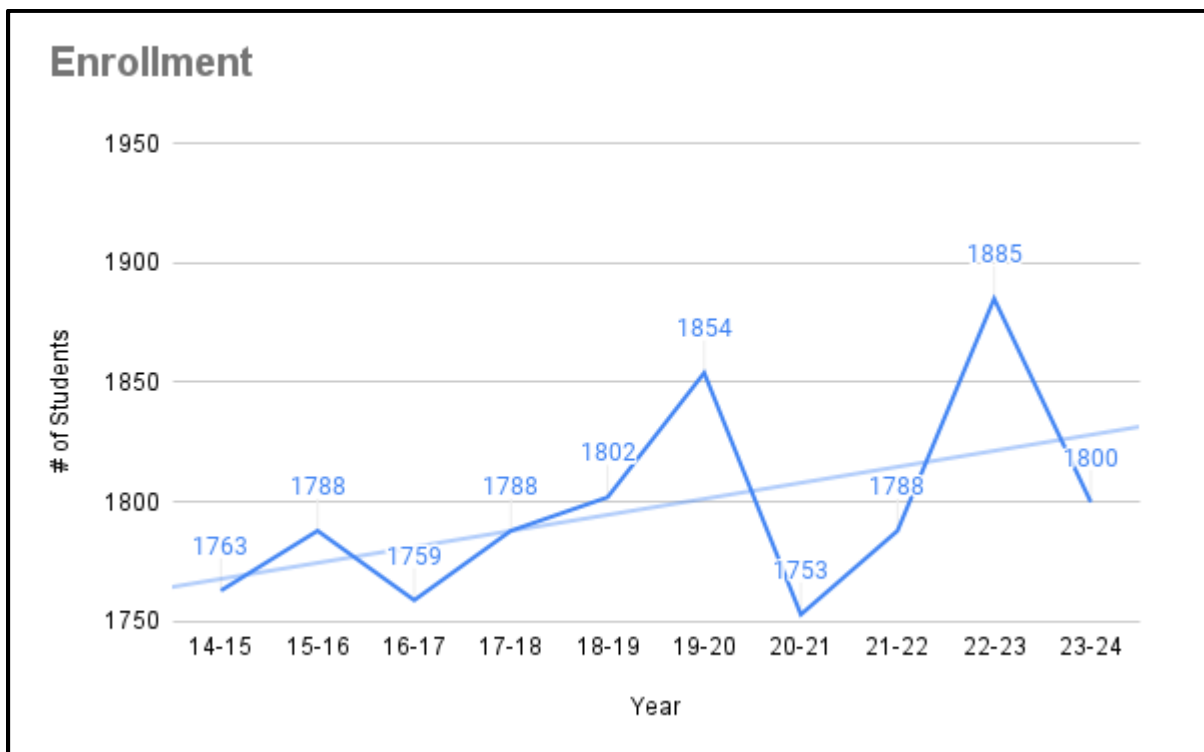
REVENUES	FUND 199	FUND 240	FUND 599
5700 Local Property Taxes	11,295,359	0	2,624,927
5700 Other Local Revenues	762,649	375,020	22,573
5800 State Revenues	8,062,338	50,480	0
5900 Federal Revenues	598,000	928,295	0
TOTAL REVENUES	20,718,346	1,353,795	2,647,500
EXPENDITURES			
0011 Instruction	10,722,346		
0012 Instructional Resources & Media Services	271,425		
0013 Curriculum & Staff Development	169,530		
0021 Instructional Leadership	503,220		
0023 School Leadership	1,211,052		
0031 Guidance, Counseling & Evaluation	704,730		
0032 Social Work Services	58,025		
0033 Health Services	276,000		
0034 Student Transportation	1,174,680		
0035 Food Service		1,424,395	
0036 Co-Curricular/Extra-Curricular Activities	1,092,860		
0041 General Administration	820,595		
0051 Plant Maintenance and Operations	2,439,955	39,900	
0052 Security & Monitoring Services	289,650		
0053 Data Processing Services	516,393		
0061 Community Services	137,030		
0071 Debt Services	50,855		2,647,500
0081 Facilities Acquisition & Instruction	0		
0093 Payments to Fiscal Agent	25,000		
0099 Other Intergovernmental Charges	255,000		
TOTAL EXPENDITURES	20,718,346	1,464,295	2,647,500
NET CHANGE IN FUND BALANCE	0	110,500	0

Historical Data

Analyzing historical data and trends assists us with forecasting the future.

Enrollment

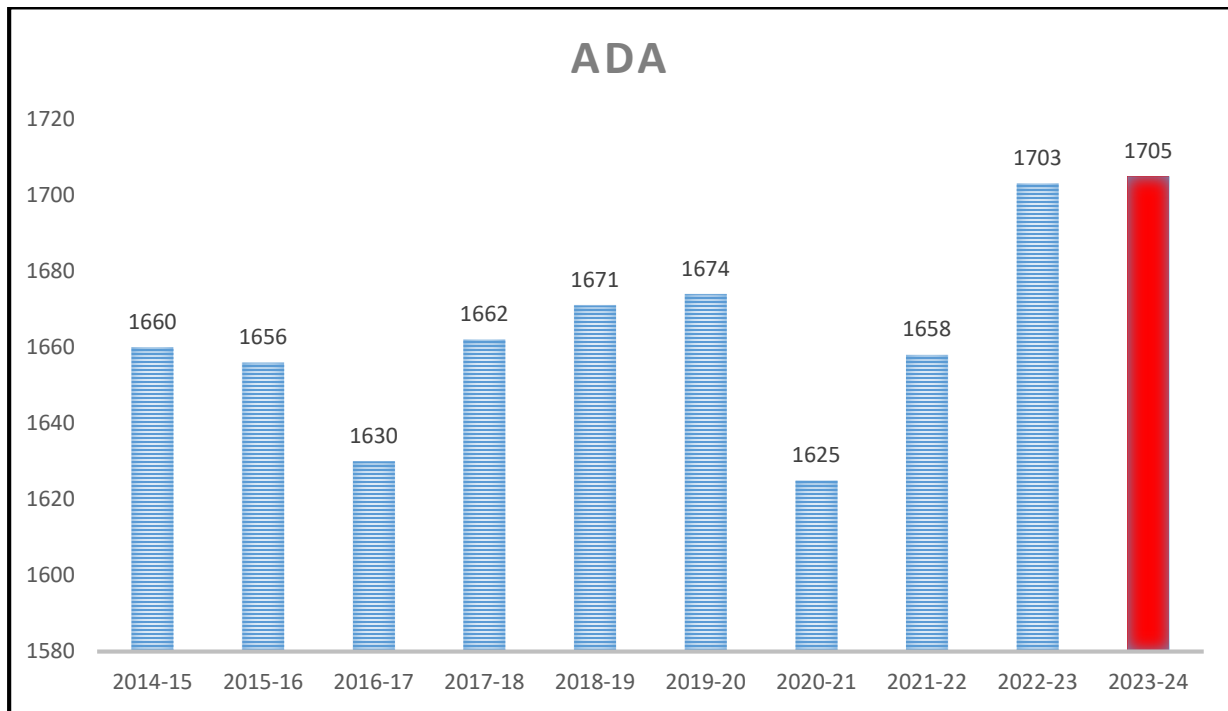
The chart below shows our historical October snapshot enrollment. It is important to look at enrollment to anticipate facility and staffing needs as well as property wealth estimation. As a result of the COVID pandemic, enrollment significantly declined in the 2020-2021 school year, but has been on an increasing trend since 2021-2022. Using registration numbers and prior year trends, the district used 1,800 as the 2023-2024 enrollment for planning purposes.



Average Daily Attendance (ADA)

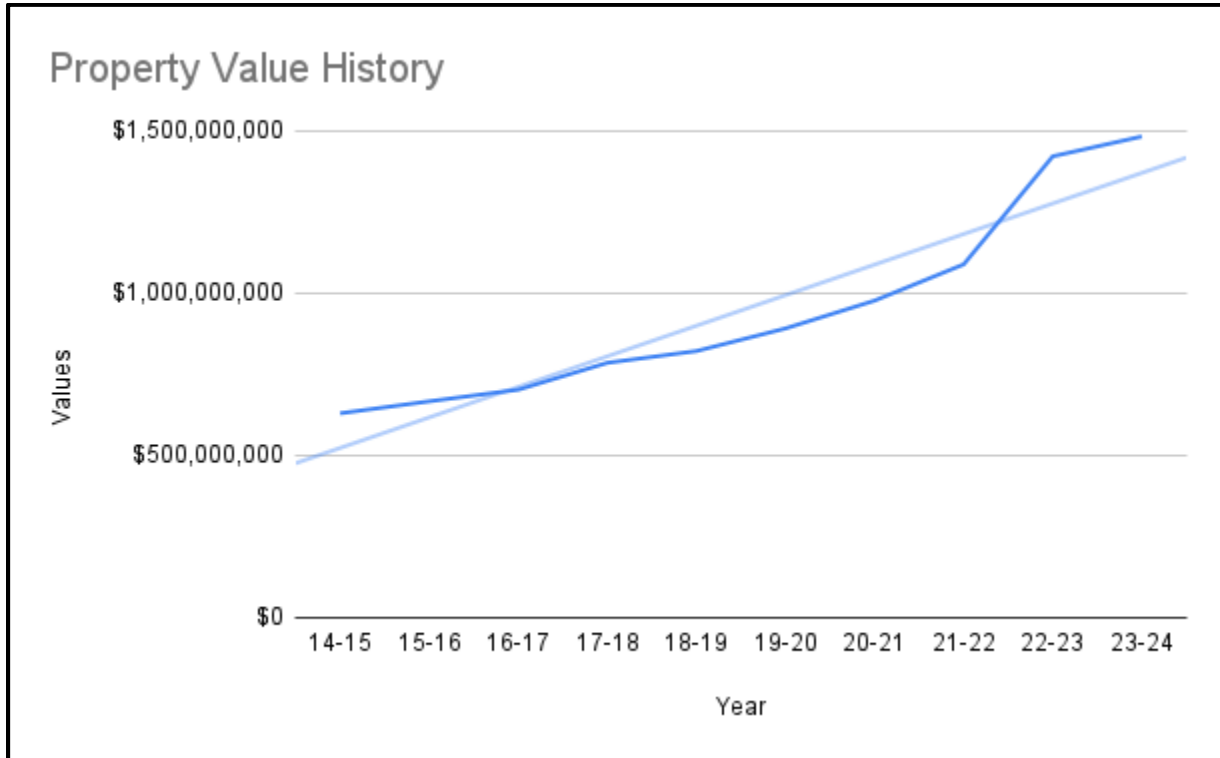
While enrollment is used for facilities planning, attendance is what is used to forecast state revenue. The state calculates our funding on average daily attendance (ADA). The chart below reflects the number of students we have had in attendance on average each day. Three years ago, after the COVID pandemic, Smithville ISD experienced an abnormal decrease, however as of 2022-2023 ADA has exceeded pre-COVID numbers.

Due to the district's conservative budgeting approach as well as the recent trends, the administration has prepared the 2023-2024 budget to assume a slight increase in ADA from the 2022-2023 school year actual rate at 1705.00.



Property Values

Due to dramatic growth in Bastrop County, the district's tax base has increased on average by 9% in the last ten years. In July 2022, the district experienced an unprecedented growth of 30.6%.



Fund Balance

In 2013, the SISD Board of Trustees approved a Fund Balance Policy as required by GASB 54. Optimum fund balance for the General Fund is defined as three (3.0) months of operating expenditures. One of the primary financial goals of the District is maintaining a healthy fund balance.

As a result of collaborative efforts, the district has exceeded the goal of the optimum fund balance. This has set the district up well for the coming years. Currently, Smithville ISD has committed \$3.1 million dollars of the excess fund balance to be utilized for capital projects and \$440,000 dollars to be utilized for Tiger Stadium maintenance needs.

Smithville ISD										
Historical Revenue & Expenditure Comparisons							Total Fund Balance			
General Fund M & O										
Fiscal Year	Enrollment	M&O Tax Rate	Total Revenue	Total Expense	Total Fund Balance	Total F.B. Change from Prior Year	Major Items	3-Month (25%) Optimal Total Fund Balance	Actual \$\$ Over (Under) Optimal Total FB	Actual % Over (Under) Optimal Total FB
14/15	1,778	\$1.17	\$16,040,279	\$15,503,982	\$5,136,374	\$536,297	Salary Increases \$202,940 2.5%, Increased Staff by 4 - \$172,771, Technology Needs \$102,550, 2 Buses & 1 Maint Truck \$225,000, Custodial Service Contract \$32,755 budgeted increase	\$3,875,996	\$1,260,379	33%
15/16	1,757	\$1.17	\$16,856,234	\$16,486,916	\$5,800,662	\$664,288	Salary Increases \$266,424 2%, Increased Staff by 7 - \$201,585, 1 Bus, 1 Maint Truck, and 1 Van \$150,000	\$4,121,729	\$1,678,933	41%
16/17	1,725	\$1.17	\$17,315,006	\$16,381,425	\$6,734,243	\$933,581	Salary Increases \$551,151 4%, 2 Buses and 1 Box Truck \$256,000, Increased Technology Needs \$94,600	\$4,095,356	\$2,638,887	64%
17/18	1,772	\$1.17	\$17,089,251	\$16,772,452	\$7,051,042	\$316,799	Salary Increases \$60,276 (various %), Increased Staff by 4 - \$216,467, Reduced ALL accounts (except contracts) by 25%, Band Uniforms \$80,000	\$4,193,113	\$2,857,929	68%
18/19	1,770	\$1.17	\$18,015,478	\$17,427,413	\$7,639,107	\$588,065	Salary Increases \$332,739 3%, Longevity Stipend \$56,400, Health Ins Contribution Increase \$22,831, Added District SRO Position \$60,000	\$4,356,853	\$3,282,254	75%
19/20	1,841	\$1.06835	\$19,739,249	\$19,177,327	\$8,201,029	\$561,922	- \$40,000, Technology needs \$138,042 increase, New facility utility increases \$182,000 and retrofitting buses with AC \$73,050, Elementary Renov Furniture \$307,345 (designated fund balance)	\$4,794,332	\$3,406,697	71%
20/21	1,686	\$1.0253	\$19,892,917	\$18,523,445	\$9,570,501	\$1,369,472	Salary Increases \$147,822 2%, 1 Bus \$99,000 and 1 Cafeteria Vehicle \$27,000 Budget Amend for Elementary Security Fence \$95,245 and Elem FFE \$168,925	\$4,630,861	\$4,939,640	107%
21/22	1,787	\$0.9603	\$19,929,488	\$20,091,109	\$9,408,880	(\$161,621)	Increased staff by 1 - \$57,700, 2 Bus \$210,000. Improve for Ag Shop \$80,000 and Transp Facility \$60,000. Moved 6 teaching FTE's to possible ESSER III funding until our enrollment rebounds from COVID. Purchased Elementary/BP Playgrounds \$540,131. BP Security Fence \$84,250.	\$5,022,777	\$4,386,103	87%
22/23*	1,778	\$0.9429	\$20,994,292	\$21,067,016	\$9,336,156	(\$72,724)	Increased staff by 3 - \$141,711. Moved 3 teaching FTE's from ESSER III funding back to Gen Op - \$201,554. 1 Bus - \$120,000, 1 Main Truck - \$30,000 and 2 school vehicles - \$60,000, Elem Playground Upgrades \$190,000	\$5,266,754	\$4,069,402	77%
23/24**	1,800	\$0.7876	\$20,718,346	\$20,718,346	\$9,336,156	\$0	Increased staff by 2 - \$145,934. Salary Increases \$379,815 (4-6%) Moved 1 teaching FTE from ESSER III funding back to Gen Op - \$77,978. 2 Buses - \$238,000. No longer a member of Sped Coop - \$367,700	\$5,179,587	\$4,156,570	80%

*Based on 22/23 Projections of Approved Budget

**Preliminary Budget Projections for 23/24

General Fund (199)

The General Fund is used to support the basic operations of the school district (i.e. instructional services, administration, maintenance and operations, etc.). Revenue primarily comes from the M&O portion of the tax rate and the Texas Education Agency (commonly referred to as state aid). Other revenue sources for this fund include ticket sales from athletic events, interest earnings, and federal revenue from SHARS reimbursements which are Medicaid reimbursements we request for providing certain health-related services to students with disabilities.

Highlights/Changes from 2022-2023

(Summary of the Proposed Budget found on Page 13)

Although the district experienced an increase in local property values, due to the 2023 House Bill 3 mandating additional M&O tax compression for school districts, local tax collections are anticipated to decrease with state revenue increasing (offset).

The district received \$343,405 for a revenue protection payment generated from our 313 Agreement with Big Star Solar, LLC during the 2022-2023 school year. It is anticipated that we will receive an estimated payment of \$215,865 during the 2023-2024 school year, but this payment is not included in the current revenue budget. The negotiated supplemental payment of \$171,600 is included in the current proposed budget.

Capital Outlay

The Capital Outlay category captures expenditures for capital assets. Capital assets are defined as anything over \$5,000 per unit with a useful life of more than one (1) year. The 2023-2024 original General Fund budget includes capital outlay items as follows:

- Two (2) 77-passenger school buses

Compensation Increases

The proposed budget includes a salary increase package designed to retain and recruit high-quality staff, as presented and approved at the June 2023 board meeting.

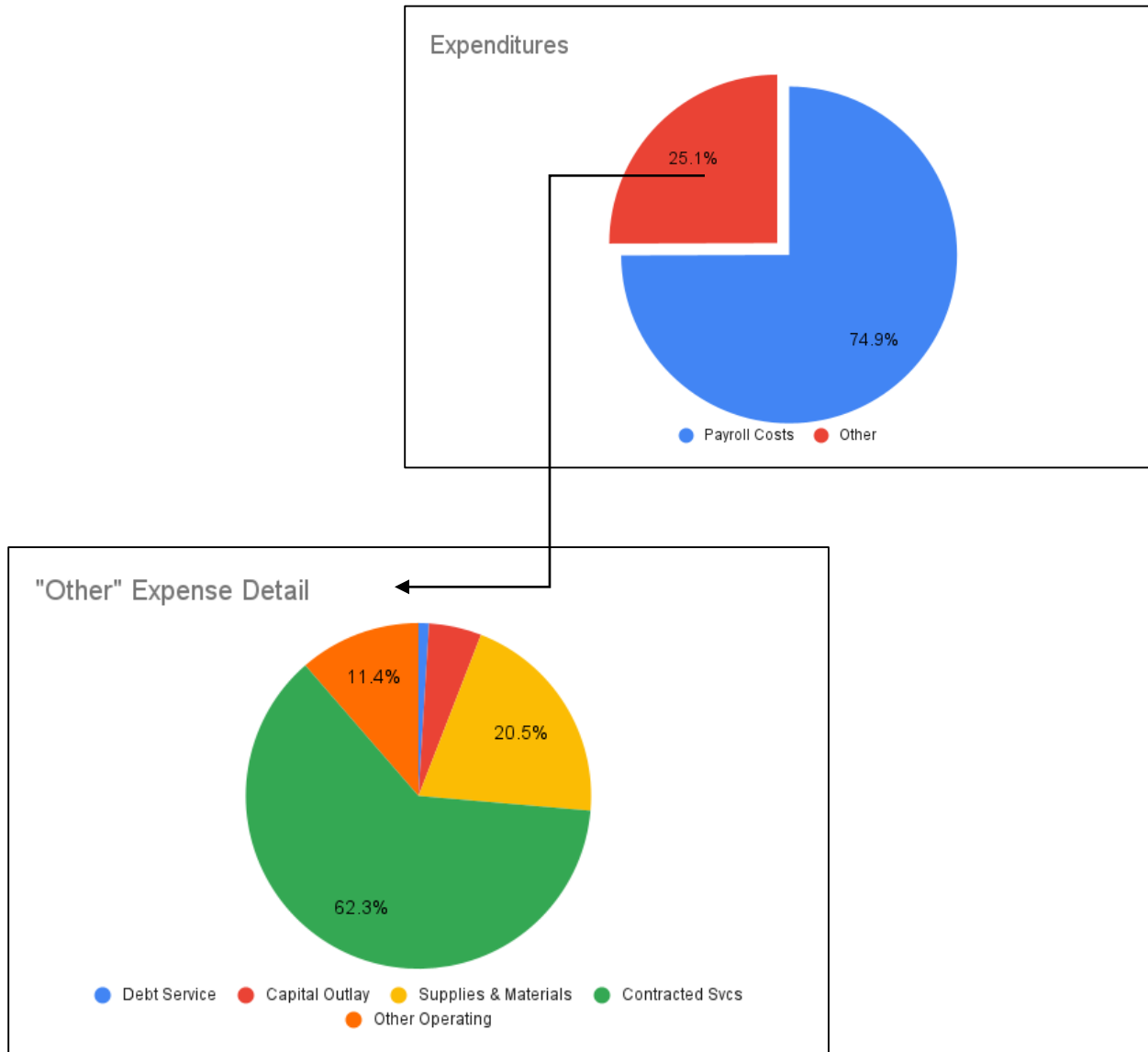
Personnel Changes (FTEs)

	2022-2023	2023-2024	Change	Explanation
Central Administration	4	4	0	
Campus Administration	8	8	0	
Teachers/Lib/Trainer/Band & Athletic Directors	137	127	-10	Less 2 HS Teachers; Less JH Teacher; Less 1 Elem Librarian; Less 1 Elem Interventionist; Less 4 Elem Teachers; Less 1 BP Teacher
Aides/Secretaries/Truancy	60	65	5	Add 2 HS Sped Aides; Add 1 Elem Sped Aide; Add 1 BP Library Aide; Add 1 Elem Library Aide
Instructional Coaches/ACE Site Coordinator	5	5	0	
Counselors & Nurses	8	8	0	
Technology & Special Programs	6	13	7	Add 1 Sped Support Specialist; Add 1 Dir of Sped; Add 2 ARD Facilitators; Add 1 SLP; Add 1 SLPA; Add 1 Network Technician
Maintenance/Food Service/Transportation	51	53	2	Add 1 Bus Driver; Add 1 Food Service Worker
Total FTEs	279	283	4	

Expenditure Levels

The proposed expenditures budget for fiscal year 2023-2024 is \$20,718,346. 74.9% of the budget is for salaries and benefits while the remaining 25.1% is budgeted for contracted services, supplies and materials, capital outlay, debt service, and other operating costs.

The chart below portrays the breakdown of the budgeted expenditures by object.



**SMITHVILLE INDEPENDENT SCHOOL DISTRICT
2023-2024 PROPOSED BUDGET
GENERAL FUND**

data as of 8/22/23

REVENUES	2021-2022 Actual	2022-2023 Amended Budget	2023-2024 Proposed Budget	Variance
5700 Local Property Taxes	10,850,647	13,794,118	11,295,359	(2,498,759)
5700 Other Local Revenues	404,544	907,417	762,649	(144,768)
5800 State Revenues	8,086,196	5,010,365	8,062,338	3,051,973
5900 Federal Revenues	588,101	603,000	598,000	(5,000)
<i>TOTAL REVENUES</i>	19,929,488	20,314,900	20,718,346	403,446
 EXPENDITURES				
0011 Instruction	10,559,158	10,866,655	10,722,346	(144,309)
0012 Instructional Resources & Media Services	308,106	313,305	271,425	(41,880)
0013 Curriculum & Staff Development	236,739	155,595	169,530	13,935
0021 Instructional Leadership	172,015	366,820	503,220	136,400
0023 School Leadership	1,121,102	1,092,385	1,211,052	118,667
0031 Guidance, Counseling & Evaluation	374,242	393,150	704,730	311,580
0032 Social Work Services	52,112	54,330	58,025	3,695
0033 Health Services	270,009	282,130	276,000	(6,130)
0034 Student Transportation	1,113,216	1,181,095	1,174,680	(6,415)
0035 Food Service	0	20,500	0	(20,500)
0036 Co-Curricular/Extra-Curricular Activities	957,645	1,148,685	1,092,860	(55,825)
0041 General Administration	790,426	782,595	820,595	38,000
0051 Plant Maintenance and Operations	2,583,903	2,847,935	2,439,955	(407,980)
0052 Security & Monitoring Services	176,095	155,625	289,650	134,025
0053 Data Processing Services	442,424	466,330	516,393	50,063
0061 Community Services	127,059	109,505	137,030	27,525
0071 Debt Services	50,850	50,855	50,855	0
0081 Facilities Acquisition & Instruction	0	0	0	0
0093 Payments to Fiscal Agent	556,804	480,000	25,000	(455,000)
0099 Other Intergovernmental Charges	199,204	245,000	255,000	10,000
<i>TOTAL EXPENDITURES</i>	20,091,109	21,012,495	20,718,346	(294,149)
 <i>NET CHANGE IN FUND BALANCE</i>	 (161,621)	 (697,595)	 0	 697,595
 Fund Balance, Beginning	 9,570,501	 9,408,880	 8,711,285	 (697,595)
Fund Balance, Ending	9,408,880	8,711,285	8,711,285	0

Food Service Fund (240)

The food service fund is used to support our child nutrition program. Revenues come from the federal government, state government, and payments from individuals who purchase food from the cafeterias. Monies may only be used in support of this program. The Director of Child Nutrition is the budget manager for this fund.

The fiscal year 2023-2024 Food Service Fund budget is proposed with a deficit budget of \$110,500 to cover the final installation costs of the new Elementary Campus Walk-In Cooler.

**SMITHVILLE INDEPENDENT SCHOOL DISTRICT
2023-2024 PROPOSED BUDGET
FOOD SERVICE FUND**

data as of 8/22/23

REVENUES	2021-2022 Actual	2022-2023 Amended Budget	2023-2024 Proposed Budget	Variance
5700 Local Property Taxes	0	0	0	0
5700 Other Local Revenues	117,885	397,365	375,020	(22,345)
5800 State Revenues	19,116	51,725	50,480	(1,245)
5900 Federal Revenues	1,345,462	928,325	928,295	(30)
<i>TOTAL REVENUES</i>	<u>1,482,463</u>	<u>1,377,415</u>	<u>1,353,795</u>	<u>-23,620</u>
EXPENDITURES				
0035 Food Service	1,298,834	1,508,470	1,424,395	(84,075)
0051 Plant Maintenance and Operations	38,387	39,900	39,900	0
<i>TOTAL EXPENDITURES</i>	<u>1,337,221</u>	<u>1,548,370</u>	<u>1,464,295</u>	<u>(84,075)</u>
<i>NET CHANGE IN FUND BALANCE</i>	<u>145,242</u>	<u>(170,955)</u>	<u>(110,500)</u>	<u>60,455</u>
Fund Balance, Beginning	<u>224,930</u>	<u>370,172</u>	<u>199,217</u>	<u>(170,955)</u>
Fund Balance, Ending	<u>370,172</u>	<u>199,217</u>	<u>88,717</u>	<u>(110,500)</u>

Debt Service Fund (599)

The Debt Service Fund is used to pay our bonded indebtedness (debt authorized by voters during elections). Revenue from the I&S portion of the tax rate is deposited into this fund.

In 2001, voters authorized the district (via an election) to sell bonds. The bonds were sold in one issuance. These proceeds were primarily used to open the High School Campus. Through the years, the board of trustees saw opportunities to refund the Series 2001 bonds at lower rates. These opportunities have resulted in a tax savings for Smithville ISD taxpayers of \$1.9 million dollars in present value savings or 10.13% savings as a percentage of the refunded par.

In 2016, voters authorized the district (via an election) to sell bonds. The bonds were sold as needed to minimize the amount of interest paid, during 2017, 2018 and 2019 (3 issuances). These proceeds were used to open the Junior High Campus, open Tiger Stadium and renovate all three buildings on the Elementary Campus.

Repayment of these bond issues is why we currently have a Debt Service Fund and an I&S tax rate. All debt associated with the 2001 bond issuance will be paid off in the 2026 fiscal year. The remaining bonds are scheduled to be fully repaid in the 2049 fiscal year.

**SMITHVILLE INDEPENDENT SCHOOL DISTRICT
2023-2024 PROPOSED BUDGET
DEBT SERVICE FUND**

data as of 8/22/23

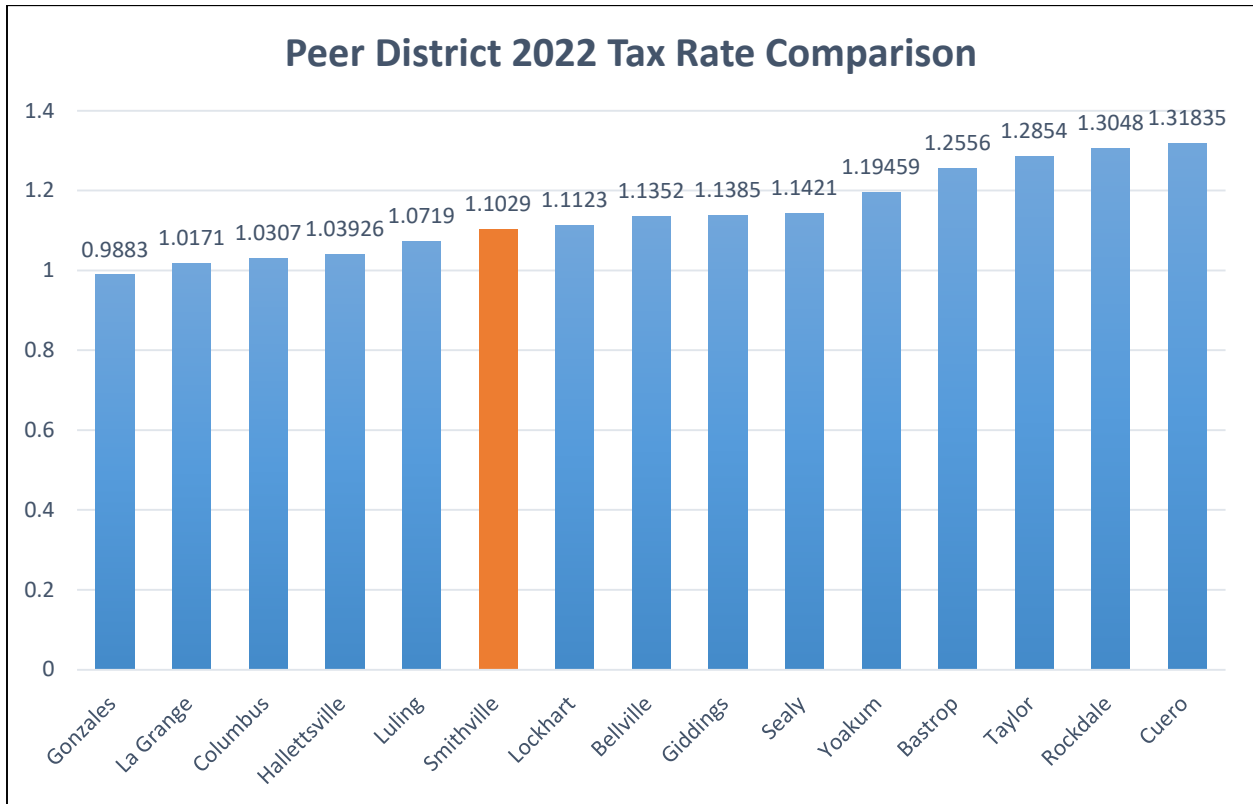
REVENUES	2021-2022 Actual	2022-2023 Amended Budget	2023-2024 Proposed Budget	Variance
5700 Local Property Taxes	2,682,732	2,436,923	2,624,927	188,004
5700 Other Local Revenues	15,223	12,000	22,573	10,573
5800 State Revenues	23,509	44,745	0	(44,745)
5900 Federal Revenues	0	0	0	0
<i>TOTAL REVENUES</i>	<u>2,721,464</u>	<u>2,493,668</u>	<u>2,647,500</u>	<u>153,832</u>
EXPENDITURES				
0071 Debt Service	2,625,600	2,642,300	2,647,500	5,200
<i>TOTAL EXPENDITURES</i>	<u>2,625,600</u>	<u>2,642,300</u>	<u>2,647,500</u>	<u>5,200</u>
<i>NET CHANGE IN FUND BALANCE</i>	95,864	(148,632)	0	148,632
Fund Balance, Beginning	<u>878,968</u>	<u>974,832</u>	<u>826,200</u>	<u>(148,632)</u>
Fund Balance, Ending	<u>974,832</u>	<u>826,200</u>	<u>826,200</u>	<u>0</u>

Tax Rate

The tax rate administration is recommending for adoption is:

M&O	\$0.7876
I&S	<u>\$0.1800</u>
Total Tax Rate	\$0.9676

The 2019 & 2023 legislative sessions had a large impact on the \$0.3824 decrease in total tax rate the district will have experienced in the most recent five years. House Bill 3 and Senate Bill 2 both mandated districts compress their maintenance and operations (M&O) tax rates as a means of lowering the dependency on local property taxes for financing public education. As a result, the maximum M&O rate Smithville ISD can adopt is \$0.7876. The administration recommends adopting the maximum M&O tax rate allowed by law to ensure maximum state funding is received.



Smithville Independent School District
 Historical Property Tax Rates
 Per \$100 Valuation

Fiscal Year	Maintenance & Operations Rate	Interest & Sinking Rate	Total Tax Rate
2012-13	1.17	0.24	1.41
2013-14	1.17	0.23	1.40
2014-15	1.17	0.22	1.39
2015-16	1.17	0.16	1.33
2016-17	1.17	0.12	1.29
2017-18	1.17	0.22	1.39
2018-19	1.17	0.26	1.43
2019-20	1.06835	0.28	1.34835
2020-21	1.0253	0.285	1.3103
2021-22	0.9603	0.24	1.2003
2022-23	0.9429	0.16	1.1029
2023-24	0.7876	0.18	0.9676

