



**Galena Park Independent School District**

**2017-2018 Budget**

14705 Woodforest Blvd.  
Houston, TX 77015  
Harris County

[www.galenaparkisd.com](http://www.galenaparkisd.com)

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# Executive Summary



# Galena Park Independent School District

## Principal Officials

### Board of Trustees



*President - Jeff Miller*



*Vice President - Wanda Heath Johnson*



*Secretary - Minnie Rivera*



*Ramon Garza*



*Dawn Fisher*



*Wilfred. J Broussard*



*Joe Stephens*

## Superintendent of Schools



*Dr. Angi Williams*

## Administration

Sonya George ..... Deputy Superintendent for Operational Support/ CFO  
Kenneth Wallace ..... Deputy Superintendent for Educational Support and School Administration  
Dr. Wanna Giacona..... Assistant Superintendent for Human Resource Services  
Elizabeth Lalor ..... Assistant Superintendent for Educational Support and Academic Support  
Terri Moore..... Assistant Superintendent for Communication Services  
John Moore ..... Assistant Superintendent for Operations



## Mission Statement

The mission of the Galena Park Independent School District is to prepare students to become productive citizens and lifelong learners.

## Motto

Leading... Learning... Serving

## District Improvement Plan

**Goal 1:** The District will provide a safe, productive and healthy learning/working environment for students and staff.

**Goal 2:** The District will provide effective counseling services, opportunities and information to assist students in preparing for college and careers

**Goal 3:** The District will ensure student growth in the tested areas

**Goal 4:** The District will provide competitions for enrichment. All secondary students will be able to select electives in their interest area.

**Goal 5:** The District will have a 96.5% or higher student attendance rate and a 97% or higher teacher attendance rate.

**Goal 6:** The District will provide opportunities for parental/community involvement and business partnership

**Goal 7:** The District will ensure high quality staff is employed.

**Goal 8:** The District will provide superior operational services to best support students and staff success.



**Association of School Business Officials International**  
***Pathway to the Meritorious Budget Award***



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

This *Pathway* to the MBA Award is presented to

**GALENA PARK**  
**INDEPENDENT SCHOOL DISTRICT**

for excellence in the preparation and issuance of its budget  
for the Fiscal Year 2016-2017.

The budget adheres to the principles and standards  
of ASBO International's Meritorious Budget Award criteria.



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

**Mark C. Pepera, MBA, RSBO, SFO**  
Acting President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

**John D. Musso, CAE, RSBA**  
Executive Director

# Galena Park Independent School District

## Budget Information

Budget planning is an integral part of overall program planning so that the budget effectively reflects the District's programs and activities, and provides the resources to implement them. In the budget planning process, general educational goals, specific program goals, and alternatives for achieving program goals are considered. Budget planning and evaluation are continuous processes and are a part of each month's activities.

The District's fiscal year runs September 1<sup>st</sup> through August 31<sup>st</sup>. A budget must be adopted no later than August 31<sup>st</sup> of each year. The Board of Trustees shall publish a notice and conduct a public hearing regarding the budget prior to adoption of the budget. The District must also publish a notice regarding the proposed budget on the District website.

At a minimum, the Board of Trustees must adopt a budget that includes the General Fund, Food Service Fund and Debt Service Fund. The budget is to be adopted at the function code level; therefore, any changes to the budget at the functional level shall be approved by the Board of Trustees prior to exceeding a functional expenditure category.

The adopted budget shall be reported to the Texas Education Agency (TEA) on an annual basis through the fall Public Education Information System (PEIMS) submission.

The Deputy Superintendent for Operational Support/Chief Financial Officer is responsible for coordinating the development and adoption of the District budget.

Planning and development begins in January each year with the Superintendent and administrative leadership team determining the parameters to be used as a guide for the resource allocation process. The budget must effectively reflect the programs and activities offered by the District and provide the resources to implement them. Revenue projections based on estimates of local tax revenue, enrollment projections, state funding formulas, and other significant factors are prepared, subject to revenue limitations as outlined in the Texas Education Code.

Each campus and department receives an allocation as part of the District's general fund budget, providing an opportunity for the campus or department to budget the allocation to meet their needs. With Average Daily Attendance (ADA) being a driving force of revenue, projected ADA is used to determine the allocation for each campus, while department allocations are based on the prior year allocation including any permanent increases or decreases necessary to fund new initiatives.

The compensation budget comprises around 80% of the General Fund budget, and is developed by analyzing prior year expenditures and taking into consideration vacant positions, additional approved positions, salary increases, and increases to benefit costs.

Principals and directors submit their proposed allocations to the Business Services Department for compilation, summarization, and preparation of a draft budget, prioritizing requests and reductions in accordance with the Superintendent's parameters. The preliminary budget is then presented and discussed with the Board of Trustees. The proposed budget must be prepared by August 20<sup>th</sup> for the September 1<sup>st</sup> fiscal year start date. The Board President must call a Board meeting for the purpose of discussing and adopting the budget and tax rate; a public notice of which is required to be published at least 10 days, but not more than 30 days, prior to the public meeting.

*Source: Galena Park ISD Board Policy Manual <http://pol.tasb.org/Policy/Search/590?filter=CE>*



## Significant Budget changes for 2017-18

- Adjust Teacher pay scale, increase starting pay \$54,000; **\$3,160,551**
- Equity adjustment of Teacher pay scale for years 8-25; **\$308,069**
- 3% of midpoint general pay increase for all employees; **\$1,952,855**
- Various new positions approved by Board of Trustees; **\$1,004,808**
  - 1 Principal, in preparation for the opening of a new campus for 10<sup>th</sup> grade students.
  - 1 Assistant Principal, due to the increase in students attending the Early College High School
  - 1 High School Secretary, due to the increase in students attending the Early College High School
  - 1 Program Director for Business Intelligence, needed to support business and operational applications, software and initiatives
  - 1 Director for Energy Management and Utility services, to provide strategic leadership for energy management and sustainability programs
  - 1 Secondary English Language Arts Specialist, to focus on 10<sup>th</sup> grade students
  - 1 Elementary Math/Science Interventionist, to focus on elementary students at two campus locations
  - 1 Positive Approach for Student Success (PASS) Teacher
  - 1 Teacher, to serve as swim coach for high school campuses
  - 2 Pre-kindergarten Teachers, to begin a three-year old pre-kindergarten program at two campus locations
  - 2 Pre-kindergarten Bilingual Aides, to assist with the three-year old pre-kindergarten program
  - 1 Pre-Kindergarten Aide, due to increase in student population
  - 2 Color Guard Instructors, for high school Fine Arts programs
  - 2 Percussion Instructors, for high school Fine Arts programs
  - 2 Buyers, to ensure the District's purchases are in compliance with Education Department General Administrative Regulations (EDGAR)
  - 2 Secretaries, to assist administrators overseeing Capital Projects and Facilities Planning
  - 1 Assistant Bilingual District Translator
  - 1 Night School Clerk
- Increase for Technology upgrade projects; **\$1,522,595**
- Increase utility costs pending construction and new campuses; **\$500,000**
- Increase in costs of transitioning campuses to new facilities; **\$150,000**
- Increase for website hosting and District app; **\$29,000**
- Increase for Deputy patrol contract costs; **\$26,500**
- Increase for DocuNav maintenance and service fees; **\$20,000**

## **Significant Budget Action Items for 2017-18 and 2018-19 Biennium**

The Texas Legislature holds a regular session of 140 days every two years, beginning on the second Tuesday in January of each odd-numbered year. The 85<sup>th</sup> Legislative Session began January 10<sup>th</sup> and ended May 29<sup>th</sup>, 2017. The following Senate Bills (SB) and House Bills (HB) were passed during this session, impacting school district budgets state wide. The Legislature will not hold session in 2018.

### **SB 1: General Appropriations Act**

This contains comprehensive funding appropriations for all sectors of state government. There was no change to the \$5,140 basic allotment, nor additional funding for the Instructional Facilities Allotment (IFA), nor continue the Additional State Aid for Tax Reduction (ASATR). For school districts demonstrating rapid decline, the appropriation provides \$50 million in 2018 and \$25 million in 2019, and continues the New Instructional Facilities Allotment (NIFA) at \$23.75 million each year.

The Austin Yield will increase from \$77.53 to \$99.41 in the 2017-18 school year, and then to \$106.28 in the 2018-19 school year. See the Financial Section for more information regarding the Austin Yield. On average, this will result in a \$117 per Weighted Average Daily Attendance (WADA) increase statewide.

The 84<sup>th</sup> Legislature in 2015 provided \$1,500 in half day Foundation School Program (FSP) funding for each eligible student attending a kindergarten program that meets TEA's rules and guidelines for High-Quality Pre-Kindergarten instructional settings. For the 2018-19 biennium, the program funding would be from a portion of the \$1.58 billion allocation for pre-kindergarten. The commissioner will ensure that school districts receiving pre-kindergarten funds will spend no less than 15 percent on implementing a program that meets these settings; for Galena Park ISD this is calculated to be \$1,238,149.

### **SB 252: Prohibition on Contracts with Certain Companies**

Governmental entities, including school districts, are prohibited from securing contracts with any company doing business with Iran, Sudan, or a foreign terrorist organization. A list of identified companies is available on the Texas Comptroller website.

### **SB 255: Vendor Disclosure of Interested Parties**

Vendors must disclose with the Texas Ethics Commission any school district contract that requires an action or vote by the Board before the contract may be signed, or a contract with a value exceeding \$1 million.

District policy CH(LOCAL) states that "any single, budgeted purchase of goods or services that costs \$50,000 or more, regardless of whether the goods or services are



competitively purchased, shall require Board approval before a transaction may take place.”

### **SB 262: Purchase of Automated Information Systems through DIR**

This bill requires the Texas Department of Information Resources (DIR) to assess the risk to the state in the purchase of information technology commodity items as well as to monitor and verify the purchase transaction reports of monthly sales of these commodities. DIR uses the Request for Offer (RFO) competitive bidding purchasing method to contract with companies, compiling and maintain a list of information technology commodity items available for purchase through them. School districts using DIR for these purchases comply with the requirements stated under Texas Government Code 2157.068 (see amendments to this Code below, made through SB 533).

### **SB 533: Information Technology Purchases by Governmental Entities**

This bill amends Texas Government code 2157.068, relating to the purchase of informational technology commodities by state agencies. State agencies purchasing this class of commodities must comply to the following requirements:

- Contracts with a value less than \$50,000 may be awarded without requiring price submissions from other vendors on the DIR list
- Contracts in excess of \$50,000 but less than \$1 million (amended from \$150,000) must submit a pricing request to at least three vendors on the DIR list
- Contracts in excess of \$1 million (amended from \$150,000) but less than \$5 million (amended from \$1 million) to six vendors included on the DIR list (or all vendors included on the list, if the category has fewer than six vendors)
- A state agency may not enter into a contract to purchase a commodity items if the contract value exceeds \$5 million (amended from \$1 million)

State agencies must follow these requirements unless:

- The agency obtains an exemption from DIR
- The agency obtains prior approval from the Legislative Budget Board for the expenditure necessary for the purchase
- DIR certifies in writing that the commodity item is not available for purchase under an existing contract developed by DIR

### **SB 622: Itemization of Public Notice Expenditures in Budget**

Requires political subdivisions, including School Districts, to include a line item in their proposed budgets for expenditures for required newspaper notice publications, for budgets beginning on or after January 1, 2018. This notice must be “as clear a comparison as practicable” between the proposed budget and actual prior year expenditures.

For Fiscal year 2016-17, The District spent \$4,082.59 on legal notices, and has budgeted \$9,900 for Fiscal year 2017-18.

### **SB 693: Seat Belts on School Buses**

Model 2018 or later school busses must be equipped with a three-point seat belt for each passenger. However, a school board may vote at a public meeting that the budget does not permit the purchase of a bus with seatbelts that meet this requirement.

### **SB 2442: Minutes of Operation and ADA compliance for Certain Programs**

The 84<sup>th</sup> Legislature in 2015 redefined the measurement standards for the length of the school year from 180 days of instruction to 75,600 minutes of instruction; a day of instruction is defined as 420 minutes of instruction. SB 2422 amends these previous changes by including time allotted for intermissions and recesses, also changing certain verbiage from “instruction of students” to “operation of schools”. Additional modifications include:

- ADA calculations for half-day programs
- Pre-K program eligibility for one-half of ADA, given the program provides at least 32,400 minutes of instruction
- Exemption to the minimum number of required minutes, given the District is providing at least 43,200 minutes of instructional time to students enrolled in:
  - A dropout recovery school or program
  - An alternative education program
  - A school program located at a day treatment facility, residential treatment facility, psychiatric hospital, or medical hospital
  - A school program at a correctional facility
  - An adult high school diploma or industry certification program
- Allowances for the commissioner to proportionally reduce the amount of funding a district receives if the district’s instructional time is fewer than 75,600 minutes

Any changes that affect the measurement of the required instructional time or length of a school day affects how student Average Daily Attendance is calculated.

### **HB 89: Prohibition on Contracts with Companies that Boycott Israel**

Contracts for goods and services must contain a written verification that the company does not boycott Israel and will not boycott Israel during the term of the contract. Boycotting Israel is defined as refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel or with any person or entity doing business in Israel or in an Israeli-controlled territory. This definition does not include and action made for ordinary business purposes.

While this bill does not have a specific monetary impact to the budget, the District has had to modify the application paperwork for vendors requesting to do business with the District, as well as retroactively work to obtain assurances from current vendors that they will not participate in actions identified by the bill.

## Budget Overview and Highlights

Development of the District Budget follows federal, state, and local guidelines. Annually, the Board of Trustees reviews and adopts General Fund, Food Service, and Debt Service funds. Total budgeted revenues for fiscal year 2017-18 are \$249,799,500, and total budgeted expenses are \$252,185,000.

	Fiscal Year 2014-15 Actuals (Audited)	Fiscal Year 2015-16 Actuals (Audited)	Fiscal Year 2016-17 Actuals (Unaudited)	Fiscal Year 2017-18 Adopted
<i>Revenues</i>				
General Fund	\$211,801,287	\$215,446,799	\$209,800,432	\$207,698,000
Debt Service	22,110,223	23,575,995	26,280,534	15,763,800
Food Service	13,599,930	14,069,902	13,482,037	26,337,700
	<b>\$247,511,440</b>	<b>\$253,092,696</b>	<b>\$249,563,003</b>	<b>\$249,799,500</b>
<i>Expenditures</i>				
General Fund	\$189,183,836	\$199,941,149	\$202,406,194	\$212,496,800
Debt Service	19,397,302	20,061,128	59,996,690	15,763,800
Food Service	13,813,439	14,448,549	13,487,315	23,924,400
	<b>\$222,394,577</b>	<b>\$234,450,826</b>	<b>\$275,890,199</b>	<b>\$252,185,000</b>
<i>Other Resources, non-operating</i>				
General Fund	\$78,159	\$72,863	\$86,812	-
Debt Service	(8,732,050)	4	34,990,046	-
Food Service	5,991	12,630	10,135	-
	<b>-\$8,647,900</b>	<b>\$85,497</b>	<b>\$35,086,993</b>	<b>\$0</b>
<i>Fund Balance</i>				
General Fund	\$122,741,313	\$138,319,826	\$145,800,876	\$141,002,076
Debt Service	4,024,630	7,539,501	8,813,392	8,813,392
Food Service	3,813,410	3,447,393	3,452,250	5,865,550

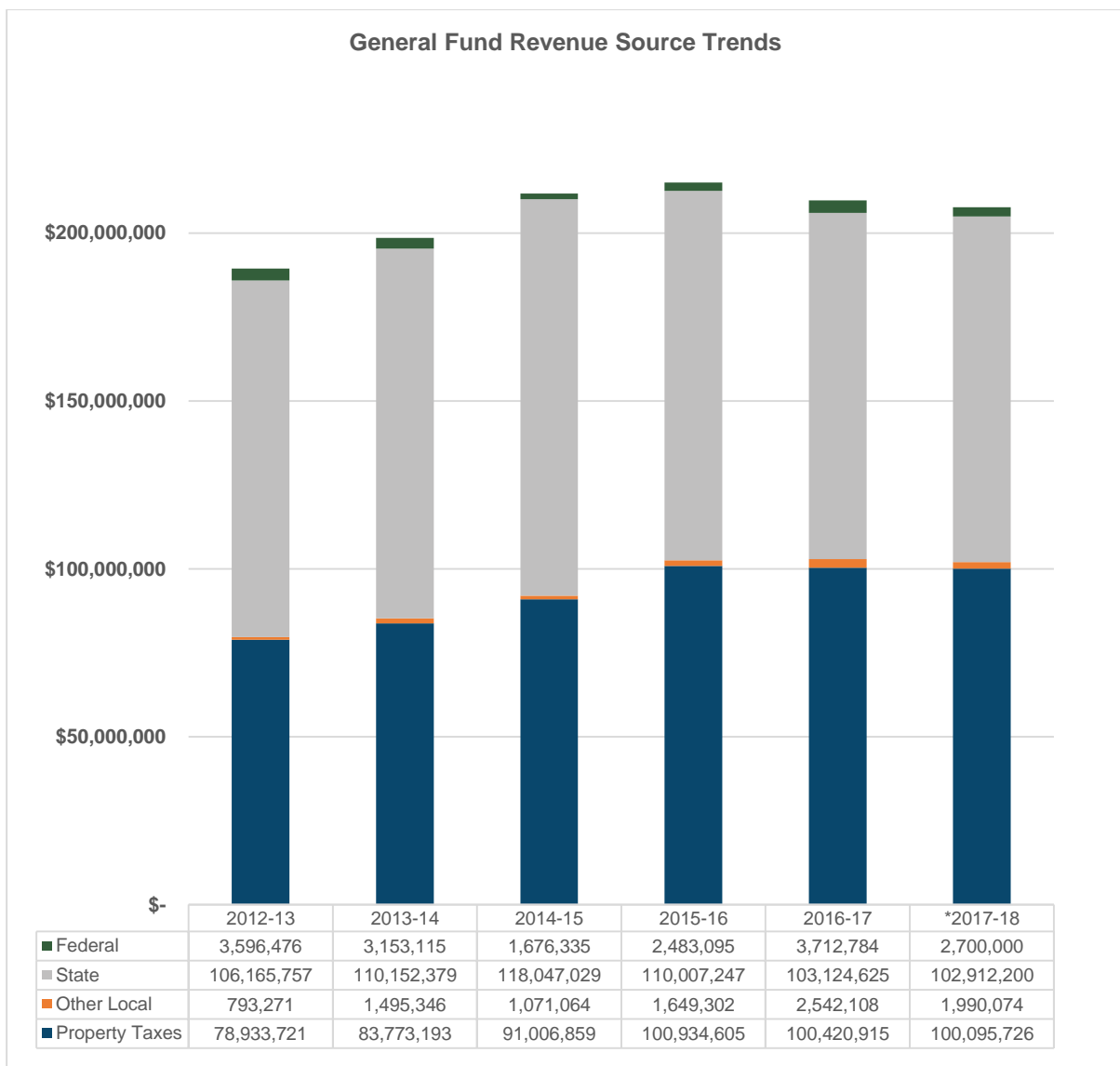


## General Fund

### Revenues

The Chief Financial Officer prepares revenue projections for all funds, based on estimates of local tax revenue, enrollment projections, State funding formulas, and other significant factors. The District is subject to revenue limitations as outlined in the Texas Education Code; under the target revenue system, the District's maintenance and operations revenues from property taxes and state aid are capped. As collections from property taxes increase, state aid is reduced by a similar amount.

Total General Fund revenue collected for fiscal year 2016-17 was \$209,800,432, with the 2017-18 budget conservatively anticipating \$207,698,000.

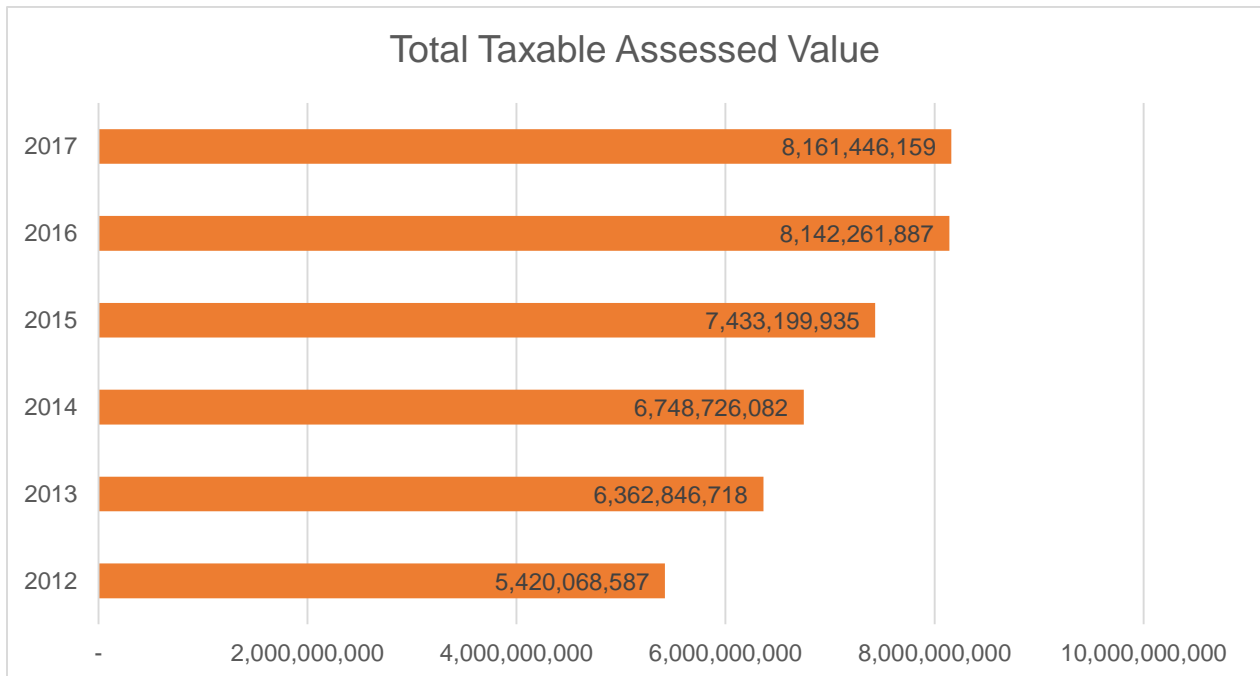


\*Budget

The graph on the previous page shows total General Fund revenues collected by the District for the prior five fiscal years, and the budgeted amount for the current fiscal year.

### *Property Values*

Property taxes are the District's most significant source of local revenue, usually comprising 40% of all revenues recognized and received. Local property values have steadily risen in the past years, as shown in the graph below.

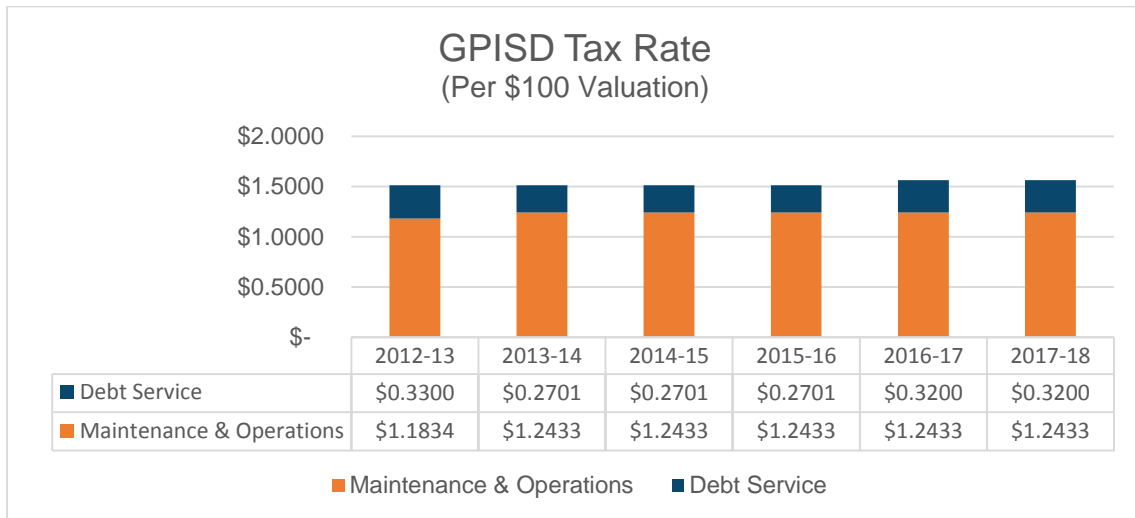


Taxable Value is defined by Section 1.04(10), Tax code. Values are for the fiscal year, ending on August 31.

Property values are determined by the Harris County Appraisal District as of January 1<sup>st</sup> of each year. Prior to September 1<sup>st</sup> of each year, the District must adopt its annual budget and as soon thereafter as practicable, adopt a tax rate thus creating the tax levy.

### *Tax Rate*

The tax rates applicable to the Maintenance and Operation (M&O) and Interest & Sinking (I&S) for 2017-18 were \$1.2433 and \$0.3200, respectively, based on a taxable value of \$8,161,446,159. Uncollected taxes are recorded as unavailable revenue in the fund financial statements net of the related allowance for uncollectible taxes.



The Debt Service increase in 2016-17 is in anticipation of changes to the District’s debt payments during the upcoming fiscal years. A bond election was held on May 7, 2016 for \$290 million, passing by 72%. As of the budget adoption date, \$90 million in bond sales had occurred.

Source: North Channel Star <http://www.northchannelstar.com/2016/05/>

*Impact on Taxpayers*

The table below shows the calculated property tax bill for a home in the District boundaries, valued at \$100,000.

	Actuals			Current	Proposed
	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Assessed value of home	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Less: 20% Local Option Exemption	20,000	20,000	20,000	20,000	20,000
Less: Homestead exemption	<u>15,000</u>	<u>15,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Taxable Value	\$65,000	\$65,000	\$55,000	\$55,000	\$55,000
Total property tax rate	<u>1.5134</u>	<u>1.5134</u>	<u>1.5134</u>	<u>1.5633</u>	<u>1.5633</u>
Property tax due	<u>\$983.71</u>	<u>\$983.71</u>	<u>\$832.37</u>	<u>\$859.82</u>	<u>\$859.82</u>

Taxable Value is defined by Section 1.04(10), Tax code.

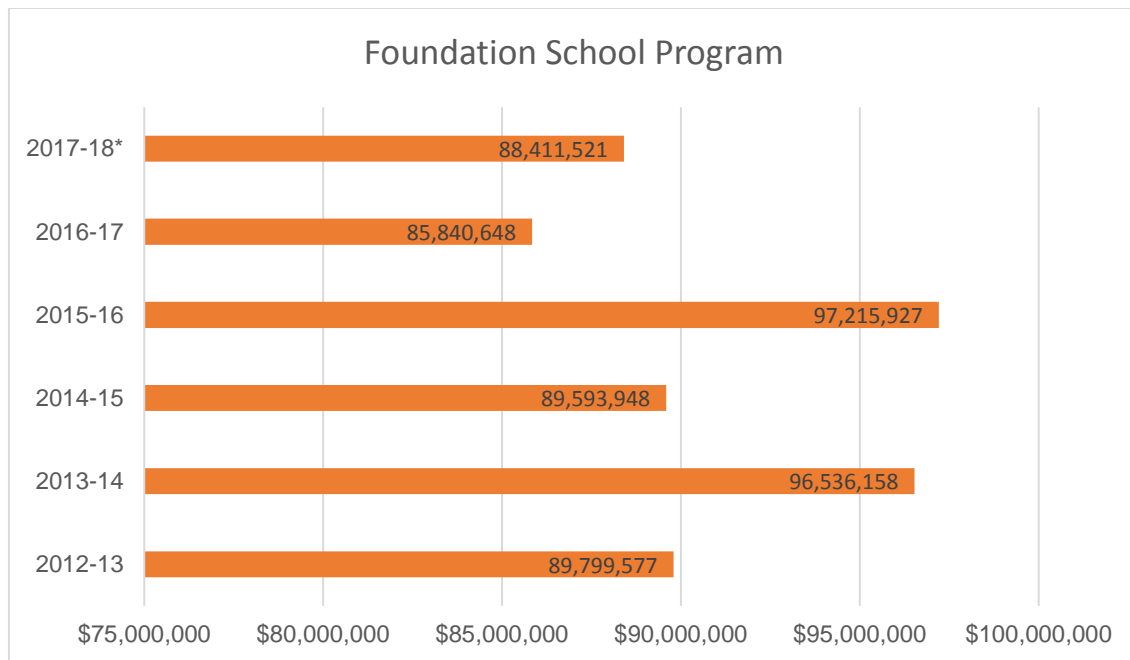
The District has made every effort to refund outstanding bonds when possible to lower the debt service requirement. In October 2016, \$12,705,000 of the Series 2007 Bonds was refunded. By lowering the average interest rate on those Bonds from 4.48% to an average of 1.90% the district was able to save \$2,523,112 in interest cost over the remaining life of the bonds.

### Foundation School Program

The Foundation School Program (FSP) is the state program that establishes the amount of state and local funding due to school districts under Texas school finance law and that provides the state share of this funding to districts. The program is administered by the Texas Education Agency (TEA). The FSP, in its current form, is meant to ensure that all school districts, regardless of property wealth, receive "substantially equal access to similar revenue per student at similar tax effort, considering all state and local tax revenues of districts after acknowledging all legitimate student and district cost differences."

Source: Texas Education Agency Office of School Finance, *School Finance 101: Funding of Texas Public Schools*

The following graph shows the Foundation School Program amounts received by the District for the past five years, plus the anticipated amount to be received in the current fiscal year.



\*Budget

## Expenditures

General Fund expenditures for 2017-18 are budgeted to increase \$7,775,500 or 3.80% over the 2016-17 beginning budget.

The following table provides a comparison by Major Object for the 2016-17 and 2017-18 beginning budgets.

	Beginning Budget 2016-17	Beginning Budget 2017-18	Percentage change	Percentage of Total
Payroll	\$168,418,700	\$176,445,860	4.77%	83.03%
Contracted Services	18,164,300	19,157,174	5.47%	9.02%
Supplies and Materials	10,321,800	9,287,742	-10.02%	4.37%
Other Operating Costs	5,863,400	5,954,829	1.56%	2.80%
Debt Service	371,000	365,600	-1.46%	0.17%
Capital Outlay	1,582,100	1,285,595	-18.74%	0.60%
<b>Total</b>	<b>\$204,721,300</b>	<b>\$212,496,800</b>	<b>3.80%</b>	<b>100.00%</b>

Education is a very labor-intensive process, and the budget reflects this by allocating approximately 80% to payroll expenditures annually. The payroll budget is based on established guidelines and enrollment projections for each campus. Requests for additional staff must be approved by the Board of Trustees; twenty-four new positions were approved for fiscal year 2017-18, largely due to increased enrollment in various student populations. A full list of new positions is found on page 7 of this document.

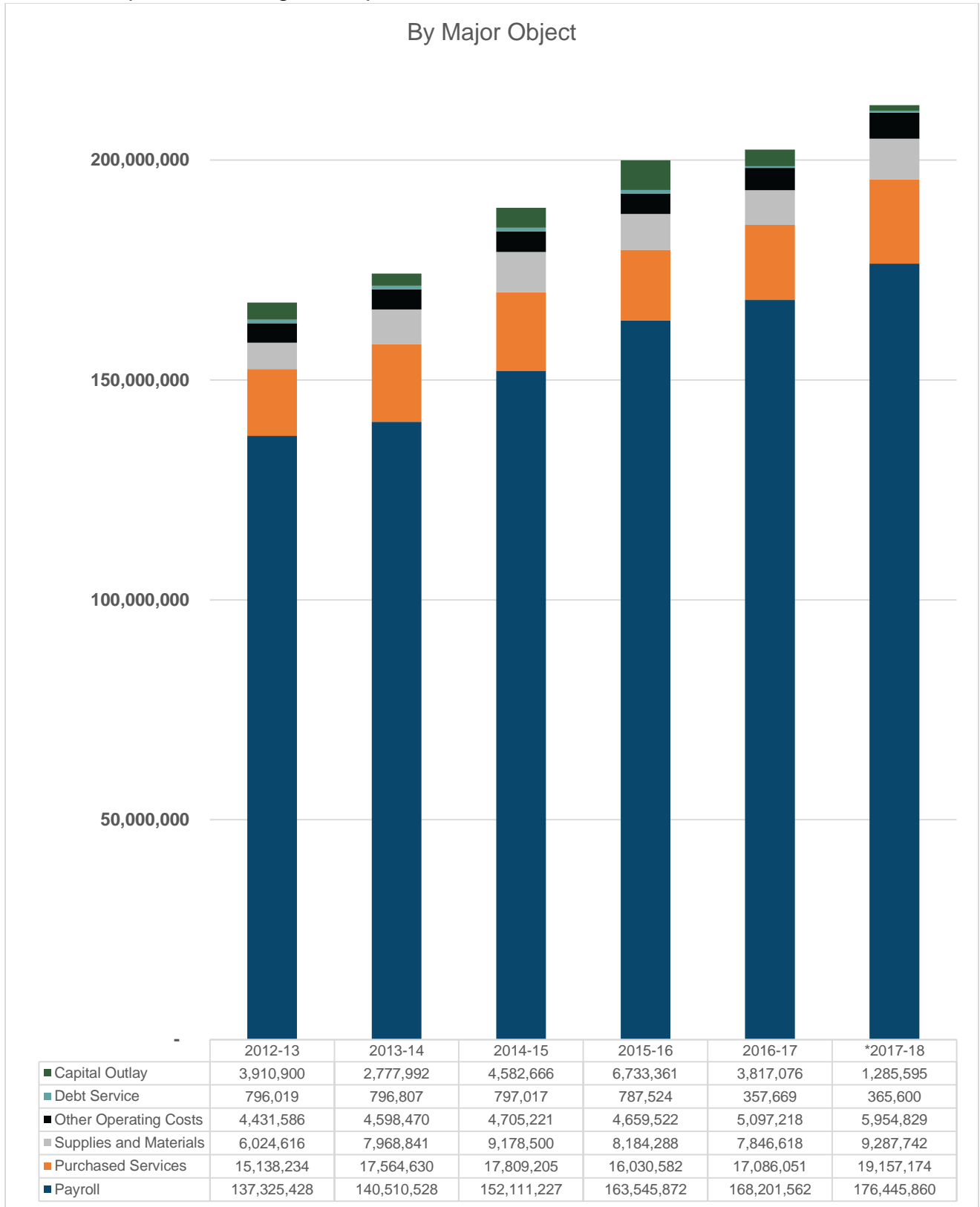
### Total Staff (FTE) Counts by Year

	2013-14	2014-15	2015-16	2016-17	2017-18
Teachers	1,473.1	1,380.0	1,410.3	1,401.2	1,402.9
Professional Support	262.8	379.7	400.8	392.7	369.7
Campus Administration	75.6	77.0	81.1	78.6	79.3
Central Administration	50.7	47.0	50.0	56.0	50.0
Educational Aides	177.3	223.3	204.4	244.6	241.0
Auxiliary	918.3	870.2	793.6	979.6	1,038.3
<b>Total</b>	<b>2,957.8</b>	<b>2,977.2</b>	<b>2,940.2</b>	<b>3,152.7</b>	<b>3,181.2</b>
Percentage change	0.62%	0.66%	-1.24%	7.23%	0.90%

This data reflects *filled* positions, as reported to the Texas Education Agency.



## Six Year Expenditure Budget Comparison

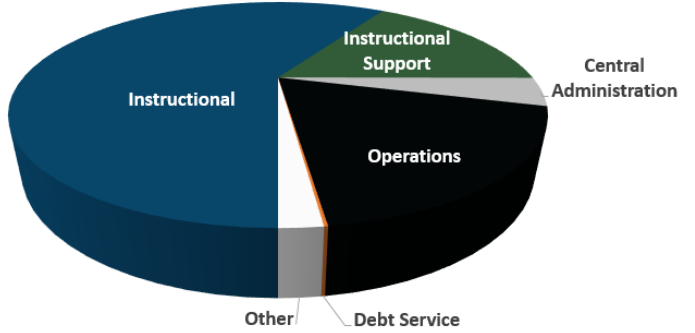


\*Budget

The following graph shows the District's 2017-18 General Fund by Major Functional area. Over 75% is dedicated to Instructional and Instructional Support, with less than 25% allocated to areas of Administration and Operations.

**General Fund Budget by Major Area**

Instructional	\$ 125,041,000	58.8%
Instructional Support	34,467,300	16.2%
Central Administration	8,805,100	4.1%
Operations	39,708,800	18.7%
Debt Service	365,600	0.2%
Other	4,109,000	1.9%
	<b>\$ 212,496,800</b>	

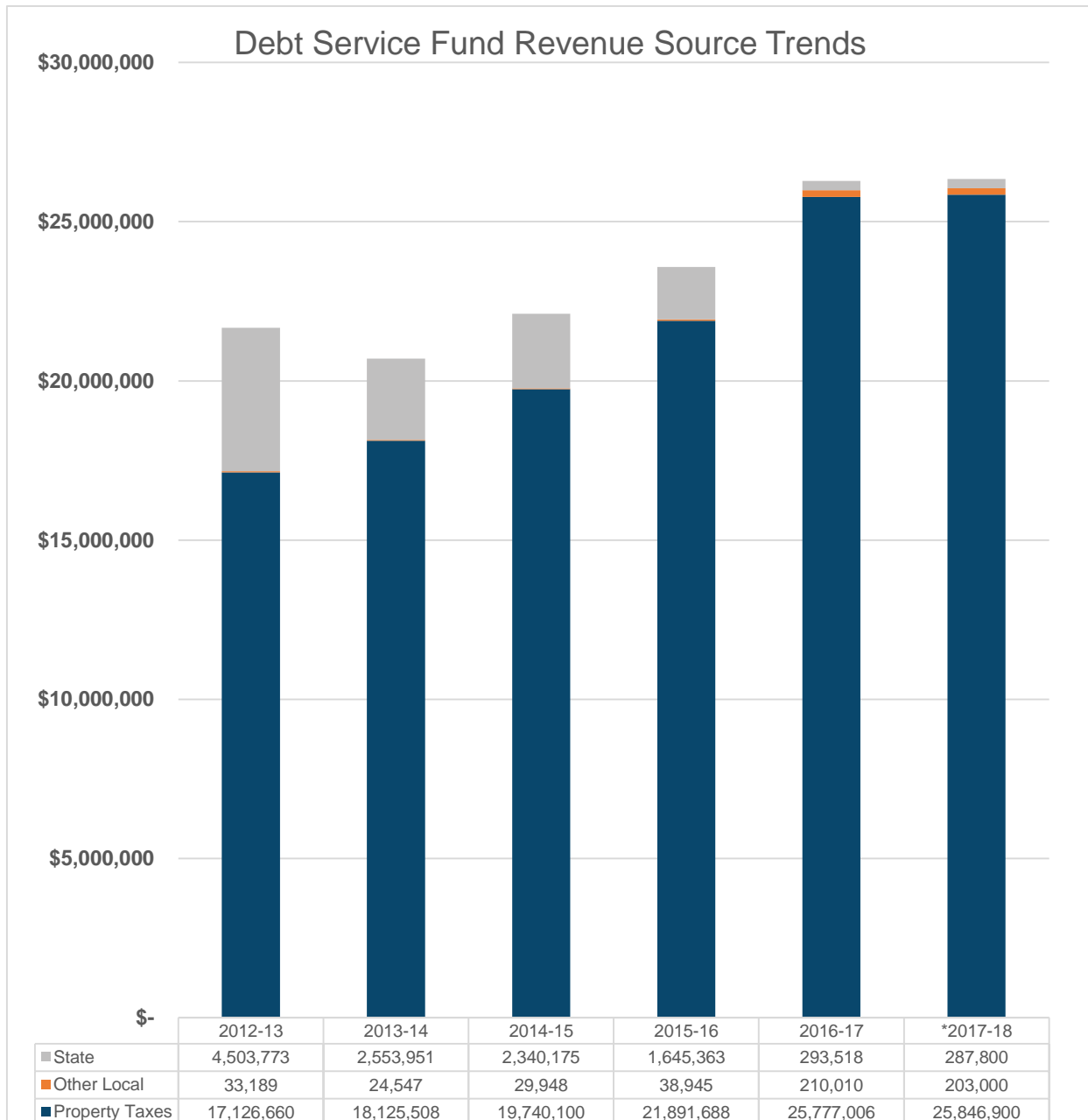


## Debt Service

### Revenues

The Debt Service Fund is used to account for the payment of interest and principal on all bonds of the district. The primary source of revenue for the Debt Service Fund is local property taxes.

Total Debt Service Fund revenue collected for fiscal year 2016-17 was \$26,280,534, with the 2017-18 budget anticipating \$26,337,700.



\*Budget

## Expenditures

Debt Service Fund expenditures for 2017-18 are budgeted to increase \$4,336,400 or 22.14% over the 2016-17 beginning budget, due to the sale of Bonds approved by the voters.

The following table provides a comparison by Object for the 2016-17 and 2017-18 beginning budgets.

	<b>Beginning Budget 2016-17</b>	<b>Beginning Budget 2017-18</b>	<b>Percentage change</b>	<b>Percentage of Total</b>
Bond Principal	\$10,217,505	\$12,389,524	21.26%	51.79%
Interest on Bonds	9,362,495	11,526,301	23.11%	48.18%
Other Debt Service Fees	8,000	8,575	7.19%	0.04%
<b>Total</b>	<b>\$19,588,000</b>	<b>\$23,924,400</b>	<b>22.14%</b>	<b>100.00%</b>

All Principal and interest payments are due February 15<sup>th</sup> and August 15<sup>th</sup> of each year. On February 1<sup>st</sup> of each year, outstanding taxes become delinquent, which permits the collection of a large majority of taxes levied before the long term debt payments are due.

The District has made every effort possible to refinance outstanding bonds when possible to lower interest rates and provide interest cost savings. In October 2016, \$12,705,000 of the Series 2007 Bonds was refunded. By lowering the average interest rate on those Bonds from 4.48% to an average of 1.90% the district was able to save \$2,523,112 in interest cost over the remaining life of the bonds.

Total outstanding debt as of August 1<sup>st</sup>, 2017 is \$432,624,262.76.

In an effort to introduce more transparency into local government spending and debt obligations, the District posts details about bond and debt information on the District's website no later than one business day after the public notice of bond election, including details about the bond package(s) up for vote and current outstanding debt obligations including bonds, certificates of obligation, other debt, and the date of the election. This information can be found on the financial page of [www.galenaparkisd.com](http://www.galenaparkisd.com).

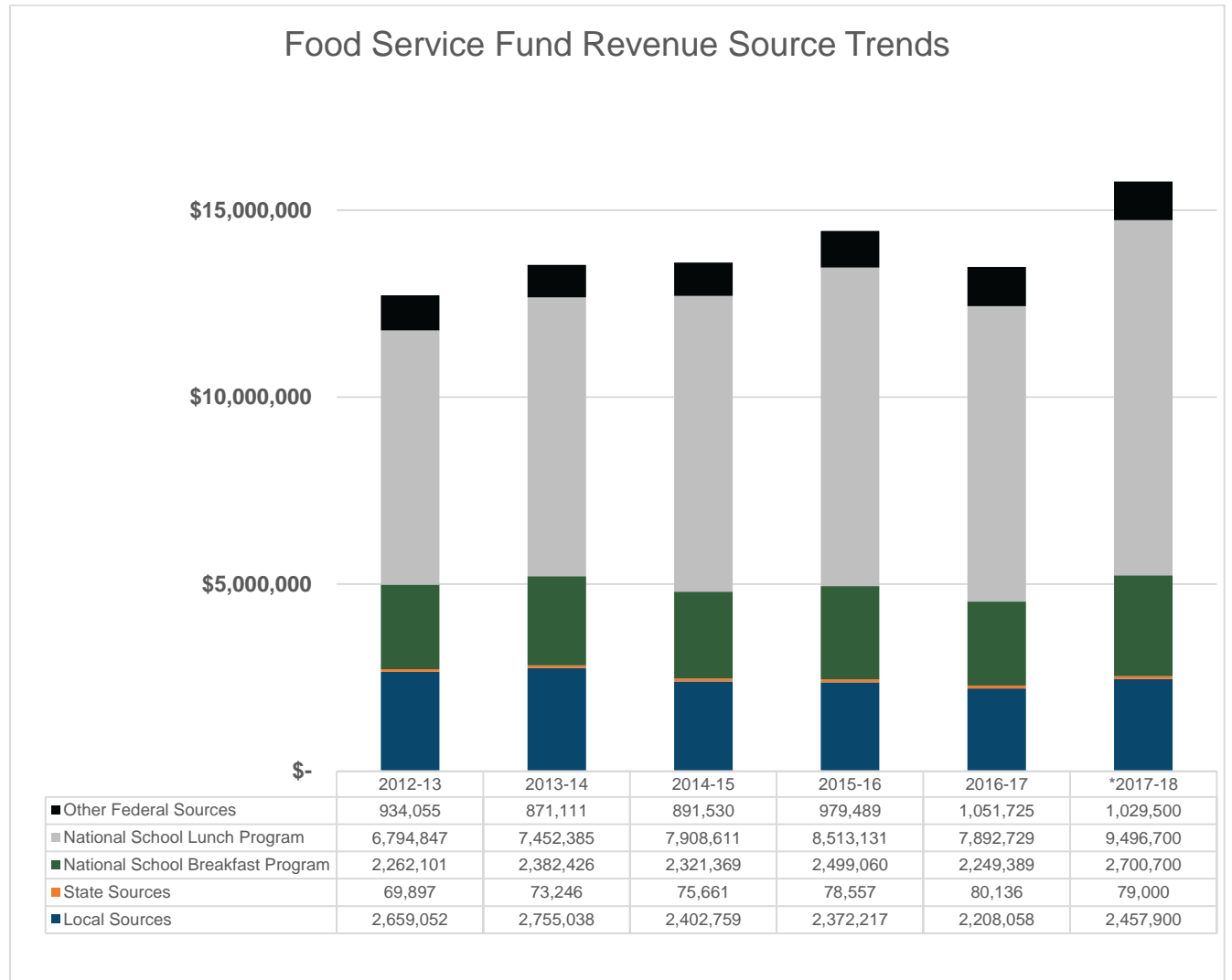
Additionally, the District notifies the Texas Comptroller of Public Account's office via email when the bond election information has been posted to the website. For successfully demonstrating exemplary efforts toward financial transparency, the Texas Comptroller of Public Accountant's office has awarded the District with the Transparency Stars Award in the area of Traditional Finances.



## Food Service

### Revenues

The Food Service Fund is used in the operation of the District's cafeterias. Total Food Service Fund revenue collected for fiscal year 2016-17 was \$13,482,037 with the 2017-18 budget anticipating \$15,763,800.



\* Budget

Local revenues for the Food Service Fund consist of charges to users. Federal revenue is received from the U.S. Department of Agriculture under the National School Lunch Program (NSLP) and National School Breakfast Program (NSBP). Federal revenues are approximately 80% of the revenue collected.

The National School Lunch Program is a federally assisted meal program operating in public and nonprofit private schools and residential child care institutions. It provides nutritionally balanced, low-cost or free lunches to children each school day. The

program was established under the National School Lunch Act, signed by President Harry Truman in 1946.

Source: United States Department of Agriculture <http://www.fns.usda.gov>

NSLP and NSBP eligibility is based on federal poverty guidelines. Eligibility for the District to receive funds under the program is based on whether or not a student's family falls within the income eligibility guidelines of NSLP, but the student's participation in the program is not required. Income eligibility guidelines can be found on the United States Department of Agriculture website.

### Expenditures

Food Service Fund expenditures for 2017-18 are budgeted to increase \$961,900 or 6.5% over the 2016-17 beginning budget.

The following table provides a comparison by Major Object for the 2016-17 and 2017-18 beginning budgets.

	Beginning Budget 2016-17	Beginning Budget 2017-18	Percentage change	Percentage of Total
Payroll	\$5,794,200	\$6,584,425	13.64%	41.77%
Purchased Services	358,000	351,695	-1.76%	2.23%
Supplies and Materials	8,152,300	8,594,227	5.42%	54.52%
Other Operating Costs	34,200	33,453	-2.18%	0.21%
Capital Outlay	463,200	200,000	-56.82%	1.27%
<b>Total</b>	<b>\$14,801,900</b>	<b>\$15,763,800</b>	<b>6.50%</b>	<b>100.00%</b>

Over 90% of the Food Service expenditures are related to payroll and food costs.



## Capital Projects

### Revenues

The Capital Projects Fund receives its funding from the proceeds from the sale of bonds. These bonds are approved through bond referendums that are approved by the voters in Galena Park ISD. The last bond referendum was approved in 2016 in the amount of \$290,000,000. To date, \$90 million in bonds have been sold.

### Expenditures

The Capital Projects Fund expenses are all related to the construction and equipping of new school facilities, to purchase school sites, and renovations or repair of existing facilities. The Board of Trustees does not formally adopt the Capital Project Funds budget annually.

Project Description	Contractor(s)	Original Budget	Adjusted Budget	Expenditures Y-T-D	Reserved in Purchase Orders	Balance
<b>PROJECTS IN CONSTRUCTION</b>						
Galena Park Elementary - Replacement	Satterfield & Pontikes	\$ 26,609,394.00	\$ 25,226,288.00	\$ 3,258,254.57	\$ 20,251,992.60	\$ 1,716,040.83
North Shore Elementary - Replacement	Drymalla	33,679,800.00	32,020,619.00	3,666,142.64	24,223,644.94	4,130,831.42
North Shore Senior High 10th Grade Center - Addition	Drymalla	34,191,876.00	33,005,245.00	3,968,536.46	22,121,687.22	6,915,021.32
Woodland Acres Elementary - Replacement	Gamma	24,400,284.00	21,536,693.00	2,058,104.18	16,849,410.69	2,629,178.13
<b>Renovations</b>						
Cimarron Elementary School	M. Scott	1,566,636.00	1,971,317.00	1,670,079.53	301,237.47	-
Galena Park Middle School	Jamail & Smith	96,624.00	100,378.54	91,257.04	9,121.50	-
MacArthur Elementary School	Ally Roofing	1,988,730.00	709,791.00	587,836.81	121,954.19	-
Maintenance Facility	M. Scott	24,876.00	68,919.00	68,438.13	480.87	-
Normandy Crossing Elementary School	Sea-Breeze Roofing	1,614,180.00	754,099.21	735,739.21	18,360.00	-
North Shore Senior 9th Grade Campus	M. Scott; Jamail & Smith	887,308.00	275,093.08	274,325.05	768.03	-
North Shore Middle School	Restoration Services	503,332.00	845,455.00	607,408.53	238,046.47	-
North Shore Senior High School	M. Scott; F. W. Walton	3,097,226.00	3,162,629.00	2,737,174.21	425,454.79	-
Williamson Elementary School	M. Scott	3,510,632.00	949,274.00	258,850.63	690,423.37	-
Total - Renovations		13,289,544.00	8,836,955.83	7,031,109.14	1,805,846.69	-
<b>Total - Projects in Construction</b>		<b>132,170,898.00</b>	<b>120,625,800.83</b>	<b>19,982,146.99</b>	<b>85,252,582.14</b>	<b>15,391,071.70</b>
<b>PROJECTS IN DESIGN</b>						
Cloverleaf Elementary - Replacement		34,024,795.00	34,024,795.00	98,622.41	661,180.59	33,264,992.00
Galena Park High School - Addition/Renovations		21,538,717.00	21,538,717.00	76,852.00	471,634.50	20,990,230.50
<b>Total - Projects in Design</b>		<b>55,563,512.00</b>	<b>55,563,512.00</b>	<b>175,474.41</b>	<b>1,132,815.09</b>	<b>54,255,222.50</b>
<b>PROJECTS PENDING</b>						
Jacinto City Elementary - Replacement		34,024,795.00	34,024,795.00	57,667.50	726,111.00	33,241,016.50
Pyburn Elementary - Replacement		30,551,527.00	28,580,461.00	50,112.50	591,522.50	27,938,826.00
Renovations		22,954,027.00	22,953,948.00	-	-	22,953,948.00
Other		12,235,241.00	25,651,483.17	320,812.70	21,884.53	25,308,785.94
<b>Total - Projects Pending</b>		<b>99,765,590.00</b>	<b>111,210,687.17</b>	<b>428,592.70</b>	<b>1,339,518.03</b>	<b>109,442,576.44</b>
<b>LAND ACQUISITION</b>						
<b>Total - Land Acquisition</b>		<b>2,500,000.00</b>	<b>2,500,000.00</b>	<b>1,120,896.92</b>	<b>-</b>	<b>1,379,103.08</b>
<b>PAYROLL</b>						
<b>Total - Payroll</b>		<b>-</b>	<b>100,000.00</b>	<b>21,670.68</b>	<b>-</b>	<b>78,329.32</b>
<b>TOTAL - ALL 2016 BOND PROJECTS</b>		<b>\$ 290,000,000.00</b>	<b>\$ 290,000,000.00</b>	<b>\$ 21,728,781.70</b>	<b>\$ 87,724,915.26</b>	<b>\$ 180,546,303.04</b>

Note: Unappropriated interest earnings are \$797,650.72 as of August 31, 2017.

These budgets are prepared on a project basis based on the proceeds available from bond sales, with planned expenditures outlined as they apply to the applicable bond ordinances. Each major construction contract is approved based on the existing availability of these proceeds and approved but not issued bonds. The impact of Capital Projects must be considered during the development of the annual budgets. For example, the District has been addressing the logistical needs related to moving an entire campus of students to a separate facility while the campus is demolished and rebuilt. Future operating costs associated with new facilities are projected in the General



Fund budget, while repayment of bonds issued for Capital Projects are included in the Debt Service Fund projections.

Certain capital outlay expenditures, such as fleet replacement and technology upgrades, are budgeted in the General Fund. The only projects that use the Capital Projects Fund are those that fit within the scope of the approved bonds.

## **Trends and Forecasts**

### **Public Education Information Management System**

The Public Education Information Management System (PEIMS) encompasses all data requested and received by TEA about public education, including student demographic and academic performance, personnel, financial, and organizational information.

The data collected through the PEIMS electronic collection method has:

- A standard set of definitions, codes, formats, procedures, and dates for the collection of data published as the PEIMS Data Standards;
- Standard edit procedures;
- An established database design;
- A production system to format and load data into the TEA enterprise database; and
- Written documentation describing the numeric and alphanumeric values stored in the database published as the Data Documentation.

TEA manages other collections for evaluation, monitoring, funding, or auditing. Many are automated, electronic collections. Currently, the major categories of data collected are:

- Organizational
- Budget
- Actual financial
- Staff
- Student demographic
- Program participation
- School leaver
- Student attendance
- Course completion
- Discipline

In compliance with the Texas Education Code, PEIMS contains only the data necessary for the legislature and TEA to perform their legally authorized functions in overseeing public education. Due to the information included in the PEIMS data, it is a very beneficial source to use for identifying and analyzing trends.

## Budget Forecast

Many factors must be considered when formulating a long range budget forecast, including enrollment projections, property tax valuation estimates, State aid estimates, legislative changes and economic conditions.

	Budgeted 2017-18	Projected 2018-19	Projected 2019-20	Projected 2020-21
<b>General Fund</b>				
Local	\$102,085,800	\$108,563,155	\$109,598,786	\$110,644,774
State	102,912,200	101,018,847	102,029,035	103,049,326
Federal	2,700,000	2,849,000	2,900,000	2,950,000
Total Revenue	<b>\$207,698,000</b>	<b>\$212,431,002</b>	<b>\$214,527,822</b>	<b>\$216,644,100</b>
Payroll	\$176,445,860	\$178,210,319	\$180,883,473	\$183,596,725
Purchased Services	19,157,174	19,061,388	18,966,081	18,871,251
Supplies and Materials	9,287,742	8,574,392	8,785,197	8,345,937
Other Operating Costs	5,954,829	4,385,394	4,017,796	4,057,974
Debt Service	365,600	365,600	365,600	50,000
Capital Outlay	1,285,595	1,349,875	1,687,343	1,771,711
Total Expenditures	<b>\$212,496,800</b>	<b>\$211,946,967</b>	<b>\$214,705,491</b>	<b>\$216,693,598</b>
Other Uses				
Change to Fund Balance	<b>(\$4,798,800)</b>	<b>\$484,034</b>	<b>(\$177,669)</b>	<b>(\$49,498)</b>
Fund Balance - Beginning	<b>\$145,800,876</b>	<b>\$141,002,076</b>	<b>\$141,486,110</b>	<b>\$141,308,441</b>
Fund Balance - Ending	<b>\$141,002,076</b>	<b>\$141,486,110</b>	<b>\$141,308,441</b>	<b>\$141,258,943</b>
<b>Debt Service</b>				
Local	\$26,049,900	\$27,155,039	\$27,421,589	\$27,690,805
State	287,800	0	0	0
Total Revenue	<b>\$26,337,700</b>	<b>\$27,155,039</b>	<b>\$27,421,589</b>	<b>\$27,690,805</b>
Debt Service	<b>\$23,924,400</b>	<b>\$23,922,150</b>	<b>\$23,924,463</b>	<b>\$23,925,826</b>
Total Expenditures	<b>\$23,924,400</b>	<b>\$23,922,150</b>	<b>\$23,924,463</b>	<b>\$23,925,826</b>
Other Uses				
Change to Fund Balance	<b>\$2,413,300</b>	<b>\$3,232,889</b>	<b>\$3,497,126</b>	<b>\$3,764,979</b>
Fund Balance - Beginning	<b>\$8,813,392</b>	<b>\$11,226,692</b>	<b>\$14,459,581</b>	<b>\$17,956,707</b>
Fund Balance - Ending	<b>\$11,226,692</b>	<b>\$14,459,581</b>	<b>\$17,956,707</b>	<b>\$21,721,686</b>
<b>Food Service</b>				
Local	\$2,457,900	\$2,487,395	\$2,517,244	\$2,547,450
State	79,000	81,370	83,811	86,325
Federal	13,226,900	13,888,245	14,582,657	15,311,790
Total Revenue	<b>\$15,763,800</b>	<b>\$16,457,010</b>	<b>\$17,183,712</b>	<b>\$17,945,566</b>
Payroll	\$6,584,425	\$6,716,114	\$6,850,436	\$7,192,958
Purchased Services	351,695	350,000	350,000	350,000
Supplies and Materials	8,594,227	9,023,938	9,475,135	9,948,892
Other Operating Costs	33,453	37,467	41,963	46,999
Capital Outlay	200,000	200,000	200,000	200,000
Total Expenditures	<b>\$15,763,800</b>	<b>\$16,327,519</b>	<b>\$16,917,534</b>	<b>\$17,738,849</b>
Other Uses				
Change to Fund Balance	<b>\$0</b>	<b>\$129,491</b>	<b>\$266,178</b>	<b>\$206,717</b>
Fund Balance - Beginning	<b>\$3,452,250</b>	<b>\$3,452,250</b>	<b>\$3,581,741</b>	<b>\$3,847,918</b>
Fund Balance - Ending	<b>\$3,452,250</b>	<b>\$3,581,741</b>	<b>\$3,847,918</b>	<b>\$4,054,636</b>

## Changes in Debt

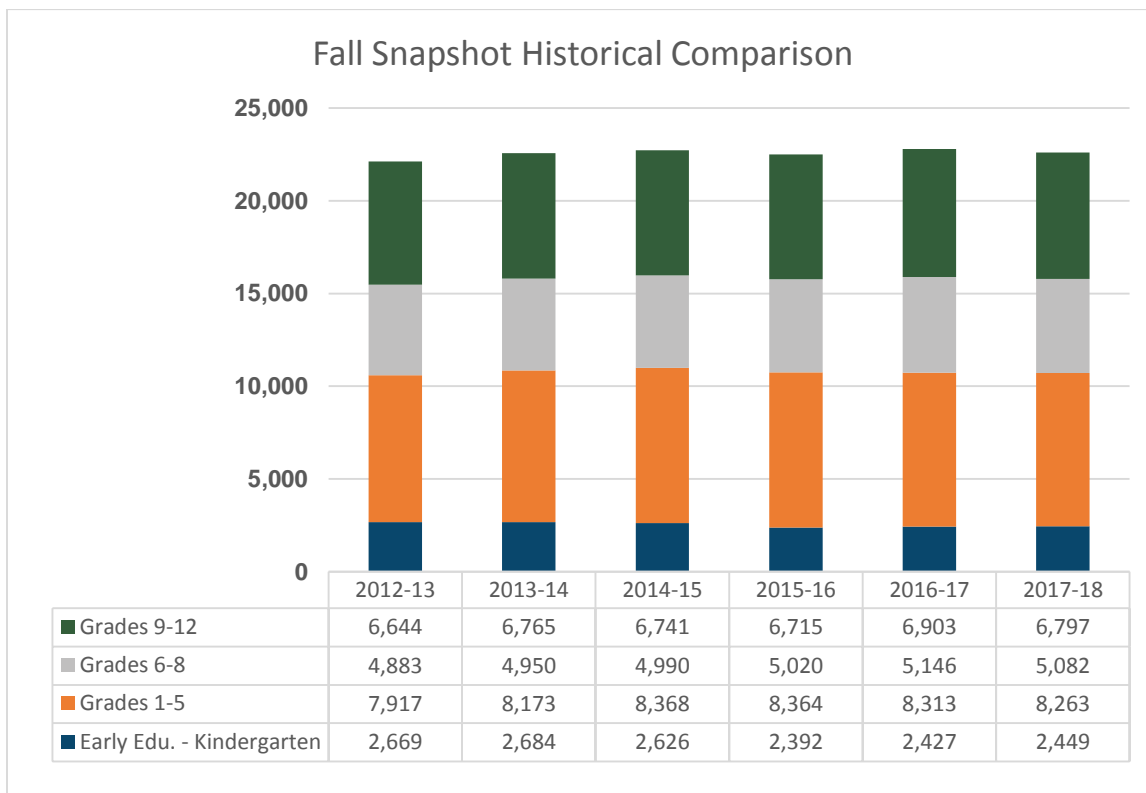
The most recent bond election was held on May 7, 2016 for \$290 million, passing by 72%. The district will use the bond to address aging facilities, student safety and 21st century education, including renovations to all 25 educational facilities and 9 support facilities. As of the budget adoption date, the district has sold \$90 million in bonds. In conjunction with this sale, \$12,705,000 of the Series 2007 Bonds was refunded. By lowering the average interest rate on those Bonds from 4.48% to an average of 1.90% the district was able to save \$2,523,112 in interest cost over the remaining life of the bonds.

Source: North Channel Star <http://www.northchannelstar.com/2016/05/>



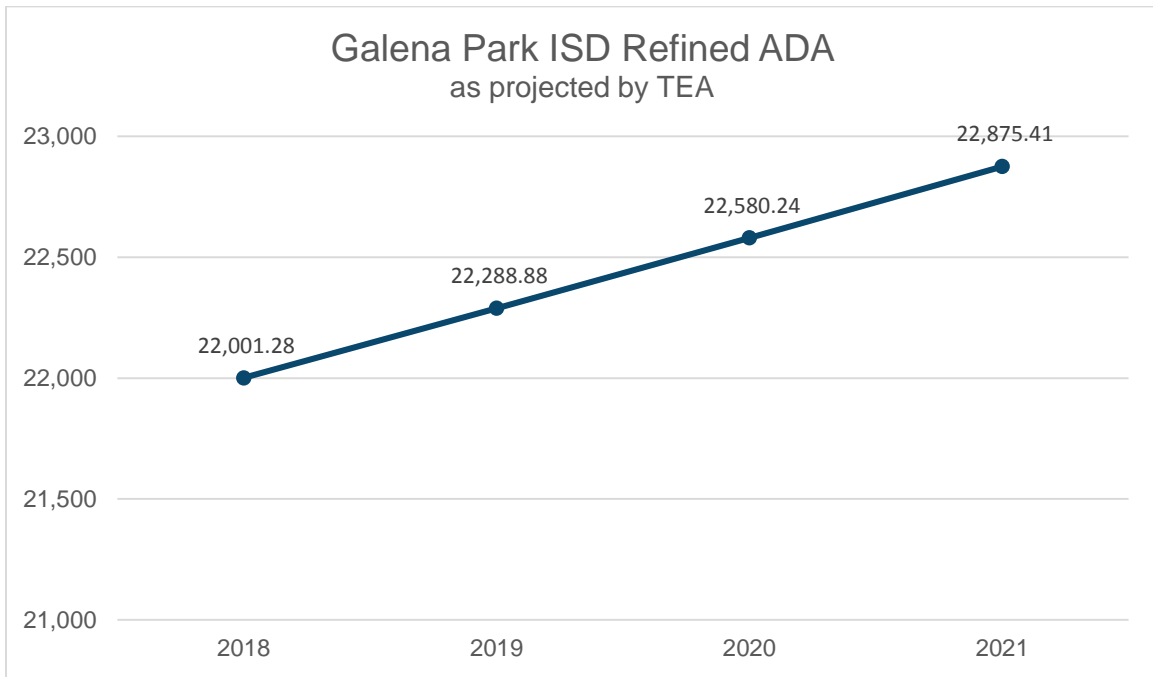
## Student Enrollment

The following chart details the enrollment data as of the PEIMS snapshot (final Friday in October). Snapshot provides an overview of public education in Texas, at both the state and district levels, and includes almost 100 separate data elements to either browse or download. Snapshot also combines the data into summary tables based on specific characteristics, and its peer-search function allows a user to group districts according to shared characteristics.



	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Total Enrollment	22,113	22,672	22,725	22,491	22,789	22,591

Attendance projections are estimates of student average daily attendance by program or instructional setting. The District reports pupil projections to the Texas Education Agency (TEA) each biennium; a template provided by the Agency is used to guide these projections. Enrollment is projected by grade by fitting a trend line to the historical data using the least squares method and using the trend to project future enrollment. ADA is estimated from projected enrollment. TEA develops these projections provided by the state's school districts and provides them to the Texas Legislature by March 1<sup>st</sup> of each odd-numbered year. The Legislature then uses these projections to determine the cost of public education for the next biennium. The finalized numbers are used for the legislative planning estimates (identified as LPE) found in the Summary of Finances state aid reports.



Source: Texas Education Agency <http://tea.texas.gov>

State law requires every Texas school district to adopt an attendance accounting system that includes procedures to ensure the accurate recording and reporting of student attendance data. The Student Attendance Accounting Handbook (SAAH) contains the official attendance accounting requirements that all public school districts and open-enrollment charter schools in Texas must meet. The agency collects student attendance data primarily to ensure that Foundation School Program (FSP) funds can be correctly allocated to Texas’s public schools.

The SAAH:

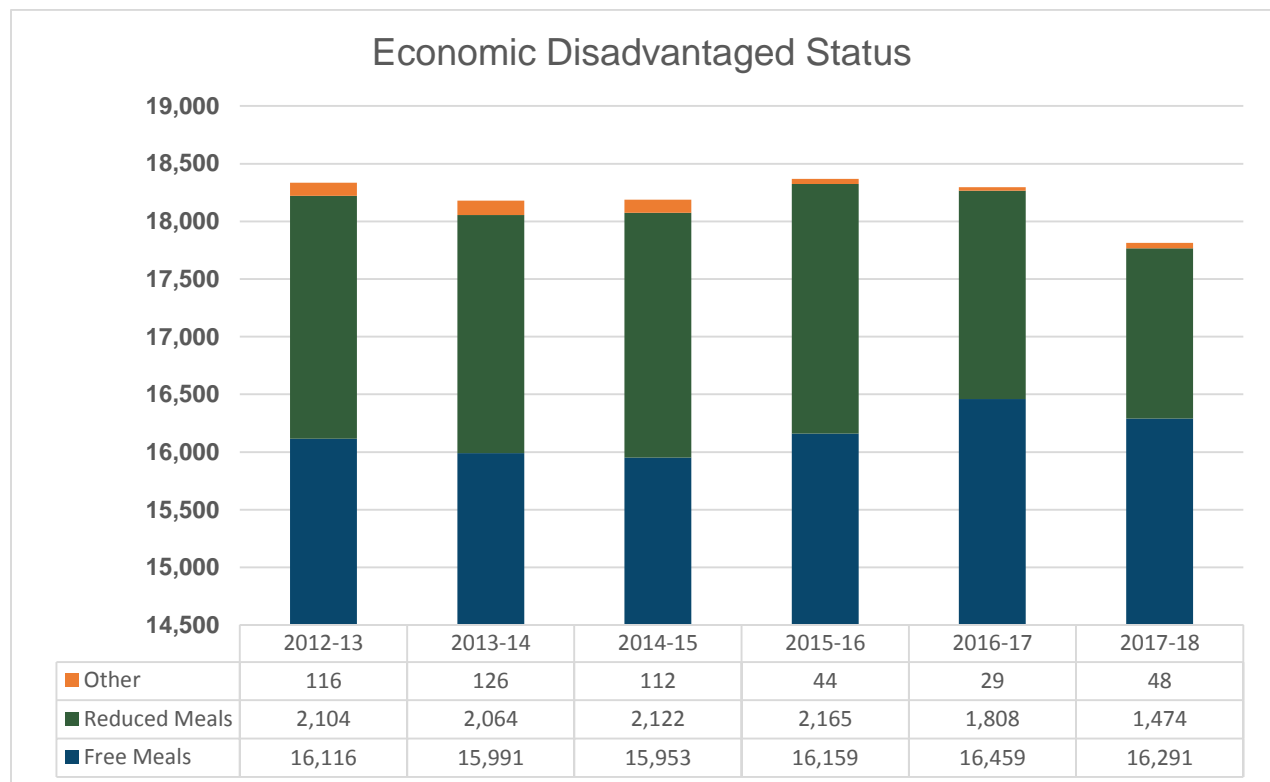
- describes the FSP eligibility requirements for all students
- prescribes the minimum standards for all attendance accounting systems
- lists the documentation requirements for attendance audit purposes
- details the responsibilities of all district personnel involved in student attendance accounting

The updated SAAH can be found on the Texas Education Agency’s website.

## Economic Disadvantaged

In order to comply with state and federal legislative mandates, it is necessary that each school district and charter school determine the economic disadvantaged status of each student for PEIMS reporting purposes. This PEIMS Submission guideline is necessary to meet a number of state legislative requirements, including student eligibility for prekindergarten programs and evaluation of student group performance for state accountability purposes. In addition, federal requirements mandate annual reporting by states using eligibility for free and reduced-price lunch status. Counts of students eligible for the program are required to be reported by states, and disaggregation by economic status of performance, participation, school completion, and other measures is a required component of the mandatory federal data collection.

Roughly 80% of the District's student population is classified as Economic Disadvantaged, either through eligibility to participate in the NSLP or other qualifying status.



# Organizational Section



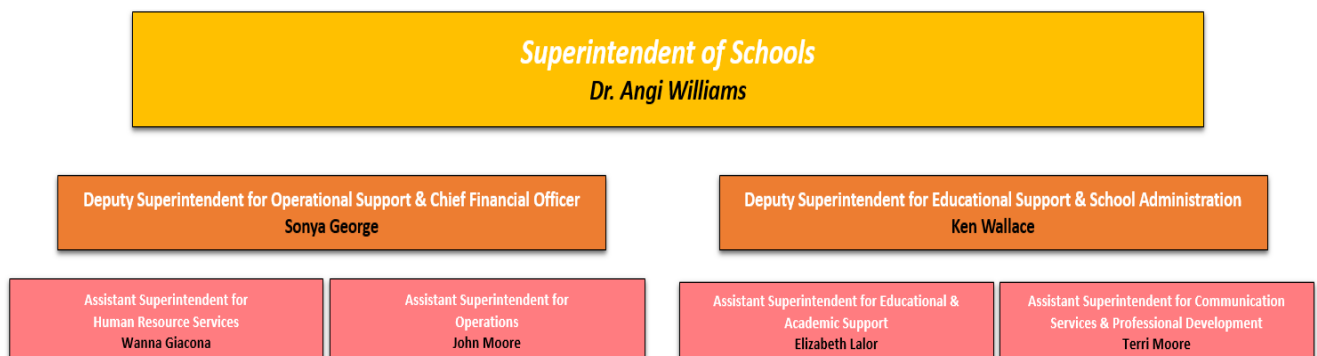
# Galena Park ISD

## Board of Trustees



First Row: Wanda Heath Johnson, Vice President; Wilfred J. Broussard, Jr., Jeff Miller, President  
Second Row: Ramon Garza, Board Trustee; Dawn Fisher, Board Trustee; Dr. Angi Williams, Superintendent of Schools; Minnie Rivera, Secretary; Joe Stephens, Board Trustee

## Organizational Chart 2017-18

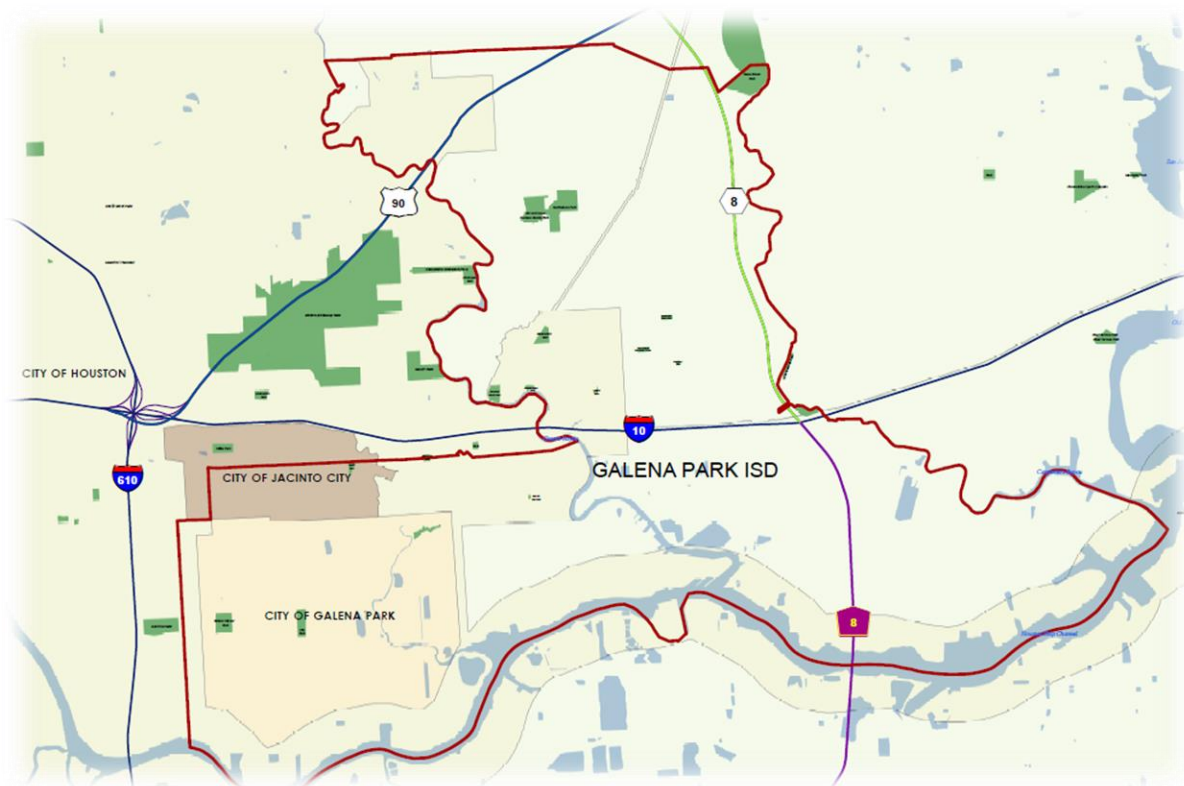




## General Information

When Ezekiel Thomas died, one thousand acres of his property was sold at public auction to Isaac Batterson, who settled on the land and named the settlement Clinton, after his former home in New York. In 1928, construction of the new high school (which was the old Galena Park Middle School) was completed, and E. Lunsford became Principal. It was also in 1928, on April 13<sup>th</sup>, that a group of citizens met and officially changed the name of the town from Clinton to Galena Park after the Galena Signal Oil Company, one of the town's leading industries. The change was made because the United States Post Office Department rejected the earlier name since there was already a post office at Clinton, Texas, in Hunt County.

Galena Park Independent School District was established in 1930 with G. P. Smith serving as Superintendent. He was followed by J. C. Ingram, W. E. Driskill, Dr. Walton Hinds, W. C. Cunningham, Dr. Gerald D. Cobb, Dr. Don W. Hooper, Dr. Shirley J. Neeley, and Dr. Mark Henry. Dr. Angi Williams is currently serving as Superintendent.



*Galena Park Independent School District physical Boundaries*

GPISD comprises 39 square miles located in southeastern Harris County, Texas, completely surrounded by the City of Houston. Large portions of the district's boundaries are formed by the Houston Ship Channel, Greens Bayou, Carpenter Bayou, and Market Street in Jacinto City. Included within its boundaries is the City of Galena

Park, a portion of the City of Jacinto City, unincorporated communities of Greens Bayou, Woodland Acres, Cloverleaf Addition, and a small portion of the City of Houston. Residents within this area elect a seven-member Board of Trustees, which has been granted decision-making authority, and therefore the District is not included in any other governmental “reporting entity”.

Due to the District’s proximity to the Houston Ship Channel, many residents are employed in the industrial areas surrounding the channel, including chemical and oil refineries. Houston’s economic outlook has been positive, with energy, healthcare, transportation and distribution sectors supporting a continuous growth in the tax base. The educational program offered to those within the district’s boundaries is fully accredited by the Accreditation Division of the Texas Education Agency for grades K-12. Campuses include three high schools, one freshman center, four middle schools, one 6<sup>th</sup> grade campus and fifteen elementary schools, providing services for 22,591 students. In addition to the regular education program, the District offers comprehensive programs in the areas of career and technology education, special education, bilingual education, compensatory education and gifted and talented education.

*Sources: North Channel Area Chamber of Commerce <http://www.northchannelarea.com>; Galena Park Independent School District <http://www.galenaparkisd.com>; Texas Education Agency <http://www.tea.texas.gov>*

The mission of Galena Park ISD is to prepare students to become productive citizens and lifelong learners.



## Campus Leadership

### Galena Park High School

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Principal	Tony Gardea
Associate Principal	Juan Ramirez
Associate Principal	Dr. Colina Poullard
Assistant Principal	Krystle Breden
Assistant Principal	Aquila McGrew

Serves Grades 9-12

Student Enrollment: 2,016

### North Shore Senior High School, 9th Grade Center

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Principal	David Pierson
Associate Principal	Antonio Avalos
Assistant Principal	Chris Eckford
Assistant Principal	Dayne Robins

Serves Grades 9

Student Enrollment: 1,192

### North Shore Senior High School

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Principal	Dr. Joe Coleman
Associate Principal	Kimberly Martin
Associate Principal	Wiley Johnson
Assistant Principal	Kenneth Bryant
Assistant Principal	Amelie Sanchez
Assistant Principal	Alan Moyer
Assistant Principal	Erik Esparza
Assistant Principal	Mack Eagleton
Assistant Principal	Jillian Howard
Assistant Principal	Christopher Griffin

Serves Grades 10-12

Student Enrollment: 3,586

### Early College High School

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Principal	Dr. Jeff Hutchison
Assistant Principal	Ashley Sherrard

Serves Grades 9-12

### Cobb 6th Grade

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Principal	Adrian Hurtado
Assistant Principal	Matthew Day
Assistant Principal	Melissa Arneaud
Assistant Principal	Sarah Castillo

Serves Grade 6

Student Enrollment: 1,141

### Galena Park Middle

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Principal	Lee Ramirez
Assistant Principal	Margo Kelly
Assistant Principal	Jarrett Johnson
Assistant Principal	Elizabeth Nava

Serves Grades 6-8

Student Enrollment: 1,103

### North Shore Middle

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Principal	James Cline
Assistant Principal	Diana Mendieta
Assistant Principal	LaKeisha Washington
Assistant Principal	Bartholomew Graves
Assistant Principal	Keith Skiles

Serves Grades 7-8

Student Enrollment: 1,406

### Cunningham Middle

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Principal	Shaunte Morris
Assistant Principal	Barika Noris
Assistant Principal	Gerardo Cruz
Assistant Principal	James Hair

Serves Grades 7-8

Student Enrollment: 988

### Woodland Acres Middle

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Principal	Anna Gonzalez
Assistant Principal	Jose Trevino
Assistant Principal	Lucia Palazzi

Serves Grades 6-8

Student Enrollment: 534

### Cimarron Elementary

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Principal Cynthia Galaviz  
Assistant Principal Veronica Garza  
Serves Grades Pre-Kindergarten-5  
Student Enrollment: 749

### Cloverleaf Elementary

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Principal Lee Brown  
Assistant Principal Janie Jimenez  
Assistant Principal Steve Alley  
Serves Grades Pre-Kindergarten-5  
Student Enrollment: 836

### Galena Park Elementary

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Principal Jaime Rocha  
Assistant Principal Laurie Crockett  
Serves Grades Pre-Kindergarten-5  
Student Enrollment: 603

### Green Valley Elementary

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Principal Grace Devost  
Assistant Principal Katricia Johnson  
Serves Grades Pre-Kindergarten-5  
Student Enrollment: 764

### Havard Elementary

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Principal Toshia Gouard  
Assistant Principal Brien Keil  
Serves Grades Pre-Kindergarten-5  
Student Enrollment: 690

### Jacinto City Elementary

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Principal Rebecca Gardea  
Assistant Principal Cecilia Meza  
Serves Grades Pre-Kindergarten-5  
Student Enrollment: 784

### MacArthur Elementary

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Principal Maria Munoz  
Assistant Principal John Killough  
Serves Grades Pre-Kindergarten-5  
Student Enrollment: 768

### Normandy Crossing Elementary

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Principal Irene Benzor  
Assistant Principal Ashleigh Barrett  
Serves Grades Pre-Kindergarten-5  
Student Enrollment: 664

### North Shore Elementary

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Principal Esmeralda Perez  
Assistant Principal James Husband  
Assistant Principal Dr. Regina Patrick Sims  
Serves Grades Pre-Kindergarten-5  
Student Enrollment: 969

### Purple Sage Elementary

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Principal Wendy McGee  
Assistant Principal Aaron Field  
Serves Grades Pre-Kindergarten-5  
Student Enrollment: 584

### Pyburn Elementary

---

Principal Conrad Rivera  
Assistant Principal Shelley Gomez  
Serves Grades Pre-Kindergarten-5  
Student Enrollment: 653

### Sam Houston Elementary

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Principal Michelle Cavazos  
Assistant Principal Jessica Sanchez  
Serves Grades Pre-Kindergarten-5  
Student Enrollment: 838

### Tice Elementary

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Principal Arronda Green  
Assistant Principal Stephen Gonzales  
Serves Grades Pre-Kindergarten-5  
Student Enrollment: 690

### Shirley J. Williamson Elementary

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Principal Dr. Jonathan Sutton  
Assistant Principal Lemond Mitchell  
Serves Grades Pre-Kindergarten-5  
Student Enrollment: 688

## Woodland Acres Elementary

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Principal	Sandra Rodriguez
Assistant Principal	Alaide Zavala
Serves Grades Pre-Kindergarten-5	
Student Enrollment: 468	

## Joyce Zotz Education Center

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Principal	Julien Guillory
Assistant Principal-ACE	Marcus Morrow
Assistant Principal-BTC	Kresha Lane
Assistant Principal-CFS	David Lovinggood
Night School Administrator	TBA

Alternative Campus Programs:  
*Accelerated Center for Education (ACE)*  
*Behavior Training Center (BTC)*  
*Center For Success (CFS)*  
*Night School*

*Note: Students participating in alternative programs continue enrollment at their home campus.*



## District Improvement Plan

The District Improvement Plan is developed, revised and updated by members of the Cabinet, Extended Cabinet, and other Administrators. The strategic goals should be in accordance with the District's Mission Statement, to prepare students to become productive citizens and lifelong learners. Each goal is further defined by specific Performance Objectives. Quarterly reviews examine evidence that proper strategies are followed to demonstrate successful implementation of the Performance Objectives. For fiscal year 2018, the District Improvement Plan is as follows:

- **Goal 1: The District will provide a safe, productive and healthy learning/working environment for students and staff. Allocated: \$9,973,951**
  - **Performance Objective 1:** Provide regular communication/recognition for students, parents, staff and campuses.
  - **Performance Objective 2:** Teach safety practices and protocols to students and staff.
  - **Performance Objective 3:** Implement a comprehensive health and wellness program.
  - **Performance Objective 4:** Create a healthy environment so staff and students thrive and are productive.
  - **Performance Objective 5:** Ensure our students and staff have Future Ready technology and equipment so performance is at a maximum.
- **Goal 2: The District will provide effective counseling services, opportunities and information to assist students in preparing for college and careers. Allocated: \$15,587,405**
  - **Performance Objective 1:** Provide K-12 students with multiple college and career awareness opportunities
  - **Performance Objective 2:** Increase success rate of students achieving college and career readiness indicators
  - **Performance Objective 3:** Provide comprehensive counseling to students
  - **Performance Objective 4:** Increase number of students participating in Dual Credit
  - **Performance Objective 5:** Increase the number of Career and Technical Education certificates earned by students
- **Goal 3: The District will ensure student growth in the tested areas. Allocated: \$100,177,554**
  - **Performance Objective 1:** Meet or exceed the state average in all tested areas
  - **Performance Objective 2:** Provide instructional support through high quality curriculum and resources
  - **Performance Objective 3:** Build instructional capacity through coaching, professional development, and academies
  - **Performance Objective 4:** Provide technology support to all tested areas



- **Goal 4: The District will provide competitions for enrichment. All secondary students will be able to select electives in their interest area. Allocated: \$4,615,322**
  - **Performance Objective 1:** Enhance the quality of fine arts programming
  - **Performance Objective 2:** Offer multiple enrichment and extra-curricular opportunities available for students
  - **Performance Objective 3:** Provide all elementary students with PE, Music, and Art weekly
  - **Performance Objective 4:** Offer a wide variety of extracurricular student clubs
  - **Performance Objective 5:** Introduce students to fitness and life activities through physical education courses and programs
  - **Performance Objective 6:** Continue to produce, support and recognize high quality athletic achievements by teams and individuals
- **Goal 5: The District will have a 96.5% or higher student attendance rate and a 97% or higher teacher attendance rate. Allocated: \$14,505,876**
  - **Performance Objective 1:** Ensure students and parents understand the importance of attending school regularly and completing high school
  - **Performance Objective 2:** Develop intervention strategies to improve graduation, retention and drop-out rates
  - **Performance Objective 3:** Implement strategies to monitor and increase staff attendance
- **Goal 6: The District will provide opportunities for parental/community involvement and business partnership. Allocated: \$11,475,789**
  - **Performance Objective 1:** Enhance the relationship between the District and its partners
  - **Performance Objective 2:** Ensure 100% of campuses provide parental involvement opportunities
  - **Performance Objective 3:** Provide multiple communication channels with parents, students and the community
  - **Performance Objective 4:** Maintain compliance with all Title I parent involvement requirements
  - **Performance Objective 5:** Create a system to monitor our business partners
- **Goal 7: The District will ensure high quality staff is employed. Allocated: \$22,375,886**
  - **Performance Objective 1:** Ensure all employees are provided professional development to increase and support job performance and staff retention
  - **Performance Objective 2:** Provide enhanced leadership development for employees
  - **Performance Objective 3:** Create an onboarding process to introduce new staff to District culture, goals, and programs
  - **Performance Objective 4:** Recruit and retain highly qualified staff
- **Goal 8: The District will provide superior operational services to best support students and staff success. Allocated: \$33,785,017**
  - **Performance Objective 1:** Evaluate current assets and develop a plan to repair and/or replace equipment in a timely manner

- **Performance Objective 2:** Achieve high customer satisfaction by providing excellent customer service to both internal and external customers
- **Performance Objective 3:** Ensure an efficient and effective use of District resources, in order to best support students and staff



## Relevant Financial Policies

**Budget** Budget planning is an integral part of overall program planning so that the budget effectively reflects the District's programs and activities, and provides the resources to implement them. In the budget planning process, general educational goals, specific program goals, and alternatives for achieving program goals are considered. Budget planning and evaluation are continuous processes and are a part of each month's activities.

**Fund Balance** Recognizing fund balance as key in maintaining a strong financial position, the Board policy regarding fund balance stipulates a goal of maintaining an adequate fund balance. The level of adequacy for the general fund unassigned fund balance is defined as 12% of the current budget, while the debt service fund is defined as 15% of the current year debt service requirements.



**Financial Planning** The District is subject to revenue limitations as outlined in the Texas Education Code. The revenues are derived from a target revenue formula based primarily on student attendance, adjusted for funding "weights" associated with the students' educational settings. Under the target revenue system, the District's maintenance and operations revenues from property tax and state aid are capped. As collections from property taxes increase, state aid is reduced by a similar amount. On an ongoing basis, the District adjusts future projections as new data become available. The District maintains a five-year technology plan and a long-range facilities plan.

**Cash Deposits** The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities are approved by the Texas Education Agency and shall be in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. The District's cash balances are properly insured and collateralized with securities held by the District's agent in the District's name.

**Investment** The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. The District further limits its investments to obligations of the U.S. Treasury or the State of Texas, certain U.S. Agencies, certificates of deposit, collateralized mortgage obligations, no-load money market mutual funds, certain municipal securities, repurchase agreements, or investment pools. Investments for the District are reported at fair value based on quoted market prices at the fiscal year end. The investment pools operate in accordance with appropriate state laws and regulations. Per Board policy, the primary goal of the investment program is to ensure safety of principal, to maintain liquidity, and to maximize financial returns within current market conditions. The reported value of the pools is the same as the fair value of the pool shares.



## Classification of Revenues and Expenditures

Section 44.007 of the Texas Education Code (Code or TEC) requires that a standard school district fiscal accounting system be adopted by each school district. The system must meet at least the minimum requirements prescribed by the State Board of Education and also be subject to review and comment by the state auditor. Additionally, the accounting system must conform to Generally Accepted Accounting Principles (GAAP) as applied to governmental entities, in addition to the Texas Education Agency's Financial Accountability System Resource (FAR) Guide. This section further requires that a report be provided at the time that the school district budget is filed, showing financial information sufficient to enable the state board of education to monitor the funding process and to determine educational system costs by school district, campus and program.

*Sources: Texas Education Agency Financial Accountability System Resource Guide  
<http://tea.texas.gov/index2.aspx?id=25769817568>*

The account code structure utilized by the District is as follows:

- **Fund Code:** Mandatory 3-digit code used for all financial transactions to identify the fund group and specific funds. The first digit refers to the fund group, and the second and third digits specify the fund.
- **Function Code:** Mandatory 2-digit code that identifies the purpose of the transaction. The first digit identifies the major service area, and the second refers to the specific function within the area.
- **Object Code:** Mandatory 4-digit code identifying the nature and object of an account. The first digit identifies the type of account or transaction, the second identifies the major area, while the third and fourth digits provide further sub-classification.
- **SubObject Code:** An optional code defined by the District to provide a means of tracking specifically identified programs or transaction types.
- **Organization Code:** Mandatory 3-digit code used to identify the campus or department.
- **Program Intent Code:** Mandatory 2-digit code used to identify and designate services to students.
- **Budget Manager Code:** An optional code defined by the District to identify the department or campus responsible for the transaction.
- **Project Code:** An optional code defined by the District to provide special accountability for certain programs or areas.

The Texas Education Agency's FAR Guide is used to ensure all mandatory codes are reported in accordance with the uniform structure utilized by Texas school districts. The Board adopts budgets at the fund and function level, and any budgetary changes to these codes must be approved by the Board before implementation. Expenditure requests which would require an increase in total budgeted appropriations must be

approved by the Board of Trustees through formal budget amendment. State law prohibits Trustees from making budget appropriations in excess of funds available and estimated revenues. State law also prohibits amendment of the budget after fiscal year end.



## Fund Accounting

The term *fund* refers to a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. This budget document contains detailed information on the budgeted funds adopted annually by the Board of Trustees, including the General Fund, Food Service Fund, and Debt Service Fund. The District also maintains a Capital Projects fund, which is not adopted by the Board annually. All funds use the modified accrual system of accounting, recording revenues and expenditures in the period they become both measurable and available.

### General Fund

The General Fund is used to record the general operating, campus and department transactions that occur throughout the year, activities not properly includable in other funds. Revenue is primarily sourced from local property taxes, state funds, and interest on fund investments. Expenditures include all necessary costs for daily operation of the schools.

### **Special Revenue Funds**

Funds awarded to the district for the purpose of accomplishing specific educational tasks as defined by grantors in contracts or other agreements are accounted for in Special Revenue Funds.

### **Food Service Fund**

The operation of the District's Food service program is accounted for in the Food Service Fund, including local, state, and federal revenue sources and all program operational costs.

### **Debt Service Fund**

The Debt Service Fund is used to account for principal and interest on all bonds of the District. Local property taxes are the primary source of revenue for this fund.

### **Capital Projects Fund**

Projects financed by the proceeds from bond issues are accounted for in the Capital Projects Fund, on a project basis.

## **Function**

The Function Code identifies the purpose of the transaction. The first digit identifies the major service area, and the second refers to the specific function within the area. The Texas Education Agency's FAR Guide offers specific examples regarding the use of these codes.

- **10 Instruction and Instruction Related Services**
  - **11 – Instruction:** This function is used for activities that deal directly with the interaction between teachers and students. This function includes expenditures for direct classroom instruction and other activities that deliver, enhance, or direct the delivery of learning situations to students. Expenditures for the delivery of instruction in regular program basic skills, bilingual programs, compensatory, remedial or tutorial programs, gifted and talented educational programs, and vocational education programs are classified in function 11. For example, function 11 includes classroom teachers, teacher aides, and graders, but does not include curriculum development (13) or principals (23).
  - **12 – Instructional resources and Media Services:** This function is used for expenditures that are directly and exclusively used for resource centers, establishing and maintaining libraries, and other major facilities dealing with educational resources and media. For example, function 12 includes librarians, but does not include textbooks (11) or reference books in the classroom (11).

- **13 – Curriculum Development and Instructional Staff Development:** This function is used for expenditures that are directly and exclusively used to aid instructional staff in planning, developing, and evaluating the process of providing learning experiences for students. This function also includes expenditures related to research and development activities that investigate, experiment and/or follow-through with the development of new or modified instructional methods, techniques, procedures, service, etc. For example, this function includes staff that research and develop innovative, new, or modified instruction and staff who prepare in-service training for instructional staff, but does not include salaries of instructional staff when attending in-service training (11 or 12).
- **20 Instructional and School Leadership**
  - **21 – Instructional Leadership:** This function encompasses those district-wide activities, which have as their purpose managing, directing, and supervising the general and specific instructional programs and activities. For example, function 21 includes instructional supervisors, and Associate Superintendent for Instruction, but does not include principals (23).
  - **23 – School Leadership:** This function includes expenditures for directing, managing, and supervising a school. It includes salaries and supplies for the principal, assistant principal, and other administrative and clerical staff, including attendance clerks.
- **30 Support Services – Student**
  - **31 – Guidance, Counseling, and Evaluation Service:** This function includes expenditures for testing and assessing students' abilities, aptitudes, and interests with respect to career and educational goals and opportunities. It includes psychological services, testing, and counseling.
  - **32 – Social Work Services:** This function includes expenditures, which directly and exclusively promote and improve school attendance. Examples include visiting teachers, home aides, and truant officers.
  - **33 – Health Services:** This function embraces the area of responsibility providing health services, which are not a part of direct instruction. It includes medical, dental, and nursing services.
  - **34 – Student Transportation:** This function includes the cost of providing management and operational services for transporting students to and from school. Function 34 includes transportation supervisors and bus drivers, but does not include field trips (11) or student organization trips (36).
  - **35 – Food Services:** This function includes the management of the Food Service program at the schools and the serving of meals, lunches, or snacks in connection with school activities. Function 35 includes salaries for cooks and food purchases, but does not include concession stands (36).
  - **36 – Extracurricular Activities:** This function incorporates those activities, which are student, and curricular related, but which are not



necessary to the regular instructional services. Examples of cocurricular activities are scholastic competition, speech, debate, and band. Examples of extracurricular activities are football, baseball, etc. and the related activities (drill team, cheerleading) that exist because of athletics. Function 36 includes athletic salary supplements paid exclusively for coaching, directing, or sponsoring extracurricular athletics, but does not include salaries for teaching physical education (11).

- **40 Administrative Support Services**
  - **41 – General Administration:** This function includes expenditures incurred for the overall administrative responsibilities of the school district. It includes expenditures for the school board, superintendent's office, tax office, personnel services, financial services, and administrative attendance personnel.
- **50 Support Services – Non-Student Based**
  - **51 – Maintenance:** This function deals with expenditures made to keep buildings, grounds, and equipment safe for use and in efficient working condition. Examples include janitors, facility insurance premiums and utilities.
  - **52 – Security and Monitoring Services:** A function for which expenditures are directly and exclusively for activities to keep student and staff surroundings safe, whether in transit to or from school, on a campus or participating in school-sponsored events at another location. Examples include security guards, crossing guards and police.
  - **53 – Data Processing Services:** Non-instructional data processing services which include computer facility management, computer processing, systems development, analysis and design. Personal computers (PC's) that are stand-alone are to be charged to the appropriate function. Peripherals including terminals and printers are to be charged to the appropriate function.
- **60 Ancillary Services**
  - **61 – Community Service:** This function encompasses all other activities of the school district, which are designed to provide a service or benefit to the community as a whole or a portion of the community. Examples would include recreation programs, public library services, and parenting programs.
- **70 Debt Service**
  - **71 – Debt Service:** This function includes expenditures for bond and lease purchase principal, and all types of interest paid.
- **80 Capital Outlay**
  - **81 – Facilities Acquisition and Construction:** This function includes the acquisition of land and buildings, the remodeling of buildings and additions to buildings, and installation and extension of service systems and other build-in systems.
- **90 Intergovernmental Charges**

- **91 – Contracted Instructional Services Between Public Schools:** This function code is used for expenditures that are for (1) Obtaining instructional services from another public school for grade levels not served in a school district under Section 25.039 TEC. (2) Providing financial resources for services to another public school through a contract for education of nonresident students under Subchapter E, Chapter 41, TEC. (3) Purchasing attendance credits from the state under Subchapter D, Chapter 41, TEC.
- **92 – Incremental Costs Associated with Chapter 41, TEC, Purchase or Sale of Weighted Average Daily attendance (WADA):** This function code is used for expenditures that are for the purpose of positioning a school district with excess wealth per WADA to purchase attendance credits either form the state or from other school district(s).
- **95 – Payments to Juvenile Justice Alternative Education Programs:** This function is used for expenditures that are for the purpose of providing financial resources for Juvenile Justice Alternative Education Programs.
- **97 – Payments to Tax Increment Fund:** This function code is used for expenditures that are for the purpose of providing financial resources paid into a tax increment fund under Chapter 311, Tax Code.
- **99 – Other Governmental Charges:** This function code is used to record other intergovernmental charges not defined above. Examples would be amounts paid to other governmental entities such as county appraisal districts for costs related to the appraisal of property.



## Budget Development Process

The annual budget serves as the foundation for the District's financial planning and control, and is an integral piece of the ongoing operations. Planning and development begins in January each year with the Superintendent and administrative leadership team determining the parameters to be used as a guide for the resource allocation process. The budget must effectively reflect the programs and activities offered by the District and provide the resources to implement them.

The Chief Financial Officer prepares revenue projections for all funds. These projections are based on estimates of local tax revenue, enrollment projections, State funding formulas, and other significant factors. The complexity of the State funding formula is compounded by changes that the Legislature regularly makes when they meet every other year to consider changes to the State Funding formula and other issues. Property taxes are the District's most significant source of local revenue.

The District is subject to revenue limitations as outlined in the Texas Education Code. The revenues are derived from a target revenue formula based primarily on student attendance, adjusted for funding "weights" associated with the students' educational settings. Under the target revenue system, the District's maintenance and operations revenues from property taxes and state aid are capped. As collections from property taxes increase, state aid is reduced by a similar amount. On an ongoing basis, the District adjusts future projections as new data become available. The District maintains a five-year technology plan and a long-range facilities plan.

The budget process is part of a continuous cycle to achieve organizational goals. Campus Principals and Department Directors must consider the approved District Improvement Plan, general educational goals, specific program goals, and alternatives for achieving program goals when preparing allocation proposals for the funds allotted to their campus/department's expense.

- Planning defines the goals and objectives of the organization
- Allocation of resources is the preparation phase of the budget
- Evaluation typically involves an examination of how the funds were expended, what outcomes resulted from the expenditure of funds and to what extent these outcomes achieved goals and objectives that were identified during the planning process.



Each campus receives an allocation as part of the District’s general fund budget, providing an opportunity for the campus to budget the allocation to meet their needs. The principal is responsible for allocating resources to cover the costs of instructional needs, library resources, campus initiated staff developments, school leadership requirements, health services, guidance and testing, and capital outlay. The authority to budget the campus allocation comes with accountability for student outcomes.

Campus allocations are based on the calculation below. With Average Daily Attendance (ADA) being a driving force of revenue, projected ADA is used to determine the allocation for each campus.

Elementary Schools	Projected ADA x \$100
Middle Schools	Projected ADA x \$109
High Schools	Projected ADA x \$173

A campus typically receives other funding allotments from several different sources such as: State Compensatory Education, Title I, IDEA B, and other miscellaneous grants.

Department allocations are based on the prior year allocation including any permanent increases or decreases that occurred during the year. When developing the budget, department budget managers should consider:

- The goals and objectives identified in the District Improvement Plan (DIP)
- Past expenditure levels by function, object code and program intent code (for budget managers servicing special population groups)

Principals and directors submit these proposals to the Business Services Department for compilation, summarization, and preparation of a draft budget, prioritizing requests and reductions in accordance with the Superintendent's parameters. The preliminary budget is then presented and discussed with the Board of Trustees. The proposed budget must be prepared by August 20<sup>th</sup> for the September 1<sup>st</sup> fiscal year start date. The Board President must call a Board meeting for the purpose of discussing and adopting the budget and tax rate; a public notice of which is required to be published at least 10 days, but not more than 30 days, prior to the public meeting.

## Budget Planning Timeline

### ***March***

- Campuses receive budget allocation amounts and instructions
- Budget preparation training for Financial Secretaries
- Principals receive approval from CPAC for proposed budget
- Budget managers enter budget request in financial software

### ***April***

- Submit completed campus and department budgets

### ***May***

- Submit Preliminary Budget document to Board of Trustees

### ***August***

- Submit Proposed Budget to Board of Trustees
- Adopt Budget.



The compensation budget comprises over 80% of the General Fund budget, and is developed by analyzing prior year expenditures and taking into consideration the following changes:

- Vacant positions to be filled
- Additional positions requested and approved by the Board
- Teacher Step increments
- Board approved salary increases
- Increases to benefit costs, including Teacher Retirement System (TRS) on-behalf payments

Once budget proposals are submitted, the Business Office consolidates and summarizes the data to a report presented to the Board. Additional funding requests are considered as curriculums and operational projects are developed through the summer months. These requests are included in the final report presented to the Board for adoption in August.

## **Budget Administration and Management Process**

Once the Board of Trustees adopts the budget, the administration and management process begins. Revenue and expenditure budgets are monitored constantly to ensure that they do not exceed authorized amounts and that they are used for intended, proper, and legal purposes.

### **Procurement**

Procurement guidelines have been established to maintain uniform procedures for purchasing goods and/or services needed by the District. These Guidelines:

- Ensure that purchases are made consistent with all legal purchasing requirements and local Board policies.
  - Directors, Principals, and others responsible for making purchasing decisions for the District receive training to become familiar with established procedures so the District may maintain control over purchasing operations.
- Allow the District to receive the best possible goods and/or services at the best value.
  - It is in the District's interest to make decisions that enable us to secure goods and/or services that provide the best value for the District and not simply the lowest price.

## **Monitoring and Amending the Budget**

The financial software utilized by the District allows users to access reports to maintain the budget portion allotted to their campus or department. The Business Services department also monitors these budgets, providing guidance to help manage the allocation.

Since the budget is adopted at the Fund and Function level, the Board is notified regarding any budget changes to these levels, and the change is not incorporated until receiving its approval. Budget Change Requests affecting the Fund and Function levels are submitted at the monthly Board Meeting.

## **Reporting**

Financial transaction data is provided to the Board and posted the District's website. At fiscal year end, the year's transactions are analyzed and presented in the District's Comprehensive Annual Financial Report (CAFR).

The adopted budget is reported to TEA on an annual basis through the Public Educational Information Management System (PEIMS) Fall Submission.



# Key Revenues and Expenditures

## General Fund

The General fund revenue projections are based on estimates of local tax revenue, State funding formulas, and other significant factors. Total General Fund revenue collected for fiscal year 2016-17 was \$209,800,432, with the 2017-18 budget conservatively anticipating \$207,698,000.

Revenue from local property taxes make up approximately 45% of the District's revenue, and property values in the area have been steadily increasing over the past years. Property taxes accounted for \$100,602,389 of the District's total General Fund revenue for fiscal year 2016-17.

The District is subject to revenue limitations as outlined in the Texas Education Code; under the target revenue system, the District's maintenance and operations revenues from property taxes and state aid are capped. As collections from property taxes increase, state aid is reduced by a similar amount.

The Foundation School Program, administered by the Texas Education Agency, is meant to ensure that all school districts, regardless of property wealth, receive "substantially equal access to similar revenue per student at similar tax effort, considering all state and local tax revenues of districts after acknowledging all legitimate student and district cost differences." Foundation School Program payments accounted for \$85,840,648 of the District's total revenue for fiscal year 2016-17.

Education is a very labor-intensive process, and the budget reflects this by allocating approximately 80% to payroll expenditures annually. For fiscal year 2016-17, \$168,201,562 was spent on payroll costs.

## Debt Service

The Debt Service Fund is used to account for the payment of interest and principal on all bonds of the district. The primary sources of revenue for the Debt Service Fund is local property taxes. Total Debt Service Fund revenue collected for fiscal year 2016-17 was \$25,987,016, with \$25,777,006 coming from property tax payments.

All Principal and interest payments are due February 15<sup>th</sup> and August 15<sup>th</sup> of each year. In fiscal year 2016-17, the District paid \$47,872,501 in bond principal and \$11,621,063 in interest.

Total outstanding debt as of August 1<sup>st</sup>, 2017 is \$432,624,262.76.



## Food Service

The Food Service Fund is used in the operation of the district's cafeterias. Total Food Service Fund revenue collected for fiscal year 2016-17 was \$13,482,037 with the 2017-18 budget anticipating \$15,763,800.

Federal revenue is received from the U.S. Department of Agriculture under the National School Lunch Program (NSLP) and National School Breakfast Program (NSBP). A total of \$10,142,118 was received through these programs for fiscal year 2016-17. NSLP and NSBP eligibility is based on federal poverty guidelines. Eligibility for the District to receive funds under the program is based on whether or not a student's family falls within the income eligibility guidelines of NSLP, but the student's participation in the program is not required. Income eligibility guidelines can be found on the United States Department of Agriculture website.

Local revenues for the Food Service Fund primarily consist of charges to users. For fiscal year 2016-17, \$2,208,058 of the total revenues were collected by this method.

The two largest expenses accounted for in the Food Service fund are payroll and food costs, comprised of \$5,887,684 and \$5,089,222 (respectively) for fiscal year 2016-17.



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# Financial Section



## **Overview and Highlights**

Development of the District Budget follows federal, state, and local guidelines. Annually, the Board of Trustees reviews and adopts General Fund, Food Service, and Debt Service funds.

### **Revenues**

#### **General Fund**

The largest portions of funding in the General Fund consists of local property taxes and state aid via the Foundation School Program together accounting for around 90% of the District's revenue for this fund. Property tax collections have an inverse effect on the state aid calculations; growing revenues from property taxes will result in a decline in state revenue. The remainder of the revenues necessary to fund operating expenditures is derived from other State and Federal funding sources. For additional information, see the General Fund section of this book.

#### **Debt Service**

A majority of funding is derived from a designated allocation of the property tax rate, 98.08% for 2016-17. The remainder of the Debt Service revenue is from interest income derived from temporary investments, 0.80% for 2016-17. For additional information, see the Debt Service Fund section of this book.

#### **Food Service**

Approximately 80% of the revenue in this fund is received from federal sources, primarily from the United States Department of Agriculture (USDA) under the National School Lunch Program, the School Breakfast Program, and the Food Distribution Program. The remaining revenue is primarily generated from user fees - i.e. student payments for meals. For additional information, see the Food Service Fund section of this book.

## 2017-18 Adopted Budget Short Summary

	General Fund		Debt Service		Food Service		District Totals	
	Revenue	% of Total	Revenue	% of Total	Revenue	% of Total	Revenue	% of Total
Local	\$ 102,085,800	49.15%	\$ 26,049,900	98.91%	\$ 2,457,900	15.59%	\$ 130,593,600	52.28%
State	102,912,200	49.55%	287,800	1.09%	79,000	0.50%	103,279,000	41.34%
Federal	2,700,000	1.30%	-	0.00%	13,226,900	83.91%	15,926,900	6.38%
<b>Total Revenue</b>	<b>\$ 207,698,000</b>	<b>100.00%</b>	<b>\$ 26,337,700</b>	<b>100.00%</b>	<b>\$ 15,763,800</b>	<b>100.00%</b>	<b>\$ 249,799,500</b>	<b>100.00%</b>
	Expenditures	% of Total	Expenditures	% of Total	Expenditures	% of Total	Expenditures	% of Total
Payroll Costs	\$ 176,445,860	83.03%	\$ -	0.00%	\$ 6,584,425	41.77%	\$ 183,030,285	72.58%
Contracted Services	19,157,174	9.02%	-	0.00%	351,695	2.23%	19,508,869	7.74%
Supplies & Materials	9,287,742	4.37%	-	0.00%	8,594,227	54.52%	17,881,969	7.09%
Other Operating Costs	5,954,829	2.80%	-	0.00%	33,453	0.21%	5,988,282	2.37%
Debt Service	365,600	0.17%	23,924,400	100.00%	-	0.00%	24,290,000	9.63%
Capital Outlay	1,285,595	0.60%	-	0.00%	200,000	1.27%	1,485,595	0.59%
<b>Total Expenditure</b>	<b>\$ 212,496,800</b>	<b>100.00%</b>	<b>\$ 23,924,400</b>	<b>100.00%</b>	<b>\$ 15,763,800</b>	<b>100.00%</b>	<b>\$ 252,185,000</b>	<b>100.00%</b>
Budget Deficit/Surplus	\$ (4,798,800)		\$ 2,413,300		\$ -		\$ (2,385,500)	
Beginning Fund Balance	\$ 145,800,876		\$ 8,813,392		\$ 3,452,250		\$ 158,066,518	
<b>Projected Ending Fund Balance 08/31/2018</b>	<b>\$ 141,002,076</b>		<b>\$ 11,226,692</b>		<b>\$ 3,452,250</b>		<b>\$ 155,681,018</b>	



**Galena Park Independent School District  
Combined Actual Revenues and Expenses**

		2013-14 Audited		2014-15 Audited		2015-16 Audited		2016-17 Unaudited	
		Enrollment: 22,572		Enrollment: 22,725		Enrollment: 22,491		Enrollment: 22,591	
<b>Revenues</b>									
<u>Major Object</u>									
Local Sources	5700	\$ 106,176,632	\$ 4,704	\$ 114,250,730	\$ 5,062	\$ 126,886,754	\$ 5,621	\$ 131,158,097	\$ 5,806
State Sources	5800	112,779,576	4,996	120,462,865	5,337	111,731,167	4,950	103,498,280	4,581
Federal Sources	5900	13,859,037	614	12,797,845	567	14,474,775	641	14,906,626	660
Transfers In	7000	-	-	-	-	-	-	-	-
<b>Total Revenues</b>		<b>\$ 232,815,245</b>	<b>\$ 10,314</b>	<b>\$ 247,511,440</b>	<b>\$ 10,965</b>	<b>\$ 253,092,696</b>	<b>\$ 11,213</b>	<b>\$ 249,563,003</b>	<b>\$ 11,056</b>
<b>Expenses</b>									
<u>Function</u>									
Instruction	11	\$ 98,366,382	\$ 4,358	\$ 107,088,009	\$ 4,744	\$ 112,544,711	\$ 4,986	\$ 113,171,735	\$ 5,010
Instructional Resources & Media Services	12	2,240,835	99	2,203,213	98	2,432,634	108	2,425,508	107
Curriculum & Staff Development	13	2,226,499	99	2,461,063	109	2,468,658	109	2,688,317	119
Instructional Leadership	21	3,974,785	176	4,480,430	198	4,674,886	207	5,305,619	235
School Leadership	23	11,316,964	501	11,918,584	528	13,065,837	579	13,755,417	609
Guidance, Counseling & Evaluation	31	5,455,701	242	6,446,804	286	7,001,756	310	6,925,034	307
Social Work Services	32	460,278	20	463,115	21	745,692	33	693,915	31
Health Services	33	1,528,417	68	1,578,745	70	1,619,028	72	1,660,073	73
Student Transportation	34	5,630,953	249	5,484,675	243	6,811,920	302	9,599,193	425
Food Services	35	13,146,607	582	13,497,039	598	14,151,542	627	13,250,799	587
Cocurricular/Extracurricular Activities	36	3,425,082	152	3,656,358	162	3,797,755	168	4,062,014	180
General Administration	41	6,693,818	297	7,353,318	326	7,625,962	338	8,280,818	367
Plant Maintenance & Operations	51	25,551,223	1,132	26,945,006	1,194	25,308,528	1,121	24,025,214	1,063
Security & Monitoring Services	52	2,746,767	122	2,555,775	113	2,588,012	115	2,480,494	110
Data Processing Services	53	2,271,575	101	3,799,088	168	3,294,312	146	3,530,100	156
Community Services	61	734,704	33	742,809	33	744,753	33	865,133	38
Debt Service	71	20,572,190	911	20,194,319	895	20,848,652	924	60,354,358	2,672
Facilities Acquisition/Construction	81	288,154	13	669,208	30	3,817,722	169	1,878,955	83
Other Intergovernmental Charges	99	764,804	34	857,019	38	908,466	40	937,503	41
<b>Total Expenses</b>		<b>\$ 207,395,738</b>	<b>\$ 9,188</b>	<b>\$ 222,394,577</b>	<b>\$ 9,853</b>	<b>\$ 234,450,826</b>	<b>\$ 10,387</b>	<b>\$ 275,890,199</b>	<b>\$ 12,223</b>
<u>Major Object</u>									
Payroll Costs	6100	\$ 145,670,309	\$ 6,454	\$ 157,444,349	\$ 6,975	\$ 169,256,121	\$ 7,498	\$ 174,089,246	\$ 7,706
Professional & Contracted Services	6200	17,972,158	796	18,350,519	813	16,415,427	727	17,298,938	766
Supplies & Materials	6300	15,297,091	678	16,442,725	728	15,860,475	703	14,756,094	653
Other Operating Costs	6400	4,621,760	205	4,730,525	210	4,691,952	208	5,121,558	227
Debt Service	6500	20,572,190	911	20,194,319	895	20,848,652	924	60,354,358	2,672
Capital Outlay - Land, Buildings, & Equip.	6600	3,262,230	145	5,232,140	232	7,378,199	327	4,270,004	189
		<b>\$ 207,395,738</b>	<b>\$ 9,188</b>	<b>\$ 222,394,577</b>	<b>\$ 9,853</b>	<b>\$ 234,450,826</b>	<b>\$ 10,387</b>	<b>\$ 275,890,199</b>	<b>\$ 12,223</b>
Total Other Resources	7900	\$ 198,089		\$ (8,647,900)		\$ 85,497		\$ 35,086,993	
Fund Balance - Beginning		\$ 90,340,620		\$ 114,110,390		\$ 130,579,353		\$ 149,306,720	
Prior period adjustment		(1,847,826)		-		-		-	
Fund Balance - Ending		\$ 114,110,390		\$ 130,579,353		\$ 149,306,720		\$ 158,066,518	

Notes: *Student Enrollment*

Enrollment count is based on the PEIMS snapshot data, taken on the final class day in October.

**Galena Park Independent School District  
Combined Projected Revenues and Expenses**

		2017-18 Budgeted		2018-19 Projected		2019-20 Projected		2020-21 Projected	
		Enrollment: 22,591		Enrollment: 22,817		Enrollment: 23,045		Enrollment: 23,276	
<b>Revenues</b>									
<u>Major Object</u>									
Local Sources	5700	\$ 130,593,600	\$ 5,781	\$ 138,205,589	\$ 6,118	\$ 139,537,619	\$ 6,177	\$ 140,883,030	\$ 6,053
State Sources	5800	103,279,000	4,572	101,100,217	4,475	102,112,846	4,520	103,135,651	4,431
Federal Sources	5900	15,926,900	705	16,737,245	741	17,482,657	774	18,261,790	785
Transfers In	7000	-	-	-	-	-	-	-	-
<b>Total Revenues</b>		<b>\$ 249,799,500</b>	<b>\$ 11,057</b>	<b>\$ 256,043,051</b>	<b>\$ 11,334</b>	<b>\$ 259,133,123</b>	<b>\$ 11,471</b>	<b>\$ 262,280,471</b>	<b>\$ 11,610</b>
<b>Expenses</b>									
<u>Function</u>									
Instruction	11	\$ 119,340,900	\$ 5,283	\$ 119,346,407	\$ 5,283	\$ 120,932,122	\$ 5,353	\$ 122,262,263	\$ 5,253
Instructional Resources & Media Services	12	2,615,000	116	2,615,121	116	2,649,867	117	2,679,013	115
Curriculum & Staff Development	13	3,085,100	137	3,085,242	137	3,126,235	138	3,160,621	136
Instructional Leadership	21	6,452,200	286	6,452,498	286	6,538,230	289	6,610,144	284
School Leadership	23	14,143,900	626	14,144,553	626	14,332,487	634	14,490,131	623
Guidance, Counseling & Evaluation	31	7,404,200	328	7,404,542	328	7,502,923	332	7,585,448	326
Social Work Services	32	862,900	38	862,940	38	874,405	39	884,023	38
Health Services	33	1,835,900	81	1,835,985	81	1,860,379	82	1,880,841	81
Student Transportation	34	7,885,000	349	7,885,364	349	7,990,134	354	8,078,018	347
Food Services	35	15,460,700	684	15,461,413	684	15,666,844	693	15,839,165	681
Cocurricular/Extracurricular Activities	36	3,768,200	167	3,768,374	167	3,818,443	169	3,860,442	166
General Administration	41	8,805,100	390	8,805,506	390	8,922,502	395	9,020,641	388
Plant Maintenance & Operations	51	25,314,000	1,121	25,315,168	1,121	25,651,522	1,135	25,933,665	1,114
Security & Monitoring Services	52	2,598,400	115	2,598,520	115	2,633,046	117	2,662,007	114
Data Processing Services	53	4,214,500	187	4,214,694	187	4,270,694	189	4,317,667	186
Community Services	61	1,004,100	44	1,004,146	44	1,017,488	45	1,028,680	44
Debt Service	71	24,290,000	1,075	24,291,121	1,075	24,613,869	1,090	24,884,598	1,069
Facilities Acquisition/Construction	81	2,137,400	95	2,137,499	95	2,165,899	96	2,189,722	94
Other Intergovernmental Charges	99	967,500	43	967,545	43	980,400	43	991,184	43
<b>Total Expenses</b>		<b>\$ 252,185,000</b>	<b>\$ 11,163</b>	<b>\$ 252,196,637</b>	<b>\$ 11,164</b>	<b>\$ 255,547,488</b>	<b>\$ 11,312</b>	<b>\$ 258,358,273</b>	<b>\$ 11,436</b>
<u>Major Object</u>									
Payroll Costs	6100	\$ 183,030,285	\$ 8,102	\$ 184,926,432	\$ 8,186	\$ 187,733,909	\$ 8,310	\$ 190,789,683	\$ 8,197
Professional & Contracted Services	6200	19,508,869	864	19,411,388	859	19,316,081	855	19,221,251	826
Supplies & Materials	6300	17,881,969	792	17,598,330	779	18,260,332	808	18,294,829	786
Other Operating Costs	6400	5,988,282	265	4,422,861	196	4,059,759	180	4,104,973	176
Debt Service	6500	24,290,000	1,075	24,287,750	1,075	24,290,063	1,075	23,975,826	1,030
Capital Outlay - Land, Buildings, & Equip.	6600	1,485,595	66	1,549,875	69	1,887,343	84	1,971,711	85
		<b>\$ 252,185,000</b>	<b>\$ 11,163</b>	<b>\$ 252,196,637</b>	<b>\$ 11,164</b>	<b>\$ 255,547,488</b>	<b>\$ 11,312</b>	<b>\$ 258,358,273</b>	<b>\$ 11,436</b>
Total Other Resources	7900	\$ -	-	\$ -	-	\$ -	-	\$ -	-
Fund Balance - Beginning		\$ 158,066,518		\$ 155,681,018		\$ 159,527,432		\$ 163,113,066	
Prior period adjustment		-		-		-		-	
Fund Balance - Ending		\$ 155,681,018		\$ 159,527,432		\$ 163,113,066		\$ 167,035,265	

Notes: *Student Enrollment*

Enrollment count is based on the PEIMS snapshot data, taken on the final class day in October. Assumption is 1% annual growth.

**Galena Park Independent School District**  
**Revenues, Expenditures, Other Resources and Fund Balances**  
**General Fund**

		2013-2014 Actuals (Audited)	2014-2015 Actuals (Audited)	2015-2016 Actuals (Audited)	2016-2017 Actuals (Unaudited)	2017-18 Adopted Budget
<b>REVENUES</b>						
<b>LOCAL AND INTERMEDIATE</b>						
5711	Taxes Current Year Levy	\$ 81,162,755	\$ 89,884,990	\$ 99,422,530	\$ 99,251,373	\$ 98,795,726
5712	Taxes, Prior Year	2,025,349	486,345	692,406	230,263	500,000
5718	P, I, & Other Tax Revenue - Tax Certificate	55	310	555	180	-
5719	Taxes, Prior Year	585,034	635,214	819,113	939,099	800,000
5739	Tuition And Fees From Local Sources	108,638	129,935	185,733	181,474	175,000
5742	Earnings From Investments	130,592	167,251	615,961	1,454,166	1,250,000
5743	Rent	94,363	121,174	93,724	105,939	100,000
5744	Gifts & Bequests	10,885	23,085	12,257	20,980	10,000
5745	Insurance Recovery	320	1,800	-	-	-
5749	Other Revenue From Local Sources	897,348	311,065	464,863	523,211	200,000
5752	Athletic Activities	207,134	267,988	250,989	235,380	250,000
5755	Enterprising Services Revenue	167	7	-	-	-
5759	Cocurricular, Enterprising Services & Activities	7,624	9,144	10,345	6,635	5,074
5769	Misc Rev. From Intermediate Sources	38,275	39,615	15,430	14,323	-
5700	Local and Intermediate Totals	<u>\$ 85,268,539</u>	<u>\$ 92,077,923</u>	<u>\$ 102,583,906</u>	<u>\$ 102,963,023</u>	<u>\$ 102,085,800</u>
<b>STATE</b>						
5811	Per Capita Apportionment	\$ 5,347,184	\$ 5,505,980	\$ 3,790,886	\$ 8,202,430	\$ 5,000,000
5812	Foundation School Program Act Ent	96,750,134	102,427,994	97,269,336	85,840,648	88,411,521
5828	State Program Revenues - Pre-K	-	73,228	71,790	64,395	-
5829	State Program Revenues	73,428	1,451,572	2,011	-	-
5831	TRS Care-On-Behalf Payments	7,975,683	8,584,055	8,871,824	9,012,952	9,500,679
5839	Other Revenue From TX Agencies	5,950	4,200	1,400	4,200	-
5800	State Totals	<u>\$ 110,152,379</u>	<u>\$ 118,047,029</u>	<u>\$ 110,007,247</u>	<u>\$ 103,124,625</u>	<u>\$ 102,912,200</u>
<b>FEDERAL</b>						
5919	Federal Revenues Distributed	\$ 752,510	\$ 716,101	\$ 569,261	\$ 465,666	\$ 450,000
5921	School Breakfast Program	111,525	84,454	288,006	163,113	100,000
5922	School Lunch Program	334,575	282,739	84,545	572,336	250,000
5929	Federal Revenues	289,690	261,360	220,235	323,119	-
5931	School Health & Related Services	1,606,362	261,385	1,634,964	2,127,418	1,850,000
5932	Medicade Adm Claiming Program	47,600	48,248	52,408	56,744	50,000
5939	Fed Revenue Other Than TEA	2,351	1,118	2,622	2,635	-
5949	Fed Revenue Dist From Fed Government	8,502	20,930	3,605	1,753	-
5900	Federal Totals	<u>\$ 3,153,115</u>	<u>\$ 1,676,335</u>	<u>\$ 2,855,646</u>	<u>\$ 3,712,784</u>	<u>\$ 2,700,000</u>
5000	TOTAL ALL REVENUES	<u>\$ 198,574,033</u>	<u>\$ 211,801,287</u>	<u>\$ 215,446,799</u>	<u>\$ 209,800,432</u>	<u>\$ 207,698,000</u>



**Galena Park Independent School District**  
**Revenues, Expenditures, Other Resources and Fund Balances**  
**General Fund**

EXPENDITURES	2013-2014 Actuals (Audited)	2014-2015 Actuals (Audited)	2015-2016 Actuals (Audited)	2016-2017 Actuals (Unaudited)	2017-18 Adopted Budget
<b>11 INSTRUCTION</b>					
6100 Payroll Costs	\$ 92,874,105	\$ 100,834,504	\$ 107,852,955	\$ 108,204,914	\$ 112,942,296
6200 Professional and Contracted Services	1,643,851	1,415,770	1,124,232	1,177,108	1,611,539
6300 Supplies and Materials	3,416,708	4,426,130	3,168,300	3,339,299	4,373,762
6400 Other Operating Costs	431,718	411,605	399,224	422,524	412,303
6600 Capital Outlay	-	-	-	27,890	1,000
<b>Total Function 11</b>	<b>\$ 98,366,382</b>	<b>\$ 107,088,009</b>	<b>\$ 112,544,711</b>	<b>\$ 113,171,735</b>	<b>\$ 119,340,900</b>
<b>12 INSTRUCTIONAL RESOURCES AND MEDIA SERVICES</b>					
6100 Payroll Costs	\$ 2,010,947	\$ 2,017,946	\$ 2,212,420	\$ 2,239,333	\$ 2,371,126
6200 Professional and Contracted Services	22,549	20,271	23,060	19,637	24,056
6300 Supplies and Materials	199,067	157,309	187,932	160,778	212,493
6400 Other Operating Costs	8,272	7,687	9,222	5,760	7,325
6600 Capital Outlay	-	-	-	-	-
<b>Total Function 12</b>	<b>\$ 2,240,835</b>	<b>\$ 2,203,213</b>	<b>\$ 2,432,634</b>	<b>\$ 2,425,508</b>	<b>\$ 2,615,000</b>
<b>13 CURRICULUM AND INSTRUCTIONAL STAFF DEVELOPMENT</b>					
6100 Payroll Costs	\$ 1,799,545	\$ 2,002,332	\$ 1,946,619	\$ 2,226,974	\$ 2,575,262
6200 Professional and Contracted Services	79,979	136,310	136,857	124,008	74,096
6300 Supplies and Materials	137,335	138,925	164,579	126,374	179,637
6400 Other Operating Costs	209,640	183,496	220,603	210,962	256,105
6600 Capital Outlay	-	-	-	-	-
<b>Total Function 13</b>	<b>\$ 2,226,499</b>	<b>\$ 2,461,063</b>	<b>\$ 2,468,658</b>	<b>\$ 2,688,317</b>	<b>\$ 3,085,100</b>
<b>21 INSTRUCTIONAL LEADERSHIP</b>					
6100 Payroll Costs	\$ 3,351,123	\$ 3,867,564	\$ 4,030,551	\$ 4,776,197	\$ 5,759,217
6200 Professional and Contracted Services	152,388	172,351	126,638	87,169	124,802
6300 Supplies and Materials	266,560	230,719	309,661	200,339	297,017
6400 Other Operating Costs	204,714	209,796	208,036	241,914	271,164
6600 Capital Outlay	-	-	-	-	-
<b>Total Function 21</b>	<b>\$ 3,974,785</b>	<b>\$ 4,480,430</b>	<b>\$ 4,674,886</b>	<b>\$ 5,305,619</b>	<b>\$ 6,452,200</b>
<b>23 SCHOOL LEADERSHIP</b>					
6100 Payroll Costs	\$ 10,718,784	\$ 11,083,836	\$ 12,142,443	\$ 12,806,288	\$ 13,101,876
6200 Professional and Contracted Services	60,523	70,607	83,886	84,290	85,268
6300 Supplies and Materials	260,806	350,117	366,116	329,403	247,200
6400 Other Operating Costs	276,851	414,024	473,392	527,846	709,556
6600 Capital Outlay	-	-	-	7,590	-
<b>Total Function 23</b>	<b>\$ 11,316,964</b>	<b>\$ 11,918,584</b>	<b>\$ 13,065,837</b>	<b>\$ 13,755,417</b>	<b>\$ 14,143,900</b>

**Galena Park Independent School District**  
**Revenues, Expenditures, Other Resources and Fund Balances**  
**General Fund**

		2013-2014 Actuals (Audited)	2014-2015 Actuals (Audited)	2015-2016 Actuals (Audited)	2016-2017 Actuals (Unaudited)	2017-18 Adopted Budget
<b>31 GUIDANCE COUNSELING AND EVALUATION SERVICES</b>						
6100	Payroll Costs	\$ 5,198,227	\$ 6,236,683	\$ 6,759,589	\$ 6,641,984	\$ 7,075,448
6200	Professional and Contracted Services	53,096	45,622	40,689	46,028	46,500
6300	Supplies and Materials	195,503	153,460	185,489	219,555	256,087
6400	Other Operating Costs	8,875	11,039	15,989	17,467	26,165
6600	Capital Outlay	-	-	-	-	-
<b>Total Function 31</b>		<b>\$ 5,455,701</b>	<b>\$ 6,446,804</b>	<b>\$ 7,001,756</b>	<b>\$ 6,925,034</b>	<b>\$ 7,404,200</b>
<b>32 SOCIAL WORK SERVICES</b>						
6100	Payroll Costs	\$ 215,134	\$ 216,648	\$ 365,574	\$ 407,883	\$ 429,450
6200	Professional and Contracted Services	245,144	246,467	236,022	281,983	401,450
6300	Supplies and Materials	-	-	5,041	1,114	26,000
6400	Other Operating Costs	-	-	2,320	2,936	6,000
6600	Capital Outlay	-	-	136,735	-	-
<b>Total Function 32</b>		<b>\$ 460,278</b>	<b>\$ 463,115</b>	<b>\$ 745,692</b>	<b>\$ 693,915</b>	<b>\$ 862,900</b>
<b>33 HEALTH SERVICES</b>						
6100	Payroll Costs	\$ 1,486,187	\$ 1,536,162	\$ 1,574,472	\$ 1,601,425	\$ 1,773,402
6200	Professional and Contracted Services	960	1,080	1,120	-	1,840
6300	Supplies and Materials	34,124	34,480	36,188	48,707	52,408
6400	Other Operating Costs	7,146	7,023	7,248	9,942	8,250
6600	Capital Outlay	-	-	-	-	-
<b>Total Function 33</b>		<b>\$ 1,528,417</b>	<b>\$ 1,578,745</b>	<b>\$ 1,619,028</b>	<b>\$ 1,660,073</b>	<b>\$ 1,835,900</b>
<b>34 STUDENT TRANSPORTATION</b>						
6100	Payroll Costs	\$ 4,066,824	\$ 4,334,187	\$ 4,930,848	\$ 6,269,926	\$ 6,570,706
6200	Professional and Contracted Services	128,725	230,973	162,236	244,827	202,600
6300	Supplies and Materials	612,098	540,682	457,130	580,651	802,594
6400	Other Operating Costs	15,649	225,000	19,410	210,855	309,100
6600	Capital Outlay	807,657	153,833	1,242,296	2,292,933	-
<b>Total Function 34</b>		<b>\$ 5,630,953</b>	<b>\$ 5,484,675</b>	<b>\$ 6,811,920</b>	<b>\$ 9,599,193</b>	<b>\$ 7,885,000</b>
<b>35 FOOD SERVICES</b>						
6100	Payroll Costs	\$ -	\$ -	\$ -	\$ 4,338	\$ 10,700
6200	Professional and Contracted Services	-	-	-	-	-
6300	Supplies and Materials	-	1	-	-	-
6400	Other Operating Costs	-	-	-	-	-
6600	Capital Outlay	-	-	-	-	-
<b>Total Function 35</b>		<b>\$ -</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 4,338</b>	<b>\$ 10,700</b>

**Galena Park Independent School District**  
**Revenues, Expenditures, Other Resources and Fund Balances**  
**General Fund**

	2013-2014 Actuals (Audited)	2014-2015 Actuals (Audited)	2015-2016 Actuals (Audited)	2016-2017 Actuals (Unaudited)	2017-18 Adopted Budget
<b>36 COCURRICULAR/EXTRACURRICULAR ACTIVITIES</b>					
6100 Payroll Costs	\$ 1,859,603	\$ 2,120,113	\$ 2,450,399	\$ 2,294,692	\$ 2,342,186
6200 Professional and Contracted Services	219,382	217,373	260,595	247,225	260,320
6300 Supplies and Materials	550,867	680,615	484,595	477,201	453,858
6400 Other Operating Costs	766,478	597,087	602,166	883,057	711,836
6600 Capital Outlay	28,752	41,170	-	159,839	-
<b>Total Function 36</b>	<b>\$ 3,425,082</b>	<b>\$ 3,656,358</b>	<b>\$ 3,797,755</b>	<b>\$ 4,062,014</b>	<b>\$ 3,768,200</b>
<b>41 GENERAL ADMINISTRATION</b>					
6100 Payroll Costs	\$ 5,460,445	\$ 5,782,423	\$ 6,116,204	\$ 6,517,077	\$ 6,516,159
6200 Professional and Contracted Services	509,991	816,453	665,952	900,388	936,911
6300 Supplies and Materials	288,247	277,364	297,050	321,604	612,651
6400 Other Operating Costs	435,135	477,078	546,756	541,748	707,379
6600 Capital Outlay	-	-	-	-	32,000
<b>Total Function 41</b>	<b>\$ 6,693,818</b>	<b>\$ 7,353,318</b>	<b>\$ 7,625,962</b>	<b>\$ 8,280,818</b>	<b>\$ 8,805,100</b>
<b>51 PLANT MAINTENANCE AND OPERATION</b>					
6100 Payroll Costs	\$ 8,639,896	\$ 9,069,348	\$ 9,961,960	\$ 10,772,794	\$ 11,079,843
6200 Professional and Contracted Services	11,567,414	11,355,871	9,718,022	9,240,904	10,125,432
6300 Supplies and Materials	1,402,101	1,435,761	1,679,324	1,339,945	1,332,079
6400 Other Operating Costs	2,190,333	2,105,836	2,089,302	1,954,029	2,425,846
6600 Capital Outlay	1,494,999	2,661,789	1,562,913	476,690	37,000
<b>Total Function 51</b>	<b>\$ 25,294,743</b>	<b>\$ 26,628,605</b>	<b>\$ 25,011,521</b>	<b>\$ 23,784,360</b>	<b>\$ 25,000,200</b>
<b>52 SECURITY AND MONITORING SERVICES</b>					
6100 Payroll Costs	\$ 340,618	\$ 358,376	\$ 443,075	\$ 476,014	\$ 495,613
6200 Professional and Contracted Services	1,760,210	1,739,422	1,802,402	1,805,069	1,914,440
6300 Supplies and Materials	505,663	412,628	231,705	126,326	141,146
6400 Other Operating Costs	21,276	11,687	28,235	26,434	32,201
6600 Capital Outlay	119,000	33,662	82,595	46,650	15,000
<b>Total Function 52</b>	<b>\$ 2,746,767</b>	<b>\$ 2,555,775</b>	<b>\$ 2,588,012</b>	<b>\$ 2,480,494</b>	<b>\$ 2,598,400</b>
<b>53 DATA PROCESSING SERVICES</b>					
6100 Payroll Costs	\$ 1,625,545	\$ 1,805,315	\$ 1,883,563	\$ 1,977,356	\$ 2,315,821
6200 Professional and Contracted Services	329,422	473,736	732,626	754,780	978,834
6300 Supplies and Materials	80,862	316,064	594,666	513,206	177,050
6400 Other Operating Costs	10,136	27,777	20,020	19,106	42,200
6600 Capital Outlay	225,610	1,176,196	63,437	265,652	700,595
<b>Total Function 53</b>	<b>\$ 2,271,575</b>	<b>\$ 3,799,088</b>	<b>\$ 3,294,312</b>	<b>\$ 3,530,100</b>	<b>\$ 4,214,500</b>

**Galena Park Independent School District**  
**Revenues, Expenditures, Other Resources and Fund Balances**  
**General Fund**

	2013-2014 Actuals (Audited)	2014-2015 Actuals (Audited)	2015-2016 Actuals (Audited)	2016-2017 Actuals (Unaudited)	2017-18 Adopted Budget
<b>61 COMMUNITY SERVICES</b>					
6100 Payroll Costs	\$ 711,696	\$ 705,879	\$ 710,532	\$ 793,795	\$ 871,774
6200 Professional and Contracted Services	4,759	4,806	3,366	31,459	3,546
6300 Supplies and Materials	6,566	16,864	13,788	23,221	110,760
6400 Other Operating Costs	11,683	15,260	17,067	16,659	18,020
6600 Capital Outlay	-	-	-	-	-
<b>Total Function 61</b>	<b>\$ 734,704</b>	<b>\$ 742,809</b>	<b>\$ 744,753</b>	<b>\$ 865,133</b>	<b>\$ 1,004,100</b>
<b>71 DEBT SERVICE</b>					
6500 Debt Service	\$ 796,807	\$ 797,017	\$ 787,524	\$ 357,669	\$ 365,600
<b>Total Function 71</b>	<b>\$ 796,807</b>	<b>\$ 797,017</b>	<b>\$ 787,524</b>	<b>\$ 357,669</b>	<b>\$ 365,600</b>
<b>81 FACILITIES ACQUISITION AND CONSTRUCTION</b>					
6100 Payroll Costs	\$ 151,849	\$ 139,911	\$ 164,668	\$ 190,571	\$ 214,981
6200 Professional and Contracted Services	21,433	5,074	4,426	1,103,675	1,398,040
6300 Supplies and Materials	12,334	7,381	2,731	38,896	13,000
6400 Other Operating Costs	564	826	608	5,981	11,379
6600 Capital Outlay	101,974	516,016	3,645,289	539,832	500,000
<b>Total Function 81</b>	<b>\$ 288,154</b>	<b>\$ 669,208</b>	<b>\$ 3,817,722</b>	<b>\$ 1,878,955</b>	<b>\$ 2,137,400</b>
<b>95 PAYMENTS TO JUVENILE JUSTICE ALTERNATIVE EDUCATION PROGRAMS</b>					
6200 Professional and Contracted Services	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Function 95</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>99 INTERGOVERNMENTAL CHARGES</b>					
6200 Professional and Contracted Services	\$ 764,804	\$ 857,019	\$ 908,466	\$ 937,503	\$ 967,500
<b>Total Function 99</b>	<b>\$ 764,804</b>	<b>\$ 857,019</b>	<b>\$ 908,466</b>	<b>\$ 937,503</b>	<b>\$ 967,500</b>
6000 TOTAL ALL EXPENDITURES	\$ 174,217,268	\$ 189,183,836	\$ 199,941,149	\$ 202,406,194	\$ 212,496,800
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 24,356,765	\$ 22,617,451	\$ 15,505,650	\$ 7,394,237	\$ (4,798,800)
<b>OTHER RESOURCES/NON-OPERATING RESOURCES</b>					
7912 Sale of Real or Personal Property	38,958	78,159	72,863	86,812	-
7915 Operating Transfers In	-	-	-	-	-
7949 Other Resources	-	-	-	-	-
8911 Transfers Out	(13,427)	-	-	-	-
7900 Total Other Resources	\$ 25,531	\$ 78,159	\$ 72,863	\$ 86,812	\$ -
Net Change in Fund Balance	\$ 24,382,296	\$ 22,695,610	\$ 15,578,513	\$ 7,481,050	\$ (4,798,800)
<b>FUND BALANCES</b>					
3100 Beginning Fund Balance 09/01	\$ 77,511,233	\$ 100,045,703	\$ 122,741,313	\$ 138,319,826	\$ 145,800,876
Prior Period Adjustment	\$ (1,847,826)	\$ -	\$ -	\$ -	\$ -
3100 Ending Fund Balance 08/31	\$ 100,045,703	\$ 122,741,313	\$ 138,319,826	\$ 145,800,876	\$ 141,002,076

**Galena Park Independent School District**  
**Revenues, Expenditures, Other Resources and Fund Balances**  
**Debt Service**

		2013-2014	2014-2015	2015-2016	2016-2017	2017-18
		Actuals (Audited)	Actuals (Audited)	Actuals (Audited)	Actuals (Unaudited)	Adopted Budget
<b>REVENUES</b>						
<b>LOCAL AND INTERMEDIATE</b>						
5711	Taxes Current Year Levy	\$ 17,563,359	\$ 19,502,157	\$ 21,572,342	\$ 25,518,438	\$ 25,646,900
5712	Taxes, Prior Year	440,671	103,027	146,709	43,110	-
5719	Taxes, Prior Year	121,478	134,916	172,636	215,458	200,000
5742	Earnings From Investments	27,547	29,948	38,945	210,010	203,000
5700	Local and Intermediate Totals	<u>\$ 18,153,055</u>	<u>\$ 19,770,048</u>	<u>\$ 21,930,632</u>	<u>\$ 25,987,016</u>	<u>\$ 26,049,900</u>
<b>STATE</b>						
5829	State Program Revenues	2,553,951	2,340,175	1,645,363	293,518	287,800
5800	State Totals	<u>\$ 2,553,951</u>	<u>\$ 2,340,175</u>	<u>\$ 1,645,363</u>	<u>\$ 293,518</u>	<u>\$ 287,800</u>
<b>FEDERAL</b>						
5919	Federal Revenues Distributed	\$ -	\$ -	\$ -	\$ -	\$ -
5900	Federal Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
5000	TOTAL ALL REVENUES	<u><u>\$ 20,707,006</u></u>	<u><u>\$ 22,110,223</u></u>	<u><u>\$ 23,575,995</u></u>	<u><u>\$ 26,280,534</u></u>	<u><u>\$ 26,337,700</u></u>
<b>EXPENDITURES</b>						
<b>71 DEBT SERVICE</b>						
6500	Debt Service	\$ 19,775,383	\$ 19,397,302	\$ 20,061,128	59,996,690	23,924,400
	Total Function 71	<u>\$ 19,775,383</u>	<u>\$ 19,397,302</u>	<u>\$ 20,061,128</u>	<u>\$ 59,996,690</u>	<u>\$ 23,924,400</u>
6000	TOTAL ALL EXPENDITURES	<u><u>\$ 19,775,383</u></u>	<u><u>\$ 19,397,302</u></u>	<u><u>\$ 20,061,128</u></u>	<u><u>\$ 59,996,690</u></u>	<u><u>\$ 23,924,400</u></u>
	Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 931,623	\$ 2,712,921	\$ 3,514,867	\$ (33,716,155)	\$ 2,413,300
<b>OTHER RESOURCES/NON-OPERATING RESOURCES</b>						
7911	Refunding Bonds Issued	\$ 8,970,000	\$ 9,505,000	\$ -	\$ 41,000,000	\$ -
7915	Operating Transfers In	-	-	4	-	-
7916	Premium or Discount on Issuance of Bonds	986,842	456,463	-	7,203,977	-
8949	Payment to Bond Refunding Escrow Agent	(9,787,132)	(18,693,513)	-	(13,213,931)	-
7900	Total Other Resources	<u>\$ 169,710</u>	<u>\$ (8,732,050)</u>	<u>\$ 4</u>	<u>\$ 34,990,046</u>	<u>\$ -</u>
	Net Change in Fund Balance	\$ 1,101,333	\$ (6,019,129)	\$ 3,514,871	\$ 1,273,891	\$ 2,413,300
<b>FUND BALANCES</b>						
3100	Beginning Fund Balance 09/01	<u>\$ 8,942,426</u>	<u>\$ 10,043,759</u>	<u>\$ 4,024,630</u>	<u>\$ 7,539,501</u>	<u>\$ 8,813,392</u>
	Prior Period Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -
3100	Ending Fund Balance 08/31	<u><u>\$ 10,043,759</u></u>	<u><u>\$ 4,024,630</u></u>	<u><u>\$ 7,539,501</u></u>	<u><u>\$ 8,813,392</u></u>	<u><u>\$ 11,226,692</u></u>

**Galena Park Independent School District**  
**Revenues, Expenditures, Other Resources and Fund Balances**  
**Food Service**

		2013-2014	2014-2015	2015-2016	2016-2017	2017-18
		Actuals (Audited)	Actuals (Audited)	Actuals (Audited)	Actuals (Unaudited)	Adopted Budget
<b>REVENUES</b>						
<b>LOCAL AND INTERMEDIATE</b>						
5742	Earnings From Investments	\$ 6,105	\$ 6,156	\$ 32,595	\$ 60,461	\$ 44,800
5749	Other Revenue From Local Sources	(2,007)	(119)	6,539	13,010	500
5751	Food Service Activity	2,750,940	2,396,722	2,333,082	2,134,588	2,412,600
5700	Local and Intermediate Totals	\$ 2,755,038	\$ 2,402,759	\$ 2,372,216	\$ 2,208,058	\$ 2,457,900
<b>STATE</b>						
5829	State Program Revenues	\$ 73,246	\$ 75,077	\$ 78,557	\$ 80,136	\$ 79,000
5839	Other Revenue From TX Agencies	-	584	-	-	-
5800	State Totals	\$ 73,246	\$ 75,661	\$ 78,557	\$ 80,136	\$ 79,000
<b>FEDERAL</b>						
5921	School Breakfast Program	\$ 2,382,426	\$ 2,321,369	\$ 2,211,054	\$ 2,249,389	\$ 2,700,700
5922	School Lunch Program	7,452,385	7,908,611	8,428,586	7,892,729	9,496,700
5923	USDA Donated Commodities	871,111	846,559	979,489	1,051,725	1,029,500
5939	Fed Revenue Other Than TEA	-	44,971	-	-	-
5900	Federal Totals	\$ 10,705,922	\$ 11,121,510	\$ 11,619,129	\$ 11,193,842	\$ 13,226,900
5000	TOTAL ALL REVENUES	\$ 13,534,206	\$ 13,599,930	\$ 14,069,902	\$ 13,482,037	\$ 15,763,800
<b>EXPENDITURES</b>						
<b>35 FOOD SERVICES</b>						
6100	Payroll Costs	\$ 4,943,531	\$ 5,105,013	\$ 5,521,139	\$ 5,707,624	\$ 6,383,100
6200	Professional and Contracted Services	367,298	453,022	276,935	152,093	239,220
6300	Supplies and Materials	7,328,250	7,264,225	7,676,180	6,909,476	8,594,227
6400	Other Operating Costs	23,290	25,304	32,354	24,340	33,453
6600	Capital Outlay	484,238	649,474	644,934	452,928	200,000
Total Function 35		\$ 13,146,607	\$ 13,497,038	\$ 14,151,542	\$ 13,246,461	\$ 15,450,000
<b>51 PLANT MAINTENANCE AND OPERATION</b>						
6100	Payroll Costs	\$ 216,250	\$ 228,109	\$ 189,110	\$ 180,060	\$ 201,325
6200	Professional and Contracted Services	40,230	88,292	107,897	60,794	112,475
Total Function 51		\$ 256,480	\$ 316,401	\$ 297,007	\$ 240,854	\$ 313,800
6000	TOTAL ALL EXPENDITURES	\$ 13,403,087	\$ 13,813,439	\$ 14,448,549	\$ 13,487,315	\$ 15,763,800
Excess (Deficiency) of Revenues Over (Under) Expenditures		\$ 131,119	\$ (213,509)	\$ (378,647)	\$ (5,278)	\$ -

**Galena Park Independent School District**  
**Revenues, Expenditures, Other Resources and Fund Balances**  
**Food Service**

	2013-2014 Actuals (Audited)	2014-2015 Actuals (Audited)	2015-2016 Actuals (Audited)	2016-2017 Actuals (Unaudited)	2017-18 Adopted Budget
<b>OTHER RESOURCES/NON-OPERATING RESOURCES</b>					
7912 Sale of Real or Personal Property	\$ 2,848	\$ 5,991	\$ 12,630	\$ 10,135	\$ -
7900 Total Other Resources	<u>\$ 2,848</u>	<u>\$ 5,991</u>	<u>\$ 12,630</u>	<u>\$ 10,135</u>	<u>\$ -</u>
Net Change in Fund Balance	\$ 133,967	\$ (207,518)	\$ (366,017)	\$ 4,857	\$ -
<b>FUND BALANCES</b>					
3100 Beginning Fund Balance 09/01	<u>\$ 3,886,961</u>	<u>\$ 4,020,928</u>	<u>\$ 3,813,410</u>	<u>\$ 3,447,393</u>	<u>\$ 3,452,250</u>
Prior Period Adjustment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
3100 Ending Fund Balance 08/31	<u><u>\$ 4,020,928</u></u>	<u><u>\$ 3,813,410</u></u>	<u><u>\$ 3,447,393</u></u>	<u><u>\$ 3,452,250</u></u>	<u><u>\$ 3,452,250</u></u>

**Galena Park Independent School District**  
**Revenues, Expenditures, Other Resources and Fund Balances**

Notes: *Student Enrollment*

Enrollment count is based on the PEIMS snapshot data, taken on the final class day in October.

*Prior Period Adjustment*

During fiscal year 2014, the District implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Under this new standard, bond issuance costs have been removed from the Statement of Net Position. The beginning net position for governmental activities has been restated. Beginning with fiscal year 2014, bond issuance costs were treated as period costs.

In addition, the District no longer accounts for prepaid items using the consumption method. Beginning with fiscal year 2014, the District began using the purchase method where payments for prepaid items are fully recognized as expenditures in the year of payment. The District believes the purchase method is preferable and consistent with the governmental fund concept of reporting only expendable financial resources. As such, restatement of the General Fund's beginning fund balance and Governmental Activities beginning net position was necessary.

*Fund Balance*

Beginning with fiscal year 2011, Galena Park Independent School District implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The Statement also clarifies the governmental fund definitions. The following fund balance classifications describe the relative strength of the spending constraints:

**Nonspendable fund balance** – amounts that are not in spendable form or are required to be maintained intact. As such, inventory has been properly classified in the Governmental Funds Balance Sheet (Exhibit C-1).

**Restricted fund balance** – Amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors.

**Committed fund balance** – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. the Board of Trustees). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a commitment of the fund. The District has committed 100 percent of Fund 461 Campus Activity Funds' fund balance.

**Assigned fund balance** – amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official or body to which the Board of Trustees delegates the authority. Per Board Policy, CE Local, the Board has delegated authority to the Superintendent or Chief Financial Officer to establish fund balance assignments.

For the last audited statements (fiscal year 2015-16), the following Fund balance classifications were made:

	General Operating	Debt Service	Food Service
<b>Nonspendable</b>			
Inventories	\$ 268,136	\$ -	\$ 411,560
<b>Restricted</b>			
Grants	-	-	3,035,833
Debt Service	-	7,539,501	-
<b>Assigned</b>	55,725,484	-	-
<b>Unassigned</b>	82,326,206	-	-
<b>Total Fund Balance</b>	<b>\$ 138,319,826</b>	<b>\$ 7,539,501</b>	<b>\$ 3,447,393</b>



**Galena Park Independent School District  
Forecasted Revenues, Expenditures, and Fund Balances**

	<b>Budgeted 2017-18</b>	<b>Projected 2018-19</b>	<b>Projected 2019-20</b>	<b>Projected 2020-21</b>
<b>General Fund</b>				
Local	\$ 102,085,800	\$ 108,563,155	\$ 109,598,786	\$ 110,644,774
State	102,912,200	101,018,847	102,029,035	103,049,326
Federal	2,700,000	2,849,000	2,900,000	2,950,000
<b>Total Revenue</b>	<b>\$ 207,698,000</b>	<b>\$ 212,431,002</b>	<b>\$ 214,527,822</b>	<b>\$ 216,644,100</b>
Payroll	\$ 176,445,860	\$ 178,210,319	\$ 180,883,473	\$ 183,596,725
Purchased Services	19,157,174	19,061,388	18,966,081	18,871,251
Supplies and Materials	9,287,742	8,574,392	8,785,197	8,345,937
Other Operating Costs	5,954,829	4,385,394	4,017,796	4,057,974
Debt Service	365,600	365,600	365,600	50,000
Capital Outlay	1,285,595	1,349,875	1,687,343	1,771,711
<b>Total Expenditures</b>	<b>\$ 212,496,800</b>	<b>\$ 211,946,967</b>	<b>\$ 214,705,491</b>	<b>\$ 216,693,598</b>
Other Uses				
<b>Change to Fund Balance</b>	<b>\$ (4,798,800)</b>	<b>\$ 484,034</b>	<b>\$ (177,669)</b>	<b>\$ (49,498)</b>
Fund Balance - Beginning	\$ 145,800,876	\$ 141,002,076	\$ 141,486,110	\$ 141,308,441
Fund Balance - Ending	\$ 141,002,076	\$ 141,486,110	\$ 141,308,441	\$ 141,258,943
<b>Debt Service</b>				
Local	\$ 26,049,900	\$ 27,155,039	\$ 27,421,589	\$ 27,690,805
State	287,800	-	-	-
<b>Total Revenue</b>	<b>\$ 26,337,700</b>	<b>\$ 27,155,039</b>	<b>\$ 27,421,589</b>	<b>\$ 27,690,805</b>
Debt Service	\$ 23,924,400	\$ 23,922,150	\$ 23,924,463	\$ 23,925,826
<b>Total Expenditures</b>	<b>\$ 23,924,400</b>	<b>\$ 23,922,150</b>	<b>\$ 23,924,463</b>	<b>\$ 23,925,826</b>
Other Uses				
<b>Change to Fund Balance</b>	<b>\$ 2,413,300</b>	<b>\$ 3,232,889</b>	<b>\$ 3,497,126</b>	<b>\$ 3,764,979</b>
Fund Balance - Beginning	\$ 8,813,392	\$ 11,226,692	\$ 14,459,581	\$ 17,956,707
Fund Balance - Ending	\$ 11,226,692	\$ 14,459,581	\$ 17,956,707	\$ 21,721,686

**Galena Park Independent School District  
Forecasted Revenues, Expenditures, and Fund Balances**

	<b>Budgeted 2017-18</b>	<b>Projected 2018-19</b>	<b>Projected 2019-20</b>	<b>Projected 2020-21</b>
<b>Food Service</b>				
Local	\$ 2,457,900	\$ 2,487,395	\$ 2,517,244	\$ 2,547,450
State	79,000	81,370	83,811	86,325
Federal	13,226,900	13,888,245	14,582,657	15,311,790
<b>Total Revenue</b>	<b>\$ 15,763,800</b>	<b>\$ 16,457,010</b>	<b>\$ 17,183,712</b>	<b>\$ 17,945,566</b>
Payroll	\$ 6,584,425	\$ 6,716,114	\$ 6,850,436	\$ 7,192,958
Purchased Services	351,695	350,000	350,000	350,000
Supplies and Materials	8,594,227	9,023,938	9,475,135	9,948,892
Other Operating Costs	33,453	37,467	41,963	46,999
Capital Outlay	200,000	200,000	200,000	200,000
<b>Total Expenditures</b>	<b>\$ 15,763,800</b>	<b>\$ 16,327,519</b>	<b>\$ 16,917,534</b>	<b>\$ 17,738,849</b>
Other Uses				
<b>Change to Fund Balance</b>	<b>\$ -</b>	<b>\$ 129,491</b>	<b>\$ 266,178</b>	<b>\$ 206,717</b>
Fund Balance - Beginning	<b>\$ 3,452,250</b>	<b>\$ 3,452,250</b>	<b>\$ 3,581,741</b>	<b>\$ 3,847,919</b>
Fund Balance - Ending	<b>\$ 3,452,250</b>	<b>\$ 3,581,741</b>	<b>\$ 3,847,919</b>	<b>\$ 4,054,636</b>

Assumptions:

\*Property value growth of 1%

\*Taxable Values with 97.5% collection rate

\*Average Daily Attendance growth of 1%

\*The District has sufficient unassigned Fund Balance to cover projected deficits

## School Finance

Funding for Texas's public schools comes from three main sources: local school district property taxes, state funds, and federal funds. The majority of funding comes from local property taxes, which are collected by school districts, and state funding. State funding accounts for approximately 42% of the District's total budgeted, while revenue from local property taxes account for roughly 51%.

### History of Tax Rates and State Aid

Over the years, the inconsistencies in property tax revenues have been a topic of controversy, as some districts have expensive commercial property with high tax bases located within their boundaries, while other districts with low tax bases impose higher tax rates but are unable to raise comparable funds. The result is wide disparity in educational spending.

### Educational Reform

In 1947, the 50<sup>th</sup> Texas Legislature established a committee to study educational reform, whose work resulted in proposals to make Texas public schools more efficient and better funded, in order to provide better educational opportunities for Texas children. Three bills proposed by the committee were adopted by the 51<sup>st</sup> Legislature in 1949, raising salaries for teachers, creating the Foundation School Program (FSP) to supplement local tax revenue with state equalization funding, and making state funding reliant on student attendance, the goal being to provide an incentive to increase attendance.

The case *San Antonio Independent School District v. Rodriguez*, 411 U.S. 1 (1973), assessed that the financing system was a violation of the United States Constitution, specifically the Fourteenth Amendment's Equal Protection clause (the basis for *Brown v. Board of Education* in 1954). The lawsuit claimed that education is a fundamental right, and the method of financing schools predominantly through local property taxes creates wealth-based discrimination against families residing in school districts with a low tax base, as stated families would incur a higher tax burden to provide education equal to families residing in a school district with a high tax base. The United States Supreme Court decided that the right to be educated was, "neither 'explicitly nor implicitly', textually found anywhere in the U.S. Constitution", and therefore, not protected by the Constitution. The Court also found that Texas had not created a suspect class related to poverty, and the state was allowed to continue its school financing plan as long so it was "rationally related to a legitimate state interest."

The Texas Supreme Court considered *Edgewood Independent School District v. Kirby* in 1989, which declared that the school financing system was in violation of the State Constitution provision requiring maintenance of an "efficient" system to achieve "general diffusion of knowledge". The petition showed that the comparison of taxable property values between the wealthiest and poorest districts was 700 to 1, resulting in a disproportion of spending between districts. The Court found that the State's FSP does attempt to provide students with at least a basic education, with funds "distributed to the various districts according to a complex formula such that property-poor districts receive more state aid than do property-rich districts." Fault was found with the FSP in that these funds did not even cover the cost of meeting state-mandated minimum requirements, did not provide for school facilities or debt service, understated transportation allotment actual costs, and underfunded the career ladder salary supplement for teachers. School districts across the state were required to spend additional local revenues to fund these requirements, with low-wealth districts using "a significantly greater proportion" to pay the debt service costs on construction, while districts with a high tax base were able to utilize funds for "a wide array of enrichment programs." The court sided with the plaintiffs, and ordered the State Legislature to develop and implement an equitable system by the 1990-91 school year.



### **The Robin Hood Plan**

Texas Legislature passed a plan in 1993 that met the Court's guidelines, with two aspects of the plan built to prohibit wealthy districts from raising revenues to provide activities and opportunities that were not accomplishable by districts with a low tax

base. First, the Maintenance & Operation (M&O) tax rates were limited to \$1.50 per \$100 assessed property value; school districts that already exceeded the \$1.50 limit were allowed to continue at that rate, and no limits were placed on Interest & Sinking (I&S) tax rates. Secondly, the plan capped the M&O revenue a district could claim, using a statewide per-student rate. Revenues in excess of this amount were “recaptured” by the State, to be redistributed to districts in need. In lieu of recapture, a wealthy district could enter an agreement with a poorer district to transfer funds, an action which dubbed the legislation the “Robin Hood” plan.

Exemption was provided to six school districts in Harris County that have the authority to adopt tax rates above this cap. These districts are Aldine, Deer Park, Galena Park, Katy, Pasadena, and Spring Branch Independent School Districts.

School-finance came to the Texas Supreme court once again in 2005. A majority of school districts were taxing at the maximum rate \$1.50 per \$100 valuation for M&O to meet the state mandates, a system the court ruled was essentially a state property tax, which is prohibited by the Texas Constitution. The court required the Legislature to reassess school finance to correct the issue by June 2006; failure to do so would result in a court order to stop the state distribution of funds for the public school system.

### **Tax Rate Compression**

In May 2006 the 79<sup>th</sup> Texas Legislature passed House Bill 1 (HB1), which included a mandated one-third reduction (66.67%) of the M&O tax rates by the tax year 2007. To minimize the burden, this was allowed to be done in steps: a district could decrease their 2006 tax rate to 88.67% of the 2005 rate, then decrease to 66.67% of the 2005 rate for the 2007 tax year. The new rates are known as the Compressed Tax Rate (CTR).

School districts were allowed to increase the tax rate by \$0.04 per \$100 valuation above the tax rate for “enrichment”, without requiring voter approval. Additional enrichment taxes above \$.04 per \$100 valuation could be assessed, but only with a successful Tax Ratification Election (TRE). These first 4 cents of enrichment tax (an amount raised to 6 cents in 2009) were not subject to state recapture, and became known as “Golden Pennies”, as they represented the highest level of supplemental funding available to districts. Enrichment tax revenues above this level are subject to state recapture, and are referred to as “Copper Pennies” since, in effect, they generate less supplemental funding than the Golden Pennies. HB1 capped the enrichment taxes to 17 cents, making the maximum M&O tax rates \$1.17 per \$100 valuation for Texas school districts. The rollback rate reduction and enrichment cap calculations also would apply to the Harris County districts allowed by law to exceed the \$1.50 M&O cap by substituting their 2005 M&O tax rate for \$1.50.

The first year of compression, the District's CTR dropped to \$1.4276 per \$100 valuation. The Board approved the 4 golden pennies to be added to this, for a total 2006 tax rate of \$1.4676 per \$100 valuation. In the second year, the CTR decreased to \$1.0734, and including the enrichment tax of \$0.04, resulted in an approved rate of \$1.1134 per \$100 valuation.

In addition to setting the M&O rate, a district must calculate its "effective rate", the rate that would generate the same amount of revenue as the prior year. In the event that property values rise from one year to the next, the effective rate would be less than the rate set. A "rollback rate" is one that provides a district the same amount of revenue as was spent on day-to-day operations in the prior year, including an additional percentage. If a school district adopts a tax rate that exceeds the district's rollback rate, voters must approve the new rate by majority vote in an election. Under previous law, the rollback rate generally was a district's effective M&O tax rate, plus 6 cents, plus the tax rate required to pay for any district debt.

With voter approval from a rollback TRE held in December 2007 the tax rate for Galena Park ISD increased from \$1.1134 to \$1.1834 per \$100 valuation. A second successful tax ratification election in September 2012 increased the tax rate an additional .0599 cents for an M&O rate of \$1.2433.

The adopted I&S rate for Galena Park ISD is \$0.3200. Combined with M&O, the total tax rate is \$1.5633.

### **Foundation School Program Today**

The FSP has two main components, operations funding and facilities funding, each of which is tied to the tax efforts of school districts. These components provide funding for school district operations and for school facilities. This overview briefly describes the main components of the FSP.

The operations funding component of the FSP provides school districts with assistance in financing their maintenance and operations based on the following three components:

- Tier I
- Tier II
- Revenue at the compressed tax rate

**Tier I** of the FSP is made up of several allotments, including those for regular basic education, Special Education, Career and Technical Education, Bilingual/English as a Second Language Education, Compensatory Education, Gifted and Talented Education, Public Education Grants, transportation, and new instructional facilities. Tier I also includes an allotment for specialized programs at the high school level, the high school allotment.

The **basic allotment** is the basis of funding for most of the allotments making up a district's Tier I entitlement, an amount which varies based on a school district's CTR. A district's basic allotment amount is \$5,140 multiplied by the quotient that results from dividing the district's CTR by the state maximum compressed tax rate, which is \$1.00. Consequently, a district with a CTR of \$1.00 has a basic allotment amount of \$5,140. The basic allotment amount and the number of students in average daily attendance are used to calculate a district's Tier I entitlement.

A school district is responsible for funding a portion of its Tier I entitlement. The portion of the Tier I entitlement that the district is responsible for is called the Local Fund Assignment (LFA). The LFA is the amount of tax collections generated by assessing the CTR or a tax rate of \$1.00, whichever is lower, for each \$100 of property valuation, using the preceding school year's property values.

**Tier II** provides a "guaranteed yield," or guaranteed level of funding, to school districts to supplement the basic funding provided for by Tier I. The guaranteed yield ensures that school districts generate a specified amount of state and local funds per student in weighted average daily attendance (WADA) for each cent of tax effort above the tax effort required to meet the LFA, up to an amount set by statute

In 2009, HB 3646 modified Tier II to provide two levels of guaranteed yield funding on the pennies of tax effort that exceed the LFA tax rate (modified by HB 3646 to be the lesser of \$1.00 or a district's CTR).

- Level 1 – an amount set by the General Appropriations Act, to be the greater of:
  - Austin ISD property wealth per student (known as the Austin Yield)
  - The amount of district tax revenue per WADA per cent of tax effort generated for this level of guaranteed yield funding for the last school year
- Level 2 – a fixed amount set by statute, \$31.95 per WADA

**Revenue at the compressed tax rate**, provided for in the property-tax-relief law that was passed in 2006 and modified in 2009 and 2011, guarantees school districts a set amount of funds per student in weighted average daily attendance to compensate for the or compression of their local maintenance and operations (M&O) tax rates from rates that were adopted in 2005.

**Recapture** is a mechanism in state funding formulas that ensures that a district's property wealth per student does not exceed certain levels, known as equalized wealth levels. A district that is subject to recapture is often referred to as a Chapter 41 district because the provisions governing recapture are found in the TEC, Chapter 41. When a school district adopts a tax rate above the \$1.00 CTR, the first six cents (Golden Pennies) are funded up to the Austin Yield, while the four cents above this (Copper

Pennies) are funded up to \$31.95. Property wealthy districts with a tax rate that includes Copper Pennies are subject to recapture, if the tax revenues for at this level exceeds \$31.95 per penny per WADA. Galena Park ISD is not subject to recapture at this time.

The facilities funding component of the FSP consists of the Instructional Facilities Allotment (IFA) program and the Existing Debt Allotment (EDA) program. These programs assist school districts in funding facilities by equalizing I&S tax effort.

State Funding available for appropriation in the 2017-18 budget increased by an average of \$117 per WADA due to funding formula changes. The formula changes were included in Senate Bill 1 passed during the 85th Legislative session, which increased the Austin Yield from \$77.53 to \$99.41 for the 2017-18 school year, and to \$106.28 in the 2018-19 school year.

*Sources: Edgewood v. Kirby, 777 S.W.2d 391. Texas Supreme Court. 1989, San Antonio School District v. Rodriguez. 411 U.S. 1. Supreme Court of the United States. 1971, Schools and Taxes: A Summary of Legislation of the 2006 Special Session. House Research Organization. Texas House of Representatives Focus Report. May 35, 2006, Texas State Historical Association <https://tshaonline.org>, The Texas Tribune <https://www.texastribune.org>*



A partial history of the District's tax roll is below.

### Galena Park ISD Tax Revenue Analysis

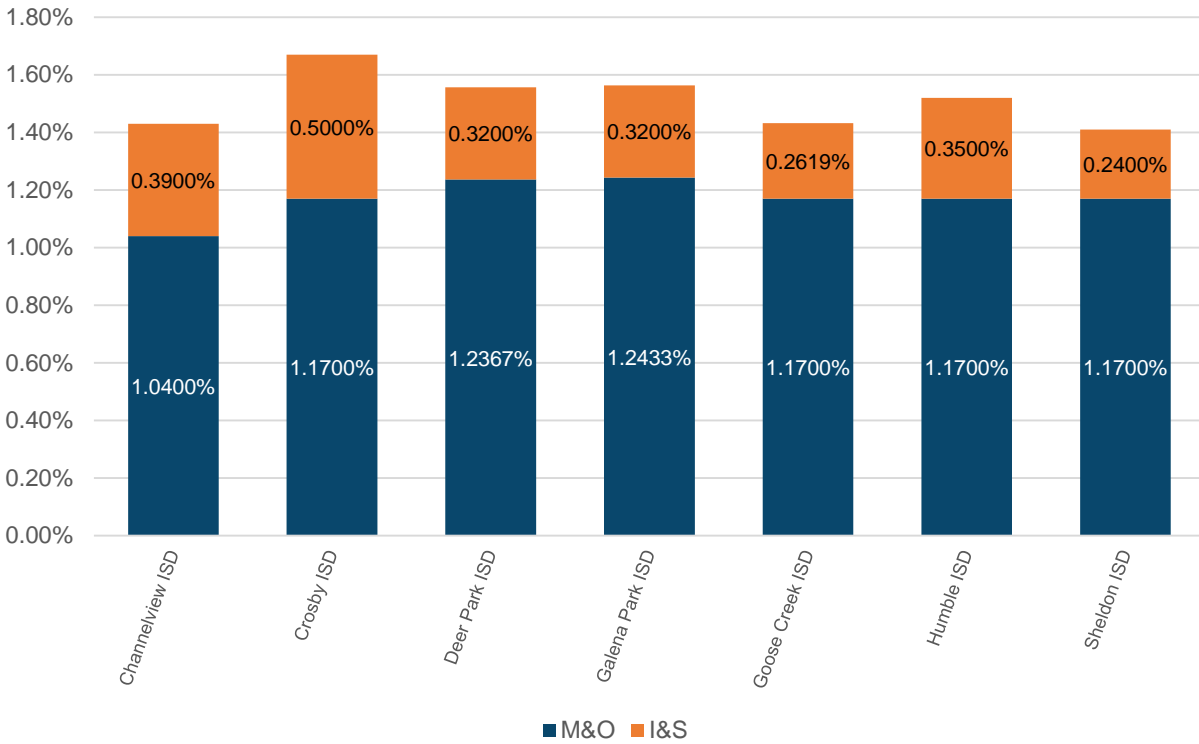
Tax Year	M&O Rate	I&S Rate	Total Rate	Original Budget	Actual Collected (Including Delinquent)	Actual Overage (Shortage)
2017	1.2433	0.3200	1.5633	\$ 125,942,626		
2016	1.2433	0.3200	1.5633	124,026,250	\$ 126,197,921	\$ 2,171,671
2015	1.2433	0.2701	1.5134	111,656,518	122,826,293	11,169,775
2014	1.2433	0.2701	1.5134	100,194,891	110,746,959	10,552,068
2013	1.2433	0.2701	1.5134	89,895,960	101,898,646	12,002,686
2012	1.1834	0.3300	1.5134	77,811,070	96,060,301	18,249,231
2011	1.1834	0.3300	1.5134	81,463,863	82,518,824	1,054,961

### Tax Rate Comparison to Local Districts

Channelview ISD	M&O	I&S	Total Rate	Goose Creek ISD	M&O	I&S	Total Rate
2016	1.0400	0.3960	1.4360	2016	1.1700	0.2619	1.4319
2015	1.0400	0.3750	1.4150	2015	1.0400	0.3919	1.4319
2014	1.0400	0.4070	1.4470	2014	1.0400	0.3919	1.4319
2013	1.0400	0.3995	1.4395	2013	1.0400	0.3468	1.3868
Crosby ISD	M&O	I&S	Total Rate	Humble ISD	M&O	I&S	Total Rate
2016	1.1700	0.5000	1.6700	2016	1.1700	0.3500	1.5200
2015	1.1700	0.5000	1.6700	2015	1.1700	0.3500	1.5200
2014	1.1700	0.5000	1.6700	2014	1.1700	0.3500	1.5200
2013	1.1700	0.5000	1.6700	2013	1.1700	0.3500	1.5200
Deer Park ISD	M&O	I&S	Total Rate	Sheldon ISD	M&O	I&S	Total Rate
2016	1.2367	0.3200	1.5567	2016	1.1700	0.2400	1.4100
2015	1.2367	0.3200	1.5567	2015	1.1700	0.2400	1.4100
2014	1.2367	0.3200	1.5567	2014	1.1700	0.2600	1.4300
2013	1.2367	0.3200	1.5567	2013	1.1700	0.2600	1.4300

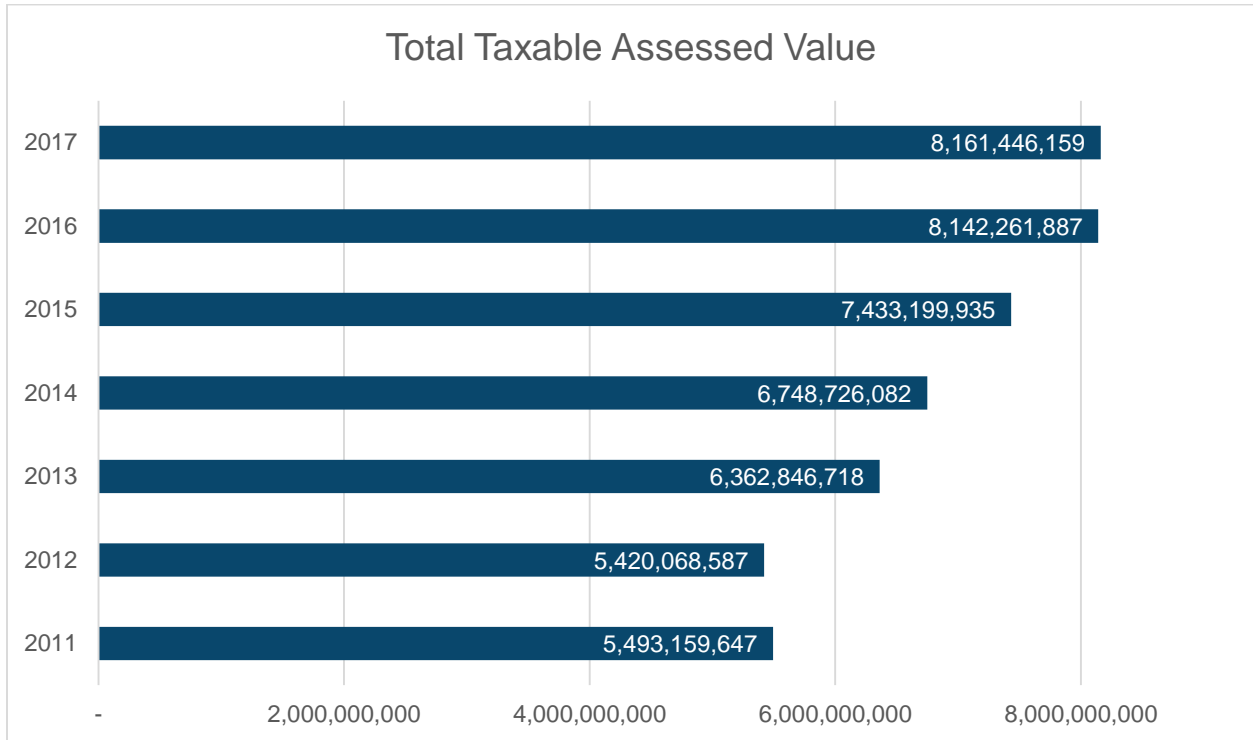
[www.hctax.net](http://www.hctax.net)

### 2016 Tax Rate Comparison



## Property Values

Property taxes are the District's most significant source of local revenue, usually comprising 40% of all revenues recognized and received. The District's assessed value of taxable property for the year 2017 increased from \$8.14 billion to \$8.16 billion, an increase of 0.24%. The Texas Comptroller of Public Accounts annually certifies the final property value on or before July 1.



Taxable Value is defined by Section 1.04(10), Tax code. Amounts equal to beginning certified taxable values

Property values are determined by the Harris County Appraisal District as of January 1<sup>st</sup> of each year. Prior to September 1<sup>st</sup> of each year, the District must adopt its annual budget, and as soon thereafter as practicable, adopt a tax rate thus creating the tax levy.

## Summary of Property Tax Exemptions

In addition to the \$25,000 Homestead Exemption and the \$10,000 Over 65 Exemption, the District offers a 20% Local Homestead Exemption and an additional \$7,400 exemption to taxpayers over 65 years of age. When a taxpayer receives an Over 65 Exemption, they also receive a "tax ceiling" for total school taxes; that is, the school taxes on the taxpayer's home cannot increase as long as they own and live in that home. The tax ceiling is set at the amount paid in the year the taxpayer qualifies for the

over-65 homeowner exemption. The school taxes on the home may fall below the ceiling, but cannot rise above it.

Galena Park ISD Schedule of Exemptions	
State Homestead	\$25,000
Local Homestead	20%
Disability State Homestead	\$10,000
Vetrans Disability	Determined by percentage of disability
Over 65 State Homestead	\$10,000
Over 65 Local Homestead	\$7,400

- **Residence Homestead** - \$25,000 & 20% Local - available for all homeowners on the residence as long as the homeowner lived there on January 1st of the tax year.
- **Age 65 or Older** - \$10,000 & \$7,400 Local - Can be taken in addition to the Residence Homestead Exemption. Homeowners over the age of 65 may also arrange for a Tax Affidavit Deferral. The homeowner may choose to defer the collection of taxes if they own and occupy the residence and taxes are delinquent; however, a tax lien remains on the property and interest of 8% a year continues to accrue.
- **Disabled Homestead** - \$10,000 - Can be taken in addition to the Residence Homestead Exemption; available to those who qualify according to specific guidelines. If a homeowner qualifies for disability benefits under the Federal Old Age, Survivors and Disability Insurance Program administered by the Social Security Administration, they will qualify for Disabled Homestead Exemptions. If a homeowner qualifies for both the Over-65 Exemption and the Disability Exemption, they must choose one or the other for school taxes, but cannot receive both.
- **Disabled Veteran or Survivor** - Homeowner must be a Texas resident to receive this exemption, and also must have documents from either the Veteran's Administration or the appropriate branch of the armed forces showing the percentage of service-related disability. The disability rating must be at least 10 percent. This exemption ranges from \$5,000 to \$12,000 depending on the extent of the disability. This exemption can be taken on any property in Texas; it is not limited to the homestead property. However, the homeowner may pick only one property to receive the exemption.

## General Fund

The general fund is the chief operating fund of the District, used to account for all financial transactions not properly included in other funds. The principal sources of revenue include local property taxes, State revenue, interest income, and Federal revenue. Expenditures include all costs associated with the operations of the schools. The District's Board of Trustees and Administrators considered a variety of factors when adopting the budget for the 2016-17 fiscal year. Those factors include property values, enrollment trends, state funding, the economy, and legislative mandates.

## Local Revenue

### Property Taxes

The School District's property tax rate is comprised of two elements, Maintenance & Operations (M&O), which funds the District's general fund expenditures, and Interest & Sinking (I&S), which funds the District's debt payment obligations.

### Galena Park ISD M&O Tax Revenue Analysis

Tax Year	M&O Rate	Original Budget	Actual Collected (Including Delinquent)	Actual Overage (Shortage)
2017	1.2433	\$ 100,095,726		
2016	1.2433	101,864,100	\$ 100,420,915	\$ (1,443,185)
2015	1.2433	91,410,204	100,934,605	9,524,401
2014	1.2433	81,717,000	91,006,859	9,289,859
2013	1.2433	73,733,050	83,773,193	10,040,143
2012	1.1834	63,972,108	78,993,722	15,021,614

### Investment Interest

Investments made by the District comply with the Public Funds Investment Act (Texas Government Code Chapter 2256, Subchapter A) and all federal, state, and local statutes, rules or regulations (*Gov't Code 2256.026*).

## State Revenue

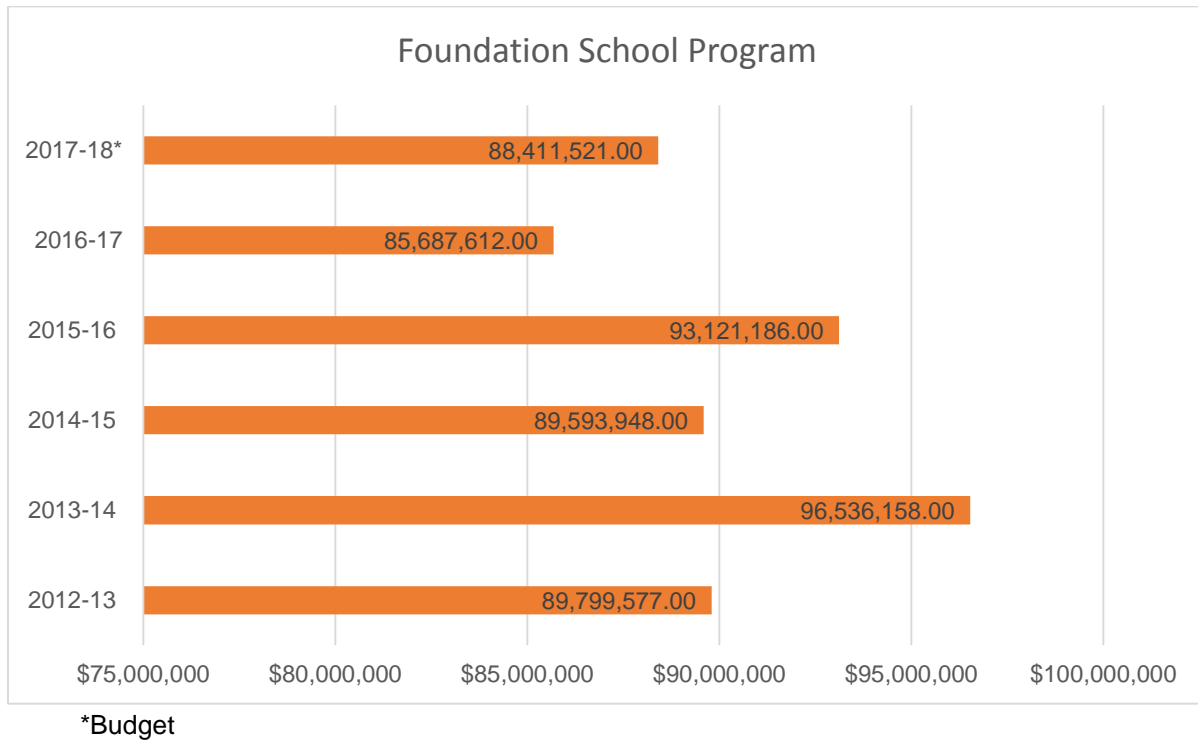
### The Foundation School Program

The Foundation School Program (FSP), administered by the Texas Education Agency (TEA), is the state program that establishes the amount of state and local funding due to school districts under Texas school finance law and that provides the state share of this

funding to districts. The FSP is meant to ensure that all school districts, regardless of property wealth, receive "substantially equal access to similar revenue per student at similar tax effort, considering all state and local tax revenues of districts after acknowledging all legitimate student and district cost differences."

*Source: Texas Education Code, §42.001(b)*

The following graph shows the Foundation School Program amounts received by the district for the past five years, plus the anticipated amount to be received in the current fiscal year.



### **Per Capita Apportionment**

Under the Texas Constitution, Texas school districts and charter schools receive payments from the Available School Fund (ASF) for all enrolled eligible students. The ASF is primarily made up of revenue generated by both the state's fuel tax and the Permanent School Fund.

Districts and charter schools receive these "per capita" payments based on prior-year average daily attendance (ADA). The payment rate per ADA (the distribution rate) is adopted each year by the State Board of Education.

The ASF serves as a method of finance for the Foundation School Program (FSP). Thus, this source of revenue helps with the state's FSP payments to school districts and charter schools. This is not additional revenue.

All districts, regardless of property wealth, are eligible to receive ASF funds.

The State revenue sources discussed above and local revenue from property tax collections made up approximately 88.2% of total general fund revenue for 2016-17. The majority of the remaining revenue is contributed by the State of Texas for the Teacher Retirement System (TRS) on-behalf of the District's employees. This amount is also recognized as an expenditure estimate, which is calculated at 6.8% of eligible employee earnings.

### **School District Retiree Health Plan**

Plan Description - Galena Park ISD contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit post-employment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS-Care. That report may be obtained by visiting the TRS web site at [www.trs.state.tx.us](http://www.trs.state.tx.us), by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling 1-800-223-8778.

Funding Policy - Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. It also added a 1.5% contribution for employers not paying Old

Age Survivor and Disability Insurance (OASDI) on certain employees effective for fiscal year 2015 as discussed in Note 1 of the TRS 2014 CAFR. The 85th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2018 and 2019.

Contribution rates and amounts are shown in the table below for the past three fiscal years.

<b>Contribution Rates</b>			
	<b>2017</b>	<b>2016</b>	<b>2015</b>
Non-Employer Contributing Entity	6.80%	6.80%	6.80%
Member	7.70%	7.20%	6.70%
Employers	6.80%	6.80%	6.80%

### **Enrollment**

Enrollment projections are one of the most significant factors in the budget development and long-range financial planning process. These projections are designed to predict the student enrollment of the District based on geographic data, student data, migration data, and historical data of student populations.

An assessment of projected student attendance and campus capacity identified ten (10) campuses that would be *at* capacity and seven (7) campuses *over* capacity by the year 2023. The District called a bond election with a \$290 million proposal, which included the following specific purposes:

- Rebuild six (6) elementary campuses
- Build a 10<sup>th</sup> Grade Center on the north side of the district
- Renovations and upgrades to all other campuses
- Land acquisition for Facilities Opportunities

Voters approved the proposal on May 7, 2016. Additional information regarding the plans for these funds are included in the section [2016 Series Bonds](#).

## **Federal Revenue**

### **School Health and Related Services**

The largest source of federal revenue for the District comes in the form of reimbursements from the School Health and Related Services (SHARS) program. SHARS allows local school districts to obtain Medicaid reimbursement for certain health-related services provided to students in special education. The budgeted amount for 2017-18 is \$1,850,000 or 0.89% of the total revenue budget.



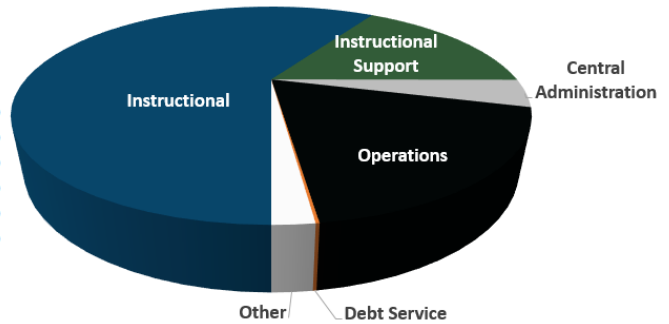
## Expenditures

The adopted General Fund expenditure budget for 2017-18 is \$212,496,800. This is an increase of \$7,775,500 or 3.80% more than the adopted 2016-17 expenditure budget. The majority of the increase is a result of compensation plan adjustments and technology infrastructure investments. The board approved a 3.0% across the board pay raise for all employees, shifted teacher starting salary to \$54,000, and increased the salary levels for teachers between 8 and 25 years of service, estimated to increase payroll costs approximately \$5.4 million. Additional technology investments are estimated at \$1.5 million. While the budget proposed to the Board for adoption is not balanced, the District has sufficient fund balance to cover the deficit. Additionally, certified property values from Harris County Appraisal District are higher than the uncertified values used during the budget planning phase, therefore revenues will likely be higher than the conservative estimates.

The graphs that follow depict the 2017-18 expenditure budget for the General Fund.

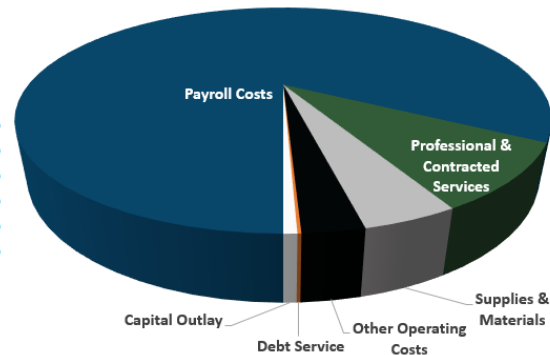
### General Fund Budget by Major Area

Instructional	\$ 125,041,000	58.8%
Instructional Support	34,467,300	16.2%
Central Administration	8,805,100	4.1%
Operations	39,708,800	18.7%
Debt Service	365,600	0.2%
Other	4,109,000	1.9%
<b>Total</b>	<b>\$ 212,496,800</b>	



### General Fund Budget by Major Object

Payroll Costs	\$ 176,445,860	83.0%
Professional & Contracted Services	19,157,174	9.0%
Supplies & Materials	9,287,742	4.4%
Other Operating Costs	5,954,829	2.8%
Debt Service	365,600	0.2%
Capital Outlay	1,285,595	0.6%
<b>Total</b>	<b>\$ 212,496,800</b>	



**General Fund Expenditures by Major Object**

	Adopted Budget 2016-17	Adopted Budget 2017-18	Percentage Increase (Decrease)
Payroll Costs	\$ 168,418,700	\$ 176,445,860	4.77%
Professional & Contracted Services	18,164,300	19,157,174	5.47%
Supplies & Materials	10,321,800	9,287,742	-10.02%
Other Operating Costs	5,863,400	5,954,829	1.56%
Debt Service	371,000	365,600	-1.46%
Capital Outlay	1,582,100	1,285,595	-18.74%
	<b>\$ 204,721,300</b>	<b>\$ 212,496,800</b>	<b>3.80%</b>

**Campus and Department Budgets**

Campus. Each campus receives an allocation as part of the District’s general fund budget providing an opportunity for the campus to budget the allocation according to their needs and Campus Improvement Plan. The principal is responsible for allocating resources to cover the costs of instructional needs, library resources, campus initiated staff developments, school leadership requirements, health services, guidance and testing, and capital outlay. The authority to budget the campus allocation comes with accountability for student outcomes.

Campus allocations are based on the calculation below. With Average Daily Attendance (ADA) being a driving force of revenue, projected ADA is used to determine the allocation for each campus.

Elementary Schools	Projected ADA x \$100
Middle Schools	Projected ADA x \$109
High Schools	Projected ADA x \$173

The chart on the following page shows the 2017-18 budgets allocated to each campus.

Campus	Projected ADA	Payroll Costs	Prof. & Contracted Services	Supplies & Materials	Other Operating Costs	Capital Outlay	2017-18 Total
Galena Park High	1,749.5	40,600	30,300	121,462	110,297	-	<b>302,659</b>
North Shore Senior - 9th Grade Ctr	1,104.2	13,275	12,397	129,550	35,800	-	<b>191,022</b>
North Shore Senior High	3,123.6	69,045	54,730	237,208	179,400	-	<b>540,383</b>
Accelerated Center for Education	N/A	450	9,290	16,398	13,493	-	<b>39,631</b>
Early College High School	375.0	9,000	1,000	21,550	21,325	-	<b>52,875</b>
Cimarron Elementary	725.9	2,260	7,250	39,055	24,025	-	<b>72,590</b>
Cloverleaf Elementary	737.7	1,355	7,500	36,217	28,700	-	<b>73,772</b>
Havard Elementary	657.1	5,703	6,930	39,629	13,450	-	<b>65,712</b>
Galena Park Elementary	574.9	4,819	11,877	19,580	20,211	1,000	<b>57,487</b>
Green Valley Elementary	716.9	10,162	8,620	34,721	18,190	-	<b>71,693</b>
Jacinto City Elementary	742.7	2,231	6,682	45,060	20,295	-	<b>74,268</b>
MacArthur Elementary	657.3	2,240	6,150	38,825	18,510	-	<b>65,725</b>
North Shore Elementary	937.0	4,685	9,800	54,210	25,000	-	<b>93,695</b>
Pyburn Elementary	595.2	1,033	8,730	31,860	17,900	-	<b>59,523</b>
Woodland Acres Elementary	431.9	925	7,100	15,603	19,560	-	<b>43,188</b>
Tice Elementary	667.3	3,281	1,000	42,973	19,473	-	<b>66,727</b>
Purple Sage Elementary	542.1	1,220	6,732	32,070	14,190	-	<b>54,212</b>
Normandy Crossing Elementary	617.2	3,315	10,150	27,755	20,500	-	<b>61,720</b>
Williamson Elementary	583.5	5,238	1,100	36,813	15,197	-	<b>58,348</b>
Sam Houston Elementary	787.7	2,892	4,932	42,092	28,857	-	<b>78,773</b>
Galena Park Middle	991.6	11,487	22,502	42,643	31,450	-	<b>108,082</b>
North Shore Middle	1,348.5	19,040	6,700	72,199	49,051	-	<b>146,990</b>
Woodland Acres Middle	527.5	8,219	5,390	29,300	14,592	-	<b>57,501</b>
Cunningham Middle	976.3	12,230	9,596	41,153	43,435	-	<b>106,414</b>
Cobb 6th Grade	1,129.3	12,054	8,200	60,451	37,875	-	<b>118,580</b>



Department. Department allocations are based on the prior year allocation including any permanent increases or decreases that occurred during the year. In the planning stage, department budget managers take into account:

- The goals and objectives identified in the District Improvement Plan (DIP)
- Past expenditure levels by function, object code and program intent

Certain capital outlay expenditures, such as fleet replacement and technology upgrades, are budgeted in the General Fund. Items purchased with these funds are tracked and depreciation recorded annually. The only projects that use the Capital Projects Fund are those that fit within the scope of the approved bonds.

The chart that follows breaks down the 2017-18 budgets allocated to each department unit.



Department	Payroll Costs	Prof. & Contracted Services	Supplies & Materials	Other Operating Costs	Debt Service	Capital Outlay	2017-18 Total
Curriculum & Instruction	166,939	221,948	281,861	121,631	-	-	<b>792,379</b>
Gifted & Talented	20,052	7,125	93,936	39,550	-	-	<b>160,663</b>
Technology	20,946	1,104,302	939,683	20,880	-	650,595	<b>2,736,406</b>
Bilingual/ESL	189,559	26,980	286,050	64,374	-	-	<b>566,963</b>
Fine Arts & Academic Enrichment	26,811	154,841	344,477	167,065	-	-	<b>693,194</b>
Education & Academic Support	36,901	296,555	166,948	36,020	-	-	<b>536,424</b>
Compensatory Education	176,963	151,000	407,164	16,655	-	-	<b>751,782</b>
Special Programs	42,087	171,952	8,800	17,819	-	-	<b>240,658</b>
Student Assessment & Accountability	1,850	41,750	61,972	12,950	-	-	<b>118,522</b>
Special Education	81,660	17,600	232,195	39,650	-	-	<b>371,105</b>
Career & Technology	32,904	34,650	265,417	81,700	-	-	<b>414,671</b>
Staff Development	8,800	9,135	20,600	31,700	-	-	<b>70,235</b>
School Administration	29,782	2,685	4,900	42,633	-	-	<b>80,000</b>
Athletics	40,224	77,500	334,000	253,400	-	-	<b>705,124</b>
Educational Support	17,266	8,506	43,260	27,418	-	-	<b>96,450</b>
School Improvement	24,698	97,050	51,948	34,500	-	-	<b>208,196</b>
Student Applications	1,310	2,000	9,750	7,500	-	-	<b>20,560</b>
Education Foundation	-	900	750	1,440	-	-	<b>3,090</b>
Deputy Super., Edu. Support & School Admin.	155,884	339,563	44,209	131,905	-	-	<b>671,561</b>
Night School	62,500	-	6,950	550	-	-	<b>70,000</b>
Communications	46,395	153,200	115,300	127,268	-	-	<b>442,163</b>
Operations	17,755	793,473	7,484	42,806	-	-	<b>861,518</b>
Maintenance	2,600	669,304	706,542	25,800	-	2,000	<b>1,406,246</b>
Energy Management	-	5,334,700	10,500	8,241	-	-	<b>5,353,441</b>
Custodial Services	-	189,375	206,969	9,140	-	-	<b>405,484</b>
Transportation	3,000	265,100	972,594	41,100	-	-	<b>1,281,794</b>

Department	Payroll Costs	Prof. & Contracted Services	Supplies & Materials	Other Operating Costs	Debt Service	Capital Outlay	2017-18 Total
Grounds Maintenance	-	121,675	181,826	4,500	-	35,000	<b>343,001</b>
Student Nutrition/Food Service	-	332,500	-	67,500	-	-	<b>400,000</b>
Security	13,550	2,149,144	120,700	21,600	-	19,000	<b>2,323,994</b>
Lifecycle Projects	-	2,500,000	-	-	-	-	<b>2,500,000</b>
Security & Emergency Management	3,529	5,546	6,044	9,501	-	-	<b>24,620</b>
Bond & Treasury Management	900	456	2,909	3,735	-	-	<b>8,000</b>
HR - Admin	8,426	67,500	31,420	58,714	-	7,000	<b>173,060</b>
Risk Management	2,553	13,500	26,276	2,704,485	-	-	<b>2,746,814</b>
Elementary Human Resource Services	819	4,000	12,900	21,700	-	-	<b>39,419</b>
Tax Collector	1,400	75,419	12,151	9,900	-	-	<b>98,870</b>
Facilities Planning/Lifecycle	870	18,040	18,000	11,379	-	-	<b>48,289</b>
Recruitment	6,000	3,000	15,000	56,000	-	-	<b>80,000</b>
Secondary Human Resource Services	1,000	4,430	8,000	4,500	-	-	<b>17,930</b>
Benefits	1,628	8,371	5,800	22,201	-	-	<b>38,000</b>
Athletic Events	113,745	96,005	-	11,500	-	-	<b>221,250</b>
CFO	-	19,800	14,100	19,100	-	-	<b>53,000</b>
Payroll	3,590	-	10,508	2,300	-	-	<b>16,398</b>
Warehouse/Textbooks	-	3,975	9,933	5,000	-	-	<b>18,908</b>
Finance & Budget	1,745	7,450	22,689	25,800	-	-	<b>57,684</b>
Districtwide Expenses - CFO	-	3,047,925	1,648,000	343,923	365,600	550,000	<b>5,955,448</b>
Superintendent's Office	34,240	223,649	199,250	202,800	-	21,000	<b>680,939</b>
Chief of Staff	1,120	18,937	4,600	99,220	-	-	<b>123,877</b>
Special Projects	-	-	5,000	5,000	-	-	<b>10,000</b>



## Significant Budget changes for 2017-18

- Adjust Teacher pay scale, increase starting pay \$54,000; **\$3,160,551**
- Adjust of Teacher pay scale for years 8-25; **\$308,069**
- 3% of midpoint general pay increase for all employees; **\$1,952,855**
- Various new positions approved by Board of Trustees; **\$1,004,808**
  - 1 Principal, in preparation for the opening of a new campus for 10<sup>th</sup> grade students.
  - 1 Assistant Principal, due to the increase in students attending the Early College High School
  - 1 High School Secretary, due to the increase in students attending the Early College High School
  - 1 Program Director for Business Intelligence, needed to support business and operational applications, software and initiatives
  - 1 Director for Energy Management and Utility services, to provide strategic leadership for energy management and sustainability programs
  - 1 Secondary English Language Arts Specialist, to focus on 10<sup>th</sup> grade students
  - 1 Elementary Math/Science Interventionist, to focus on elementary students at two campus locations
  - 1 Positive Approach for Student Success (PASS) Teacher
  - 1 Teacher, to serve as swim coach for high school campuses
  - 2 Pre-kindergarten Teachers, to begin a three-year old pre-kindergarten program at two campus locations
  - 2 Pre-kindergarten Bilingual Aides, to assist with the three-year old pre-kindergarten program
  - 1 Pre-Kindergarten Aide, due to increase in student population
  - 2 Color Guard Instructors, for high school Fine Arts programs
  - 2 Percussion Instructors, for high school Fine Arts programs
  - 2 Buyers, to ensure the District's purchases are in compliance with Education Department General Administrative Regulations (EDGAR)
  - 2 Secretaries, to assist administrators overseeing Capital Projects and Facilities Planning
  - 1 Assistant Bilingual District Translator
  - 1 Night School Clerk
- Increase for Technology upgrade projects; **\$1,522,595**
- Increase utility costs pending construction and new campuses; **\$500,000**
- Increase in costs of transitioning campuses to new facilities; **\$150,000**
- Increase for website hosting and District app; **\$29,000**
- Increase for Deputy patrol contract costs; **\$26,500**
- Increase for DocuNav maintenance and service fees; **\$20,000**

### **Life Cycle Projects**

The District has budgeted \$2,500,000 in the General Fund for the following Life Cycle Projects to take place during the 2017-18 fiscal year.

HVAC Several campuses will be receiving chemical treatments related to the HVAC system.

Budget Impact: \$40,000

Building Needs Various renovation and flooring projects at several campuses.

Grounds Building	Renovations	\$80,000
Various Campuses	Replace flooring/carpet	195,000
Woodland Acres Middle	Band Hall flooring	15,000
Cimarron Elementary	Front Office flooring	40,000
Galena Park High	Sheffield Building	17,000
Galena Park Middle	Interior windows	18,000
Cunningham Middle	Snack Bar windows	10,000
North Shore Middle	Atrium painting	5,750

Budget Impact: \$380,750

Clock & Fire Alarm Systems Replacement of clock systems at thirteen campuses, estimated costs of \$234,261. Replacement of fire alarm systems at three operational buildings, with an estimated cost of \$165,739.

Budget Impact: \$400,000

Grounds Projects Various parking lot resurfacing, sidewalk repair, and communication tower projects.

North Shore Sr – 9 <sup>th</sup>	Parking lot asphalt	\$125,000
Galena Park High	Sidewalk repair	40,000
Galena Park Middle	Sidewalk repair	25,000
North Shore Middle	Replace three 15'x25' flags	2,000

Budget Impact: \$192,000



Custodial Projects Refinish gym floors at four campuses during the summer of 2018, as well as custodial building needs.

North Shore Senior	Gym floor refinish	\$2,000
Galena Park High	Gym floor refinish	2,000
Cunningham Middle	Gym floor refinish	2,000
North Shore Middle	Gym floor refinish	2,000
Custodial Building	Ten dehumidifiers	15,343
Custodial Building	Scissor lift trailer	4,850

Budget Impact: \$28,193

Athletics Projects related to the upkeep of sports facilities across the District.

Dement Stadium	Re-turf field	\$385,034
Dement Stadium	Cushdrain	145,317
Dement Stadium	Resurface track	136,625
North Shore Middle	Track replacement	228,700
North Shore Senior	Bleacher repair	75,000
Cunningham Middle	Washer and Dryer	12,687

Budget Impact: \$983,363

Lighting Replacement of interior lights at North Shore Senior 9<sup>th</sup> Grade campus; upgrade to LEDs.

Budget Impact: \$155,000

Contingency Funds An estimated \$40,000 has been reserved for curtain replacement at North Shore Middle, and an additional \$146,944 for summer work and unanticipated projects.

Budget Impact: \$186,944

**Life Cycle Grand Total: \$2,500,000**

## Future Life Cycle Projects

The following items are included on the long range life cycle plan for the 2018-19 and 2019-20 school years.

### **2018-19**

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\$ 230,000	Playground replacements
450,000	Bleacher repairs or replacement
400,000	HVAC system replacement or upgrades
10,000	Gym floor refinishing
265,000	Asphalt parking lot resurfacing
60,000	Chain link fence replacement
100,000	Flooring replacement
250,000	Plumbing/electrical improvements
100,000	Drainage improvements
50,000	Athletic equipment purchases
300,000	Replace exterior doors
285,000	Paint interior and/or exterior of various buildings
<u>\$ 2,500,000</u>	

### **2019-20**

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\$ 500,000	Turf replacement at stadium
100,000	ADA improvements
250,000	Playground replacements
150,000	Flooring replacement
120,000	Overhead door replacement
400,000	HVAC system replacement or upgrades
300,000	Paint interior and/or exterior of various buildings
500,000	Window replacement
180,000	Structural repairs
<u>\$ 2,500,000</u>	

## **Debt Service**

The Debt Service Fund accounts for payments of principal, interest, and related fees on the District's general obligation bonds. Under Texas Law, only these Debt Service payments can be charged to this fund.

The most recent bond election was held on May 7, 2016 for \$290 million, passing by 72%. The district will use the bond to address aging facilities, student safety and 21st century education. Plans will include renovations to all 25 educational facilities and 9 support facilities. As of the budget adoption date, no bond sales had occurred.

*Source: North Channel Star <http://www.northchannelstar.com/2016/05/>*

## **Local Revenue**

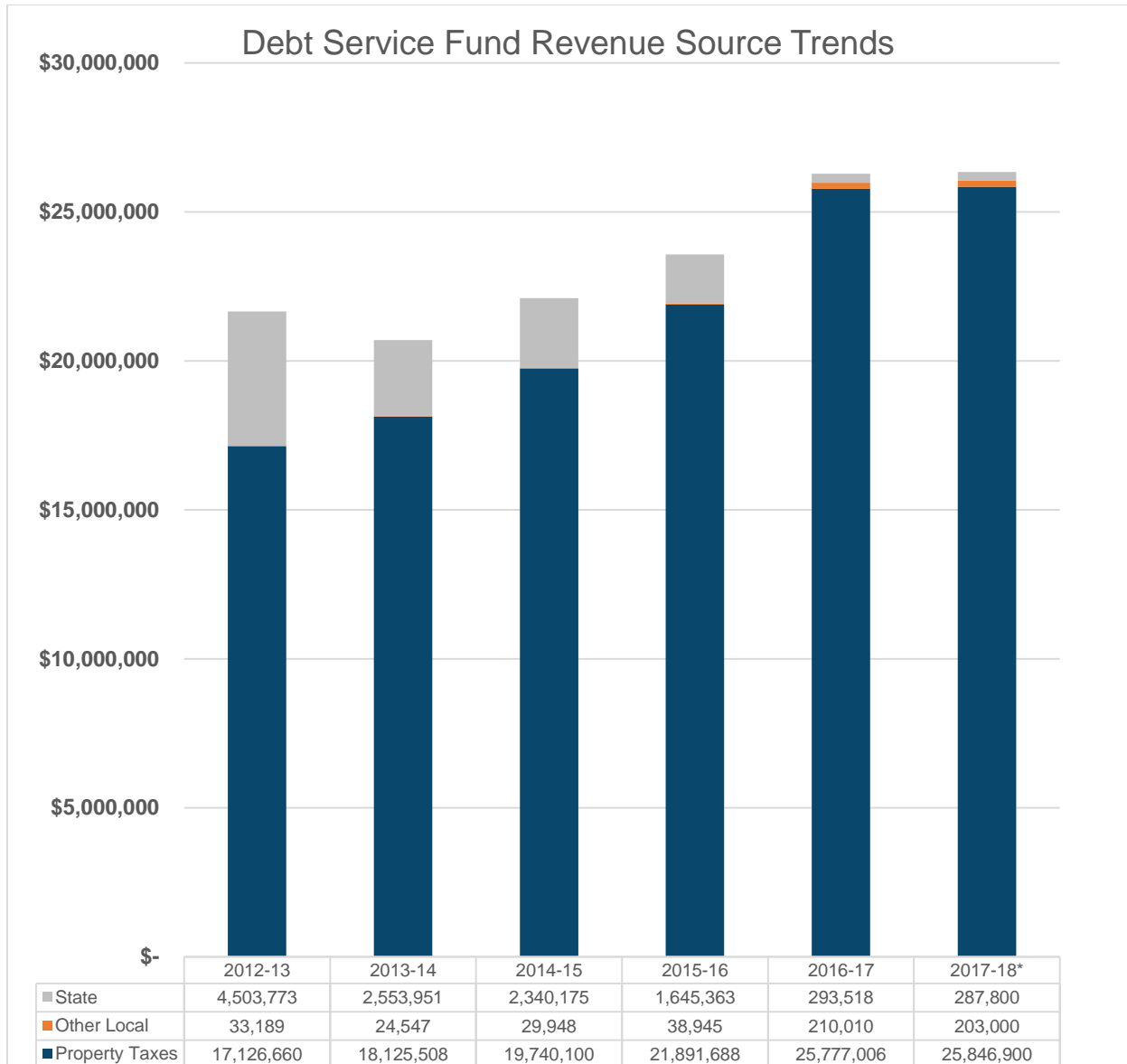
A majority of funding is derived from a designated allocation of the property tax rate, 98.08% for 2016-17. The remainder of locally sourced Debt Service revenue is from interest income derived from temporary investments, 0.80% for 2016-17.

## **State Revenue**

### **Instructional Facilities Allotment Program**

The Instructional Facilities Allotment (IFA) program provides assistance to school districts in making debt service payments on qualifying bond or lease-purchase agreements. Bond or lease-purchase proceeds must be used for the construction or renovation of an instructional facility. This program was enacted by House Bill 1 of the 75th Legislature. State funding accounted for 1.12% of the District's Debt Service revenue in 2016-17.

The graph on the following page depicts the District's total Debt Service revenue over time.



\*Budget

## Expenditures

The Debt Service budget for FY 2017-18 includes \$12,389,524 for principal and \$11,526,301 for interest on outstanding bonds, and \$8,575 for fees associated with these payments. The total amount of outstanding Debt for Galena Park ISD as of September 1<sup>st</sup> is \$432,624,262.76.

This budget will be revised as the District continues to sell the bonds approved in the May 7, 2016 election.

Debt Service is a major area of cost due to the District’s building program, which is primarily financed by the sale of general obligation bonds. The ratio of net bonded debt to assessed value for the District is 2.41%. Although education legislation has eliminated limits on outstanding debt, most school business officials in Texas hold the opinion that the Attorney General would not approve bonded indebtedness in excess of 10 percent of assessed value. All principal and interest payments are due February 15<sup>th</sup> and August 15<sup>th</sup> of each year. On February 1<sup>st</sup> of each year, outstanding taxes become delinquent, which permits the collection of a large majority of taxes levied before the long-term debt payments are due. The General Obligation bond requirements to maturity as of September 1, 2017 total \$233,395,032.50 in principal payments and \$199,229,230.26 in interest payments.

**Legal Debt Margin Calculation**

Assessed Taxable Value	\$8,161,446,159
Add back:	
Exempt Real Property	2,057,916,965
<b>Total Assessed Value</b>	<b>\$10,219,363,124</b>
Debt Limit (10% of total assessed value)	\$1,021,936,312
Debt Applicable to Limit:	
Schoolhouse and Refunding Bonds	246,263,364
Less: Amount set aside for repayment of bonds	<u>(8,430,836)</u>
<b>Total Net Debt Applicable to Limit</b>	<b>237,832,528</b>
<b>Legal Debt Margin</b>	<b>\$784,103,784</b>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	23.27%
Ratio of net bonded debt to assessed value	2.41%

The District uses the proceeds from bond sales to fund construction of new campuses, remodeling of campuses and other district buildings, furnishing new buildings, and purchase large technology expenditures.

The following pages show the outstanding debt repayment schedule, as of August 31, 2017.

## Outstanding Debt Repayment Schedule

Fiscal Year	Series 1996 Building & Ref EDA	Series 2002 Building & Ref IFA/EDA	Series 2008 Building IFA/EDA	Series 2010 Building IFA/EDA	Series 2011 Refunding IFA/EDA	Series 2012 Refunding IFA/EDA	Series 2013 Refunding EDA
Ending (Aug 31)	PSF Guaranteed (Non-Callable)	PSF Guaranteed (Non-Callable)	PSF Guaranteed (8/15/2018)	PSF Guaranteed (8/15/2020)	PSF Guaranteed (2/15/2021)	PSF Guaranteed (8/15/2022)	PSF Guaranteed (2/15/2023)
2018	\$ 4,720,000.00	\$ -	\$ 1,058,462.50	\$ 827,100.00	\$ 2,492,000.00	\$ 380,387.50	\$ 256,575.00
2019	4,720,000.00	-	1,060,462.50	821,350.00	2,490,800.00	381,512.50	472,525.00
2020	4,720,000.00	-	1,056,025.00	825,600.00	841,200.00	2,032,512.50	466,875.00
2021	4,720,000.00	-	1,051,062.50	829,350.00	214,000.00	2,658,062.50	461,075.00
2022	4,720,000.00	2,530,000.00	1,050,575.00	827,600.00	735,800.00	328,212.50	465,125.00
2023	4,720,000.00	2,530,000.00	1,044,300.00	835,600.00	731,600.00	361,012.50	263,725.00
2024	4,720,000.00	2,525,000.00	1,042,500.00	832,850.00	736,600.00	352,612.50	243,025.00
2025	4,720,000.00	2,520,000.00	1,039,912.50	834,850.00	735,400.00	369,212.50	242,775.00
2026	4,720,000.00	2,525,000.00	1,036,537.50	841,350.00	733,200.00	365,062.50	242,375.00
2027	4,720,000.00	10,275,000.00	1,034,200.00	827,100.00		265,762.50	236,825.00
2028	4,725,000.00	10,270,000.00	1,031,150.00	833,100.00		269,162.50	240,812.50
2029	4,720,000.00	10,275,000.00	1,032,387.50	828,350.00		266,687.50	239,475.00
2030	4,720,000.00	10,280,000.00	1,027,675.00	833,350.00		264,050.00	242,475.00
2031	4,720,000.00	10,275,000.00	1,027,250.00	834,750.00		261,250.00	240,125.00
2032		14,995,000.00	1,024,750.00	835,468.76		263,287.50	242,062.50
2033			5,531,250.00	7,820,775.00			238,625.00
2034			5,906,250.00	6,763,500.00			
2035							
2036							
2037							
2038							
2039							
2040							
2041							
	<u>\$66,085,000.00</u>	<u>\$79,000,000.00</u>	<u>\$27,054,750.00</u>	<u>\$27,052,043.76</u>	<u>\$ 9,710,600.00</u>	<u>\$ 8,818,787.50</u>	<u>\$ 4,794,475.00</u>

In October 2016, \$12,705,000 of the Series 2007 Bonds was refunded. By lowering the average interest rate on those Bonds from 4.48% to an average of 1.90% the district was able to save \$2,523,112 in interest cost over the remaining life of the bonds.

Fiscal Year Ending (Aug 31)	Series 2013 Taxable Refunding IFA/EDA PSF Guaranteed (Non-Callable)	Series 2014 Refunding IFA/EDA PSF Guaranteed (2/15/2024)	Series 2015 Refunding IFA/EDA PSF Guaranteed (Non-Callable)	Series 2016 Refunding IFA/EDA PSF Guaranteed (8/15/2026)	Series 2015 Refunding IFA/EDA PSF Guaranteed (2/15/2027)	Total Outstanding Voted Bond Debt Service
2018	\$ 4,357,750.00	\$ 410,112.50	\$ 1,261,312.50	\$ 5,663,625.02	\$ 2,272,550.00	\$ 23,915,825.02
2019	4,355,150.00	415,312.50	1,264,712.50	5,668,025.02	2,267,950.00	23,912,150.02
2020	4,351,750.00	1,235,212.50	451,562.50	5,666,325.02	2,273,200.00	23,914,462.52
2021	4,352,425.00	1,235,212.50	450,062.50	5,664,575.02	2,275,950.00	23,915,825.02
2022		975,362.50	905,162.50	6,681,325.02	4,896,200.00	23,913,962.52
2023		982,412.50	901,312.50	6,680,325.02	4,882,950.00	23,912,537.52
2024		1,008,562.50	890,012.50	6,684,575.02	4,876,200.00	23,911,687.52
2025		1,003,212.50	898,612.50	6,678,325.02	4,870,200.00	23,912,100.02
2026		1,017,262.50	899,600.00	6,671,575.02	4,869,450.00	23,915,862.52
2027		660,112.50		4,993,825.02	898,200.00	23,915,012.52
2028		662,862.50		4,989,237.52	891,200.00	23,911,187.52
2029		665,012.50		4,989,612.52	893,400.00	23,912,925.02
2030		225,025.00		5,430,875.00	894,400.00	23,915,500.00
2031		217,712.50		5,446,212.50	889,200.00	23,913,437.50
2032		205,400.00		5,438,962.50	913,000.00	23,914,493.76
2033		202,800.00		5,529,337.50	1,159,600.00	20,243,762.50
2034				5,124,837.50		17,794,587.50
2035				5,127,606.26		5,127,606.26
2036				5,127,487.50		5,127,487.50
2037				5,124,100.00		5,124,100.00
2038				5,126,500.00		5,126,500.00
2039				5,124,850.00		5,124,850.00
2040				5,124,150.00		5,124,150.00
2041				5,124,250.00		5,124,250.00
	<u>\$17,417,075.00</u>	<u>\$11,121,587.50</u>	<u>\$ 7,922,350.00</u>	<u>\$ 133,880,519.00</u>	<u>\$40,023,650.00</u>	<u>\$432,624,262.76</u>

As additional bonds are sold, the total principal and Interest amount will increase; the interest amount will vary depending on the interest rate the District is able to secure.

## Computation of Estimated Direct and Overlapping Debt

For the Year Ended August 31, 2017

Governmental Unit	Net Debt		Percentage Overlapping	Amount of Overlapping Debt	
	Amount	As Of			
<b>Cities:</b>					
Galena Park	\$459,260	9/30/2016	100.00%	\$459,260	
Houston	2,731,150,000	4/30/2017	0.32%	8,739,680	
Jacinto City	964,117	9/30/2012	34.59%	333,488	
<b>Counties:</b>					
Harris	2,054,826,837	2/29/2016	1.89%	38,836,227	
<b>Municipal Utility Districts:</b>					
Harris Co. MUD 8	3,385,362	6/30/2016	100.00%	3,385,362	
Harris Co. MUD 53	16,027,512	11/8/2016	27.20%	4,359,483	
Harris Co. MUD 285	48,073,639	6/30/2016	69.67%	33,492,904	
<b>Water Control and Improvement Districts</b>					
Harris Co. WC&ID 36	12,064,767	6/30/2016	100.00%	12,064,767	
Port of Houston Authority	632,416,397	12/31/2015	1.89%	11,952,670	
<b>Other Governmental Entities:</b>					
Harris County Department of Education	6,780,000	4/30/2017	1.89%	128,142	
Harris County Flood Control District	78,841,017	2/29/2016	1.89%	1,490,095	
Harris Co. FWSD 47	5,839,372	9/30/2016	22.50%	1,313,859	
Harris Co. FWSD 51	10,507,864	6/30/2016	100.00%	10,507,864	
Harris County Hospital Distirct	61,595,000	4/30/2017	1.89%	1,164,146	
Harris County Toll Road Authority	-	2/29/2016	1.89%	-	
San Jacinto Community College District	394,444,977	4/30/2017	16.18%	63,821,197	
				Subtotal, overlapping debt	\$192,049,144
				Galena Park Independent School District Direct Debt	\$247,298,239
				<b>Total Direct and Overlapping Debt</b>	<b>\$439,347,383</b>

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Galena Park Independent School District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for paying the debt, of each overlapping government.



## Capital Projects

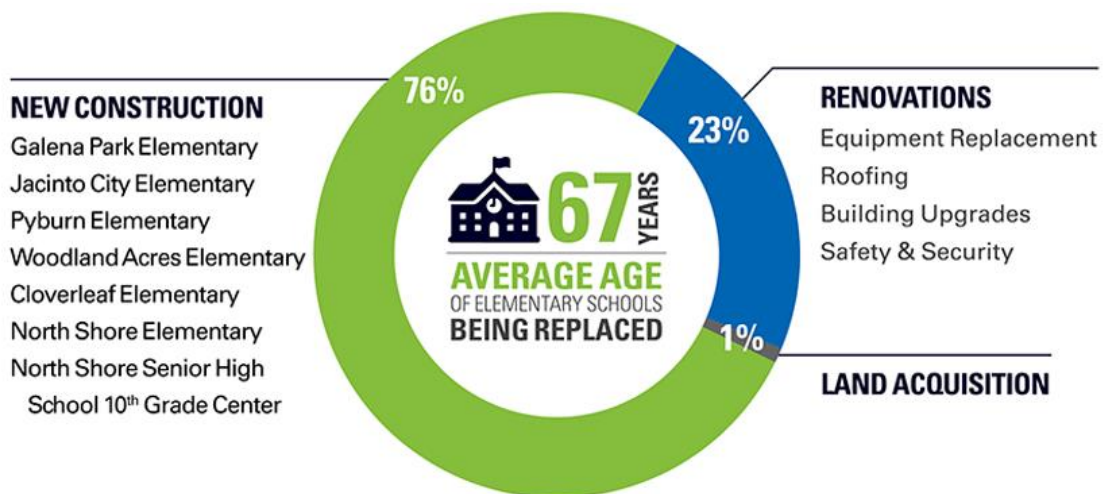
The most recent bond election was held on May 7, 2016 for \$290 million, passing by 72%. The district will use the bond to address aging facilities, student safety and 21st century education. Plans will include renovations to all 25 educational facilities and 9 support facilities. As of the budget adoption date, \$90 million bond sales had occurred. For recording transactions related to Bond activities, the Fund 630 is being used.

Source: North Channel Star <http://www.northchannelstar.com/2016/05/>

An overview of the plans was available on the District's website prior to the Bond election date.

<http://www.galenaparkisd.com/bond2016/>

### Bond 2016 Overview



The Capital Projects Fund expenses are all related to the construction and equipping of new school facilities, to purchase school sites, and renovations or repair of existing facilities. The Board of Trustees does not formally adopt the Capital Project Funds budget annually. The following table breaks down the expenses during the 2016-17 school year.

**2016 Bond Program Financial Report**  
As of August 31, 2017

Project Description	Contractor(s)	Original Budget	Adjusted Budget	Expenditures Y-T-D	Reserved in Purchase Orders	Balance
<b>PROJECTS IN CONSTRUCTION</b>						
Galena Park Elementary - Replacement	Satterfield & Pontikes	\$ 26,609,394.00	\$ 25,226,288.00	\$ 3,258,254.57	\$ 20,251,992.60	\$ 1,716,040.83
North Shore Elementary - Replacement	Drymalla	33,679,800.00	32,020,619.00	3,666,142.64	24,223,644.94	4,130,831.42
North Shore Senior High 10th Grade Center - Addition	Drymalla	34,191,876.00	33,005,245.00	3,968,536.46	22,121,687.22	6,915,021.32
Woodland Acres Elementary - Replacement	Gamma	24,400,284.00	21,536,693.00	2,058,104.18	16,849,410.69	2,629,178.13
<b>Renovations</b>						
Cimarron Elementary School	M. Scott	1,566,636.00	1,971,317.00	1,670,079.53	301,237.47	-
Galena Park Middle School	Jamail & Smith	96,624.00	100,378.54	91,257.04	9,121.50	-
MacArthur Elementary School	Ally Roofing	1,988,730.00	709,791.00	587,836.81	121,954.19	-
Maintenance Facility	M. Scott	24,876.00	68,919.00	68,438.13	480.87	-
Normandy Crossing Elementary School	Sea-Breeze Roofing	1,614,180.00	754,099.21	735,739.21	18,360.00	-
North Shore Senior 9th Grade Campus	M. Scott, Jamail & Smith	887,308.00	275,093.08	274,325.05	768.03	-
North Shore Middle School	Restoration Services	503,332.00	845,455.00	607,408.53	238,046.47	-
North Shore Senior High School	M. Scott, F. W. Walton	3,097,226.00	3,162,629.00	2,737,174.21	425,454.79	-
Williamson Elementary School	M. Scott	3,510,632.00	949,274.00	258,850.63	690,423.37	-
Total - Renovations		13,289,544.00	8,836,955.83	7,031,109.14	1,805,846.69	-
<b>Total - Projects in Construction</b>		<b>132,170,898.00</b>	<b>120,625,800.83</b>	<b>19,982,146.99</b>	<b>85,252,582.14</b>	<b>15,391,071.70</b>
<b>PROJECTS IN DESIGN</b>						
Cloverleaf Elementary - Replacement		34,024,795.00	34,024,795.00	98,622.41	661,180.59	33,264,992.00
Galena Park High School - Addition/Renovations		21,538,717.00	21,538,717.00	76,852.00	471,634.50	20,990,230.50
<b>Total - Projects in Design</b>		<b>55,563,512.00</b>	<b>55,563,512.00</b>	<b>175,474.41</b>	<b>1,132,815.09</b>	<b>54,255,222.50</b>
<b>PROJECTS PENDING</b>						
Jacinto City Elementary - Replacement		34,024,795.00	34,024,795.00	57,667.50	726,111.00	33,241,016.50
Pyburn Elementary - Replacement		30,551,527.00	28,580,461.00	50,112.50	591,522.50	27,938,826.00
Renovations		22,954,027.00	22,953,948.00	-	-	22,953,948.00
Other		12,235,241.00	25,651,483.17	320,812.70	21,884.53	25,308,785.94
<b>Total - Projects Pending</b>		<b>99,765,590.00</b>	<b>111,210,687.17</b>	<b>428,592.70</b>	<b>1,339,518.03</b>	<b>109,442,576.44</b>
<b>LAND ACQUISITION</b>						
<b>Total - Land Acquisition</b>		<b>2,500,000.00</b>	<b>2,500,000.00</b>	<b>1,120,896.92</b>	<b>-</b>	<b>1,379,103.08</b>
<b>PAYROLL</b>						
<b>Total - Payroll</b>		<b>-</b>	<b>100,000.00</b>	<b>21,670.68</b>	<b>-</b>	<b>78,329.32</b>
<b>TOTAL - ALL 2016 BOND PROJECTS</b>		<b>\$ 290,000,000.00</b>	<b>\$ 290,000,000.00</b>	<b>\$ 21,728,781.70</b>	<b>\$ 87,724,915.26</b>	<b>\$ 180,546,303.04</b>

Note: Unappropriated interest earnings are \$797,650.72 as of August 31, 2017.

## New Construction

### Galena Park Elementary

ORIGINAL  
CONSTRUCTION IN  
**1936**

FACILITY AGE  
**77**  
YEARS



#### PROPOSED

- New Replacement School
- New Classroom and Labs
- New Roads and Parking
- New Building Electrical & HVAC
- New Playground
- New Kitchen and Cafeteria

### Project updates

Building slab poured, steel erection begun in areas, underground plumbing in progress.

#### Owner's Contingency

Original Balance	Total Spent	Pending Expenditures	Remaining Balance
\$474,000	47,728	95,860	330,412

#### Playground Contingency

Original Balance	Total Spent	Pending Expenditures	Remaining Balance
\$100,000	0	0	100,000



North Shore Elementary

ORIGINAL  
CONSTRUCTION IN  
**1961**

FACILITY AGE  
**54**  
YEARS



**PROPOSED**

- New Replacement School
- New Kitchen and Cafeteria
- New Roads and Parking
- New Classroom and Labs
- New Playground
- New Building Electrical & HVAC

*Project updates*

Building slab 70% poured, steel erection begun in 75%, underground plumbing complete, beginning stages of exterior framing.

**Owner's Contingency**

Original Balance	Total Spent	Pending Expenditures	Remaining Balance
\$1,220,000	0	389,199	830,801

**Playground Contingency**

Original Balance	Total Spent	Pending Expenditures	Remaining Balance
\$150,000	0	0	150,000

**Project Sign Contingency**

Original Balance	Total Spent	Pending Expenditures	Remaining Balance
\$750	0	0	750



Woodland Acres Elementary

ORIGINAL  
CONSTRUCTION IN  
**1954**

FACILITY AGE  
**61**  
YEARS



**PROPOSED**

- New Replacement School
- New Classroom and Labs
- New Roads and Parking
- New Building Electrical & HVAC
- New Playground
- New Kitchen and Cafeteria

*Project updates*

Termite control sprayed, 50% of area is being prepped for Slab on Grade (SOG), parking lot sub-grade for concrete paving pour.

**Owner's Contingency**

Original Balance	Total Spent	Pending Expenditures	Remaining Balance
\$290,000	0	0	290,000



## North Shore Senior High – 10<sup>th</sup> Grade Campus

### PROPOSED

Additional Roads and Parking    Additional Classroom and Labs  
 Additional Kitchen & Cafeteria    Additional Building Electrical & HVAC



Will share athletics and fine arts with NSSHS

### *Project updates*

Slab poured, steel erected, exterior framing begun for first floor, spraying for fire proofing in progress, begun installation of blocking at roofing parapet cap and penetrations, roof decking underwat in 50% of building, east-side parking lot prepared for sub-grade concrete paving pour.

### **Owner's Contingency**

Original Balance	Total Spent	Pending Expenditures	Remaining Balance
\$740,550	55,341	277,250	407,959



## New Construction Projects Pending

### Pyburn Elementary

ORIGINAL  
CONSTRUCTION IN  
**1952**

FACILITY AGE  
**65**  
YEARS

#### PROPOSED

New Replacement School	New Classroom and Labs
New Roads and Parking	New Building Electrical & HVAC
New Playground	
New Kitchen and Cafeteria	



Estimated start: April, 2018

### Jacinto City Elementary

ORIGINAL  
CONSTRUCTION IN  
**1944**

FACILITY AGE  
**71**  
YEARS

#### PROPOSED

New Replacement School	New Classroom and Labs
New Roads and Parking	New Building Electrical & HVAC
New Playground	
New Kitchen and Cafeteria	



Estimated start: May 2018

Cloverleaf Elementary

ORIGINAL  
CONSTRUCTION IN  
**1943**

FACILITY AGE  
**72**  
YEARS



**PROPOSED**

- New Replacement School
- New Classroom and Labs
- New Roads and Parking
- New Building Electrical & HVAC
- New Playground
- New Kitchen and Cafeteria

Estimated start: pending approval of final schematic floor plan

**Facility Renovation Projects**

Summer 2017 Package A & B – Miscellaneous and Structural Work

*Project updates*

Contractors are completing punch list for exterior doors and project closeout documents.

**Owner's Contingency**

Original Balance	Total Spent	Pending Expenditures	Remaining Balance
\$265,000	25,627	14,430	224,943



## Summer Package C – Re-Roof

### *Project updates*

Contractors are completing punch list items and project closeout documents. Contractor at MacArthur elementary is waiting on warranty paperwork.

### **Macarthur Elementary Roof Contingency**

Original Balance	Total Spent	Pending Expenditures	Remaining Balance
\$20,000	20,000	0	0

### **North Shore Middle Roof Contingency**

Original Balance	Total Spent	Pending Expenditures	Remaining Balance
\$20,000	16,072	0	0

### **North Shore Senior Roof Contingency**

Original Balance	Total Spent	Pending Expenditures	Remaining Balance
\$20,000	20,000	0	0

## **Facility Renovation Projects pending**

### Galena Park High School

#### *Project updates*

Working to schedule a programming meeting for Career & Technology Education addition, Masterplan options to be reviewed by Executive Construction Committee, cooling tower and chiller replacement project needs development of scopr, budget, and schedule.

## **Land Purchase**

Property: 4.322 acres in the John Anderson Survey, Abst 97, Harris County, Texas

Purchase Price	\$1,084,414
Commissions	32,532
Environmental Assessment	2,300
Title Insurance	1,612
Additional Fees	39
<b>Total:</b>	<b>\$1,120,897</b>

## **Food Service**

The Food Service Special Revenue Fund accounts for the District's Food Service Fund operations. Although Special Revenue Funds are generally not included in the annual budget adopted by the Board of Trustees, the Texas Education Agency's regulations require inclusion of the Food Service Fund.

### **Local Revenue**

A majority of locally received revenue comes in the form of student, teacher, and guest payments for meals. For fiscal year 2016-17, \$2,134,588 was collected from these fees, comprising 15.83% of total Food Service revenues.

### **Federal Revenue**

#### **National School Breakfast and Lunch Program**

The National School Breakfast and Lunch Program are federally assisted meal programs operating in over 100,000 public and non-profit private schools and residential child care institutions. The programs have provided nutritionally balanced, low-cost or free breakfast and lunches to more than 31 million children each school day. In 1998, Congress expanded the program to include reimbursement for snacks served to children in afterschool educational and enrichment programs to include children through 18 years of age.

The Food and Nutrition Service administers the program at the Federal level; at the State level, the National School Lunch Program is administered by the Texas Education Agency. School districts and independent schools that choose to take part in the lunch program get cash subsidies and USDA foods from the U.S. Department of Agriculture (USDA) for each meal they serve. In return, they must serve lunches that meet Federal requirements, and they must offer free or reduced price lunches to eligible children.

During the 2016-17 fiscal year, the district served a total of 1,335,202 breakfasts and 2,941,820 lunches that qualified for reimbursement, receiving \$10,142,118 in National School Breakfast and Lunch Program reimbursements, which accounted for 75.23% of overall Food Service revenues.

The payments and rates are prescribed on an annual basis each July. The annual payments and rates adjustments for the National School Lunch and School Breakfast Programs reflect changes in the Food Away From Home series of the Consumer Price Index for All Urban Consumers.

Effective July 1, 2017 – June 30, 2018, the program reimbursement rates are as follows:

School Breakfast Program		School Lunch Program		After School Snack Program	
Paid	\$ 0.30	Paid	\$ 0.31	Paid	\$ 0.08
Reduced	1.45	Reduced	2.83	Reduced	0.44
Free	1.75	Free	3.23	Free	0.88

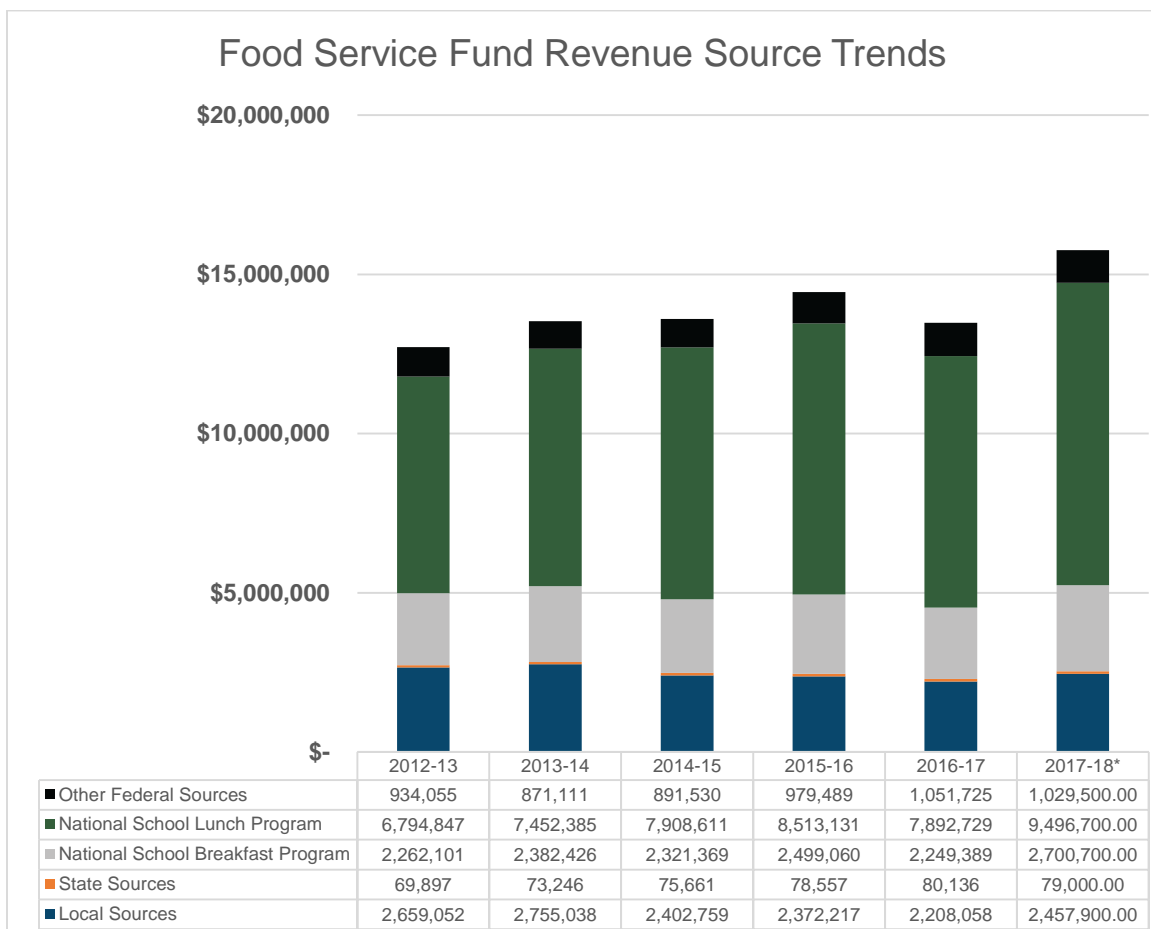
Source: United States Department of Agriculture Food and Nutrition Service  
<http://www.fns.usda.gov/school-meals/rates-reimbursement>



## USDA Commodities

Food service commodity inventory is recorded at fair market value on the date received. Commodities are recognized as revenues in the period received when all the eligibility requirements are met. Commodity inventory items are recorded as expenditures when distributed to user locations. A portion of fund balance is considered non-spensible to reflect minimum inventory quantities considered necessary for the District's continuing operations.

The graph below depicts the district's total Food Service revenue over time.



\*Budget

## Expenditures

Food Service expenditures primarily consist of Payroll and Supplies and Materials. The majority of the supplies and materials' budget consists of expenditures for food.

Food Service Fund expenditures are budgeted to increase \$961,900 or 6.5% over the 2016-17 beginning budget expenditures.

The following table provides a comparison by Major Object for the 2016-17 and 2017-18 beginning budgets.

	Beginning Budget 2016-17	Beginning Budget 2017-18	Percentage change	Percentage of Total
Payroll	\$5,794,200	\$6,584,425	13.64%	41.77%
Purchased Services	358,000	351,695	-1.76%	2.23%
Supplies and Materials	8,152,300	8,594,227	5.42%	54.52%
Other Operating Costs	34,200	33,453	-2.18%	0.21%
Capital Outlay	463,200	200,000	-56.82%	1.27%
<b>Total</b>	<b>\$14,801,900</b>	<b>\$15,763,800</b>	<b>6.50%</b>	<b>100.00%</b>

Over 90% of the Food Service expenditures are related to payroll and food costs.

## Fund Balance

The fund balance for Food Service should not exceed three months of average food service operating expenditures. Currently, the fund balance is projected to be \$3,452,250 at August 31, 2018.



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# Informational Section



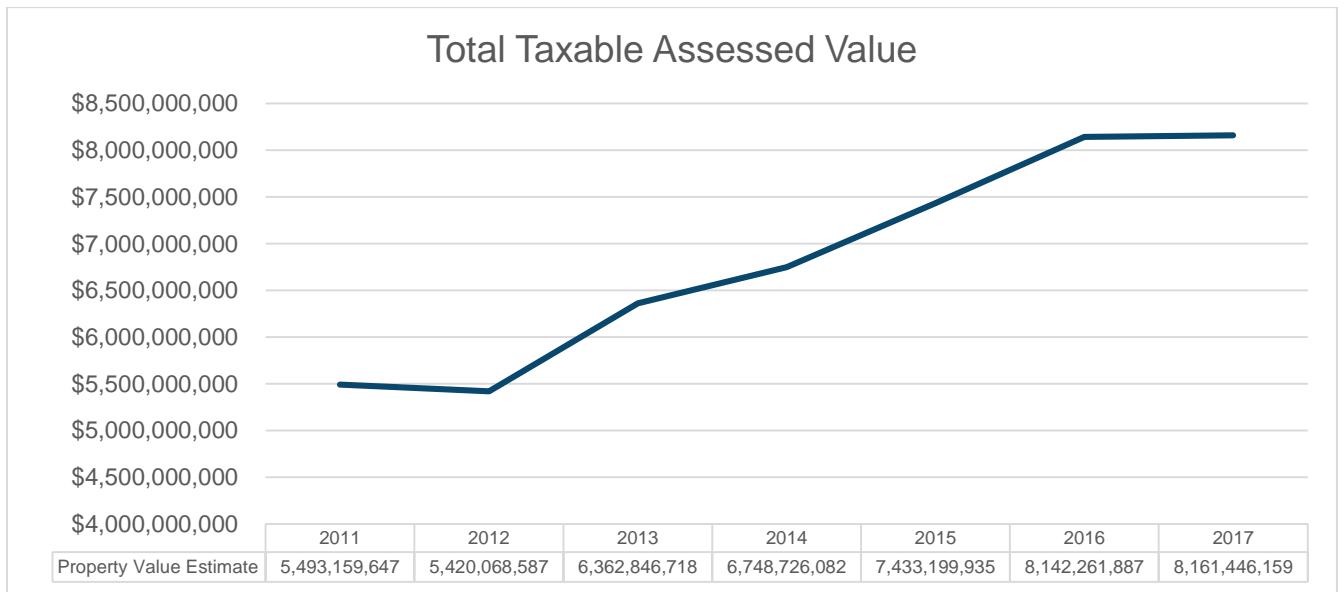
## Financial Forecast

Many factors must be considered when formulating a long range budget forecast, including property tax valuation estimates, enrollment projections, state aid estimates, legislative changes and economic conditions. Each element impacts the budgets of the forecasted years.

### Property Taxes

Since the state of Texas has no state property tax, local entities both set rates and collect taxes to fund the services they provide. Examples of these entities include school districts, counties, cities, and special purpose districts.

Property taxes are the District’s most significant source of local revenue, usually comprising 40% of all revenues recognized and received. Local property values have steadily risen in the past years, as depicted in the graph below.



*Values are for the fiscal year, ending on August 31.*

Property values located within the boundaries of Galena Park ISD are determined by the Harris County Appraisal District, and are based on market conditions at that time. The District uses this value to estimate tax collections for budgeting revenues. For projecting future year values, a conservative growth rate of 1% is used.

2017	2018	2019	2020
\$8,161,446,159	\$8,243,060,621	\$8,325,491,227	\$8,408,746,139

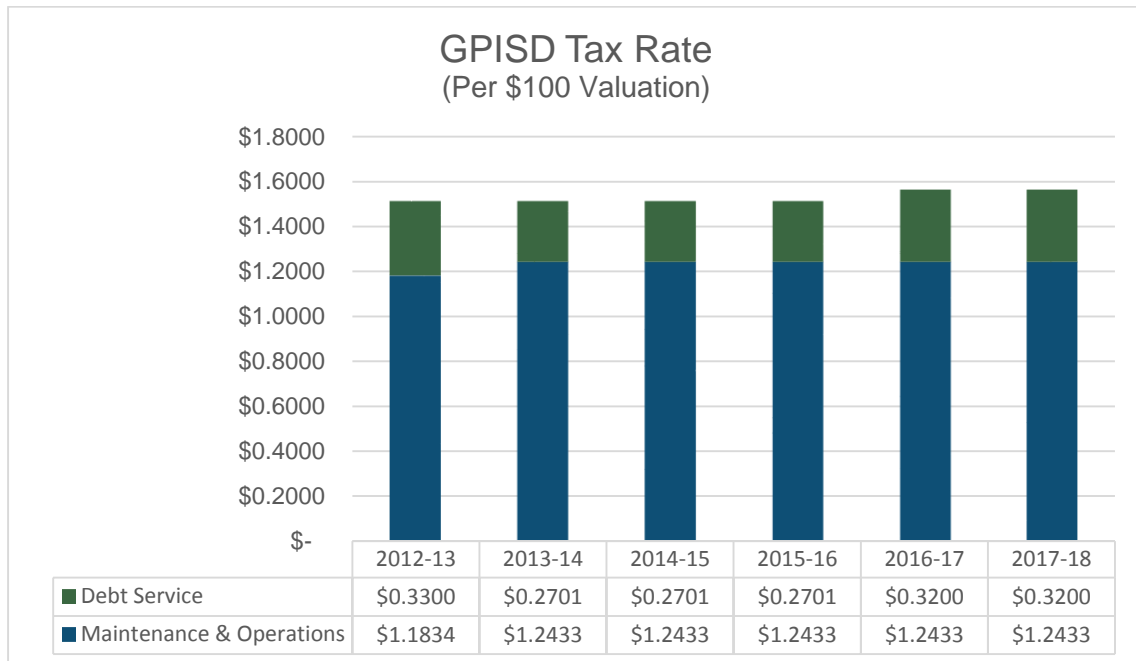


### Truth in Taxation

Creating a budget and adopting a property tax rate to support that budget are major functions of a taxing unit's governing body. This is accomplished by following truth-in-taxation requirements to ensure the public is informed of any increases. School districts add four cents to the lesser of the compressed operating tax rate or the effective M&O rate to get their highest M&O rate. They then add the debt rate to get the final rollback tax rate. For additional information related to the compressed tax rate, see the Financial section.

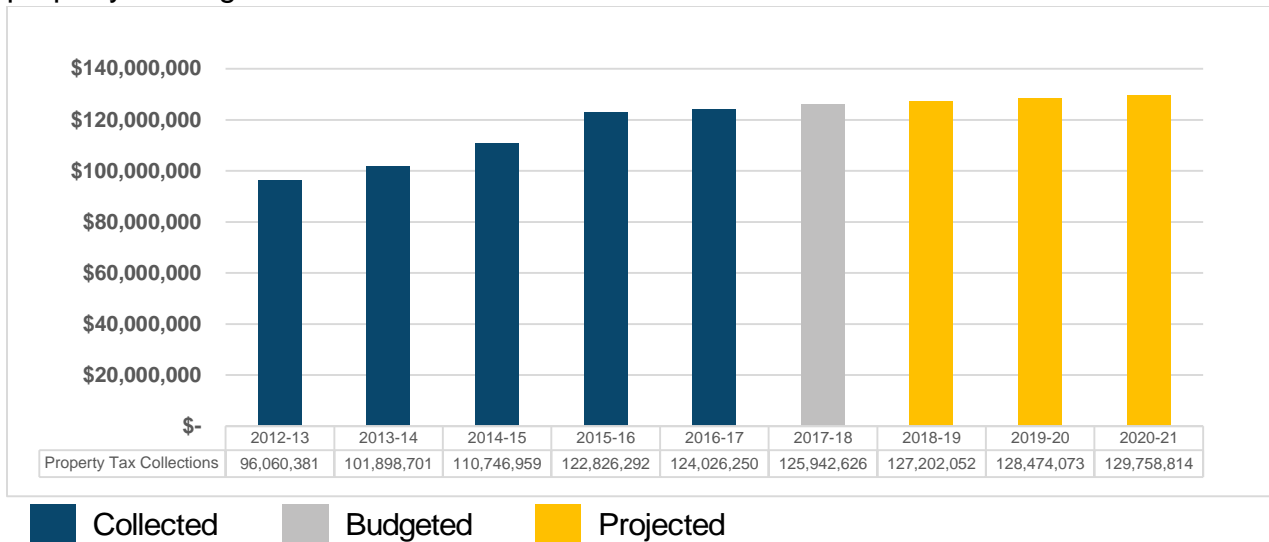
Source: Texas Comptroller of Public Accounts <https://comptroller.texas.gov/taxes/property-tax/truth-in-taxation/>

The tax rates applicable to the Maintenance & Operation and Interest & Sinking for fiscal year 2017-18 are \$1.2433 and \$0.3200, respectively.



## Property Tax Collections

To budget revenue receipts for Property Tax collections, the District estimates 1% property value growth and assumes a collection rate of 97.5%.



Property values are determined by the Harris County Appraisal District as of January 1<sup>st</sup> of each year. The District must adopt tax rate by September 29<sup>th</sup> or 60 days after receiving the certified appraisal roll (whichever date is later), thus creating the tax levy.

## Impact on Taxpayers

The table below shows the calculated property tax bill for a home in the District boundaries, valued at \$100,000.

	Actuals			Current	Proposed
	2013-14	2014-15	2015-16	2016-17	2017-18
Assessed value of home	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Less: 20% Local Option Exemption	20,000	20,000	20,000	20,000	20,000
Less: Homestead exemption	15,000	15,000	25,000	25,000	25,000
Taxable Value	\$65,000	\$65,000	\$55,000	\$55,000	\$55,000
Total property tax rate	1.5134	1.5134	1.5134	1.5633	1.5633
Property tax due	<u>\$983.71</u>	<u>\$983.71</u>	<u>\$832.37</u>	<u>\$859.82</u>	<u>\$859.82</u>

Taxable Value is defined by Section 1.04(10), Tax code.

## Enrollment and Attendance History

The chart below shows the historical student enrollment for the District's campuses, including students enrolled in disciplinary and non-disciplinary alternative education programs. These totals are reported in the PEIMS Fall Submission.

Campus	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
GALENA PARK H S	1,882	1,916	1,963	2,033	2,067	2,062	2,050	2,016
NORTH SHORE SENIOR HIGH	4,540	4,607	4,664	4,723	4,664	4,641	4,835	4,778
HIGHPOINT SCHOOL EAST (DAEP)	16	18	10	12	9	12	6	2
JUVENILE JUSTICE AEP	4	8	9	0	3	1	1	1
GALENA PARK MIDDLE	1,035	1,048	1,078	1,038	1,044	999	1,024	1,013
NORTH SHORE MIDDLE	1,283	1,301	1,346	1,328	1,357	1,395	1,398	1,406
WOODLAND ACRES MIDDLE	519	484	461	462	463	523	542	534
CUNNINGHAM MIDDLE	924	915	907	940	1,014	958	1,015	988
COBB 6TH GRADE CAMPUS	1,103	1,041	1,089	1,179	1,110	1,167	1,168	1,141
CIMARRON EL	851	823	821	813	835	799	780	749
CLOVERLEAF EL	806	831	829	862	893	831	805	836
GALENA PARK EL	655	672	679	681	677	644	622	603
GREEN VALLEY EL	611	671	697	764	774	806	780	764
JACINTO CITY EL	814	833	803	856	832	827	791	784
MACARTHUR EL	762	736	732	727	717	707	711	768
NORTH SHORE EL	870	878	889	915	938	987	995	969
PYBURN EL	637	640	657	697	698	649	642	653
WOODLAND ACRES EL	454	452	423	427	432	438	459	468
TICE EL	610	657	677	735	739	700	714	690
PURPLE SAGE EL	565	598	595	521	515	568	596	548
JAMES B HAVARD EL	671	668	693	681	690	682	700	690
NORMANDY CROSSING EL	624	650	656	646	668	643	668	664
DR SHIRLEY J WILLIAMSON EL	595	559	589	694	711	641	628	688
SAM HOUSTON EL	849	855	846	838	875	869	854	838
<b>TOTAL</b>	<b>21,680</b>	<b>21,861</b>	<b>22,113</b>	<b>22,572</b>	<b>22,725</b>	<b>22,549</b>	<b>22,784</b>	<b>22,591</b>



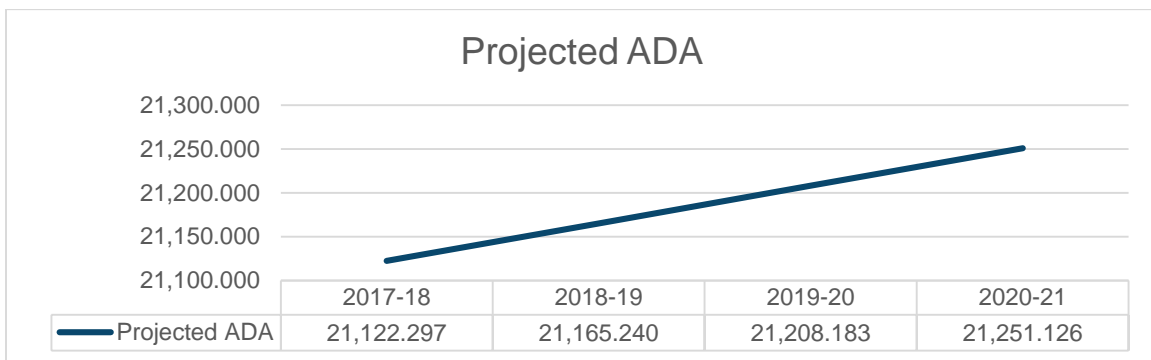
Enrollment data is useful to plan for staffing ratios and potential student needs, but the formulas of the Foundation School Program (FSP) use student attendance data to calculate the necessary funding levels. Individual student populations are granted varying weights, based on the estimated costs of additional requirements to support the unique needs of that population. Thus, Weighted Average Daily Attendance (WADA) is an important aspect when developing a school district budget. The following table shows the attendance data used for these formulas:

	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
Total Refined ADA (includes EE-12)	20,499.887	20,884.357	21,018.623	21,015.705	21,185.207
Career & Technical Education FTE	1,349.309	1,399.593	1,367.551	1,334.892	1,495.887
Total Special Education FTE	462.857	475.846	490.598	501.841	468.743
Speech Therapy FTE	19.406	19.072	19.125	20.194	21.410
Homebound FTE	1.784	2.554	1.677	2.102	1.930
Hospital Class FTE	0.000	0.000	0.000	0.000	0.000
Resource Room FTE	278.926	282.651	300.231	304.027	289.710
VAC FTE	23.145	22.699	33.749	25.582	24.899
Off Home Campus FTE	1.771	2.738	0.346	8.242	0.605
State School FTE	0.000	0.000	0.000	0.000	0.000
Residential Care/Treat FTE	0.202	0.852	0.000	0.000	0.000
Self-Contained Mild/Mod FTE	127.715	135.368	124.917	131.029	123.580
Full-Time Early Spec Ed	10.480	9.912	10.553	10.665	6.609
Special Education Mainstream Refined ADA	644.103	599.458	532.509	540.564	655.049
Bilingual/ESL Refined ADA	5,278.814	6,074.453	6,500.003	6,686.096	6,612.031
Pregnancy Related Services FTE	9.930	7.853	8.516	6.219	7.038
Gifted & Talented Enrollment #	1,475.000	1,505.000	1,484.000	1,390.000	1,447.000
LEP Counts #	6,513.000	7,346.000	7,783.000	7,938.000	7,874.000
Weighted ADA	28,173.677	29,239.484	29,435.841	29,383.049	29,725.995

The District reports pupil projections to the Texas Education Agency (TEA) each biennium; a template provided by the Agency is used to guide these projections. Enrollment is projected by grade by fitting a trend line to the historical data using the least squares method and using the trend to project future enrollment. ADA is estimated from projected enrollment.

Other student counts are estimated by trending the history of each special student population count against the ADA for that year and then applying the trend line to the projected ADA for future years.

This projection method will be most accurate in districts similar to Galena Park, where enrollment changes are driven largely by students moving into or out of the district and in districts where the programs operated are changing due to a change in the population being served. The compounding of the programs that are changing, however, may produce exaggerated changes in future year projections. For this reason, each of the other student counts and FTEs are carefully examined for reasonableness.



## Personnel Resource Allocations

Approximately 80% of the District’s budget is allocated to pay for salaries and other payroll aspects.

	Total Staff (FTE) Count by Year					
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Teachers	1,480.1	1,473.1	1,380.0	1,410.3	1,401.2	1,402.9
Professional Support	296.5	262.8	379.7	400.8	392.7	369.7
Campus Administration	69.2	75.6	77.0	81.1	77.6	79.3
Central Administration	11.0	50.7	47.0	50.0	57.0	50.0
Educational Aides	127.2	177.3	223.3	204.4	244.6	241.0
Auxiliary Staff	955.7	918.3	870.2	793.6	979.6	1,038.3
<b>Total</b>	<b>2,939.7</b>	<b>2,957.8</b>	<b>2,977.2</b>	<b>2,940.2</b>	<b>3,152.7</b>	<b>3,181.2</b>

# Bond Amortization Schedule

Combined Semi-annual Debt Service

Date	Principal	Current Interest Bond Interest	Capital Appreciation Bond Original Issue Premium + Accreted Interest	Total	Fiscal Year Total
2/15/2018	\$ -	\$ 3,915,412.51	\$ -	\$ 3,915,412.51	\$ -
8/15/2018	12,389,523.20	3,915,412.51	3,695,476.80	20,000,412.51	23,915,825.02
2/15/2019		3,726,075.01		3,726,075.01	
8/15/2019	12,695,752.80	3,726,075.01	3,764,247.20	20,186,075.01	23,912,150.02
2/15/2020		3,519,731.26		3,519,731.26	
8/15/2020	12,381,608.00	3,519,731.26	4,493,392.00	20,394,731.26	23,914,462.52
2/15/2021		3,280,412.51		3,280,412.51	
8/15/2021	13,466,758.40	3,280,412.51	3,888,241.60	20,635,412.51	23,915,825.02
2/15/2022		3,016,981.26		3,016,981.26	
8/15/2022	12,265,716.00	3,016,981.26	5,614,284.00	20,896,981.26	23,913,962.52
2/15/2023		2,773,768.76		2,773,768.76	
8/15/2023	12,640,063.00	2,773,768.76	5,724,937.00	21,138,768.76	23,912,537.52
2/15/2024		2,523,343.76		2,523,343.76	
8/15/2024	13,045,673.20	2,523,343.76	5,819,326.80	21,388,343.76	23,911,687.52
2/15/2025		2,261,050.01		2,261,050.01	
8/15/2025	13,483,767.20	2,261,050.01	5,906,232.80	21,651,050.01	23,912,100.02
2/15/2026		1,985,431.26		1,985,431.26	
8/15/2026	13,950,023.25	1,985,431.26	5,994,976.75	21,930,431.26	23,915,862.52
2/15/2027		1,690,006.26		1,690,006.26	
8/15/2027	8,618,399.55	1,690,006.26	11,916,600.45	22,225,006.26	23,915,012.52
2/15/2028		1,610,593.76		1,610,593.76	
8/15/2028	8,591,442.35	1,610,593.76	12,098,557.65	22,300,593.76	23,911,187.52
2/15/2029		1,523,962.51		1,523,962.51	
8/15/2029	8,595,939.65	1,523,962.51	12,269,060.35	22,388,962.51	23,912,925.02
2/15/2030		1,440,250.00		1,440,250.00	
8/15/2030	8,600,710.00	1,440,250.00	12,434,290.00	22,475,250.00	23,915,500.00
2/15/2031		1,354,218.75		1,354,218.75	
8/15/2031	8,622,528.45	1,354,218.75	12,582,471.55	22,559,218.75	23,913,437.50
2/15/2032		1,259,746.88		1,259,746.88	
8/15/2032	7,967,127.45	1,259,746.88	13,427,872.55	22,654,746.88	23,914,493.76
2/15/2033		1,161,881.25		1,161,881.25	
8/15/2033	17,920,000.00	1,161,881.25		19,081,881.25	20,243,762.50
2/15/2034		802,293.75		802,293.75	
8/15/2034	16,190,000.00	802,293.75		16,992,293.75	17,794,587.50
2/15/2035		466,303.13		466,303.13	
8/15/2035	4,195,000.00	466,303.13		4,661,303.13	5,127,606.26
2/15/2036		411,243.75		411,243.75	
8/15/2036	4,305,000.00	411,243.75		4,716,243.75	5,127,487.50
2/15/2037		352,050.00		352,050.00	
8/15/2037	4,420,000.00	352,050.00		4,772,050.00	5,124,100.00
2/15/2038		285,750.00		285,750.00	
8/15/2038	4,555,000.00	285,750.00		4,840,750.00	5,126,500.00
2/15/2039		217,425.00		217,425.00	
8/15/2039	4,690,000.00	217,425.00		4,907,425.00	5,124,850.00
2/15/2040		147,075.00		147,075.00	
8/15/2040	4,830,000.00	147,075.00		4,977,075.00	5,124,150.00
2/15/2041		74,625.00		74,625.00	
8/15/2041	4,975,000.00	74,625.00		5,049,625.00	5,124,250.00
	<u>\$ 233,395,032.50</u>	<u>\$ 79,599,262.76</u>	<u>\$ 119,629,967.50</u>	<u>\$ 432,624,262.76</u>	<u>\$ 432,624,262.76</u>

## Outstanding Bond Issues

The most recent bond election was held on May 7, 2016 for \$290 million, passing by 72%. The district will use the bond to address aging facilities, student safety and 21st century education, including renovations to all 25 educational facilities and 9 support facilities. As of the budget adoption date, the district has sold \$90 million in bonds.

Phase I Construction has begun on four locations (three school replacements, one grade level addition), which are anticipated to open for the 2018-19 school year. The schedules were slightly delayed due to Hurricane Harvey at the end of August, 2017, so revisions to the project schedules are being made.

Phase II construction is expected to begin in the Spring/Summer of 2018.

Renovation projects are in various stages. Roofing projects are either complete or near complete at the end of August, 2017, while cooling tower and chiller projects are in need of scope and schedule development.

The District still has \$200 million in potential bond sales over the course of these projects. The Debt Service budget will be modified as these sales are made.

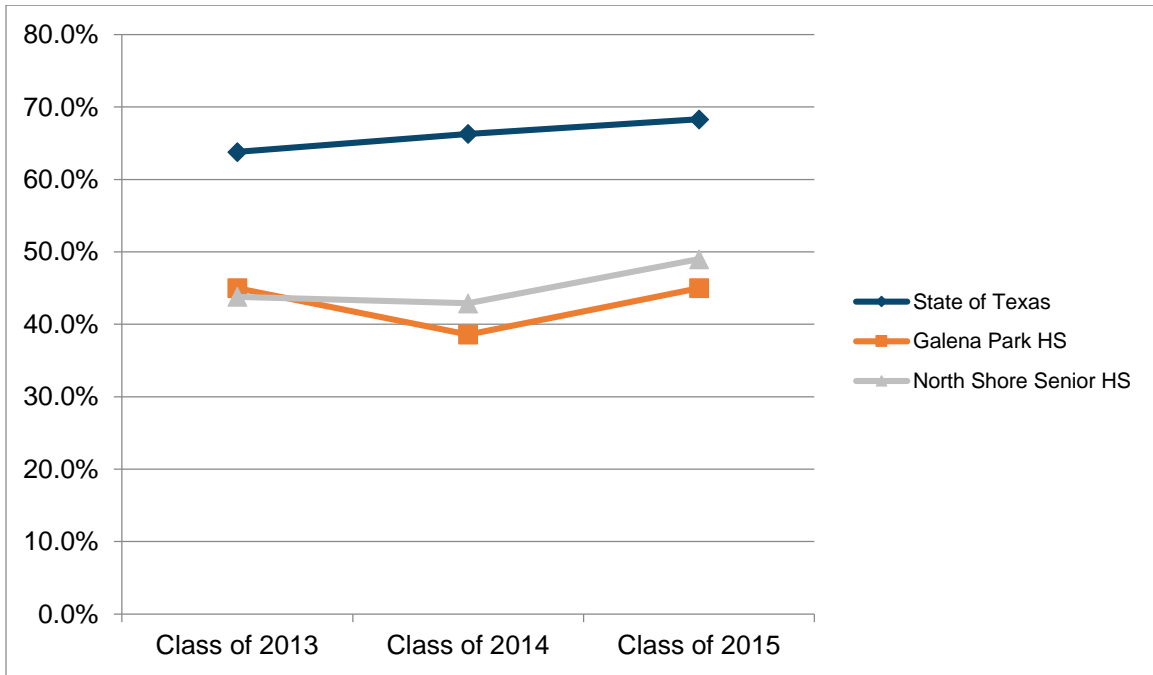


# Performance Measures

## SAT and ACT Participation

Percent of Students Tested for ACT/SAT

	State	Galena Park ISD	Galena Park High School	North Shore Senior High School
Class of 2015	68.3%	48.2%	46.3%	49.0%
Class of 2014	66.3%	41.7%	38.6%	42.9%
Class of 2013	63.8%	44.1%	45.0%	43.8%



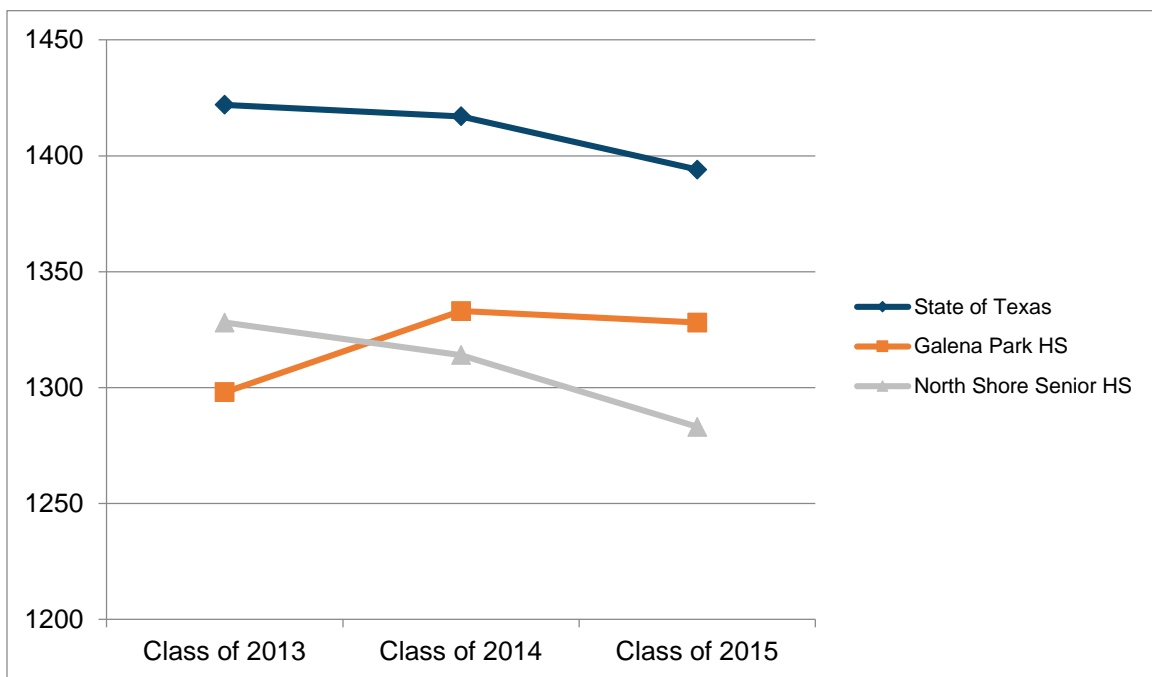


## SAT Performance

The SAT Reasoning Test is the nation's most widely used admissions test among colleges and universities. It tests students' knowledge of subjects that are necessary for college success: reading, writing, and mathematics. The SAT assesses the critical thinking skills students need for academic success in college – skills that students learned in high school. The SAT is typically taken by high school juniors and seniors. It tells students how well they use the skills and knowledge they have attained in and outside of the classroom – including how they think, solve problems, and communicate. The SAT is an important resource for colleges as it is one of the best predictors of how well students will do.

Average SAT Score

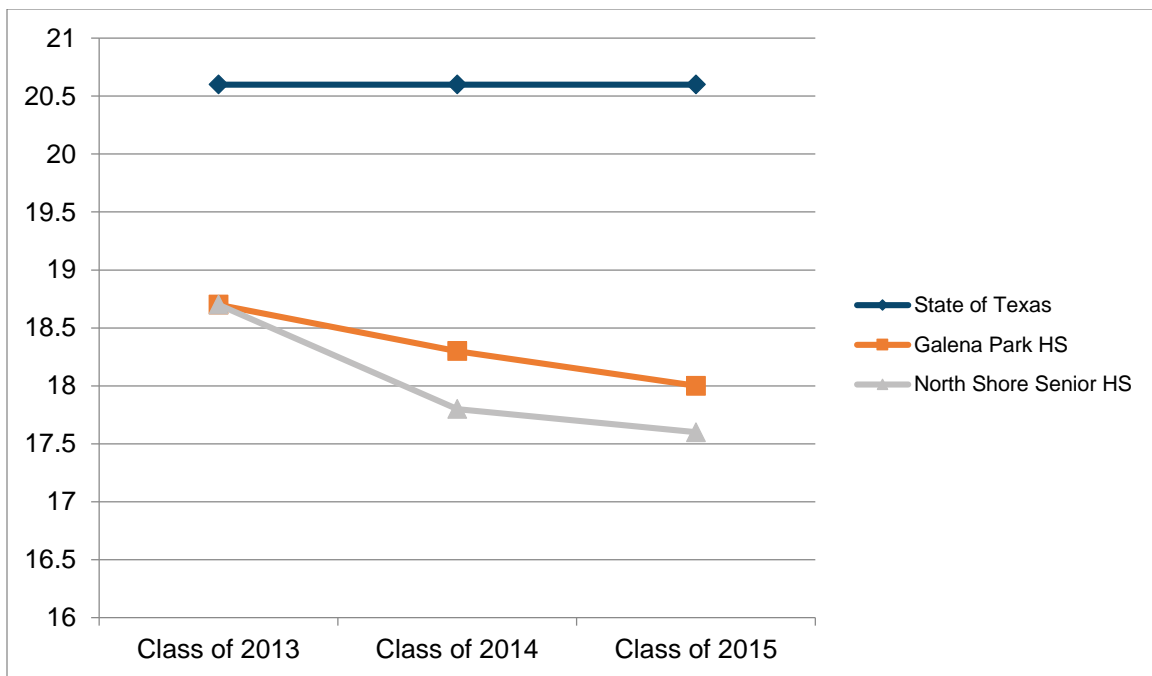
	State	Galena Park ISD	Galena Park High School	North Shore Senior High School
Class of 2015	1394	1295	1328	1283
Class of 2014	1417	1320	1333	1314
Class of 2013	1422	1317	1298	1328



## ACT Performance

The ACT® test assesses high school students' general educational development and their ability to complete college level work. The multiple choice test covers four skill areas: English, mathematics, reading, and science. The Writing Test, which is optional, measures skill in planning and writing a short essay. The ACT is typically administered to high school juniors and seniors and is a curriculum based test. Each section of the ACT is scored on a scale of 1-36 with the composite score being the average of the four subject scores. The scores below reflect the students' composite score.

	Average ACT Score			
	State	Galena Park ISD	Galena Park High School	North Shore Senior High School
Class of 2015	20.6	17.8	18.0	17.6
Class of 2014	20.6	17.9	18.3	17.8
Class of 2013	20.6	18.7	18.7	18.7



## Advanced Placement Program

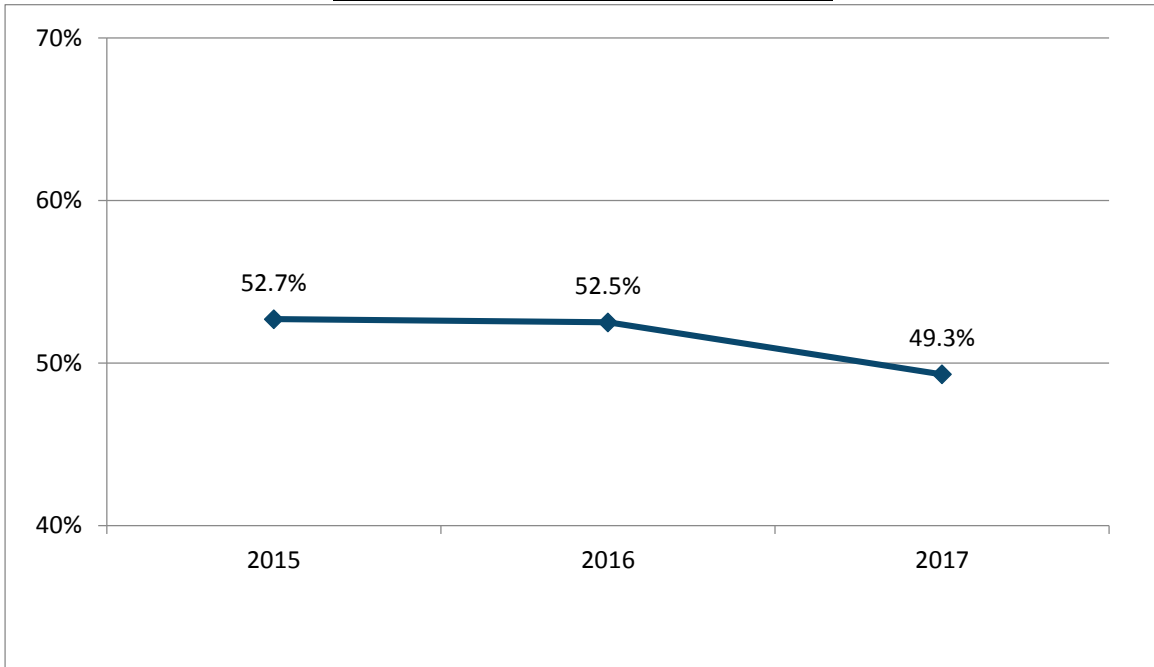
The Advanced Placement Program in Galena Park ISD is designed to give high school students the opportunity to earn credit for college-level courses. The AP courses are developed at the local level, based on course descriptions provided by the College Board, and are taught by high school teachers. Annual AP exams are developed by committees that include college and university faculty as well as high school teachers of AP courses. The combined effort ensures that AP scores are a valid measure of college-level performance. AP exam scores range from 1 to 5 and reflect qualification for college credit. Generally, colleges and universities award credit or advanced placement for scores of 3 or above.



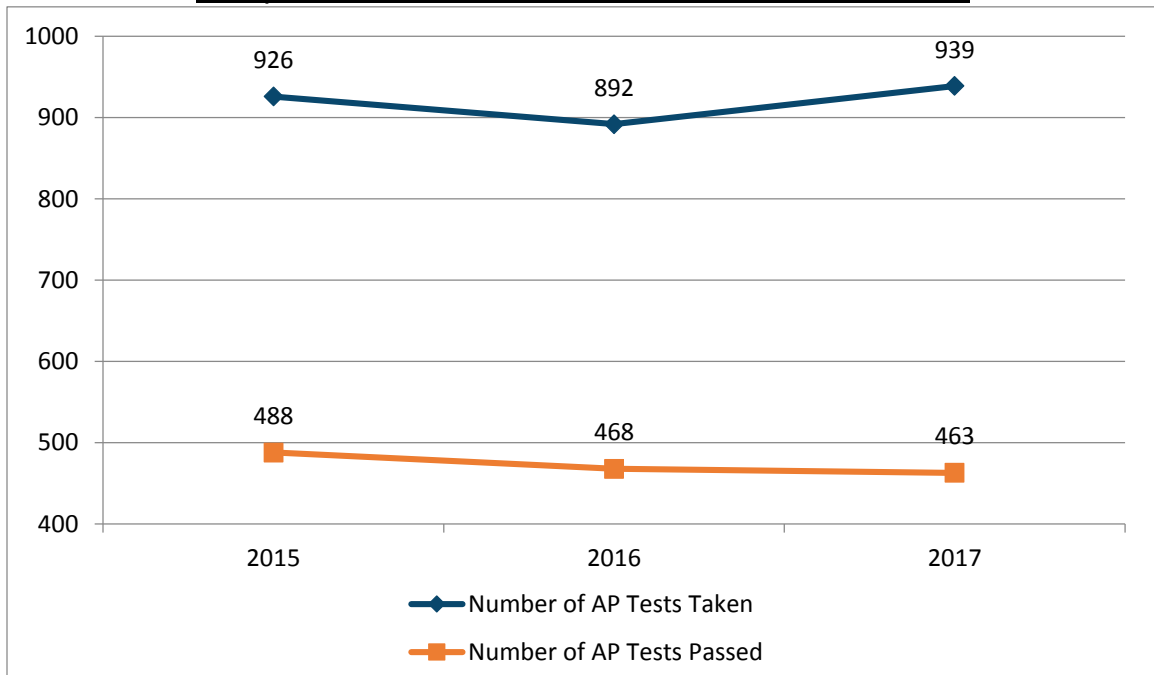
### Advanced Placement Three Year Exam & Scores Summary

Subject	2015		2016		2017	
	# of 3-5/ Total AP Tests Taken	Percent Passing	# of 3-5/ Total AP Tests Taken	Percent Passing	# of 3-5/ Total AP Tests Taken	Percent Passing
Art History	5/15	33%	2/5	40%	2/13	15%
Biology	19/31	61%	12/39	31%	13/40	33%
Calculus AB	15/30	50%	13/53	25%	9/32	28%
Calculus BC	2/2	100%	2/2	100%	1/3	33%
Chemistry	6/20	30%	11/33	33%	13/42	31%
Computer Sci. A	1/2	50%	3/6	50%	5/10	50%
English Language	53/114	47%	43/99	43%	43/81	53%
English Literature	39/84	46%	41/78	53%	28/88	32%
Env. Science	1/1	100%				
Macroeconomics	43/51	84%	16/36	44%	38/76	50%
Music Theory	5/8	63%	10/13	77%	8/13	62%
Physics I	4/13	31%	13/38	34%	9/17	53%
Physics B	6/16	38%				
Physics C: Electricity and Magnetism	1/1	100%			3/5	60%
Physics C: Mechanics			2/2	100%	5/5	100%
Physics II			6/11	55%	0/1	0%
Psychology	25/47	53%	27/47	57%	24/60	40%
Spanish Language	150/180	83%	144/160	90%	163/172	95%
Spanish Literature	10/16	63%	24/33	73%	22/24	92%
Statistics	11/26	42%	16/30	53%	3/18	17%
Studio Art	7/13	54%	14/20	70%	12/15	80%
U.S. Government	24/56	43%	8/46	17%	8/37	22%
U.S. History	28/80	35%	30/62	48%	28/82	34%
World History	33/120	28%	31/79	39%	26/105	25%
<b>Total</b>	<b>488/926</b>	<b>52.7%</b>	<b>468/892</b>	<b>52.5%</b>	<b>463/939</b>	<b>49.3%</b>

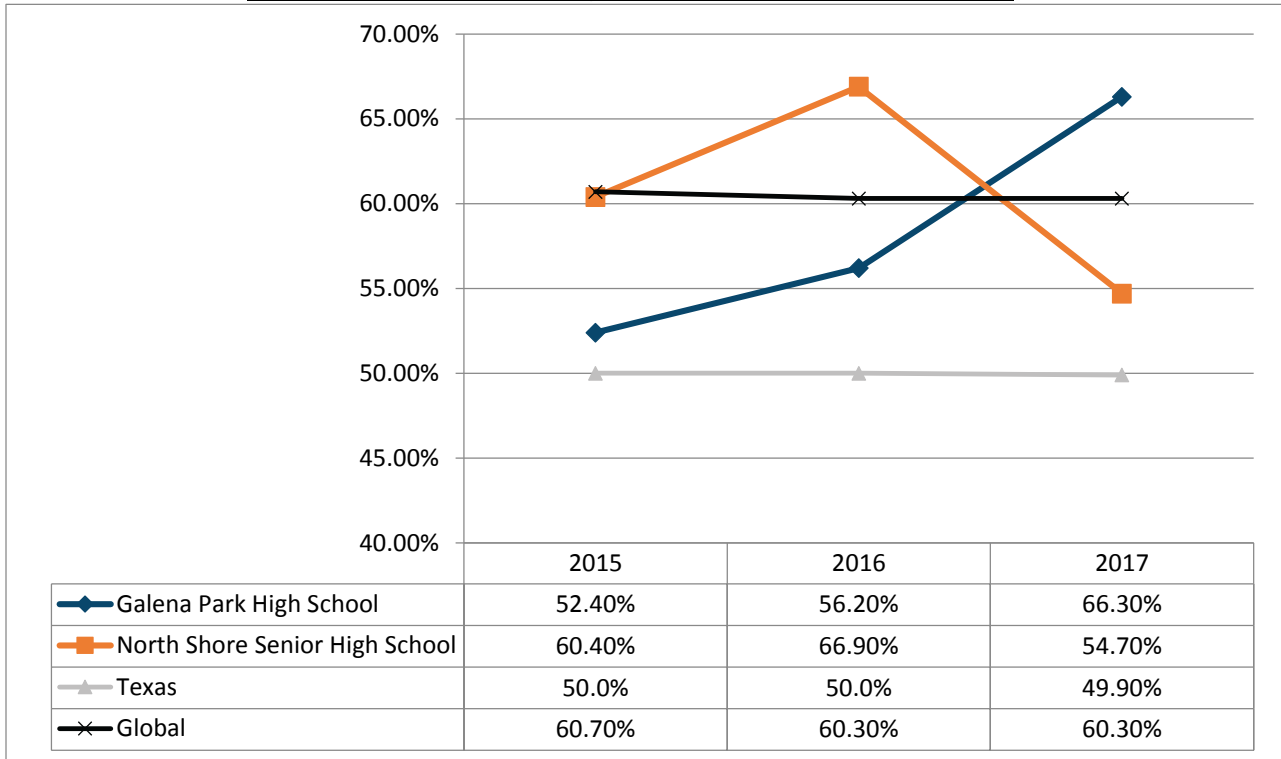
Percent of Total AP Exams Passed



Comparison of AP Exams Taken to AP Exams Passed



Campus Pass Percentages, compared to benchmarks



## Graduation and Drop-out Rates

### 4-Year Graduation Rate Without Exclusions

	Class of 2016			Class of 2015			Class of 2014			Class of 2013		
	District	Region IV	State	District	Region IV	State	District	Region IV	State	District	Region IV	State
Graduated	90.4%	88.3%	89.1%	89.7%	88.5%	89.0%	91.1%	87.8%	88.3%	91.3%	87.4%	88.0%
Received GED	0.3%	0.4%	0.5%	0.2%	0.5%	0.6%	0.3%	0.6%	0.8%	0.3%	0.7%	0.8%
Continued HS	3.4%	4.5%	4.2%	3.6%	4.3%	4.1%	2.6%	4.6%	4.3%	2.7%	4.7%	4.6%
Dropped Out	5.8%	6.8%	6.2%	6.5%	6.6%	6.3%	6.1%	7.0%	6.6%	5.7%	7.1%	6.6%

### 5-Year Graduation Rate Without Exclusions

	Class of 2015			Class of 2014			Class of 2013			Class of 2012		
	District	Region IV	State	District	Region IV	State	District	Region IV	State	District	Region IV	State
Graduated	92.5%	90.8%	91.3%	92.1%	89.9%	90.4%	93.0%	89.7%	90.4%	91.7%	89.5%	90.4%
Received GED	0.2%	0.7%	0.8%	0.6%	1.0%	1.0%	0.4%	1.0%	1.1%	0.4%	1.0%	1.2%
Continued HS	0.7%	1.3%	1.2%	0.7%	1.4%	1.3%	0.9%	1.4%	1.3%	0.7%	1.4%	1.3%
Dropped Out	6.7%	7.1%	6.7%	6.6%	7.8%	7.2%	5.7%	7.9%	7.2%	7.2%	8.1%	7.1%

### Annual Dropout rate

	2015-16			2014-15			2013-14			2012-13		
	District	Region IV	State	District	Region IV	State	District	Region IV	State	District	Region IV	State
Grades 7-8	0.4%	0.4%	0.4%	0.3%	0.4%	0.3%	0.1%	0.3%	0.5%	0.3%	0.2%	0.4%
Grades 9-12	2.1%	2.2%	2.0%	2.5%	2.2%	2.1%	2.1%	2.2%	2.2%	2.2%	2.3%	2.2%

## Percentage of free or reduced-price meals

Fiscal Year	Average Daily Attendance	Students Participating in Free/Reduced Lunch Program	Percentage
2017	21,185	18,263	86.21%
2016	21,002	17,919	85.32%
2015	21,019	18,075	85.99%
2014	20,884	18,055	86.45%
2013	20,500	18,220	88.88%

# Texas Education Agency Accountability Summary

2017

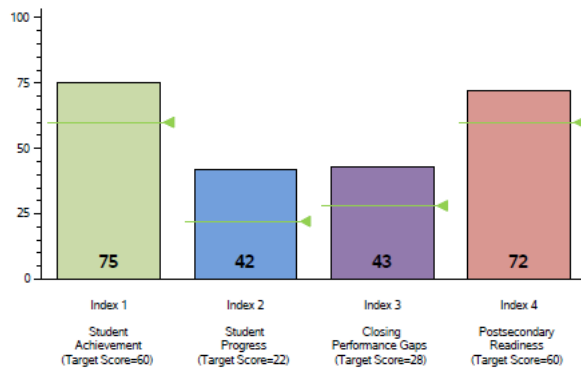
## Accountability Rating

### Met Standard

Met Standards on	Did Not Meet Standards on
<ul style="list-style-type: none"> <li>- Student Achievement</li> <li>- Student Progress</li> <li>- Closing Performance Gaps</li> <li>- Postsecondary Readiness</li> </ul>	<ul style="list-style-type: none"> <li>- NONE</li> </ul>
In 2017, to receive a Met Standard or Met Alternative Standard rating, districts and campuses must meet targets on three indexes: Index 1 or Index 2 and Index 3 and Index 4.	

**Performance Index Report**

**Distinction Designation**



Postsecondary Readiness
Percent of Eligible Measures in Top Quartile 11 out of 38 = 29%
NO DISTINCTION EARNED

**Performance Index Summary**

**System Safeguards**

Index	Points Earned	Maximum Points	Index Score	Number and Percentage of Indicators Met	
1 - Student Achievement	27,964	37,347	75	Performance Rates	39 out of 45 = 87%
2 - Student Progress	754	1,800	42	Participation Rates	20 out of 20 = 100%
3 - Closing Performance Gaps	1,285	3,000	43	Graduation Rates	6 out of 7 = 86%
4 - Postsecondary Readiness				Met Federal Limits on Alternative Assessments	1 out of 1 = 100%
STAAR Score	12.7				
Graduation Rate Score	22.3				
Graduation Plan Score	20.6				
Postsecondary Component Score	16.2		72	<b>Total</b>	<b>66 out of 73 = 90%</b>



## 2016

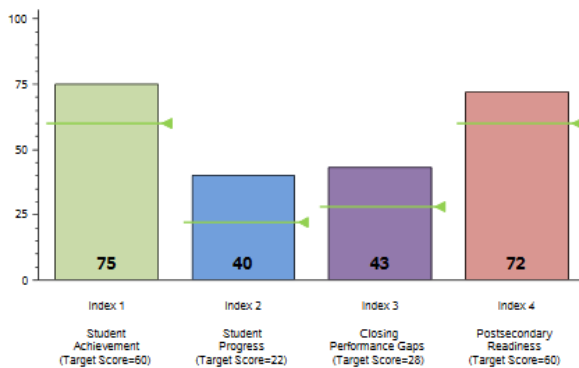
### Accountability Rating

## Met Standard

Met Standards on	Did Not Meet Standards on
<ul style="list-style-type: none"> <li>- Student Achievement</li> <li>- Student Progress</li> <li>- Closing Performance Gaps</li> <li>- Postsecondary Readiness</li> </ul>	<ul style="list-style-type: none"> <li>- NONE</li> </ul>
In 2016, to receive a Met Standard or Met Alternative Standard rating, districts and campuses must meet targets on three indexes: Index 1 or Index 2 and Index 3 and Index 4.	

### Performance Index Report

### Distinction Designation



Postsecondary Readiness
Percent of Eligible Measures in Top Quartile 11 out of 38 = 29%
NO DISTINCTION EARNED

### Performance Index Summary

### System Safeguards

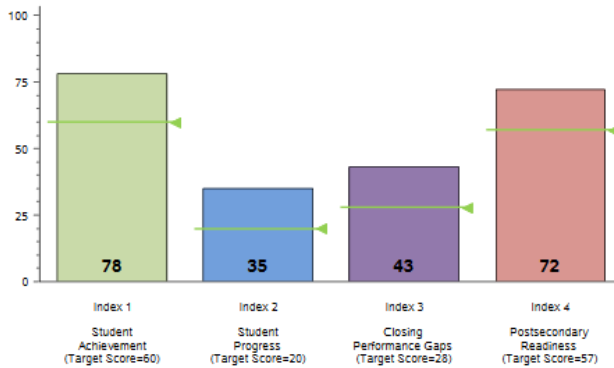
Index	Points Earned	Maximum Points	Index Score
1 - Student Achievement	27,409	36,683	75
2 - Student Progress	726	1,800	40
3 - Closing Performance Gaps	1,276	3,000	43
4 - Postsecondary Readiness			
STAAR Score	11.7		
Graduation Rate Score	22.2		
Graduation Plan Score	20.0		
Postsecondary Component Score	17.9		
			72

Number and Percentage of Indicators Met	
Performance Rates	39 out of 45 = 87%
Participation Rates	20 out of 20 = 100%
Graduation Rates	2 out of 7 = 29%
Met Federal Limits on Alternative Assessments	1 out of 1 = 100%
Total	62 out of 73 = 85%

## 2015

Accountability Rating	
Met Standard	
<b>Met Standards on</b> - Student Achievement - Student Progress - Closing Performance Gaps - Postsecondary Readiness	<b>Did Not Meet Standards on</b> - NONE
In 2015, to receive a Met Standard or Met Alternative Standard rating, districts and campuses must meet targets on three indexes: Index 1 or Index 2 and Index 3 and Index 4.	

### Performance Index Report



### Distinction Designation

Postsecondary Readiness
Percent of Eligible Measures in Top Quartile 9 out of 38 = 24%
<b>NO DISTINCTION EARNED</b>

### Performance Index Summary

Index	Points Earned	Maximum Points	Index Score
1 - Student Achievement	19,927	25,677	78
2 - Student Progress	624	1,800	35
3 - Closing Performance Gaps	939	2,200	43
4 - Postsecondary Readiness			
STAAR Score	10.7		
Graduation Rate Score	22.7		
Graduation Plan Score	18.6		
Postsecondary Component Score	19.9		72

### State System Safeguards

Number and Percent of Indicators Met	
Performance Rates	35 out of 40 = 88%
Participation Rates	17 out of 17 = 100%
Graduation Rates	6 out of 8 = 75%
<b>Total</b>	<b>58 out of 65 = 89%</b>

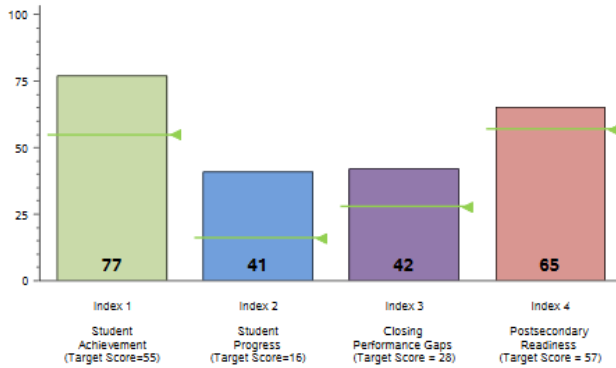
# 2014

## Accountability Rating

### Met Standard

<b>Met Standards on</b> - Student Achievement - Student Progress - Closing Performance Gaps - Postsecondary Readiness	<b>Did Not Meet Standards on</b> - NONE
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### Performance Index Report



### Distinction Designation

<b>Postsecondary Readiness</b>
Percent of Eligible Measures in Top Quartile 13 out of 36 = 36%
<b>NO DISTINCTION EARNED</b>

### Performance Index Summary

Index	Points Earned	Maximum Points	Index Score
1 - Student Achievement	27,423	35,626	77
2 - Student Progress	1,309	3,200	41
3 - Closing Performance Gaps	1,267	3,000	42
4 - Postsecondary Readiness			
STAAR Score	10.8		
Graduation Rate Score	22.3		
Graduation Plan Score	20.3		
Postsecondary Indicator Score	11.2		65

### System Safeguards

Number and Percent of Indicators Met	
Performance Rates	43 out of 44 = 98%
Participation Rates	20 out of 20 = 100%
Graduation Rates	7 out of 7 = 100%
Met Federal Limits on Alternative Assessments	0 out of 1 = 0%
<b>Total</b>	<b>70 out of 72 = 97%</b>

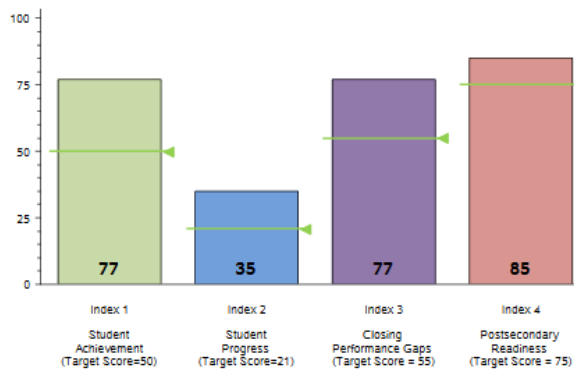
## 2013

### Accountability Rating

## Met Standard

<b>Met Standards on</b> - Student Achievement - Student Progress - Closing Performance Gaps - Postsecondary Readiness	<b>Did Not Meet Standards on</b> - NONE
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### Performance Index Report



### Performance Index Summary

Index	Points Earned	Maximum Points	Index Score
1 - Student Achievement	36,914	47,981	77
2 - Student Progress	1,455	4,200	35
3 - Closing Performance Gaps	1,161	1,500	77
4 - Postsecondary Readiness	933.8	1,100	85

### System Safeguards

Number and Percent of Indicators Met	
Performance Rates	44 out of 47 = 94%
Participation Rates	20 out of 20 = 100%
Graduation Rates	7 out of 7 = 100%
Met Federal Limits on Alternative Assessments	0 out of 1 = 0%
<b>Total</b>	<b>71 out of 75 = 95%</b>

For additional information on the rating system and reports, please visit the TEA's Texas Accountability Rating System webpage.  
<https://rptsvr1.tea.texas.gov/perfreport/account/>

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## Glossary

This glossary contains definitions of terms used in this guide, definitions of acronyms and abbreviations, and such additional terms as seem necessary to common understandings concerning financial accounting procedures for schools. Several terms, which are not primarily financial accounting terms, have been included because of the significance for school financial accounting. The glossary is arranged alphabetically with appropriate cross-referencing where necessary.

**Accountability Rating** – The labels assigned to districts and campuses by the state academic accountability system that indicate acceptable and unacceptable performance or that a district or campus is not rated. Possible ratings are as follows:

- Met Standard
- Met Alternative Standard
- Improvement Required
- Not Rated
- Not Rated: Data Integrity Issues

**Accrual Basis of Accounting** – A method of accounting that recognizes the financial effect of transactions, events, and inter-fund activities when they occur, regardless of the timing of related cash flows.

**ADA** – Abbreviation of **Average Daily Attendance**. ADA generally means the aggregate number of days of attendance of all students during a school year divided by the number of days school is in session during such school year.

**Ad Valorem Tax** – A tax, as levied by a school district or governmental entity, based on assessed property value.

**ASATR** – Abbreviation of **Additional State Aid for Tax Reduction**. When the Legislature reduced property tax rates by one-third in 2006, they guaranteed that school districts would have the ability to maintain at least the same level of per-student funding for weighted average daily attendance (WADA) as they received for the 2005-06 school year by creating Additional State Aid for Tax Reduction. In 2011, the State significantly reduced funding for public education and some of those cuts came through a percentage reduction to ASATR. At that time the Legislature also enacted a repeal of ASATR effective September 1, 2017.

**ASF** – Abbreviation of **Available School Fund**, from which Texas school districts and charter schools receive payments. The ASF is primarily made up of revenue generated by both the state's fuel tax and the Permanent School Fund. Districts and charter schools receive these "per capita" payments based on prior-year average daily attendance

**Balanced Budget** – A budget where the budgeted revenues equal the budgeted expenditures.

**Basic Allotment** – An amount set by statute, which, after adjusting for district-specific characteristics, is used to calculate the amount of revenue a district will receive from the state's Foundation School Program.

**Bill** – (1) A term used to denote a law or statute passed by certain legislative bodies. A bill has greater legal formality and standing than a resolution. (2) A statement of an amount owing for goods and services sold on open account.

**CAB** – Acronym for **Capital Appreciation Bond**, a municipal security on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity.

**CFO** – Abbreviation for **Chief Financial Officer**, the senior manager responsible for overseeing the financial activities.

**CTR** – Abbreviation for **Compressed Tax Rate**. To provide property tax relief, the Texas Legislature established a "compressed" tax rate beginning with the 2006–2007 tax year. Per HB 3646, passed in 2009, for the 2009 tax year and beyond, a district's compressed tax rate (CTR) is its 2005 M&O tax rate multiplied by the state compression percentage, which is 0.6667. To receive funding related to revenue at the compressed tax rate, a district must adopt a tax rate at least equal to its CTR.

**Copper Pennies** – Any cents of tax effort a district assesses above its compressed tax rate (CTR) plus six cents. These pennies are called copper because they generate a lower level of supplemental funding than the golden pennies do. School boards can access copper pennies only after they have levied their six golden pennies and have had a successful tax ratification election (TRE) to raise the M&O tax rate. Copper pennies are subject to recapture.

**DIR** – Texas Department of Information Resources. <http://dir.texas.gov/>

**Distinction Designations** – Recognitions for outstanding achievement in the following academic areas:

- Academic Achievement in English Language Arts/Reading (campus only)
- Academic Achievement in Mathematics (campus only)
- Academic Achievement in Science (campus only)
- Academic Achievement in Social Studies (campus only)
- Top 25 Percent: Student Progress (campus only)
- Top 25 Percent: Closing Performance Gaps (campus only)
- Postsecondary Readiness (district and campus)

**Dropout** – A student who was enrolled in public school in grade 7–12 during the previous year, did not return to public school in current year, was not expelled, and did not graduate, receive a high school equivalency certificate, continue school outside the public school system, begin college, or die.

**Economically Disadvantaged** – The count and percentage of students eligible for free or reduced-price lunch or eligible for other public assistance.



**EDA** – Abbreviation for **Existing Debt Allotment** program. The EDA program provides funding to school districts for debt service payments on eligible bonded debt.

**Effective Tax Rate** – The M&O tax rate that would provide a school district with approximately the same amount of revenue per WADA it received the year before, on properties taxed in both years. If property values rise, the effective tax rate goes down, and vice versa.

**Encumbrances** - Commitments related to unperformed (executory) contracts for goods or services. For financial reporting purposes, encumbrance accounting is restricted to governmental funds. [NCGA Statement 1]

**ESL** – Abbreviation for **English as a Second Language**. English as a second language programs are defined as intensive programs of instruction designed to develop student proficiency in English and in content areas using second language methods.

**Estimated Revenue** – When the accounts are kept on an accrual basis, this term designates the amount of revenue estimated to accrue during a given period regardless of whether or not it is all to be collected during the period.

**Expenditures** – This includes total charges incurred, whether paid or unpaid, for current expense, capital outlay, and debt service. (Transfers between funds, encumbrances, and payments of cash in settlement of liabilities already accounted as expenditures are not considered as expenditures)

**Expenses** – Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges, which are presumed to benefit the current fiscal period. Note legal provisions sometimes make it necessary to treat as expenses some charges whose benefits extend over future periods. For example, purchases of materials and supplies which may be used over a period of more than one year and payments for insurance which is to be in force for a period longer than one year frequently must be charged in their entirety to the appropriation of the year in which they are incurred and classified as expenses of that year even though their benefits extend also to other periods.

**Facilities Funding** – State money that has been allocated for school construction and related expenses. The state legislature sets the amount of state funds that can be spent by school districts. Charter schools do not receive facilities funding.

**Fiscal Year** – A twelve-month period of time to which the annual budget applies and at the end of which a local education agency determines its financial position and the results of its operations. Galena Park Independent School District's fiscal year runs from September 1<sup>st</sup> to August 30<sup>th</sup>.

**Food Service** – Those activities which have as their purpose the preparation and serving of regular and incidental meals, lunches, or snacks in connection with school activities.

**FSP** – Abbreviation of **F**oundation **S**chool **P**rogram, the primary source of state funding for Texas school districts. This program ensures that all school districts, regardless of property wealth, receive "substantially equal access to similar revenue per student at similar tax effort."

**Function** – As applied to expenditures, this term has reference to an activity or service aimed at accomplishing a certain purpose or end; for example, Instruction, Instructional Administration, Plant Maintenance and Operations.

**Fund** – A sum of money or other resource set-aside for specific activities of a school district. The fund accounts constitute a complete entity and all of the financial transactions for the particular fund are recorded in them.

**Fund Balance** – The excess of assets of a fund over its liabilities and reserves. During the fiscal year prior to closing, it represents the excess of the fund's assets and estimated revenues for the period over its liabilities, reserves, and appropriations for the period.

**GAAP** - Acronym for **G**enerally **A**ccepted **A**ccounting **P**inciples. GAAP refer to the standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as accounting standards or standard accounting practice.

**General Fund** – A fund used to finance the ordinary operations of the local education agency. It is available for a legally authorized purpose and consists of money not specifically designated for some other particular purpose.

**Golden Pennies** –The first six cents of tax effort a district assesses above its compressed tax rate (CTR). These pennies are called golden because they are the pennies of tax effort for which a district is able to generate the highest level of supplemental funding. School boards may levy the first four golden pennies by a vote of the board but must hold a tax ratification election before raising the tax rate further, including before levying the final two golden pennies. They are not subject to recapture from the State.

**Graduates** – The count and percentage of students who graduate at some time during the school year. It includes summer graduates and is reported by districts in the fall of the following school year. It includes all students in grade 12 who graduated, as well as graduates from other grades. Students served by special education who graduate are included in the totals. Counts of students graduating under the following graduation types in 2015–16 are also shown:

- Minimum High School Program (MHSP)
- Recommended High School Program (RHSP)
- Distinguished Achievement Program (DAP)
- Foundation High School Plan (FHSP)

**HB1** – Acronym for **H**ouse **B**ill **O**ne, reference to the appropriations bill that changed public school funding, 80th Legislature State of Texas.

**Hold Harmless** – Provisions that promise school districts that they will receive at least as much state funding as they got before legislative changes in school funding formulae would have reduced their funding.

**Instruction** – The activities dealing directly with the teaching of students or improving the quality of teaching.

**IFA** – Abbreviation of **I**nstructional **F**acilities **A**llotment program, which provides assistance to school districts in making debt service payments on qualifying bond or lease-purchase agreements. Bond or lease-purchase proceeds must be used for the construction or renovation of an instructional facility. This program was enacted by House Bill 1 of the 75th Legislature.

**I&S** – Abbreviation of **I**nterest & **S**inking, District income from local and personal property taxes that is used for Debt Service. Debt service funds are used to account for money that will be used to pay the interest and principal of long-term debts. Bonds used by a government to finance major construction projects, to be paid by tax levies over a period of years, require a debt service fund to account for their repayment.

**IMA** – Abbreviation of **I**nstructional **M**aterials **A**llotment. Senate Bill 6 from the 82nd Texas Legislature, First Called Session, 2011, created an instructional materials allotment for the purchase of instructional materials, technological equipment, and technology-related services.

**LFA** – Abbreviation of **L**ocal **F**und **A**ssignment, the amount of tax collections generated by assessing the Compressed Tax Rate or a tax rate of \$1.00, whichever is lower, for each \$100 of property valuation, using the preceding school year's property values. This is a portion of the Foundation School Program Tier I funding that a school district is required to fund.

**Modified Accrual Basis of Accounting** - Basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due. [NCGA Statement 1]

**M&O** – Abbreviation of **M**aintenance & **O**peration, District income from local and personal property taxes that is used for the General Fund.

**National Council on Governmental Accounting (NCGA)** - The immediate predecessor of the GASB as the authoritative accounting and financial reporting standard-setting body for state and local governments. The NCGA issued 7 statements and 11 interpretations prior to its dissolution in June 1984. These statements and interpretations remain effective unless superseded by a subsequent GASB pronouncement.

**NIFA** – Abbreviation of **N**ew **I**nstructional **F**acility **A**llotment program, which provides operational expenses associated with the opening of a new instructional facility. The NIFA is available to all public school districts and open-enrollment charter schools that construct new instructional facilities that meet the requirements of the statute and rules.

**Object** – As applied to expenditures, this term has reference to an article or service received; for example, payroll costs, purchased and contracted services, materials, and supplies.

**Payroll** – A list of individual employees entitled to pay, with the amounts due to each for personal services rendered.

**PEIMS** – Acronym for **P**ublic **E**ducation **I**nformation **S**ystem. The Public Education Information System encompasses all data requested and received by the Texas Education Agency about public education, including student demographic and academic performance, personnel, financial, and organizational information.

**Plant Maintenance (Plant Repairs and Repairs and Replacements of Equipment)** – Those activities which are concerned with keeping the grounds, buildings, and equipment at their original condition or completeness or efficiency, either through repairs or by replacements of property (anything less than replacement of a total building).

**Principal of a School** – The administrative head of a school (not school district) to whom has been delegated the major responsibility for the coordination and supervision of the activities of the school.

**Principal of Bonds** – The face value of bonds.

**Program** – The definition of an effort to accomplish a specific objective or objectives consistent with funds or resources available. Budgets and actual revenue and expenditure records may be maintained per program.

**Program Budget** – A budget wherein expenditures are based primarily on programs of work and secondarily on character and object. A program budget is a transitional type of budget between the traditional character and object number, on the one hand, and the performance budget on the other.

**Property Tax** – The property tax is an ad valorem tax. Schools charge and collect property taxes (as do cities, counties and other taxing school districts).

**Property Value** – An estimate of the value of property if it were sold on the open market.

**Recapture** – A mechanism in state funding formulas that ensures that a district's property wealth per student does not exceed certain levels, known as equalized wealth levels. A district that is subject to recapture is often referred to as a Chapter 41 district because the provisions governing recapture are found in the Chapter 41 of the Education Code.

**Refunding Bonds** – Bonds issued to pay off bonds already outstanding.

**Regular Education Allotment** – Under Tier I of the Foundation School Program (FSP), funding is provided to school districts for each student in ADA in the regular education program.

Specifically, the Adjusted Basic Allotment (ABA) is multiplied by the number of regular education students to calculate the Regular Education Allotment.

**Robin Hood** – Nickname of the 1993 school funding plan enacted by the Texas State Legislature to provide court-mandated equitable school financing for all school districts in the state. In an effort to equalize the financing of all school districts, the law "recaptured" property tax revenue from property-wealthy school districts and distributed those in property-poor districts. The name is derived from the English folklore character often portrayed as "robbing from the rich and giving to the poor".

**SAT/ACT Results** – Participation and performance of graduating seniors from all Texas public schools on the College Board's SAT and ACT, Inc.'s ACT assessment. Only one record is sent per student. If a student takes an ACT and/or SAT test more than once, the agency receives the record for the most recent examination taken.

**School** – A division of the school system consisting of a group of pupils composed of one or more teachers to give instruction of a defined type, and housed in a school plant of one or more buildings. More than one school may be housed in one school plant, as is the case when the elementary and secondary programs are housed in the same school plant.

**School, Elementary** – A school classified as elementary by State and local practice and composed of any span of grades not above grade six. In this District this term includes kindergartens and pre-kindergartens if they are under the control of the local board of education.

**School, Intermediate** – A separately organized elementary school intermediate between early elementary and middle school.

**School, Middle** – A separately organized secondary school intermediate between elementary, intermediate, and senior high school. In this District middle schools include grades six through eight.

**School, Public** – A school operated by publicly elected or appointed school officials in which the program and activities are under the control of these officials and which is supported by public funds.

**School, Secondary** – In this handbook a secondary school comprises any span of grades beginning with the next grade following the elementary/intermediate school and ending with or below grade 12, including middle schools, the different types of high schools, and alternative high schools.

**School, Senior High** – A school offering the final years of high school work necessary for graduation; invariably preceded by a middle school in the same system.

**School, Summer** – The name applied to the school session carried on during the period between the end of the regular school term and the beginning of the next regular school term.

**Snapshot Date** – The first submission of data to TSDS PEIMS of a new school year. Enrollment information submitted for this date is used for accountability. It is the last Friday of October. October 27, 2017, is the TSDS PEIMS snapshot date for the 2017-18 school year

**Special Education** – The population of students served by special education programs. Assessment decisions for students in special education programs are made by their admission, review, and dismissal (ARD) committees.

**Special Revenue Fund** – A governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specified purposes.

**STAAR (State of Texas Assessments of Academic Readiness)** – A comprehensive testing program for public school students in grades 3–8 or high school courses with end-of-course (EOC) assessments. The STAAR program is designed to measure to what extent a student has learned, understood, and is able to apply the concepts and skills expected at each grade level or after completing each course for which an EOC assessment exists. Each STAAR test is linked directly to the Texas Essential Knowledge and Skills (TEKS). The TEKS are the state-mandated content standards that describe what a student should know and be able to do upon completion of a course. For more information on the TEKS, see the Texas Essential Knowledge and Skills website at <http://tea.texas.gov/curriculum/teks/>.

The performance section of the TAPR shows STAAR performance in different ways:

- By Grade and Subject:
  - Grade 3 – reading and mathematics
  - Grade 4 – reading, mathematics, and writing
  - Grade 5 – reading, mathematics (1st and 2nd administration cumulative), and science
  - Grade 6 – reading and mathematics
  - Grade 7 – reading, mathematics, and writing
  - Grade 8 – reading, mathematics (1st and 2nd administration cumulative), science, and social studies
- By End-of-Course (EOC) Subject:
  - English I
  - English II
  - Algebra I
  - U.S. History
  - Biology
- All Grades:
  - STAAR Percentage at Approaches Grade Level Standard or Above (All Grades). The accountability indicator used to determine the scores for Indices 1 and 3. The first measure under this indicator, All Subjects, combines all subjects and all grades.
  - STAAR Percentage at Meets Grade Level Standard. The percentage of students who are determined to be sufficiently prepared for postsecondary success by achieving the Meets Grade Level performance standard on two or more assessments. The measure Two or More

Subjects includes the performance of 1) students who took only one assessment and scored at the Meets Grade Level Standard or better and 2) students who scored at the Meets Grade Level Standard or better on two or more assessments. A student who took more than one assessment and scored at the Meets Grade Level Standard on only one of them is not included in the count of postsecondary-ready students. This measure is part of determining the score for Index 4.

- STAAR Percentage at Masters Grade Level Standard. The percentage of tests that met the Masters Grade Level performance standard. This indicator was part of determining the score for Index 3.
- STAAR Percentage Met or Exceeded Progress. The percentage of tests that met or exceeded the STAAR or ELL progress measure expectations. See Chapter 4 of the 2017 Accountability Manual for more information. This indicator was used in determining the score for Index 2.
- STAAR Percentage Exceeded Progress. The percentage of tests that exceeded the progress measure expectations. This indicator was used in determining the score for Index 2.

#### Other Important Information

- The Texas English Language Learner Progress Measure. Often referred to simply as the ELL progress measure, it provides year-to-year performance expectations on the STAAR content-area assessments for ELL students. The progress measure is based on a student's level of English language proficiency and the amount of time he or she has attended school in the United States. Year-to-year performance expectations for the STAAR content-area tests identify ELL progress as meeting or exceeding an individual year-to-year expectation plan. An ELL's plan is determined by the number of years the student has been enrolled in U.S. schools and the student's Texas English Language Proficiency Assessment System (TELPAS) composite proficiency level.
- Substitute Assessments. Certain, specific assessments that students may take in place of an EOC assessment. Performance on the substitute assessments is used in calculating Index 1 and Index 4.
- Special Education. STAAR (with and without accommodations) and STAAR Alternate 2 results are included in all indices.
- Spanish STAAR. All STAAR tests in grades 3, 4, and 5 are available in both English and Spanish. The TAPR performance includes performance on the Spanish STAAR tests.
- Rounding of STAAR results. STAAR performance shown on the TAPR is rounded to whole numbers. For example, 49.877% is rounded to 50%; 49.4999% is rounded to 49%; and 59.5% is rounded to 60%.
- Masking. STAAR performance rates are masked when necessary to comply with FERPA.

**State Aid for Education** – Any grant made by a State government for the support of education.

**Superintendent** – The educational leader and administrative manager of the district or charter operator. It includes other titles that may apply to charter operators, such as chief executive officer, president, and chief administrative officer.

**TASBO** – Acronym for **Texas Association of School Business Officials**, an independent, not-for-profit professional association dedicated to being the trusted resource for school finance and operations in Texas.

**Target Revenue** – The minimal amount of funding per WADA that is guaranteed for each school district based on its 2006-07 state and local revenue plus additional add-on funding provided to school districts in subsequent years. Target revenue amounts are used as the basis for determining local school district funding, usually over-riding existing more equitable state finance formulae that might produce less than or greater funding per WADA.

**TRE** – Abbreviation of **Tax Ratification Election**. In 2006, the legislature required school boards to compress their districts' local M&O tax rates by one third, and reset the maximum school district M&O tax rate at \$1.17 and required school districts to seek voter approval for tax rate increase above \$1.04 up to the \$1.17 tax cap. This election is called a tax ratification election.

**Taxes** – Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit. The term includes licenses and permits. It does not include special assessments.

**TEA** – Abbreviation of **Texas Education Agency**, the state agency that oversees primary and secondary public education

**WADA** – Acronym for **Weighted Average Daily Attendance**. WADA is a calculated number that represents the number of students for which a district receives funding after adjusting for special needs.



