



Arlington

INDEPENDENT SCHOOL DISTRICT

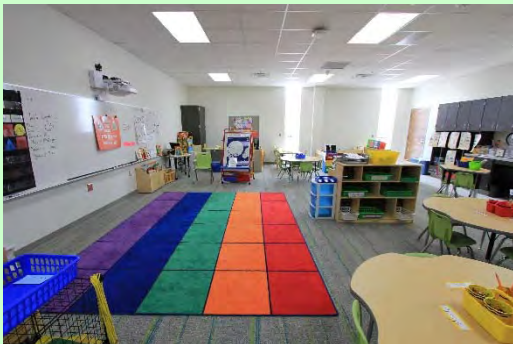
More Than a Remarkable Education

2016-2017 Official Budget

ACHIEVE TODAY.



EXCEL TOMORROW.



Interior pictures of one of AISD's newest elementary schools, Peach Elementary. Peach and McNutt Elementaries opened for the 2016-2017 school year.

Arlington Independent School District
1203 W. Pioneer Parkway
Arlington, Texas 76013
682-867-4611

www.aisd.net



Budget Process and Timeline

- ✧ The budget process begins as early as September each year. Campuses are notified of their enrollment projections, basic allotment, and special program allotments in January. The basic allotment provides for the regular education program, excluding payroll and other campus operating costs. The special program allotments provide for the incremental cost of programs serving special student populations such as career/technology, advanced academics, bilingual/ESL and special education. The Site-Based Decision-Making Team (“SBDM”) at each campus determines how the school’s allotments should be expended in order to achieve the goals set forth in their campus improvement plan. Budgets for payroll, utilities and other operating costs are established by central administration. The Human Resources Department works with campus principals and follows district guidelines to assure adequate and equitable staffing throughout the District.
- ✧ Each campus and department electronically submits its proposed budget to central administration for review by personnel in the Finance, Budget and Curriculum Departments. Changes and/or corrections are made to the budgets, as warranted.
- ✧ Budget updates are presented to the Board of Trustees, Financial Futures Committee (“FFC”) and the District Instructional Decision-Making Committee (“DIDC”) at work sessions at various times from February through June.
- ✧ The Tarrant Appraisal District (“TAD”) releases estimates of certified property values on April 30th and May 15th. These estimates, and the historical relationship between those values and fiscal year revenue, are used to determine the anticipated property tax revenue. This budget may be amended, as necessary, to reflect certified property values released by TAD on July 25th.
- ✧ Certified values are used to determine the property tax revenues that can be generated for the General Operating Fund and the Debt Service Fund.
- ✧ The Superintendent presents his preliminary budget to the Board of Trustees in June. The Board discusses the preliminary budget and may direct additions and/or changes to the budget.
- ✧ The Board holds a state-mandated public hearing on the proposed budget and tax rate before considering adoption of the budget in June. All notification and public hearing requirements are met prior to adoption of the budget. In accordance with State law, the Board of Trustees adopts the budget prior to June 30th. The budget is adopted at the functional level.
- ✧ The Maintenance and Operating (M&O) and Debt Service tax rates are adopted after the budget is adopted. The supporting tax rate is adopted in August, after the Tarrant Appraisal District releases certified property values on July 25th.
- ✧ Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles applicable to school districts. Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Trustees.
- ✧ With the exception of Special Revenue Funds, the Board of Trustees approves all budget amendments that change the amount of appropriation at the functional level. Budget amendments that alter Special Revenue Funds are approved by the granting agencies, in accordance with grant guidelines.
- ✧ Appropriations for the General Fund, Natural Gas Fund, Debt Service Fund, Capital Projects/ Construction Fund, and the Food Service Enterprise Fund lapse at year-end. Appropriations for the Special Revenue Funds (which are budgeted throughout the year as grantor agencies award funds) continue until completion of applicable projects, sometimes overlapping more than one fiscal year.

2016-2017 Budget Calendar

September 2015

- 28 - Budget Office develops 2016-2017 Budget Calendar
- 30 - Begin discussion of Health Insurance Options

October 2015

- 30 - Review Health Insurance Options with Superintendent

November 2015

- 4 - Budget Office begins review of budget preparation instructions
- Budget Office requests input on budget process
- New Principal's orientation – discuss budget process and parameters
- 20 - Comments about budget process due to Budget Office

December 2015

- 7 - Complete 2016-2017 enrollment projections
- 10 - Board of Trustees approves staffing ratios
- 14 - Complete review of enrollment projections and notify principals

January 2016

- 5 - Budget Office enters campus allocations into TEAMS (financial software)
- 6 - Open 2016-2017 TEAMS budget system for input of budget requests
- Discuss budget preparation process at principal's meeting
- Distribute instructions for personnel requests
- 13 - Budget system training
- 14 - Board of Trustees approves Charge to the 2016-2017 Financial Futures Committee (FFC) and appoints members and chairperson of the Committee
- 22 - Curriculum and Instruction Division Budget Planning
- 28 - Financial Futures Committee (FFC) meeting
- 29 - Requests for new positions/upgrades due to appropriate Chief/Superintendent

2016-2017 Budget Calendar, *continued*

February 2016

- 1 - Begin personnel staffing conferences – Elementary Schools
- 5 - Budget requests due from departments and elementary schools
- 9 - FFC meeting
- 12 - Requests for new positions/upgrades due to Human Resources
- 23 - Budget requests due from secondary schools
- FFC meeting

March 2016

- 4 - Complete budget reviews – departments and schools
Begin personnel staffing conferences – secondary schools
- 8 - FFC meeting
- 22 - FFC meeting

April 2016

- 5 - FFC meeting
- 11 - FFC meeting (if needed)
- 13 - Finalize recommendations for new positions
- 15 - Staffing process completed by HR and posted to TEAMS
- 21 - FFC reports to Board of Trustees
- 29 - Receive Certified Estimate of Property Values from Tarrant Appraisal District (TAD)

May 2016

- 16 - Receive preliminary property values from TAD

2016-2017 Budget Calendar, *continued*

June 2016

- 9 - Board discusses 2016-2017 Preliminary Budget
- Board approves Notice of Public Meeting to Discuss Proposed Budget and Tax Rate
- 10 - Post proposed budget on district website
- Publish Notice of Public Meeting to Discuss Budget and Tax Rate (must be 10-30 days before hearing date)
- 23 - Board holds public hearing to discuss 2016-2017 budget and tax rate
- Board adopts 2016-2017 budget

July 2016

- 25 - Receive certified tax roll from Tarrant Appraisal District

August 2016

- 18 - Board votes on proposed tax rate

Budget Preparation Timeline

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Planning												
Enrollment Projections												
Budget Prep (Schools/Dept)												
Financial Futures Committee												
Strategic Plan Planning												
Campus Staffing/New Positions												
Budget Reviews												
Payroll Budget Prep												
Revenue Estimates												
Board Discussion /Hearings/Action												
Receive Certified Prop Values												
Adopt Property Tax Rate												

General Fund

Revenue

General Fund revenue is budgeted to increase by \$116,950 or 0.0% more than the 2015-2016 projected actual revenue. *Local revenue* is budgeted to increase by 2.6% due mainly to an increase in projected property values. *State foundation aid* is budgeted to decrease by 2.0%. This decrease is the net result of a slight decrease in enrollment, changes in special program participation, and higher local property values. *Federal funding* is budgeted to decrease by 4.1%, or \$236,570. The decrease is due to anticipated reimbursements received from the School Health and Related Service (SHARS) program. *Other Resources* of \$431,307 have been eliminated. Last year, other resources represented the proceeds from a LoanSTAR low-interest loan, administered by the State Energy Conservation Office (SECO), to perform energy retrofit projects throughout the district. Those projects have been completed and no additional proceeds are expected in 2016-2017.

The following table provides a comparison of revenues by source.

General Fund Revenue Sources

	2015-2016 Projected Actual	2016-2017 Budget	Percent Change
Local Sources	\$228,815,941	\$234,875,453	2.6%
State Sources	262,153,976	256,879,291	(2.0%)
Federal Sources	5,701,570	5,465,000	(4.1%)
Other Sources	431,307	0	100.0%
Total	\$497,102,794	\$497,219,744	0.0%

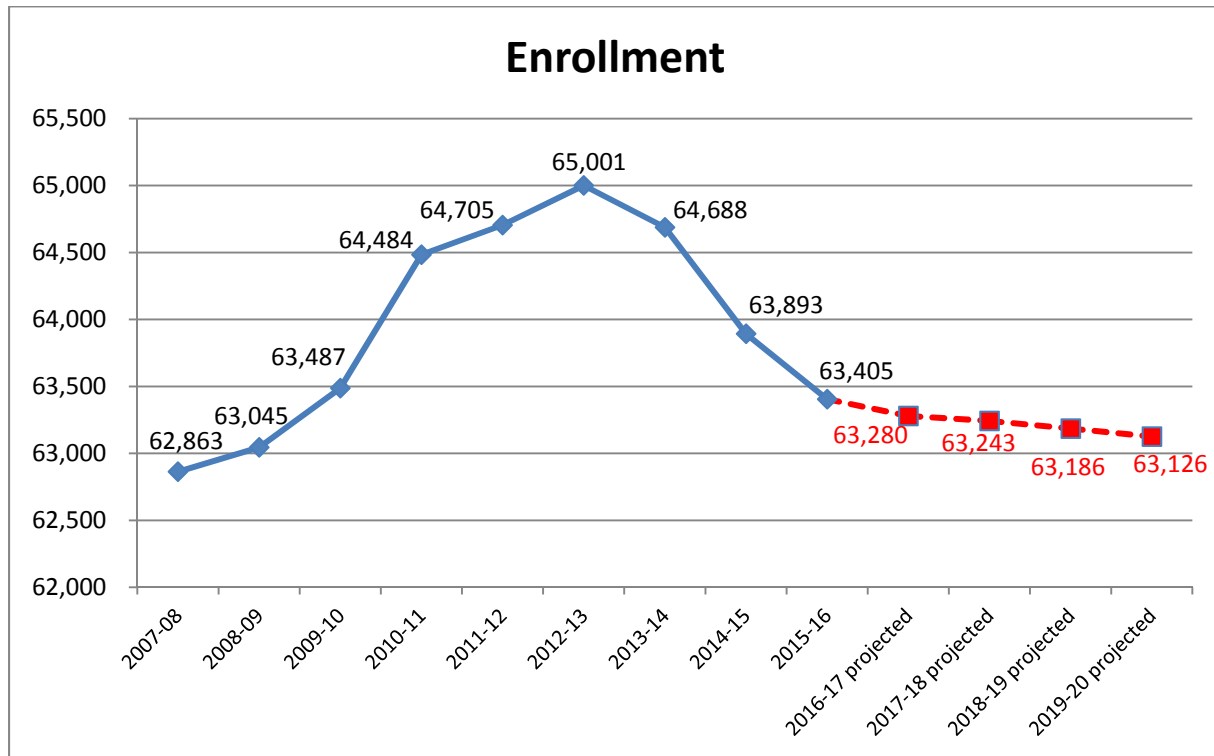
Critical elements necessary to develop the General Fund revenue budgets are student enrollment, special program participation and property values. Student enrollment projections and special program participation influence state revenue estimates, staffing decisions, per-pupil allocations, facility needs, and many other budgetary decisions.

Student Enrollment

Student enrollment is projected to be 63,280 for 2016-2017, which is 121 students (or 0.2%) less than the projected enrollment of 63,401 used for last year’s original budget and 125 less than the 2015-2016 official enrollment of 63,405.

From 2008-2009 through 2012-2013, the District experienced increased enrollment each year. Enrollment increased by 997 students, or 1.6%, in 2010-2011 due primarily to a new pre-kindergarten program and to the District’s Operation Graduation initiative. Operation Graduation is a collaborative effort that requires the support of the community with the goal of increasing the graduation rate of AISD high school students. The decrease in enrollment since 2013-2014 is due to a decline in birth rates, decline in population within district boundaries and to student migration to new charter schools that have opened in the area.

Enrollment is projected to decrease slightly for the next four years. As AISD completes construction on new facilities funded by the 2014 bond program, students are projected to return to AISD to take advantage of specialized programs such as fine arts/dual language academies, new career technical education center and a new agricultural science facility.



Property Value

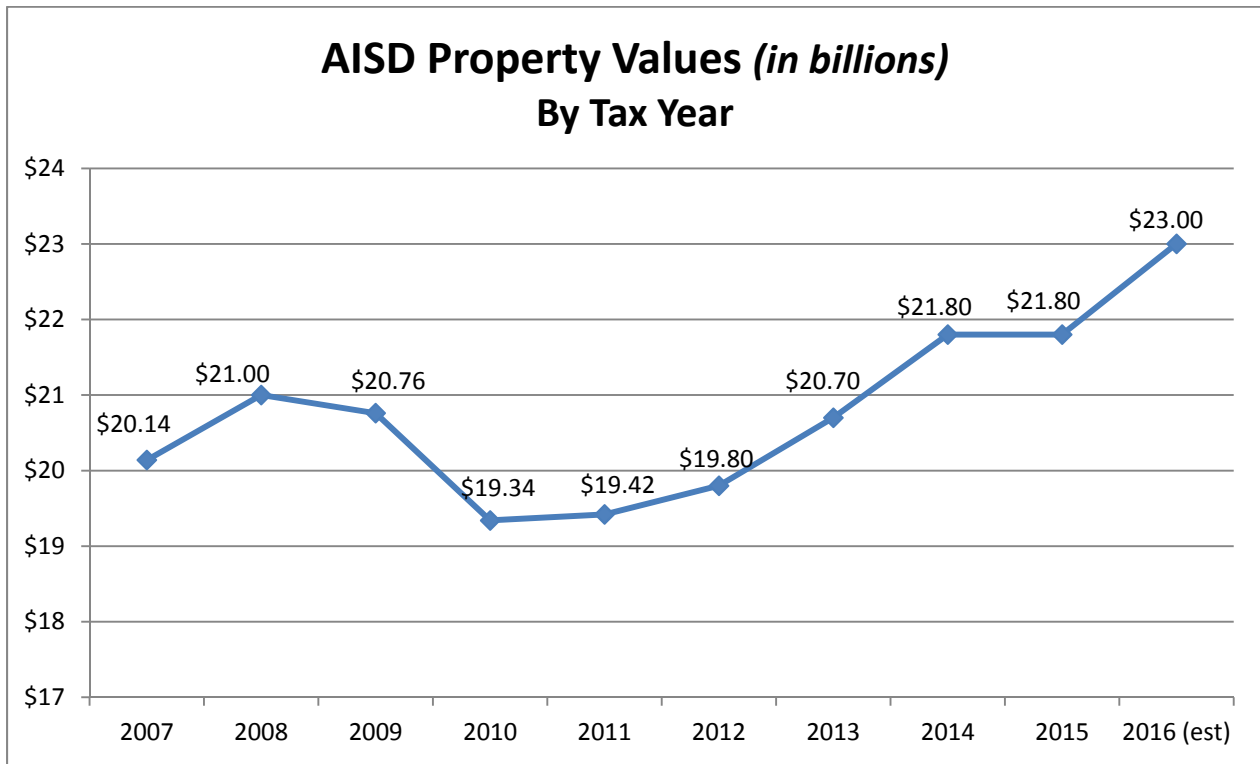
Property Value is a key component in developing revenue forecasts for both the state and local components of the budget. Property values for 2016 were certified by the Tarrant County Appraisal District (TAD) by July 25, 2016. On April 30 and May 15, 2016, TAD released estimates of 2016 property values. Those estimates, along with historical trends, provided the basis for the projected certified values.

Due to the economic downturn, certified property values fell in 2009 and 2010. In 2011, certified property values began to increase again. To understand the 2016-17 tax revenue and state aid budgets, it is helpful to review two things that occurred during the 2015-16 fiscal year, after the budget was adopted:

- 2015 certified property values were less than the values projected for the original budget. Certified values are received on July 25th each year, after the annual budget is adopted in June. Estimates are used for the original budget. Certified values were projected to increase by 3.89%; however, the values were actually 2.63% higher. Problems encountered by TAD during a software conversion resulted in lower and incomplete values for all taxing entities for 2015-16. TAD corrected a number of problems throughout the year; however, 2015-16 tax revenue will be less than originally budgeted.
- Texas voters approved a measure to increase the property tax homestead exemption from \$15,000 to \$25,000 in November 2015, after the 2015-16 budget had been adopted. Both Current Year Taxes and State Foundation Aid were affected by the increased exemption. Current Year Taxes decreased due the higher homestead exemption, and State Foundation Aid was increased to hold school districts harmless for tax revenues lost to the higher exemption. The 2015-16 budget was adopted using the \$15,000 homestead exemption that was in place at that time and was amended after the election for the impact of the higher homestead exemption approved by voters in November.

2016 certified values are estimated to be \$23.0 billion, which is \$1.2 billion or 5.51% higher than last year's certified values restated for the new \$25,000 homestead exemption.

The budget for current year taxes is \$1,798,154 higher than last year's original budget due to the effect of the 5.51% increase in property values and the adjustments during 2015-16 as described above.



Expenditures

General Fund expenditures were increased by \$28.0 million from the 2015-2016 original budget, the net result of increases in construction expenditures, a salary increase, new positions and an increase in health insurance contributions. The District remained focused on the goals and objectives of the strategic plan while developing this budget. The 2016-2017 budget is aligned to the strategic plan and includes funds to support year 1 strategic plan activities. Year 1 strategic plan activities included in the budget include implementation of a curriculum management system platform; instructional planning, programming and professional learning related to the 2014 bond program; redesign of the gifted and talented program; new cohorts for the Arlington Collegiate High School and fine arts/dual language academies; and implementation of the eScholar data warehouse system to track student progress and assist teachers in developing appropriate interventions.

The four performance objective categories of the 2016-2021 *Achieve Today. Excel Tomorrow.* strategic plan are designed to increase student achievement and the quality of services provided to campuses. These performance objective categories are (1) *Academic Achievement*, (2) *College Readiness*, (3) *Workforce Readiness*, (4) *Leadership, Citizenship and Responsibility*. These four objective categories define the district’s academic programming work for the 2016-2017 school year, intentionally promote budget development around high impact areas of improvement, and inform strategic planning as we strive to become a premiere school district and a leader in education.

\$4.7 million was budgeted in 2015-2016 to complete construction of Diane Patrick Elementary School, a new elementary school to relieve crowding in East Arlington. The Patrick project was completed in fall 2015; therefore, that budget is eliminated in 2016-2017. The 2016-2017 budget includes \$17.1 million to construct an addition at Sam Houston High School. This is a strategic one-time use of fund balance committed by the Board of Trustees on November 5, 2015.

The education of students is a labor-intensive process and payroll expenditures comprise 86% of the General Fund expenditures. Because AISD is committed to its goal of recruiting and retaining the best possible employees, competitive compensation packages for all district employees are considered very carefully. In 2016-2017, the Board approved a 4.66% raise on mid-point for auxiliary employees. The total cost of this salary increase is \$1,312,408. All other employees received a 2% increase on base salary, at a cost of \$6,566,084. An increase of \$10 per month in health insurance contributions was also approved, at a total annual cost of \$562.35.

One hundred thirty-six new positions were added to the General Fund budget. The Board of Trustees approved the addition of 27 Gifted and Talented teachers to implement Phase I of the updated Gifted and Talented program in Elementary Schools. 43.5 positions were added for the 2 new elementary schools that will open in 2016-2017. The Multi-purpose Activity Centers at each of the 6 traditional high schools will also open in 2016-2017 and 6 custodian positions were added to the budget for those new buildings. 20 new lab managers were added for the elementary STEM labs that are scheduled to open in 2016-2017. Additional positions added to the General Fund include 27.5 positions for campus population changes, 2 art teachers for the fine arts/dual language academies, additional dyslexia teachers, a Speech Pathologist, Occupational Therapist, Coordinator of Structured Cabling, Specialist for Environmental/Safety, Specialist for Dropout Prevention, a Maintenance Specialist/Trainer, and a LAN Technician. Total cost of these additional positions is \$6,190,224.

Expenditures are budgeted to increase by \$37.8 million or 7.7% over the 2015-2016 projected actual expenditures, as detailed in the chart below. The increase in payroll is due to salary increases, higher health insurance contributions and new positions as described previously and unfilled/vacated positions in 2015-2016. Contracted services has been increased primarily due to strategic plan activities, increases in contracted maintenance and repair on equipment purchased with 2009 bond funds which is due for extended maintenance/warranty work, and increases in contracted maintenance for mechanical systems optimization. The decrease in supplies and materials is primarily due to supplies and materials that were purchased for the new elementary school in 2015-2016. The slight increase in other operating costs is due primarily to the increased cost of staff development and property/liability insurance. Debt Services is increased for the repayment of low interest loans from the State Energy Conservation Office for retro-fitted energy efficient equipment. The capital outlay budget includes the one-time scheduled use of surplus fund balance to construct an addition at Sam Houston High School.

The following table provides a comparison of expenditures by type of expenditure.

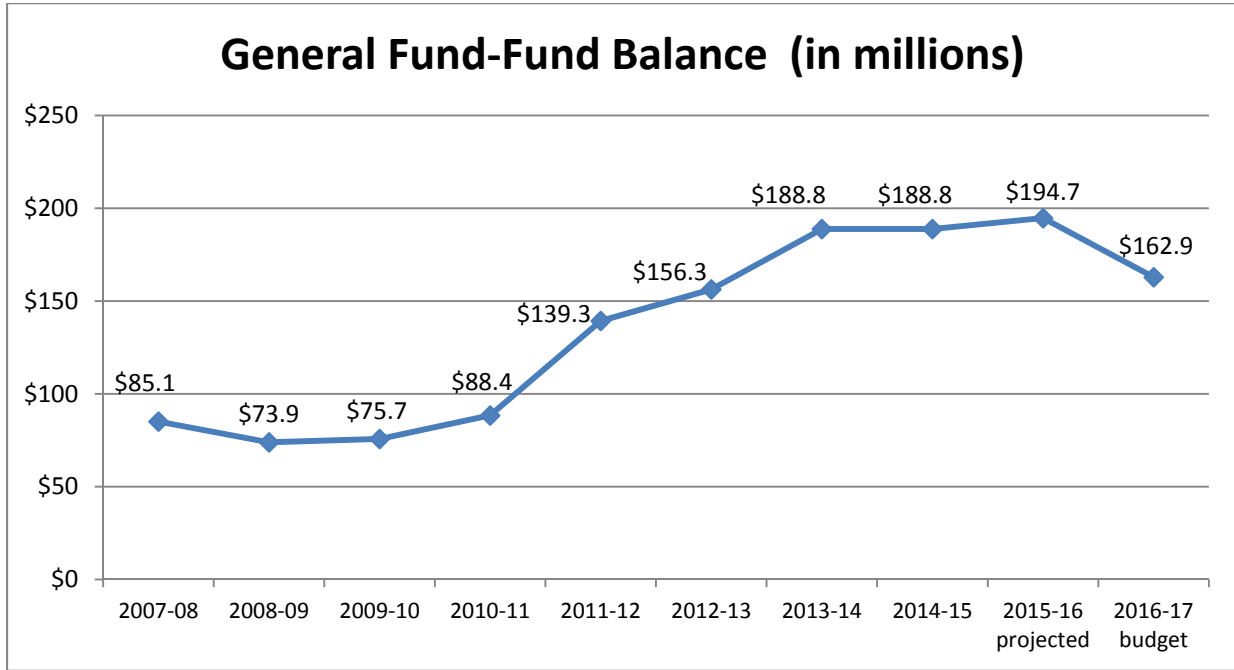
General Fund Expenditures

	2015-16 Projected Actual	2015-16 Budget	Percent Change
Payroll	\$430,669,165	\$454,678,727	5.6%
Contracted Services	29,683,318	32,121,848	8.2%
Supplies and Materials	18,163,821	16,409,241	(9.7%)
Other Operating Costs	7,089,015	7,143,650	0.8%
Debt Service	1,387,651	1,408,314	1.5%
Capital Outlay	4,199,958	17,192,500	309.4%
Total	\$491,192,928	\$528,954,280	7.7%

Tax Rate and Fund Balance Impact

Once the Board of Trustees has adopted a budget and received certified property values from the Tarrant Appraisal District, the tax rate necessary to fund budgeted expenditures is calculated. Tax revenues are calculated using the current Maintenance and Operations (“M&O”) tax rate of \$1.04. Any increase above \$1.04 must be approved by voters through a tax ratification election. The maximum M&O tax rate allowed is \$1.17. The Board adopted a M&O tax rate of \$1.04 on August 18, 2016.

The 2016-2017 General Fund budget has a deficit of \$31,734,536. This deficit is due largely to the strategic one-time use of \$17,100,100 of surplus fund balance to construct an addition at Sam Houston High School. The Board committed surplus fund balance for this use. Without this one-time expenditure, the operating budget would have a deficit of \$14,634,536. The Board and administration recognize this budget deficit and have already begun evaluating strategies to reduce expenditures in future years while still supporting the goals and objectives of the strategic plan. Fund Balance at June 30, 2017 is projected to be \$162,938,433. This budget enables Arlington ISD to maintain a healthy total fund balance of 3.52 months of operating reserve for the fiscal year beginning July 1, 2017.



After dipping into reserves for several years, the District’s fund balance increased slightly in 2009-2010. In 2010-2011 fund balance increased by \$12.7 million due primarily to the receipt of \$10.4 million in federal Education Jobs Fund (Ed Jobs) program funds. The Ed Jobs program provided assistance to states to save or create education jobs for the 2010-2011 school year. AISD applied the \$10.4 million directly to fund existing positions, thus reducing the actual salary expense from the General Fund. The 2011-2012 fund balance increased by \$50.9 million due to difficult decisions made and cuts enacted to eliminate a recurring budget deficit and to recognize state funding cuts. That large fund balance increase is also the result of the one-time accounting change to transition to the new fiscal year which begins on July 1. The 2012-2013 fund balance increased by \$17.0 million and the 2013-2014 fund balance increased by \$32.5 million due to higher property values, increases in state revenue, cuts enacted in previous years and to savings from vacant positions. The 2014-2015 fund balance remained at \$188.8 due primarily to the net of savings realized by vacant positions and one-time use of fund balance to construct of the new Patrick Elementary School. The 2015-2016 fund balance is projected to increase by \$5.9 million due primarily to vacant positions. The 2016-17 budgeted fund balance decrease reflects the construction of the addition to Sam Houston High School and the budget adopted by the Board to support the strategic plan. The District has a healthy fund balance level which provides stability to weather unfavorable variances in future revenues and expenditures.

Budget Forecast

In accordance with the budget parameters set for the in Board Policy CE(LOCAL), the General Fund budget is forecast for three upcoming years to account for future implication of budget proposals and revenue estimates. In the budget forecasts, several assumptions are made.

- Property values are estimated to increase approximately 3.0% to 3.5% per year.
- Student enrollment is projected to decrease slightly for the next three years.
- The maintenance and operating tax rate remains at \$1.04 per \$100 in valuation.
- Salary increases are not included in forecasts.
- Includes operating costs for new facilities at scheduled opening dates.
- Inflation is projected at 5%.

Based on these conservative assumptions, the General Fund is anticipated to have a budgeted deficit in each of the next 3 fiscal years. The District will continue to align resources (people, time, and money) to student achievement goals and the District Strategic Plan while maintaining a balanced budget. These projections are continuously monitored and updated throughout the year as more information becomes available.

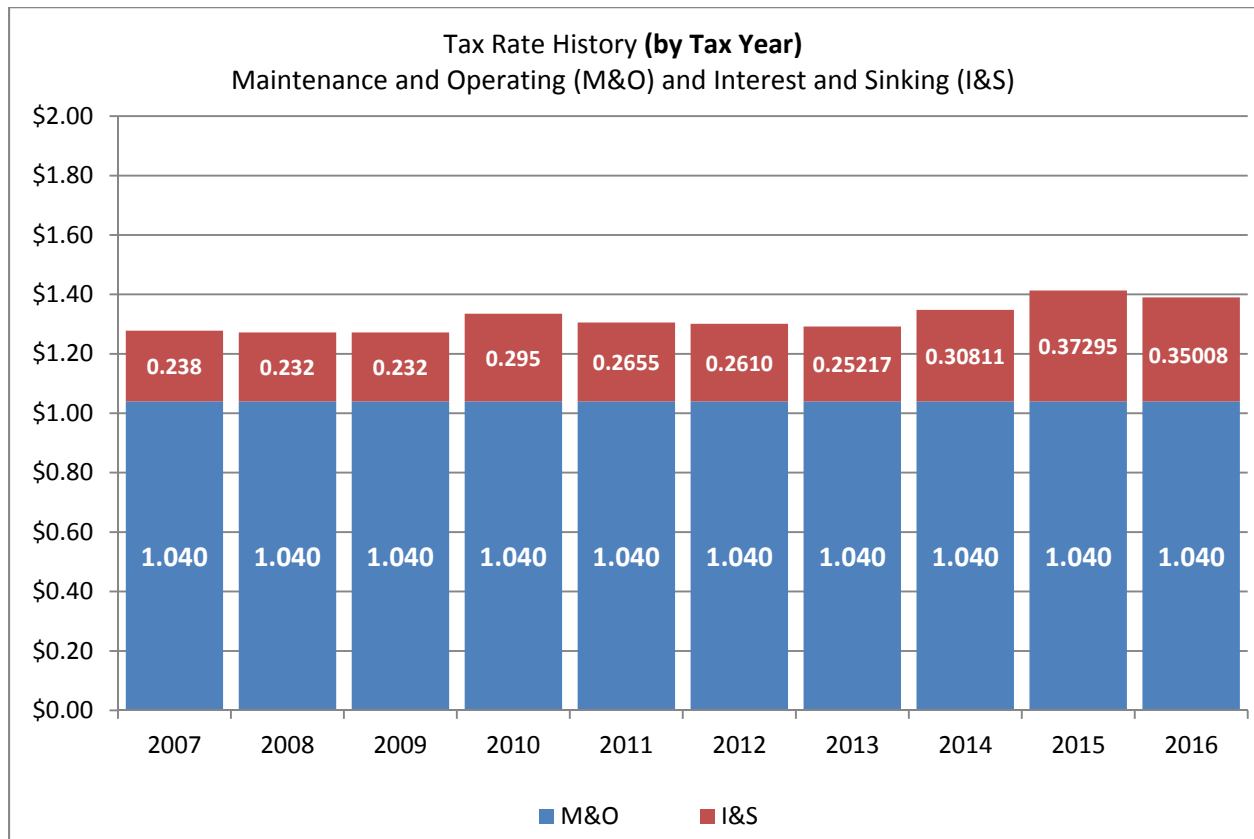
General Fund Budget Projections

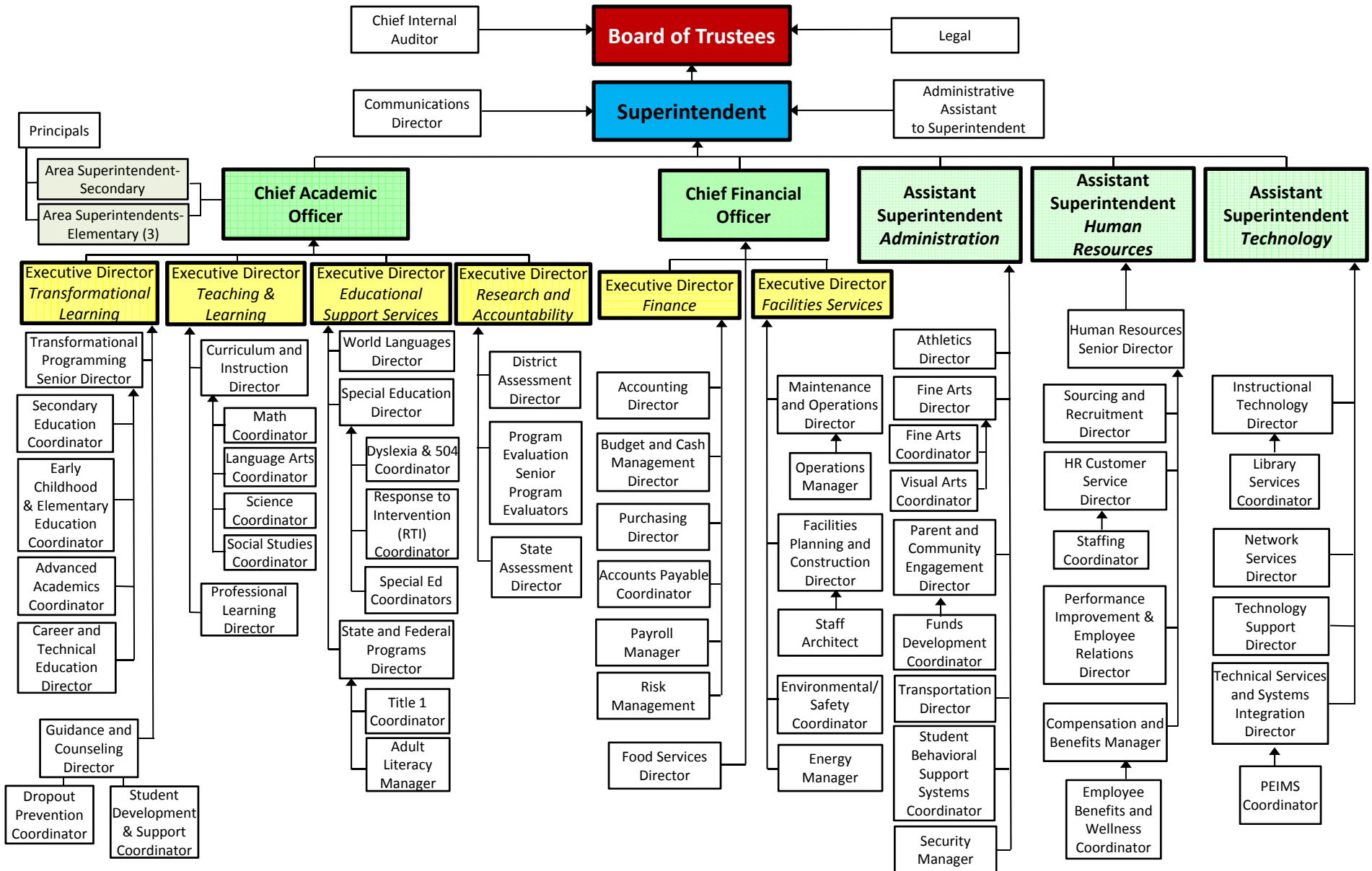
	2015-16 Projected Actual	2016-17 Budgeted	2017-18 Projected	2018-19 Projected	2019-20 Projected
Projected Beginning Fund Balance	\$188,763,103	\$194,672,969	\$162,938,433	\$142,724,192	\$119,776,253
Revenue	497,102,794	497,219,744	494,866,721	494,402,755	494,796,089
Expenditures	491,192,928	528,954,280	515,080,962	517,350,694	517,890,840
Budget Surplus/ (Deficit)	5,909,866	(31,734,536)	(20,214,241)	(22,947,939)	(23,094,751)
Projected Ending Fund Balance	194,672,969	162,938,433	142,724,192	119,776,253	96,681,502

The accounting and management of the Food Service program more closely resemble a commercial operation than a government service; therefore, a separate enterprise fund is used to account for its operations. The Food Service Fund is projected to sustain its operations without any assistance from the General Fund.

Combined Tax Rate Impact

The District’s tax rate consists of two separate components – maintenance and operations rate (M&O - General Fund) and an interest and sinking rate (I&S – Debt Service Fund). Revenue is derived from current local property taxes, delinquent property taxes from previous years as well as penalty and interest from overdue taxes. M&O revenue is for daily operation of the school district. I&S revenue can only be utilized to repay the debt and interest payments for the immediate fiscal year according to bond repayment schedules.





Classification of Revenues and Expenditures

Section 44.007 of the Texas Education Code requires that a standard school district fiscal accounting system be adopted by each school district. The accounting system must conform to generally accepted accounting principles (GAAP) and must meet at least the minimum requirements prescribed by the Commissioner of Education, subject to review and comment by the state auditor.

A major purpose of the accounting code structure is to establish the standard school district fiscal accounting system required by law. Although certain elements of the account code may be used at local option, the sequence of the codes within the structure, and the funds and chart of accounts, are to be uniformly used by all districts.

Account Code Composition

- Fund Code – A mandatory 3 digit code is 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 – A mandatory 2 digit code applied to expenditures/expenses that identifies the purpose of the transaction. The first digit identifies the major class and the second digit refers to the specific function within the area.
- Object Code – A mandatory 4 digit code that identifies the nature and object of an account, a transaction or a source. The first of the four digits identifies the type of account or transaction, the second digit identifies the major area, and the third and fourth digits provide further sub-classifications.
- Sub-object Code – An optional code used to further define the object code. Arlington ISD uses the sub-object code to provide additional information about the object.
- Organization Code – A mandatory 3 digit code identifying the organization, i.e., the campus or department.
- Program Intent Code – A mandatory 2 digit code used to designate the intent of a program provided to students. These codes are used to account for the cost of instruction and other services that are directed toward a particular need of a specific set of students.
- Project Detail Code – An optional code that AISD uses to represent subject areas or other programs.

Revenues

District revenues are classified by fund and object or source. There are three major sources: local sources, state sources, and federal sources. Local sources include tax collections and investment earnings. Texas state sources rely on a combination of local property taxes and state aid and are based on legislated funding formulas. Federal funds are primarily reimbursements received from the School Health Related Service (SHARS) program.

Expenditures

Expenditure budgets are legally adopted at the fund and function level; however, within this document we have included several additional presentations of expenditures. These presentations segregate expenditures by major objects. Major object codes are used to describe the type of items purchased or services obtained. The major object codes used in this document are: payroll and related costs, purchased and contracted services, supplies and materials, other operating expenditures, and capital outlay. Fund codes have been described in the preceding Fund Structure section. Following is a description of the function codes used throughout this document.

Functional Codes – General Descriptions

10 Instruction and Instructional 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. For example, function 11 includes classroom teachers, teacher assistants, and graders, but does not include curriculum development (function 13) or principals (function 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 (function 11) or reference books in the classroom (also function 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 training (function 11 or 12).

20 Instructional and School Leadership

21 Instructional Leadership

This function encompasses those district-wide activities which are directly used for managing, directing, supervising, and providing leadership for staff who provide general and specific instructional services. For example, function 21 includes instructional supervisors but does not include principals (function 23).

23 School Leadership

This function includes expenditures to direct and manage a school campus. It includes salaries and supplies for the principal, assistant principal, and other administrative and clerical staff, including attendance clerks.

30 Student Support Services

31 Guidance, Counseling and Evaluation Services

This function is used for expenditures that are directly and exclusively used for assessing and testing students' abilities, aptitudes and interests; counseling students with respect to career and educational opportunities and helping them establish realistic goals. This function includes costs of psychological services, identification of individual characteristics, testing, educational counseling, student evaluation and occupational counseling.

32 Social Work Services

This function includes expenditures which are directly and exclusively used for activities such as investigating and diagnosing student social needs, casework and group work services, interpreting the social needs of students, and promoting modification of the circumstances surrounding the student. Examples include social workers, non-instructional home visitors, and truant officers.

33 Health Services

This function is for providing physical health services to students. This includes activities that provide students with appropriate medical, dental and nursing services.

34 Student Transportation

This function includes the cost of transporting students to and from school. Function 34 includes transportation supervisors and bus drivers, but does not include field trips (function 11) or student organization trips (function 36).

35 Food Services

This function is used for food service operation including the cost of food, labor, and other expenditures necessary for the preparation, transportation and storage of food to provide to students and staff. Expenditures are directly and exclusively for supervision and maintenance of a food service operation. Function 35 includes cooks and food purchases, but does not include concession stands at athletic events (function 36).

36 Extracurricular Activities

This function is used for school-sponsored activities outside of the school day. These activities are generally designed to provide students with experiences such as motivation and the enjoyment and improvement of skills in either a competitive or noncompetitive setting. Extracurricular activities include athletics and other activities (such as drill team, pep squad, cheerleading and University Interscholastic League competitions such as one-act plays, speech, debate, band, National Honor Society, etc.) that normally involve competition between schools.

40 Administrative Support Services

41 General Administration

This function is for the purpose of managing or governing the school district as an overall entity. It includes expenditures for the school board, superintendent's office, personnel services, and financial services.

50 Support Services – Non-Student Based

51 Facilities Maintenance and Operations

This function is for activities to keep the facilities and grounds open, clean, comfortable and in effective working condition and state of repair, and insured. This function is also for activities associated with warehousing and receiving services. Examples include janitors, facility insurance premiums, and warehouse personnel.

52 Security and Monitoring Services

This function is 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.

Classification of Revenues and Expenditures, *continued*

53 Data Processing Services

This function is for data processing services, whether in-house or contracted. Personal computers and peripherals that are stand alone are charged to the appropriate function. Costs associated with mainframe, networks, and servers that provide services to multiple functions are recorded here.

60 Ancillary Services

61 Community Services

This function encompasses all other activities of the District which are designed to provide a service or benefit to the community as a whole or portion of the community. Examples include recreational programs, public library services, and parenting programs.

70 Debt Service

71 Debt Service

This function is used for the retirement of recurring bond, capital lease principal, and other debt, related debt service fees, and for all debt interest.

80 Capital Outlay

81 Facilities Acquisition and Construction

This function is used for acquiring, equipping, and/or making additions to real property and sites, including lease and capital lease transactions.

90 Intergovernmental Charges

95 Payments to Juvenile Justice Alternative Education Programs (JJAEP)

This function is used to provide financial resources for JJAEP under Chapter 37 of the Texas Education Code. It is used to account for payments to other governmental entities in connection with students that are placed in discretionary or mandatory JJAEP settings.

97 Payments to Tax Increment Fund

This function is for providing financial resources paid into a tax increment fund under Chapter 311, Tax Code.

99 Other Intergovernmental Charges

This function is used to record other intergovernmental charges not defined above.

Significant Financial Policies and Procedures

The annual budget serves as the foundation for the District’s financial planning and control. The following financial policies and procedures of the District significantly influence the development of the annual budget.

Budget Parameters

The Board of Trustees has established Budget Parameters to set forth the Board’s expectations for the budget and to create a framework for developing the budget. On October 17, 2013, the Board reinforced its fiduciary/budgetary goals by adopting the Budget Parameters into board policy CE(LOCAL). These budget parameters include expectations for a balanced budget, budget allocations, staffing formulas, and employee compensation.

Budget Parameters Board Policy CE(LOCAL)

1. The Board recognizes the need to target resources into programming that supports achievement growth for all schools, including supplemental resources for schools facing specific additional instructional needs.
2. The Board seeks to maintain competitive compensation levels in an effort to recruit and retain a highly qualified workforce and shall consider adjustments necessary for the District to be competitive in this area.
3. Staffing ratios shall meet or exceed state standards and shall be approved by the Board before the staffing process begins.
4. The Board recognizes its fiduciary responsibility to adopt a balanced budget, but recognizes that some limited use of fund balance may be appropriate for non-recurring expenditures or to sustain services.
5. If projected expenditures exceed projected revenue and budget reductions become necessary, the District will first seek budget reductions with the least impact on classrooms.

Budget Process and Timeline

- ❖ The budget process begins as early as September each year. Campuses are notified of their enrollment projections, basic allotment, and special program allotments in January. The basic allotment provides for the regular education program, excluding payroll and other campus operating costs. The special program allotments provide for the incremental cost of programs serving special student populations such as career/technology, advanced academics, bilingual/ESL and special education. The Site-Based Decision-Making Team (“SBDM”) at each campus determines how the school’s allotments should be expended in order to achieve the goals set forth in their campus improvement plan. Budgets for payroll, utilities and other operating costs are established by central administration. The Human Resources Department works with campus principals and follows district guidelines to assure adequate and equitable staffing throughout the District.
- ❖ Each campus and department electronically submits its proposed budget to central administration for review by personnel in the Finance, Budget and Curriculum Departments. Changes and/or corrections are made to the budgets, as warranted.
- ❖ Budget updates are presented to the Board of Trustees, Financial Futures Committee (“FFC”) and the District Instructional Decision-Making Committee (“DIDC”) at work sessions at various times from February through June.
- ❖ The Tarrant Appraisal District (“TAD”) releases estimates of certified property values on April 30th and May 15th. These estimates, and the historical relationship between those values and fiscal year revenue, are used to determine the anticipated property tax revenue. This budget may be amended, as necessary, to reflect Certified Property Values released by TAD on July 25th.
- ❖ Certified values are used to determine the property tax revenues that can be generated for the General Operating Fund and the Debt Service Fund.
- ❖ The Superintendent presents his preliminary budget to the Board of Trustees in June. The Board discusses the preliminary budget and may direct additions and/or changes to the budget.
- ❖ The Board holds a state-mandated public hearing on the proposed budget and tax rate before considering adoption of the budget in June. All notification and public hearing requirements are met prior to adoption of the budget. In accordance with State law, the Board of Trustees adopts the budget prior to June 30th. The budget is adopted at the functional level.
- ❖ The Maintenance and Operating (M&O) and Debt Service tax rates are adopted after the budget is adopted. The supporting tax rate is adopted in August, after the Tarrant Appraisal District releases certified property values on July 25th.
- ❖ Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles applicable to school districts. Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Trustees.
- ❖ With the exception of Special Revenue Funds, the Board of Trustees approves all budget amendments that change the amount of appropriation at the functional level. Budget amendments that alter Special Revenue Funds are approved by the granting agencies, in accordance with grant guidelines.
- ❖ Appropriations for the General Fund, Natural Gas Fund, Debt Service Fund, Capital Projects/ Construction Fund, and the Food Service Enterprise Fund lapse at year-end. Appropriations for the Special Revenue Funds (which are budgeted throughout the year as grantor agencies award funds) continue until completion of applicable projects, sometimes overlapping more than one fiscal year.



2016-2017 Official Budget

Financial Section

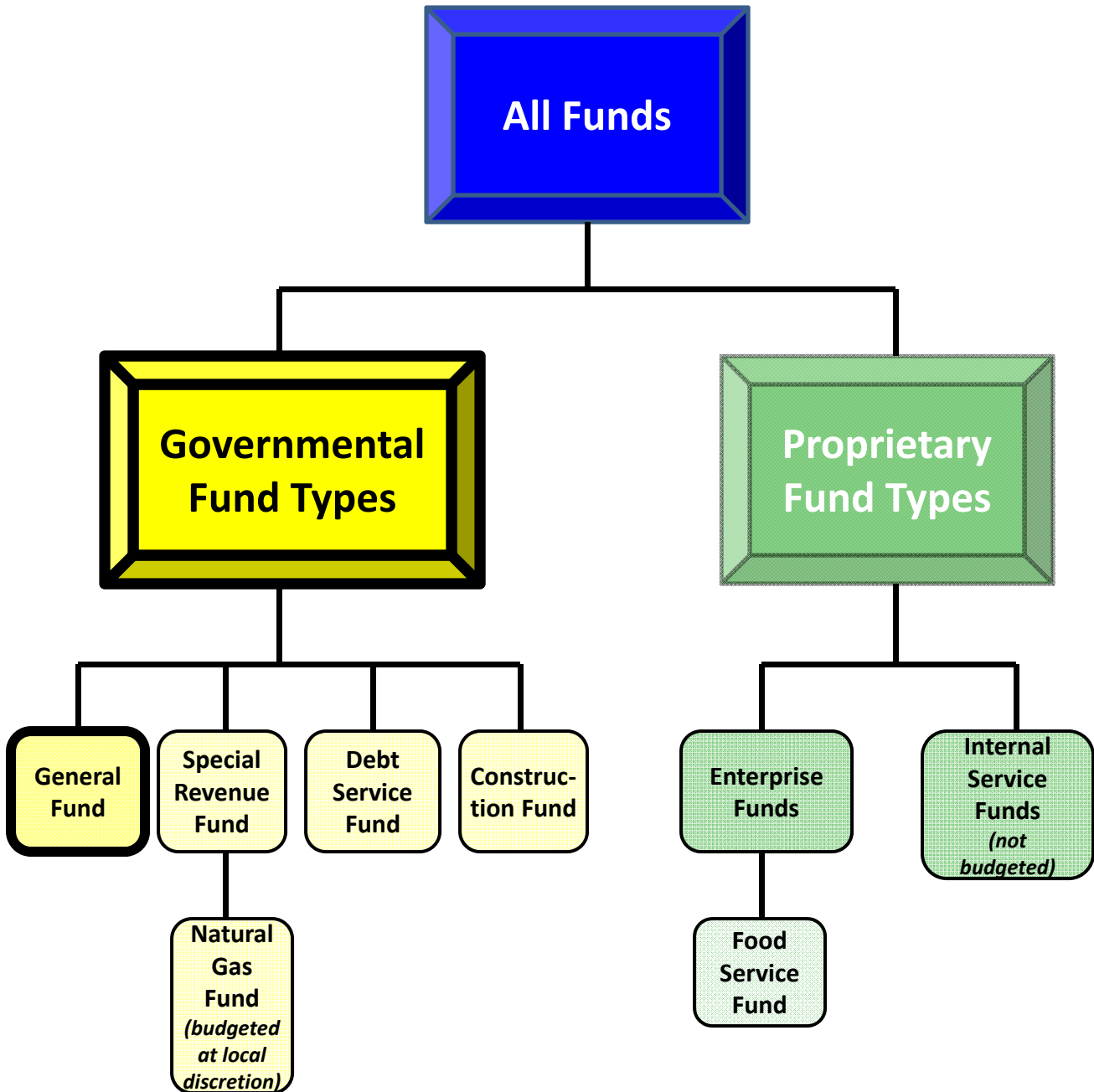


Combined 2016-2017 Budget - Detail by Fund
All Funds

	General Operating Fund	Natural Gas Fund	Debt Service Fund	Construction Fund	Subtotal Governmental Fund Types	Food Service Enterprise Fund	Subtotal Proprietary Fund Types	Total
Revenues								
5700 Local & Intermediate Revenue	\$ 234,875,453	\$ 980,000	\$ 80,888,247	\$ 1,350,000	\$ 318,093,700	\$ 6,623,297	\$ 6,623,297	\$ 324,716,997
5800 State Program Revenue	256,879,291	-	2,037,757	-	258,917,048	196,000	196,000	259,113,048
5900 Federal Program Revenue	5,465,000	-	584,932	-	6,049,932	-	-	6,049,932
Total Revenues	497,219,744	980,000	83,510,936	1,350,000	583,060,680	6,819,297	6,819,297	589,879,977
Other Resources	-	-	69,194,918	126,038,000	195,232,918	28,331,630	28,331,630	223,564,548
Total Revenues and Other Resources	497,219,744	980,000	152,705,854	127,388,000	778,293,598	35,150,927	35,150,927	813,444,525
Expenditures								
Function								
11 Instruction	325,620,751	-	-	14,252,523	339,873,274	-	-	339,873,274
12 Instructional Resources & Media Services	6,197,117	-	-	-	6,197,117	-	-	6,197,117
13 Curriculum & Staff Development	6,482,359	-	-	-	6,482,359	-	-	6,482,359
21 Instructional Administration	8,847,237	-	-	-	8,847,237	-	-	8,847,237
23 School Administration	30,390,401	-	-	-	30,390,401	-	-	30,390,401
31 Guidance & Counseling	27,869,893	-	-	-	27,869,893	-	-	27,869,893
32 Attendance & Social Work Service	1,807,322	-	-	-	1,807,322	-	-	1,807,322
33 Health Services	5,948,470	-	-	-	5,948,470	-	-	5,948,470
34 Pupil Transportation	12,190,496	-	-	3,676,130	15,866,626	-	-	15,866,626
35 Food Service	-	-	-	-	-	35,139,755	35,139,755	35,139,755
36 Co-curricular Activities	9,799,156	-	-	-	9,799,156	-	-	9,799,156
41 General Administration	8,722,387	75,000	-	-	8,797,387	-	-	8,797,387
51 Plant Maintenance & Operations	45,852,352	-	-	240,028,992	285,881,344	7,500	7,500	285,888,844
52 Security	7,264,263	-	-	108,900	7,373,163	-	-	7,373,163
53 Computer Processing	9,736,227	-	-	10,443,551	20,179,778	-	-	20,179,778
61 Community Services	393,035	-	-	-	393,035	-	-	393,035
71 Debt Service	1,408,314	-	80,576,228	-	81,984,542	-	-	81,984,542
81 Facility Acquisition & Construction	17,100,000	-	-	146,640,222	163,740,222	-	-	163,740,222
95 Student Tuition Non-public Schools	90,000	-	-	-	90,000	-	-	90,000
97 Payments to TIF	1,151,315	-	-	-	1,151,315	-	-	1,151,315
99 Other Intergovernmental Charges	2,083,185	-	-	-	2,083,185	-	-	2,083,185
Total Expenditures	528,954,280	75,000	80,576,228	415,150,318	1,024,755,826	35,147,255	35,147,255	1,059,903,081
Other Uses	-	-	69,194,918	-	69,194,918	-	-	69,194,918
Total Expenditures and Other Uses	528,954,280	75,000	149,771,146	415,150,318	1,093,950,744	35,147,255	35,147,255	1,129,097,999
Budgeted Surplus/(Deficit)	(31,734,536)	905,000	2,934,708	(287,762,318)	(315,657,146)	3,672	3,672	(315,653,474)
Projected Beginning Fund Balance/Equity	194,672,969	29,406,334	26,037,639	295,731,476	545,848,418	17,909,580	17,909,580	563,757,998
Projected Ending Fund Balance/Equity	162,938,433	30,311,334	28,972,347	7,969,158	230,191,272	17,913,252	17,913,252	248,104,524

Governmental Fund Types

General Fund



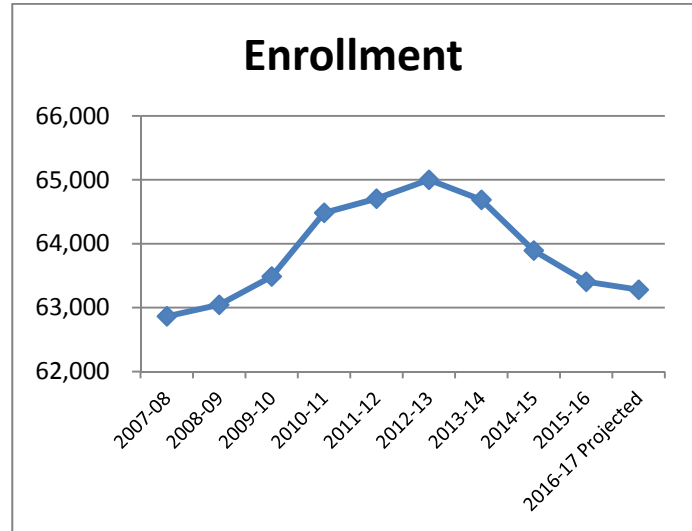
Governmental Fund Types: **General Fund Overview**

The first, and largest, of the *Governmental Fund Types* is the **General Fund**. The General Fund is the chief operating fund of the District and is used to account for all transactions related to the District's day-to-day operations. The principal sources of revenue include local property taxes and state funding. Expenditures include costs associated with the daily operations of the schools.

Enrollment

The General Fund budget is predicated on projecting student enrollment. Student enrollment projections influence state revenue estimates, staffing decisions, per pupil allocations, facility needs, and many other budgetary decisions.

Student enrollment is projected to be 63,280 for 2016-2017, which is 121 students (or 0.2%) less than the projected enrollment of 63,401 used for last year's original budget and 125 students less than the 2015-2016 official enrollment of 63,405.



From 2007-2008 through 2012-2013, the District experienced increased enrollment each year. Enrollment increased by 997 students, or 1.6%, in 2010-2011 due primarily to enrolling students in a new pre-kindergarten program and to the District's Operation Graduation initiative. Operation Graduation, which began in 2010-2011, is a collaborative effort that requires the support of the community with the goal of increasing the graduation rate of AISD high school students. The decrease in enrollment since 2013-2014 is due to several factors. As the local economy grew and more jobs were created, Arlington ISD saw steady growth in population and birthrates. Between 2000 and 2007, Tarrant County saw a 16.5% rise in births. However, as the economy slowed, so did the birth rate. Between 2007 and 2012, the county had a 6.6% drop in the number of births, with 2012 being the first year in the previous five that there was a positive change in the annual number of births. The population within AISD boundaries has also decreased by 2.3% over the past four years. Additionally, several new charter schools have opened in the area and part of the drop in enrollment is due to student migration to those charter schools. Enrollment is projected to decrease slightly for the next four years and then begin increasing again. As AISD completes construction on new facilities funded by the 2014 bond program, more students are projected to return to AISD to take advantage of programs such as fine arts/dual language academies, new career technical education center and a new agricultural science facility.

Revenue Trends and Assumptions

Revenue for the General Fund comes primarily from *local sources*, such as property tax collections and investment earnings, and from *the State*. Property values are a key factor in determining the amount of state aid a district will receive. The higher a district's property values are, the less state aid the district will receive and vice versa. Maintenance and Operations (M&O) property taxes and state foundation aid represent 93% of the District's General Fund revenue.

The budgets for property taxes and state foundation aid combined are \$461,032,864, which is \$867,749 more than last year's adopted budget. The 2016-2017 budgets for these revenue streams are based on current state funding law, uncertified preliminary property values prepared by Tarrant Appraisal District (TAD), and AISD estimates of student attendance, special program participation and tax collections.

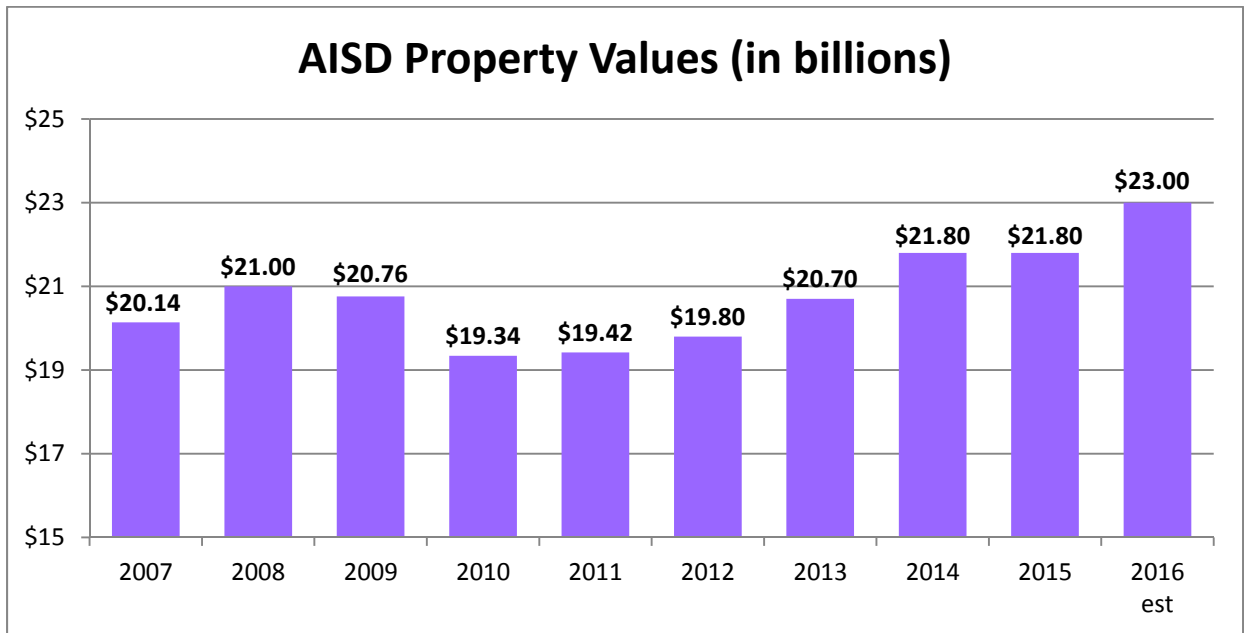
To understand the 2016-2017 tax revenue and state aid budgets, it is helpful to review two things that occurred during the 2015-2016 fiscal year, after the budget was adopted:

1. 2015 certified property values were less than the values projected for the original budget. Certified values are received on July 25th each year, after the annual budget is adopted in June. Estimates are used for the original budget. Certified values were projected to increase by 3.89%; however, the values were actually 2.63% higher. Problems encountered by TAD during a software conversion resulted in lower and incomplete values for all taxing entities for 2015-2016. TAD corrected a number of problems throughout the year; however, 2015-2016 tax revenue will be less than originally budgeted.
2. Texas voters approved a measure to increase the property tax homestead exemption from \$15,000 to \$25,000 in November 2015, after the 2015-2016 budget had been adopted. Both Current Year Taxes and State Foundation Aid were affected by the increased exemption. Current Year Taxes decreased due to the higher homestead exemption, and State Foundation Aid was increased to hold school districts harmless for tax revenues lost to the higher exemption. The 2015-2016 budget was adopted using the \$15,000 homestead exemption that was in place at that time and was amended after the election for the impact of the higher homestead exemption approved by voters in November.

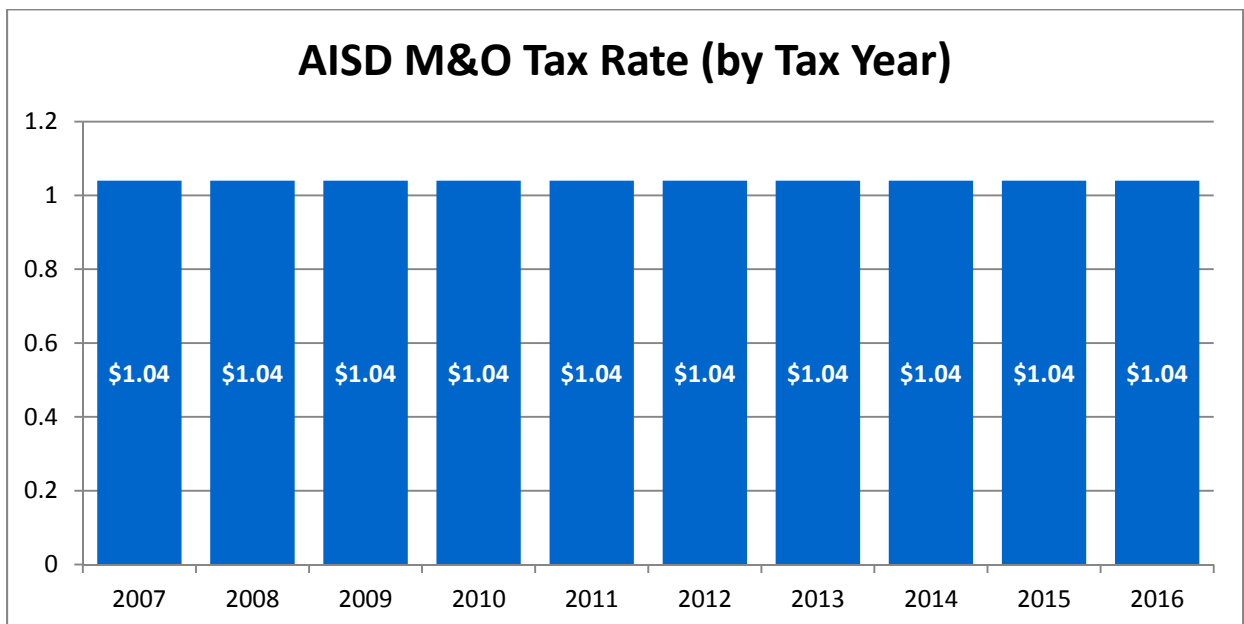
Local Sources:

General Fund property tax revenues are budgeted using the certified estimate of property values which is released by the Tarrant Appraisal District (TAD) on May 15th and the historical relationship between those values and fiscal year revenue.

The 2016 estimated certified property values are \$22,979,331,639, which is 5.51% higher than last year's certified values restated for the new \$25,000 homestead exemption. Property values continue to increase since 2010 and AISD has conservatively estimated a 3.0% to 3.5% increase for future years. New construction valued at \$88,238,859 is included in the 2016 estimated values compared to \$174,530,507 in 2015. The majority of overall value growth in 2016 is due to re-appraisals of existing properties.



The Board of Trustees for the District is charged with establishing a tax rate in order to fund the daily operations of the schools. This tax rate is the Maintenance and Operations (M&O) tax rate. The property tax revenues have been calculated using the current M&O tax rate of \$1.04. Any increase above \$1.04 must be approved by voters through a tax ratification election. The maximum M&O tax rate allowed by state law is \$1.17.



The budget for current year taxes is \$226,694,734 which is \$1,798,154 higher than last year's original budget due to the increase in property values as previously explained. Collections on prior year taxes are projected to increase to \$1,300,000 based on current collection trends. Penalty and interest are also projected to increase by \$100,000 to \$1,500,000.

Investment income is budgeted at \$700,000, which is \$490,000 more than the 2015-2016 original budget. The 2016-2017 investment income budget is conservatively based on current market rates and rate projections for the upcoming year.

Rental revenue is budgeted at \$102,509 less than last year to recognize changes in the tenant roll for the Enterprise Centre office building that AISD acquired in March 2015. One tenant relocated from the building during the 2015-2016 fiscal year. AISD occupies approximately one-third of the building and plans to relocate additional Academic Services departments to the building in the future. There are currently six tenants in the building with existing leases that represent approximately \$500,000 in lease revenue for the 2016-2017 fiscal year.

Tax Increment Finance (TIF) Zone revenues are budgeted to be \$6,133 more than last year. TIF Zones are economic development zones. Taxes on the growth in property values beyond the base year of a TIF (i.e., the incremental value) are paid back into the TIF to promote further development within the zone. When the TIF expires, the higher values will come back onto the District's tax rolls and the District will retain the increased tax revenues generated from the development. In addition to the TIF revenue account, State Aid includes a TIF hold harmless payment that, when added to the TIF revenue, equals the TIF payment each year. AISD participates in the Downtown Arlington TIF. The 2016 TIF revenues are based on projected 2016 values of properties located within the TIF zone.

Miscellaneous revenue is budgeted to be \$5,204,281 less than last year. The 2015-2016 budget included a one-time refund of \$5,288,716 that AISD received when the Grand Prairie TIF #2 closed in fall 2015.

Overall, the local revenue budget is lower than the prior year original budget by \$2,919,449, or 1.2%. The total local revenue budget is \$234,875,453.

State Sources:

Texas school finances rely on a combination of local property taxes and state aid. Generally, the higher a school district's property values, the less state aid the district will receive and vice versa. The calculations of state aid are based on the current legislated funding formula. Three of the most critical factors in estimating General Fund state aid are average daily attendance (ADA) projections, full time equivalents (FTEs) for special populations of students such as bilingual, gifted/talented, career/technology and special education students, and taxable values.

The 84th Texas Legislature met in session from January 13 through June 1, 2015, and adopted a budget for the State's 2016-2017 budget biennium that contains \$1.5 billion more for the foundation school program than the previous biennium's budget. The additional funding is distributed to school districts through the Foundation School Program by increasing the basic allotment used throughout the state aid formulas from \$5,040 to \$5,140 and by increasing the Tier II Guaranteed Yield from \$61.86 to \$74.28 per weighted ADA in 2015-2016 and to \$77.53 in 2016-2017.

State foundation aid is projected to be \$231,538,130, a decrease of \$1,130,405. This decrease is the net result of projections of enrollment, attendance, special program participation and property values.

The Local Share assignment, which is an offset in the state funding formulas, is larger in 2016-2017 by \$1,709,040 due to the net effect of property value growth and the higher homestead exemption enacted during the 2015-2016 fiscal year. Last year's property values are used to determine the "Local Share" assignment. Property values were restated by the Texas Comptroller to reflect the higher homestead exemption approved by voters in November 2015. Last year's restated property values were higher than they were the year before. When those higher values are incorporated into the state aid formulas, the Local Share offset will be greater than last year.

The TRS On-behalf Benefit and Medicare Part D On-behalf revenue budgets will increase by a total of \$3,362,055. These budgets are required book entries to recognize contributions by the State of Texas to TRS and by the federal government to Medicare on behalf of district employees, and they are offset by expenditure budgets of equal amounts (so the revenue and expenditure budgets have \$0 effect on fund balance). The increase reflects a higher contribution rate that took effect during the 2015-2016 fiscal year and higher salaries on which the contributions are based. TEA has directed that the TRS and Medicare On-behalf revenues be accounted for in separate accounts, but the expenditures are still combined in one account.

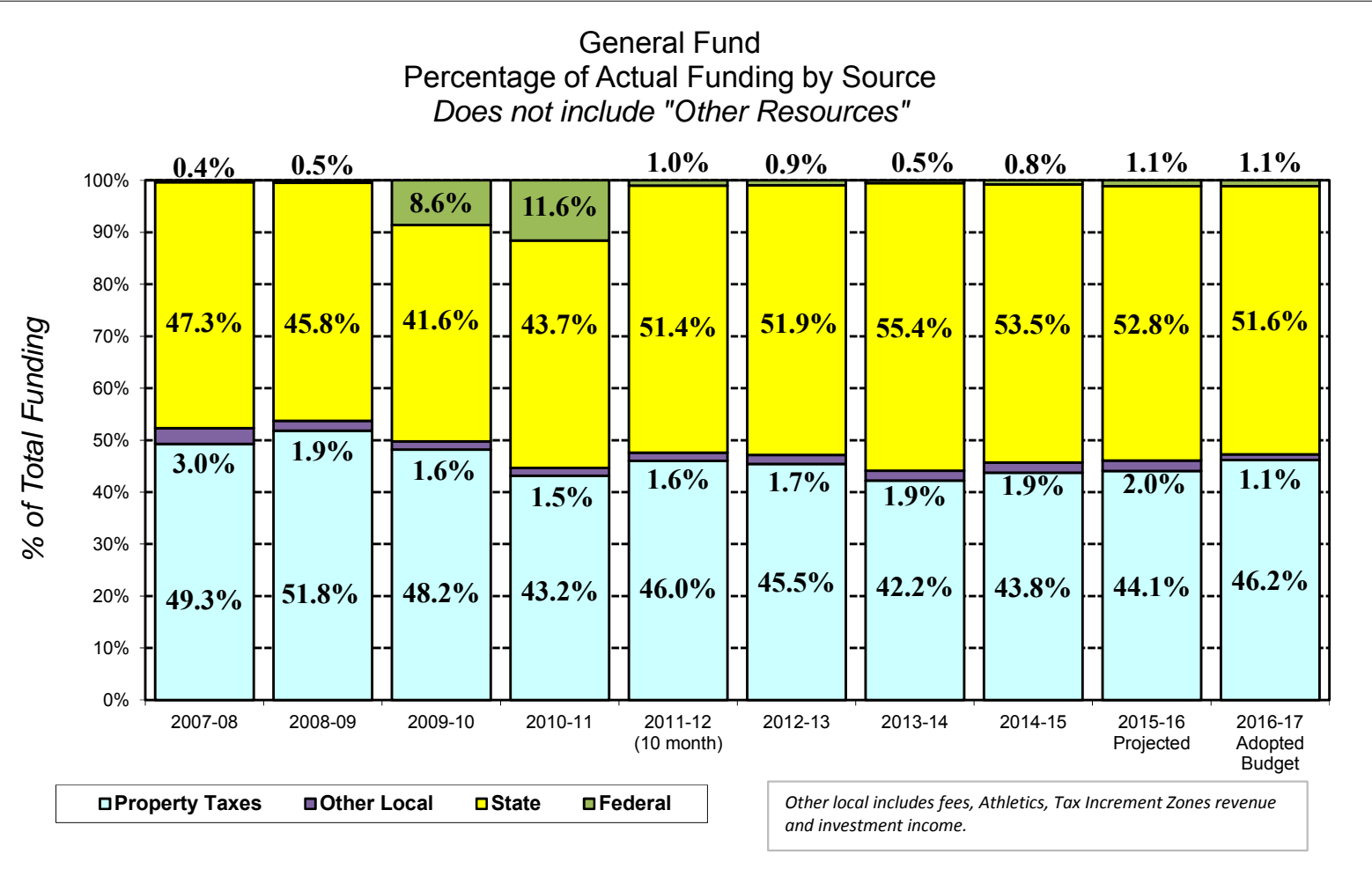
For fiscal year 2016-2017, total state revenue is expected to be \$256,879,291, an increase of \$2,251,650 from the prior fiscal year original budget.

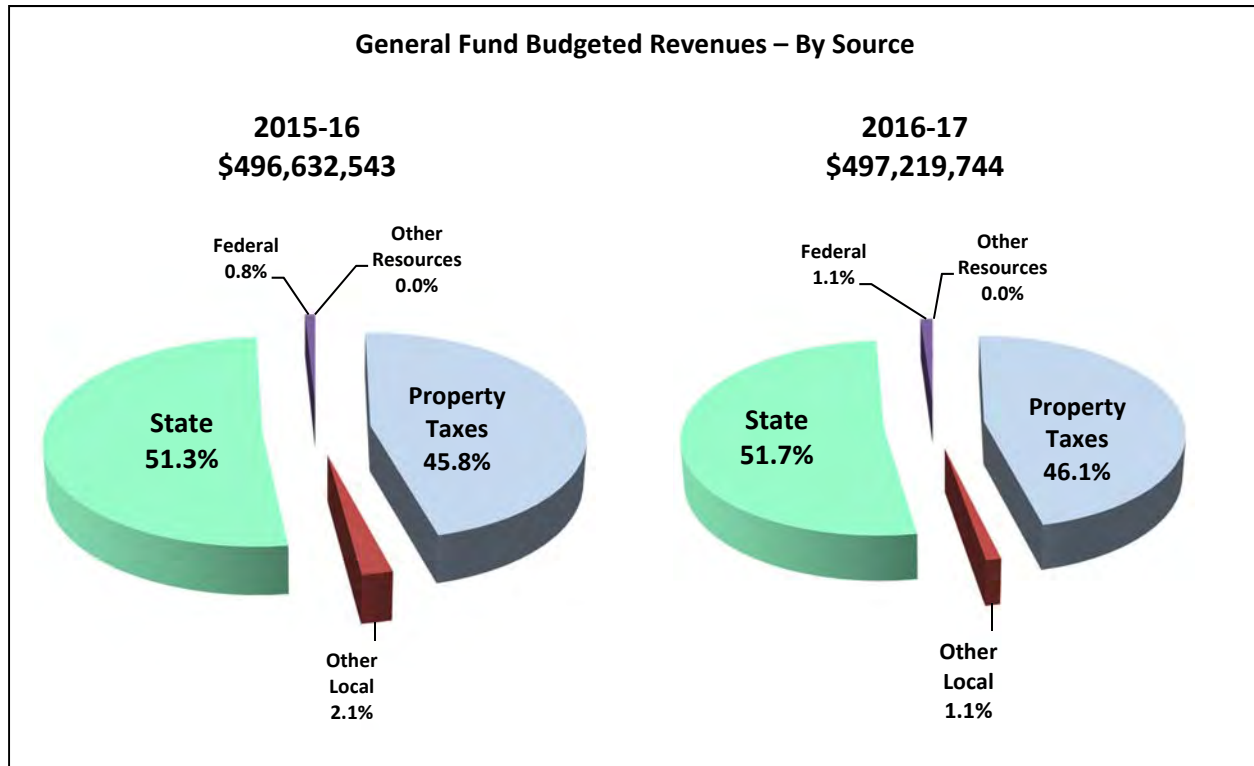
Federal Sources:

Federal Medicaid revenue is budgeted at \$5,080,000, which is \$1,250,000 higher than last year. AISD participates in the SHARS and MAC Medicaid programs, with SHARS by far being the larger of the two programs. SHARS is a Medicaid program that reimburses school districts for eligible services provided to special education students who enrolled in Medicaid. AISD contracted with a new SHARS administrative provider a year ago and has increased efforts in billing for eligible services. SHARS reimbursements for 2015-2016 are estimated at \$5.1 million.

For fiscal year 2016-2017, total federal revenue is budgeted at \$5,465,000, an increase of \$1,255,000 from the prior fiscal year original budget.

General Fund Overview, *continued*





Expenditure Summary

The General Fund expenditure budget for 2016-2017 is \$528,954,280 which is an increase of \$28,013,371, or 5.6%, from the 2015-2016 original budget. \$4,729,182 was budgeted in 2015-2016 for completion of the construction of Diane Patrick Elementary School, a new elementary school built to relieve crowding in East Arlington. The Patrick project was completed in fall 2015; therefore, that budget is eliminated in 2016-2017. The 2016-2017 budget includes \$17.1 million to construct an addition at Sam Houston High School. This is a strategic one-time use of fund balance committed by the Board of Trustees on November 5, 2015.

The District’s *Achieve Today. Excel Tomorrow.* strategic plan continues to be the focus of the budget. In alignment with the strategic plan, the Academic Services division collaboratively engaged in a data-driven process to identify priorities for the 2016-2017 school year which are designed to increase student achievement and the quality of support services provided to campuses. These priorities include programming work for (1) *Academic Achievement*, (2) *College Readiness*, (3) *Workforce Readiness*, and (4) *Leadership, Citizenship and Responsibility*. The identified priorities provide multi-year timelines in alignment with strategic planning, provide focus, promote quality implementation, support professional learning, and are date-driven.

These four priorities define the district’s academic programming work for the 2016-2017 school year and beyond, intentionally promote budget development around high impact areas of improvement, and inform strategic planning as we strive to become a premiere school district and a leader in education.

Academic Achievement

A main goal of Academic Achievement is providing a quality guaranteed and viable curriculum that fosters the implementation of researched-based instructional practices in the classroom. The Arlington ISD recently underwent a curriculum audit in an effort to improve curricular systems designed to support student learning. Steps being taken to address the audit recommendations include:

- Develop and implement curriculum writing/revision process that incorporates instructional approaches, learning targets and formative assessments across content areas, including Career and Technical Education (CTE), fine arts, dual language and technology applications
- Develop and implement student assessment policy and procedures
- Develop a professional learning plan to establish short and long-term guidance for professional learning and its implementation that addresses student and staff learning needs across roles and responsibilities
- Expand world languages programs, including dual language and languages other than English
- Implement a user-friendly data management and reporting system that allows the end-user to maximize the use of their results.

The budgetary impact for 2016-2017 includes:

- Developing curriculum
- Finalizing curriculum management system
 - Revising the curriculum review cycle
 - Selecting and implementing a curriculum management system platform to transition from curriculum central
- Professional learning contracts
- Implementing a user-friendly data protocol system (eScholar)
- Implementing the Texas Teacher Evaluation and Support System (T-TESS)
- Instructional planning, programming and professional learning related to the 2014 bond program
 - STEM labs
 - CTE Center programming
 - Fine Arts Center programming
 - Fine Arts/Dual Language Academies

College Readiness

A key component of the district's *Achieve Today. Excel Tomorrow.* strategic plan is for students to be prepared to excel at their school of choice by providing leading-edge learning experiences. That belief guides the college readiness portion of the academic services priorities including:

- Expand college preparation awareness and offerings including IB, PSAT, ACT and SAT
- Expand dual credit partnerships
- Redesign K-12 gifted and talented program
- Develop and expand fully online and blended learning opportunities that are personalized and competency-focused in order to increase choice, learning and achievement, graduation rates, and college readiness.



The budgetary impact for 2016-2017 includes:

- Implement Phase 1 of the updated Gifted and Talented (GT) program in elementary schools grades K-6
 - Add 27 elementary school GT Lead Teachers
 - Professional learning for GT Teachers
 - Curriculum enhancements (GoQuest and Kingore Planned Learning Experiences)
- Arlington Collegiate High School – Year 3
 - Add third cohort of 125 students
 - Collaborate with Tarrant County College
- Fine Arts/Dual Language Academies – Year 2
 - Add second cohort of students at the Academies
- Elementary STEM labs – instructional planning, programming, and professional learning
- Increase enrollment in AP/IB coursework
 - Data analysis to identify enrollment gaps
 - Develop and implement customized recruitment plans for enrollment management
- Begin coursework design for Fine Arts Center

Workforce Readiness

For workforce readiness, the Academic Services division will focus efforts around initiatives to help students be prepared to enter the workforce after graduation by increasing workforce certification opportunities aligned with industry needs. The goal is to provide a pathway for students to acquire gainful employment through relevant curricular and intern-based learning experiences. These initiatives include:

- Expand workforce internships across instructional programs, including technology, career and technical education and fine arts
- Increase elementary student engagement in career-related activities
- Revise and expand CTE programs
- Enhance students' seamless entry into the workforce through technical dual credit, workforce certifications, etc.

The budgetary impact for 2016-2017 includes:

- CTE Center planning
- CTE course and curriculum development
 - Aviation Academy
 - Agricultural Science Center
- CTE Center staffing
- Instructional materials and equipment
- Professional Learning



Leadership, Citizenship and Responsibility



The Academic Services division is being proactive in developing programs that teach leadership, citizenship and how to act responsibly. The focus includes:

- Expand PK-12 service learning opportunities
- Improve customer service provided to all stakeholders and foster a districtwide culture of respect, integrity and service
- Enhance and emotionally and physically safe learning environment that fosters cultural awareness, wellness, and a culture of respect, integrity and responsibility among students
- Enhance core leadership competencies of administrators and managers.

The budgetary impact for 2016-2017 includes:

- Promote a physically and emotionally safe learning environment
 - Professional learning
 - Training materials
- Update and implement comprehensive communications plan to include both internal and external audiences
- Establish customer service expectations

In addition to the Academic Services priorities, other considerations important in the development of the budget include new positions, compensation, and health insurance costs. The education of students is a labor-intensive process, and payroll expenditures comprise 86% of the General Fund expenditures. Staffing formulas were approved by the Board of Trustees on December 10m 2015, before the campus staffing process began. The approved staffing ratios ensure equity among all campuses and programs based on projected student enrollment and program offerings. Additionally, the staffing ratios maximize the district’s resources in accomplishing the goals of the strategic plan. Staffing ratios were unchanged from the previous school year with the exception of adding STEM lab assistants.

136 positions were added to the general fund budget, including 27 additional teachers to implement Phase I of the updated Gifted and Talented program in Elementary Schools. 43.5 positions were added for the 2 new elementary schools that will open in 2016-2017. The Multi-purpose Activity Centers at each of the 6 traditional high schools will also open in 2016-2017 and 6 custodian positions were added to the budget for those new buildings. 20 new lab managers were added for the elementary STEM labs that are schedule to open in 2016-2017. Additional positions added to the General Fund include 27.5 positions for campus population changes, 2 art teachers for the fine arts/dual language academies, additional dyslexia teachers, a Speech Pathologist, Occupational Therapist, Coordinator of Structured Cabling, Specialist for Environmental/Safety, Specialist for Dropout Prevention, a Maintenance Specialist/Trainer, and a LAN Technician. Total cost of these additional positions is \$6,190,224.

Because AISD is committed to its goal of recruiting and retaining the best possible employees, competitive compensation packages for all district employees are considered very carefully. In 2016-2017, the Board approved a 4.66% raise on mid-point for auxiliary employees. The total cost of this salary increase is \$1,312,408. All other employees received a 2% increase on base salary, at a cost of \$6,566,084. Additionally, the Board increased the district’s contribution to health insurance by \$10 per participating employee. The new monthly contributions are shown in the table below. Cost of the increase in health insurance contributions is \$562,356.

AISD Health Insurance Contributions

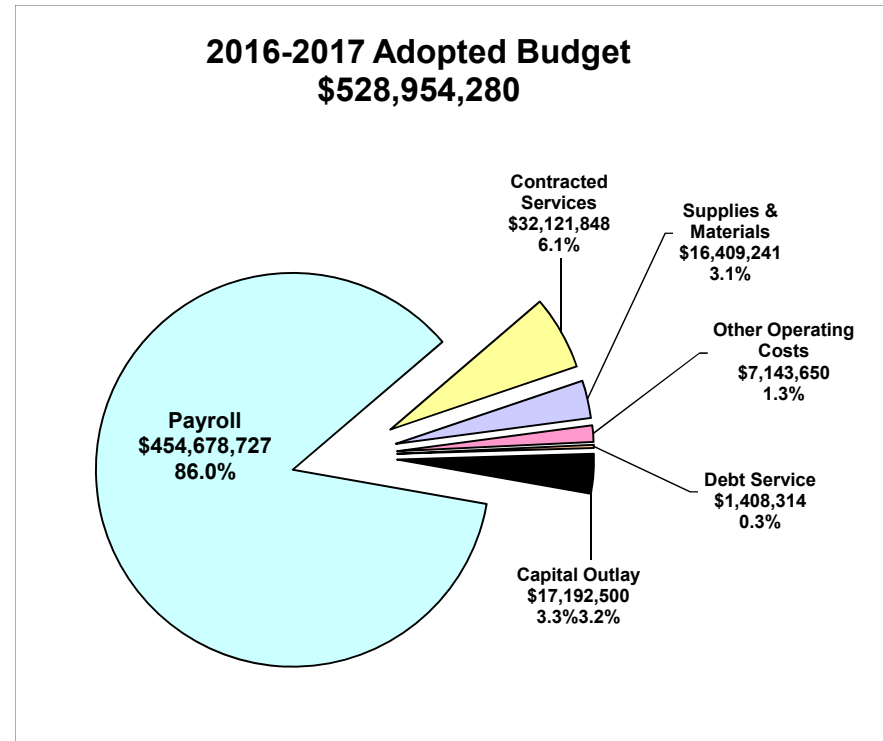
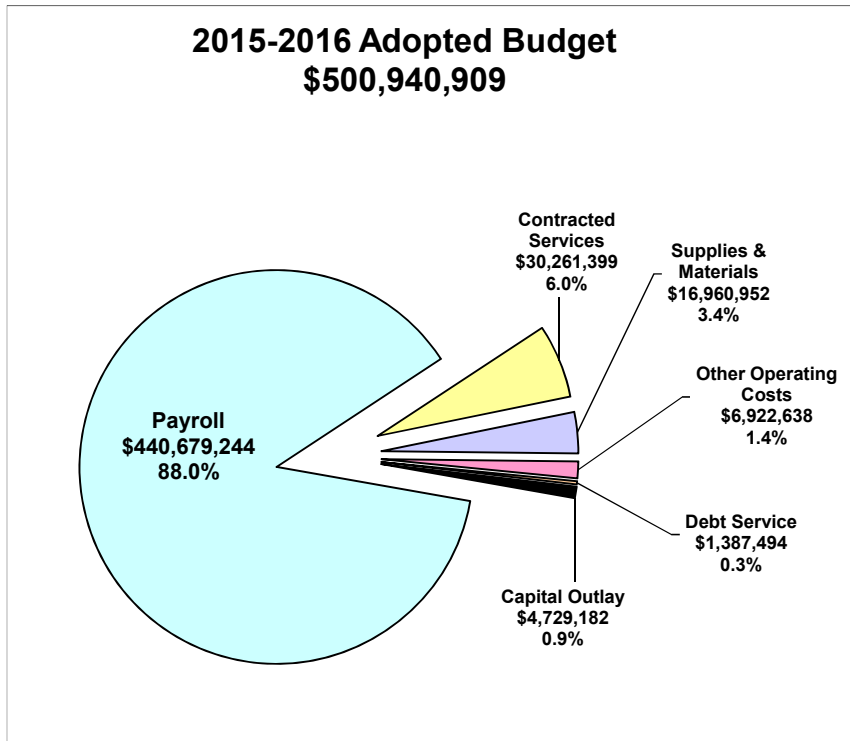
	2016-2017 Base Monthly <u>Contribution</u>	Additional Contribution for Wellness Plan <u>Participants</u>	2016-2017 Total Monthly <u>Contribution</u>
Professional Employees	\$235	\$20	\$255
Admin Support, Tech, Aides, Auxiliary Employees	\$250	\$20	\$270

Accrued service benefits are accrued as a liability in the government-wide financial statements. Eligibility for accrued service benefits for the employees of the Arlington Independent School District is determined by length of continuous service with the District and approval for retirement benefits under provisions of the Teacher Retirement System of Texas. Benefits are available to employees hired before January 1, 1985, and are based on years of experience with the District, accumulated eligible local sick leave days and accumulated ineligible local sick leave days. The accrued service benefit liability for AISD as of June 30, 2015 is \$314,568.

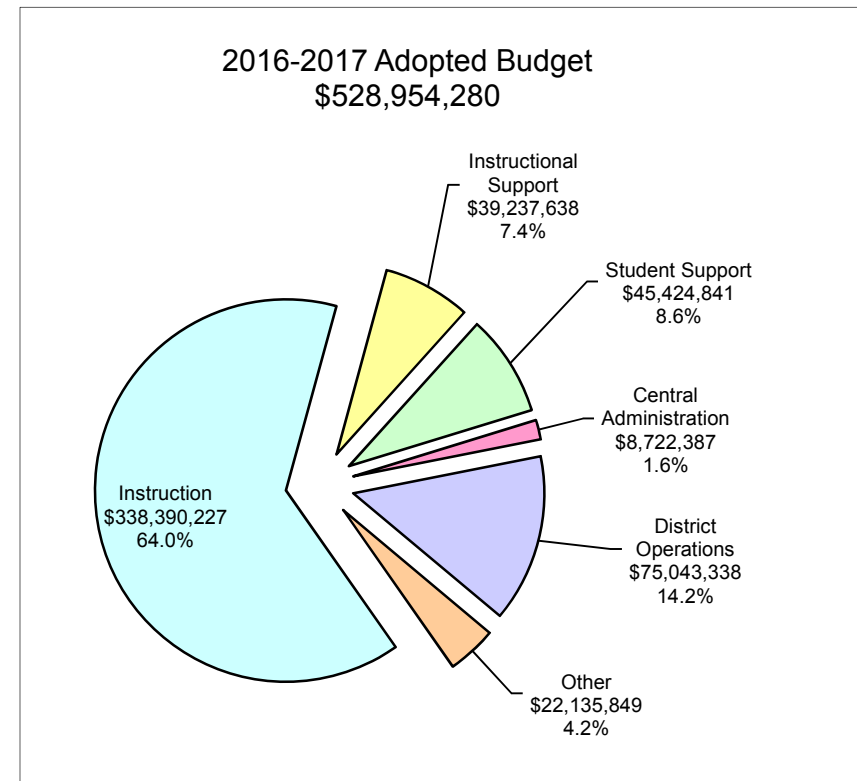
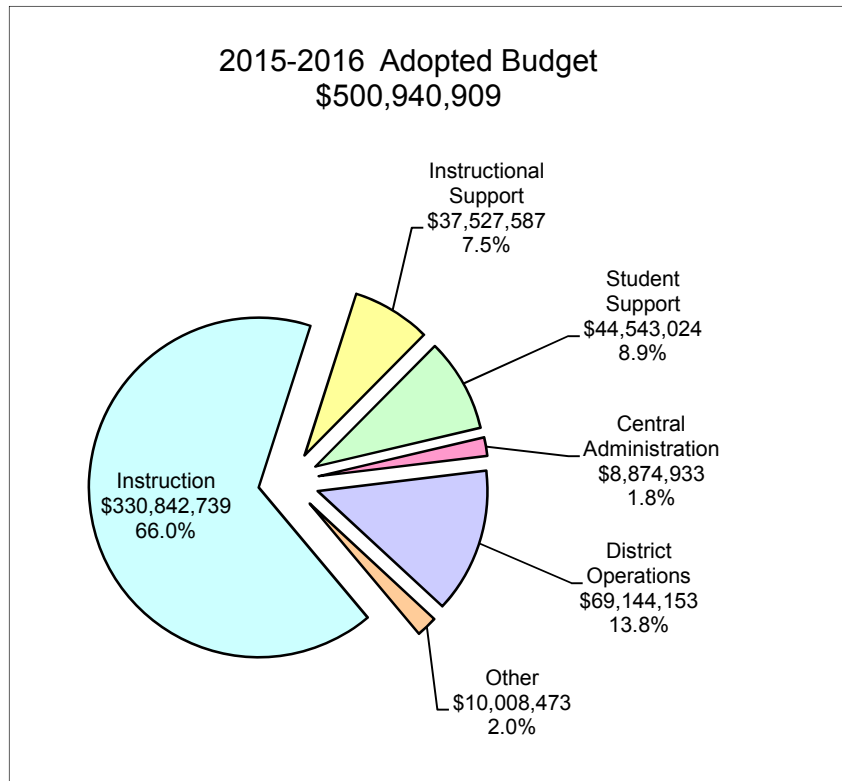
Throughout the entire budget process, the District maintained its focus on its strategic goals and academic priorities. The only budget requests considered were tied to the District's *Achieve Today. Excel Tomorrow.* strategic plan.



General Fund Expenditure Budget By Object Category



General Fund Expenditure Budget By Functional Category



Instruction: Functions 11 (Instruction), 12 (Instructional Resources and Media), 13 (Curriculum/Instructional Staff Development), and 95 (JJAEP).

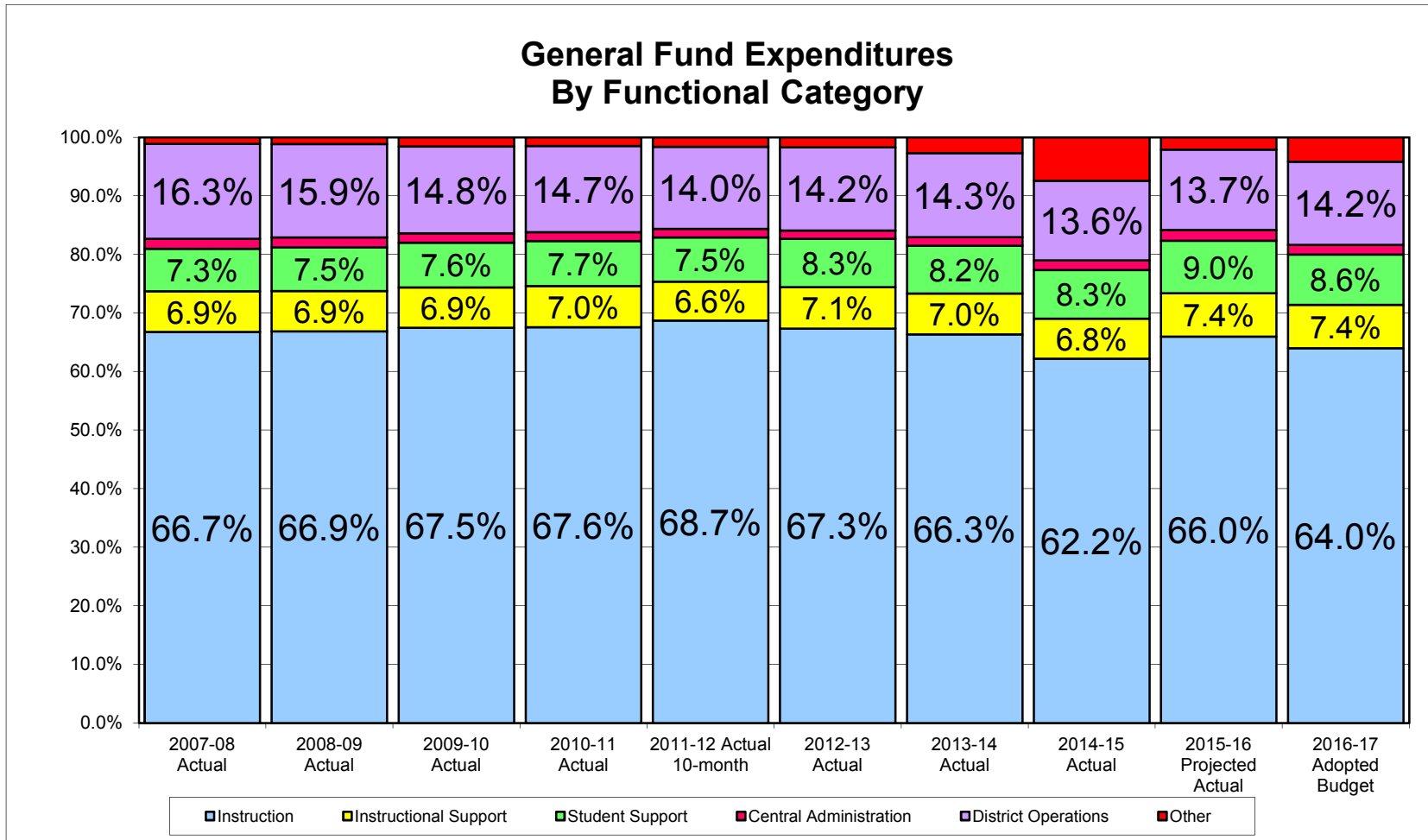
Instructional Support: Functions 21 (Instructional Leadership) and 23 (School Leadership).

Student Support: Functions 31 (Guidance, Counseling, and Evaluation), 32 (Social Services), 33 (Health Services), and 36 (Extracurricular Activities).

Central Administration: Function 41 (General Administration).

District Operations: Functions 34 (Student Transportation), 35 (Food Services), 51 (Plant Maintenance and Operations), 52 (Security and Monitoring), and 53 (Data Processing).

Other: Functions 61 (Community Services), 71 (Debt Service), 81 (Facilities Acquisition and Construction), 97 (Payments to TIF), and 99 (Intergovernmental Charges).



Instruction: Functions 11 (Instruction), 12 (Instructional Resources and Media), 13 (Curriculum/Instructional Staff Development), and 95 (JJAEP).

Instructional Support: Functions 21 (Instructional Leadership) and 23 (School Leadership).

Student Support: Functions 31 (Guidance, Counseling, and Evaluation), 32 (Social Services), 33 (Health Services), and 36 (Extracurricular Activities).

Central Administration: Function 41 (General Administration).

District Operations: Functions 34 (Student Transportation), 35 (Food Services), 51 (Plant Maintenance and Operations), 52 (Security and Monitoring), and 53 (Data Processing).

Other: Functions 61 (Community Services), 71 (Debt Service), 81 (Facilities Acquisition and Construction), 97 (Payments to TIF), and 99 (Intergovernmental Charges).

Fund Balance Impact

The overall 2016-2017 General Fund budget has a deficit of \$31,734,536. This deficit is due largely to the strategic one-time use of \$17,100,000 of surplus fund balance to construct an addition at Sam Houston High School. The Board of Trustees committed surplus fund balance for this use. Without this one-time expenditure, the operating budget would have a deficit of \$14,634,536. The Board and administration recognize this budget deficit and have already begun evaluating strategies to reduce expenditures in future years while still supporting the goals and objectives of the strategic plan. The projected June 30, 2017 fund balance is \$162,938,433, which is a healthy 3.5 months operating expense and 32% of the District's General Fund operating expenditures.

Credit rating agencies consider a district's fund balance to be adequate if it exceeds two months of operating expenditures, and they will take into account all resources available for general operations, including those in the Natural Gas Fund. Districts should have enough money in fund balance to cover fund balance reserves and fall cash flow deficits.

The Board of Trustees is committed to adopting a balanced operating budget. Given the District's healthy fund balance, some limited use of fund balance for non-recurring expenditures or to sustain services may be appropriate and actually prudent instead of asking voters for permission to levy a higher M&O tax rate.

In 2010-2011, fund balance increased by \$12.7 million due primarily to the receipt of \$10.4 million in federal Education Jobs Fund (Ed Jobs) program. The Ed Jobs program provided assistance to states to save or create education jobs for the 2010-2011 school year. AISD applied the \$10.4 million directly to fund existing positions, thus reducing the actual salary expense from the General Fund.

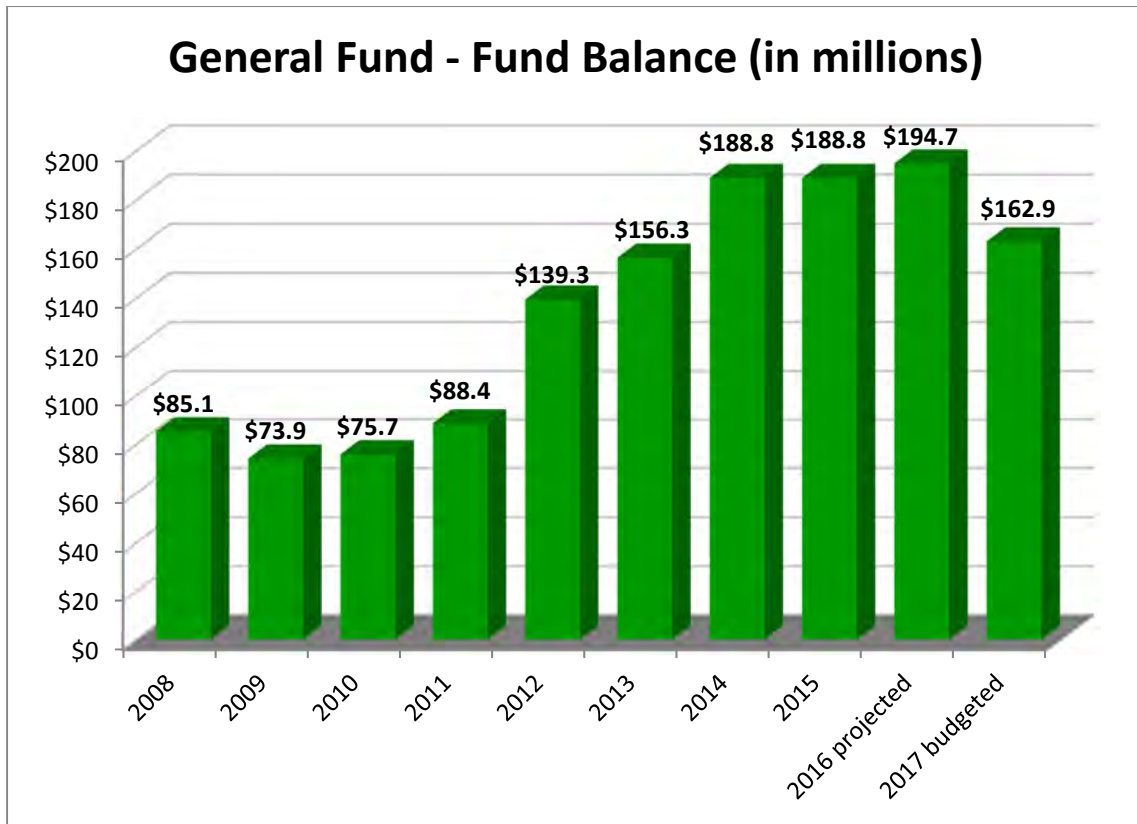
The \$50.9 million growth of fund balance in 2011-2012 is the result of difficult decisions made and cuts enacted to eliminate the recurring budget deficit and to recognize state funding cuts. Additionally, the District enacted a one-time accounting change to transition to a new fiscal year that begins on July 1. This was a one-time change and it does not suggest that the District will continue to have large surpluses in future years. In the ten months of the 2011-2012 budget transition year, almost all of the normal, annual property taxes and state foundation aid were earned and recognized as revenue, while only ten months of expenditures were incurred.

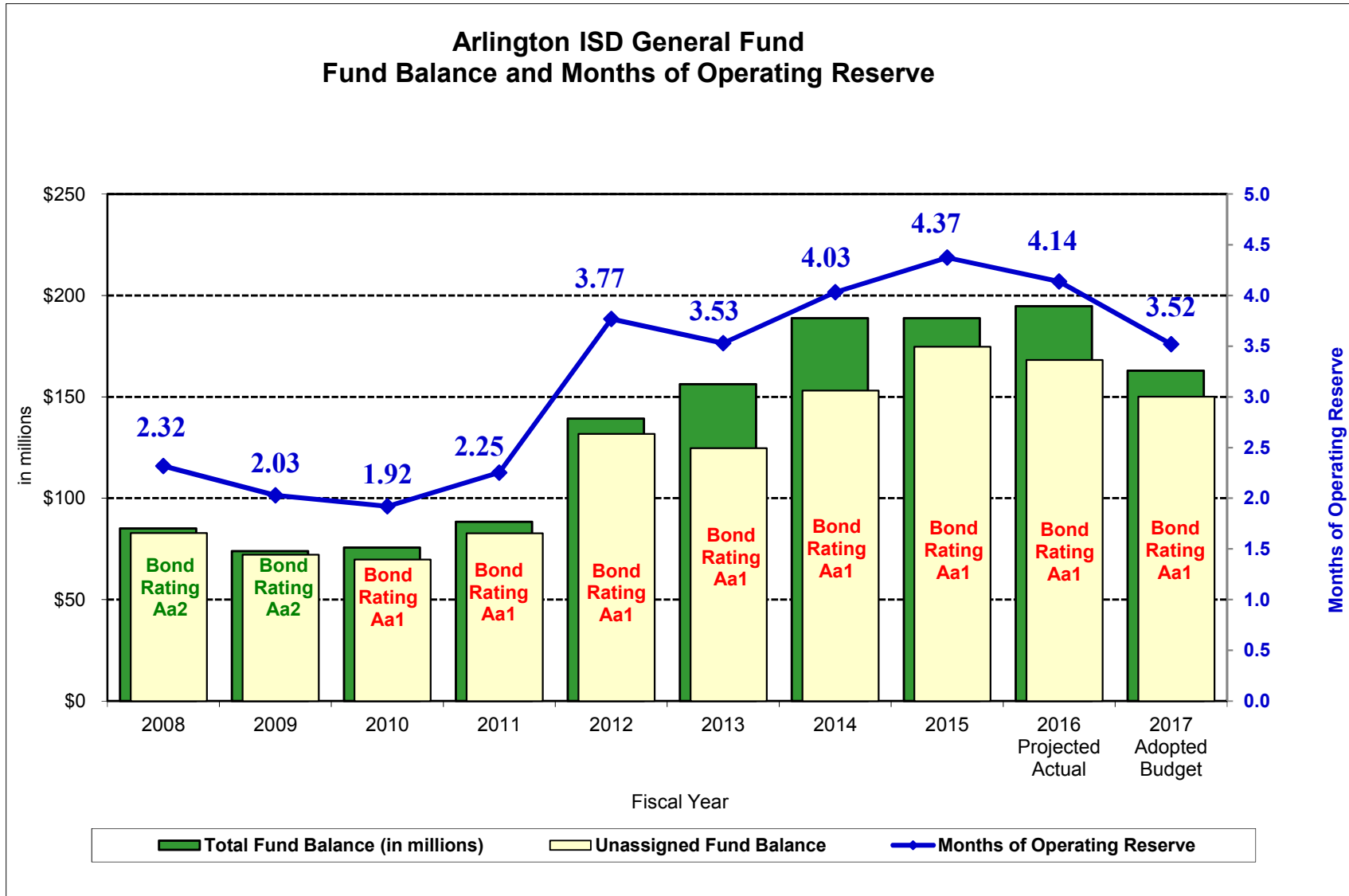
The 2012-2013 fund balance increased by \$17.0 million due to increased revenue based on higher property values and state revenue, cuts enacted in the previous year and to vacant positions. The 2013-2014 fund balance increased by \$32.5 million due primarily to changes in property tax collections due to higher property values, increased state revenue due to state funding cuts being restored by the 83rd Texas Legislature, and the recognition of prior year state aid in the current year because funds were received beyond the allowable 60-day year-end accrual period.

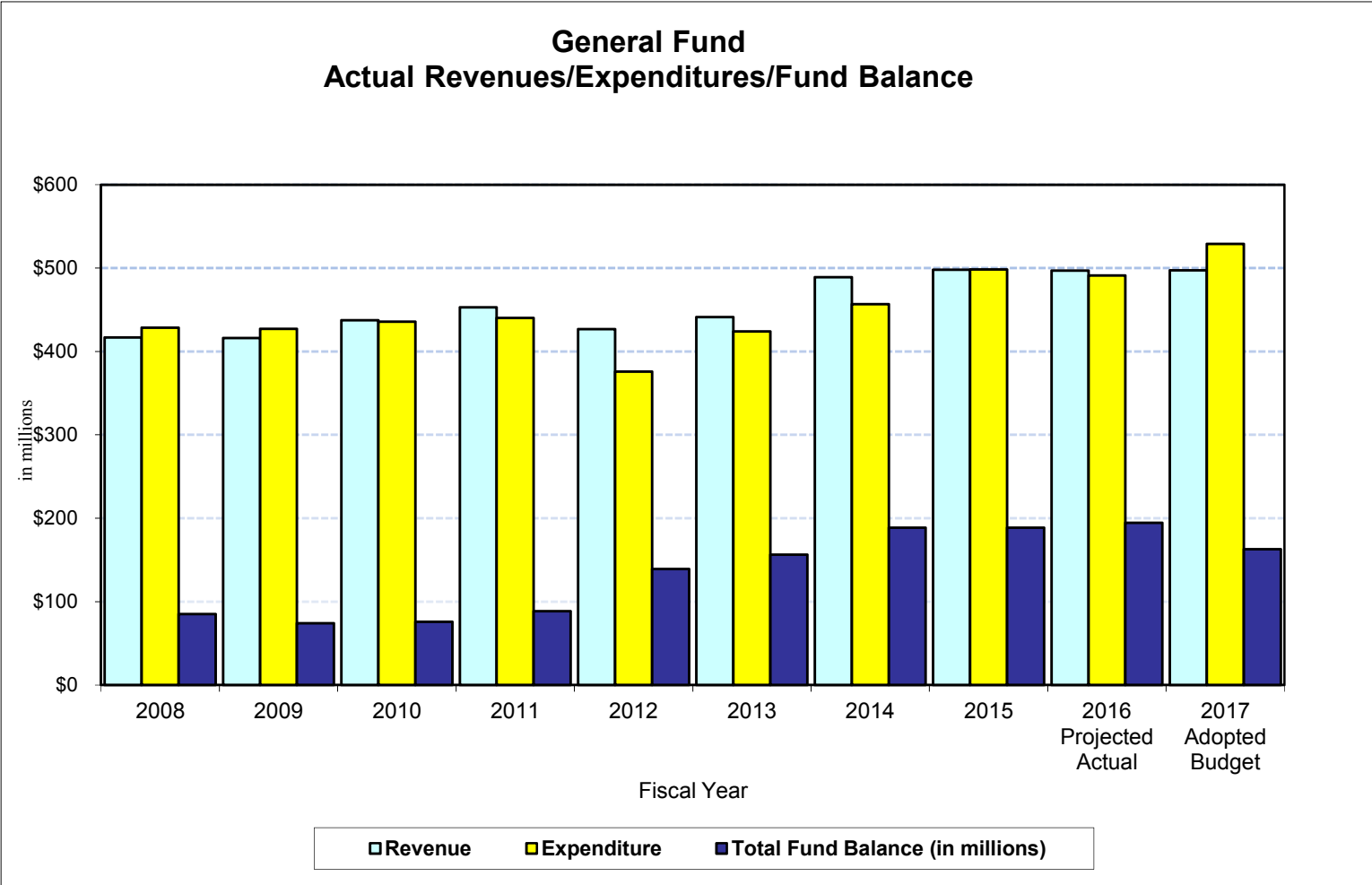
The 2014-2015 fund balance remained constant due to several factors. Local revenue was higher than budgeted due to increases in property values and a higher tax collection percentage and federal revenue was higher due to increases in federal School health and Related Services (SHARS) revenue. The net effect of those revenue increases and savings from vacant positions led to maintaining a constant fund balance.

The 2015-2016 fund balance is projected to increase by \$5.9 million due to the net effect of increases in state revenue to hold school district harmless for tax revenue lost to the higher homestead exemption and savings realized from vacant positions. The projected June 30, 2016 fund balance of \$194,672,969 contains \$1.7 million of non-spendable fund balance for inventories and prepaid items. The remaining spendable fund balance includes \$0.6 million which is restricted for the Texas High School Allotment, \$17.1 million which is committed to the construction at Sam Houston High School, and \$7.1 million which is assigned to General Fund encumbrances. The remaining \$168.2 million is unassigned fund balance.

The District has a healthy fund balance level which provides stability to weather unfavorable variances in future revenues and expenditures. Based on projections, which show a decline in fund balance, the District will continue to strategically align its resources with priorities and student achievement. In accordance with the Budget Parameters, if budget reductions become necessary, the District will first seek budget reductions with the least impact on classrooms.







2016-17 General Fund Budget
By Function

		2014-15	2015-16			2016-17	
		Actual	Original Budget	Current Budget	Projected Actual	Adopted Budget	Diff from 15-16 Original
Revenues							
5700	Local & Intermediate Revenue	\$ 225,862,490	\$ 237,794,902	\$ 226,604,902	\$ 228,815,941	\$ 234,875,453	\$ (2,919,449)
5800	State Program Revenue	264,223,711	254,627,641	260,727,641	262,153,976	256,879,291	2,251,650
5900	Federal Program Revenue	3,994,884	4,210,000	4,210,000	5,701,570	5,465,000	1,255,000
	Total Revenues	494,081,085	496,632,543	491,542,543	496,671,487	497,219,744	587,201
Other Resources		4,113,971	-	-	431,307	-	-
	Total Revenues and Other Resources	498,195,056	496,632,543	491,542,543	497,102,794	497,219,744	587,201
Expenditures							
<u>Function</u>							
11	Instruction	298,505,867	318,280,365	315,548,324	311,784,488	325,620,751	7,340,386
12	Instructional Resources & Media Services	6,041,618	6,107,221	6,095,230	6,022,527	6,197,117	89,896
13	Curriculum & Staff Development	5,316,915	6,365,153	6,201,336	6,127,367	6,482,359	117,206
21	Instructional Administration	6,319,957	8,360,212	7,892,991	7,798,844	8,847,237	487,025
23	School Administration	27,689,163	29,167,375	28,861,724	28,517,464	30,390,401	1,223,026
31	Guidance & Counseling	25,068,990	27,192,045	27,064,725	26,741,899	27,869,893	677,848
32	Attendance & Social Work Service	1,623,158	1,710,858	1,731,591	1,710,937	1,807,322	96,464
33	Health Services	5,319,047	5,580,389	5,578,064	5,511,529	5,948,470	368,081
34	Pupil Transportation	10,378,445	11,557,082	11,009,280	10,877,962	12,190,496	633,414
35	Food Service	-	-	-	-	-	-
36	Co-curricular Activities	9,405,941	10,059,732	10,212,492	10,090,678	9,799,156	(260,576)
41	General Administration	8,073,741	8,874,933	9,211,261	9,101,390	8,722,387	(152,546)
51	Plant Maintenance & Operations	43,375,489	42,902,547	42,835,002	42,324,069	45,852,352	2,949,805
52	Security	5,610,275	5,674,343	5,666,599	5,599,008	7,264,263	1,589,920
53	Computer Processing	8,449,219	9,010,181	9,117,519	9,008,766	9,736,227	726,046
61	Community Services	425,975	715,204	713,004	704,499	393,035	(322,169)
71	Debt Service	960,338	1,387,494	1,387,651	1,371,099	1,408,314	20,820
81	Facility Acquisition & Construction	26,652,322	4,729,182	4,729,182	4,672,773	17,100,000	12,370,818
95	Student Tuition Non-public Schools	67,467	90,000	90,000	88,926	90,000	-
97	Payments to TIF	7,028,326	1,142,470	1,142,470	1,128,843	1,151,315	8,845
99	Other Intergovernmental Charges	1,916,015	2,034,123	2,034,123	2,009,860	2,083,185	49,062
	Total Expenditures	498,228,268	500,940,909	497,122,568	491,192,928	528,954,280	28,013,371
Other Uses		-	-	-	-	-	-
	Total Expenditures and Other Uses	498,228,268	500,940,909	497,122,568	491,192,928	528,954,280	28,013,371
	Revenues Over/(Under) Expenditures	(33,212)	(4,308,366)	(5,580,025)	5,909,866	(31,734,536)	
	Projected Beginning Fund Balance	188,796,315	188,763,103	188,763,103	188,763,103	194,672,969	
	Projected Ending Fund Balance	188,763,103	184,454,737	183,183,078	194,672,969	162,938,433	

2016-17 General Fund Budget
By Object Category

		2014-15	2015-16			2016-17	
		Actual	Original Budget	Current Budget	Projected Actual	Adopted Budget	Diff from 15-16 Original
Revenues							
5700	Local & Intermediate Revenue	\$ 225,862,490	\$ 237,794,902	\$ 226,604,902	\$ 228,815,941	\$ 234,875,453	\$ (2,919,449)
5800	State Program Revenue	264,223,711	254,627,641	260,727,641	262,153,976	256,879,291	2,251,650
5900	Federal Program Revenue	3,994,884	4,210,000	4,210,000	5,701,570	5,465,000	1,255,000
	Total Revenues	494,081,085	496,632,543	491,542,543	496,671,487	497,219,744	587,201
Other Resources		4,113,971	-	-	431,307	-	-
	Total Revenues and Other Resources	498,195,056	496,632,543	491,542,543	497,102,794	497,219,744	587,201
Expenditures							
6100	Payroll Costs	410,414,681	440,679,244	433,287,991	430,669,165	454,678,727	13,999,483
6200	Purchased & Contracted Services	31,622,998	30,261,399	31,412,140	29,683,318	32,121,848	1,860,449
6300	Supplies & Materials	16,060,445	16,960,952	19,557,656	18,163,821	16,409,241	(551,711)
6400	Other Operating Costs	12,374,591	6,922,638	7,356,821	7,089,015	7,143,650	221,012
6500	Debt Service	960,338	1,387,494	1,387,651	1,387,651	1,408,314	20,820
6600	Capital Outlay	26,795,215	4,729,182	4,120,309	4,199,958	17,192,500	12,463,318
	Total Expenditures	498,228,268	500,940,909	497,122,568	491,192,928	528,954,280	28,013,371
Other Uses		-	-	-	-	-	-
	Total Expenditures and Other Uses	498,228,268	500,940,909	497,122,568	491,192,928	528,954,280	28,013,371
	Revenues Over/(Under) Expenditures	(33,212)	(4,308,366)	(5,580,025)	5,909,866	(31,734,536)	
	Projected Beginning Fund Balance	188,796,315	188,763,103	188,763,103	188,763,103	194,672,969	
	Projected Ending Fund Balance	188,763,103	184,454,737	183,183,078	194,672,969	162,938,433	

**2016-17 General Fund Budget
By Object**

		2014-15	2015-16			2016-17	
		Actual	Original Budget	Current Budget	Projected Actual	Adopted Budget	Diff from 15-16 Original
Revenues							
5700	Local & Intermediate Revenue						
	Current year taxes	\$ 213,906,880	\$ 224,896,580	\$ 213,696,580	\$ 215,700,947	\$ 226,694,734	\$ 1,798,154
	Prior year taxes	935,548	1,200,000	1,200,000	1,520,188	1,300,000	100,000
	Penalty & interest	1,364,882	1,400,000	1,400,000	1,662,243	1,500,000	100,000
	Overage distribution	2,989	-	-	17,585	-	-
	Tuition	150	-	-	50	-	-
	Parking fees	91,604	93,000	93,000	90,088	90,000	(3,000)
	Music fees	11,679	-	-	1,455	-	-
	Towel fees	53,704	55,000	55,000	50,635	50,000	(5,000)
	Lost & damaged textbooks	13,806	15,000	15,000	13,462	13,000	(2,000)
	Voyager Tuition	121,553	125,000	125,000	118,270	117,000	(8,000)
	TXVsn Tuition	-	-	-	-	-	-
	Evening school tuition	14,420	14,000	14,000	4,926	4,000	(10,000)
	Summer school	193,131	185,000	185,000	147,463	145,000	(40,000)
	Dual credit fees	114,261	88,000	88,000	104,568	100,000	12,000
	GED fees	-	-	-	-	-	-
	Transfer fees	252,272	320,000	320,000	256,487	250,000	(70,000)
	Transportation fees	8,345	8,000	8,000	10,547	8,000	-
	Investment income	209,444	210,000	210,000	600,000	700,000	490,000
	Building rental	1,454,967	1,502,509	1,502,509	1,629,771	1,400,000	(102,509)
	Gifts & grants	163,699	87,920	97,920	97,920	92,974	5,054
	Athletic activities	647,588	626,500	626,500	685,243	640,500	14,000
	Athletic activities - from individuals	-	-	-	-	-	-
	Tax Increment Finance Zone	5,179,308	792,112	792,112	760,233	798,245	6,133
	Miscellaneous revenue	1,122,260	6,176,281	6,176,281	5,343,860	972,000	(5,204,281)
	Total Local Revenue	225,862,490	237,794,902	226,604,902	228,815,941	234,875,453	(2,919,449)
5800	State Program Revenue						
	Regular ed allotment	298,986,730	302,256,275	308,356,275	303,268,493	302,200,177	(56,098)
	Special ed block grant	33,021,728	33,152,739	33,152,739	32,820,210	32,215,743	(936,996)
	Career & Tech block grant	20,675,153	21,090,444	21,090,444	22,425,539	22,828,945	1,738,501
	Gifted & talented oper grant	1,936,551	1,958,534	1,958,534	1,964,464	1,958,590	56
	Compensatory ed	51,020,756	52,365,140	52,365,140	50,915,556	50,815,151	(1,549,989)
	Bilingual ed	8,264,000	8,444,859	8,444,859	8,302,012	8,311,605	(133,254)
	Public Education Grant	-	-	-	-	-	-
	New Instructional Facilities Allotment	-	-	-	163,367	360,646	360,646
	High School Allotment	4,543,155	4,457,136	4,457,136	4,591,508	4,546,164	89,028
	Transportation Total cost of Tier I	3,039,335	3,110,710	3,110,710	3,039,335	3,039,335	(71,375)
	Total cost of Tier I	421,487,408	426,835,837	432,935,837	427,490,484	426,276,356	(559,481)
	Less local share	(199,610,850)	(211,269,133)	(211,269,133)	(204,677,949)	(212,978,173)	(1,709,040)
	Tier II aid	11,885,654	15,142,763	15,142,763	15,288,794	16,060,114	917,351
	Other FSP formula aid	3,513,063	1,959,068	1,959,068	2,117,928	2,179,833	220,765
	Total Foundation School Program aid	237,275,275	232,668,535	238,768,535	240,219,257	231,538,130	(1,130,405)
	Prior year Foundation Aid adjust.	45,946	-	-	-	-	-
	TRS On-behalf benefit	21,519,837	20,704,346	20,704,346	20,654,347	23,504,502	2,800,156
	Medicare Part D On-behalf benefit	1,127,011	1,004,760	1,004,760	1,004,760	1,566,659	561,899
	Other state revenue	4,255,642	250,000	250,000	275,612	270,000	20,000
	Total State Revenue	264,223,711	254,627,641	260,727,641	262,153,976	256,879,291	2,251,650
5900	Federal Program Revenue						
	Federal program indirect cost reimburs.	291,709	300,000	300,000	362,081	300,000	-
	Medicaid/MAC reimbursement	3,591,720	3,830,000	3,830,000	5,246,395	5,080,000	1,250,000
	R.O.T.C.	111,455	80,000	80,000	93,094	85,000	5,000
	Total Federal Revenue	3,994,884	4,210,000	4,210,000	5,701,570	5,465,000	1,255,000
	Total Revenues	494,081,085	496,632,543	491,542,543	496,671,487	497,219,744	587,201

**2016-17 General Fund Budget
By Object**

		2014-15	2015-16			2016-17	
		Actual	Original Budget	Current Budget	Projected Actual	Adopted Budget	Diff from 15-16 Original
Other Resources							
	Transfers In	-	-	-	-	-	-
	Loan proceeds	4,113,971	-	-	431,307	-	-
	Proceeds from capital lease	-	-	-	-	-	-
	Total Other Resources	4,113,971	-	-	431,307	-	-
Total Revenues and Other Resources		498,195,056	496,632,543	491,542,543	497,102,794	497,219,744	587,201
Expenditures							
6100	Payroll Costs						
	Professional personnel	282,702,638	302,579,002	298,598,979	298,109,663	310,660,195	8,081,193
	Support personnel	48,275,422	53,150,506	51,155,578	51,624,737	55,493,116	2,342,610
	Substitutes	6,759,189	7,448,973	8,017,547	7,251,606	7,239,225	(209,748)
	Teacher comp allot	515,365	600,000	600,001	392,945	400,000	(200,000)
	Stipends/Extra duty pay	16,420,773	19,415,524	17,458,076	16,715,800	19,173,166	(242,358)
	Part-time/temporary	2,462,460	2,444,517	2,440,783	2,891,344	2,700,857	256,340
	Medicare/FICA	4,740,462	5,260,956	5,271,583	4,974,896	5,473,406	212,450
	Health & life insurance	13,011,705	13,020,528	13,023,078	12,842,073	13,627,045	606,517
	Worker's compensation	1,389,262	1,660,000	1,660,000	1,667,366	1,570,989	(89,011)
	Teacher retirement	5,095,790	6,131,694	6,133,539	5,524,259	6,019,303	(112,391)
	TRS/Medicare Part D on-behalf	22,646,848	21,709,106	21,659,107	21,659,107	25,071,161	3,362,055
	TRS Care	1,895,766	2,020,470	2,023,713	1,977,152	2,076,119	55,649
	TRS - First 90 days	342,451	344,992	344,992	495,131	400,000	55,008
	TRS Care - Surcharge on retirees	-	-	-	15,700	-	-
	TRS Supplemental Contribution	3,804,168	4,294,899	4,302,938	4,226,680	4,389,145	94,246
	Unemployment	126,619	313,077	313,077	102,137	150,000	(163,077)
	Other employee benefits	225,763	285,000	285,000	198,569	235,000	(50,000)
	Total Payroll Costs	410,414,681	440,679,244	433,287,991	430,669,165	454,678,727	13,999,483
6200	Purchased & Contracted Services						
	Legal services	811,097	601,000	601,000	842,116	675,000	74,000
	Audit services	110,500	167,500	167,500	135,880	162,500	(5,000)
	Tarrant Appraisal District	1,669,740	1,786,623	1,786,623	1,715,593	1,835,685	49,062
	Tarrant County (tax collection)	246,275	247,500	247,500	246,275	247,500	-
	Other professional services	286,689	233,726	669,776	587,209	245,014	11,288
	Tuition	607,977	758,800	696,850	675,236	824,850	66,050
	Contracted maintenance & repair	8,101,572	5,372,806	5,740,645	5,410,064	6,578,886	1,206,080
	Water	2,052,269	2,081,931	2,081,931	1,933,216	2,184,534	102,603
	Telephone	281,380	480,200	476,275	266,217	386,236	(93,964)
	Electricity	7,600,000	8,204,371	8,204,371	7,616,286	8,280,378	76,007
	Gas	992,556	995,993	995,993	521,204	988,614	(7,379)
	Rentals & operating leases	772,673	837,266	835,339	751,367	821,123	(16,143)
	Other purchased & contracted services	8,090,270	8,493,683	8,908,337	8,982,655	8,891,528	397,845
	Total Other Purchased & Contracted Svs.	31,622,998	30,261,399	31,412,140	29,683,318	32,121,848	1,860,449
6300	Supplies & Materials						
	M&O supplies	4,736,200	5,365,915	5,526,188	5,188,539	5,074,564	(291,351)
	Books & reading materials	1,664,002	1,517,539	1,680,174	1,689,997	1,138,355	(379,184)
	General supplies	9,660,243	10,077,498	12,351,294	11,285,285	10,196,322	118,824
	Total Supplies & Materials	16,060,445	16,960,952	19,557,656	18,163,821	16,409,241	(551,711)
6400	Other Operating Costs						
	Travel	2,745,024	2,835,026	3,135,067	3,110,568	2,928,022	92,996
	Property & liability insurance	1,184,480	1,445,250	1,445,250	1,232,814	1,566,863	121,613
	Election costs	77,687	78,000	78,000	78,000	78,000	-
	Payment to TIF	7,028,326	1,142,470	1,142,470	1,096,490	1,151,315	8,845
	Miscellaneous operating costs	1,339,074	1,421,892	1,556,034	1,571,143	1,419,450	(2,442)
	Total Other Operating Costs	12,374,591	6,922,638	7,356,821	7,089,015	7,143,650	221,012

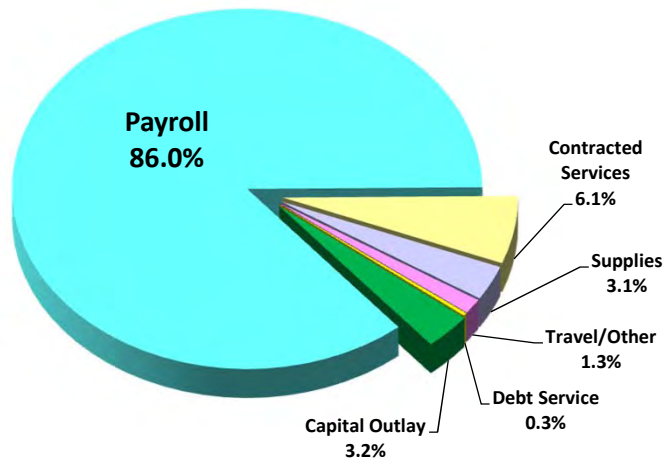
2016-17 General Fund Budget
By Object

	2014-15	2015-16			2016-17	
	Actual	Original Budget	Current Budget	Projected Actual	Adopted Budget	Diff from 15-16 Original
6500 Debt Service						
Lease/purchase agreements	19,492	26,391	26,548	26,548	18,390	(8,001)
Energy retrofit loan payments	940,846	1,361,103	1,361,103	1,361,103	1,389,924	28,821
Total Debt Service	960,338	1,387,494	1,387,651	1,387,651	1,408,314	20,820
6600 Capital Outlay						
Land purchase, improvement, fees	759,177	-	-	79,649	-	-
Building purchase, constr, improvement	25,693,189	4,729,182	3,112,020	3,112,020	17,100,000	12,370,818
Vehicles	58,009	-	91,926	91,926	-	-
Furniture & equipment > \$5,000	284,840	-	916,363	916,363	92,500	92,500
Lease purchase of furniture, bldg, equip	-	-	-	-	-	-
Total Capital Outlay	26,795,215	4,729,182	4,120,309	4,199,958	17,192,500	12,463,318
Total Expenditures	498,228,268	500,940,909	497,122,568	491,192,928	528,954,280	28,013,371
Other Uses	-	-	-	-	-	-
Total Expenditures and Other Uses	498,228,268	500,940,909	497,122,568	491,192,928	528,954,280	28,013,371
Revenues Over/(Under) Expenditures	(33,212)	(4,308,366)	(5,580,025)	5,909,866	(31,734,536)	
Projected Beginning Fund Balance	188,796,315	188,763,103	188,763,103	188,763,103	194,672,969	
Projected Ending Fund Balance	188,763,103	184,454,737	183,183,078	194,672,969	162,938,433	

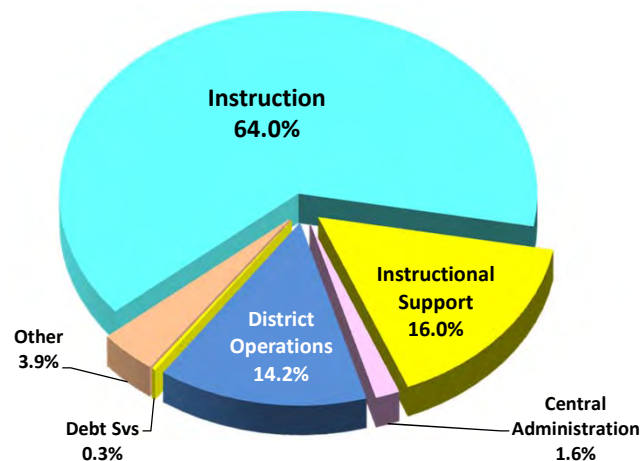
**2016-17 General Fund Expenditure Budget
By Function and Object Category**

Function	Payroll	Contracted Services	Supplies	Travel/Other	Debt Service	Capital Outlay	Total
11 Instruction	315,038,717	3,243,031	6,137,082	1,201,921	-	-	325,620,751
12 Instructional Resources/Media Services	5,461,259	50,500	674,362	10,996	-	-	6,197,117
13 Curriculum & Staff Development	4,657,642	676,516	490,600	657,601	-	-	6,482,359
21 Instructional Administration	7,884,900	606,476	231,079	124,782	-	-	8,847,237
23 School Administration	29,649,469	278,147	299,959	162,826	-	-	30,390,401
31 Guidance & Counseling	25,720,165	563,275	1,497,456	88,997	-	-	27,869,893
32 Attendance & Social Work Service	1,519,208	138,570	49,230	100,314	-	-	1,807,322
33 Health Services	5,855,689	23,900	63,687	5,194	-	-	5,948,470
34 Pupil Transportation	10,252,576	180,400	1,504,703	252,817	-	-	12,190,496
35 Food Service	-	-	-	-	-	-	-
36 Extracurricular Activities	5,934,563	830,256	1,150,537	1,791,300	-	92,500	9,799,156
41 General Administration	6,368,215	1,820,025	160,919	373,228	-	-	8,722,387
51 Plant Maintenance & Operations	24,666,842	16,486,066	3,591,681	1,107,763	-	-	45,852,352
52 Security	4,758,536	2,171,930	286,202	47,595	-	-	7,264,263
53 Computer Processing	6,648,300	2,817,072	244,805	26,050	-	-	9,736,227
61 Community Services	262,645	62,500	26,940	40,950	-	-	393,035
71 Debt Service	-	-	-	-	1,408,314	-	1,408,314
81 Facility Acquisition & Construction	-	-	-	-	-	17,100,000	17,100,000
95 Student Tuition Non-public Schools	-	90,000	-	-	-	-	90,000
97 Payments to TIF	-	-	-	1,151,315	-	-	1,151,315
99 Other Intergovernmental Charges	-	2,083,185	-	-	-	-	2,083,185
Total Expenditures	454,678,726	32,121,849	16,409,242	7,143,649	1,408,314	17,192,500	528,954,280

Expenditures by Major Object



Expenditures by Functional Category



Instruction includes functions 11,12,13,95

Instructional Support includes functions 21,23,31,32,33,36

Central Admin. includes function 41

District Operations include functions 34,35,51,52,53

Debt Services include function 71

Other includes functions 61,81,97,99



2016-2017 Official Budget

Informational Section



Student Enrollment Trends

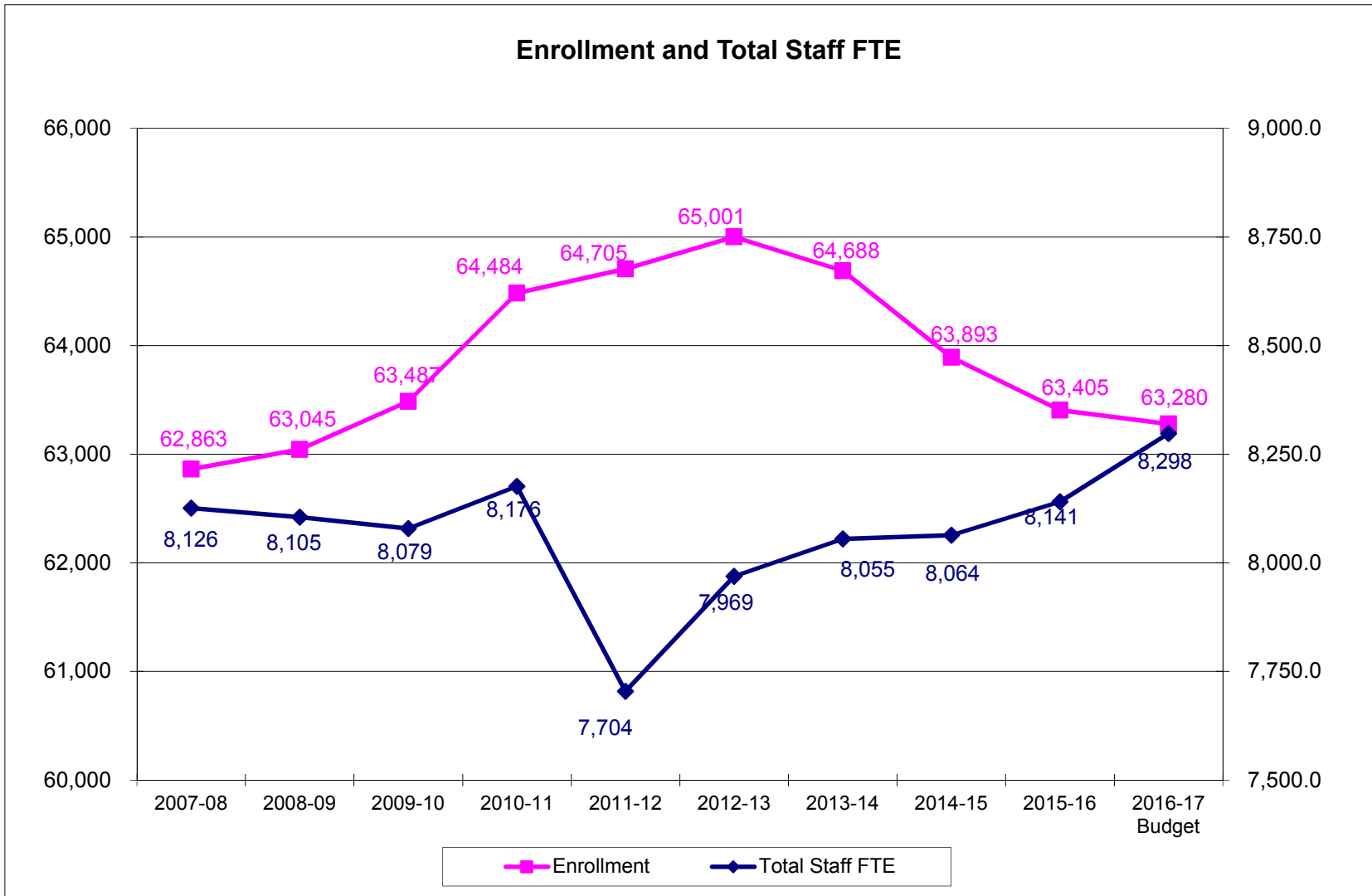
<u>Campus # and Name</u>		2012-13 <u>Actual</u>	2013-14 <u>Actual</u>	2014-15 <u>Actual</u>	2015-16 <u>Actual</u>	2016-17 <u>Budgeted</u>	2017-18 <u>Projected</u>	2018-19 <u>Projected</u>	2019-20 <u>Projected</u>
<u>High Schools</u>									
001	Arlington HS	2,941	2,863	2,844	2,782	2,644	2,516	2,367	2,351
002	Sam Houston HS	3,288	3,346	3,499	3,672	3,541	3,892	4,140	4,168
003	Lamar HS	2,850	2,922	2,918	2,925	2,859	2,891	2,858	2,801
004	Bowie HS	3,021	3,037	3,053	3,044	2,954	2,821	2,806	2,776
005	Martin HS	3,316	3,298	3,361	3,355	3,376	3,428	3,484	3,437
009	Seguin HS	1,713	1,685	1,653	1,658	1,668	1,515	1,504	1,502
011	Arlington Collegiate HS	-	-	120	225	360	480	480	480
Total High Schools		<u>17,129</u>	<u>17,151</u>	<u>17,448</u>	<u>17,661</u>	<u>17,402</u>	<u>17,543</u>	<u>17,639</u>	<u>17,515</u>
<u>Junior High Schools</u>									
041	Carter JH	979	1,050	1,091	1,103	1,066	1,227	1,244	1,252
045	Bailey JH	837	849	797	781	781	774	790	784
046	Hutcheson JH	936	958	908	-	-	-	-	-
047	Gunn JH	544	501	439	491	469	422	428	470
048	Shackelford JH	723	735	722	720	689	663	666	654
049	Young JH	811	827	792	832	878	859	802	792
050	Workman JH	583	594	590	1,417	1,512	1,596	1,576	1,592
051	Boles JH	776	725	724	713	691	606	540	564
052	Barnett JH	1,013	949	893	882	912	911	843	821
053	Nichols JH	828	796	760	762	825	657	559	564
055	Ousley JH	637	641	592	1,003	1,019	985	949	968
056	Ferguson JH	523	490	477	-	-	-	-	-
Total Junior High Schools		<u>9,190</u>	<u>9,115</u>	<u>8,785</u>	<u>8,704</u>	<u>8,842</u>	<u>8,700</u>	<u>8,397</u>	<u>8,461</u>
<u>Elementary Schools</u>									
101	Berry ES	819	837	750	753	755	701	688	661
102	Blanton ES	710	730	758	727	730	744	754	756
103	Crow ES	644	639	499	471	459	415	412	409
104	Duff ES	614	681	680	635	632	633	624	625
107	Kookan Pre-K	305	323	311	348	361	348	348	348
109	Rankin ES	757	717	749	730	719	724	733	740

Student Enrollment Trends

<u>Campus # and Name</u>	<u>2012-13 Actual</u>	<u>2013-14 Actual</u>	<u>2014-15 Actual</u>	<u>2015-16 Actual</u>	<u>2016-17 Budgeted</u>	<u>2017-18 Projected</u>	<u>2018-19 Projected</u>	<u>2019-20 Projected</u>	
110	Roark ES	842	789	663	474	453	475	469	485
111	South Davis ES	760	699	692	646	629	661	694	712
112	Speer ES	866	841	824	803	796	783	804	815
113	Swift ES	622	605	570	565	538	525	491	465
114	Thornton ES	936	927	964	862	872	869	863	872
116	Wimbish ES	657	606	667	648	657	690	717	736
117	Hill ES	652	652	623	576	555	537	539	517
119	Goodman ES	663	640	576	577	688	643	633	626
120	Pope ES	657	662	634	627	601	614	621	627
121	Johns ES	1,098	756	779	773	779	758	755	751
122	Roquemore ES	662	670	630	579	-	-	-	-
123	Short ES	548	538	567	557	551	558	519	525
124	Amos ES	595	620	599	609	507	499	496	494
125	Dunn ES	558	535	524	544	536	547	554	555
126	Foster ES	769	769	761	691	559	573	584	587
128	Key ES	528	543	545	536	514	531	526	521
129	Butler ES	663	668	640	637	622	625	627	633
130	Ditto ES	717	725	760	754	748	751	762	755
131	Morton ES	1,015	990	927	864	789	709	675	638
132	Atherton ES	1,171	675	692	680	706	667	686	684
133	Wood ES	779	741	725	785	787	811	792	771
134	Sherrod ES	749	801	731	742	1,004	998	1,018	1,027
135	Miller ES	770	762	769	736	678	664	664	654
136	Fitzgerald ES	651	624	598	559	521	536	517	505
137	Corey ES	690	639	619	554	599	638	677	731
140	Starrett ES	719	687	676	679	661	657	643	624
141	Bebensee ES	739	739	735	735	714	709	706	723
142	Ellis ES	947	991	927	927	829	811	810	802
143	Farrell ES	809	771	763	743	721	710	711	703
144	Moore ES	600	630	672	776	823	878	899	911
145	Williams ES	861	813	789	764	710	687	658	642

Student Enrollment Trends

<u>Campus # and Name</u>	<u>2012-13 Actual</u>	<u>2013-14 Actual</u>	<u>2014-15 Actual</u>	<u>2015-16 Actual</u>	<u>2016-17 Budgeted</u>	<u>2017-18 Projected</u>	<u>2018-19 Projected</u>	<u>2019-20 Projected</u>
146 Little ES	753	750	736	767	760	755	733	714
147 Bryant ES	658	590	604	591	564	536	537	529
148 Webb ES	876	876	848	775	726	708	683	656
149 Ashworth ES	571	547	520	517	491	511	500	499
150 Crouch ES	1,049	1,086	1,073	844	830	801	775	767
151 Larson ES	752	776	804	786	650	650	657	658
152 West ES	809	787	779	776	742	712	713	715
153 Hale ES	651	734	735	672	663	687	677	671
154 Percy ES	544	489	483	464	444	435	432	430
155 Burgin ES	863	819	795	800	469	483	491	498
157 Knox ES	639	645	736	527	512	528	540	553
158 Beckham ES	696	645	616	594	567	566	562	564
159 Remyse ES	691	647	618	618	585	585	569	557
160 Anderson ES	814	926	859	716	719	682	662	663
161 Adams ES	-	798	841	888	914	976	990	1,032
162 Patrick ES	-	-	-	712	738	708	703	691
163 Jones Academy	-	-	-	69	324	427	441	455
164 Peach ES	-	-	-	-	869	822	829	823
163 McNutt ES	-	-	-	-	654	624	615	610
Total Elementary Schools	<u>37,508</u>	<u>37,150</u>	<u>36,435</u>	<u>35,782</u>	<u>36,024</u>	<u>35,875</u>	<u>35,778</u>	<u>35,715</u>
Other								
105 Community Based Pre-K	516	557	542	566	505	528	606	616
139 Homebound/Health Svc	68	64	59	18	18	29	34	37
008 Newcomer Center	179	221	239	207	157	198	244	247
010 JJAEP	3	4	7	3	3	4	9	14
007 Turning Point Alternative H	82	70	45	85	45	63	73	86
054 Turning Point Alternative JI	39	29	37	52	32	35	68	80
006 Venture Alternative HS	287	327	296	327	252	268	338	355
	<u>1,174</u>	<u>1,272</u>	<u>1,225</u>	<u>1,258</u>	<u>1,012</u>	<u>1,125</u>	<u>1,372</u>	<u>1,435</u>
Total All Schools	<u>65,001</u>	<u>64,688</u>	<u>63,893</u>	<u>63,405</u>	<u>63,280</u>	<u>63,243</u>	<u>63,186</u>	<u>63,126</u>



Personnel Report

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u> <u>Budget</u>	<u>Positions</u> <u>added in</u> <u>2016-17</u>
CLASSROOM TEACHERS	3,931.4	4,051.2	4,113.2	4,089.1	4,132.0	4,196.5	64.5
Athletic Trainer	10.0	12.0	12.0	12.0	12.0	12.0	0.0
Audiologist	2.0	2.0	2.0	2.0	2.0	2.0	0.0
Counselor	147.6	148.5	149.4	161.0	169.0	171.0	2.0
Educational Diagnostician	49.6	50.5	51.9	53.1	57.0	57.0	0.0
Librarian	68.5	68.9	64.7	70.0	68.0	70.0	2.0
LSSP/Psychologist	17.0	19.0	17.9	21.0	24.0	24.0	0.0
Occupational/Music/Art Therapist	9.0	9.2	9.0	9.0	9.0	10.0	1.0
Other Campus Professional Personnel	49.0	73.4	58.9	55.7	72.9	74.9	2.0
Other Non-Instructional Prof. Personne	144.2	154.3	148.1	167.8	190.1	196.1	6.0
Physical Therapist	4.0	4.0	4.0	5.0	5.0	5.0	0.0
Psychological Associate	0.0	0.0	0.0	0.0	0.0	0.0	0.0
School Nurse	74.2	75.9	77.4	77.8	75.9	77.9	2.0
Social Worker	13.0	15.9	21.0	18.0	9.0	9.0	0.0
Speech Therapist/Language Pathologist	57.5	49.9	46.7	48.2	53.7	54.7	1.0
Teacher Facilitator/Supervisor	141.3	146.4	145.6	151.8	157.5	157.5	0.0
PROFESSIONAL SUPPORT	786.9	829.9	808.6	852.4	905.1	921.1	16.0
<u>Campus Administration:</u>							
Principal	72.7	71.5	72.0	75.0	75.0	77.0	2.0
Assistant Principal	120.1	126.1	128.4	126.8	135.8	137.8	2.0
<u>Central Adminsitration:</u>							
Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	0.0
Asst/Assoc/Deputy Superintendent	5.0	4.3	7.0	7.0	9.0	9.0	0.0
Athletic Director	1.0	1.0	1.0	1.0	3.0	3.0	0.0
Director-Personnel	3.0	3.0	3.0	3.0	2.0	2.0	0.0
Program Director/Exec Dir/Instr Officer	12.0	11.8	12.0	13.0	13.0	13.0	0.0
Teacher Supervisor	22.0	21.7	21.0	19.0	17.0	17.0	0.0
ADMINISTRATIVE STAFF	236.8	240.4	245.4	245.8	255.8	259.8	4.0
Certified Interpreter	5.9	6.7	5.9	5.8	5.9	5.9	0.0
Educational Aide	792.8	835.0	852.7	805.0	805.1	807.1	2.0
PARAPROFESSIONAL STAFF	798.7	841.7	858.6	810.8	811.0	813.0	2.0
AUXILIARY PERSONNEL	1,950.5	2,006.0	2,029.2	2,065.5	2,037.0	2,107.5	70.5
TOTAL EMPLOYEES	7,704.3	7,969.2	8,055.0	8,063.6	8,140.9	8,297.9	157.0

NOTE: Schedule presents total staffing for all fund sources

Personnel Report

Positions Added in the 2016-17 Budget:

Professional

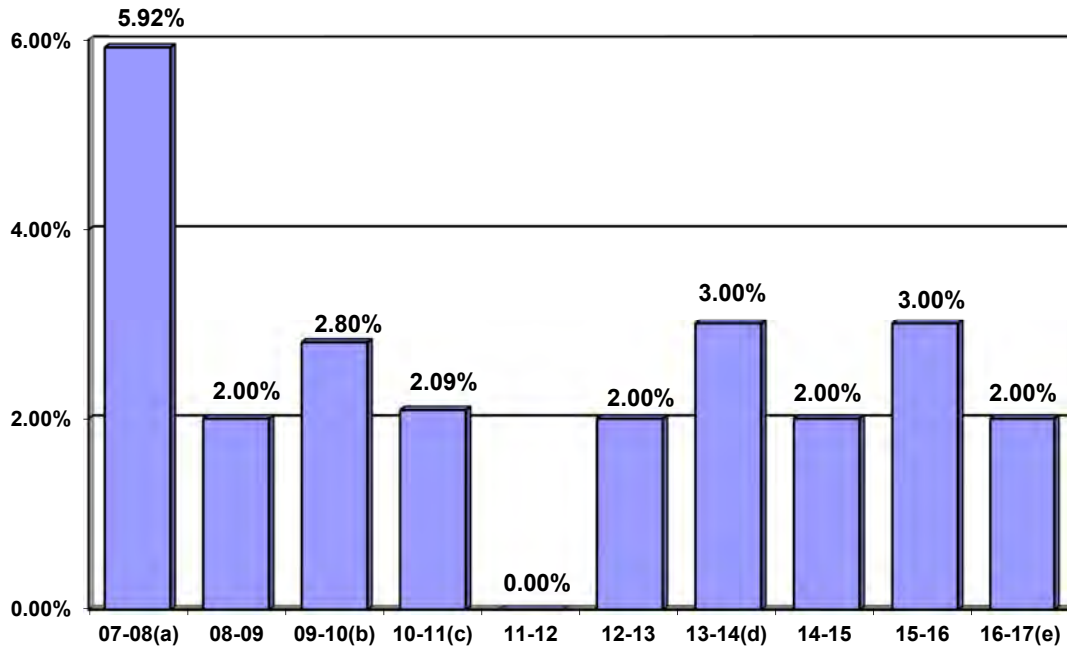
Change in positions for enrollment changes	27.5
Gifted and Talented Teachers	27.0
New Professional Staff for Peach and McNutt Elementary Schools:	
Principal	2.0
Assistant Principal	2.0
Teachers (Rotation)	6.0
Counselor	2.0
Librarian	2.0
Nurse	2.0
Testing Facilitator	2.0
Art Teachers - Fine Arts/Dual Language Academies	2.0
Dyslexia Teachers	2.0
Speech Pathologist	1.0
Occupational Therapist	1.0
Coordinator - Structured Cabling Systems	1.0
Specialist - Environmental and Safety	1.0
Specialist - Dropout Prevention and Recovery	2.0
Specialist - World Languages	1.0
Specialist - World Languages - Immigrant and Secondary Native Speakers	1.0
	<u>84.5</u>

Paraprofessional:

Paraprofessional/auxiliary Staff for Peach and McNutt Elementary Schools:	
Secretary	2.0
Attendance Clerk	2.0
Campus Technology Manager	2.0
STEM Lab Managers	2.0
Classroom Teacher Assistants (PE)	2.0
Head Custodians	2.0
Custodians	7.5
Cafeteria Monitors	6.0
Custodians for Multipurpose Activity Centers	6.0
STEM Lab Managers	20.0
Trainer - Building Maintenance	1.0
Lan Technician	1.0
Specialist - Career and Technical Education	1.0
Managers - Food Service - Peach and McNutt Elementary Schools	2.0
Specialist - Food Service Operators - Peach and McNutt Elementary Schools	15.0
Specialist - Food Service Technology	1.0
	<u>72.5</u>

Total Positions Added	<u>157.00</u>
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History of Salary Increases



(a) – Average increase for teachers was 5.92%. All other employees received 3.5%.

(b) – Salary increase for teachers was mandated in House Bill 3646 and averaged 2.8%. Instead of a salary increase, all other employees received a one-time compensation payment equal to 2% of their salary, which was to terminate at the end of the 2009-10 year.

(c) – Teachers received a state-mandated “step increase” and they received a 1% pay raise on top of the step increase. The average raise for teachers was 2.09%. All other employees received a 3% increase in their base pay.

(d) – The beginning teacher salary was increased to \$50,000. Additionally, equity adjustments were made for steps 1-20 of the teacher salary schedule.

(e) – Auxiliary employees received a 4.66% increase on mid-point. All other employees received 2% of their base salary.