



Where all students connect, learn, grow and succeed.

2018-19
TAX RATE HEARING
June 6, 2018

Providing the resources required to accomplish our mission.

AGENDA

- Background
- Discussion of Tax Rate
 - History
 - Revenue Levels
 - Impact
- Discussion of Tax Ratification Election
- Next Steps



OUR MISSION & STRATEGIES

MISSION

The mission of RISD is to ensure that ALL connect, learn, grow and succeed through relevant and personalized learning experiences distinguished by

- a welcoming and accepting climate
- a safe, innovative, and adaptive environment
- a supportive, collaborative, and invested culture among students, staff, families, and community

STRATEGIES

- We will ensure that we have diverse and engaging programs and learning opportunities to meet the unique needs of all our students.
- We will guarantee that all students will perform at or above grade level.
- We will recruit, retain, and reward quality personnel.
- We will ensure that ALL families, businesses, and community partners are fully engaged in the mission of our district.
- **We will actively pursue creative funding sources and responsibly manage current resources to support our mission.**
- We will ensure that our facilities and infrastructure adapt to support our mission.

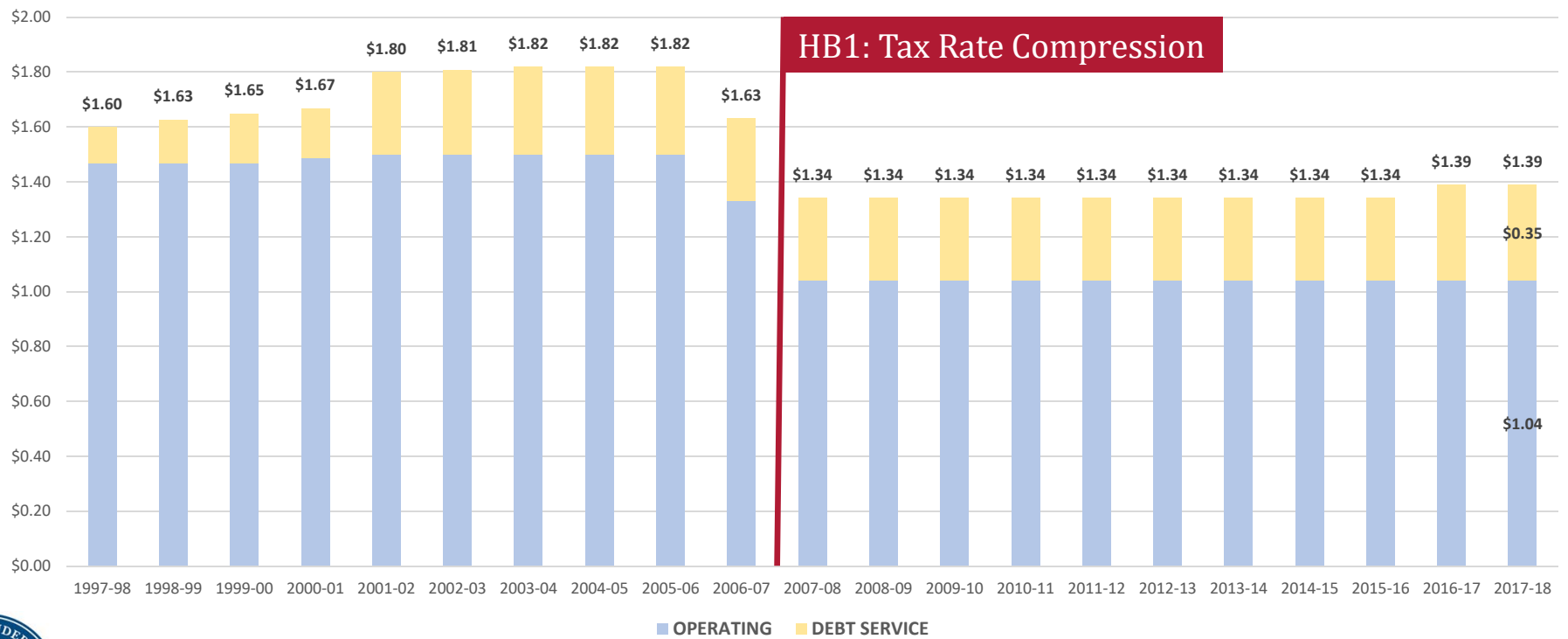


FINANCE ACTION TEAM CONCLUSIONS

- **Our current financial structure is inadequate to accomplish the district's mission.**
- While we need to ensure our operations are as efficient as possible, we cannot solve our financial issues through cost-cutting.
 - We are currently spending over 5% less per student than our North TX and statewide peers, despite having students with greater needs [ELL +30% / ED +15% / SPED +16%].
 - This disparity is not caused by investment decisions, but lack of funds; our M&O tax rate is \$1.04 compared to average of \$1.12 for our North TX neighbors (before homestead exemption).
 - Without some change in our revenue stream, our fund balance will be gone by 2021.
- We have little control over legislative outcomes regarding school finance; we cannot count on additional funding in the near term.
- **We need to take immediate actions that will increase sustainable sources of revenue in order to accomplish the district's mission.**

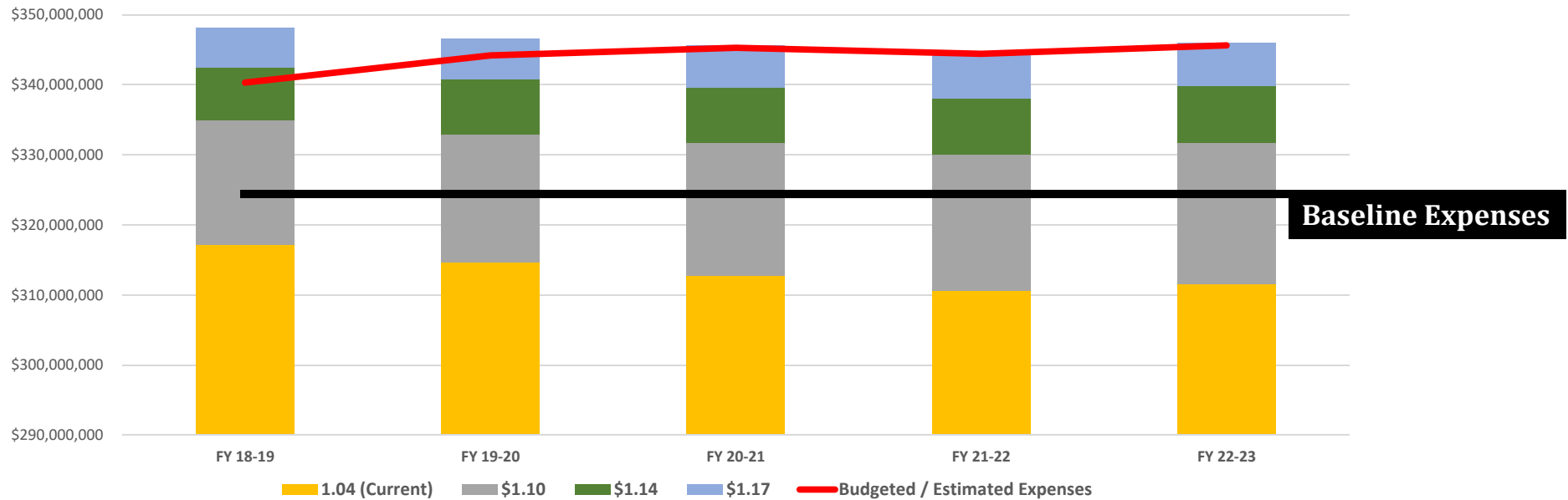


TAX RATE HISTORY



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REVENUE / TAX RATE SCENARIOS



Baseline Expenses

Available for one-time expenses	\$2,750,000	\$3,000,000	\$1,500,000	\$2,250,000
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AN OPERATING TAX RATE OF \$1.17 IS REQUIRED TO SUSTAINABLY FUND OUR MISSION



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IMPACT OF TAX RATES

\$1.04

- \$13.3 million of expenditure reductions over 5 years
 - Equals 215 average teacher salaries
- Unable to give staff raises
- Unable to add staff
- Increase class sizes
- Reduce course offerings or programs
- Consolidation of classroom capacity

\$1.10

- Fund current baseline expenses
- No additional teachers
- No staff raises

\$1.14

- Fund current baseline expenses
- 2.5% staff raise

\$1.17

- 2.5% Raise for all staff
- Pay increase to market for hourly staff
- Additional campus staff
- Increase safety and security staff including Elementary SROs
- Begin funding Strategic Plan



STRATEGIC PLAN BUDGET IMPACT

DIFFERENTIATION

- Personalized Learning Pathways: revised curriculum, mastery-based grading, flexible scheduling
- New CTE facility / newcomer centers
- Unique Programming: International Baccalaureate, Dual Language

EQUITY

- ACE
- Expanded Pre-K / Universal Screening Tool
- Enhancements to Summer Program, Reading Program, Early Literacy

PEOPLE (HR)

- Enhancements to professional development
- Implementation of salary study recommendations / remain competitive with market
- Changes to staffing model
- Performance-based compensation

COMMUNITY

- Improved online presence and capabilities
- Deployment of new communication and volunteer tools
- Expanded community events

INFRASTRUCTURE

- Facility Study (cost of study + identified maintenance)
- Enhanced security
- Sustainability measures
- Neighborhood school policy
- 6th grade programming

FINANCE

- TRE
- Consider homestead exemption
- Increase alternative revenue from foundation, grants



Impact of Tax Increase on Average Residence

	2017-18	2018-19	
	Last Year	This Year	Increase
Taxes Due to 2018 DCAD Value Increase	\$2,772.59	\$3,170.72	\$ 398.13
Taxes Due to Recommended Tax Rate Increase of \$0.13		\$ 296.53	<u>\$ 296.53</u>
			<u>\$ 694.66</u>

Note: Difference of 11 cents from newspaper notice of public hearing increase of \$694.55 due to rounding.



PROPOSED 2018-19 EXPENDITURE SUMMARY

	General Fund	
	<u>Recurring</u>	<u>Recurring Strategic Plan</u>
Expenditure Increases		
Current Commitments	\$ 1,056,413	\$ -
Staffing & Compensation	\$ 3,701,539	\$ 6,670,000
Facilities	\$ 651,046	\$ 129,200
	<u>\$ 5,408,998</u>	<u>\$ 6,799,200</u>
Totals		\$ 12,208,198
Transfer to Enhancement Fund		\$ 1,000,000
Recapture		\$ 5,869,577
17-18 Adopted Expenditures		\$ 321,242,115
18-19 Proposed Expenditures		\$ 340,319,890

Compensation and other increases contingent on passage of Tax Ratification Election



Election Timing

- Bond vs Tax Ratification Election
 - Bond – Ask voters to approve spending and therefore necessary tax rate in advance
 - Tax Ratification Election – Can only ask voters to approve a tax rate increase after it has been adopted by the Board
- September Election
 - Able to adjust plans earlier in the fiscal year than a later election date
 - Able to mail tax statements in early October which maintains a consistent cashflow with prior years
 - Keeps strategic initiatives on track



Sample Ballot Language

Approving the ad valorem tax rate of \$1.52 per \$100 valuation in Richardson Independent School District for the current year, a rate that is \$0.13 higher per \$100 valuation than the school district rollback tax rate, for the purpose of generating additional local and state revenue for district maintenance and operations.



Next Steps

- June 6, 2018 – Conduct public hearing on tax rate, adopt tax rate, order tax ratification election
- June 7, 2018 – Provide notice of election to county clerk and voter registrar (not later than 60th day before election)
- June 7, 2018 – Publish notice of hearing on budget and post summary of the proposed budget (no less than 10 and no more than 30 days prior to hearing)
- June 21, 2018 – Conduct public hearing on budget and adopt budget
- July 25, 2018 – Last day to receive certified value from Dallas County Appraisal District
- August 10, 2018 – Publish notice of election in newspaper (no less than 10 and no more than 30 days prior to election day)
- August 10, 2018 – Post notice of election on bulletin board and District website (not later than 21st day before election)
- August 20, 2018 – Early voting starts
- August 31, 2018 – Early voting ends
- September 4, 2018 – Last possible election day (90th day after calling election) this is a Tuesday
- September 10, 2018 – Canvass election results (3 to 11 days after election)
- October 1, 2018 – Board approves tax roll
- October 2, 2018 – Mail tax bills

