



CARROLL

INDEPENDENT SCHOOL DISTRICT

8.3.11 School Board Meeting Summary

Next Regular Meeting: Aug. 15, 2011

Trustees To Call Special Workshop

School Board Hears Budget Presentation

Carroll School Board members heard a preliminary budget presentation Monday and plan to call a special workshop next week to continue their work on the proposed 2011-2012 budget. By law the Board must approve a school budget before the end of August. The local tax rate can be set later in September.

Superintendent David J. Faltys and Robb Welch, Assistant Superintendent for Financial Services, presented the 2011-2012 proposed budget. The district's financial outlook was no real surprise to Trustees as they have been monitoring passage of a new school finance bill in Austin this summer. Under the new legislation, Carroll will lose more than \$9 million in state funding revenue over the next biennium. The district's \$81.9 million operating budget is expected to grow to \$84.6 million due mostly to an increase in the district's Chapter 41 Robin Hood payment and the inclusion of technology allotment funding no longer provided by the state. The Superintendent said there is a possibility that the technology monies will be restored to districts, but there are no guarantees at this time. Welch told Trustees the Administration will continue to review campus and departmental budget requests to see if the overall deficit can be reduced before the August 29 public hearing/adoption date.

CISD has experienced a slight increase in property values and a slight decrease in student enrollment. The new funding formula takes both into account and will result in a drop in overall state funding. The district's Chapter 41 payment was projected to be \$12.5 million and will actually be \$13.2 million this year. That payment increases to \$15 million in 2011-12 and \$13.7 million in 2012-13.

Carroll leaders have taken several steps to help minimize the blow of state funding losses. The Board was the first in the state to utilize Build America Bonds, earning about \$2 million for the district's fund balance this year and another \$1.9 projected for 2012 and 2013. Green strategies to help reduce utility costs are already paying off for the district, and the district's two newest campuses should prove to be the most energy efficient facilities yet. The Administration cut about \$1.1 million in operating expenses this past year and realized an additional \$1 million in unspent funds as budget managers worked diligently to reduce expenses. Trustees were unable to give an employee pay raise last year and are facing a budget with no proposed employee increase for 2011-2012. In addition, employee insurance costs have risen significantly since 2009.

Despite all these best efforts, Carroll Trustees will still have to utilize nearly \$1.4 million from fund balance

to cover this year's deficit. And the future doesn't hold much promise for relief. Passage of Senate Bill 1 during the Special Legislative Session will mean a funding loss of \$3 million for CISD in 2011-2012 and another \$6 million in 2012-2013. Dr. Faltys reminded Trustees that the district had already put a two-year Expenditure Reduction Plan in place to help ease pressure on the operating budget. Leaders will now begin working on a 2-5 year plan to balance the budget by making program and personnel cuts to accommodate the new funding losses. No immediate program or personnel cuts have been planned or approved for the 2011-2012 school year.

The Board is expected to call a Special Budget Workshop next week to continue to discuss the district's financial outlook. Stay tuned to MySouthlakeNews.com or the CISD website for details.

School Board Actions

- The Board approved the Consent Agenda, which included second reading and adoption of localized Policy Update 90 and FD (Local) – Admissions.

Presentations & Reports

Dr. David Faltys gave a Back-to-School update and a Lone Star Cup summary during his **Superintendent's Report**. He provided Trustees with a schedule of events related to the start of the 2011-2012 school year. All of the documents/schedules are available on the district's website. Simply click on the Back-to-School artwork to find a listing of events and special activities.

Dr. Derek Citty, Assistant Superintendent for Administrative Services, and John Haugen, Natex Architects, gave a **Construction Project Update** as CISD prepares for the start of another school year. Projects are progressing nicely with work still to be completed at the Durham campus, at Eubanks Intermediate and Dawson Middle School and at the former Carroll Middle School. The bond was approved by voters in May of 2009 for \$138 million.

Darrell Brown, Executive Director of Teaching & Learning Services, presented a report on **STAAR End of Course Assessments** and gave a report on the proposed 2011-2012 Student Code of Conduct, which Trustees will vote on at a future meeting in August.

Board Secretary John Thane led the Board in the **Pledge of Allegiance** and the **Texas Pledge** before observing a moment of silence. There were no members in the audience who requested to speak during **Public Comments**.

The Board met in executive session per Texas law.

The School Board adjourned the August 3, 2011 meeting at 9:35 p.m.

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