

2010 2011
Budget
Final as Adopted
June 14, 2010



Proposed Budget

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FORT BEND ISD

FISCAL & CAPITAL OVERVIEW

INTRODUCTION

Fifty years young, the Fort Bend Independent School District was formed by the consolidation of the Missouri City Independent School District and Sugar Land Independent School District in 1959. Spanning 170 square miles, the district is located in the northeast part of Fort Bend County, just southwest of Houston and Harris County. Fort Bend ISD encompasses the incorporated cities of Missouri City, Sugar Land, Arcola, and Meadows Place, a small portion of Houston, and the communities of Clodine, DeWalt, Rosharon, and Fresno. Families from around the world move here daily, drawn by the district's reputation for quality education. Fort Bend ISD has seen its enrollment climb to more than 69,300 students and is currently the seventh largest district in the state.

Individual campus achievements have been recognized by the U.S. Department of Education, the Texas Education Agency (TEA), *Newsweek*, and the National Center for Educational Achievement as a "Just for the Kids" Higher Performing Schools. The district was recently recognized by The Schott Foundation for Public Education as having the highest African American male graduation rate in the country for a large school district. Students are provided with the opportunity to participate in a wide variety of fine arts, athletic, and vocational activities and competitions at the state and national level. For example, George Bush High School recently won the 5A state championship title for boys' basketball, and Clements High School is participating in the German American Partnership Program with the Lessing-Gymnasium in Cologne Germany. Over the year, individual students and programs from across the district have earned prestigious recognitions.

Most recently, Fort Bend ISD was recognized by the Quality Texas Foundation for submitting its first Progress Level Application detailing its work toward incorporating criteria set forth in the Malcolm Baldrige National Quality Award. The award recognizes organizations that demonstrate a sound, balanced approach to organizational management and performance improvement.

The Fort Bend County area is fortunate to have several institutions of higher learning, including the University of Houston, which has opened a joint campus with the Wharton County Junior College in the Sugar Land area; the Houston Community College, located in the Sienna Plantation area of Missouri City; and the Texas State Technical College. These educational institutions recognize their importance in the area and work collaboratively with the district to ensure the success of students and staff.

The District continuously strives to develop business partnerships at all levels of the organization. Local business leaders actively participate in mentor programs, volunteer at the campus level, provide guidance to the district's various academy programs, and serve on District-level committees.

Fort Bend County boasts the highest percentage of individuals holding bachelor's degrees and has been ranked as the 10th strongest county in the nation for economic strength by Woods and Poole Economics. The county continues to be a regional leader in population growth. In February 2010, as the number of jobs and incomes in the county grew more quickly than other counties its size, Forbes recognized Fort Bend County as the number one county in the country for professionals who wanted to get ahead financially. Sugar Land, Texas, which nationally has been recognized for its business climate and quality of life and ranked as the eighth best place to raise a family by the guidebook *Best Places to Raise Your Family – The Top 100 Affordable Communities in the U.S.* is the home of the district's administrative offices.

The Board of Trustees has adopted a fiscal and budgetary strategy to guide its financial decisions and remains committed to sound financial management through integrity, prudent stewardship, planning, accountability, full disclosure, and open communication. The budget of the district is developed annually and supports the District's Strategic Plan.

The District actively benchmarks its fiscal, staffing, and capital needs with its peer districts at the state level – Conroe, Katy, Lewisville, North East, Northside, and Plano ISD – as well as other local districts to ensure that the adopted budget addresses the needs of the district while maintaining a comparable per student level of expenditure. The District's financial operations have received a *Superior* FIRST rating each year from TEA since the financial rating system was developed in 2001-02.

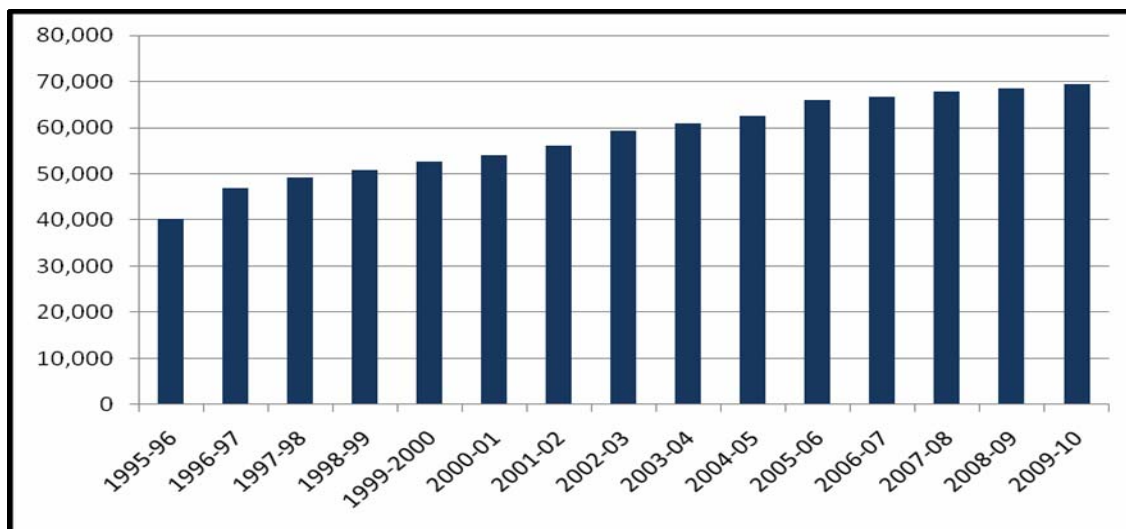
In 2006, the target revenue rate for FBISD was set at a rate lower than that of its peers and the state average. While the district is at a revenue disadvantage and expends less on a per student basis than its peer districts, FBISD has been able to maintain high levels of student success.

ENROLLMENT TRENDS

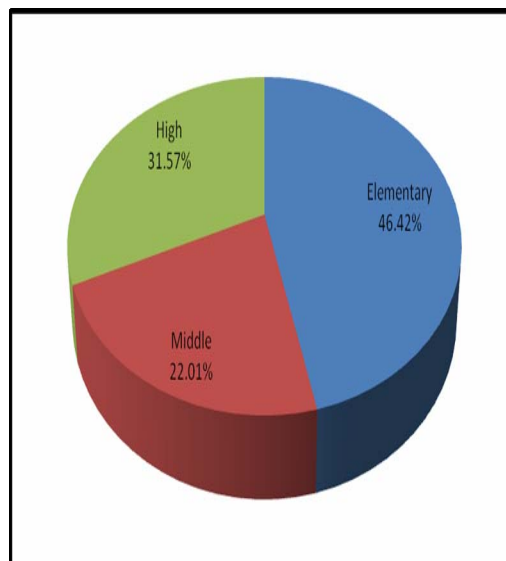
Even though growth has moderated in recent years, FBISD's enrollment has increased more than 29,000 students since 1995, as evidenced in Table 1 below. Long-term predictions of the County and District include a return to the robust levels of growth previously experienced.

Table 1 on the following page shows the district's student growth trends over the past fifteen years

TABLE 1: STUDENT GROWTH TRENDS



In Fort Bend ISD, student population tends to increase at the secondary level at a higher rate than at the elementary level due in part to the many private schools in the area. The figure at the right shows the enrollment distribution in the District as of March 1, 2010. District personnel are actively exploring opportunities to attract a portion of these students where practical in the coming years. The District has also implemented a K-6 and 7-8 instructional model for students living in certain areas to ensure continued academic success and enrollment. Students served under this model have seen large increases in their success on state-mandated testing and promotion to the next grade level.



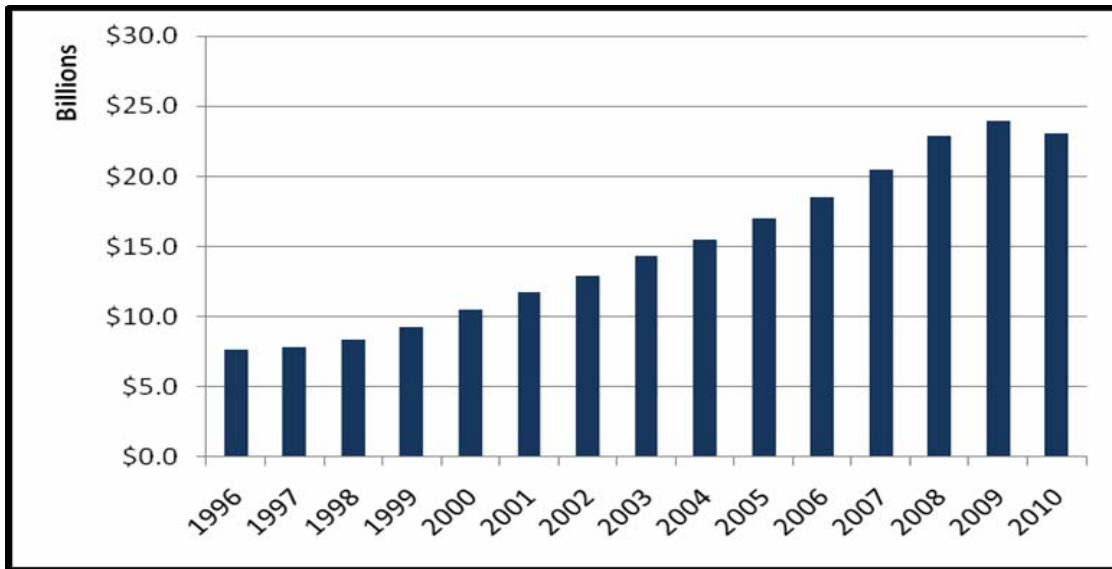
The district community continues to be comprised primarily of middle and high income homes. The District’s population of economically disadvantaged students has leveled in recent years to approximately 32.4 percent, which is well below the state average of 56.7 percent.

FBISD remains proud of the diversity of its student and parent population. More than 95 different dialects and languages are spoken by the students and their families, as reflected in a 140.6 percent increase in the number of students receiving bi-lingual or ESL instruction since 1998.

PROPERTY VALUE TRENDS

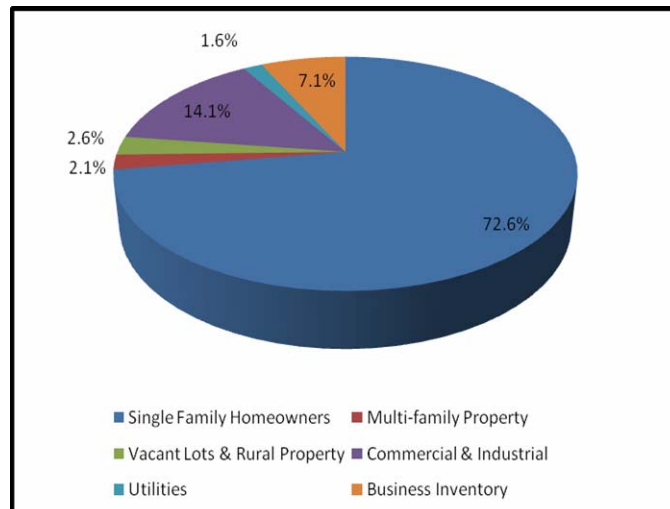
The district has experienced large increases in property values since 1996. Economic conditions have slowed the growth in property values to four percent for the current budget cycle. Initial budgets for the 2010-11 year have been prepared with a decrease of four percent in overall value due to an anticipated decline in retail and commercial values. Residential property values remain strong and are not expected to decrease overall. Historical changes and projected property value increases are illustrated in the table below.

TABLE 2: PROPERTY VALUE TRENDS



Source: Appraisal district records, district projections

FBISD is a bedroom community of the greater Houston area and is primarily residential in nature. Residential property values comprise 75 percent of the overall property value. Since the district is primarily residential, the property value per student of \$280,000 is below the Chapter 41 threshold for both Tier 1 and Tier 3 revenue. The 2009 Property Values by type are illustrated in the figure to the right.



Since the District is primarily residential in nature, the top 10 taxpayers comprise only 1.77 percent of the total assessed valuation and have no significant effect on the overall taxable valuation.

TABLE 3: 2009 TOP TEN TAXPAYERS

Taxpayer	Taxable Assessed Valuation	Percentage of Total Valuation
Centerpoint Energy Electric	\$115,557,610	0.48%
Lakepoint Assets LLC	\$100,719,790	0.42%
Town Center Lakeside LTD	\$78,144,460	0.33%
First Colony Mall LLC	\$77,649,660	0.32%
Sugar Land Telephone Company	\$70,285,230	0.29%
Medistar Sugar Land Medical Center LTD	\$62,178,890	0.26%
Champion Technologies Inc.	\$58,208,470	0.24%
Tramontina USA Inc.	\$55,334,050	0.23%
Covington First Colony Acquisition LLC	\$51,220,000	0.21%
Weingarten Realty Investors & et al	\$49,628,690	0.21%
	<u>\$718,926,850</u>	<u>1.77%</u>

As the nation's economy recovers, the District expects economic growth in the area to rebound. Continued development is anticipated in the Sienna Plantation, Riverstone, and Telfair master planned communities. As part of the master planned development of the Sugar Land area, the city recently approved a Tax Increment Financing Reinvestment Zone for the development of an entertainment district near the University of Houston campus. The district will include a minor league baseball stadium and indoor concert venue, along with various other entertainment, shopping, hotel and convention facilities for patrons in the region.

FINANCIAL INFORMATION

House Bill 1 adopted by the Texas Legislature in 2006 established a hold harmless funding system that reduced the maintenance and operations tax revenues by one-third. Districts were held harmless to the higher of the dollar amount per student generated in the 2005-06 or 2006-07 year under the previous law or the amount generated by HB 1 in 2006-07. Fort Bend ISD established its hold harmless funding at the 2006-07 target revenue level of approximately \$4,871 per weighted student, which is one of the lowest targets of the large districts in the state and below the statewide average target.

Districts have access to an additional four pennies above the compressed tax rate of \$1.00 without voter approval. An additional 13 pennies are available with voter approval. FBISD recently declared financial exigency so that it could address an anticipated budget shortfall of \$18.0 million. This declaration will allow FBISD to make needed budgetary changes in the areas of personnel, transportation, and other portions of the budget. The superintendent and Board of Trustees recognize that prior to asking voters for approval of an increased tax rate, the District must first attempt to balance the budget through cost-saving measures. It is the intention of the district to adopt a balanced budget in 2010-11.

However, without additional funding from the Texas legislature in the upcoming legislative session, the District will again face a deficit financial situation.

Currently, salaries and benefits comprise 88.1 percent of the adopted budget while utilities and fuel comprise 3.8 percent. Over seven percent is spent on support for supplies, travel, professional development, technology etc. The other two areas cover governmental expenses, primarily appraisal district fees, and copier leasing agreements. The

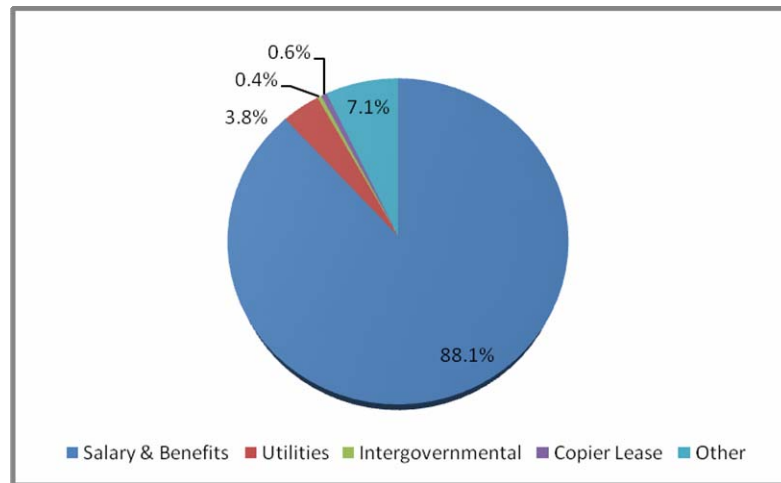


figure to the right shows the distribution of the 2010 budget.

In comparison to its peer group, Fort Bend ISD expends less operating dollars per student while maintaining a lower operating tax rate as evidenced in Table 4 below.

TABLE 4: OPERATIONAL DOLLARS PER STUDENT

Year	District	Tax Rate	Instruction	Instruction Related	Operations	Leadership	Total
2008-09	FBISD	\$1.040	\$4,553	\$1,227	\$904	\$158	\$6,842
	Peer Group Average		\$4,775	\$1,710	\$914	\$151	\$7,550
2007-08	FBISD	\$1.040	\$4,499	\$1,204	\$1,009	\$169	\$6,886
	Peer Group Average		\$4,678	\$1,677	\$912	\$169	\$7,436

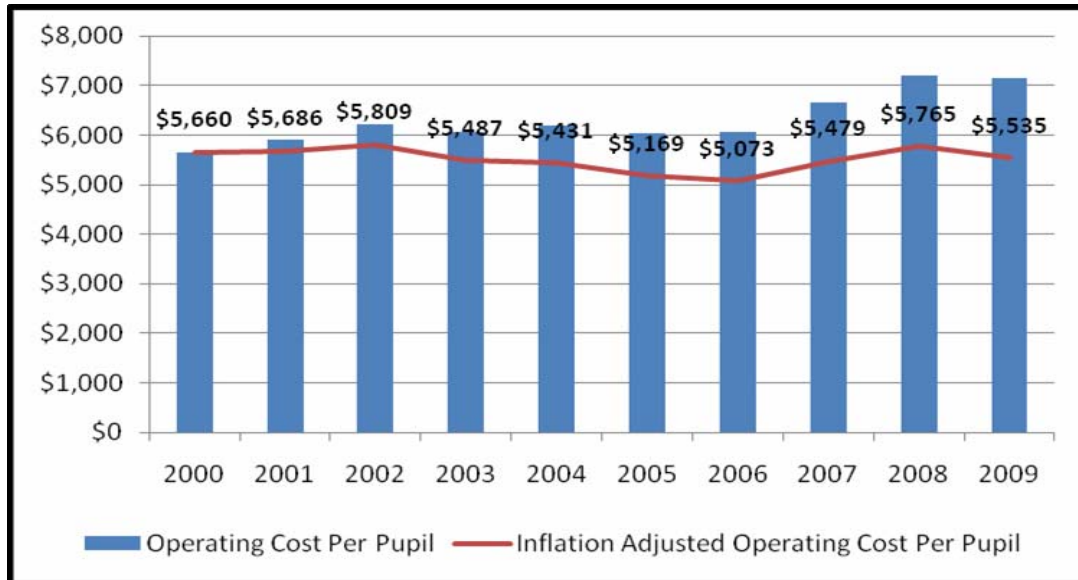
Source: Audited financial statements, TEA PEIMS information, FBISD calculation.

In anticipation of the budgetary challenges facing the district, FBISD contracted with the Texas Association of School Boards (TASB) to study district staffing patterns to find areas of savings. FBISD is implementing many of the personnel savings identified by TASB in conjunction with the 2011 budget. The District also has an ongoing relationship with Moak Casey and Associates to review school finance models and revenue projections. Recently, the district has undertaken a study with the Region IV Education Center to review attendance processes and procedures to ensure the district is receiving the maximum funding per student.

When comparing the operating expenditures to inflation, the operating expenditures per child have decreased \$125 per student since the 1999-2000 year even though the district's population has changed significantly and additional mandates have been imposed by the

Texas Education Agency. Table 5 on the following page gives a comparison of the inflation-adjusted operating costs per student with the actual costs per student since 2000.

TABLE 5: INFLATION ADJUSTED OPERATING COST PER STUDENT COMPARED TO ACTUAL COST PER STUDENT



TAX RATES

The Board of Trustees made a commitment to increase the debt service rates for the debt associated with the 2007 bond issue no more than \$0.11 cents per hundred dollars of assessed valuation. The sale of the 2010 series is expected to increase the tax rate by \$0.035 cents and increase the voters' total tax increase from the 2007 bonds by \$0.09 cents. Tax rates for the period 2001—2010 are outlined in Table 6 below.

TABLE 6: HISTORICAL TAX RATES

Year	Maintenance & Operations	Debt Service	Total	Increase / (Decrease)
2009-10	\$1.040	\$.2650	\$1.3050	\$.0350
2008-09	\$1.040	\$.2300	\$1.2700	\$.0200
2007-08	\$1.040	\$.2100	\$1.2500	(\$0.2900)
2006-07	\$1.330	\$.2100	\$1.5400	(\$0.1500)
2005-06	\$1.500	\$.1900	\$1.6900	(\$0.0175)
2004-05	\$1.500	\$.2075	\$1.7075	\$.03750
2003-04	\$1.500	\$.1700	\$1.6700	(\$0.0125)
2002-03	\$1.500	\$.1825	\$1.6825	-
2001-02	\$1.500	\$.1825	\$1.6825	(\$0.0100)
2000-01	\$1.500	\$.1925	\$1.6925	\$.0355

Source: District records.

Even though, Fort Bend ISD has a larger residential tax base than its peer districts and has had greater capital needs in relation to overall value growth than the majority of its peers, the district maintains favorable debt ratios as illustrated in Table 7.

**TABLE 7: OUTSTANDING DEBT
PEER AND SELECTED DISTRICTS**

District	Net Debt/Assessed Valuation	Net Debt / Capita	Debt / Student	Net Assessed Valuation Per Capita
Fort Bend ISD	4.62%	\$2,998	\$14,392	\$64,963
Conroe ISD	4.24%	\$3,562	\$17,335	\$84,024
Katy ISD	4.72%	\$3,623	\$16,234	\$76,836
Lewisville ISD	4.53%	\$3,428	\$19,881	\$75,704
North East ISD	4.69%	\$2,944	\$19,261	\$62,775
Northside ISD	4.81%	\$3,049	\$17,396	\$63,426
Plano ISD	3.34%	\$3,222	\$20,081	\$96,397

Source: MAC reports, district calculations.

FBISD's overall debt service tax rate has increased in relation to all but three of its peers as illustrated in Table 8. This is primarily due to the structure of the recent bond referendums and the necessity to construct Ridgepoint High School and relieve other high school campuses in the district. Future debt service tax rate increases, while dependent upon overall property value growth, should be minimal.

TABLE 8: COMPARISON OF DEBT SERVICE TAX RATES

District	2005-06	2006-07	2007-08	2008-09	2009-10	Increase / (Decrease)
Fort Bend	\$.1900	\$.2100	\$.2100	\$.2300	\$.2650	\$.07500
Northside	\$.2750	\$.2625	\$.2625	\$.2625	\$.2975	\$.02250
North East	\$.2940	\$.3090	\$.3629	\$.3629	\$.3629	\$.06890
Conroe	\$.2700	\$.2800	\$.2100	\$.2300	\$.2450	(\$.02500)
Katy	\$.3700	\$.3300	\$.4000	\$.4000	\$.4000	\$.03000
Lewisville	\$.2700	\$.3100	\$.3300	\$.3400	\$.3687	\$.09870
Plano	\$.2334	\$.2484	\$.2484	\$.2634	\$.2884	\$.05500

CAPITAL PROJECTS

The District uses a comprehensive approach to long-range planning, which is driven by state mandates, curriculum needs, legislative or building code changes, and community desires. The capital planning process includes (a) assessing the needs of each facility by district personnel and receiving input from campus site-based committees, (b) researching technological innovation, (c) assessing the instructional needs of the District, and (d) making informed assumptions concerning the District's needs for growth.

A systematic and deliberate process managed by staff, with guidance from the Board of Trustees and input from community members, is used to determine capital improvement projects. A 60-member Bond Steering Committee comprised of community members from across the district, students, and district representatives is convened to review district needs and conduct open meetings prior to making their recommendations for prospective projects to the Board. Under the auspices of its member-approved charter, the committee assesses the district's capital improvement needs over the next two-to-three year period in the areas of district growth, safety and health, curriculum, and technology, and infrastructure.

The District uses extensive in-house expertise to execute approved projects within planned budgets and on schedule. To achieve these objectives, staff uses a comprehensive method for managing projects, which begins during the bond study process and continues through project close out.

The management of each project begins with translating the needs of the district and the desires of the citizenry into the project's technical requirements or scope. With the scope established, the preliminary project cost estimate, a reasonable schedule, and an annual operating cost estimate are developed. Developing annual operating cost estimates for new facilities provides important information, such as personnel requirements, maintenance costs, etc. which are used to plan and develop future operational budgets.

As the project transitions from planning into execution after bond passage, staff actively manages the project to keep the scope on track and make adjustments for unforeseen challenges. The cost estimates and schedules developed during the planning process are also refined as the project moves through the design process to ensure accurate cash flows are available for determining the timing and size of expenditure and providing the potential reduction of issuance costs and property tax impact.

In accordance with the desire for open communication with the public, the District has formed a citizen's Bond Review Committee to monitor the progress and financial status of the bond projects. The committee meets bi monthly to hear updates from staff on the progress of bond projects and become informed about the process for identifying projects for future bond elections. The status of all bond projects is provided in the monthly Facility Construction Progress Report and uploaded on the district's website at <http://www.fortbend.k12.tx.us/bondinformation>.

VOTER HISTORY

Voters in the Fort Bend Independent School District have been supportive of capital improvement projects in the district. Propositions typically receive more than 65 percent approval rating. As evidenced in Table 9 on the following page, the district has a high success rate with respect to community support for bond passage.

TABLE 9: BOND ISSUE APPROVAL HISTORY

Year	Amount	Pass/Fail	Number of Campuses	Student Population
1982	\$50,000,000	Pass	22	23,122
1984	\$95,000,000	Pass	25	25,586
1991	\$89,500,000	Pass	38	38,720
1995	\$139,000,750	Pass	46	45,509
1999	\$264,000,313	Pass	53	52,935
2003	\$399,500,000	Fail	59	61,293
	\$299,950,000	Pass		
2007	\$428,000,000	Pass	67	67,083

Source: FBISD records.

CONCLUSION

The District is accountable to the Board of Trustees for its budget development and spending. Goals set by the Board of Trustees address fiscal responsibility, student achievement, quality staff, functional infrastructure, community relations, transportation, technology, and school safety. The administration works within the parameters of the Board's goals to establish the District Strategic Plan which clearly defines the focus of the district's campuses and departments in performance indicators and targets. Regular reporting to the Board and the community of progress toward achieving the identified targets helps the district maximize its human and fiscal resources and keep its focus on preparing students for a success in a global economy.

FORT BEND ISD

FISCAL AND BUDGETARY STRATEGY

I. PURPOSE

The Fort Bend Independent School District (the “District”) is committed to sound financial management through integrity, prudent stewardship, planning, accountability, full disclosure and open communication. The purpose of the Fiscal and Budgetary Strategy is to enable the District to achieve and maintain a stable long-term financial condition, provide guidelines for the day-to-day planning and operations of the District’s financial affairs, and communicate the District’s financial practices to stakeholders.

Fort Bend ISD’s general obligation bonds are currently rated at AA by both Fitch and Standard & Poor’s Investor Services. A high credit rating typically reduces the interest costs the District pays on the amounts borrowed. This in turn directly correlates to a lower tax rate on the outstanding debt of the District.

To help maintain the District’s creditworthiness, an established strategy of managing the District’s financial resources is essential and in the District’s best economic interest. The District shall take all practical precautions and proactive measures to avoid any financial decision that will negatively impact the credit ratings on existing or future debt issues.

The scope of the fiscal strategy encompasses accounting and financial reporting, internal controls, operating and capital budgeting, revenue management, investment and asset management, debt management, maintenance of fund balance, and forecasting. This is done in order to:

1. Demonstrate to Fort Bend ISD taxpayers, citizens, investment community, and bond rating agencies that the District is committed to a system of strong fiscal operations;
2. Provide precedents for future policy-makers and financial managers on common financial goals and strategies;
3. Fairly present and fully disclose the financial position of the District in conformity with generally accepted accounting principles (GAAP); and
4. Demonstrate compliance with finance-related legal and contractual issues in accordance with the Texas Education Code and other legal mandates.

This Fiscal and Budgetary Strategy shall be reviewed and updated as necessary but not less than annually.

The Fort Bend Independent School District financial statements include the following fund types:

Governmental Funds: **General Fund** accounts for the financial resources of the District and includes transactions as a result of revenues received from local maintenance taxes, foundation entitlements, and other Foundation School Program resources.

Special Revenue Funds account for specific revenues that are legally restricted for specific purposes through federal, state, and local grant programs.

Debt Service Fund accounts for the payment of general long-term debt principal and interest for which a tax has been dedicated.

Capital Project Funds account for the acquisition or construction of major capital facilities that are financed through voter approved debt.

Proprietary Funds: **Internal Service Fund** accounts for the activities of the District’s self funded health, unemployment, worker’s compensation, and print service accounts.

Enterprise Fund accounts for the business activities of the district's extended day care program whereby customers pay a fee for the services the District provides.

Fiduciary Funds:

Trust and Agency Fund accounts for assets held by a school district in a trustee capacity or as an agent for student organizations and scholarship funds. Funds maintained by the District in a trustee capacity for the non-Teacher Retirement System (TRS) pension plan and employee incentive plan trust fund are also accounted for in the fiduciary funds.

Basis of Accounting and Basis of Budgeting - The District accounts and budgets for all **Governmental Funds** using the modified accrual basis of accounting. This basis means that revenue is recognized in the accounting period in which it becomes available and measurable, while expenditures are recognized in the accounting period in which they are incurred. Because the appropriated budget is used as the basis for control and comparison of budgeted and actual amounts, the basis for preparing the budget is the same as the basis of accounting. Governmental funds would include the District's general, special revenue, debt service, and capital projects funds.

The District's self-insured worker's compensation and health funds and print services operations which function as **Proprietary Funds** are accounted and budgeted for using the full-accrual basis of accounting. Under this method, revenues are recognized when they are earned and measurable, while expenses are recognized when they are incurred.

II. OPERATING BUDGET

The budgeting process is an essential element of the financial planning, control and evaluation process of the District. The legal basis for the budget process is established in the Texas Education Code sections 44.002 through 44.006 and local policy.

The operating budget is Fort Bend Independent School District's annual financial operating plan. The adopted annual budget shall include allocations for campuses, departments and approved positions of the district.

Strategic Plan – The District Strategic Plan provides a strategic focus for student achievement while encouraging partnerships with the community, high quality staff, personal and organizational development, fiscal responsibility, technology support, efficient facilities and transportation services, character development, and safe and healthy educational environments. Strategic objectives further identify key initiatives and programs to support and meet the accomplishment of each goal. Performance indicators and targets measure the intended outcomes for the objectives.

Funding for District programs shall be based upon the objectives contained in the District Strategic Plan and further outlined by the identified targets for success.

The 2009-10 objectives require that the District accelerate the Texas Assessment of Knowledge and Skills (TAKS) gains for economically disadvantaged, African American, and Hispanic students to reduce the achievement gap; increase the percentage of underrepresented minority students enrolled in advanced academics; increase the high school completion rate for economically disadvantaged, African American, and Hispanic students; continue the implementation of the K-6 and 7-8 initiative; and, create an academy system for all high schools and middle schools.

Additionally, the objectives state that the district shall develop and implement a strategic communication plan; a teacher recruitment and retention plan; a comprehensive leadership development and succession plan; and, an incentive and support program to promote National Board Certification. The District shall further develop and maintain a seamless technology infrastructure and replacement cycle for technology; a strategy and implementation plan for online assessments; and, enhanced and expanded distance learning programs at the middle and high schools. The plan requires that the District conduct a facilities assessment while maintaining facilities to the district standard and developing a facility component replacement cycle; maintaining and operating effective and efficient transportation services; developing and implementing consistent district-wide safety standards and a systematic process to monitor safety and security while reducing truancy; and, completing the requirements for National School/District of Character recognition. Finally, the District shall develop an

employee ethics program; document core district processes; and, identify areas of efficiency that result in significant financial gains for the district.

Preparation – The Texas Education Code requires that the District budget be prepared by a date set by the State Board of Education, currently June 19th for districts that have a June 30th fiscal year end. The code further requires that the president of the Board of Trustees call a public meeting, giving ten days public notice in a locally published newspaper and on the District’s website for the adoption of the District budget.

The Board of Trustees must adopt the prepared budget, inclusive of any amendments, no later than June 30th. The officially adopted District budget must be filed with the Texas Education Agency (TEA) through the Public Education Information Management System by the date prescribed annually by TEA.

1. **Proposed Budget** – A proposed budget shall be prepared by the Superintendent and Chief Financial Officer (CFO) with participation of campus and department stakeholders within the provisions outlined in the District’s strategic plan and state mandated guidelines for programs.
 - a. The budget shall include four basic segments for review and evaluation:
 - i. Revenues
 - ii. Personnel Costs
 - iii. Operational Costs
 - iv. Capital and other non project costs
 - b. The budget review process will include Board of Trustee participation in the development of each segment and will allow for sufficient time for the Board to address the strategic plan and fiscal issues.
 - c. The proposed budget and all preliminary budgetary information will be available on the District’s website for public view.
2. **Adoption** – Upon finalization of the proposed budget, the Board of Trustees will hold a public hearing, and subsequently adopt the final budget as amended. The budget will be effective for the fiscal year beginning July 1st.
3. **Tax Rate Adoption** – Not later than April 30th, the chief appraiser shall prepare and certify to the school district an estimate of the taxable value of property in that taxing unit. The District may adopt a tax rate, prior to the adoption of the budget, based upon this certified property estimate. The certified estimate shall be used in the calculation of the effective tax rate and the rollback tax rate of the District.

If the district elects to establish the tax rate after receiving the certified appraisal roll as defined by Section 26.01 of the Property Tax Code, typically July 25th, and the tax rate exceeds the rate proposed in the District’s notice prepared for the budget hearing or the District’s rollback rate as determined under Section 26.08 of the Property Tax Code, the District must publish a revised notice and hold another public meeting before adopting the tax rate.

Balanced Budget – The goal of the District is to balance the operating budget with current revenues, whereby current revenues would match and fund on-going expenditures. Excess fund balance in the general operating fund may be used for onetime non-recurring expenditures or capital needs.

Excess fund balance is defined as the balance in excess of the optimum fund balance as defined by the Texas Education Agency and calculated annually in conjunction with the District’s annual audit or the cash requirements for three months operating expenditures. Usage of the fund balance shall be approached with caution after careful review of both the optimum fund balance and the cash flow needs of the District for the upcoming three-year period.

Planning – The budget process will be coordinated so that major strategic issues are identified prior to the budget approval date. This will allow the Board of Trustees adequate time for consideration of appropriate decisions and analysis of the associated financial impacts.

Reporting – Financial reports will be presented to the Board of Trustees on a quarterly basis. These reports will enable the Board to understand the overall budget and financial status of the District. The report shall include comparative financial statements and the investment report, tax collection report, and statement of cash flow. Information on purchasing expenditures by category and by vendor shall also be presented as a matter of record for informational purposes.

Control and Accountability – Each campus and departmental administrator will be responsible for the administration and oversight of their budget, which is controlled on an organizational basis. This includes accomplishing the targets adopted as part of the budget and monitoring each campus and departmental budget for compliance within approved spending limitations.

Budget Amendments – The District budget shall be amended no less than quarterly or as required on a monthly basis. Budget amendments between function and program intent codes in excess of \$5,000 require the approval of the Board of Trustees. The Board of Trustees may authorize an amendment to the budget for those items not included in the originally approved budget due to unforeseen circumstances.

III. REVENUE MANAGEMENT

The District will understand its revenue sources and enact consistent policies to provide assurances that the revenue base will materialize according to the budget. Revenues shall be estimated realistically and conservatively taking into account the volatile nature of the various revenue streams.

Revenues shall be monitored as they are received and regularly compared to budgeted revenues and variances will be investigated as they are identified. Any abnormalities shall be included in the quarterly financial report and the budget shall be amended to appropriately reflect the change in anticipated revenue.

State Funding – The District shall ensure that the Weighted Average Daily Attendance (WADA) is maximized by accurately reporting student attendance and shall have processes in place to ensure that special program information is appropriately reflected in the information uploaded to the Public Education Information Management System (PEIMS). Information regarding property value, property tax collections, employee counts and other information required by TEA for the purposes of state funding computation shall be reported within the prescribed timelines.

Property Tax Revenues – All real and business personal property located within the District shall be valued at 100% of fair market value for any given year based upon the current appraisal supplied by the Fort Bend County Appraisal District. Tax collections estimates utilized in the development of the budget will be based upon a prudent analysis of historical collection percentages and the current economic trends.

Current state funding guidelines penalize districts that adopt tax rates below the compressed tax rate. For budgeting purposes, the District will forecast the proposed property tax rate for maintenance and operations (M&O) the greater of the compressed rate, the compressed rate plus four cents (\$.04) or the voter approved rollback rate, not to exceed the current legal limit.

The District shall also consider the interest and sinking (I&S) tax rate in an amount to fund tax supported debt service in accordance with the District's debt management plan.

Interest Income – General, debt service, capital projects, food service, and internal service funds shall be invested individually in accordance with the Investment Strategy approved annually by the Board of Trustees. Interest earned from each investment account shall be credited to the fund from which the monies were provided.

User-Based Fees and Service Charges – For services associated with a user fee, such as building usage and instrument rental, the direct or indirect costs of that service will be offset by a fee where possible. The District shall update the usage fee schedule annually to ensure that fees provide adequate coverage for the cost of services.

Intergovernmental Revenues – The District shall carefully analyze grant opportunities to ensure that all grants comply with the overall District mission and strategic plan. All potential grants shall be examined for matching requirements prior to application to ensure that adequate funds are available for matching from the general funds of the District.

Efforts should be made to ensure that grants are self sustaining. However, it must be clearly understood that the operational requirements (on-going costs) set up as a result of a grant program could be discontinued once the terms and conditions of the program have been completed.

IV. EXPENDITURE POLICIES

Appropriations – The budget for all funds shall be controlled at the organizational level. Budget managers are authorized to transfer funds included in their basic budget within fund, function, and program intent code without prior approval. Budget amendments between fund, function, and program intent code require administrative approval and approval of the Board of Trustees for all requests in excess of \$5,000.

Staffing – The staffing guidelines of the District shall be administered jointly by Human Resource Services, Department of School Administration (DOSA) and Curriculum and Instruction using established staffing guidelines and a system of position control. Staffing guidelines shall be developed in a manner to ensure that the ratios for teachers and staff per pupil do not exceed the levels outlined in statute.

In addition to teaching units, staffing guidelines shall also provide guidance for appropriate levels of staffing in the administrative, counseling, nursing, art, music, physical education, and educational and clerical support at each campus. Staffing allocations shall be distributed based upon the total student population and with additional consideration for special education, bilingual and at-risk student programming.

Course schedules shall be carefully reviewed at the secondary level to ensure that instructional units are used in the most cost effective manner possible. Based upon sufficient revenues, additional staff members may be allocated to campuses based upon input from the Superintendent, Chief Human Resources Officer, DOSA, and Curriculum and Instruction to balance class loads or to address the unique needs of a particular campus. Adjustments for student enrollment in grades K-4 shall be done only after a careful analysis of historical attendance patterns and available classroom capacity.

Benefits – To ensure the long-term health of the District’s self-funded benefit programs, the budget shall be sufficient to provide for a fiscally sound health and worker’s compensation program along with other state and federally mandated benefits including Medicare and Teacher Retirement System above state minimum.

The District’s self-insured employee insurance program shall be funded by both District and employee contributions for employees and their supplemental dependents. The fund shall be evaluated annually by a third-party actuary to ensure that the premium structure is sufficient to meet the long-term needs of the District’s employees.

The District’s self-insured worker’s compensation program shall be funded through the budget process to ensure that the program has sufficient assets to meet both short and long-term worker’s compensation claims. The district shall implement a comprehensive safety program to minimize the District’s claims exposure.

The plans shall be administered by a third-party plan administrator and shall be bid periodically to ensure that the network reimbursement rates and employee co-pays are comparable to those provided within the marketplace. The District shall seek to ensure that insurance services are provided in both a cost efficient and compassionate manner to ensure the success of the program.

Major Maintenance Repair and Replacement – Ongoing maintenance and repair costs are included within the departmental operating budgets. These costs are generally considered systematic repairs and are not capitalized for accounting purposes. They include such items such as athletic equipment, routine musical instrument repair and HVAC maintenance and repair.

Annually, the District will form an academic and non-academic major maintenance repair and replacement committee to address the on-going major maintenance and academic capital needs. The committees shall consider those items that are not eligible for capital fund expenditures and prioritize the need for repair or replacement. Funding shall be provided for those items that will provide a long-term benefit to the District and have been determined to have the highest need of replacement or repair within the allocated resources of the general fund. Funds that are designated for major maintenance cannot be directed to other areas of the budget.

Capital Projects – The District’s goal is to maintain its facilities and infrastructure in order to provide exemplary educational services for its students, meet the needs of a growing community, and to comply with all local, state, and federal regulations. The District shall regularly review building capacity, enrollment projections, and planned subdivision and other housing information for the purpose of determining the number and timing of future facilities. Capital project budgets shall be developed according to the projects approved by the voters. Excess capital project funds generated as a result of investment income and project savings may not be directed to other needs of the District without the specific approval of the Board of Trustees.

Technology – It is the policy of the District to plan and fund the maintenance and replacement of its computer network and other technology systems through capital funding. The District currently uses a five-year replacement cycle for desktop and laptop computers.

V. BUDGET CONTINGENCY PLAN

This strategy is designed to establish general guidelines for managing revenue shortfalls resulting from local and state economic downturns that may adversely affect the District’s revenue stream.

Once a budgetary shortfall is projected, the Superintendent may take the necessary actions to offset any revenue shortfalls with a reduction in current expenses to include but not be limited to the following:

- ❖ Review all staffing levels;
- ❖ Freeze all new hire and vacant positions except those deemed to be a necessity to the instructional process or the safety of students;
- ❖ Review all planned capital expenditures;
- ❖ Forego out-of-state staff development;
- ❖ Review of all planned staff development activities;
- ❖ Curtail after hours facility usage;
- ❖ Forego extracurricular field trips; and,
- ❖ Delay all non-essential spending or equipment replacement purchases.

If the above actions are insufficient to offset the revenue deficit and the shortfall continues to increase, the Superintendent shall develop an expenditure reduction plan for approval by the Board of Trustees which will further reduce operating expenses to balance the variance.

VI. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

Accounting – The District is solely responsible for the recording and reporting of its financial affairs, both internally and externally. The Chief Financial Officer is responsible for establishing the structure for the District’s Chart of Accounts and for ensuring that procedures are in place to properly record financial transactions and report the District’s financial position.

All quarterly and annual financial reports shall be published on the District’s website.

Audit of Accounts – In accordance with Texas Education Code 44.008, the Board of Trustees shall cause the District’s accounts to be audited at the close of each fiscal year, currently June 30th, by an auditor holding a valid permit from the Texas State Board of Public Accountancy.

The auditor shall perform the audit in accordance with generally accepted governmental auditing standards published by the United States General Accounting Office, commonly referred to as the Yellow Book. The financial statements shall be prepared on a government-wide basis and shall be in conformity with all pronouncements of the Governmental Accounting Standards Board (GASB).

External Reporting - The audit shall be accepted and completed within 150 days of year end and filed with the Texas Education Agency (TEA). In addition, certain schedules required by the TEA to be completed electronically shall be submitted no later than this date.

No later than February 28th of each year and in accordance with the TEA published guidelines, the audit shall be transmitted electronically into the Public Education Information Management System (PEIMS).

Internal Auditing and Reporting – In accordance with Texas Education Code Section 11.170, the internal auditor shall report directly to the Board of Trustees. The Superintendent shall oversee the department administratively. The internal auditor shall conduct internal audits on a rotational basis in accordance with the audit plan adopted annually by the Board of Trustees. The reports shall be of sufficient detail to identify areas of needed improvement and potential lapses of internal control. The internal audit staff, in conjunction with the finance staff and any other appropriate department of the District, shall make recommendations for improvement and develop improved financial processes based upon the prepared reports.

Each departmental director or campus principal is responsible for ensuring that good internal controls are adhered to throughout their organization and that all Financial Services procedures and policies are implemented. The Financial Services Department will periodically review and update written internal control processes and procedures.

Internal Risk Assessment – Departmental managers in the business area shall perform on-going risk assessments of their area of supervision to ensure that internal controls and business practices are sufficient to protect the assets of the District and prevent fraudulent activity.

VII. ASSET MANAGEMENT

Cash Management and Investments - The Board of Trustees has formally approved a separate Investment Strategy for Fort Bend ISD that meets the requirements of the Public Funds Investment Act (PFIA), Chapter 2256 of the Texas Local Government Code. This strategy is reviewed annually by the Board of Trustees and applies to all financial assets held by the District.

The District shall maintain a comprehensive cash management program to include the effective collection of all accounts receivable, prompt deposit of receipts to the District's depository and payment of obligations, and the prudent investment of idle funds in accordance with the approved investment strategy.

The District's investment program will be conducted in such a manner to accomplish the following listed in the order of priority:

1. Safety of principal
2. Liquidity and availability of cash to pay obligations when due
3. Receive the highest possible rate of return (yield) consistent with the District's investment strategy

Fixed Assets – These assets will be reasonably safeguarded, properly accounted for, and prudently insured. For purposes of budgeting and accounting classification, the following criteria must be met in order for an item to be capitalized:

1. The expected useful life of the asset must be longer than one year, or extend the life of an identified existing asset by more than one year
2. The original cost of the asset must be at least \$5,000
3. The asset must be tangible

On-going repairs and general maintenance are not capitalized. In the event that improvements are made to an asset that extends its original life or makes the asset more valuable, the cost will be capitalized. The replacement of asset components will normally be expensed unless they are of a significant nature and meet all of the capitalization criteria.

The Accounting Department will maintain the permanent records of the District's fixed asset inventory including description, cost, department of responsibility, date of acquisition, depreciation, and expected useful life. Periodically random sampling at the department or campus level will be performed to inventory fixed assets assigned to that department or campus. Responsibility for safeguarding the District's fixed assets lies with the department or campus supervisor whose department has been assigned the asset.

VIII. DEBT MANAGEMENT

Fort Bend ISD faces continuing capital infrastructure requirements and recognizes that the primary purpose of capital debt is to provide educational services designed to meet the demands of the 21st Century. Debt financing is a tool that shall be judiciously used within the District's legal, financial, and debt market capacities.

The use of debt financing to meet the continued student population growth must be evaluated according to projected student growth by area, long-term facility efficiency, facility equity across the District, and limitations on total debt imposed by Texas Education Code Section 45.0031. The District realizes that failure to meet the demands of student growth may inhibit its continued educational success, but also realizes that failure to manage outstanding debt and repayment schedules may have long-term detrimental effects on the District's financial condition.

The District may issue long-term debt in accordance with Texas Education Code Section 45.001 for the following:

1. The construction, acquisition, and equipment of school buildings in the District.
2. The acquisition of property or refinancing of property financed under a contract entered under Subchapter A, Chapter 271, Local Government Code.
3. The purchase of the necessary sites for school buildings.
4. The purchase of new school buses.

The District will ensure that its long-term debt is soundly financed by conservatively projecting growth in taxable valuations and anticipated interest rates. The District will not finance improvements or purchases over a period greater than its estimated useful life and will determine that the cost benefit of the facilities, renovations, and equipment supported by the debt will have a positive impact on the District's student population and community.

The District shall, when planning for the issuance of new debt, consider the impact of such new debt on overlapping debt and the financing plans of local, state, and other governments that overlap the District. The District shall assess financial alternatives to include new and innovative financing approaches, including whenever feasible categorical grants, or other types of aid to minimize voter approved debt.

General Obligation Bonds (GO) – General obligation bonds must be authorized by a majority of the voters in a District election for the issuance of debt. General obligation bonds may be used only to fund capital assets of the District and are not to be used to fund on-going operational needs. The District shall determine the amortization schedule which will best fit with the overall debt structure of the District at the time the new debt is issued.

The District's unlimited debt service ad valorem taxing authority shall back general obligation bonds and the District shall endeavor to maintain the best possible credit rating for each debt issue. Where possible, the District shall also seek the guarantee of the Permanent School Fund for all debt issued.

Revenue Anticipation Notes – The District may issue fixed or variable rate tax and revenue anticipation notes that allow the District to meet its cash flow requirements. However, the District shall generally manage its cash position in a manner so that internally generated cash flow is sufficient to meet expenditures.

Lease-Purchase Agreements – Lease-purchase obligations are a routine and appropriate means of financing capital equipment. However, lease obligations are repaid from the District's maintenance and operations ad valorem tax and, therefore, have the greatest impact on budget flexibility. Therefore, efforts will be made to fund capital equipment directly through the budget process or with voter approved debt. Only the highest priority equipment purchases will be funded with lease obligations when it is determined that the cost benefit of such an arrangement is advantageous to the District.

Maintenance Tax Notes – The District may authorize the issuance of maintenance tax notes for the acquisition of personal public property, such as equipment. Maintenance tax notes are repaid from the District's maintenance and operations ad valorem tax. Each issuance will be assessed to ensure the cost effectiveness and the repayment schedule will not exceed the useful life of the asset and that the District has sufficient capacity in future budgets to ensure that the issuance does not place undue burden on the operating budget.

Use of Reserve Funds – The District may authorize the use of reserve funds to potentially delay or eliminate a proposed project from a future bond issue. This may occur due to higher than anticipated fund balances in prior years, thus eliminating

or reducing the need for debt proceeds or when the timing of the related capital improvement does not correspond with a planned bond issue. Funds used in such manner should be used judiciously and with extreme care after careful analysis of the effect on the future funding needs of the District.

Method of Sale – The District will thoroughly analyze the conditions in the bond market prior to determining the method of sale that will be used to market bonds. The District may utilize a competitive bidding process, negotiated bid or private placement. The District will publicly present the reasons for the selected method of sale prior to the sale date.

Competitive sales shall be awarded based upon the lowest offered True Interest Cost (TIC). The District’s Financial Advisor shall ensure that interest costs offered in a negotiated sale are in accordance with comparable market interest rates. In a negotiated sale, the District will rely on the recommendation of the Superintendent, Chief Financial Officer and the contracted Financial Advisor in the selection of the underwriter(s). The contracted financial advisory firm may not serve in an underwriting capacity.

Following the bid award, the financial advisor shall prepare a post-sale summary and analysis that documents the pricing of the bonds relative to other similar transactions priced at or near the time of the District’s bond sale.

Private placement sales shall only be utilized when the sale must be structured for a single or limited number of purchasers, such as would be present in a Qualified Zone Academy Bond (QZAB) or Qualified School Construction Bond (QSCB) offering.

Debt Structuring – The District shall seek to repay its debt in an expeditious manner within the District’s overall financial objectives and will issue bonds with an average life of no more than twenty-five (25) years, not to exceed the useful life of the asset acquired. Pursuant to State law, the District can issue fixed rate, variable rate, or capital appreciation bonds. Market factors, such as the effects of legislative statutes, level of debt service fund balance, and the cost of early debt redemption will be given consideration during the structuring of long term debt instruments.

The District shall keep its variable rate exposure, to the extent not hedged or swapped to a fixed rate, at or below ten percent (10%) of the total principal outstanding. If variable rate debt is used, the Chief Financial Officer will periodically, and no later than annually, determine whether it is appropriate to convert the debt to fixed interest rates.

Refunding and Restructuring Strategy – The District shall consider accelerated retirement and restructuring of its outstanding debt when financially advantageous or beneficial.

The Superintendent and Chief Financial Officer shall review a net present value analysis of any proposed refunding in order to make a determination regarding the cost-effectiveness of the proposal. The target net present value savings as a percentage of the refunded aggregate principal amount shall be no less than three percent (3%) when a refunding is offered in conjunction with new debt. In the case of a standalone refunding, savings should be evaluated in conjunction with the call dates of the outstanding bonds and a higher net present value savings should generally be achieved.

Financing Team Members – Not less than every five years, the District shall conduct a Request for Proposal (RFP) to determine the District’s financial advisor, bond counsel and pool of available underwriters. Generally, the District’s contracts with financial advisors and bond counsel shall be for a term of three years with the option to renew for two additional one year periods and the pool of approved underwriters will be created for a three year period. In all cases, the District will attempt to ensure that the contractual terms align with voter approved debt.

All financing team members will be required to provide full and complete disclosure relative to any and all agreements with other financing team members and outside parties. No agreements will be permitted that will compromise a firm’s ability to provide independent advice that is solely in the best interest of the District or which could reasonably be perceived as a conflict of interest.

Markets – The District shall consider products and conditions in the bond market when meeting the District’s financing needs. When practical in its financing program, the District shall consider local and regional markets as well as retail and institutional investors.

Disclosure – Full disclosure of operating costs along with capital costs will be made to the bond rating agencies and other users of financial information. The District shall maintain information on its website so that interested persons have a convenient way to locate major financial reports and documents pertaining to the District’s finances and debt. The District will take responsibility for the accuracy of all financial information released.

The District shall prepare or cause to be prepared appropriate disclosures as required by the Securities and Exchange Commission Rule 15c2-12. District staff, with assistance of the financial advisor and bond counsel, will prepare the necessary materials for presentation to rating agencies and will aid in the production of the Preliminary Official Statements as required.

Federal Requirements – The District will maintain procedures to comply with arbitrage rebate and other Federal requirements in accordance with the Internal Revenue Code and applicable United States Treasury regulations.

Bond Reimbursement Resolution – The District may utilize reimbursements from bond proceeds as a tool to manage debt issues consistent with arbitrage requirements and project timing. In so doing, the District will utilize its general fund reserve cash balances to delay the bond issue until such time when the issuance and timing are favorable and beneficial to the District.

The District shall comply with Internal Revenue Service requirements which stipulate that the reimbursement occur the earlier of (i) eighteen (18) months after the capital item is placed in service or (ii) thirty-six (36) months from the date of the expenditure. The total outstanding bond reimbursements may not exceed the total amount of the District’s operational reserve fund.

Impact on Operating Budget – When considering any debt issuance, the potential impact of debt service and additional operating costs induced by new projects on the operating budget of the District, both short and long-term will be evaluated.

IX. FINANCIAL CONDITIONS, RESERVES, AND STABILITY RATIOS

Fort Bend ISD will maintain sufficient reserves in the ending fund balances to provide for a secure, healthy financial base for the District in the event of a natural disaster or other emergency, allow for stability of District operations should revenues fall short of budgeted projections, and provide available resources to implement budgeted expenditures without regard to actual timing of cash flows into the District.

Operational Coverage – The District’s goal is to maintain operating revenues that at least equal or exceed current operating expenditures. Unless advantageous to the District, deferrals, short-term loans, or one-time sources will be avoided as budget balancing techniques.

Operating Reserves – Due to the timing of the District’s fiscal year (July 1) and the receipt of maintenance and tax revenues (typically, December 31st), the District will maintain general fund reserves the greater of ninety (90) days or thirty percent (30%) of net budgeted operating expenditures. Reserve requirements will be calculated as part of the annual budget process.

Liabilities and Receivables – Procedures will be followed to maximize discounts and reduce penalties offered by creditors. Current liabilities will be paid within thirty (30) days of receiving the invoice. Accounts Receivable procedures will target collection for a maximum of thirty (30) days of service. Non-collectible accounts that are delinquent for more than one year are considered uncollectible and shall be written off.

Capital Projects Funds – All reasonable efforts will be made to expend all monies within the Capital Project Funds within thirty-six (36) months of receipt. The fund balance will be invested and the income generated will offset increases in construction costs or other costs associated with the project. Any excess funds remaining after the completion of the project may be reallocated by the Board of Trustees to other capital projects to offset the cost of future bond issues.

Debt Service Funds – Revenues within this fund are stable, based on property tax revenues. Balances are maintained to meet contingencies and to make certain that the next year’s debt service payments may be met in a timely manner. The fund balance should not fall below one month or 1/12th the annual debt service requirements in accordance with Internal Revenue Service guidelines. Fort Bend ISD has established an additional requirement that the current debt service requirement that

would be covered by the debt service fund balance, less the August debt payments be no less than twenty percent (20%) of the subsequent year's debt service requirements.

Investment of Reserve Funds – The reserve funds will be invested in accordance with the District's approved investment strategy.

Ratio/Trend Analysis – Ratios and significant balances will be incorporated into the annual financial report. This information will provide users with meaningful data to identify major trends of the District's financial condition through analytical procedures. The following ratios/balances will be used as key financial indicators:

- | | |
|---------------------------|---|
| 1. Fund Balance / Equity: | Assets less liabilities |
| 2. Working Capital | Current assets less current liabilities |
| 3. Current Ratio | Current assets divided by current liabilities |
| 4. Debt / Assessed Value | Debt divided by assessed value |
| 5. Debt Ratio | Current liabilities plus long-term liabilities / Total assets |

The District will develop minimum and maximum levels for the above ratios/balances by thoroughly analyzing District historical trends, projected growth and peer districts.

Special Situations - Changes in the state funding allocations, economic downturn, District programs or other unforeseen circumstances may from time to time produce situations that are not covered by this strategy. These situations may require modifications or exceptions to achieve strategy goals. Management flexibility is appropriate and necessary in such situations, provided specific authorization is received from the Board of Trustees.

Fort Bend Independent School District

Proposed for Adoption

2010-11

	2010-11	2009-10*	\$ Change
	General (199)	General (199)	General (199)
Revenues			
Locally Funded	\$ 251,752,458	\$ 250,647,635	\$ 1,104,823
State Funded	212,782,487	205,649,514	7,132,973
Federal Stimulus Funded	19,945,560	19,945,560	-
Federally Funded	3,925,000	3,425,000	500,000
Total	488,405,505	479,667,709	8,737,796
Expenditures	488,405,505	498,278,116	-9,872,611
Net Change in Fund Balance	\$ -	\$ (18,610,407)	\$ 18,610,407
	Debt Service (500)	Debt Service (500)	Debt Service (500)
Revenues			
Locally Funded	\$ 68,681,272	\$ 60,200,000	\$ 8,481,272
State Funded	-	888,326	(888,326)
Federally Funded	-	-	-
Total	68,681,272	61,088,326	7,592,946
Expenditures	71,405,810	70,904,132	501,678
Net Change in Fund Balance	\$ (2,724,538)	\$ (9,815,806)	\$ 7,091,268
	Child Nutrition (240)	Child Nutrition (240)	Child Nutrition (240)
Revenues			
Locally Funded	\$ 14,325,719	\$ 14,351,019	\$ (25,300)
State Funded	137,270	139,211	(1,941)
Federally Funded	10,353,144	8,934,229	1,418,915
Total	24,816,133	23,424,459	1,391,674
Expenditures	24,816,133	23,424,459	1,391,674
Net Change in Fund Balance	\$ -	\$ -	\$ -

*The fiscal year changed to end 6/30/2010. Budget reflects 12 months.

Executive Summary

2010-11

The budget proposed for adoption includes the following assumptions:

Adoption of tax rates as recommended	Maintenance & Operations	\$1.04
	Debt Service	\$0.30
	Total Rate	\$1.34
	Rate Increase	\$0.035

Freeze adjusted taxable value
(Net taxable value less frozen property value) \$22.3 billion

Projected enrollment 69,687

Personnel adjustments as follows:

Salary • Maintain at same level as prior year

Teachers • Starting salary at \$44,500

Health Insurance Plan

- Mid-Year (September 1) – Increase in mail order pharmacy co-pays and office visit copays. Implementation of mandatory specialty drug program.
- January 1, 2011 – 15% increase to employee health premiums, development of high deductible health plan

Meal Plan

- Increase to student meal prices. .40 cents increase for breakfast, .40 cents increase elementary lunch, and .45 cents increase for secondary lunch. No increase to free and reduce students

New Campus Opened 2010-11

- Ridge Point High School
- Heritage Rose Elementary
- Ferndell Henry Center for Learning

Transportation

- Eliminate activity bus runs
- Eliminate routes no longer considered hazardous
- Change bell times at elementary/middle school to allow more efficient routing practice.

Budget Process

General Fund

2010-11

The budget presented herein represents hours of collaboration between District administrators, teachers, parents, and business partners. It supports the District Strategic Plan and individual campus strategic plans. The budget not only supports the ongoing operations of the district and addresses continuous improvement of the education process in Fort Bend ISD, but also strives to maintain an appropriate fund balance. The diversity of our student population and the instructional methods that best suit the needs of each student were given careful consideration by all parties involved in the District's budget process.

Campus Budgets

To decentralize the campus budget process, each campus receives a basic allotment per student:

- High Schools – \$104
- Middle Schools – \$95
- Elementary Schools – \$92

The basic allotment is increased by a factor to address certain special needs as indicated:

- Students identified as “at risk” – .20
- High School Academy - \$10,000
- Middle School Gifted and Talented Academy - \$55,000
- Gifted and Talented – \$125,000 is distributed based upon the number of identified students, subject to minimum and maximum.

This campus allocation is to be used for supplies, materials, equipment, staff development, and other appropriate instructional costs. Principals work with Campus Based Leadership Teams (CBLT) to develop campus plans and to allocate campus funds for ongoing campus needs and certain new or extraordinary campus programs determined by the CBLT to be of benefit to the unique student population of a given school. CBLT members consist of teachers, parents, community leaders, business partners, and District administrators.

We will analyze each school's actual enrollment at the conclusion of the first and third grading periods. If it is determined that a school's actual enrollment is 10% higher or lower than the projection used during budget preparation, the campus' budget will be adjusted accordingly. All adjustments will be communicated to the school principal and the assistant superintendent prior to posting.

Non-campus Budgets

While Fort Bend ISD continues to subscribe to a needs-based budgeting philosophy for non-campus budgets, budget managers found it necessary to approach budget preparation with an attitude of austerity to permit the funding of the proposed salary increases, increased commitment to support our most challenged campuses, personnel additions, and the ever-increasing costs of electricity and fuels. Although personnel and budget reductions have placed an additional constraint on each administrative department, all are committed to continue service levels to which our customers, both internal and external, have become accustomed.

The non-campus budgets are developed to support the District Strategic Plan and the instructional needs of the schools. They are developed by administrative staff members based upon district-wide data used to determine the prioritization of budget requests. The non-campus budgets are reviewed by the chief officers and the budget office.

Fort Bend Independent School District

Revenue Factors

2010-11

Recommended Tax Rates

Combined rate	\$1.34	
Net Increase	\$0.035	
Maintenance and Operations rate	\$1.0400	(Compressed by House Bill 1)
	No Change	
Debt Service rate	\$0.30	
Net Increase	\$0.035	

Estimated Property Valuation

Freeze adjusted taxable value	\$22.3 billion
Increase	\$.4 billion

Projected Enrollment

2009-10 peak enrollment 69,687

Sources of Federal Funds

General Fund	Indirect costs allowed by federal grants ROTC School Health and Related Services (SHARS) Federal Stimulus Fund
Child Nutrition Fund	Free and Reduced Meal Reimbursement

Sources of Other Local Funds

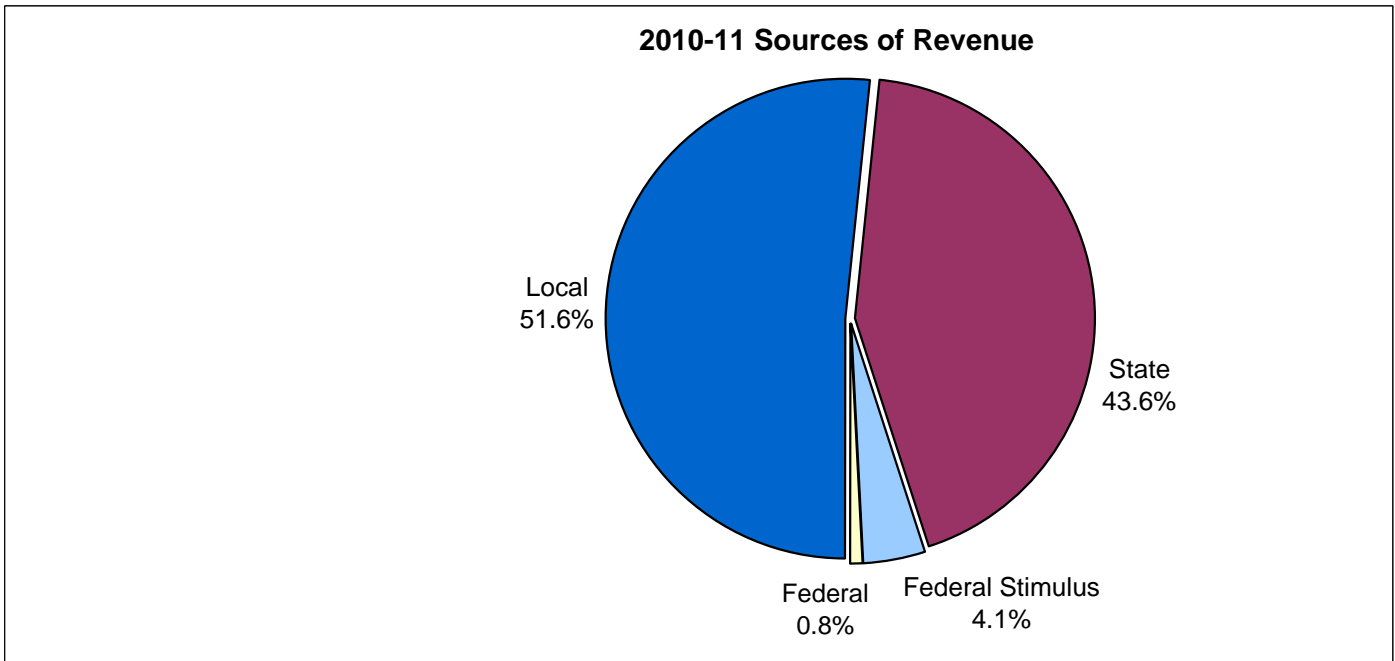
General Fund	Miscellaneous tuition and registration fees Summer School Athletic gate receipts Paid transportation to and from schools Facility rental charges Extended Day Print Shop and Copier Fund
Child Nutrition Fund	Catering proceeds Concession stand revenue

Fort Bend Independent School District

Sources of Revenue

General Fund

<i>Sources of Revenue</i>	2010-11		2009-10	
	Projected	% of Total Revenue	Adopted	% of Total Revenue
Local Taxes	\$ 231,147,808	47.33%	\$ 236,297,635	49.26%
Delinquent Taxes, Interest & Penalties	8,300,000	1.70%	8,800,000	1.83%
Investment Income	1,500,000	0.31%	2,500,000	0.52%
Other Local Sources	10,804,650	2.21%	3,050,000	0.64%
Total Local Funding	251,752,458	51.55%	250,647,635	52.25%
State Funding	212,782,487	43.57%	205,649,514	42.87%
Federal Stimulus Funding	19,945,560	4.08%	19,945,560	
Federal Funding	3,925,000	0.80%	3,425,000	0.71%
Total Revenues	\$ 488,405,505	100.00%	\$ 479,667,709	95.84%

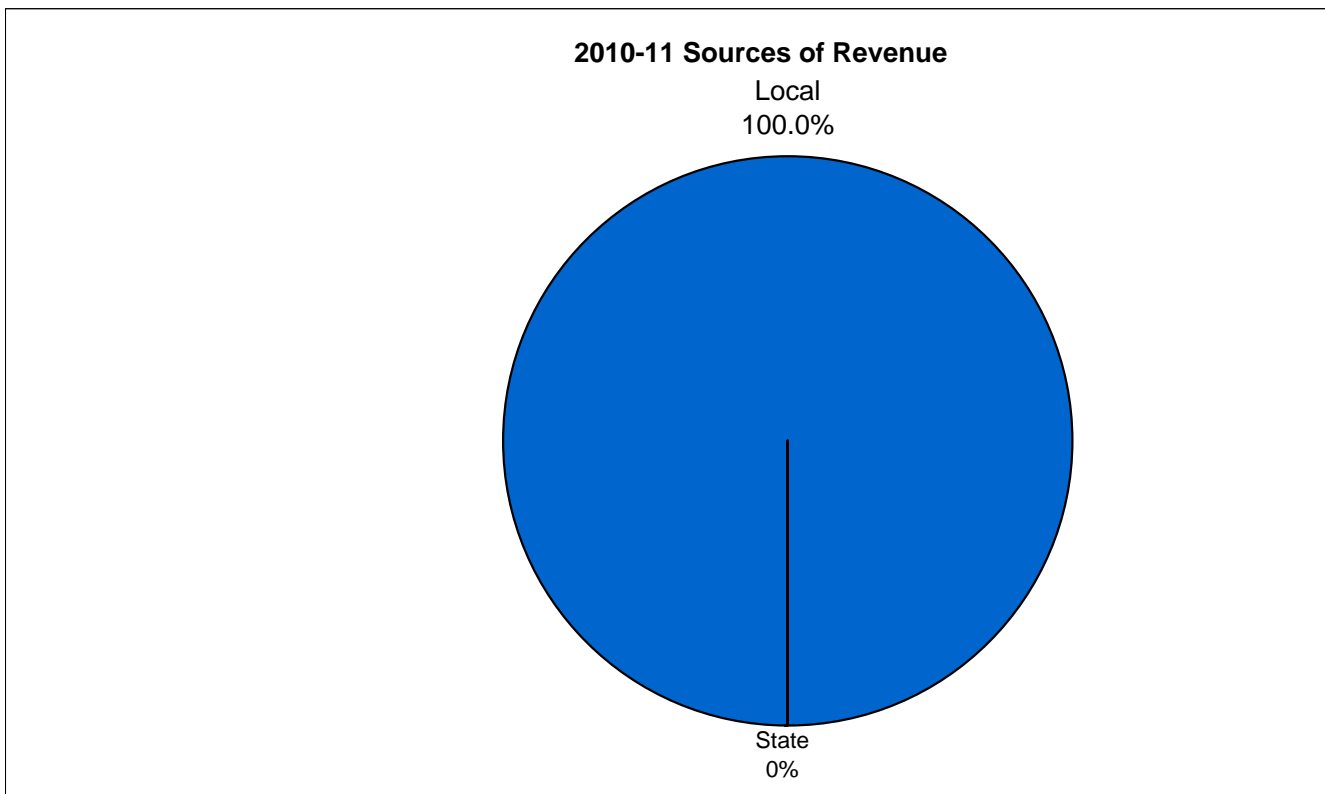


Fort Bend Independent School District

Sources of Revenue

Debt Service Fund

<i>Sources of Revenue</i>	2010-11		2009-10	
	Projected	% of Total Revenue	Adopted	% of Total Revenue
Local Taxes	\$ 68,681,272	100.00%	\$ 60,025,000	98.26%
Investment Income	-	0.00%	175,000	0.29%
Total Local Funding	68,681,272	100.00%	60,200,000	98.55%
 <i>State Funding</i>	 -	 0.00%	 888,326	 1.45%
Total Revenues	\$ 68,681,272	100.00%	\$ 61,088,326	100.00%

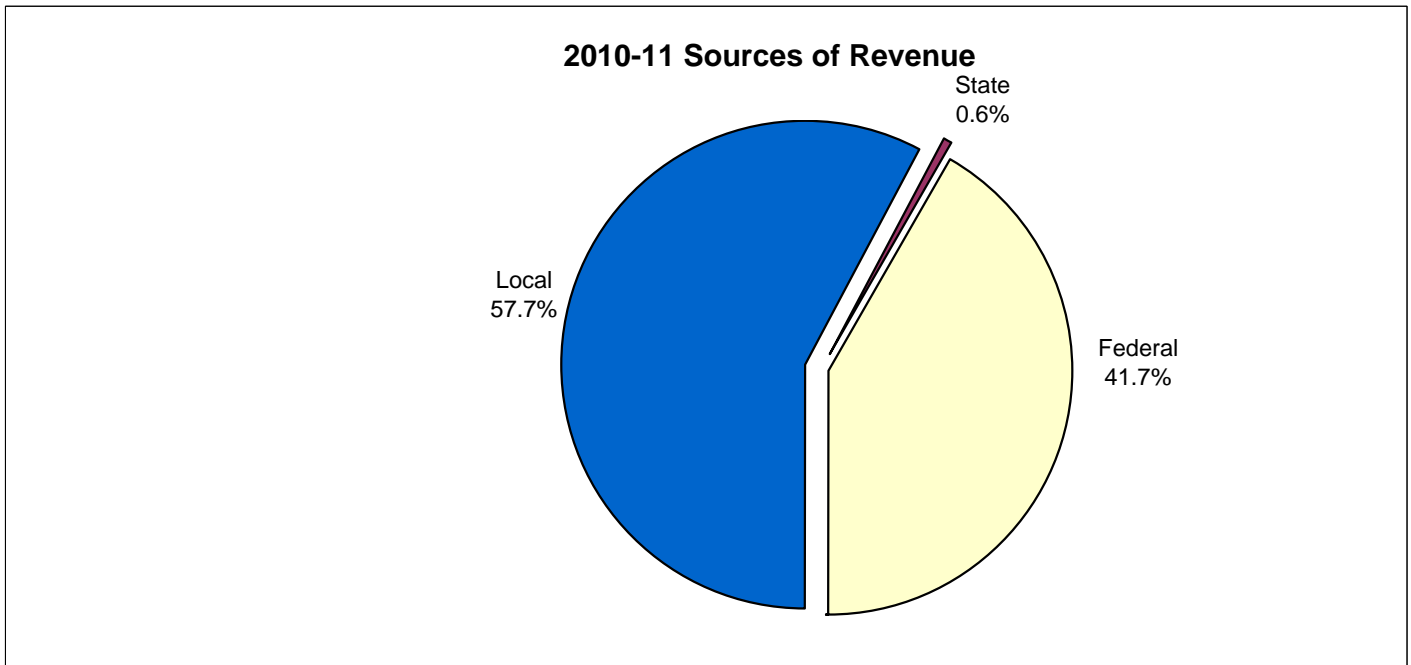


Fort Bend Independent School District

Sources of Revenue

Child Nutrition Fund

<i>Sources of Revenue</i>	2010-11		2009-10	
	Projected	% of Total Revenue	Adopted	% of Total Revenue
Meals Sales	\$ 13,405,019	54.02%	\$ 13,376,019	57.10%
Investment Income	50,000	0.20%	100,000	0.43%
Other Local Sources	870,700	3.51%	875,000	3.74%
Total Local Funding	14,325,719	57.73%	14,351,019	61.27%
State Funding	137,270	0.55%	139,211	0.59%
Federal Funding	10,353,144	41.72%	8,934,229	38.14%
Total Revenues	\$ 24,816,133	100.00%	\$ 23,424,459	100.00%



Fort Bend ISD

Impact of Debt Services Tax Rate Changes Average Homeowner

	2006-07	2007-08	2008-09	2009-10	2010-11
Debt Service Rate	\$0.210	\$0.210	\$0.230	\$0.265	\$0.300
Home Value	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Debt Service Tax	\$179	\$179	\$196	\$225	\$255
Increase/(Decrease) to Debt Service	\$0	\$0	\$17	\$30	\$30
Monthly Increase/(Decrease) to Debt Services	\$0	\$0	\$1	\$2	\$2
Average Residential Value	\$170,627	\$176,558	\$187,361	\$190,049	\$189,766
Debt Service Tax	\$327	\$339	\$396	\$464	\$524
Yearly Increase/(Decrease) to Debt Services	\$0	\$12	\$57	\$67	\$60
Monthly Increase/(Decrease) to Debt Services	\$0	\$1	\$5	\$6	\$5

Impact of M & O Tax Rate Changes Average Homeowner

	2006-07	2007-08	2008-09	2009-10	2010-11
M&O Rate	\$1.330	\$1.040	\$1.040	\$1.040	\$1.040
Home Value	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
M&O Taxes	\$1,131	\$884	\$884	\$884	\$884
Increase/(Decrease) to M&O	\$0	(\$247)	\$0	\$0	\$0
Monthly Increase/(Decrease)	\$0	(\$21)	\$0	\$0	\$0
Average Residential Value	\$170,627	\$176,558	\$187,361	\$190,049	\$189,766
M&O Taxes	\$2,070	\$1,680	\$1,793	\$1,821	\$1,818
yearly Increase/(Decrease) to M&O	\$0	(\$390)	\$112	\$28	(\$3)
Monthly Increase/(Decrease) to M&O	\$0	(\$32)	\$9	\$2	(\$0)

Analysis of Recommended 2010 Tax Rates

	M&O	Debt	Total
<i>2009 Tax Rate</i>	<u>\$ 1.040</u>	<u>\$ 0.265</u>	<u>\$ 1.305</u>
<i>Recommended Changes</i>	<u>\$ -</u>	<u>\$ 0.035</u>	<u>\$ 0.035</u>
<i>2009 Tax Rate Recommended</i>	<u><u>\$ 1.040</u></u>	<u><u>\$ 0.300</u></u>	<u><u>\$ 1.340</u></u>

Fort Bend Independent School District

Area Tax Rate Comparison

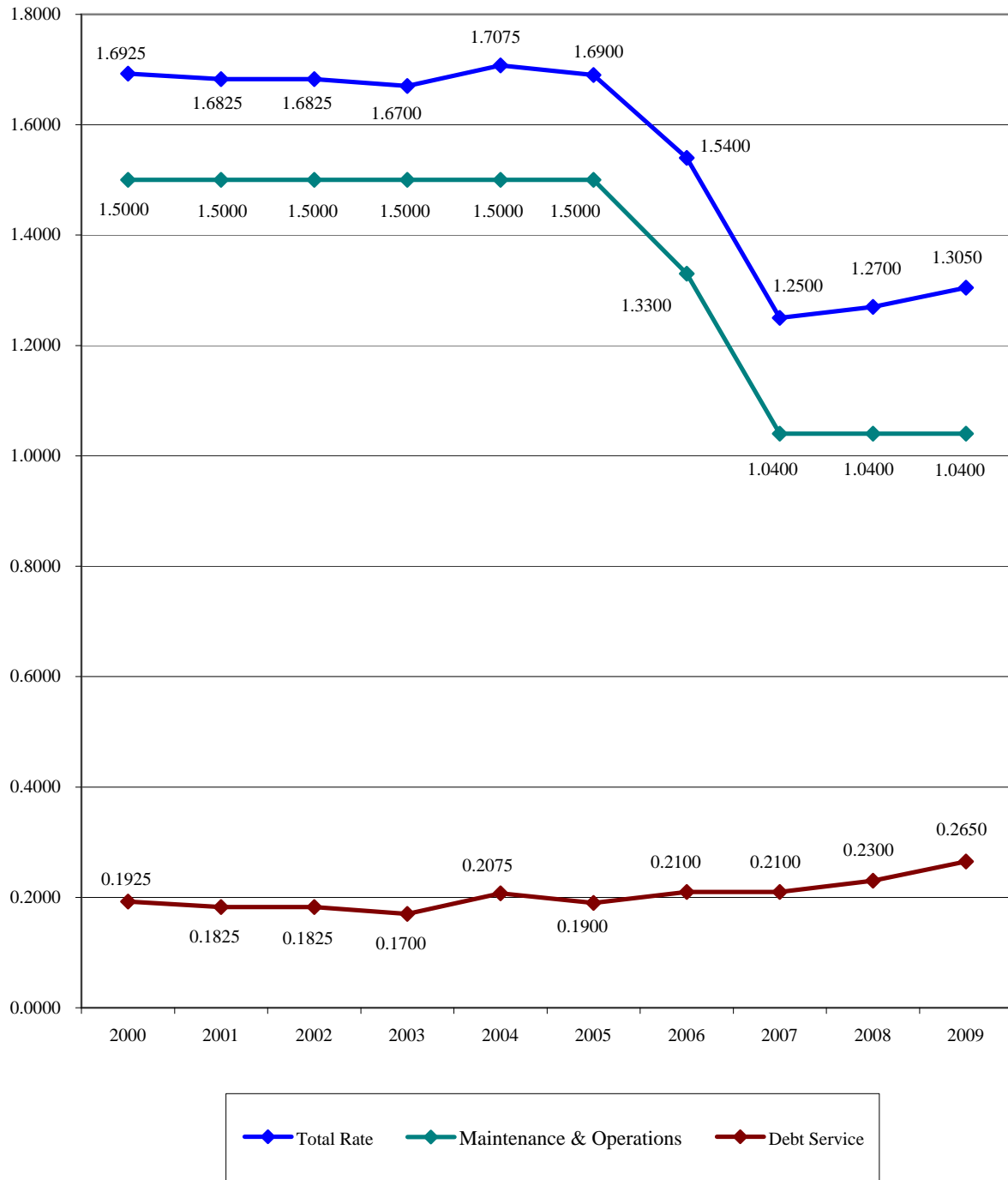
Sorted by Total Tax Rate

District	04/05	05/06	06/07	07/08	08/09	09/10		
						Total Rate	M&O Rate	Debt Service
Katy	2.000	2.000	1.815	1.527	1.527	1.527	1.127	0.400
Humble	1.740	1.770	1.640	1.310	1.520	1.520	1.170	0.350
Galena Park	1.795	1.815	1.715	1.431	1.456	1.478	1.183	0.295
Huffman	1.850	1.755	1.600	1.380	1.470	1.470	1.040	0.430
Spring	1.870	1.950	1.710	1.440	1.460	1.460	1.040	0.420
Needville	1.664	1.664	1.514	1.279	1.279	1.456	1.040	0.416
Crosby	1.870	1.860	1.671	1.340	1.340	1.440	1.170	0.270
Sheldon	1.746	1.750	1.634	1.430	1.430	1.430	1.040	0.390
Cypress-Fairbanks	1.790	1.800	1.654	1.324	1.350	1.410	1.040	0.370
Spring Branch	1.810	1.810	1.632	1.285	1.383	1.395	1.090	0.305
Deer Park	1.806	1.806	1.662	1.318	1.337	1.367	1.107	0.260
Klein	1.700	1.700	1.580	1.260	1.310	1.360	1.040	0.320
Tomball	1.730	1.710	1.580	1.275	1.360	1.360	1.010	0.350
North Forest	1.744	1.740	1.538	1.237	1.314	1.350	1.040	0.310
Pasadena	1.775	1.805	1.690	1.350	1.350	1.350	1.070	0.280
Alief	1.690	1.720	1.590	1.265	1.340	1.340	1.125	0.215
LaPorte	1.734	1.734	1.635	1.305	1.325	1.325	1.040	0.285
Fort Bend ISD	1.708	1.690	1.540	1.250	1.270	1.305	1.040	0.265
Aldine	1.689	1.709	1.604	1.277	1.292	1.301	1.133	0.167
Lamar	1.698	1.698	1.548	1.298	1.298	1.298	1.020	0.278
Goose Creek	1.684	1.728	1.596	1.302	1.282	1.282	1.040	0.242
Channelview	1.710	1.776	1.640	1.230	1.238	1.251	1.040	0.211
Stafford	1.708	1.687	1.550	1.250	1.235	1.230	1.040	0.190
Kendleton	1.784	1.780	1.590	1.232	1.205	1.205	1.040	0.165
Houston	1.599	1.620	1.476	1.157	1.157	1.157	1.007	0.150

Fort Bend Independent School District

Tax Rate History

2000 to 2009



Fort Bend Independent School District

Peer District Tax Rate Comparison

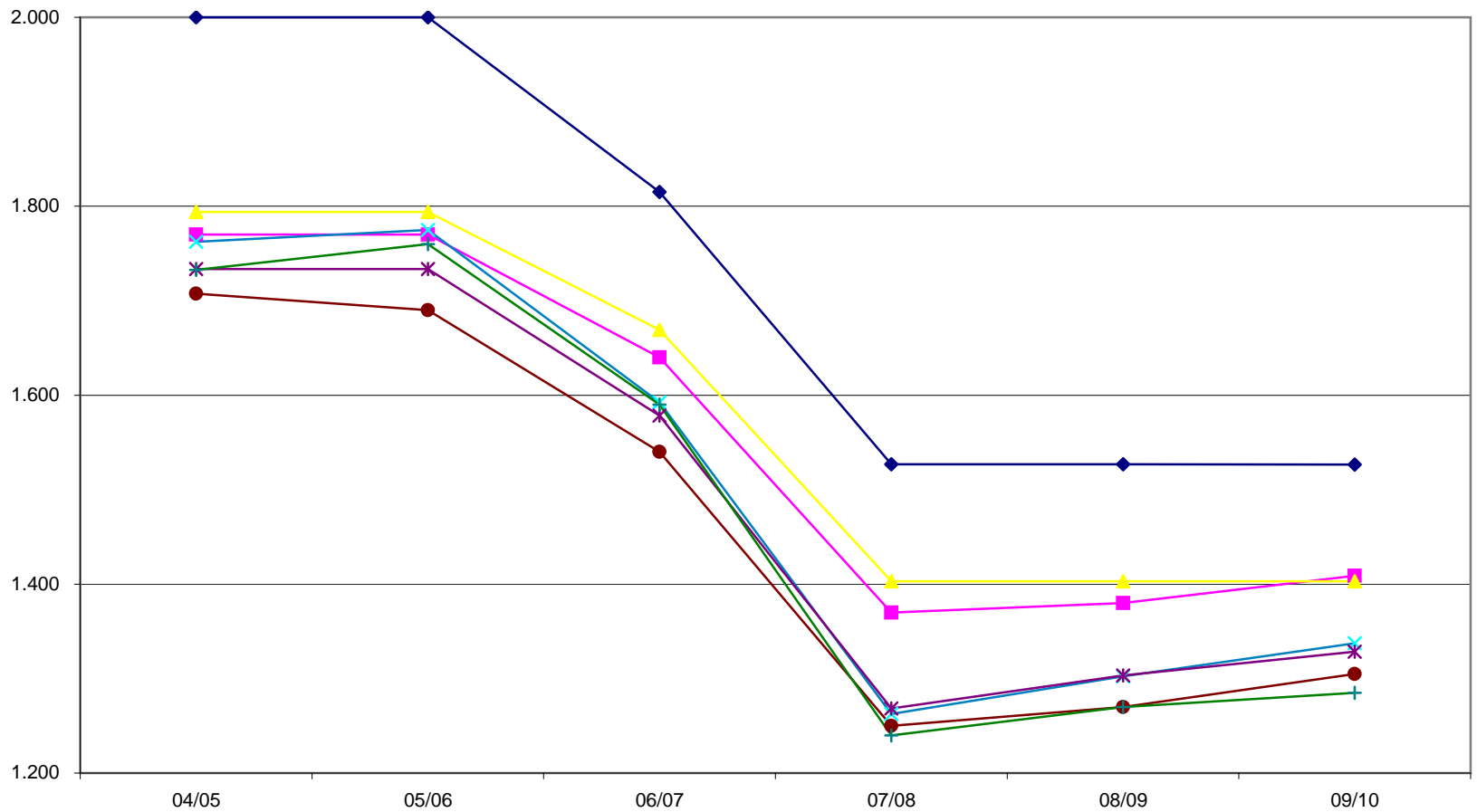
Sorted by Total Tax Rate

District	04/05	05/06	06/07	07/08	08/09	09/10
Katy	2.000	2.000	1.815	1.527	1.527	1.527
Lewisville	1.770	1.770	1.640	1.370	1.380	1.409
North East	1.794	1.794	1.669	1.403	1.403	1.403
Northside	1.763	1.775	1.593	1.263	1.303	1.338
Plano	1.733	1.733	1.578	1.268	1.303	1.328
Fort Bend	1.708	1.690	1.540	1.250	1.270	1.305
Conroe	1.733	1.760	1.590	1.240	1.270	1.285

Fort Bend Independent School District

Peer District Tax Rate Comparison

2004 to 2009



Fort Bend Independent School District
Proposed Teachers' Salary Schedule
2010-11

Step	2010-11
	Proposed Salary Schedule
0	44,500
1	44,500
2	45,440
3	46,093
4	47,033
5	47,548
6	48,166
7	48,681
8	48,887
9	49,484
10	50,007
11	50,947
12	51,136
13	51,575
14	52,162
15	52,633
16	53,336
17	54,026
18	54,971
19	55,911
20	56,606
21	57,339
22	58,071
23	58,822
24	59,578
25	60,113
26	60,869
27	61,349
28	62,105
29	62,862
30	63,215
31	63,970
32	64,759
33	65,298
34	66,253
35	67,220
36	68,211
37	69,151
38	69,460
39	69,770
40	70,533
41	71,341
42	71,587
43	72,118
44	72,649
45	73,182
46	73,713
47	74,246
48	74,777
49	75,308
50	75,841

EXTRA DUTY STIPENDS 2010-11		
HIGH SCHOOL EXTRA DUTY POSITIONS		
	Duty	Stipend
Academic Decathlon		\$3,000
Yearbook		\$1,550
Broadcasting		\$1,000
Cheerleader		\$3,233
Cheerleader - Junior Varsity		\$1,700
Drama		\$3,500
Drama/Speech		\$3,780
Drill Team		\$6,000
Drill Team Assistant		\$3,000
Choir - Head		\$5,160
Choir - Assistant		\$3,610
Band - Head		\$9,990
Band - Assistant		\$6,970
National Honor Society		\$900
Newspaper		\$1,425
1 Night Lab per AP section		\$816
Octathlon		\$1,500
Orchestra		\$5,920
Orchestra Assistant		\$2,960
PALS		\$750
Pep Squad		\$1,250
Speech/Debate		\$3,700
Speech/Debate Assistant		\$2,000
Student Council		\$1,125
Vocational Agriculture		\$600
Signing Bonus -- Science or Math Teacher		\$2,500
BOYS SPORTS - HIGH SCHOOL		
Football:		
	Assistant Head Coach	\$7,490
	Defensive Coordinator	\$7,000
	Offensive Coordinator	\$7,000
	Varsity Assistant	\$6,500
	Junior Varsity Head Coach	\$5,830
	Junior Varsity Assistant Coach	\$5,830
	Sophomore Head Coach	\$5,730
	Sophomore Assistant Coach	\$5,650
	Freshman Head Coach	\$5,690
	Freshman Assistant Coach	\$5,590
	Trainer	\$8,110
	Assistant Trainer	\$7,560
Basketball:		
	Head Coach	\$6,760
	Junior Varsity Coach	\$3,920
	Sophomore Coach	\$3,430
	Freshman Coach	\$2,400
Track:		
	Head Coach	\$4,110
	Assistant Coach	\$2,320
	Cross Country	\$2,700
Baseball:		
	Head Coach	\$4,020
	Assistant Coach	\$3,000
	Junior Varsity Coach	\$2,800
	Sophomore Coach	\$2,225
Soccer:		
	Head Coach	\$4,600
	Junior Varsity Coach	\$3,150
	Freshman Coach	\$1,500

OTHER SPORTS OR DUTIES - HIGH SCHOOL		
Program Coordinator		\$2,000
Swim Coach, Assistant		\$2,670
Tennis (Boys & Girls)		\$5,200
Golf (Boys & Girls)		\$3,690
Swimming (Boys & Girls)		\$5,000
Tennis (Spring Semester)		\$2,780
Tennis, Assistant (per year)		\$1,920
Tennis, Assistant (per semester)		\$960
UIL DUTIES - HIGH SCHOOL ONLY		
UIL Campus Coordinator		\$500
UIL Coach - 1st Event		\$300
UIL Coach - Additional Events		\$100
UIL Events: Accounting, Calculator App., Computer Science, Science, Computer App.		
Current Issues, Lit Criticism, Ready Writing, Math, Num Sense, Spelling/Vocab, Soc Stud		
GIRLS SPORTS - HIGH SCHOOL		
Volleyball:	Head Coach	\$6,060
	Junior Varsity Coach	\$3,940
	Freshman Coach	\$3,630
Track:	Head Coach	\$3,480
	Assistant Coach	\$2,530
	Assistant Cross Country	\$2,530
Basketball:	Head Coach	\$6,490
	Junior Varsity Coach	\$3,920
	Freshman Coach	\$2,400
Soccer:	Head Coach	\$4,600
	Junior Varsity Coach	\$3,150
	Freshman Coach	\$1,500
Softball:	Head Coach	\$3,600
	Assistant Coach	\$2,400
	Junior Varsity Coach	\$2,050
MIDDLE SCHOOL EXTRA DUTY POSITIONS		
Academic Pentathlon		\$500
Yearbook/Newspaper		\$750
Cheerleader		\$1,550
Choir - Head		\$3,000
Choir - Assistant		\$1,000
Band - Head		\$5,500
Band - Assistant		\$3,500
National Honor Society		\$600
Orchestra		\$3,560
Dance		\$700
Pep Squad		\$525
Theatre		\$1,500
Speech		\$500
Student Council		\$500
Math Counts		\$2,000
BOYS SPORTS - MIDDLE SCHOOL		
Football:	Head Coach (one at 7th and 8th)	\$3,880
	Assistant Coach (one at 7th and 8th)	\$3,730
Basketball:	Head Coach (one at 7th and 8th)	\$2,150
	Assistant Coach (one at 7th and 8th)	\$2,150
Track		\$1,800
OTHER SPORTS OR DUTIES - MIDDLE SCHOOL		
Program Coordinator		\$800
Tennis (Boys & Girls)		\$900
Tennis (Boys or Girls)		\$800

GIRLS SPORTS - MIDDLE SCHOOL		
Basketball:	Head Coach (one at 7th & 8th)	\$2,150
	Assistant Coach (one at 7th & 8th)	\$2,150
Track		\$1,800
Volleyball:	Head Coach (one at 7th & 8th)	\$2,000
ELEMENTARY EXTRA DUTY POSITIONS		
Team Leader		\$1,000
Safety Patrol		\$500
Student Council		\$500
Choir		\$500
OTHER DUTIES/STIPENDS ASSIGNED		
Department Head High School		\$3,000
Addition to HS Department Head Stipend amount based upon number of teachers		Varies
Department Head Middle School		\$2,500
Addition to MS Department Head Stipend amount based upon number of teachers		Varies
Masters Degree		\$1,100
Doctorate		\$2,200
Grandfathered Masters		\$1,675
Grandfathered Doctorate		\$2,400
Grandfathered Career Ladder		\$1500 - \$3000
Grandfathered Dept. Head/Team Leader		Varies
Band Facilitator		\$2,000
Bilingual Teacher Stipend (Elem. Only)		\$2,500
Arts Facilitator		\$3,000
Lead Counselor (High School Only)		\$2,000
Lead Nurse		\$2,000
Academic Team Leader (Administration)		\$5,000
K-9 Police Officer		\$1,200
DATE Grant		Varies
Teacher of the Year		\$100-\$1,000
TRS Stipend toward insurance benefits (before 2004)		\$1,000
No TRS		Varies
No TRS Deducted		Varies
Administrator Mentor Liaison Stipend for Project Invest		\$1,325
National Board Certification Stipend		\$1,000
National Board Service Stipend		\$1,000
Signing Bonus -- Speech Pathologist		\$1,500
Speech Path Lead		\$5,000
Speech Path 187 Days		\$4,000
Speech Path 210 Days		\$4,500
Speech Path 4-day Week		\$3,200
Speech Path Retention Bonus (every 2 years)		\$1,500
Chief Information Officer (Four \$5,000 bonus incentives based upon performance objectives)		\$0-\$20,000
Student Leadership Program Coordinator		\$4,000
Brazoria-Fort Bend Regional Day School Program for the Deaf		
Speech Pathologists		
Speech Pathologist		\$1,500
ASHA Certification		\$2,000
Sign Language Skills		\$1,500
Audiologists		
Audiologist		\$1,500
ASHA Certification		\$2,000
Interpreter/Aides		
Level 1 Certification		\$2,000
Level 2 Certification		\$2,500
Level 3 Certification		\$3,000

Fort Bend Independent School District

Expenditures

2010-11

General Fund (199)

Proposed Expenditures \$488,405,505

	Instruction	Other	Total
Per student	\$4,568	\$2,441	\$7,009
Percent allocated to instruction *	65.17%	34.83%	

Percent allocated to personnel 86.82%

Debt Service Fund (500)

Proposed Expenditures \$71,405,810

Child Nutrition Fund (240)

Proposed Expenditures \$24,816,133

* Percent allocated to instruction includes functions 11, 12, and 13 defined by State.

Fort Bend Independent School District

2010-2011 Proposed Budget

General Fund

	2010-2011 Proposed Budget			2009-2010 Estimated Actual (12 Months)		
	Proposed Budget	Percent of Total	Cost Per Student	Estimated Actual	Percent of Total	Cost Per Student
By Function						
Instruction (11)	\$ 304,639,876	62.37%	\$ 4,372	\$ 318,873,099	62.96%	\$ 4,602
Instructional Resources & Media Services (12)	8,284,615	1.70%	119	8,395,841	1.66%	121
Curriculum & Instructional Staff Development (13)	5,387,327	1.10%	77	5,376,416	1.06%	78
Instructional Leadership (21)	5,693,276	1.17%	82	5,760,235	1.14%	83
School Leadership (23)	28,226,079	5.78%	405	29,565,645	5.84%	427
Guidance/Counseling/Evaluation Services (31)	20,296,954	4.16%	291	20,727,784	4.09%	299
Social Work Services (32)	594,960	0.12%	9	647,487	0.13%	9
Health Services (33)	5,463,593	1.12%	78	5,564,720	1.10%	80
Student Transportation (34)	15,833,513	3.24%	227	16,085,640	3.18%	232
Extracurricular Activities (36)	8,138,658	1.67%	117	8,175,342	1.61%	118
General Administration (41)	10,684,709	2.19%	153	11,542,853	2.28%	167
Plant Maintenance & Operations (51)	53,582,951	10.97%	769	54,010,279	10.66%	780
Security and Monitoring Services (52)	4,425,451	0.91%	64	4,358,539	0.86%	63
Data Processing Services (53)	7,996,529	1.64%	115	7,540,037	1.49%	109
Community Services (61)	6,852,938	1.40%	98	7,718,668	1.52%	111
Debt Service (71)	55,112	0.01%	1	108,907	0.02%	2
Facilities Acquisition & Construction (81)	415,010	0.08%	6	67,410	0.01%	1
Intergovernmental Charges (93)	483,000	0.10%	7	450,000	0.09%	6
Other Intergovernmental Charges (99)	1,350,954	0.28%	19	1,500,954	0.30%	22
Total	\$ 488,405,505	100.00%	\$ 7,009	\$ 506,469,856	100.00%	\$ 7,310
By Object						
Payroll Costs (6100)	\$ 424,035,358	86.82%	\$ 6,085	\$ 443,388,793	87.55%	\$ 6,399
Professional & Contract Services (6200)	37,028,400	7.58%	531	36,649,751	7.24%	529
Supplies & Materials (6300)	18,474,599	3.78%	265	18,457,978	3.64%	266
Other Operating Costs (6400)	8,459,173	1.73%	121	7,836,726	1.55%	113
Debt Service (6500)	44,647	0.01%	1	108,907	0.02%	2
Capital Outlay (6600)	363,328	0.07%	5	27,700	0.01%	0
Total	\$ 488,405,505	100.00%	\$ 7,009	\$ 506,469,855	100.00%	\$ 7,310
By Functional Groups						
Instructional (11, 12, 13)	\$ 318,311,818	65.17%	\$ 4,568	\$ 332,645,356	65.68%	\$ 4,801
Instructional Support (21, 23, 31, 32, 33, 36, 61)	75,266,458	15.41%	1,080	78,159,881	15.43%	1,128
Central Administration (41)	10,684,709	2.19%	153	11,542,853	2.28%	167
District Operations (34, 51, 52, 53, 81, 93, 99)	84,087,408	17.22%	1,207	84,012,859	16.59%	1,213
Debt Services (71)	55,112	0.01%	1	108,907	0.02%	2
Total	\$ 488,405,505	100.00%	\$ 7,009	\$ 506,469,856	100.00%	\$ 7,310

Cost per Student in 2010-11 is based on projected enrollment of 69,687

Cost per Student in 2009-10 is based on enrollment of 69,286 as of May 09, 2010

Fort Bend Independent School District

Expenditures Sorted by Function and Major Object

General Fund

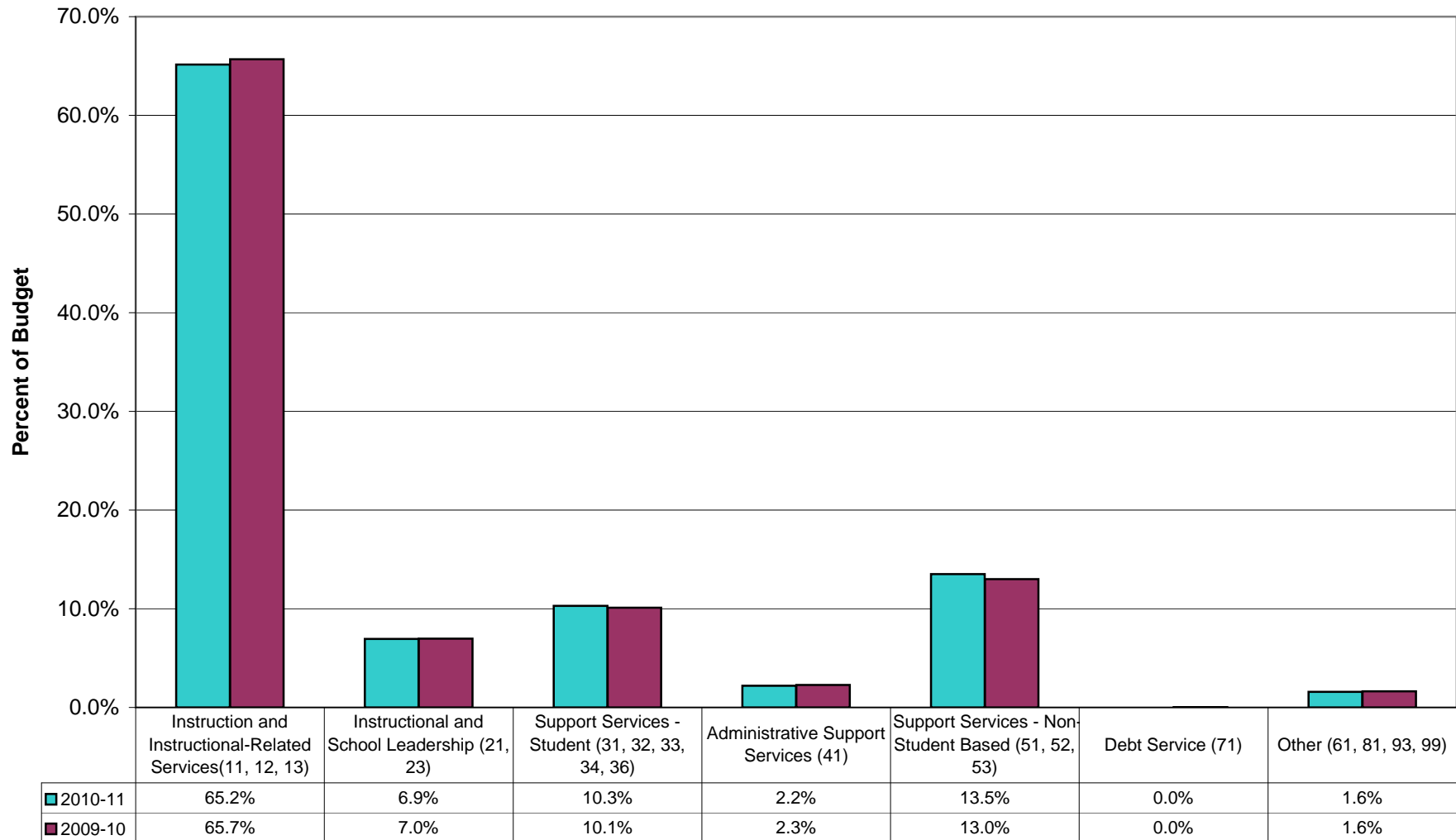
2010-11

Function	Payroll Costs 6100	Professional & Contracted Services 6200	Supplies & Materials 6300	Other Operating Costs 6400	Debt Service 6500	Capital Outlay 6600	Total	Percent of Budget
Instruction (11)	\$ 292,684,270	\$ 2,899,318	\$ 7,798,564	\$ 1,138,436	\$ -	\$ 119,288	\$ 304,639,876	62.4%
Instructional Resources & Media Services (12)	7,088,048	132,302	1,052,214	12,051	-	-	8,284,615	1.7%
Curriculum & Instructional Staff Development (13)	3,000,688	1,171,708	359,268	855,663	-	-	5,387,327	1.1%
Instructional Leadership (21)	5,235,301	48,994	236,689	172,292	-	-	5,693,276	1.2%
School Leadership (23)	27,376,757	348,642	187,207	313,473	-	-	28,226,079	5.8%
Guidance/Counseling/Evaluation Services (31)	19,180,148	294,066	710,297	112,443	-	-	20,296,954	4.2%
Social Work Services (32)	540,155	43,000	2,825	8,980	-	-	594,960	0.1%
Health Services (33)	5,296,160	11,184	133,499	22,750	-	-	5,463,593	1.1%
Student Transportation (34)	12,525,540	334,812	2,540,740	432,421	-	-	15,833,513	3.2%
Extracurricular Activities (36)	5,059,778	633,302	1,101,508	1,344,070	-	-	8,138,658	1.7%
General Administration (41)	7,668,289	1,317,682	481,674	1,214,064	-	3,000	10,684,709	2.2%
Plant Maintenance & Operations (51)	24,928,486	24,926,545	2,484,200	1,233,720	-	10,000	53,582,951	11.0%
Security and Monitoring Services (52)	3,845,845	100,422	223,664	99,480	-	156,040	4,425,451	0.9%
Data Processing Services (53)	4,466,793	2,655,694	792,042	82,000	-	-	7,996,529	1.6%
Community Services (61)	5,139,100	386,050	331,958	920,830	-	75,000	6,852,938	1.4%
Debt Service (71)	-	10,465	-	-	44,647	-	55,112	0.0%
Facilities Acquisition & Construction (81)	-	363,260	38,250	13,500	-	-	415,010	0.1%
Intergovernmental Charges (93)	-	-	-	483,000	-	-	483,000	0.1%
Other Intergovernmental Charges (99)	-	1,350,954	-	-	-	-	1,350,954	0.3%
Total	\$ 424,035,358	\$ 37,028,400	\$ 18,474,599	\$ 8,459,173	\$ 44,647	\$ 363,328	\$ 488,405,505	100.0%
<i>Percentage</i>	86.8%	7.6%	3.8%	1.7%	0.0%	0.1%	100.0%	

Fort Bend Independent School District

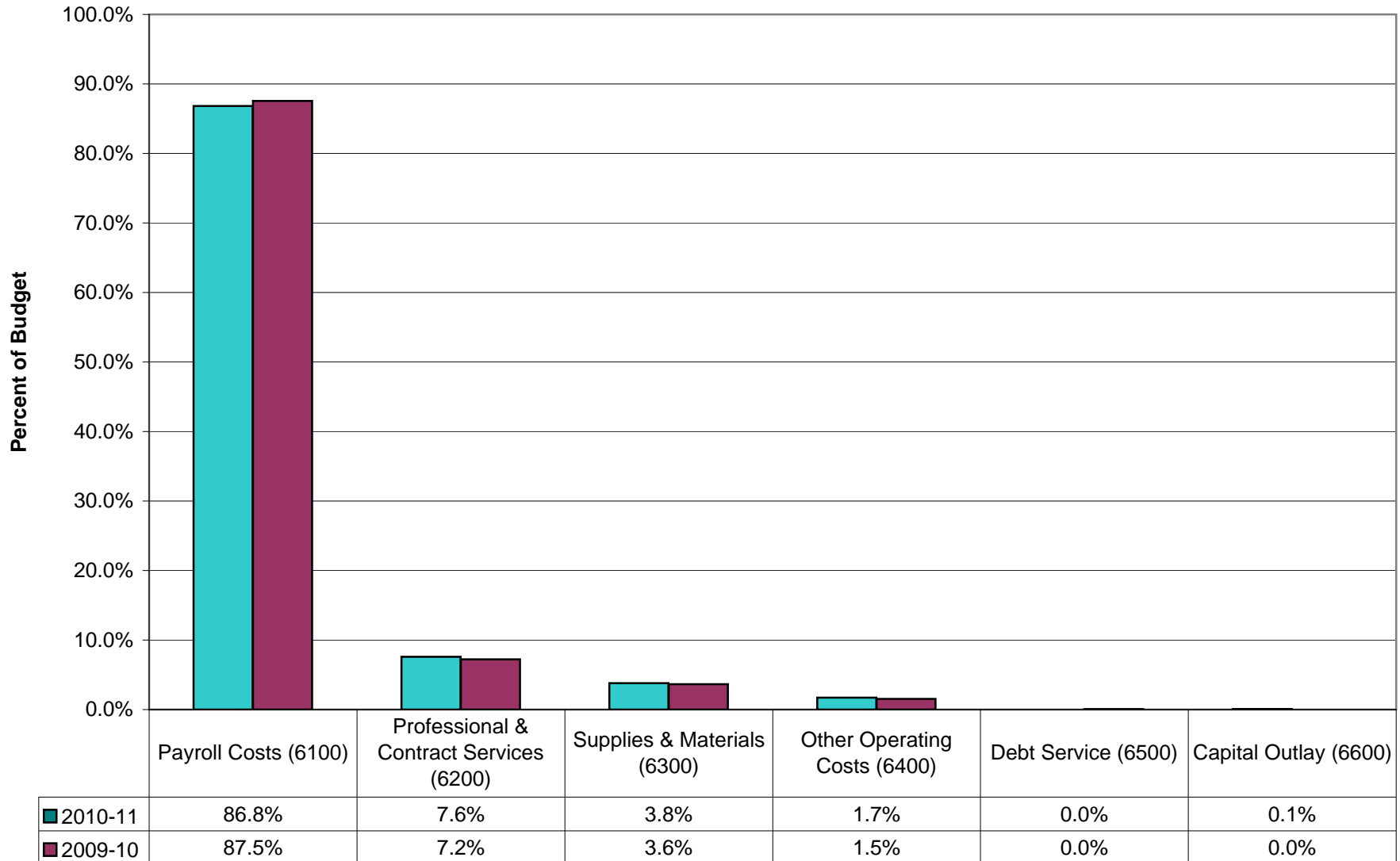
Expenditures by Function

General Fund



Expenditures by Major Object

General Fund



Fund Codes

School district accounting systems are organized on a fund basis. A fund is an accounting entity with a self balancing set of accounts recording financial resources and liabilities.

Fund Number	Fund Type	Description	Source of Revenue	Budget Approved
199	General	The primary operating fund to account for all transactions not properly includable in other funds	Local tax levy, State, Federal	Annually by June 30
200-379	Special Revenue	To account for the proceeds from specific federal revenue sources that are legally restricted to expenditures for specific purposes	Federal	Multi-year project basis
240	Child Nutrition	For the operation of Child Nutrition program	Meal sales, State, Federal	Annually by June 30
380-459	Special Revenue	To account for the proceeds from specific state revenue sources that are legally restricted to expenditures for specific purposes	State	Multi-year project basis
411	Technology Allotment	For funds awarded to purchase technological software or equipment, and staff development	State allocation of \$30 per ADA	Annually
460-499	Special Revenue	For local resources restricted to, or designated for specific purposes by a grantor	Local	Multi-year project basis
461	Student Activity	To account for transactions related to a principal's fund if the monies generated are not subject to recall by the school district's board of trustees in the General Fund; funds received by the campuses that must be used for campus improvement activities	Fundraisers, beverage and snack sales, parking lot permits, etc.	Annually
500-599	Debt Service	To account for general long-term debt principal and interest for debt issues	Local tax levy, State EDA and IFA	Annually by June 30
600-699	Capital Projects	To account for projects financed by bond proceeds	Sale of voter authorized bonds	Periodic when Schoolhouse bonds are sold

Function Codes

A function represents a general operational area in a school district and groups together related activities. Most school districts use all of the functions in the process of educating students or organizing the resources to educate students. For example, in order to provide the appropriate atmosphere for learning, school districts transport students to school, teach students, feed students and provide health services. Each of these activities is a function.

10. Instruction and Instructional-Related Services

11 - Instruction Includes expenditures for direct classroom instruction and other activities that deliver, enhance or direct the delivery of learning situations to students.

12 - Instructional Resources & Media Services Includes expenditures that are directly used for resource centers and establishing and maintaining libraries.

13 - Curriculum Development & Instructional Staff Development Includes expenditures that are used to aid instructional staff in planning, developing and evaluating curriculum and expenses for inservice training and instructional staff development.

20. Instructional and School Leadership

21 - Instructional Leadership Expenditures directly used for managing, directing, supervising and providing leadership for staff who provide general and specific instructional services.

23 - School Leadership Expenditures by the campus principal and assistant principal that are used to direct and manage a school campus.

30. Support Services – Student (Pupil)

31 - Guidance/Counseling/Evaluation Services Includes expenditures used for assessing and testing students' abilities, aptitudes and interests and counseling students with respect to career and educational opportunities.

32 - Social Work Services Includes expenditures for investigating and diagnosing student social needs arising out of the home, school or community.

33 - Health Services Expenditures directly used for providing physical health services including appropriate medical, dental and nursing services.

34 - Student Transportation Expenditures incurred for transporting students to and from school.

35 - Food Services Includes expenditures for the cost of food, labor, and other related expenses necessary for the preparation, transportation and storage of food offered to students and staff.

36 - Extracurricular Activities Expenditures for school-sponsored activities during or after the school day that are not essential to the delivery of instructional services but enhance the curriculum.

40. Administrative Support Services

41 - General Administration Expenditures incurred for purposes of managing or governing the school district as an overall entity.

50. Support Services – Non-Student Based

51 - Plant Maintenance & Operations Expenditures for activities to keep the physical plant and grounds open, clean, comfortable and in effective working condition and state of repair.

52 – Security & Monitoring Services Includes expenditures 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.

53 - Data Processing Services Expenditures for data processing services whether in-house or contracted.

60. Ancillary Services

61 - Community Services Expenditures that are for activities other than regular public education including services relating to the whole community or some segment of the community.

70. Debt Service

71 - Debt Service Expenditures that are for the retirement of recurring bond, capital lease principal and other debt, related debt service fees, and for all debt interest expense.

80. Capital Outlay

81 - Facilities Acquisition & Construction Includes expenditures for acquiring, equipping, and/or making additions to real property and sites.

90. Intergovernmental Charges

93 - Payments to Fiscal Agent/Member Districts of Shared Services Arrangements This function code is used for expenditures that are for (1) payments from a member district to a fiscal agent of a shared services arrangement, or, (2) payments from a fiscal agent to a member district of a shared services arrangement.

99 – Expenditures that are used for obtaining instructional services from another public school for graded levels not served in a school district under Section 25.039TEC This function code is used for expenditures that are for (1) salaries and related expenditures including tuition, to obtain instructional services form another school district for grade levels not provided by the sending school district, (2) amounts paid to other governmental entities such as county appraisal districts for costs related to the appraisal of property..

Object Codes

Expenditures are classified by the major object classes according to the types of items purchased or services obtained.

6100 Payroll Costs

This major classification includes the gross salaries or wages and benefit costs for employee services. Employee benefits include Employee Incentive Plan, Medicare, group health & life insurance, workers' compensation, unemployment compensation, Teacher Retirement/TRS Care, etc.

6200 Professional and Contracted Services

This is used to record expenditures for services rendered to the school district by firms, individuals and other organizations. Professional and contracted services include legal, audit and tax collection services, tuition and related fees, educational service center services, repairs, utilities, rentals, etc.

6300 Supplies and Materials

This includes all expenditures for supplies and materials. Supplies and materials include fuels, supplies for maintenance and operations, textbooks, reading and testing materials, food for Food Service, computer hardware and software, and general supplies.

6400 Other Operating Costs

This is used to classify expenditures for items other than Payroll costs, Professional and Contracted Services, Supplies and Materials, Debt Services and Capital Outlay that are necessary for the operation of the school district. Other operating costs include travel, insurance, fees and dues, awards, graduation expenses, etc.

6500 Debt Service

This major classification includes all expenditures for debt service-bond principal & interest, capital lease principal & interest, note principal & interest, and other related fees.

6600 Capital Outlay

This is used to classify expenditures for fixed assets, which include land and improvement, buildings and equipment having a per-unit cost of \$5,000 or more, and a useful life of more than one year. Capital outlay includes architectural and engineering services, vehicles, computer hardware and software, furniture, equipment and library books, etc.