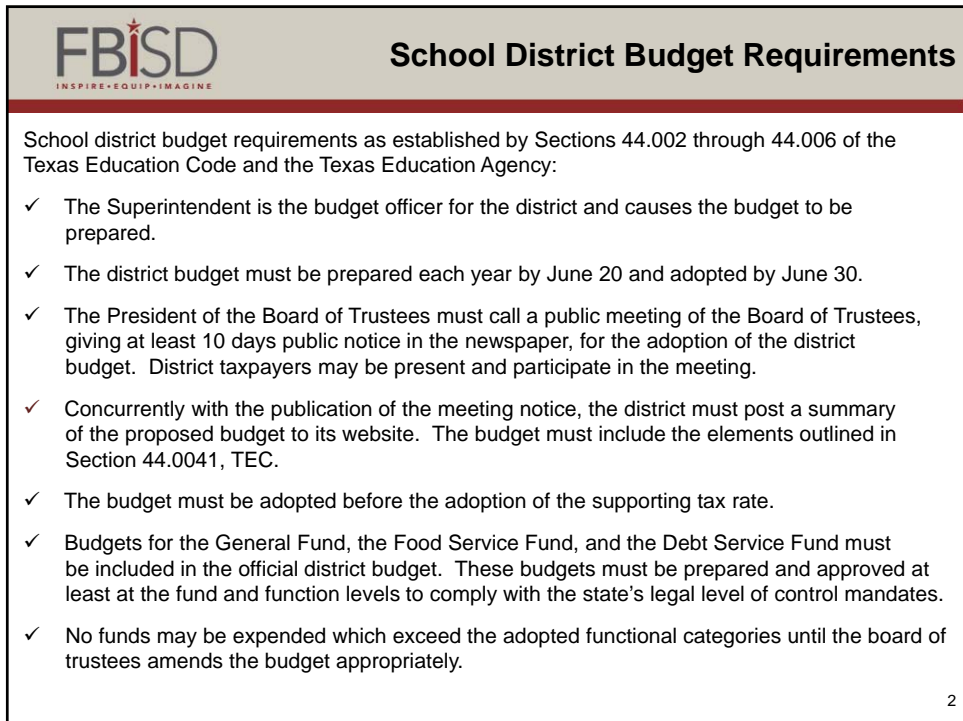


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**2015-2016 Proposed Budget and Tax Rate  
Budget Hearing**  
June 1, 2015

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The slide features a collage of images showing diverse students and teachers in various educational settings, including classrooms, labs, and group projects. A large image of a young boy looking upwards is positioned on the right side. The background includes faint gear icons.




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**School District Budget Requirements**

School district budget requirements as established by Sections 44.002 through 44.006 of the Texas Education Code and the Texas Education Agency:

- ✓ The Superintendent is the budget officer for the district and causes the budget to be prepared.
- ✓ The district budget must be prepared each year by June 20 and adopted by June 30.
- ✓ The President of the Board of Trustees must call a public meeting of the Board of Trustees, giving at least 10 days public notice in the newspaper, for the adoption of the district budget. District taxpayers may be present and participate in the meeting.
- ✓ Concurrently with the publication of the meeting notice, the district must post a summary of the proposed budget to its website. The budget must include the elements outlined in Section 44.0041, TEC.
- ✓ The budget must be adopted before the adoption of the supporting tax rate.
- ✓ Budgets for the General Fund, the Food Service Fund, and the Debt Service Fund must be included in the official district budget. These budgets must be prepared and approved at least at the fund and function levels to comply with the state's legal level of control mandates.
- ✓ No funds may be expended which exceed the adopted functional categories until the board of trustees amends the budget appropriately.

2



## Proposed General Operating Budget

### 2015-2016 Proposed General Operating Budget

**Definition:** All income and expenses necessary to operate the school district, for example, salaries and benefits, utilities, equipment, supplies are paid from the general fund budget. The operating budget is funded through local taxes, state and federal allocations, and local revenue.

The Proposed General Operating Budget for 2015/2016


\$580,408,153

\$7,909/student

Projected 73,377 students in average daily membership

(Based on demographer's moderate-growth projections)

3



## Proposed 2015-16 Budget Compared to 2014-15

	ADOPTED/ADJUSTED 2014/2015	PROPOSED 2015/2016	CHANGE
Student Enrollment	71,992	73,377	+ 1.92%
General Fund Budget	\$559,416,121	\$580,408,153	+ 3.75%
Estimated Levy/Student	\$4,094.84	\$4,435.85	+ 8.33%
Estimated Local Revenue/Student	\$117.02	\$105.14	- 10.15%
Estimated State Aid/Student	\$3,470.12	\$3,215.47	- 7.34%
Estimated Federal Revenue/Student	\$88.55	\$97.19	+ 9.76%
Application of Revenues from other sources/Student	\$0.00	\$13.63	+ 100.00%
Estimated Revenues/Student	\$7,770.53	\$7,867.28	+ 1.25%
Personnel Costs/Student	\$6,672.58	\$6,857.11	+ 2.77%
Operating Costs/Student	\$1,055.84	\$1,043.79	- 1.14%
Capital Outlay Costs/Student	\$11.49	\$9.05	- 21.21%
General Operating Budget/Student	\$7,739.90	\$7,909.95	+ 2.20%
<i>General Operating Increase/Student</i>		<i>\$170.04</i>	

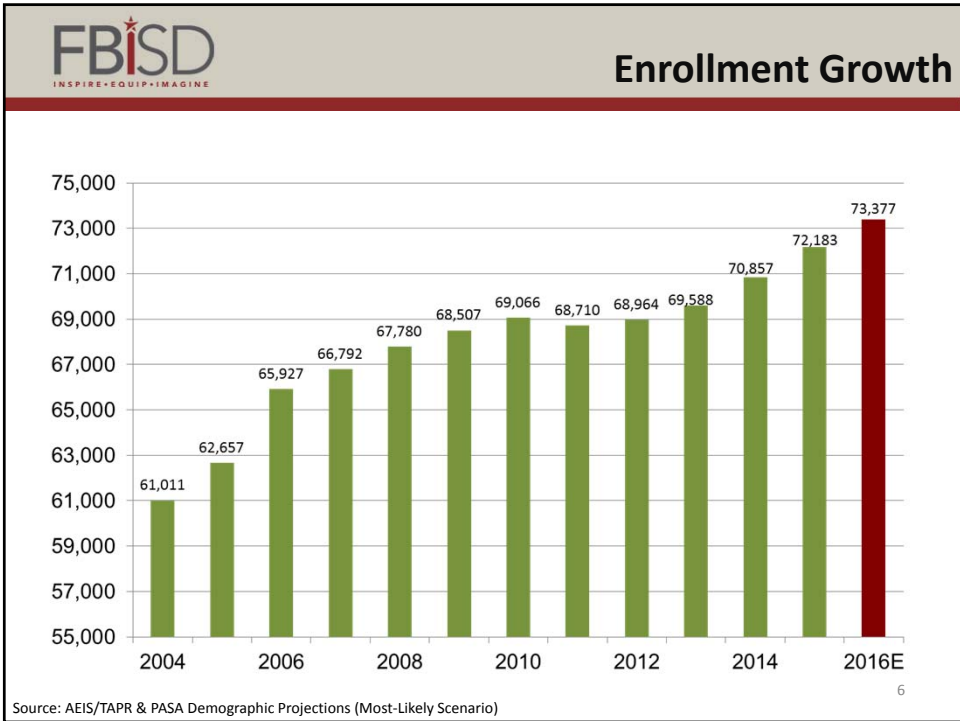
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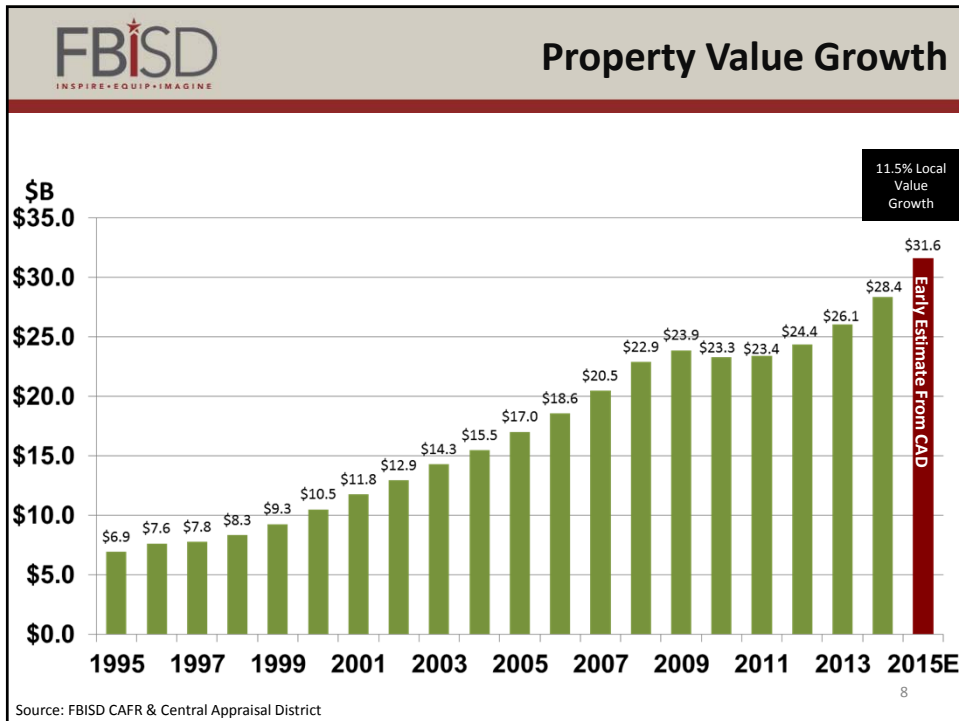
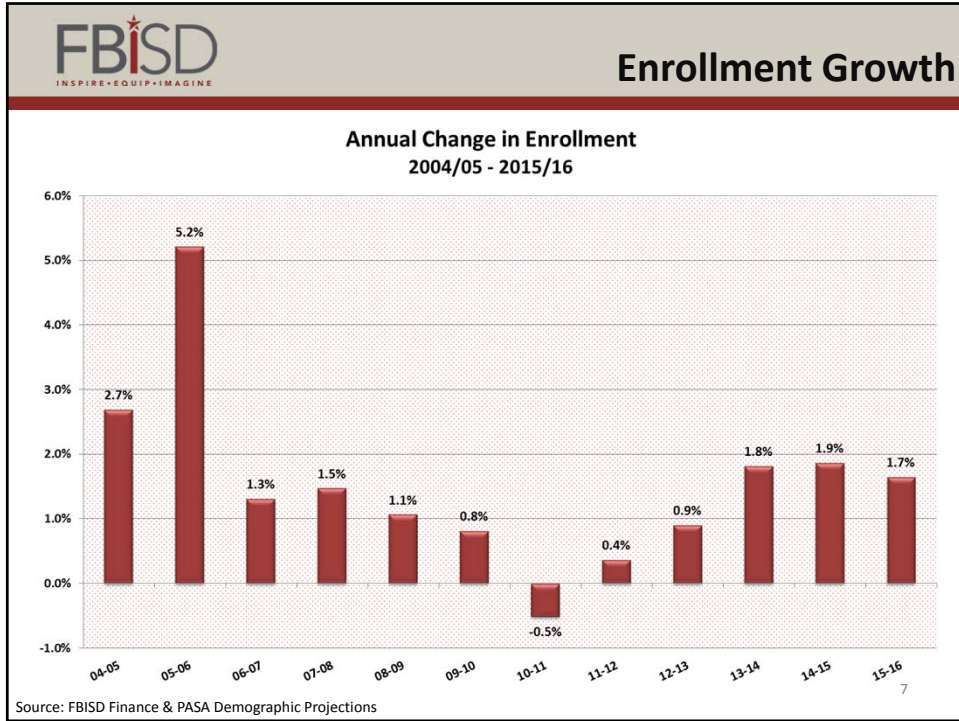
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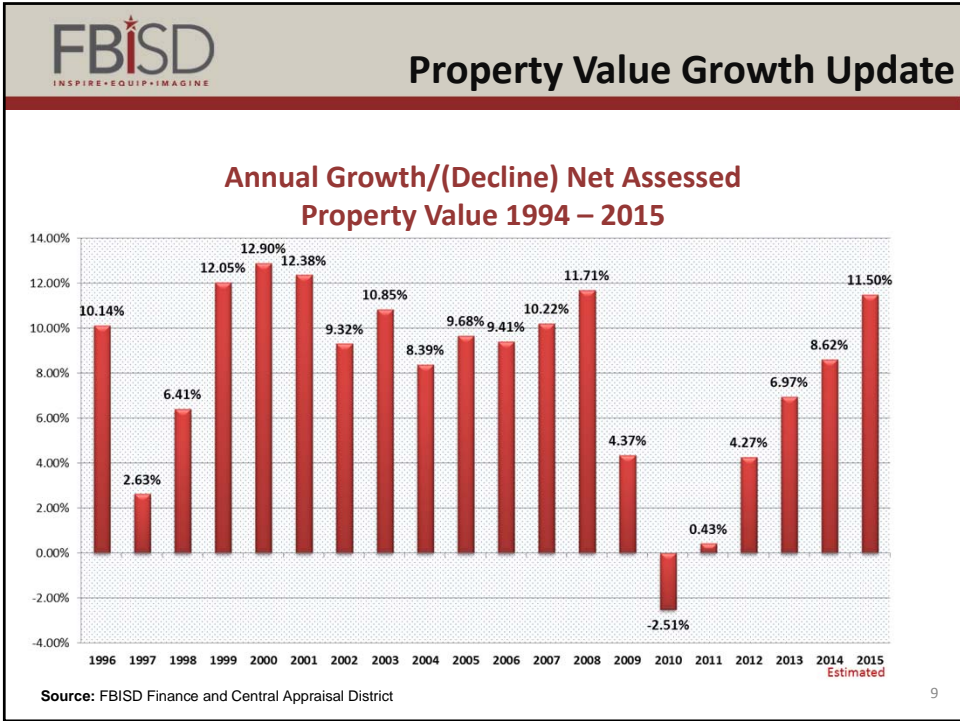
### Differences in the Proposed 2015-16 Budget

- 1,060 new students (comparing proposed budget to 14/15 budget at adoption)
- Estimated Revenue Increase of \$12.7M Over Current Law due to Anticipated Changes in Funding Formula
- Property Value Increases of 11.5% Compared to 8.6% from Previous Year
- Decrease Revenue of Approximately \$4M with Elimination of Rider 71 for TRS
- Start-up funding for Madden Elementary School scheduled for opening in August 2015
- Net increase of 84 growth positions for 2015/16 including 32 CTE Teaching Positions
- Salary increases of approximately 2% for all staff
- Employee Compensation Adjustments Totaling \$3.1M for Equity, Market, and Job Reclassifications
- Adjustments to Special Education and CTE Teaching Stipends Totaling Approximately \$472K
- Revenues and Expenditures Related to Extended Day Moved to Enterprise Fund

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### FBISD Taxable Value Growth


#### 2015-16 Fort Bend ISD Taxable Property Value

- **Approximate increase of 11.5% in taxable value vs. last year growth of 8.62%**
- **\$31,671,742,915 Taxable Value (early CAD est.)**
- **\$3,135,644 Local Revenue per Penny (99% Collection Rate)**

Source: FBISD Finance

 <b>2015/16 Proposed Tax Rate Impact</b>			
<b>Impact of 11.5% Property Value Increase on Tax Rate</b>			
	Published 2014/2015	2015/2016	Change
<b>As Proposed at \$1.34</b>			
Avg Market/Assessed Value of Residences	\$221,271	\$255,547	15.49%
<b>Avg Taxable Value of Residences</b>	<b>\$203,704</b>	<b>\$226,514</b>	<b>11.20%</b>
M&O Rate	\$1.04	\$1.04	\$0.00
I&S Rate	\$0.30	\$0.30	\$0.00
<b>Total Tax Rate</b>	<b>\$1.34</b>	<b>\$1.34</b>	\$0.00
Annual Taxes on Average Residence	\$2,675.04	\$2,974.58	
Annual Increase in Taxes		\$299.55	
Monthly Increase in Taxes		\$24.96	
<b>% Change</b>		<b>11.20%</b>	

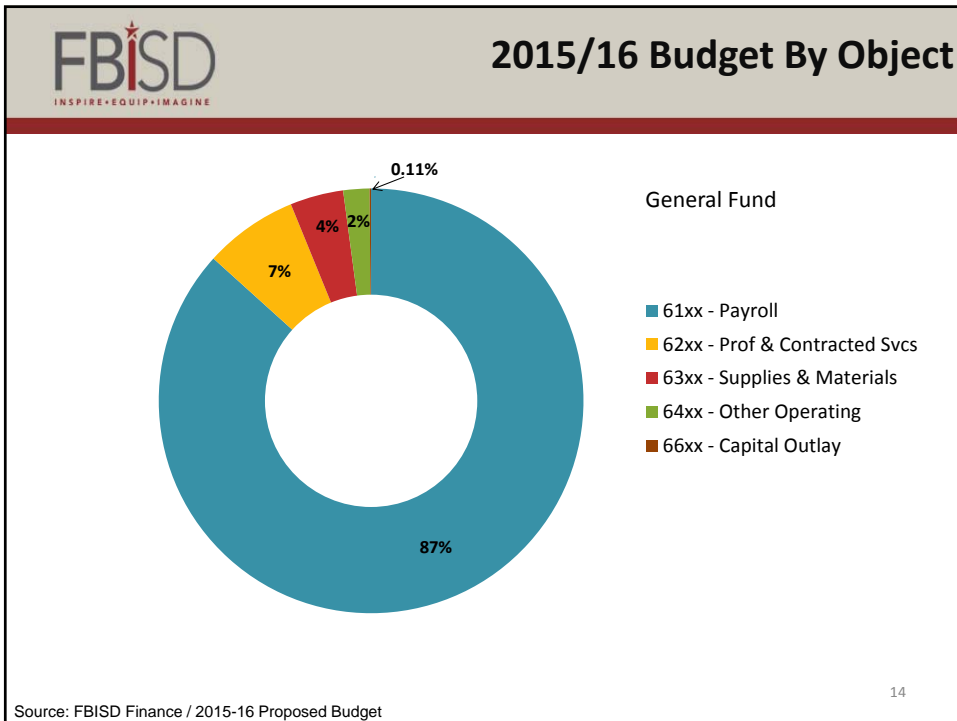
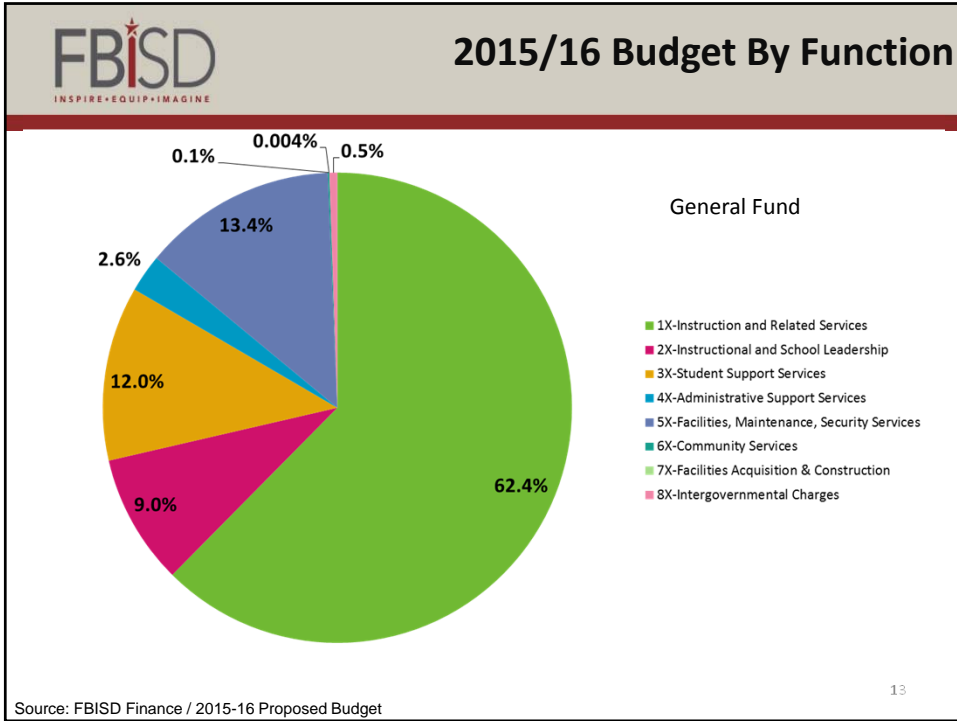
Source: FBISD Finance, Fort Bend Central Appraisal District 11


 <b>2015/16 Budget Development Update</b>			
<b>2014/15 – 2016/17 Projected Budget Estimates</b>			
(\$000's)	2014-15 YE Projection	2015-16 Projection	2016-17 Projection
<b>Revenue</b>	<b>\$ 559,436</b>	<b>\$ 576,945</b>	<b>\$ 578,917</b>
<b>Operating Expenditures</b>	<b>\$ 560,877</b>	<b>\$ 580,408</b>	<b>\$ 582,881</b>
<b>Other Financing</b>	<b>\$ 1,083</b>	<b>\$ 1,000</b>	<b>\$ 1,500</b>
<b>Net Change in Fund Balance</b>	<b>\$ (358)</b>	<b>\$ (2,463)</b>	<b>\$ (2,464)</b>
<b>Beginning Fund Balance</b>	<b>\$ 170,431</b>	<b>\$ 170,073</b>	<b>\$ 167,610</b>
<b>Ending Fund Balance</b>	<b>\$ 170,073</b>	<b>\$ 167,610</b>	<b>\$ 165,146</b>


- +1060 students
- CPTD = 9.98%
- CAD = 11.5%

- +739 students
- CPTD = 11%
- CAD = 6.5%


Source: FBISD Finance, PASA, Moak Casey, LBB Remember: Fund Balance ≠ Cash Balance 12




 <b>Summary of Compensation and Staffing</b>		
<b>Salary and Staffing Summary</b>		
<u>(\$M's)</u>	<u>2015-16</u>	<u>FTE's</u>
<b>Salary Proposal</b>	<b>\$ 9.2</b>	
<b>Campus Staffing</b>	<b>\$ 4.4</b>	<b>74.0</b>
<b>Non-Campus Staffing</b>	<b>0.7</b>	<b>10.0</b>
<b>Stipend Adjustments</b>	<b>0.5</b>	
<b>Market, Equity &amp; Reclasses</b>	<b>2.6</b>	
<b>Total Investment</b>	<b><u>\$ 17.4</u></b>	<b><u>84.0</u></b>
<p>Staffing Approved at the 2/26 and 3/23 Board Meetings                      Staffing and Compensation make up 87.1% of proposed budget</p>		
Source: FBISD Finance		15

 <b>Fund Balance Discussion</b>	
<b>Fund Balance Recommendations</b>	
<ul style="list-style-type: none"> <li>➤ Utilize \$2.5 million of the commitment for Major Maintenance by transferring it to Transportation</li> <li>➤ Utilize \$1.3 million of the commitment for Textbooks since the General Fund did absorb \$1.3 million in textbook expenses</li> <li>➤ Utilize an additional \$1.0 million of the commitment for Textbooks by transferring it to New Schools                             <ul style="list-style-type: none"> <li>➤ IMA Fund revenue expected to increase by 25%</li> </ul> </li> <li>➤ Commit \$46.7 million as the Set Aside for Loss of State Revenue</li> <li>➤ Commit \$2.5 million for Transportation to cover the expense of the grandfather routes</li> <li>➤ Commit \$2.0 million for the opening of New Schools                             <ul style="list-style-type: none"> <li>➤ Campuses usually open well below 100% of utilization</li> </ul> </li> </ul>	
Source: FBISD Finance	
16	



		<b>Fund Balance Discussion</b>		
		2014 - 15	2015 - 16	2016 - 17
TOTAL PROJECTED REVENUES		\$ 559,436	\$ 576,946	\$ 578,917
TOTAL PROJECTED EXPENDITURES		\$ (560,877)	\$ (580,408)	\$ (582,881)
Transfer In/Out		1,000	1,000	1,500
OPERATING SURPLUS (DEFICIT)		(440)	(2,463)	(2,464)
	Prior Commitments			
Committed: Major Maintenance	(8,867)	2,500	-	-
Committed: Textbooks	(5,000)	2,301	-	-
Committed: Set Aside for Loss of State Revenue		(46,700)	-	-
Committed: Transportation		(2,500)	2,500	-
Committed: New Schools		(2,000)	-	-
Increase (decrease) in Unassigned Fund Balance	(13,867)	(46,839)	37	(2,464)
Projected Unassigned Beginning Fund Balance		143,721	96,882	97,920
Projected Unassigned Ending Fund Balance		\$ 96,882	\$ 97,920	\$ 96,456
	<i>% of Budget</i>	17.3%	16.9%	16.5%
	<i>2 Months of Operations</i>	93,479	96,735	97,147
	<i># Months of Operations (un-assigned)*</i>	2.1	2.0	2.0

Source: FBISD Finance \*Policy is to maintain at least 2 months of Operating Expenditures in un-assigned balance 17

		<b>2015/16 Child Nutrition Service Fund</b>		
<b>2015-16 Child Nutrition Service Fund Projection</b>				
<b>With FY14 Actuals and FY15 YE Projections</b>				
	2013-14	2014-15	2015-16	
<b>\$Millions</b>	<b>Actual</b>	<b>Projection</b>	<b>Projection</b>	
<b>Revenue</b>	<b>\$ 24.6</b>	<b>\$ 25.3</b>	<b>\$ 26.8</b>	
<b>Operating Expenditures</b>	<b>\$ 28.9</b>	<b>\$ 28.7</b>	<b>\$ 26.8</b>	
<b>Other Financing</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Net Change in Fund Balance</b>	<b>\$ (4.3)</b>	<b>\$ (3.4)</b>	<b>\$ -</b>	
<b>Beginning Fund Balance</b>	<b>\$ 12.9</b>	<b>\$ 8.6</b>	<b>\$ 5.2</b>	
<b>Ending Fund Balance</b>	<b>\$ 8.6</b>	<b>\$ 5.2</b>	<b>\$ 5.2</b>	

Source: FBISD Finance  
 Note: -FY 2014-15 Projection includes \$2.5m in carryover from the renovation projects last year and not a part of net revenues this year  
 -Texas Department of Agriculture (TDA) specifies that the fund balance of a school nutrition program should not exceed 3 mos average expenditures 18

<b>FBI<sup>★</sup>SD</b> <small>INSPIRE • EQUIP • IMAGINE</small>		<b>2015/16 Debt Service Fund</b>		
<b>2015-16 Proposed Debt Service Fund</b>				
(\$M's)	2012-13	2013-14	Projection	
	Actual	Actual	2014-15 Projection	2015-16 * Fiscal Yr
Revenue	\$ 72.6	\$ 77.4	\$ 85.0	\$ 94.1
Expenditures	\$ 72.0	\$ 76.6	\$ 69.7	\$ 102.6
Surplus (deficit)	\$ 0.6	\$ 0.8	\$ 15.3	\$ (8.5)
Beginning Fund Balance	\$ 48.9	\$ 49.5	\$ 50.3	\$ 65.6
Ending Fund Balance	\$ 49.5	\$ 50.3	\$ 65.6	\$ 57.1

\* Tax Rate is set based on calendar year debt payments.

Source: FBISD Finance 19

