

**West Oso Independent School District
2008-2009 Proposed Budget
July 1, 2008**

Assumptions/Justifications for 2008-2009 Budget Forecast

1. The Preliminary Tax Values provided by the Nueces County Appraisal District for West Oso ISD reflects a **decreased of \$21,790,108, to \$490,000,000** (Tax Values for 2007-2008 - \$511,790,108). The decrease in property values appears to be in last year tangible personal, business property which had the most significant increase of approximately \$96,568,000.
2. As a reminder, with the approval of House Bill 1, the Maintenance and Operations Tax in 2007-2008 was reduced to **\$1.04, from the Maintenance and Operations Tax of \$1.37**. More districts are having to consider a tax rollback election to increase Maintenance and Operations taxes by up to 0.13 cents to fund required expenditures. West Oso ISD is not planning to have a rollback election, at this time. As provided by the state school funding system, **if local property tax revenue decreases state revenue increases proportionately**. Also, **if local property tax revenue increases state revenue decreases proportionately**.
3. **The new projected Tax rate for West Oso ISD is \$1.34 (Maintenance & Operations at \$1.04 and Interest and Sinking at \$0.30) for the 2008-2009 school year**. The increase in debt service tax rate is due to the partial sale (\$7,000,000) of the approved bond issue of \$13,500,000 for a new elementary.
4. State revenue is projected to increase due to an increase in student average daily attendance (ADA). **Student attendance is currently projected at 1,875 for 2008-2009 school year compared to 1,850 for 2007-2008, an increase of 25 ADA**.
5. TASB and district administrators have provided three proposed salary models for consideration. Model 1 reflects a 2.0% general pay increase for all employees (\$950 for teachers), while Model 2 proposes a 2.5% general pay increase for all employees (\$1,200 for teachers), and Model 3 % reflects a 3.0% general pay increase for all employees (\$1,450 for teachers). The preliminary budget currently includes Teacher salary schedules with a general pay increase of \$1,450 and 3% midpoint increase for all other employees.
6. **Health insurance premiums contributions are \$150 by WOISD and \$75 by TEA (totaling \$225 per month to help pay for health coverage) for employees (projected 20) who select major medical coverage with TRS-Active Care**.
7. The most material increases in non salary expenditures affecting the proposed budget deficit are **costs for electricity increasing by \$150,000**, from \$750,000 to \$900,000, detailed in Shared Service Arrangements (Function 93) and **property insurance costs projected to increase approximately \$113,000**, from \$377,781 to \$490,600, reflected in Maintenance (Function 51).