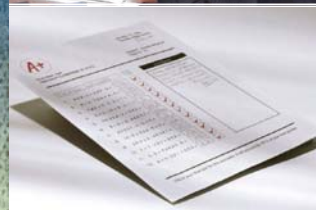
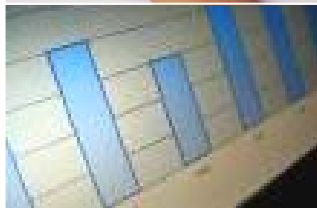


PLANNING AND BUDGET

Budget In Focus 2004 - 2005

Vision 2009 FULFILLING THE PROMISE



DESTINATION: EXEMPLARY

BOARD OF EDUCATION



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Deputy Superintendent for Financial Services,
Business Operations and Food Services



SAISD
DESTINATION: EXEMPLARY

Budget-in-Focus / 2004 - 2005

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San Antonio Independent School District

141 Lavaca Street • San Antonio, Texas 78210-1095

Telephone (210) 299-5500 • Fax (210) 299-5580

Office of the Superintendent

August 16, 2004

The Honorable Board of Education
San Antonio Independent School District
141 Lavaca St.
San Antonio, Texas 78210-1095

BOARD OF EDUCATION

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Superintendent

Dear Board Members:

The San Antonio Independent School District (the “District”) budget for fiscal year 2004-2005 is submitted herewith. This budget presents the District’s finance plan that will guide the Board, staff and stakeholders in working toward the Vision 2009 mission: “To graduate all students as responsible citizens with the academic and social preparation to pursue higher education, join the military, or enter the workforce”.

Introduction

The District is proud to publish and disseminate budget information to the Board of Trustees and to our community. The budget is built on Vision 2009, which will guide the school board, staff and community in working toward the mission and goals of educating all children and continuously improving their performance.

The development, review and consideration of the 2004-2005 Budget (the Operating Fund, the Food Service Fund, the Debt Service Fund, and the Special Revenue Fund) was completed with a detailed comprehensive review of every campus and department budget within the context of the District’s Vision 2009 mission, goals, and financial policies. Information on each of the fund budgets is provided in this budget document.

This budget document and the year-end Comprehensive Annual Financial Report (CAFR) are the primary vehicles used to present Vision 2009’s financial plan and the results of programs and services of the District. This report, the 2004-05 District Budget, is comprised of four sections:

- Executive Summary
- Campus Local and Federal Budgets
- Department Budgets
- Supplemental Section – Budget Enhancements

Our most important concern in the presentation of the budget data is to improve the quality of information provided to our community about the financial support plan for the District's Vision 2009 mission and goals, and educational programs and services for the 2004-2005 fiscal year. The material in the budget document includes information that has been suggested by the Board Members, staff, and the community.

The budget reflects the allocation of revenues and expenditures to support educational programs and services defined by the District's Vision 2009. It presents the vision of district and staff articulated through financial and operating policies. It also represents a responsive balance between the educational needs of students and the ability of the community and the State to provide the necessary financial support to serve them.

Mission of the San Antonio Independent School District

The mission of the San Antonio Independent School District is to graduate all students as responsible citizens with the academic and social preparation to pursue higher education, join the military, or enter the workforce.

Vision 2009 Goals:

1. Governance

Establishes an effective operations structure that ensures organizational stability and maximizes student performance, effective planning, effective policy development and decision-making, and prudent fiscal decision-making. It establishes district-wide accountability for all stakeholders at all levels of the organization.

2. Teaching and Learning

Establishes expectations of excellence and equity in student academic performance and provides high quality instructional programs for all students.

3. Student Support

Establishes expectations of excellence and equity in student social and life skill development and provides high quality and personalized student support services to all students.

4. Administration

Establishes an effective, efficient organizational structure that promotes excellence in the performance of all District staff and ensures high quality administrative support services through a district-wide accountability system.

5. Human Resources

Establishes an effective recruitment, hiring, and retention process to maintain the desired quantity and quality of personnel necessary to achieve the organization's mission.

6. Technology

Establishes and maintains state-of-art technology to support academic instruction, management information, and administrative services.

7. Communications

Provides and maintains effective internal and external two-way communications that inform all stakeholders throughout the school district in a systematic and comprehensive way and that are disseminated continuously and promptly.

8. School-Community Relations

Establishes and maintains student-centered and meaningful relationships with parents, business, civic, and community leaders to provide meaningful support to the public schools.

9. Special Facilities Construction and Improvement Initiative (Bond Construction):

Ensures effective and efficient implementation of the facilities construction and improvement program.

2004-2005 Budget

The budget process is comprised of seven phases – planning, preparation and submission, review and coordination, adoption, implementation, monitoring, and evaluation. The preparation of the budget commenced in January with the initial student enrollment forecast and property values projections, and the development and adoption of the school calendar. The process also included budget meetings to review each of the department’s base level budget and proposed budget enhancements. Recommendations from schools, parents, employee union groups, and stakeholders of the District were considered during the budget process.

Competitive Compensation Plan

The 2004-05 Local Operating Budget presented in this document reflects the allocation of resources to support educational programs and Vision 2009. This budget includes an increase of approximately \$15.3 million to offer a competitive compensation plan for our employees. The features of the compensation plan are:

Position

Teachers

Increase

The higher of 4.25% of the actual salary or 4.25% of the midpoint

Other Staff Members

The higher of 4.25% of the actual or 4.25% of the midpoint for each employee job group.

Budget Strategies

To afford and continue offering a competitive compensation plan the District implemented the strategies mentioned below.

<u>Strategy</u>	<u>Initiative</u>
Coordinated Funding	Fund 192 Pre-K teaching assistants with federal funds
Campus Staff Allocations	Align campus staff with student membership

In order to Balance the Budget and to come up with funds to pay for the budget enhancements the District will need approximately \$8.2 million from the Local Operating Fund Balance. The 2004-2005 end-of-year projected fund balance is \$63,252,175. This amount is within TEA’s ending Fund Balance guidelines. To ensure that we do not exceed the \$8.2 million amount and possibly significantly reduce this amount the District will need to implement budget cost saving strategies such as Class Size Waivers, monitor local operating expenditures through out the 2004-2005 school year and implement an internal energy savings program. The Board adopted for the 2003-2004 school year a budget reflecting a need of approximately \$3.8 million from the Local Operating Fund Balance. Through effective cost management it is projected that this amount could be reduced to approximately \$1.4 million. Future local, state and federal funding resources will dictate compensation increases beyond the 2004-2005 school year.

Below are the Vision 2009 Budget enhancements:

2004-2005 Budget Enhancements – Recurring Costs

<u>Enhancements</u>	<u>Amount</u>
Compensation Plan Adjustments	\$ 15,296,353
Operational Increases	\$ 2,189,301
Total	\$ 17,485,654

The following table presents a comparison of the 2003-2004 Budget for all Governmental Funds with the 2004-2005 adopted budget year.

Funds	Budget 2003-2004	Adopted Budget 2004-2005	% Change
Local Operating Funds	\$ 339,370,704	\$ 345,963,423	1.94%
Food Service Funds	\$ 29,100,000	\$ 29,600,000	1.72%
Debt Service Funds	\$ 40,259,583	\$ 40,200,631	-0.15%
Special Revenue Funds	\$ 37,010,350	\$ 54,704,173	47.81%
Total Appropriations	\$ 445,740,637	\$ 470,468,227	5.55%

Analysis of Adopted Budget

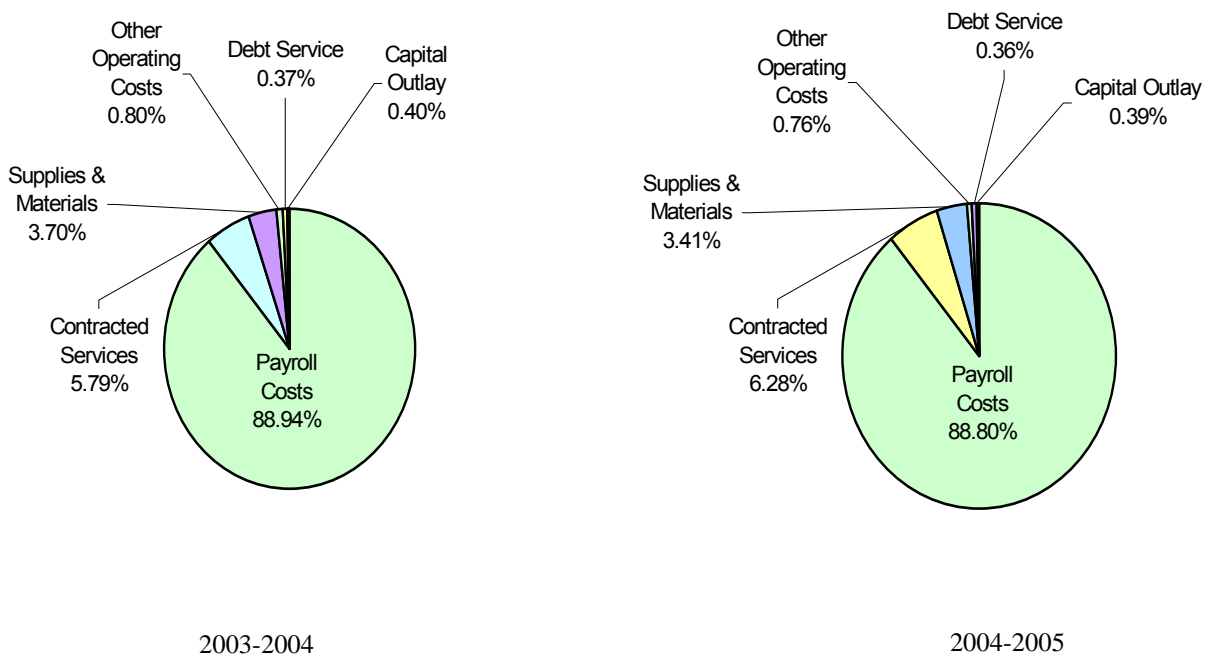
The composition of the District's workforce is determined by the staffing formulas, policies and guidelines of the Board on the basis of projected student membership and curriculum requirements. For the 2004-2005 fiscal year, salaries and fringe benefits are budgeted to consume 88.6% of the General Operating Fund resources.

General Fund Expenditures by Object

Object	Actual 2002-2003	Budget 2003-2004	Adopted Budget 2004-2005	% Change
Payroll Costs	\$ 307,387,143	\$ 301,847,278	\$ 307,202,428	1.77%
Contracted Services	22,993,999	19,645,659	21,735,518	10.64%
Supplies & Materials	10,828,288	12,561,335	11,802,923	-6.04%
Other Operating Costs	2,363,551	2,716,477	2,617,118	-3.66%
Debt Service	-	1,252,779	1,252,779	0.00%
Capital Outlay	4,443,685	1,347,176	1,352,657	0.41%
Other Uses	1,235,137	-	-	-
Total General Fund Expenditure	\$ 349,251,803	\$ 339,370,704	\$ 345,963,423	1.94%

General Fund Expenditures by Object

(Comparison of Total Expenditures of Current and Proposed Budgets)

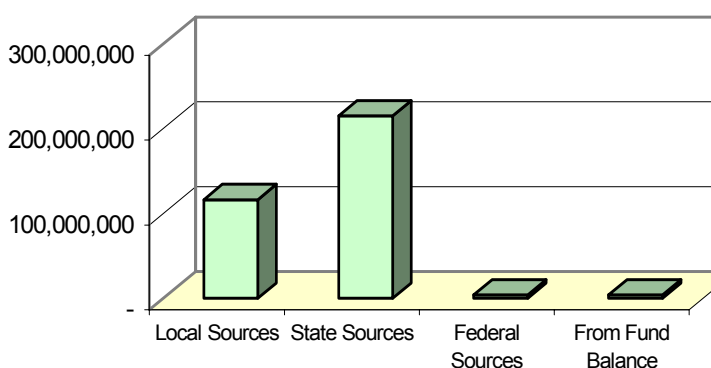


General Fund Revenues

Programs and services included in the General Fund Budget are primarily supported by local and state sources of revenue. A comparison of General Fund revenue sources is presented below.

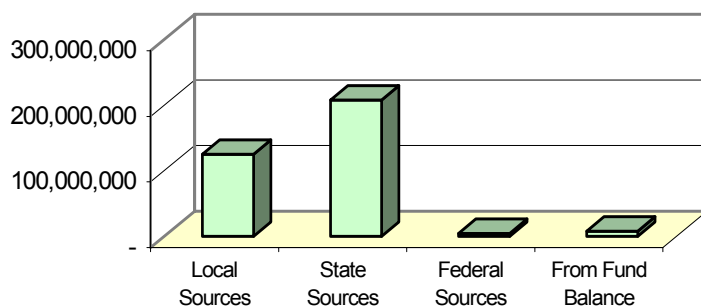
Revenue Sources	Budget 2003-2004	Adopted Budget 2004-2005	Increase
Local Sources	\$ 116,237,340	\$ 125,215,685	\$ 8,978,345
State Sources	215,157,867	208,208,564	(6,949,303)
Federal Sources	4,100,000	4,356,272	256,272
From Fund Balance	3,875,497	8,182,902	4,307,405
Total Operating Fund Revenues	\$ 339,370,704	\$ 345,963,423	\$ 6,592,719

2003-2004 General Fund Revenue Sources



The local sources of revenue that support the General Fund Budget represent 36.2 % of General Fund funding for the 2004-2005 school year. Of this amount, the largest source of revenue available to the District is the property tax that is derived from current and delinquent real estate tax payments. The proposed budget shows an approximate 7.7% increase in local tax contributions. The 2004-2005 state revenue projections are based on an estimated average daily attendance (ADA) of 51,350.61 students, certified taxable property values of \$8,190,740,092 and projected property value growth of 3.031%.

2004-2005 General Fund Revenue Sources



State revenue represents 60.2 % of the General Fund. The General Fund federal revenues are 1.3% of the revenue budget.

Personnel Allocation

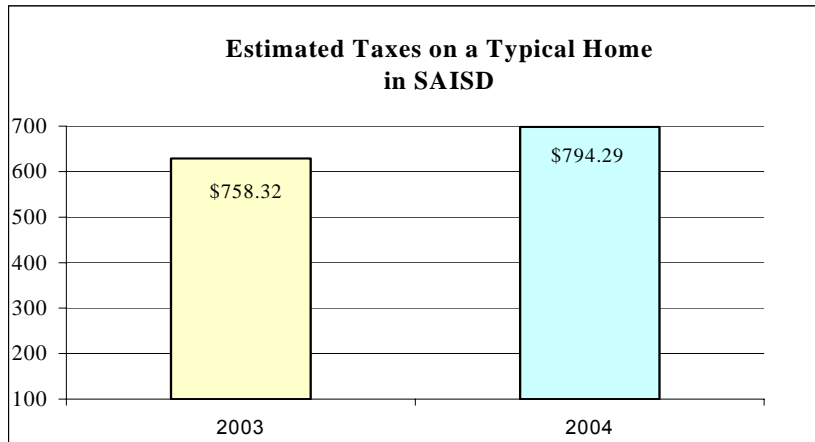
The goals and objectives of the District are achieved through the dedicated efforts of teachers, aides, administrators, and other support personnel. Student membership projections and campus staffing formulas direct the allocation of teachers and other staff among the campuses. The District has undertaken many innovative approaches to help reach specific goals. These approaches include a Bond Program Department that has been established to oversee the efficient and effective expenditure of nearly \$500 million in capital project funds to bring district facilities up to standard. Other innovative approaches that continued from the prior year include using a Coordinated Funding Plan, Pre-Kindergarten Grant, and Academy for Accelerated Learning.

State Funding Formulas and Legislative Issues

The financial support for District operated programs and services is substantially and increasingly derived from local sources of revenue, primarily the local property tax

The 78th Legislature in June 2003 retained the funding level of \$27.14 per weighted student in average daily attendance (per \$.01 of tax effort). School districts receive Tier 1 and Tier 2 State funding. The 78th Legislature did not impact the basic State allotment formulas (Tier 1) or the Tier 2 for 2003-2004. The Legislature provided a new element of aid to Districts by allocating \$110 per Weighted Average Daily Attendance (WADA). This will amount to \$8 million for 2004-05. The basic elements used to determine state funding levels are the average numbers of students in daily attendance and accurate counts of students in various programs such as special education, gifted and talented, at-risk, bilingual, and career and technology. Also included in the funding formulas are tax base information, tax effort, transportation, and other elements.

House Bill 3343 created a statewide program and requirement for public school employee group health coverage beginning in 2003-2004. The District must maintain current employer contributions toward health insurance coverage and will be required to maintain a minimum level of contribution of \$1,800 per participating employee. Beginning in the 2003-2004 school year the District contributed a combined total of \$2,700 per year towards health insurance premiums multiplied by the number of covered employees. This combined total of \$2,700 is the \$900 from State formula gains and \$1,800 from district maintenance of effort.



The District's initial certification report from the Bexar Appraisal District reflects a total estimated assessed value for the 2004-05 fiscal year of \$8,008,982,222 compared to the estimated assessed value in 2003-2004 of \$7,480,244,650. Taxes to fund programs and services for the 2004-2005 fiscal year for the average homeowner increased due to a rise in local property values and not the current property tax rate of \$1.722. The tax bill in 2003-2004 for a \$60,870 home was estimated to be \$758.32 and the estimated tax bill in 2004-2005 for the same home (now valued at \$62,223) will be \$794.29. It is estimated that the District will experience relatively modest increases in the tax base over the next several years.

Demographics and Student Enrollment

San Antonio is located in south-central Texas, southeast of Austin, approximately 140 miles northwest of the Gulf of Mexico and 150 miles northeast of the city of Laredo on the Mexican border. It is located on the edge of the Gulf Coastal Plains the fastest growing region within the state.

According to the San Antonio Economic Foundation the population of the area is over 1.2 million, with a median household income of \$44,109. An annual living cost comparison of selected high tech cities conducted by Runzheimer International, a management consulting firm, based in Rochester, Wisconsin reflected that San Antonio's cost of living is much more affordable than Dallas, Houston, and other large cities such as Los Angeles, Atlanta, Phoenix, and Denver. San Antonio is projected to grow at an average annual rate of 1.9% through the year 2010.

The five (5) largest corporate headquarters located in San Antonio are:

<u>Company</u>	<u>Business</u>	<u>Employed in San Antonio</u>
United Service Automobile Association (USAA)	Insurance	14,955
H-E-B Food Stores	Super Market Chain	10,469
SBC	Telecommunications	6,700
Taco Cabana	Fast Food Chain	3,000
Frost National Banking	Banking	2,886

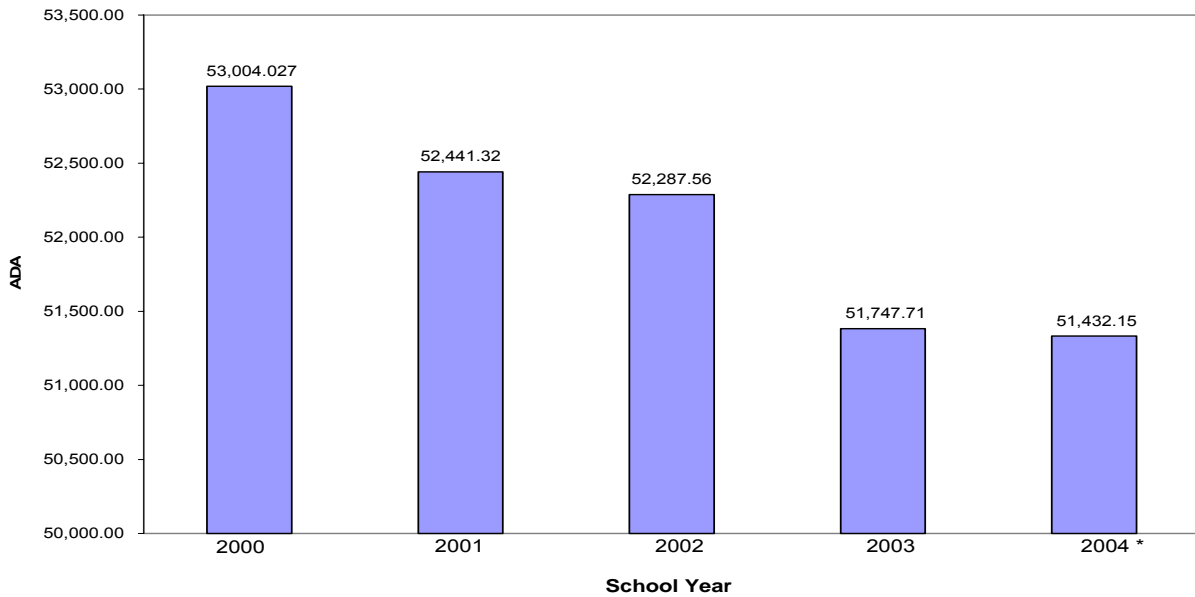
San Antonio's leading manufactures are:

<u>Company</u>	<u>Business</u>	<u>Employed in San Antonio</u>
Cardell Kitchen/Bath Cabinetry	Kitchen/Bath Cabinets	2,017
Valero Energy	Oil Refining and Marketing	1,700
Martin Marietta Materials	Crushed Limestone, Concrete, and Cement	1,400
Coca-Cola/Dr. Pepper Bottling	Soft Drinks	1,100
Clarke American	Check Printing	970

In San Antonio, the United States Military is a major employer with approximately 48,090 military, 25,099 civilian employees and a direct financial impact of approximately \$2.95 Billion.

The District must be prepared to meet the challenges of educating children that must be prepared for careers requiring high-level skills in mathematics, science, and technology in addition to solid reading and writing skills. The net effect of the growing population on the District's student enrollment is difficult to ascertain due to many complicating factors. In particular, the recent growth of state charter schools and private schools will mitigate the effect of population increases, causing District enrollment to remain relatively flat or decline for the next three years.

San Antonio ISD's ADA Trend *



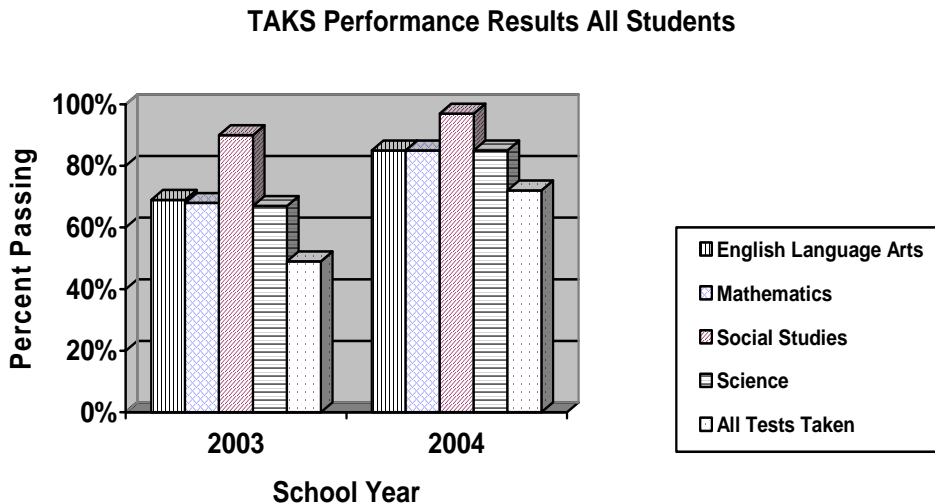
* Source: TEA's Summary of Finance

Performance Measurement

Beginning in Spring 2003, by law, Texas students must pass a new state assessment in order to be promoted at certain grade levels and to graduate from high school. The previous state assessment was called the Texas Assessment of Academic Skills (TAAS). TAAS has been replaced by the new state assessment called the Texas Assessment of Knowledge and Skills (TAKS). The TAKS test evaluates student learning based on the state-required curriculum – the Texas Essential Knowledge and Skills (TEKS). TAKS will be given in the 3rd through the 11th grades and students will be held to higher academic standards than the TAAS test. Each 3rd grade student must pass the reading section (English or Spanish) of the TAKS test in order to be promoted to the 4th grade. Students in the 11th grade must pass all portions of TAKS (mathematics, English Language Arts, social studies, and science) in order to graduate.

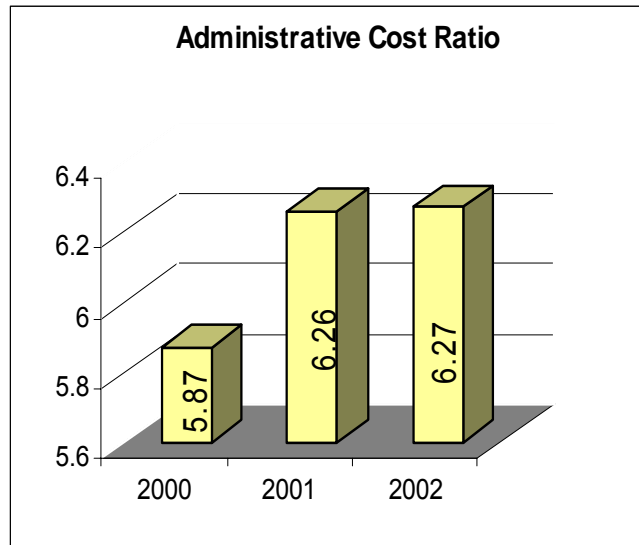
In the school year 2004-2005, students in the 5th grade will be required to pass the reading and mathematics portions of the TAKS test in order to be promoted to the 6th grade. Starting with the school year 2007-2008, students in the 8th grade will be required to pass the reading and mathematics portions of the TAKS test to be promoted to the 9th grade.

The chart below reflects the District's TAKS performance for the assessment administered in the spring of the 2003 and 2004 school years.



Administrative Cost Ratio

In addition to student performance, the district is also closely measuring and monitoring administrative and management performance. The administrative cost ratio is an example of a key management ratio the District uses to gauge overall management efficiency. It is calculated as the ratio of administrative costs (in central and district offices) to instructional cost (related to direct classroom instruction and student services). The chart below shows SAISD performance of the Administrative Cost Ratio.



2004-05 District Budget Highlights

The following selection of highlights is presented as a brief overview of the significant items and issues contained in the 2004-2005 budget.

- ❖ **Student Enrollment.** Student enrollment is expected to have a slight increase for the 2004-2005 school year. During the 2003-2004 school year, regular student enrollment declined. However, the enrollment for three (3) and four (4) year old students increased resulting in a net increase for the year. The 2004-2005 student enrollment is projected to be slightly lower than the 2003-2004 enrollment.
- ❖ **Budget Projections.** The estimated revenues for fiscal year 2005 were based on the following assumptions:

Average Daily Attendance	51,350.61
Maintenance and Operations Tax Rate	\$1.50
Tax Collection Rate	98.50%
Property Value Growth	3.031%

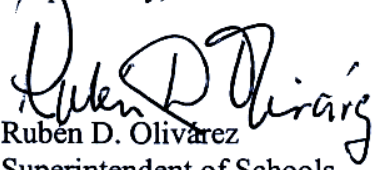
- ❖ **1997 Bond Program.** Since the passage of the Bond Program in September 1997, the District has assembled a management team and a citizens oversight committee, and it has developed a complete set of implementation strategies and action plans. Construction on many projects is complete and several more are underway, with more than \$440 million obligated in projects at dozens of sites. These projects include replacement and renovations at more than 90 schools.
- ❖ **Salary Increases.** Approximately \$15.3 million was appropriated for salary increases for the 2004-2005 school year. Below are the 2004-2005 Compensation Plan Enhancement Features.
 - **Teacher Salaries** – The higher of 4.25% of the actual salary or 4.25% of the midpoint.
 - **Other Staff Members** – The higher of 4.25% of the actual or 4.25% of the midpoint for each employee job group.
- ❖ **Payroll Share of General Fund.** Salaries and fringe benefits were expected to consume 88.80% of General Fund expenditures.
- ❖ **Tax Rate.** The 2004-2005 tax rate remained at \$1.50 for maintenance and operations and 0.222 for debt services. The District has consistently tried to maintain a low rate while delivering effective educational programs to children.

The District is exploring many strategies that focus on instructional productivity, reducing non-instructional expenditures through efficiency programs and innovations as well as cost-saving measures, restructuring programs, such as reallocating existing teaching staff. The District intends to continue the focus on instructional outcomes so that the community feels secure that its valuable resources are being well spent.

Summary

I appreciate the fiscal support provided by the Board of Trustees and the community for development, implementation, and maintenance of the excellent educational program for children of the District. The 2004-05 budget supports the District's commitment to improving student achievement and maintaining strict public accountability for quality instructional services. This budget is a sound, school-centered proposal that is built to facilitate cost-effective management and an ongoing, open relationship with the entire community.

Respectfully,


 Rubén D. Olivarez
 Superintendent of Schools



Board of Education • Administration

San Antonio Independent School District

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President

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James Howard
Vice-President

Justin Rodriguez
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Thomas C. López
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Rubén D. Olivárez
Superintendent of Schools

Eduardo Torres
*Deputy Superintendent of
Curriculum & Instruction*

Antonio Juarez
*Deputy Superintendent for
Financial Services, Business
Operations and Food
Services*

Robert Alfaro
*Associate Superintendent
Accountability, Technology
Districtwide Planning, Development
And Training*

Kamal El Habr
*Associate Superintendent
Construction Management*

Faye Gonzalez
Executive Assistant

Budget Schedule

2004 - 2005

 CALENDAR 	
January 2004	Budget Calendar/Guidance Proposed
Feb/March	Staff Prepares Proposed Budgets
March 8	Legislative Update
April 26	Leave Buy Back Incentive Program
June 17	Board Budget Work Session #1 Overview
July 12	Board Budget Work Session #2 for Fiscal Year 2004-2005
August 9	Board Budget Work Session #3 for Fiscal Year 2004-2005
August 12	Board Budget Work Session Compensation and Highlights
August 16	Public Hearing to Discuss Budget and Proposed Tax Rate. Adoption of Compensation Plan, Budget and Tax Rate for 2004-2005
September 1	Fiscal Year 2004-2005 Officially Begins



SAISD
DESTINATION: EXEMPLARY

Budget Considerations

2004 - 2005

- ✓ Estimated Revenue for 2004 - 2005 is - \$462,285,235
- ✓ Amount from Fund Balance - \$8,182,902 (1.72% of budget)
- ✓ The 2004-2005 total appropriations Budget is - \$470,468,227
- ✓ Estimated Average Daily Attendance (ADA) - 51,350.61
- ✓ Student/Teacher ratio of 22/1 for grades Pre-K through 4th Grade
- ✓ Maintenance & Operations Tax Rate of \$1.50/\$100
- ✓ Debt Service Tax Rate of \$0.222/\$100
- ✓ Total Tax Rate of \$1.722/\$100
- ✓ Estimated Property Values of \$8,190,740,092
- ✓ Projected Property Value Growth of 3.031%



DESTINATION: EXEMPLARY

Funding Sources

2004 - 2005



The San Antonio Independent School District has three major sources of revenue--local, state, and federal funds.

- ◆ Local funds are primarily derived from taxes levied on real estate by the SAISD. Other sources of local funds include interest earned on short-term investments, rental of district property and other miscellaneous income. The local tax revenue amounts to approximately 28.95% of the district's total budget. Total local revenue is 30.36% of the budget. The SAISD tax rate is:

Maintenance & Operations	\$1.500/ \$100
Debt Service	<u>\$0.222/ \$100</u>
Total SAISD Tax Rate	<u>\$1.722/ \$100</u>

- ◆ State funds are based primarily upon the average daily attendance (ADA) of the District's pupils and by their educational category (Bilingual, Compensatory, Regular, Special Education, and Vocational Education). The State determines what the total cost for a basic program should be for the district by special formula and weights for type of student served. The State then deducts the amount of revenue required to be raised by the SAISD. The balance is then provided as State Aid. The State assists with funding Debt Service on new and old bond issues. This amounted to 5.32% of the budget. State funds account for approximately 55.65% of the total budget.
- ◆ Federal funds are primarily provided as grants designated for a special purpose and cannot be spent for any reason other than the one so specified. Federal sources account for approximately 13.12% of the total district budget.
- ◆ Use of the Fund Balance amounted to 0.87% of the total District budget.

Estimated Revenue

All Funds 2004 - 2005

ESTIMATED REVENUE	TEA REQUIRED*				Info. Only Special Revenue Fund**	Total All Funds
	Operating Fund	Food Service Fund	Debt Service Fund	Fund**		
Local Revenue	\$ 125,215,685	\$ 2,286,000	\$ 16,756,249	\$ -	\$ -	\$ 144,257,934
State Revenue	208,208,564	272,000	23,444,382	-	-	231,924,946
Federal Revenue	4,356,272	27,042,000		54,704,173		86,102,445
TOTAL EST. REVENUE	\$ 337,780,521	\$ 29,600,000	\$ 40,200,631	\$ 54,704,173	\$ -	\$ 462,285,325
Amount from Fund Balance	8,182,902					8,182,902
Total Available Resources	\$ 345,963,423	\$ 29,600,000	\$ 40,200,631	\$ 54,704,173	\$ -	\$ 470,468,227

* TEA requires the District to adopt an annual budget for these designated funds.

** For information only. The Special Revenue Fund includes Federal and State funds such as Title I and other grants and entitlements.

TEA does not require the District to include these funds in the annual budget to be adopted. The totals here represent those in the Finance System with a fiscal year "5" (2004-05) as of 08/02/04.



Appropriations Budget 2004 - 2005

TEA REQUIRED*		Info. Only	Total
ESTIMATED EXPENDITURES	Operating Fund	Special Revenue Fund**	All Funds
Instruction	\$ 204,305,545	\$ 23,742,335	\$ 228,047,880
Instructional Resources & Media	7,326,223	229,271	7,555,494
Curriculum & Prof. Development	5,616,883	16,923,763	22,540,646
Instructional Administration	5,587,614	3,958,066	9,545,680
School Leadership	22,650,597	1,424,444	24,075,041
Guidance & Counseling	15,111,121	2,007,993	17,119,114
Social Work Services	1,749,929	1,128,780	2,878,709
Health Services	5,742,056	538,610	6,280,666
Student Transportation	6,864,074		6,864,074
Food Services	108,975		29,152,975
Cocurricular/Extracurricular	8,310,240	339,471	8,649,711
General Administration	12,238,514		12,241,514
Plant Maintenance	39,730,451	126,000	40,409,451
Security & Monitoring	5,107,299	18,575	5,125,874
Data Processing	3,585,809	1,055,977	4,641,786
Community Services	535,314		3,746,202
Debt Services	1,252,779	3,210,888	41,453,410
Payments to JJAEP	140,000		140,000
	\$ 29,044,000		
	3,000		
	553,000		
	\$ 40,200,631		
TOTAL EST. EXPENDITURES	\$ 345,963,423	\$ 54,704,173	\$ 470,468,227

* TEA requires the District to adopt an annual budget for these designated funds.

** For information only. The Special Revenue Fund includes Federal and State funds such as Title I and other grants and entitlements.

TEA does not require the District to include these funds in the annual budget to be adopted. The totals here represent those in the Finance System with a fiscal year "5" (2004-05) as of 08/02/04.

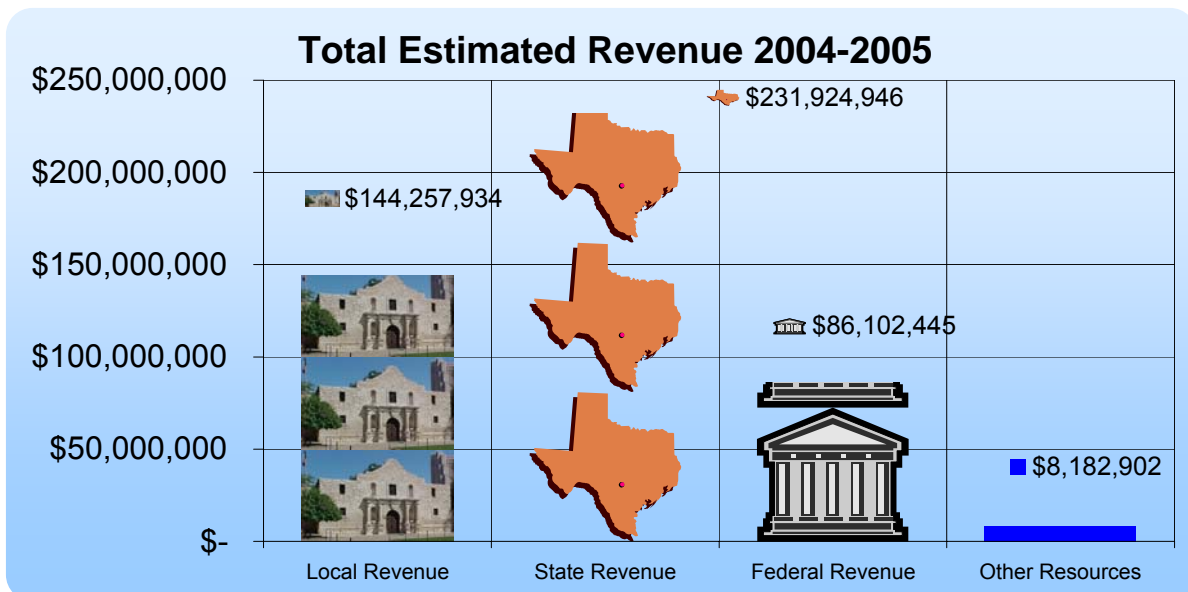
Budget Enhancements Recurring Costs

	TITLE	AMOUNT	TOTALS
Governance	Legal	\$ 177,646	\$ 177,646
Human Resources	Compensation Plan	\$ 15,296,353	
	Region 20 Commitment Forms	74,004	
	Texas Unemployment Insurance	33,849	
	Workers Compensation Claims	129,691	
			\$ 15,533,897
Administration	Utilities	\$ 1,774,111	\$ 1,774,111
Grand Total for Recurring Costs			\$ 17,485,654



Total Estimated Revenue For All Funds by Source

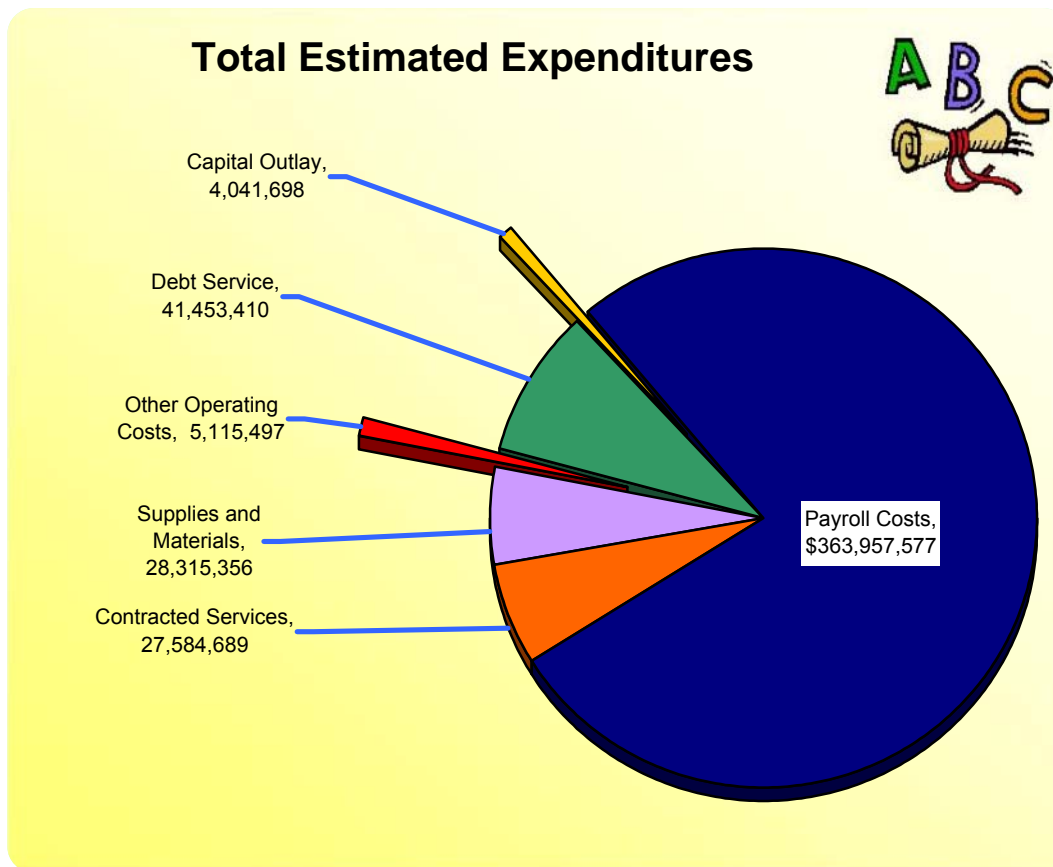
Source	Description	Amount	Total	Percent of Total
Local Revenue				
	Property Taxes M & O	\$ 121,018,185		
	Property Taxes Debt Service	16,756,249		
	Food Service (Meals/Misc.)	2,286,000		
	Tuition, Interest, & Other	4,197,500		
	Total Local Revenue		\$ 144,257,934	30.66%
State Revenue				
	Foundation Fund	\$ 208,208,564		
	Food Service (State Matching)	272,000		
	Debt Service (Bond)	23,444,382		
	Total State Revenue		231,924,946	49.30%
Federal Revenue				
	Food Service	\$ 27,042,000		
	Special Revenue	54,704,173		
	Other Federal	4,356,272		
	Total Federal Revenue		86,102,445	18.30%
Total Estimated Revenue			\$ 462,285,325	98.26%
Other Resources				
	From Operating Fund Balance		8,182,902	1.74%
	Total Other Resources		8,182,902	
Total Estimated Revenue and Other Resources			\$ 470,468,227	100.00%



Total Estimated *Expenditures*

The estimated SAISD expenditures for all funds are as follows:

<u>EXPENDITURE TYPE</u>	<u>PROPOSED BUDGET 2004 - 2005</u>	<u>PERCENT OF TOTAL</u>
Payroll Costs	\$ 363,957,577	77.36%
Contracted Services	27,584,689	5.86%
Supplies and Materials	28,315,356	6.02%
Other Operating Costs	5,115,497	1.09%
Debt Service	41,453,410	8.81%
Capital Outlay	4,041,698	0.86%
TOTAL BUDGET	<u><u>\$ 470,468,227</u></u>	<u><u>100.00%</u></u>



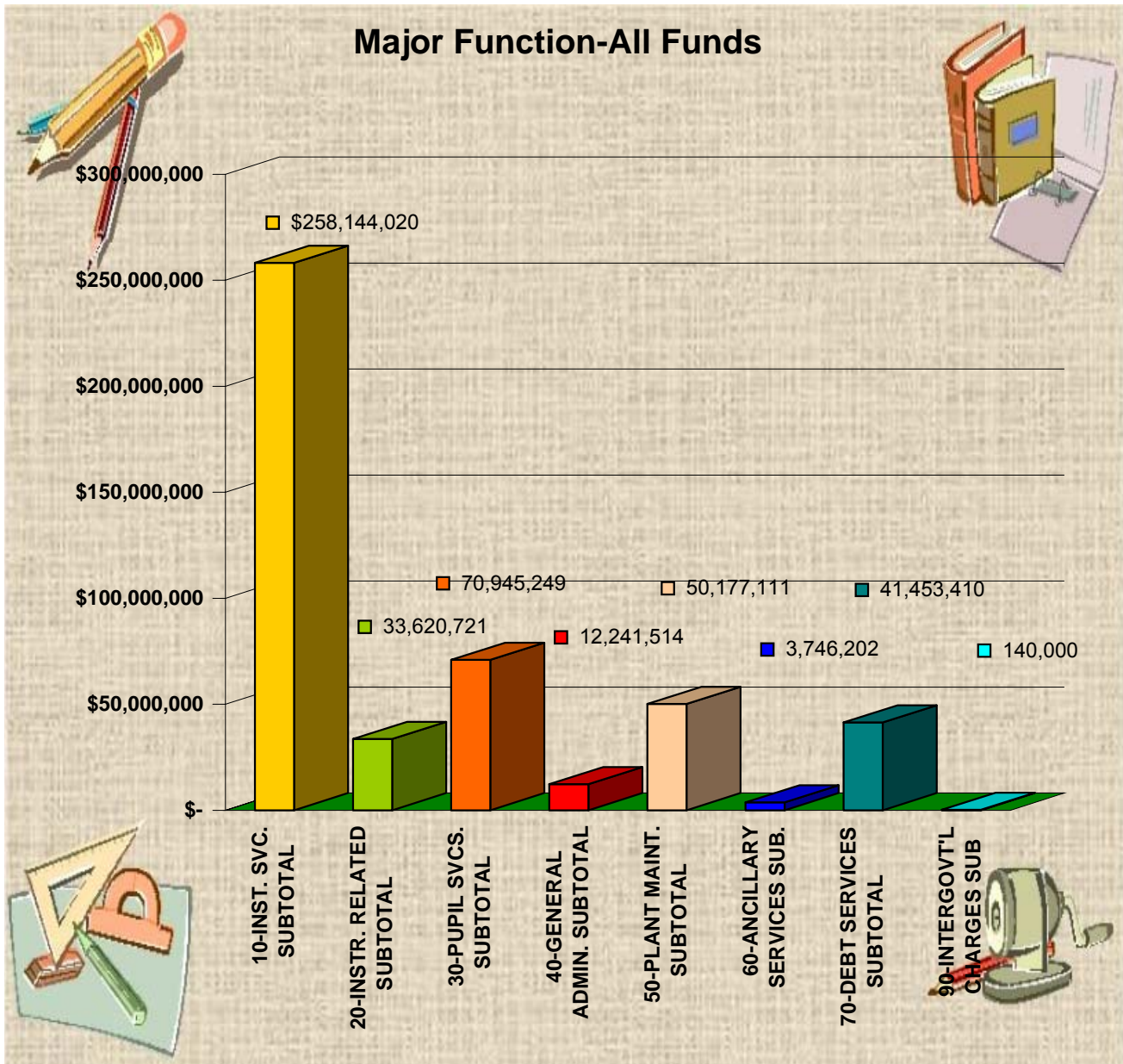
Expenditures by Function and Fund Type

Fund Type for All Funds

DESCRIPTION	General Fund	Debt Service	Special Revenue Fund	Function Total	Major Function Total
11-Instruction	\$ 204,305,545		\$ 23,742,335	\$ 228,047,880	
12-Inst. Resources & Media Svc	7,326,223		229,271	7,555,494	
13-Curriculum & Inst Staff Dev.	5,616,883		16,923,763	22,540,646	
10-INST. SVC. SUBTOTAL					\$ 258,144,020
21-Instructional Administration	5,587,614		3,958,066	9,545,680	
23-School Administration	22,650,597		1,424,444	24,075,041	
20-INSTR. RELATED SUBTOTAL					33,620,721
31-Guidance & Counseling Svc.	15,111,121		2,007,993	17,119,114	
32-Attendance & Social Work	1,749,929		1,128,780	2,878,709	
33 Health Services	5,742,056		538,610	6,280,666	
34-Pupil Transportation	6,864,074		-	6,864,074	
35-Food Services	29,152,975		-	29,152,975	
36-Co-curricular Activities	8,310,240		339,471	8,649,711	
30-PUPIL SVCS. SUBTOTAL					70,945,249
41-General Administration	12,241,514		-	12,241,514	
40-GENERAL ADMIN. SUBTOTAL					12,241,514
51-Plant Maintenance & Operations	40,283,451		126,000	40,409,451	
52-Security & Monitoring	5,107,299		18,575	5,125,874	
53-Data Processing	3,585,809		1,055,977	4,641,786	
50-PLANT MAINT. SUBTOTAL					50,177,111
61-Community Services	535,314		3,210,888	3,746,202	
60-ANCILLARY SERVICES SUB.					3,746,202
71-Debt Service	1,252,779	\$ 40,200,631	-	41,453,410	
70-DEBT SERVICES SUBTOTAL					41,453,410
95-Payments to JJAEP	140,000		-	140,000	
90-INTERGOVT'L CHARGES SUB					140,000
Function Total	<u>\$ 375,563,423</u>	<u>\$ 40,200,631</u>	<u>\$ 54,704,173</u>	<u>\$ 470,468,227</u>	<u>\$ 470,468,227</u>
Per Pupil Expenditure *	<u>\$ 7,246</u>	<u>\$ -</u>	<u>\$ 956</u>		<u>\$ 8,202</u>

* The calculation for the "Per Pupil Expenditure" excludes Community Services (61), Debt Services (71), Facilities Acquisition (81) and Construction, Payments to JJAEP (95) and Capital Outlay (6600's). The remaining amount is divided by the estimated Average Daily Attendance (ADA) of 51,350.61.

Estimated Expenditures by Function

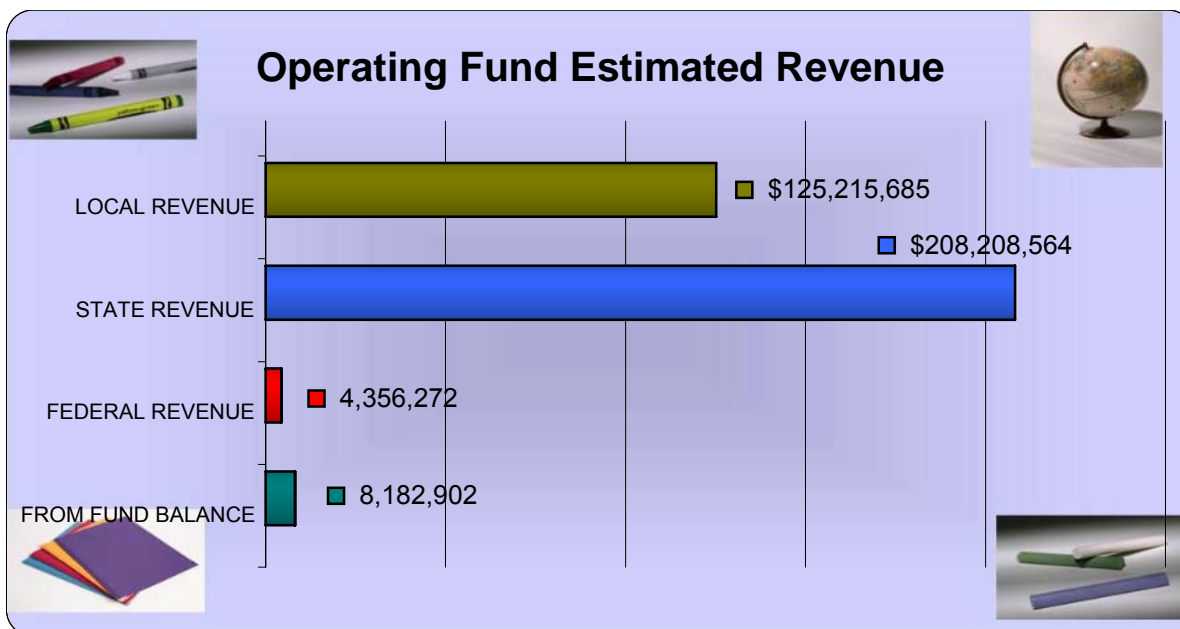


Operating Fund*

Estimated Revenue

REVENUE TYPE	FINAL BUDGET 2003-2004	PERCENT OF TOTAL	ESTIMATED REVENUE 2004 - 2005	PERCENT OF TOTAL
LOCAL REVENUE				
Local Taxes	\$ 117,539,839	33.30%	\$ 121,018,185	34.98%
Other Local	5,442,487	1.54%	4,197,500	1.21%
Estimated Total Local Revenue	<u>\$ 122,982,326</u>	<u>34.84%</u>	<u>\$ 125,215,685</u>	<u>36.19%</u>
STATE REVENUE				
State Foundation	\$ 219,157,868	62.09%	\$ 208,208,564	60.18%
Other State Revenue	171,619	0.05%		0.00%
Estimated Total State Revenue	<u>\$ 219,329,487</u>	<u>62.13%</u>	<u>\$ 208,208,564</u>	<u>60.18%</u>
FEDERAL REVENUE				
	4,134,452	1.17%	4,356,272	1.26%
TOTAL ESTIMATED REVENUE	<u>\$ 346,446,265</u>	<u>98.15%</u>	<u>\$ 337,780,521</u>	<u>97.63%</u>
OTHER RESOURCES FROM FUND BALANCE				
	126,673	0.04%		
	6,417,279	1.82%	8,182,902	2.37%
TOTAL ESTIMATED REVENUE & OTHER RESOURCES	<u><u>\$ 352,990,217</u></u>	<u><u>100.00%</u></u>	<u><u>\$ 345,963,423</u></u>	<u><u>100.00%</u></u>

* LESS: TRS (Teacher Retirement System) On-Behalf payments made by the State of Texas for district employees and the Food Service Fund.



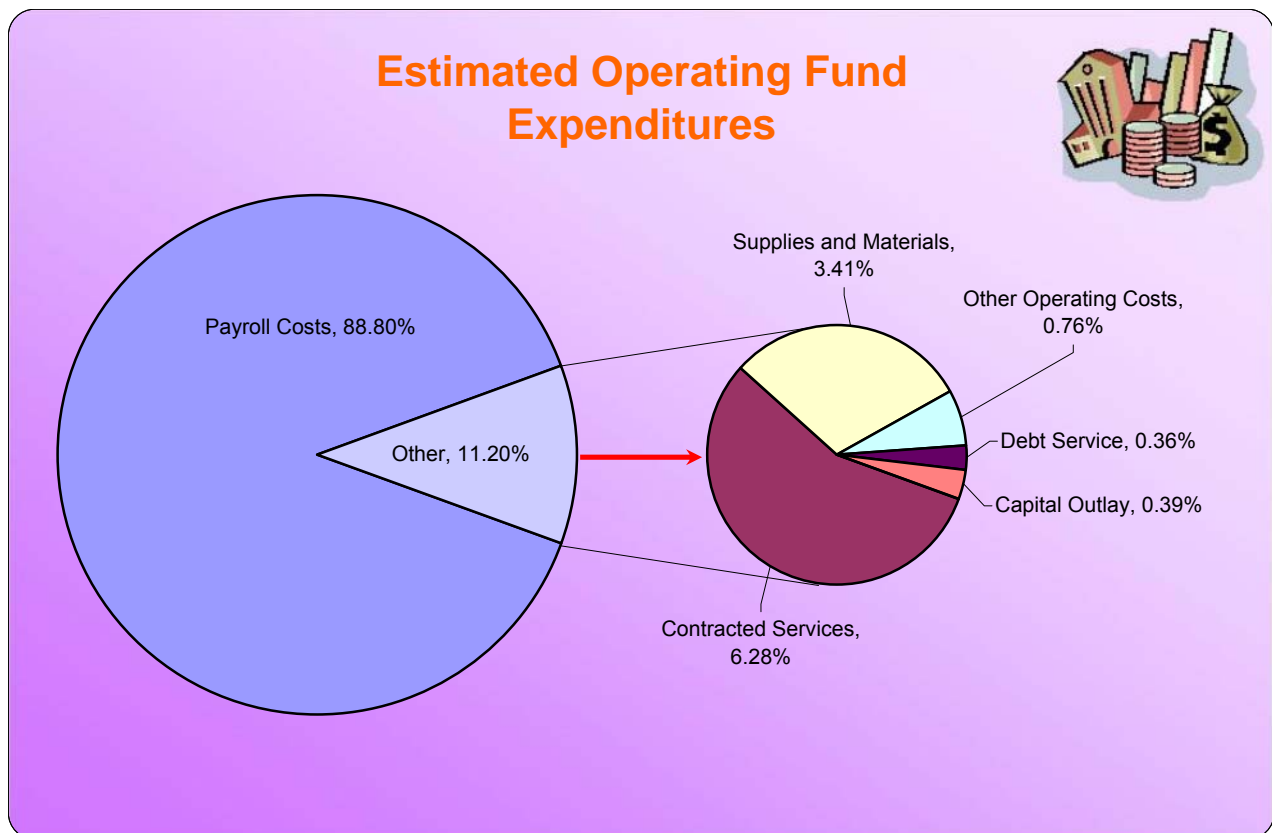
Operating Fund*

Estimated Expenditures

EXPENDITURE TYPE	FINAL BUDGET 2003 - 2004	PERCENT OF TOTAL	PROPOSED BUDGET 2004 - 2005	PERCENT OF TOTAL
Payroll Costs	\$ 307,796,640	87.20%	\$ 307,202,428	88.80%
Contracted Services	22,131,429	6.27%	21,735,518	6.28%
Supplies and Materials	14,116,259	4.00%	11,802,923	3.41%
Other Operating Costs	2,948,721	0.84%	2,617,118	0.76%
Debt Service	-	0.00%	1,252,779	0.36%
Capital Outlay	4,744,389	1.34%	1,352,657	0.39%
Other Uses	1,252,779	0.35%	0	0.00%
TOTAL BUDGET	\$ 352,990,217	100.00%	\$ 345,963,423	100.00%

Non-Payroll

* LESS: The Food Service Fund and the TRS (Teacher Retirement System) On-Behalf payments made by the State of Texas for district employees.



Operating Fund *

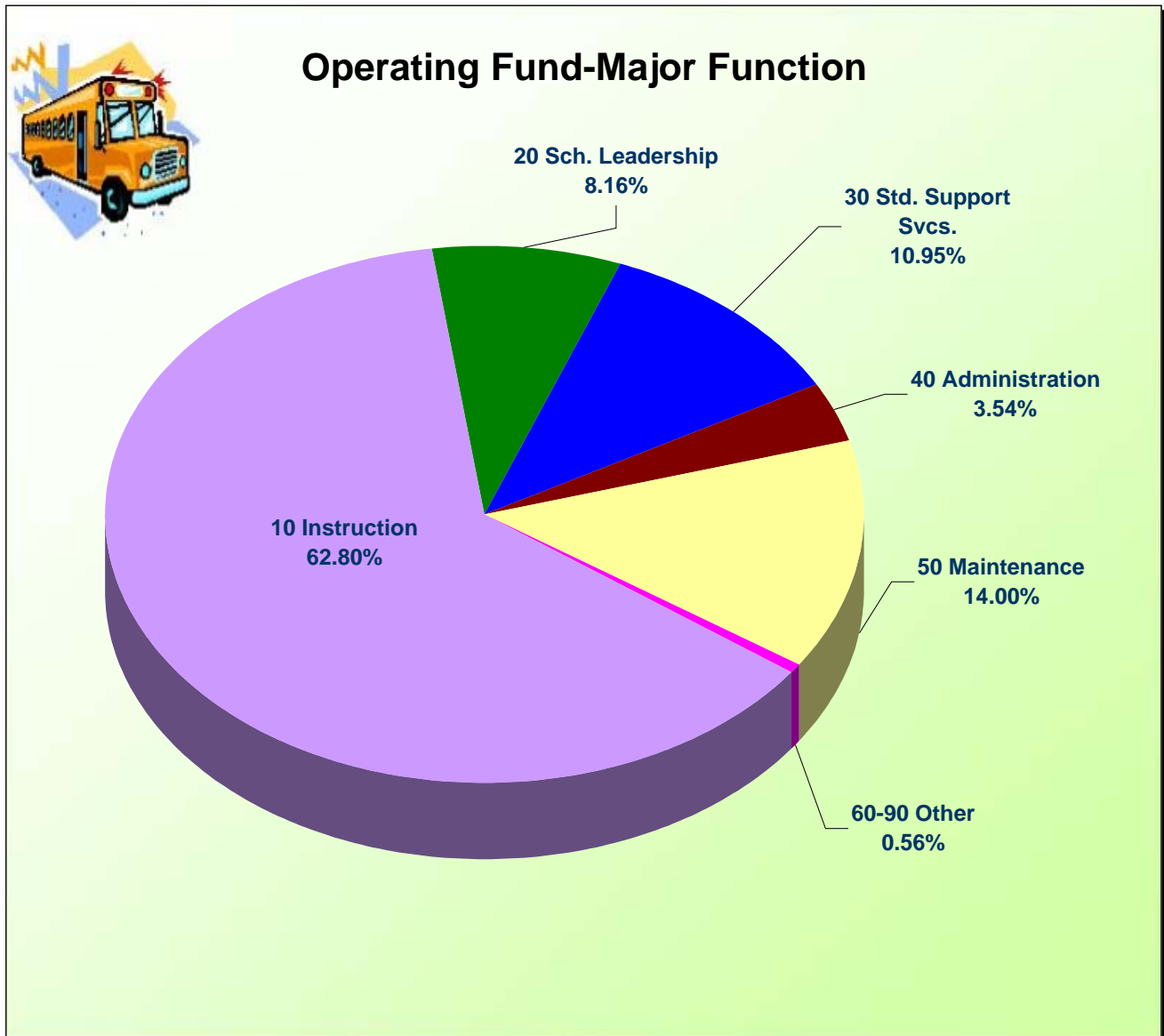
Function Comparison

FUNCTION	FINAL BUDGET 2003 -2004	PERCENT OF TOTAL	PROPOSED BUDGET * 2004 - 2005	PERCENT OF TOTAL **
Instruction	\$ 208,886,389	59.18%	\$ 204,305,545	59.05%
Instructional Resource & Media Services	6,610,154	1.87%	7,326,223	2.12%
Curr. and Instructional Staff Dev.	5,064,736	1.43%	5,616,883	1.62%
Instructional Leadership	5,847,244	1.66%	5,587,614	1.62%
School Leadership	23,390,271	6.63%	22,650,597	6.55%
Guidance and Counseling	14,103,477	4.00%	15,111,121	4.37%
Social Worker Services	1,762,620	0.50%	1,749,929	0.51%
Health Services	5,471,796	1.55%	5,742,056	1.66%
Student (Pupil) Transportation	7,042,502	2.00%	6,864,074	1.98%
Food Services	95,723	0.03%	108,975	0.03%
Cocurricular/Extracurricular Activities	8,397,388	2.38%	8,310,240	2.40%
General Administration	12,866,412	3.64%	12,238,514	3.54%
Plant Maintenance & Operations	38,441,002	10.89%	39,730,451	11.48%
Security & Monitoring Services	5,496,002	1.56%	5,107,299	1.48%
Data Processing Services	3,983,611	1.13%	3,585,809	1.04%
Community Services	2,776,176	0.79%	535,314	0.15%
Debt Service	-	0.00%	1,252,779	0.36%
Facilities Acquisition & Construction	1,361,936	0.39%	-	0.00%
Payments to Juv. Justice Alt. Ed. Prog. (JJAEP)	140,000	0.04%	140,000	0.04%
Other Uses	1,252,779	0.35%	-	0.00%
TOTAL BUDGET	\$ 352,990,218	100.00%	\$ 345,963,423	100.00%

* LESS: The Food Service Fund and the TRS (Teacher Retirement System) On-Behalf payments made by the State of Texas for district employees.

** NOTE: Totals may vary due to rounding.

Operating Fund Chart by Major Function

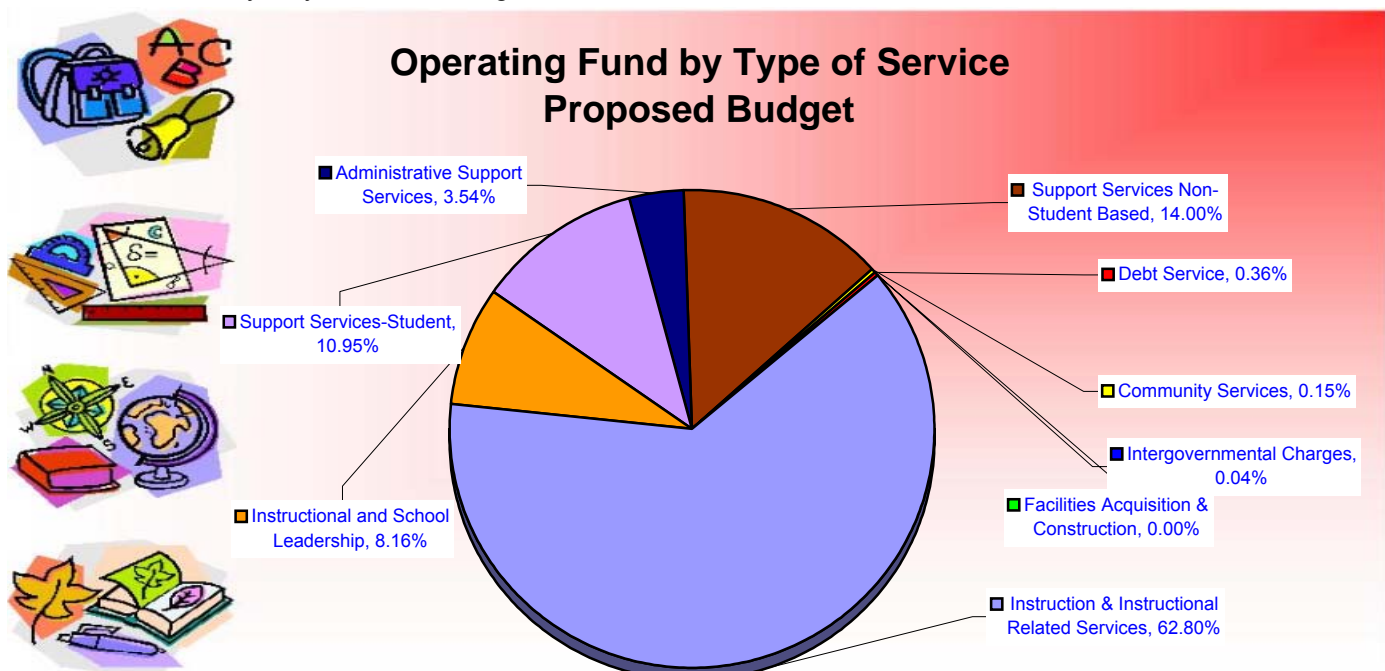


Operating Fund * by Type of Service

TYPE OF SERVICE	FINAL BUDGET 2003 - 2004	PERCENT OF TOTAL	PROPOSED BUDGET 2004 - 2005	PERCENT OF TOTAL **
Instruction & Instructional Related Services	\$ 220,561,278	62.48%	\$ 217,248,651	62.80%
Instructional and School Leadership	29,237,515	8.28%	28,238,211	8.16%
Support Services-Student	36,873,506	10.45%	37,886,395	10.95%
Administrative Support Services	12,866,412	3.64%	12,238,514	3.54%
Support Services Non-Student Based	47,920,615	13.58%	48,423,559	14.00%
Community Services	2,776,176	0.79%	535,314	0.15%
Debt Service	-	0.00%	1,252,779	0.36%
Facilities Acquisition & Construction	1,361,936	0.39%	-	0.00%
Intergovernmental Charges	140,000	0.04%	140,000	0.04%
Other Uses	1,252,779	0.35%	-	0.00%
TOTAL BUDGET	\$ 352,990,217	100.00%	\$ 345,963,423	100.000%

* LESS: TRS (Teacher Retirement System) On-Behalf payments made by the State of Texas for district employees and the Food Service Fund.

** NOTE: Totals may vary due to rounding.



Operating Fund by Program Intent and Major Object Code

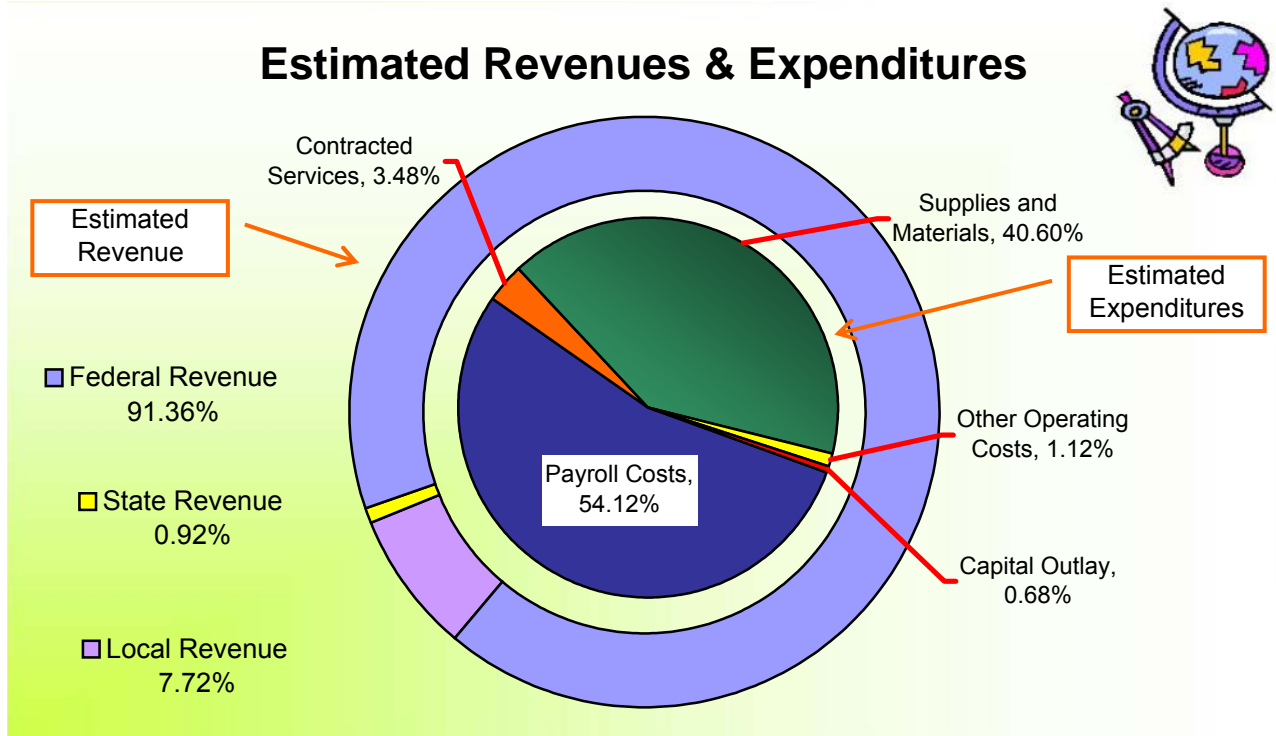
P.I.C.	Description	61XX Payroll Costs	62XX Purch./Contr. Services	63XX Supplies & Materials	64XX Other Oper. Expenses	65XX Debt Services	66XX Cap. Outlay Land, Bldg, Eqp.	Total By Program Intent Code
11	Basic Educ Services	\$ 124,199,585	\$ 808,206	\$ 2,329,721	\$ 203,992	\$ -	\$ 868,449	\$ 128,409,953
21	Gifted and Talented	1,270,090	28,700	70,785	92,150	0	2,000	1,463,725
22	Career and Tech (VOC)	6,530,986	16,000	117,500	42,540	0	5,000	6,712,026
23	Student w/Disabilities (Sp Ed)	45,271,050	79,642	355,748	12,200	0	500	45,719,140
24	Accelerated Ed (Compensation)	2,715,423	114,410	434,262	228,562	0	23,000	3,515,657
25	Bilingual Ed & ESL	19,607,251	33,843	279,885	129,122	0	11,750	20,061,851
26	AEP Basic Services	3,780,842	179,984	182,344	5,150	0	30,300	4,178,620
28	DAEP Basic Services	3,524,370	10,577	34,189	8,777	0	24,529	3,602,442
30	T-1 Schoolwide Related T	16,298,744	125,000	1,157,466	0	0	0	17,581,210
91	Athletics & Related Acti.	4,800,833	0	0	0	0	0	4,800,833
99	Undistributed (Generic)	79,203,254	20,339,156	6,841,023	1,894,625	1,252,779	387,129	109,917,966
Major Class Object Total		\$ 307,202,428	\$ 21,735,518	\$ 11,802,923	\$ 2,617,118	\$ 1,252,779	\$ 1,352,657	\$ 345,963,423
% of Total		88.80%	6.28%	3.41%	0.76%	0.36%	0.39%	100.00%

Food Service Fund

Estimated Revenues & Expenditures

REVENUE TYPE	FINAL BUDGET 2003 - 2004	PERCENT OF TOTAL	ESTIMATED REVENUE 2004 - 2005	PERCENT OF TOTAL
ESTIMATED REVENUE				
Local Revenue	\$ 2,587,000	8.74%	\$ 2,286,000	7.72%
State Revenue	275,000	0.93%	272,000	0.92%
Federal Revenue	26,238,000	88.64%	27,042,000	91.36%
From (To) Fund Balance	500,000	1.69%	0	0.00%
TOTAL ESTIMATED REVENUE	\$ 29,600,000	100.00%	\$ 29,600,000	100.00%

EXPENDITURE TYPE	FINAL BUDGET 2003 - 2004	PERCENT OF TOTAL	PROPOSED BUDGET 2004 - 2005	PERCENT OF TOTAL
ESTIMATED EXPENDITURES				
Payroll Costs	\$ 13,877,259	46.88%	\$ 16,018,072	54.12%
Contracted Services	1,218,500	4.12%	1,030,691	3.48%
Supplies and Materials	13,311,741	44.97%	12,018,437	40.60%
Other Operating Costs	372,500	1.26%	332,500	1.12%
Capital Outlay	820,000	2.77%	200,300	0.68%
TOTAL ESTIMATED EXPENDITURES	\$ 29,600,000	100.00%	\$ 29,600,000	100.00%



Special Revenue Fund

Estimated Revenues & Expenditures

REVENUE TYPE	ORIGINAL * BUDGET 2003 - 2004	PERCENT OF TOTAL	ESTIMATED REVENUE 2004 - 2005	PERCENT OF TOTAL**
ESTIMATED REVENUE				
State Revenue	8,841,491	23.89%		0.00%
Federal Revenue	28,168,859	76.11%	54,704,173	100.00%
TOTAL ESTIMATED REVENUE	\$ 37,010,350	100.00%	\$ 54,704,173	100.00%

EXPENDITURE TYPE	ORIGINAL BUDGET 2003 - 2004	PERCENT OF TOTAL	PROPOSED BUDGET 2004 - 2005	PERCENT OF TOTAL
ESTIMATED EXPENDITURES				
Payroll Costs	\$ 34,857,629	94.18%	\$ 40,737,077	74.47%
Contracted Services	692,730	1.87%	4,818,480	8.81%
Supplies and Materials	556,085	1.50%	4,493,996	8.22%
Other Operating Costs	84,140	0.23%	2,165,879	3.96%
Debt Service	0	0.00%	-	0.00%
Capital Outlay	819,766	2.21%	2,488,741	4.55%
TOTAL ESTIMATED EXPENDITURES	\$ 37,010,350	100.00%	\$ 54,704,173	100.00%

MAJOR SPECIAL REVENUE FUNDS INCLUDED:

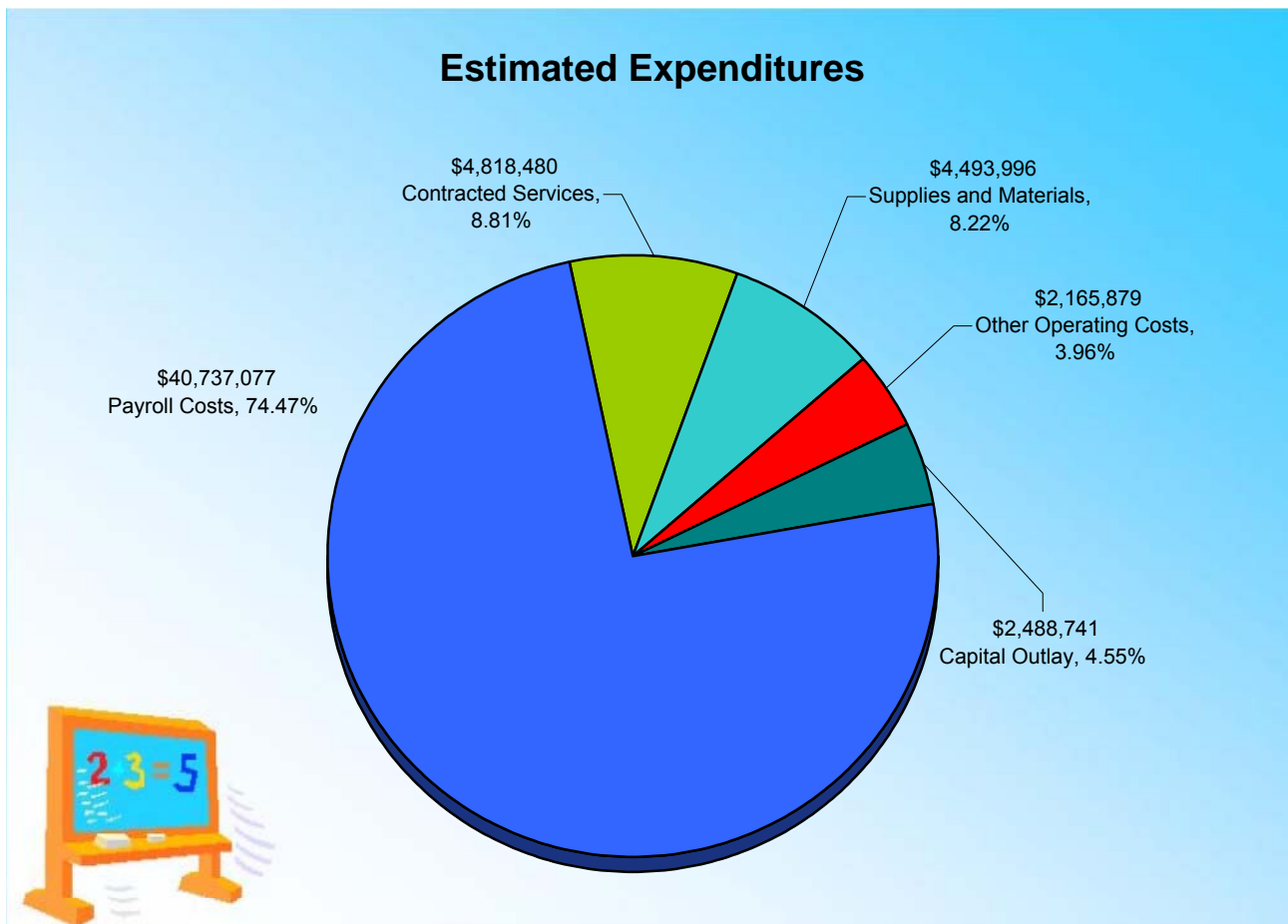
ESEA TITLE I, REGULAR
 TITLE II, PART A, TEACHER, PRINCIPAL
 TRAINING AND RECRUITING
 TITLE V, PART A, INNOVATIVE PROGRAM

FEDERAL VOCATIONAL BASIC
 IDEA-B FORMULA SPECIAL ED.
 IDEA-B PRESCHOOL SPECIAL ED.

* The original budget is used for Special Revenue comparison because a number of grants are received during the school year. Some grants are multi-year and the balances are carried forward from prior years. The Special Revenue fund increase for 2004 - 2005 is due in part to the timing of when grants are approved and does not necessarily indicate a total increase in grants and entitlements.

** NOTE: Totals may vary due to rounding.

Special Revenue Fund Chart



Debt Service Fund

Estimated Revenues & Expenditures

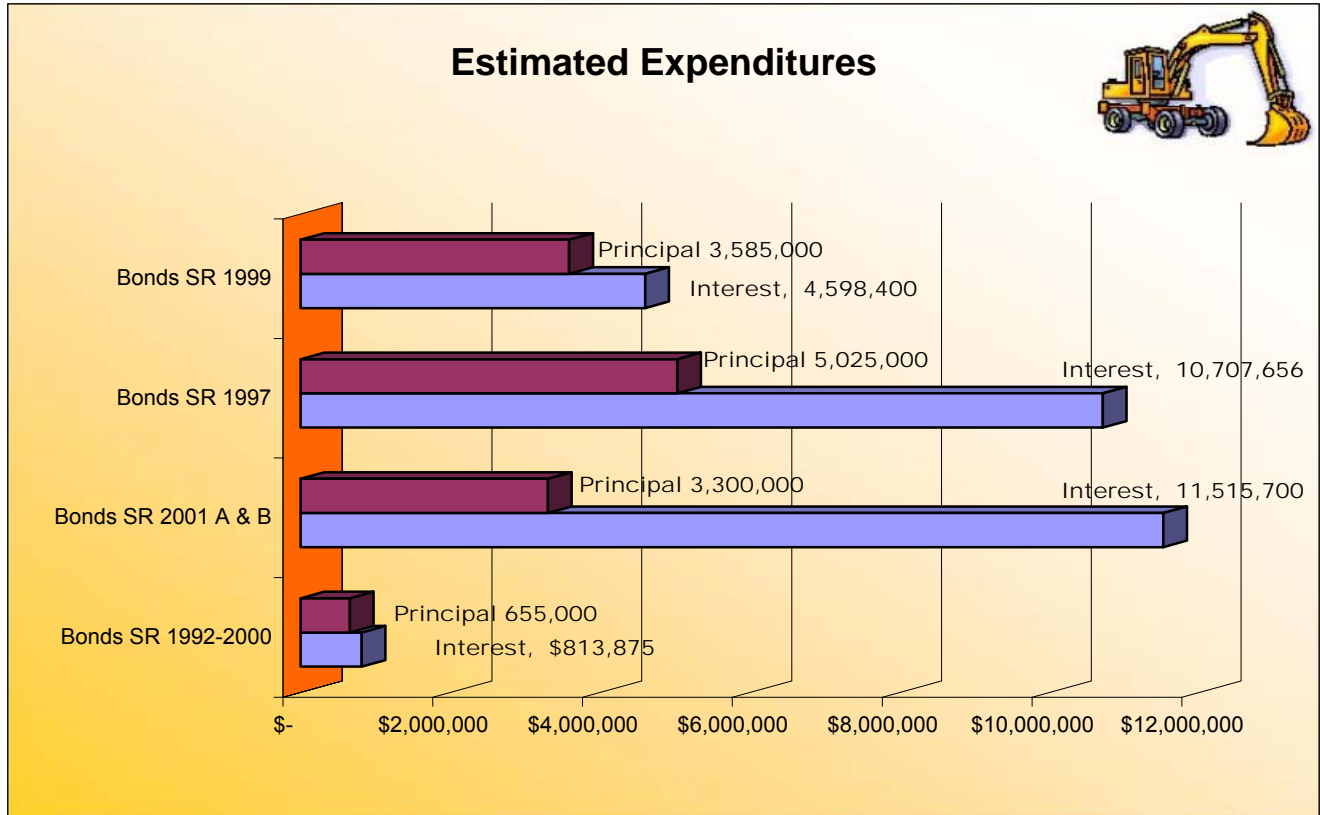
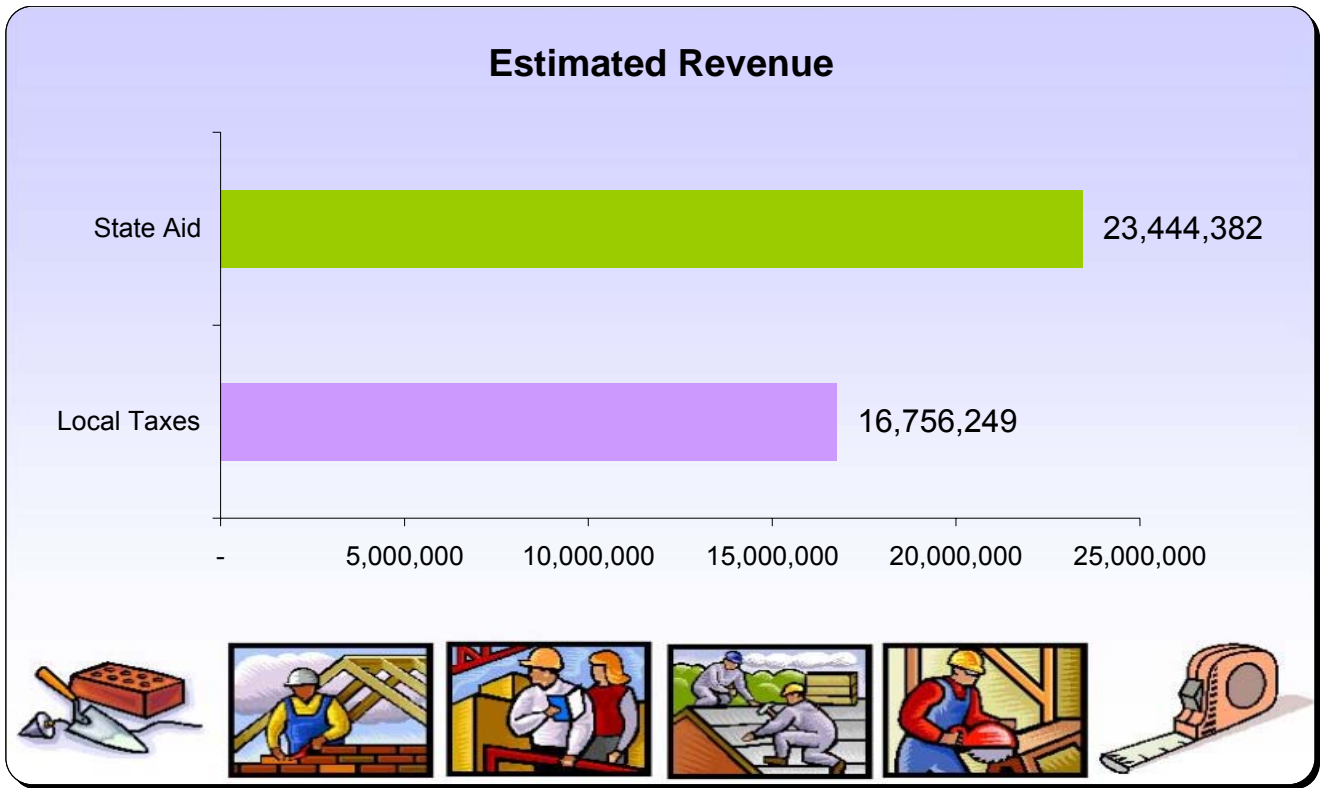
REVENUE TYPE	FINAL BUDGET 2003-2004	PERCENT OF TOTAL	ESTIMATED REVENUE 2004 - 2005	PERCENT OF TOTAL**
ESTIMATED REVENUE				
Local Taxes	\$ 16,486,801	39.71%	16,756,249	41.68%
State Aid	23,772,782	57.27%	23,444,382	58.32%
Other Resources*	1,252,779	3.02%		0.00%
TOTAL EST REVENUE & OTHER RESOURCES	\$ 41,512,362	100.00%	40,200,631	100.00%

EXPENDITURE TYPE	FINAL BUDGET 2003-2004	PERCENT OF TOTAL	BUDGET 2004 - 2005	PERCENT OF TOTAL
ESTIMATED EXPENDITURES				
Principal - Bonds SR 1992-2000	\$ 615,000	1.48%	\$ 655,000	1.63%
Principal - Bonds SR 2001 A & B	3,170,000	7.64%	3,300,000	8.21%
Principal - Bonds SR 1997	4,790,000	11.54%	5,025,000	12.50%
Principal - Bonds SR 1999	3,435,000	8.27%	3,585,000	8.92%
Principal - Lease Bonds SR 1996	820,000	1.98%		0.00%
Interest - Bonds SR 1992-2000	860,769	2.07%	813,875	2.02%
Interest - Bonds SR 2001 A & B	11,642,500	28.05%	11,515,700	28.65%
Interest - Bonds SR 1997	10,995,056	26.49%	10,707,656	26.64%
Interest - Bonds SR 1999	4,751,258	11.44%	4,598,400	11.44%
Interest - Lease Bond SR 1996	432,779	1.04%		0.00%
TOTAL EST EXPENDITURES & OTHER USES	\$ 41,512,362	100.00%	40,200,631	100.00%

* The Other Resources came from the General Fund for the Lease Bonds.

** NOTE: Totals may vary due to rounding.

Debt Service Fund Charts



San Antonio Independent School District Budget Glossary

Term	Definition	Number or Estimated Amount
County Number and Name	The Texas Education Agency uses this unique number to identify the District. This number is used to report audit report financial information, PEIMS, student and budget data.	015-907
CPTD	This is the property value assigned to the District by the Comptroller's Property Tax Division through their property value study. The value is used by TEA to determine how much of the state funding should be the district's local funding share.	\$ 8,008,982,222
Average Daily Attendance (ADA)	ADA is used by TEA to determine and distribute the District's state funding amount. ADA is the total number of instructional days that students are in attendance divided by 175 instructional days.	51,350.61
Budget Assumption Property Value	The estimated property taxable value used to determine the property taxes that will be collected during the 2004-2005 school year.	\$ 8,190,740,092
Fund Balance at End of Year	The total amount of designated, reserved and unreserved balances at the end of the school year. Recommended total amount is approximately 2 to 2.5 months of expenditures.	\$ 71,435,077
Fund Number	Three (3) digit number identifying the fund source. For example, fund number 1XX identifies local operating budget funds such as 168 Special Education, 199 Local Operating; 2XX identifies federal funding such as 211 Title I.	
Function	This is a two digit number identifies the purpose for which the expenditure was made. Some examples of functions used include; Function 11 for Instruction, Function 34 for Student Transportation, and Function 53 for Data Processing Services.	
Expenditure Object	This is a four (4) digit number that identifies what was purchased. Examples are 61XX Payroll Costs, 62XX Professional and Contract Services, 63XX Supplies and Materials, 64XX Other Operating Expenses such as Travel, Meals, and Lodging, 65XX Debt Payments, 66XX Capital Outlay such as computer purchases.	
Local Revenues	This is the estimated amount of revenues generated by property taxes, interest income, athletic events, GED fees, and tuition.	\$ 125,215,685
State Revenues	The estimated amount of revenues generated by the District's average daily attendance and the number of students in compensatory education, gift and talented, special education.	\$ 208,208,564
Federal Revenues	The estimated amount of revenues received by the District from TEA, other state agencies, for Medicaid and SHARS	\$ 4,356,272

San Antonio Independent School District Budget Glossary

Term	Definition	Number or Estimated Amount
Locally Adopted Tax Rate	The is the tax rate that is necessary to maintain the District's local operating budget and pay for the Bond issued in prior years. There are two components in the total tax rate. These are the Maintenance and Operations (M&O) and Interest & Sinking (I&S) tax rates. The M&O tax rate is used to pay for the local operating expenditures, and the I&S tax rate is used to pay the debt such as the bond issue. Must be approved by the Board.	Total Tax Rate \$1.722 (M&O of \$1.50 and I&S of .222) \$1.722/\$100
Fiscal Year	The fiscal year for the District's local operating budget starts on September 1st and ends on August 31st. Generally, federal programs operate in a fiscal year that starts on July 1st and ends on June 30th.	2004-2005
Total Expenditures	The total budget for expenditures in the local operating budget . Local operating expenditures do not include the Food Service, Bond Program, and Special Revenue funds.	\$ 345,963,423
Total Revenue	The total of local, state, and federal revenues budgeted in the local operating fund . Local operating funds do not include the Food Service, Bond Program, and Special Revenue funds.	\$ 337,780,521
Amount Needed From Fund Balance	The estimated amount needed to balance the budget. This amount is the difference between Total Revenue and Total Expenditures. Amount will be designated in fund balance.	\$ 8,182,902
Total Local Operating Budget	The total expenditures and estimated amount needed form Fund Balance that is adopted by the Board. Budget is adopted by Fund and Function. This provides the maximum flexibility in using budget amounts within the same Function Code.	\$ 345,963,423