



2018 Capital Plan Update Board Workshop August 6, 2018

Historical Perspective:

- Bond failed in May 2003 and then passed that November
- Successful election in 2007 followed by:
 - Downturn in economy and slower growth
 - Turnover in District administration and Board of Trustees
- Capital Plan created in 2013 with \$1 billion of needs identified
- Bond 2014 for \$484 million was passed
 - No tax rate increase
 - Goal to keep bond under \$500 million
 - Work to restore trust between community, Board, and administration

Bond 2018 Recommendation:

- November 6, 2018 Election
- \$992.6 million bond plan
- Projected tax rate of \$1.35
 - 3 pennies higher than current tax rate \$1.32
 - 1 penny higher than 2016 tax rate \$1.34
- Three year plan with Phase 2 election in 2021

Why is this plan essential to the success of Fort Bend ISD?

- Supports the Profile of a Graduate
 - Increased safety and security
 - Updated Education Specifications by level
 - Modernized technology

- Invests in aging facilities (average age of current facilities is 25 years)
 - FBISD has underinvested in facilities

- Addresses expected enrollment growth

Profile of a Graduate

A Fort Bend ISD Graduate has a rigorous academic foundation, strong character, and is

- ...equipped with skills for life.
- ...a servant leader.
- ...an effective communicator.
- ...a critical thinker.
- ...a compassionate citizen.
- ...a collaborative team member.
- ...a life-long learner.





2018 CAPITAL PLAN SUMMARY

INSPIRE **EQUIP** IMAGINE

Description (\$Millions)	Phase 1 2018	Phase 2 2021	2018 Capital Plan
New Construction	\$ 324.0	\$ 187.0	\$ 511.0
Building Modernization Rebuild	65.0	-	65.0
Classroom Additions	14.4	-	14.4
Natatorium	-	14.0	14.0
New Bus Terminal	-	14.3	14.3
Sub-Total New Construction	403.4	215.3	618.7
Life Cycle Deficiencies & Educational Adequacy	396.5	429.8	826.2
Construction Total	799.9	645.1	1,444.9
Special Education Security Cameras	1.3	1.3	2.5
Door Locks	1.2	-	1.2
Security Cameras Storage	2.6	2.6	5.2
Window Film	4.0	1.0	5.0
Student ID System	3.0	-	3.0
Fencing	1.3	1.3	2.6
Police Vehicles	1.6	0.3	1.9
Safety and Security Total	14.9	6.4	21.4



2018 CAPITAL PLAN SUMMARY (Cont.)

Description (\$Millions)	Phase 1 2018	Phase 2 2021	2018 Capital Plan
Buses & Other Vehicles	8.8	8.8	17.7
District-Wide White Fleet	1.7	1.7	3.4
Transportation Total	10.6	10.6	21.1
Classroom Toolset	94.0	-	94.0
Systems	7.3	31.0	38.3
Infrastructure	24.3	-	24.3
Staff Computer Refresh	11.3	-	11.3
Network Infrastructure	3.7	4.9	8.6
Campus Audio/Video	2.0	0.1	2.2
Technology Total	142.6	36.0	178.6
Land	19.7	2.4	22.1
Bond Program Contingency	5.0	5.0	10.0
Summary Total	\$ 992.6	\$ 705.6	\$ 1,698.1

Phase 1 Bond Distribution - \$992.6M

PROJECT	<i>(\$millions)</i>
<p>New Construction, Rebuilds & Additions</p> <ul style="list-style-type: none"> • Construction of three Elementary Campuses • Design of one Middle School Campus • Construction of one High School Campus • Rebuild Lakeview and Meadows • Additions at Neill and Madden 	\$403.4
<p>Technology</p> <ul style="list-style-type: none"> • Classroom toolset • Infrastructure 	\$142.9
<p>Building Envelope & Mechanical</p> <ul style="list-style-type: none"> • HVAC • Roof • Windows • Canopy Walkways 	\$135.6



Phase 1 Bond Distribution - \$992.6M

PROJECT	<i>(\$millions)</i>
Building and Grounds <ul style="list-style-type: none"> • Structural • Restroom Renovations • Special Education Renovations • Playgrounds 	\$64.9
Fine Arts <ul style="list-style-type: none"> • Auditorium & Suite Renovations • Lighting, Audio/Visual • Stage Curtains • Instruments 	\$68.6
Athletics <ul style="list-style-type: none"> • Locker Room Renovations • Tennis Court Renovations • Middle School 4-lane Track • High School Turf • Bleachers • Scoreboards 	\$49.8

Phase 1 Bond Distribution - \$992.6M

PROJECT	<i>(\$millions)</i>
Civil, Mechanical, Electrical & Plumbing <ul style="list-style-type: none"> • Site Drainage • Electrical Gear & Distribution • Water Heaters • Drinking Fountains • Site Paving 	\$28.9
Land <ul style="list-style-type: none"> • Future Site Acquisitions 	\$19.7
Safety & Security – Building Systems <ul style="list-style-type: none"> • Intrusion Alarms • Fire Alarm Systems & Fire Sprinklers 	\$18.2
Child Nutrition <ul style="list-style-type: none"> • Kitchen Renovations & Expansions 	\$16.8



Phase 1 Bond Distribution - \$992.6M

PROJECT	<i>(\$millions)</i>
Safety & Security <ul style="list-style-type: none"> • Special Education Cameras • Door Locks • Window Film • Fencing 	\$14.9
Furniture, Fixtures & Equipment	\$13.4
Transportation <ul style="list-style-type: none"> • New Buses • District White Fleet 	\$10.6
Program Contingency	\$5.0

Construction Detail

New Construction, Rebuild, Additions & Other

July 2018 to September 2024	YR. Needed	Phase 1	Phase 2
Elementary School 51 - Northwest	2019	\$46,000,000	
Elementary School 52 - Fort Bend Tollway	2021	\$45,000,000	
Elementary School 53 - Riverstone/or Additions to CWE, APE,SWE	2021	\$45,000,000	
Elementary School 54 - Southeast	2024		\$47,000,000
Elementary School 55 - Southeast	2024		\$53,000,000
Middle School 16 - Southeast	2023	\$10,000,000	\$87,000,000
High School 12 - Southeast	2024	\$178,000,000	
Rebuild LVE and ME	LVE 2022	\$65,000,000	
	ME 2021		
School Additions - JNE & CVME	JNE 2020	\$14,400,000	
	CVME 2022		
Natatorium	TBD		\$14,000,000
Bus Terminal	TBD		\$14,300,000
Subtotal:		\$403,400,000	\$215,300,000

Safety and Security Detail

July 2018 to September 2024	Phase 1	Phase 2
Fencing around portable classrooms	\$1,250,000	\$1,250,000
Door Locks	\$1,200,000	
Student/Staff ID System	\$3,000,000	
Special Education Security Cameras	\$1,250,000	\$1,250,000
Security Camera Storage	\$2,600,000	\$2,600,000
Window Film	\$4,000,000	\$1,000,000
Police Vehicles	\$1,600,000	\$300,000
Subtotal:	\$14,900,000	\$6,400,000



Safety and Security – Not Bond Related

Non-Bond Related Safety and Security Needs:

- Operations Center
- Threat Management Program
- Incident Reporting Platform for Students / Staff
- Facial Recognition Software
- Training for Students and Staff
 - Avoid, Deny, Defend training, and Security, Awareness and Vigilance training
 - Standard Response Protocol training
 - Citizen Response to Active Shooter Training (CRASE)
- School Marshal Program
- Additional Police Officer Positions



Facility Assessment Highlights

	Phase 1 2018	Phase 2 2021	TOTAL
Current Deficiencies & Life Cycle	\$310,545,407	\$228,261,098	\$538,806,505
Educational Adequacy	\$85,909,610	\$201,522,904	\$287,432,514
TOTAL	\$396,455,017	\$429,784,002	\$826,239,019



Facilities Deficiencies & Life Cycle

	Phase 1 2018	Phase 2 2021	TOTAL
Building Envelope	\$93,566,025	\$15,943,067	\$109,509,092
Architecture	\$58,747,864	\$93,521,842	\$152,269,706
Mechanical	\$42,054,537	\$334,883	\$42,389,420
Athletics	\$32,669,059	\$40,947,728	\$73,616,787
Fine Arts	\$19,260,586	\$15,032,835	\$34,293,421
Life Safety & Security	\$18,216,013	\$3,150,923	\$21,366,936
Child Nutrition	\$16,815,799	\$335,888	\$17,151,687
Plumbing	\$11,734,345	\$606,307	\$12,340,652
Civil	\$10,697,273	\$48,835,141	\$59,532,414
Electrical	\$6,516,140	\$9,232,484	\$15,748,624
Technology	\$267,768	\$320,000	\$587,768
TOTAL	\$310,545,407	\$228,261,098	\$538,806,505



Educational Adequacy

	Phase 1 2018	Phase 2 2021	TOTAL
Fine Arts	\$49,260,179	\$101,591,857	\$150,852,036
Athletics	\$17,073,540	\$45,180,342	\$62,253,882
Furniture, Fixtures & Equipment	\$13,378,986	\$32,383,657	\$45,762,643
Architecture	\$6,196,905	\$22,367,048	\$28,563,953
TOTAL	\$85,909,610	\$201,522,904	\$287,432,514

Proposed Performance Contracting

	Phase 1 2018	Phase 2 2021	TOTAL
Exterior LED Lighting Upgrades	\$3,920,255	\$2,269,243	\$6,189,498
Interior LED Lighting Upgrades	\$0	\$9,165,508	\$9,165,508
Solar Initiatives - TBD			
HVAC Systems - TBD			
TOTAL	\$3,920,255	\$11,434,751	\$15,355,006

*Exterior LED lighting upgrades: Phase 1 - 33 Campuses, Phase 2 - 16 Campuses

*Interior LED lighting upgrades: Phase 2 - 13 Campuses

New Construction Cost Data

FBISD 2018 Estimated Cost/SF

- Elementary School \$237/SF
- Middle School \$250/SF
- High School \$265/SF

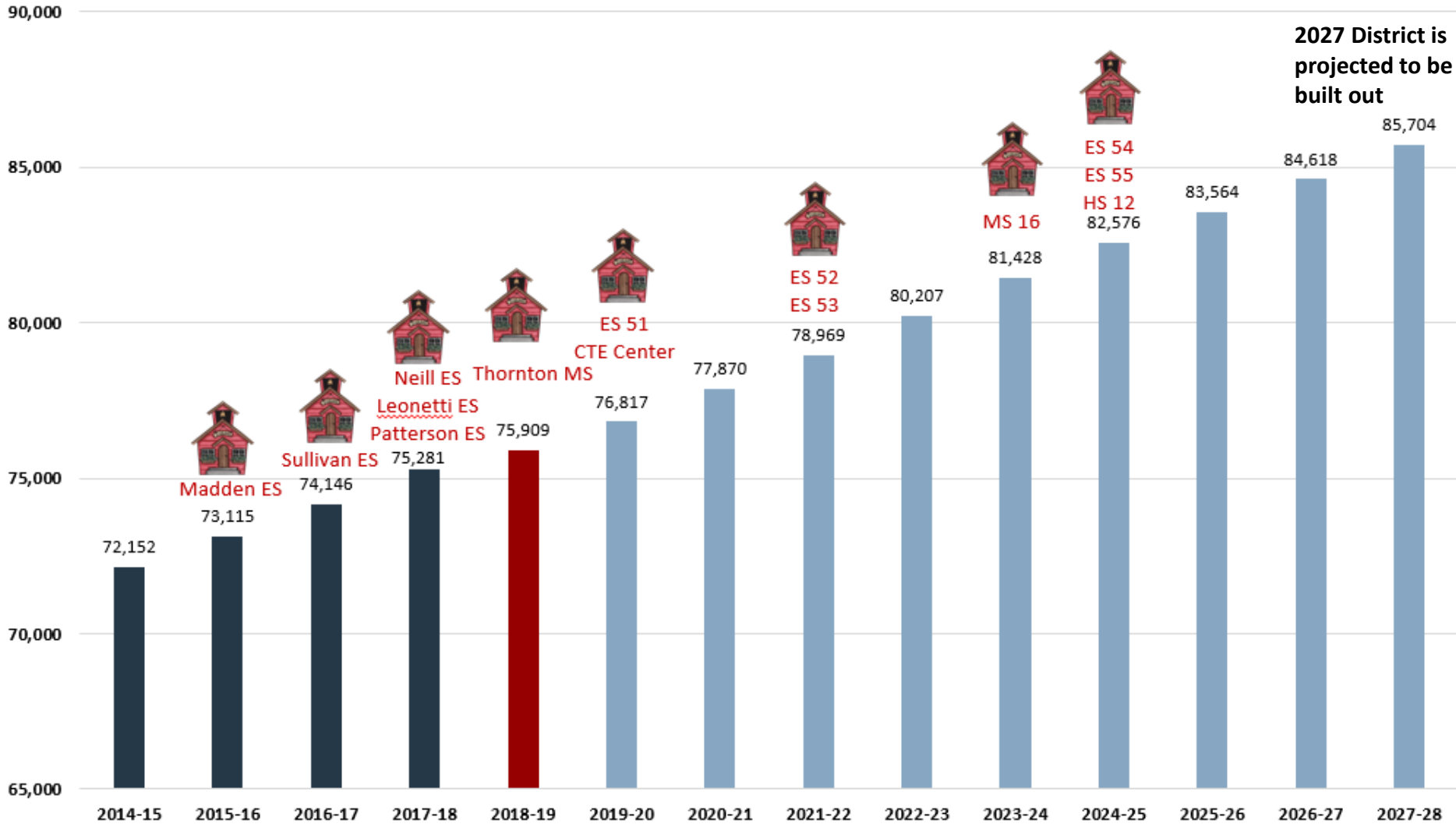
Cost Comparison Data

Elementary \$237/SF	Middle School \$250/SF	High School \$265/SF
Humble ES #28 \$243/SF Humble ISD	Dean Leaman JH \$245/SF Lamar CISD	Grand Oaks HS \$299/SF Conroe ISD
Lamar ES #24 \$246/SF Lamar CISD	Humble MS #9 \$259/SF Humble ISD	Energy Institute HS \$275/SF Houston ISD
Carter ES \$229/SF Lamar CISD	Kranz JH \$241/SF Dickinson ISD	Katy HS #8 \$268/SF Katy ISD



Recent and Expected Enrollment Growth

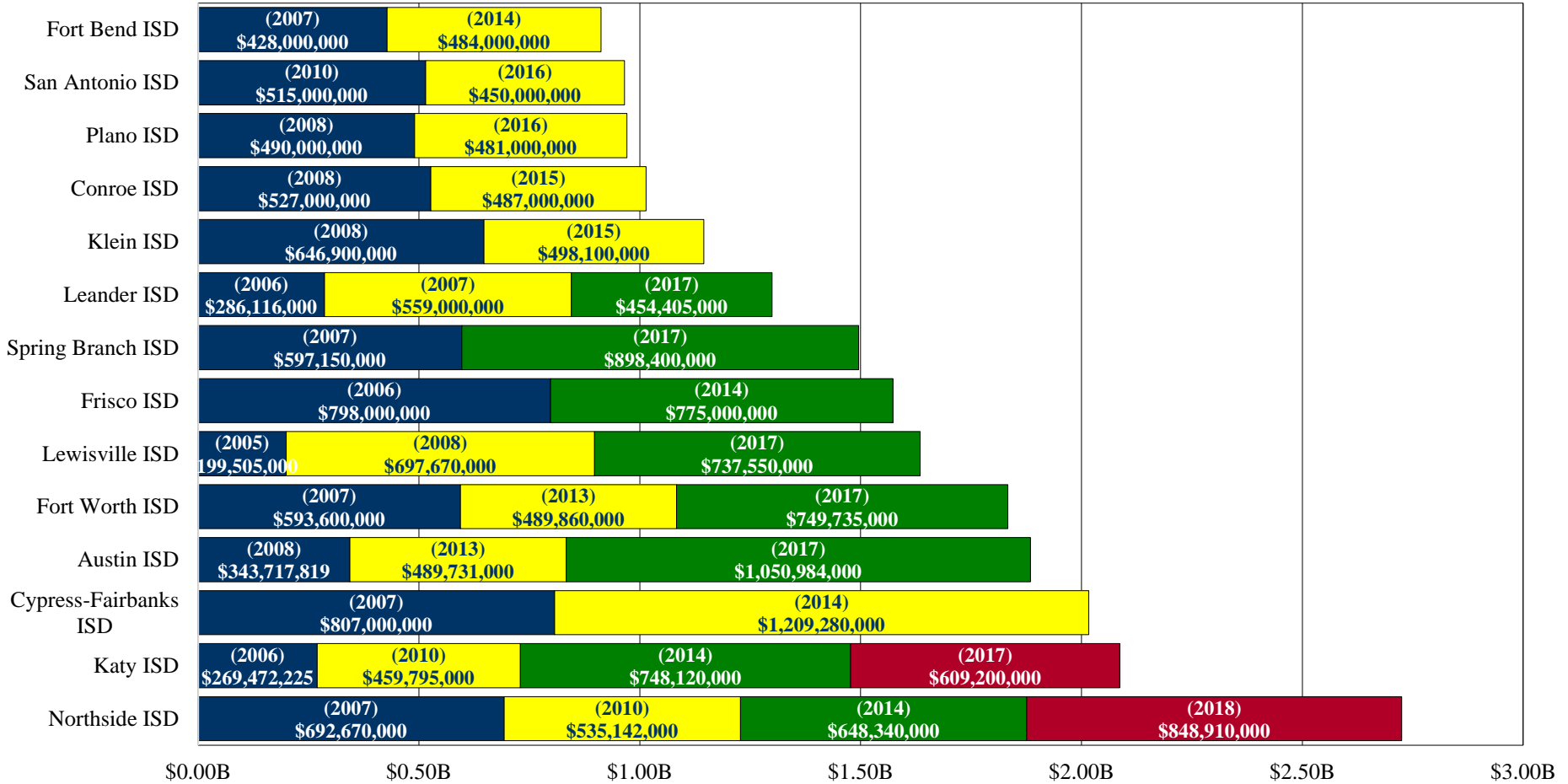
Enrollment History and Projections 2014-2028





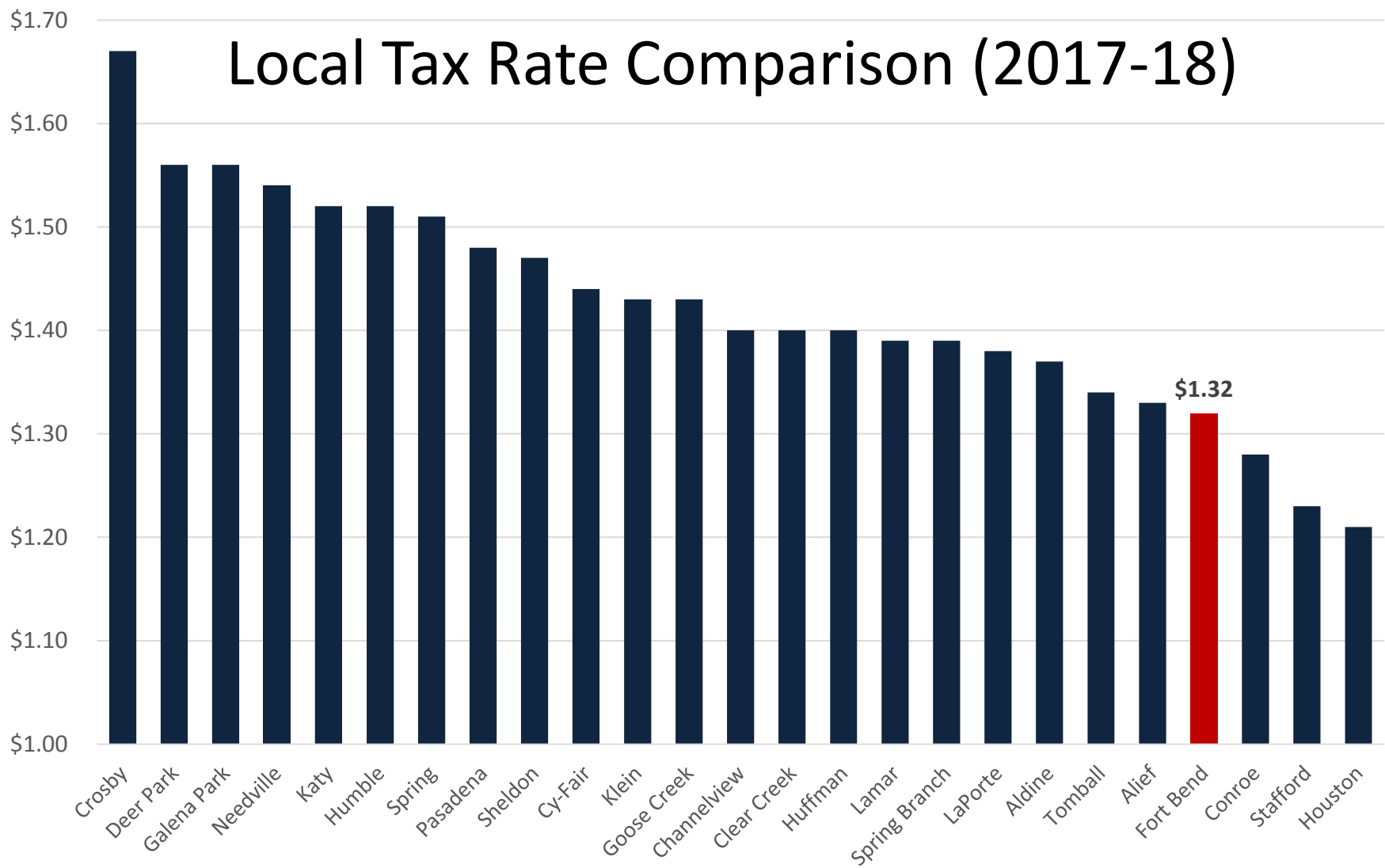
FBI SD UNDER INVESTING IN CURRENT FACILITIES

Successful Bond Elections (2005-2018)





Local Tax Rate Comparison (2017-18)



Source: FBISD Finance

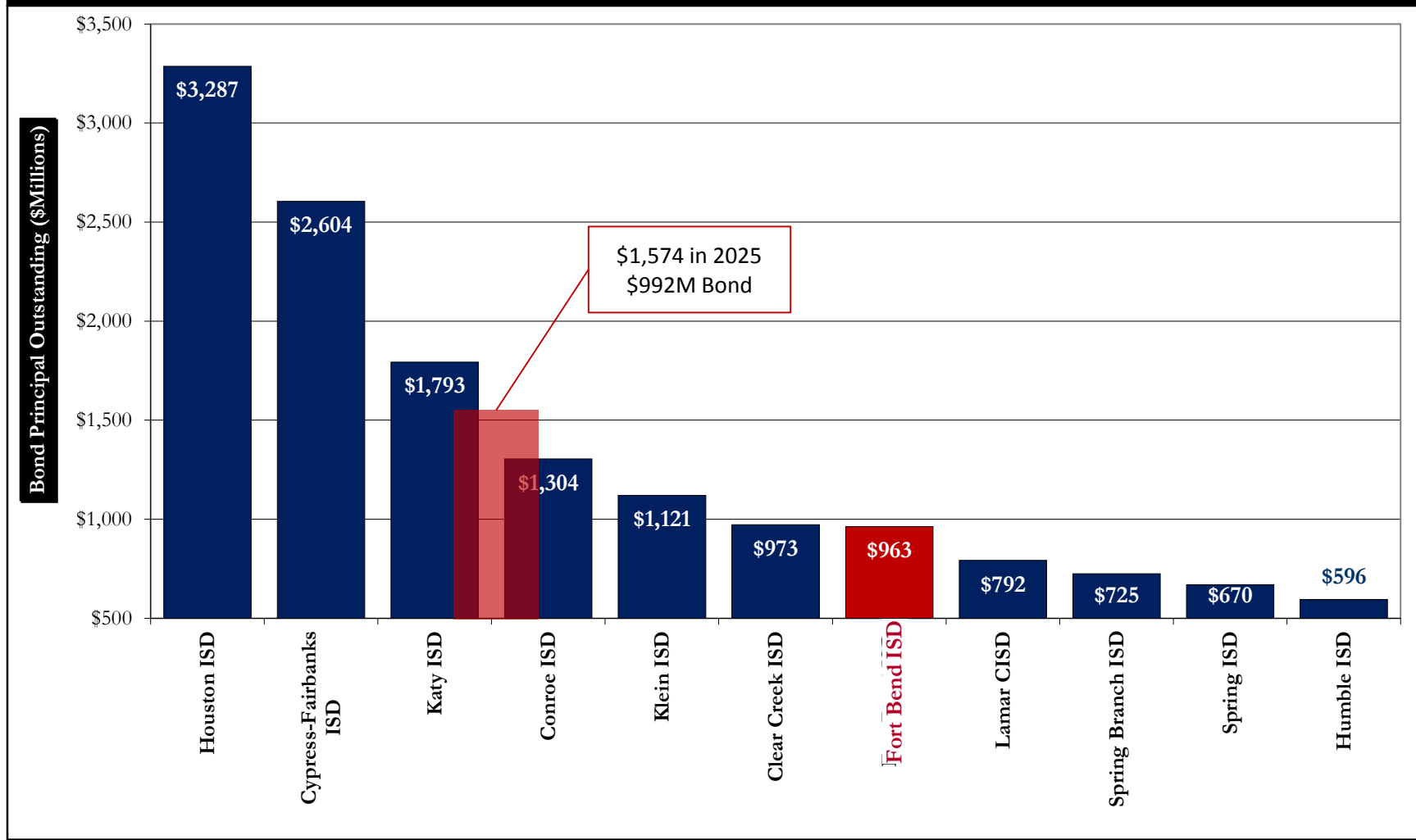
Statewide Comparison – Debt Levels

- **Bond Principal Outstanding:** Among the 875 Texas school districts with outstanding debt, Fort Bend ISD’s “Bond Principal Outstanding” ranks **14th**.
- **Bond Principal Per Student:** Among the 149 Texas school districts with at least \$100 million of outstanding debt, Fort Bend ISD’s “Bond Principal Outstanding Per Student” ranks **119th**.
- **Bond Principal as a Percentage of Taxable Value:** Among the 149 Texas school districts with at least \$100 million of outstanding debt, Fort Bend ISD’s debt burden ranks **123rd** as a percentage of taxable values that secure repayment of the District’s bonds.



Comparison of Certain Texas School Districts Within the Greater Houston Area

Ranked By Bond Principal Outstanding as of 5/31/2018

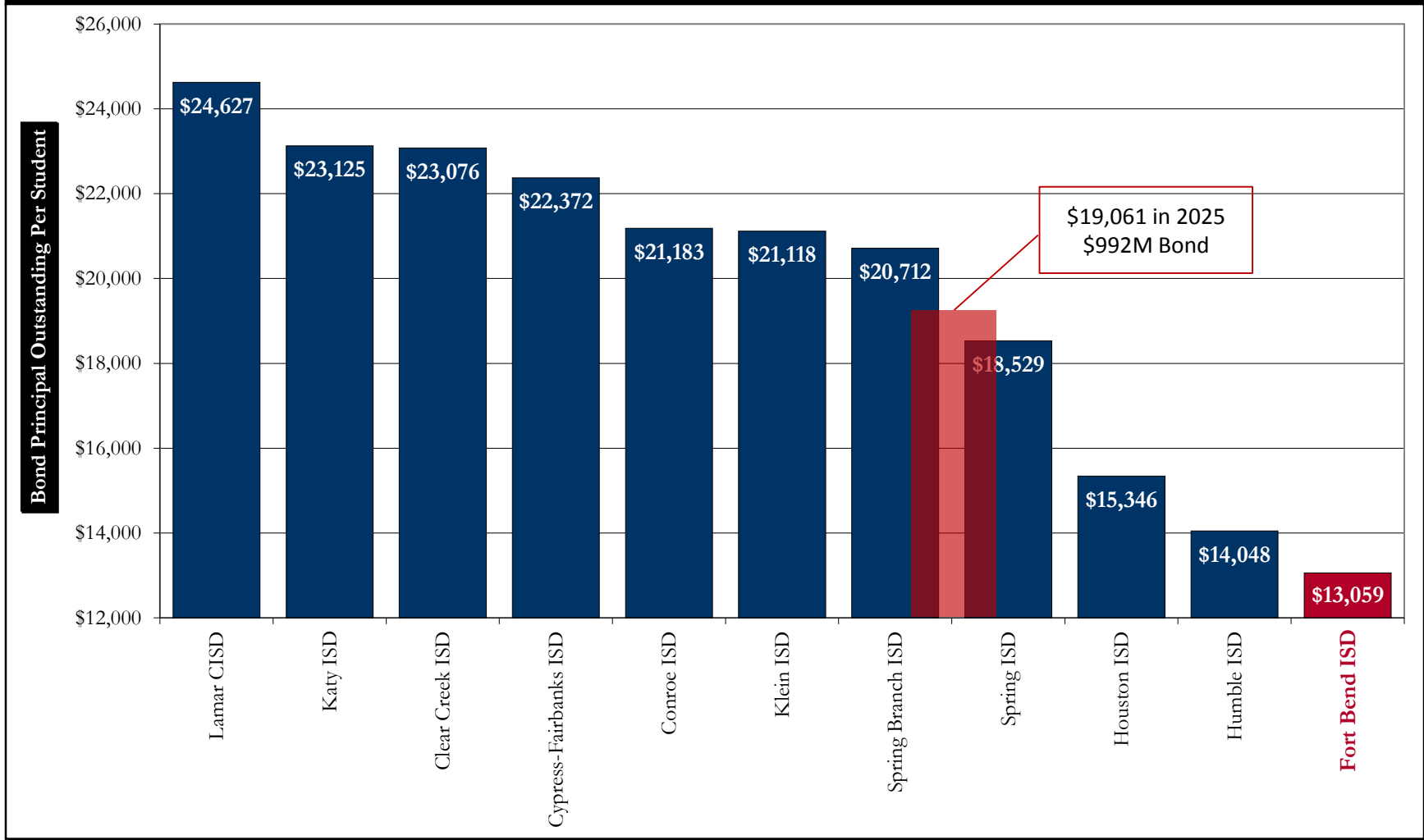


Source: The Municipal Advisory Council of Texas – As of May 31, 2018. Includes Voted and M&O debt.

FBISD OUTSTANDING DEBT (2014-18)	
12/31/2014 Balance	\$844,038,663
Principal Payments	(\$145,005,112)
Refundings	(\$67,710,000)
New Issuances	\$333,135,000
OST Commercial Paper	(\$1,000,000)
6/30/2018 Balance	\$963,458,550

Comparison of Certain Texas School Districts Within the Greater Houston Area

Ranked By Bond Principal Outstanding Per Student as of 5/31/2018

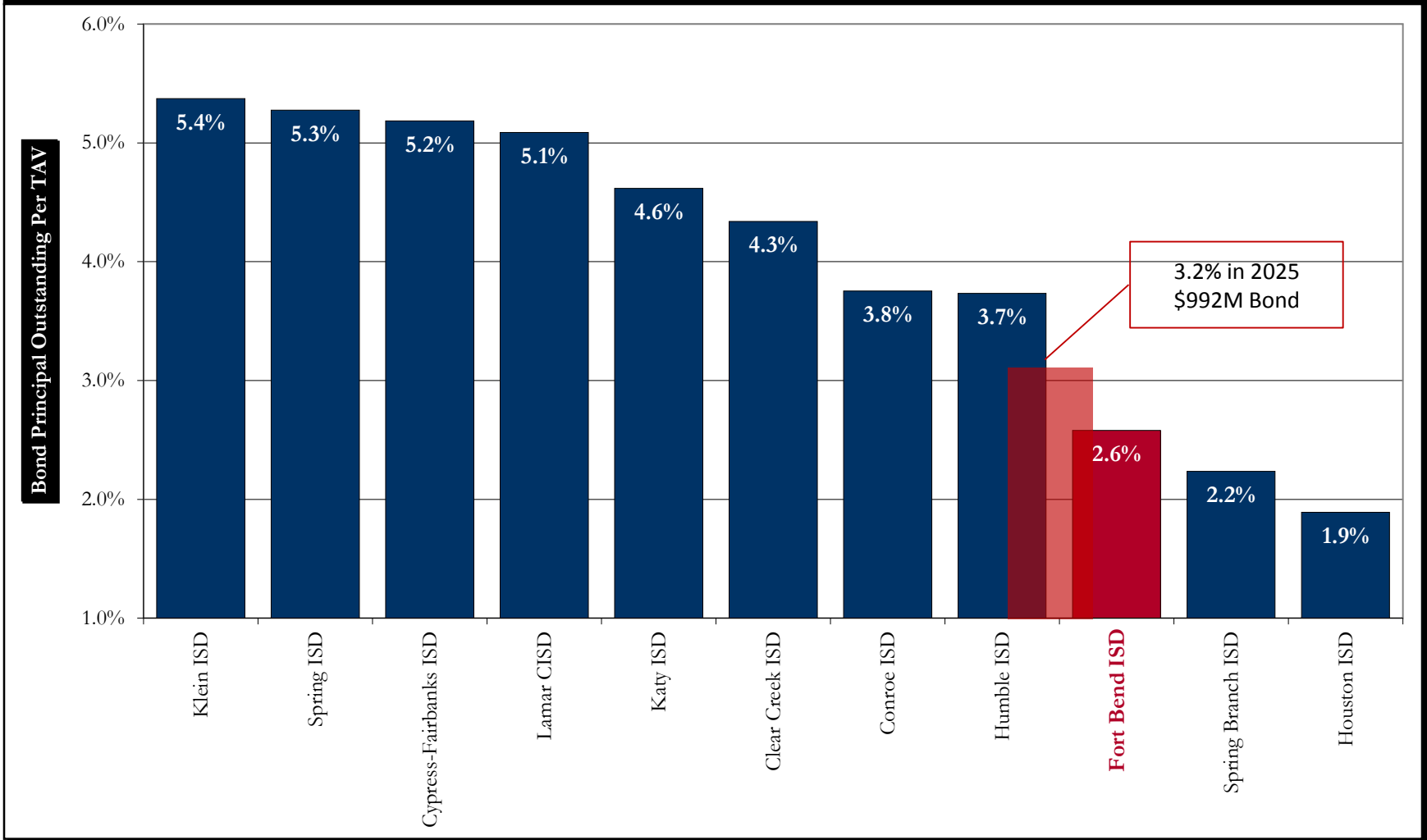


Source: Texas Education Agency – PEIMS and The Municipal Advisory Council of Texas – As of May 31, 2018. Includes Voted and M&O debt.



**Comparison of Certain Texas School Districts
Within the Greater Houston Area**

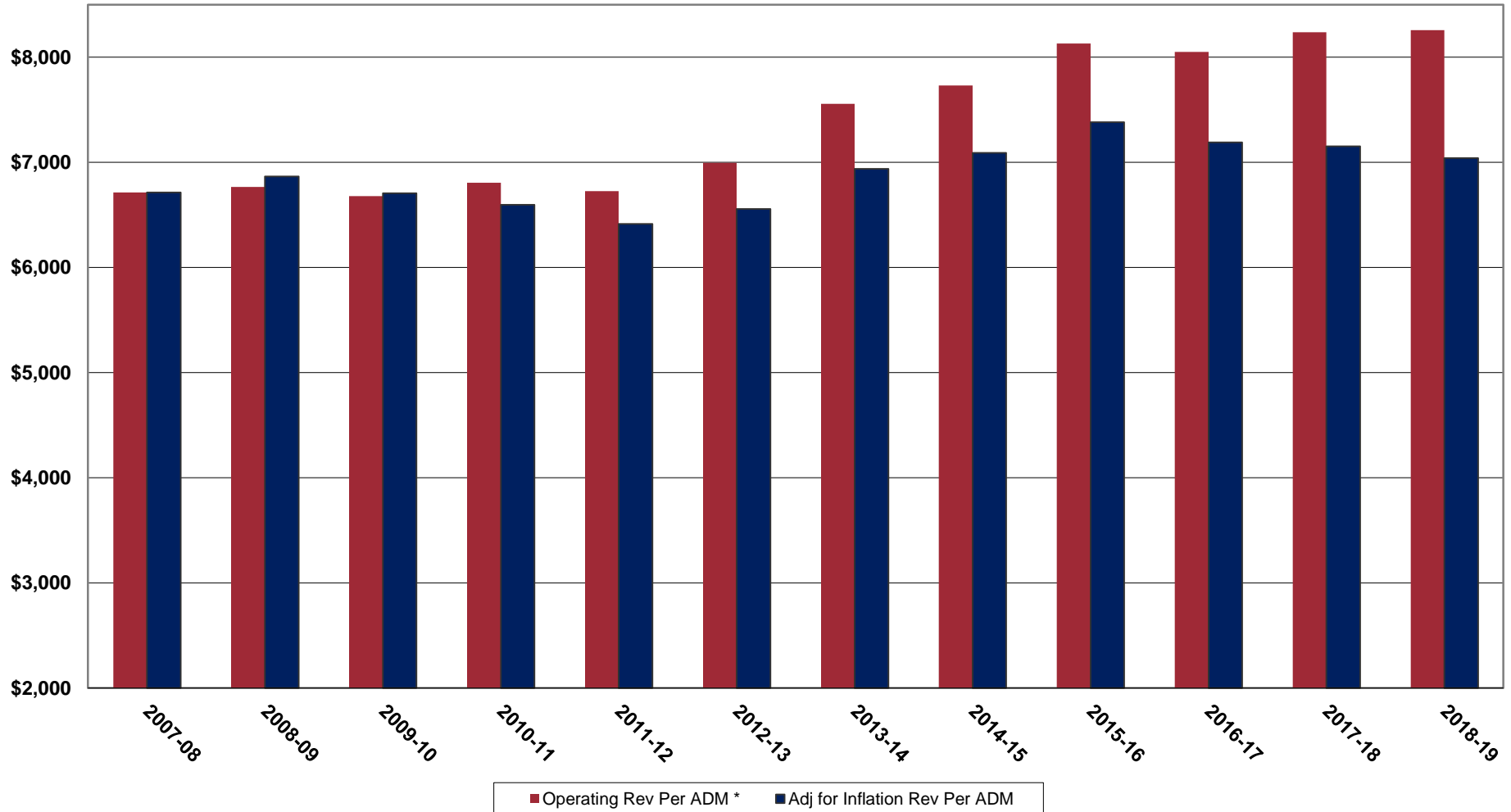
Ranked By Bond Principal Outstanding as a Percentage of Taxable Value as of 5/31/2018



Source: Texas Comptroller of Public Accounts and The Municipal Advisory Council of Texas – As of May 31, 2018. Includes Voted and M&O Debt.

GF Revenue Per Student Adjusted for Inflation

Compound Annual Growth Rate .48% Over 12 Years (Adjusted for Inflation)

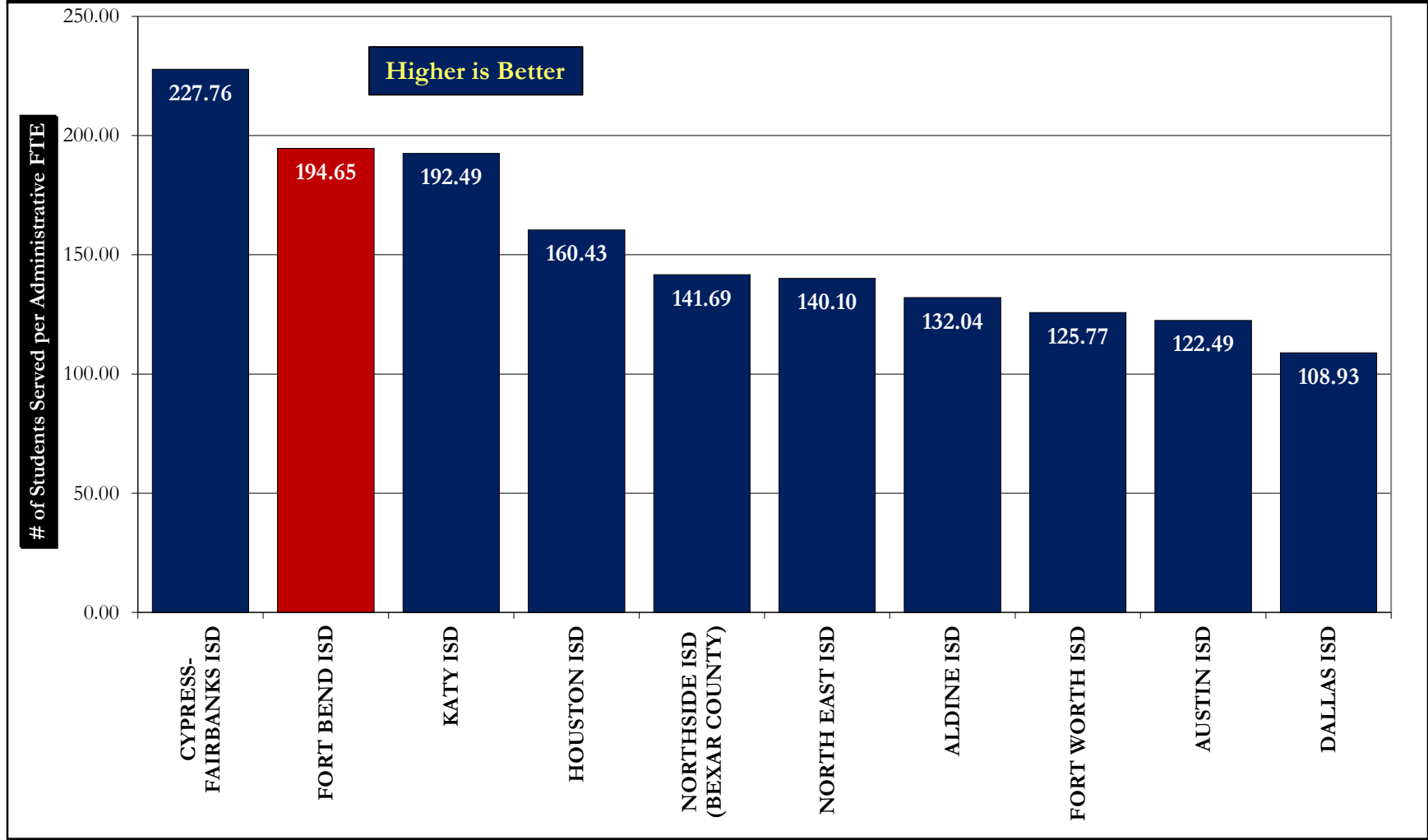




Comparison of 10 Largest School Districts in Texas

INSPIRE EQUIP IMAGINE

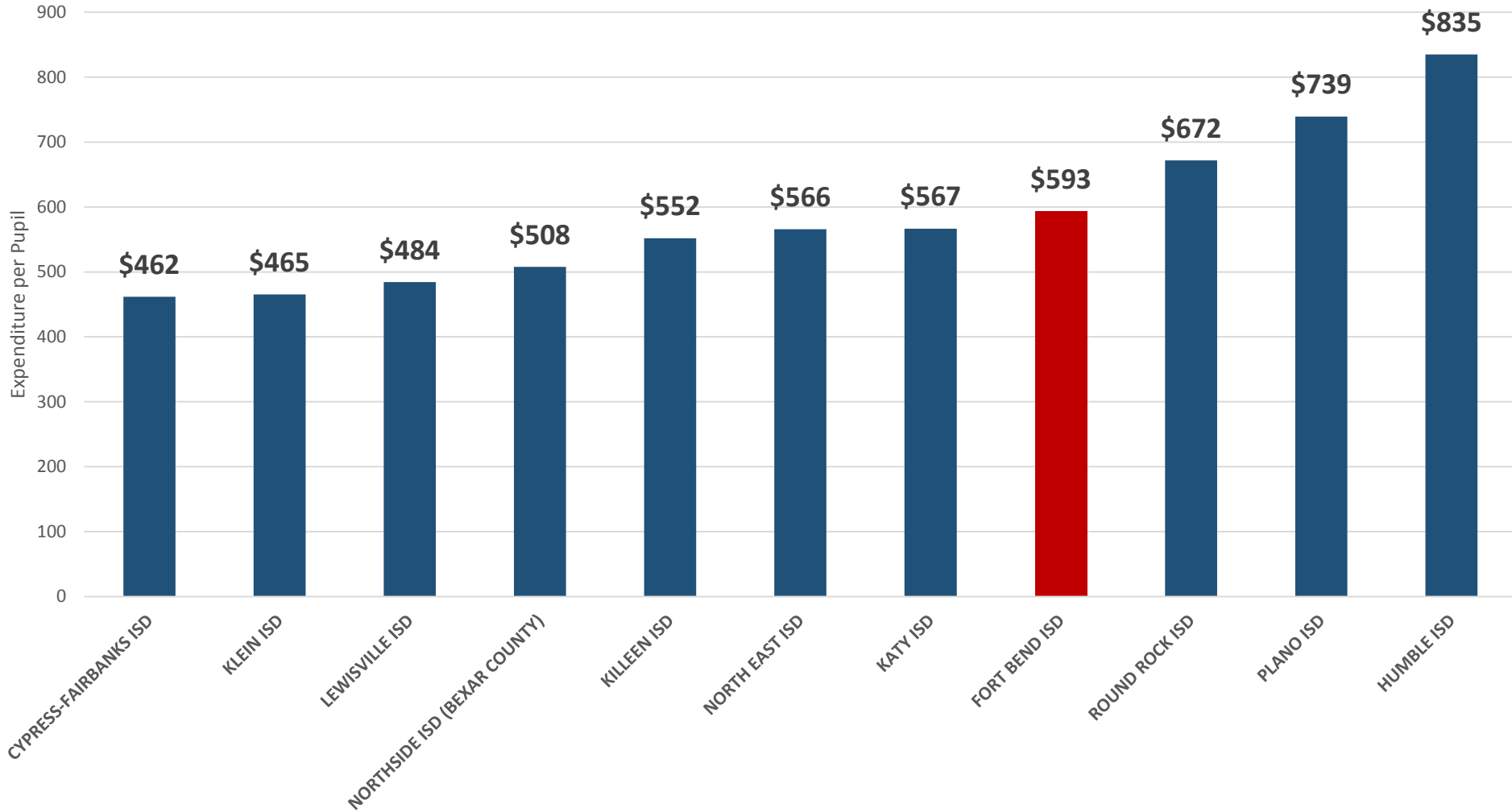
Ranked By Students served per Central Administration FTE 2016-17 (All Funds)



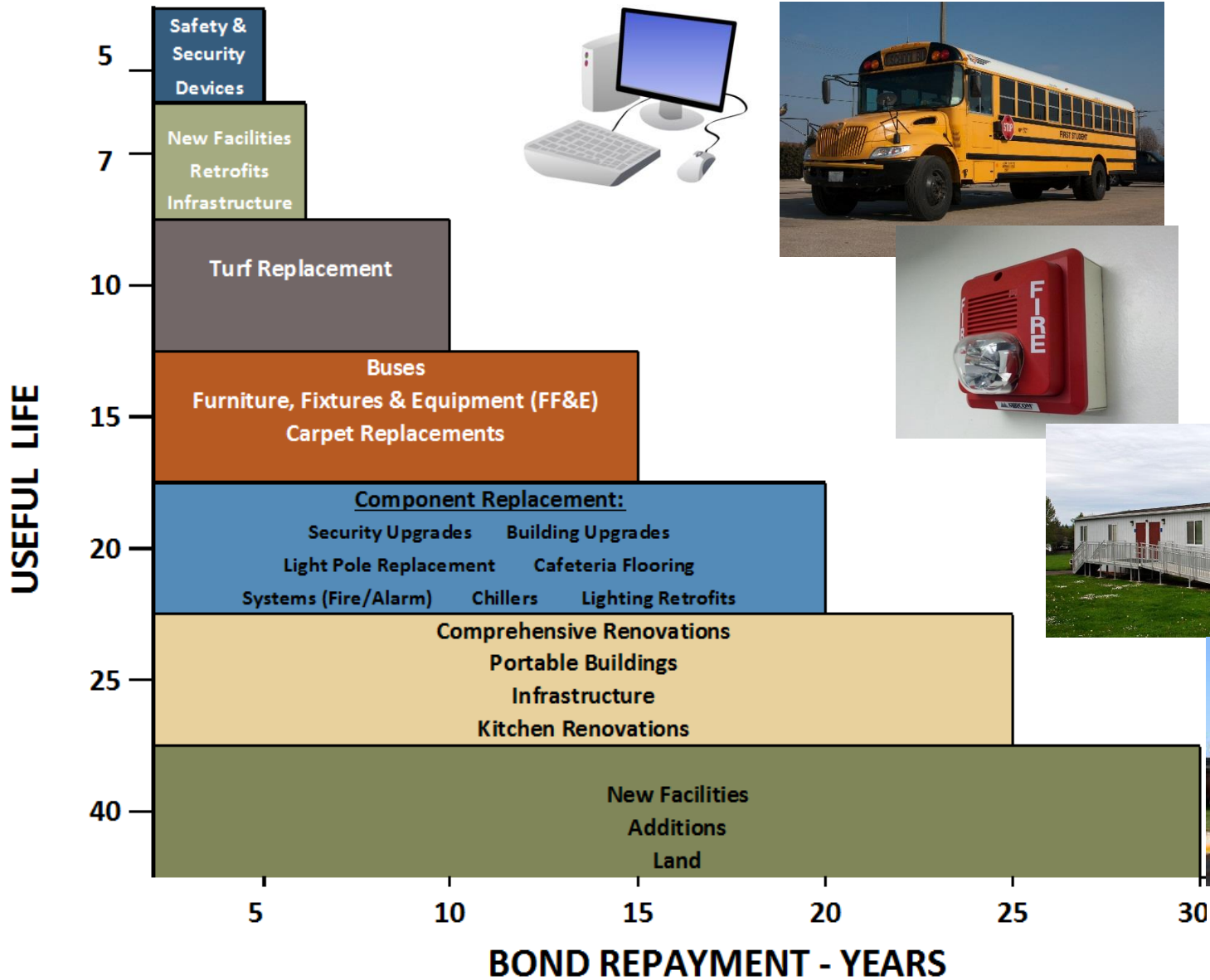


EXPENDITURES PER PUPIL GENERAL FUND

State Peers Expenditure per Pupil GF199 - Function 51*



FINANCING THE PLAN



Bond 2014 Weighted Average Analysis

Debt:

Weighted Average Maturity 14.76 years

Assets:

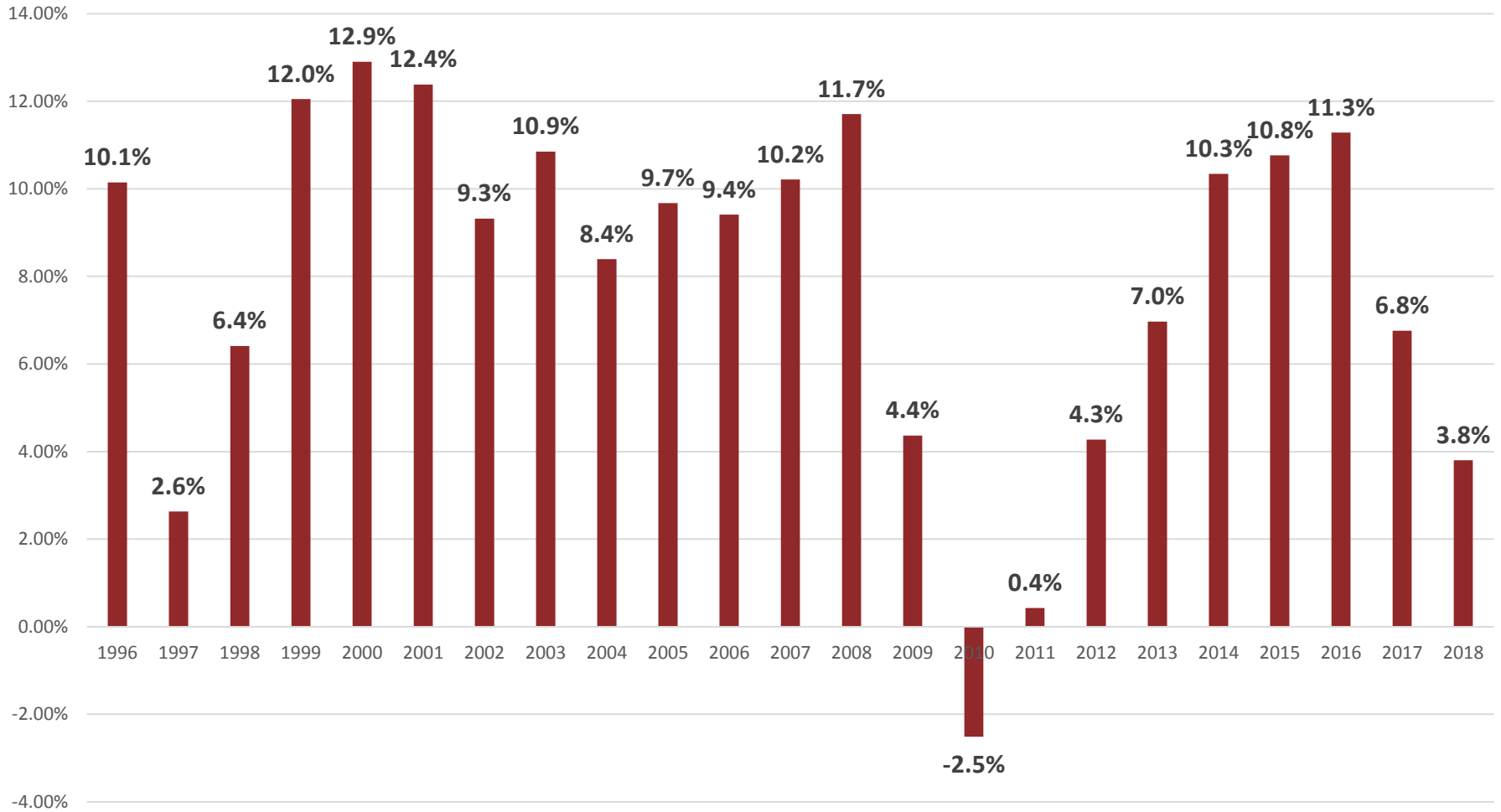
Weighted Average Useful Life 21.13 years

Per the Board Resolution adopted on 8/25/2014, the weighted average of maturity of the debt issued will not exceed the weighted average economic life of the assets by more than 120%.

Tax Rate Scenario Assumptions

- 30 Year Level Debt Service Schedule or
- 30 Year Deferred Debt Service Schedule
 - Five year interest only (no capitalized interest)
 - Projected Weighted Average Useful Life of 21 Yrs.
- New money issuances through 2025 for Bond 2018
- Interest rate range from 4.5% to 6%
- FBISD disclosed potential tax rate increase of \$0.11 for Bond 2007
 - **No pennies were used for Bond 2007**
- FBISD disclosed NO tax rate increase for Bond 2014
 - **I&S tax rate was reduced by 4 pennies**

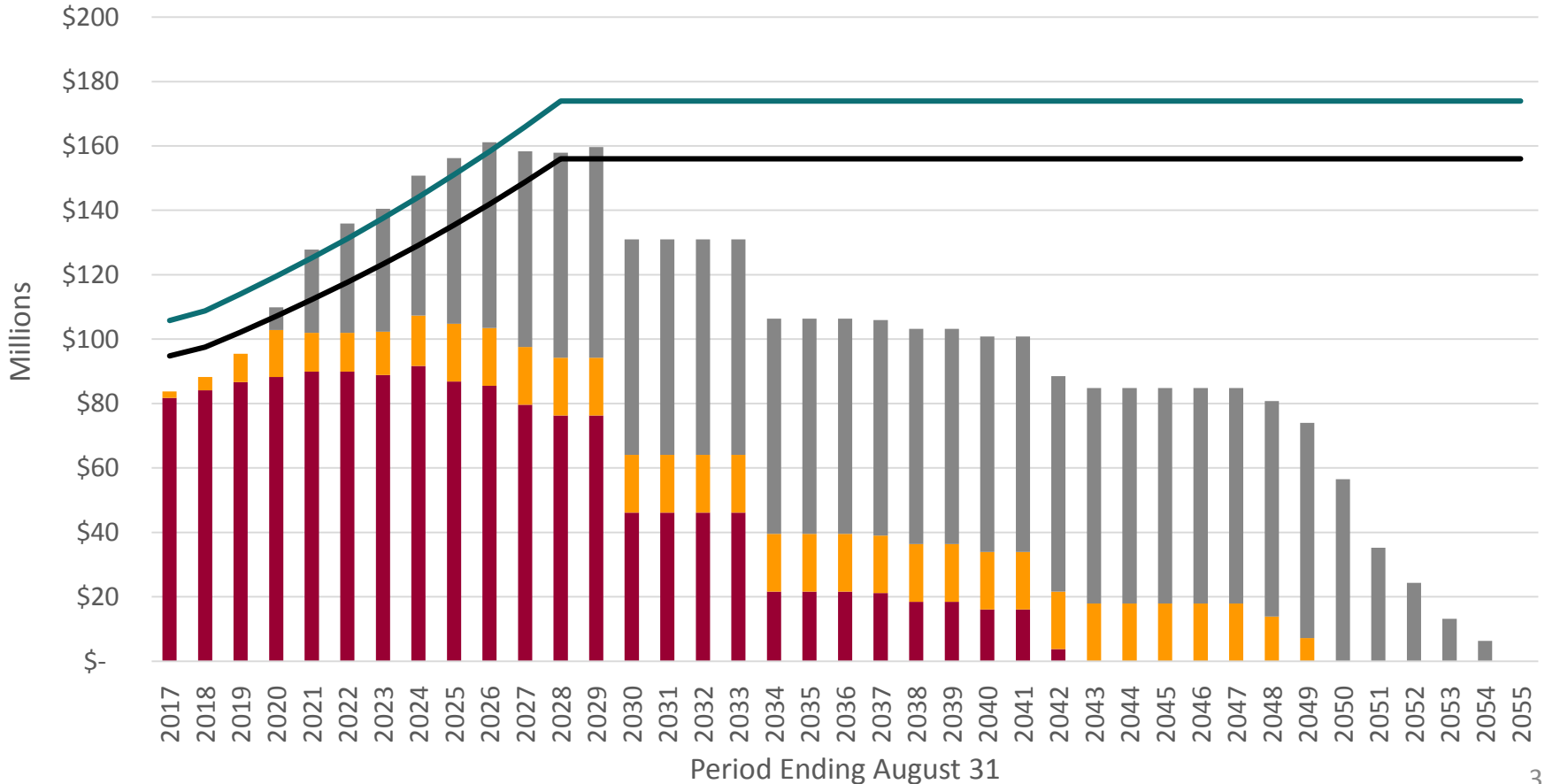
Change in Certified Net Taxable Value



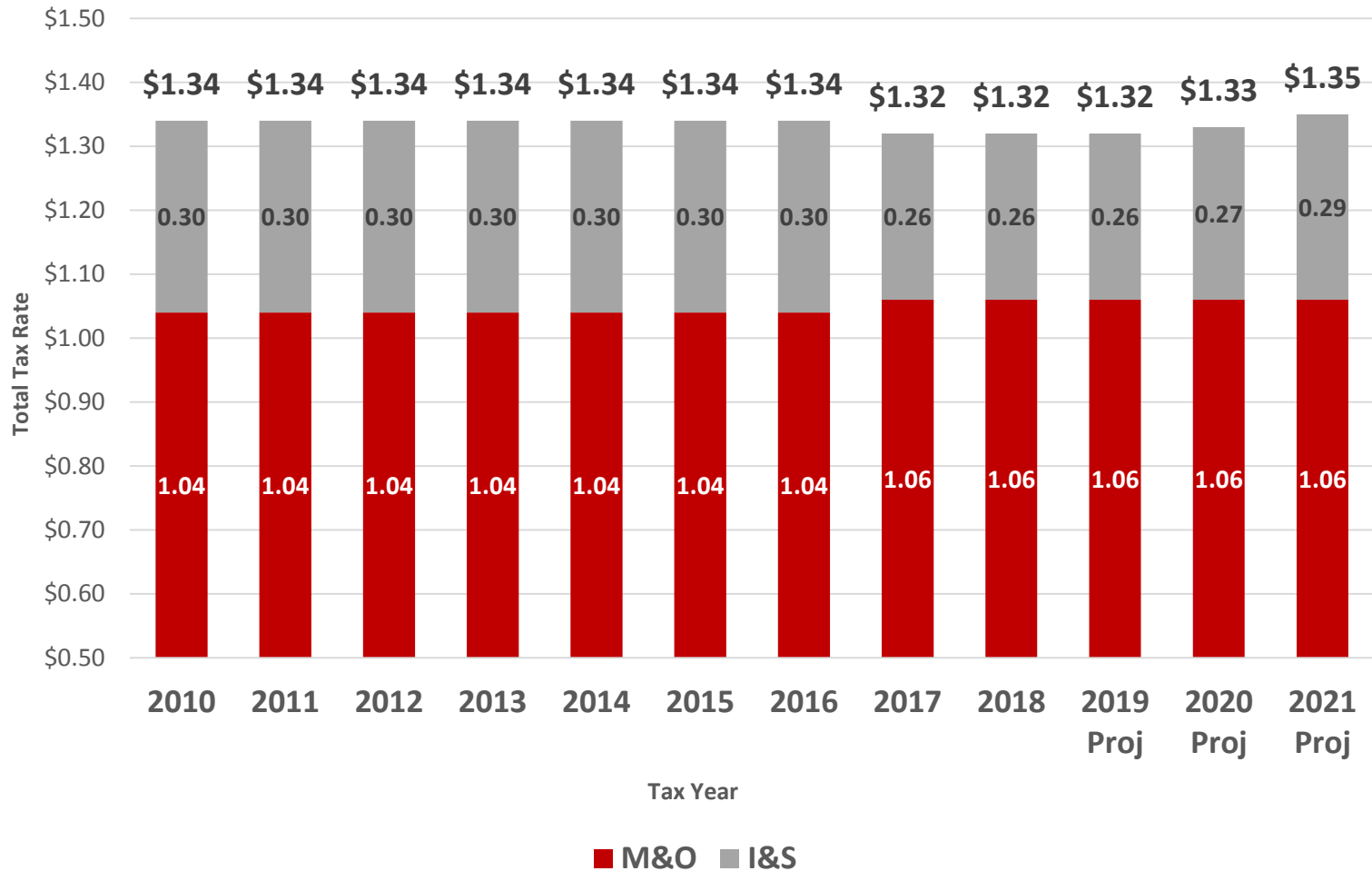
Summary of Debt with Remaining Issues

5% Property Value Growth

- Existing Debt Service
- Remaining 2014 Debt
- Potential 2018 Bond
- Property Tax Collections with \$0.29 tax rate
- Property Tax Collections with \$0.26 tax rate



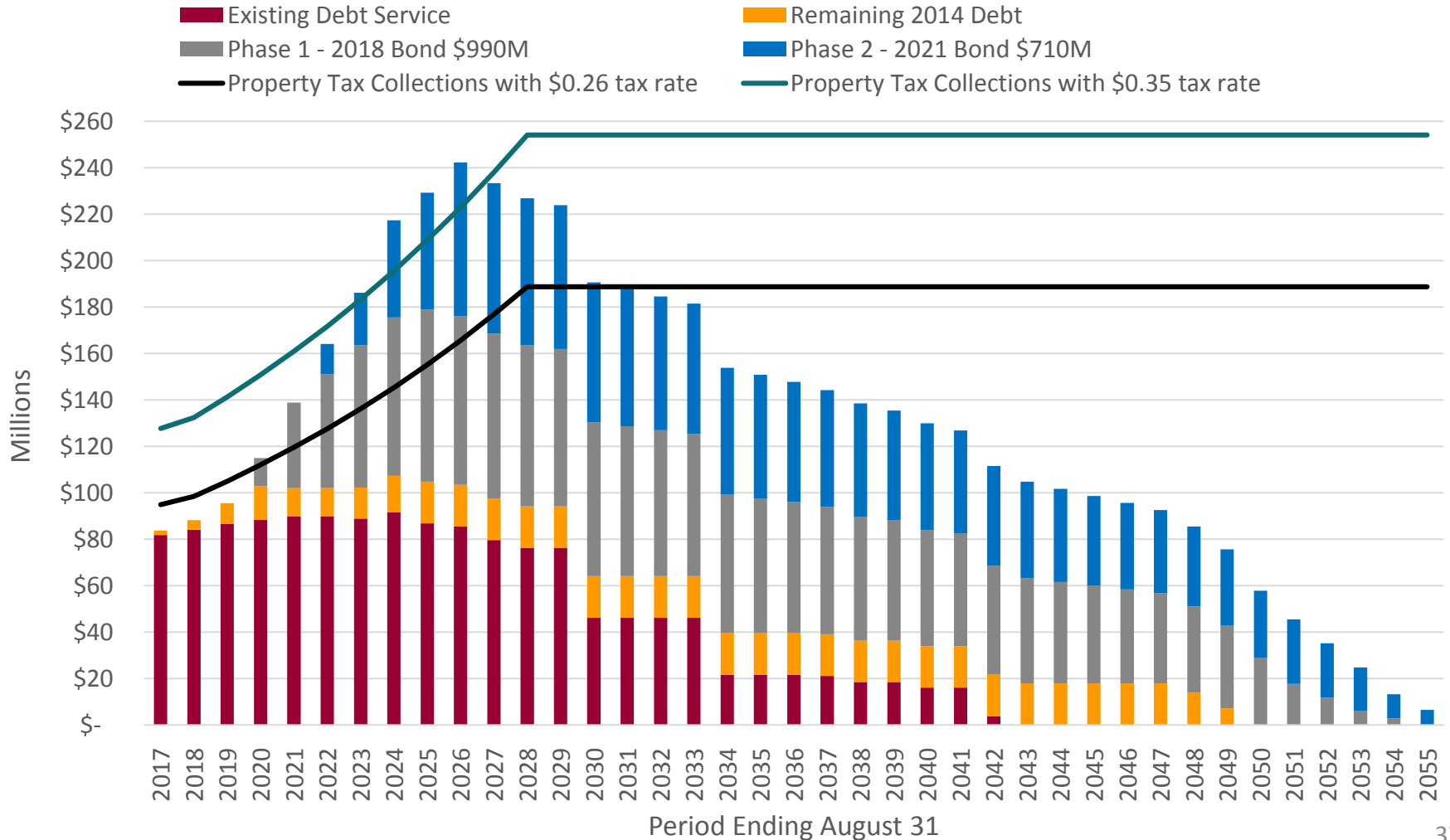
TAX RATE PROJECTION



\$1.8B BOND – Level Principal

Summary of Debt with Remaining Issues

7% Property Value Growth – 10 yrs

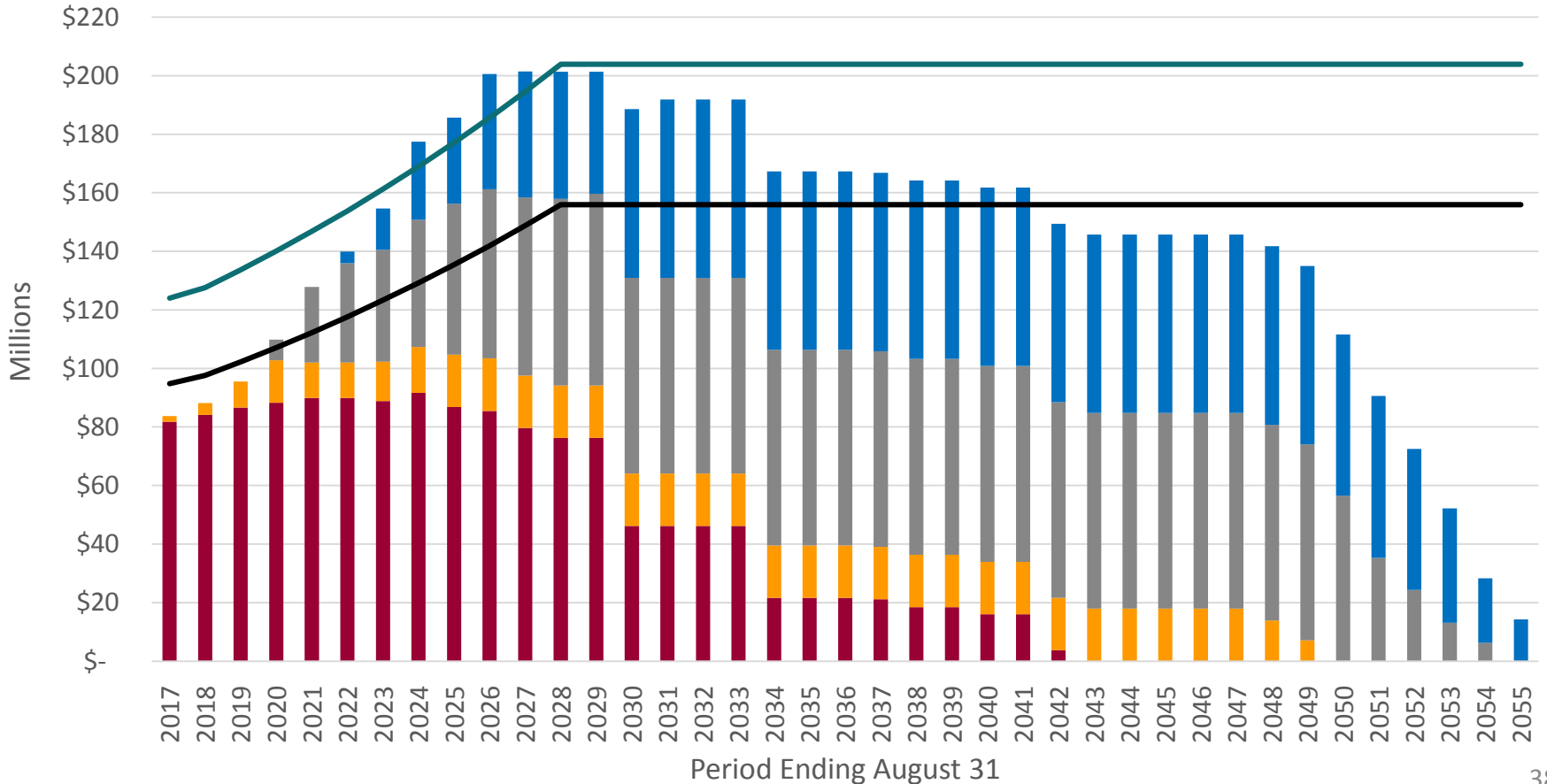


\$1.8B BOND – Deferred Principal

Summary of Debt with Remaining Issues

5% Property Value Growth – 10 yrs

- Existing Debt Service
- Remaining 2014 Debt
- Phase 1 - 2018 Bond \$990M
- Phase 2 - 2021 Bond \$710M
- Property Tax Collections with \$0.26 tax rate
- Property Tax Collections with \$0.34 tax rate



Strategies to Manage Debt Service Tax Rate

- Continue debt management strategy:
 - Commercial paper program (expand to \$150M)
 - Refunding of bonds (2009 series & beyond)
 - Continue variable rate debt program
 - Variable Rate is 18% as of 5/31/2018
 - Limit is 25%
- Flexibility with structure of future debt issues
- Utilize debt service fund balance if needed
- Adjust plans based on market conditions



Estimated Impact of Total Tax Rate Increase on Average FBISD Home for Bond 2018

<i>Tax Rate Scenarios</i>	Current	+3¢
	\$1.32	\$1.35
Avg Market/Assessed Value of Residences	\$284,377	\$284,377
Avg Taxable Value of Residences	\$255,111	\$255,111
Total Tax Rate	\$1.32	\$1.35
Annual Taxes on Average Residence	\$3,367.47	\$3,444.00
Annual Increase in Taxes		\$76.53
Monthly Increase in Taxes		\$6.38
% Change		2.27%

Our citizens with Over 65 or Disabled Persons exemptions have established tax ceilings on their homesteads and those ceilings will not be impacted. In other words, homestead taxes are frozen for our citizens with the Over 65 or Disabled Persons exemptions unless the citizen is currently paying below their tax ceiling.

* Based on 2018/2019 property value growth of 3% over prior year

Next Steps:

- August 13 Board Meeting
 - Call the Bond Election
 - Accountability Resolution
 - Bond Oversight Resolution
 - Joint Election Agreement
- Hiring Architects
- Performance Contracting

