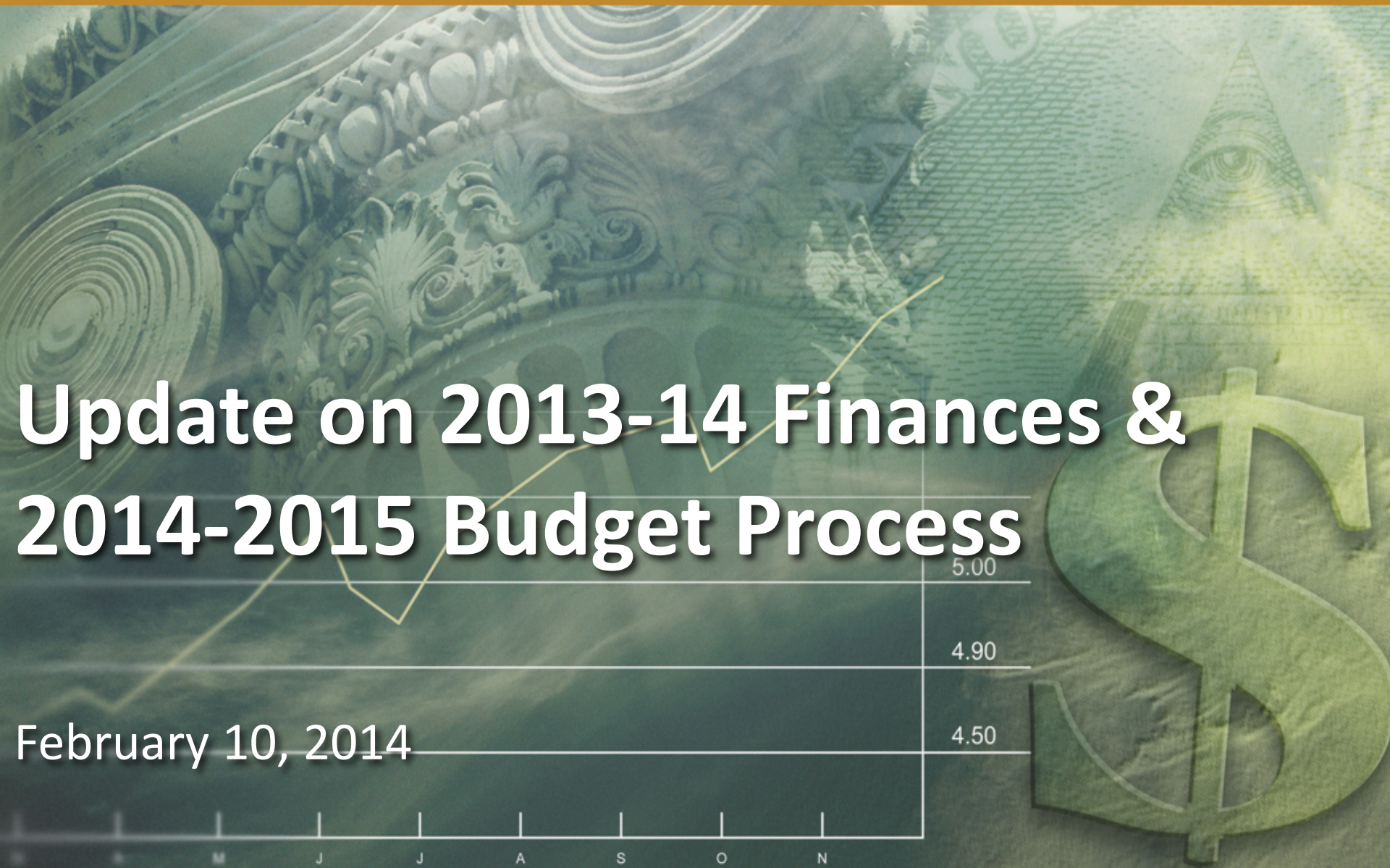


Update on 2013-14 Finances & 2014-2015 Budget Process

February 10, 2014





Our Goal

Fort Bend ISD's goal for 2014-15 is to fund activities that support the District's Mission and Vision while achieving a balanced budget that does not require a tax increase.



Funding Operations

Fort Bend
Independent
School District

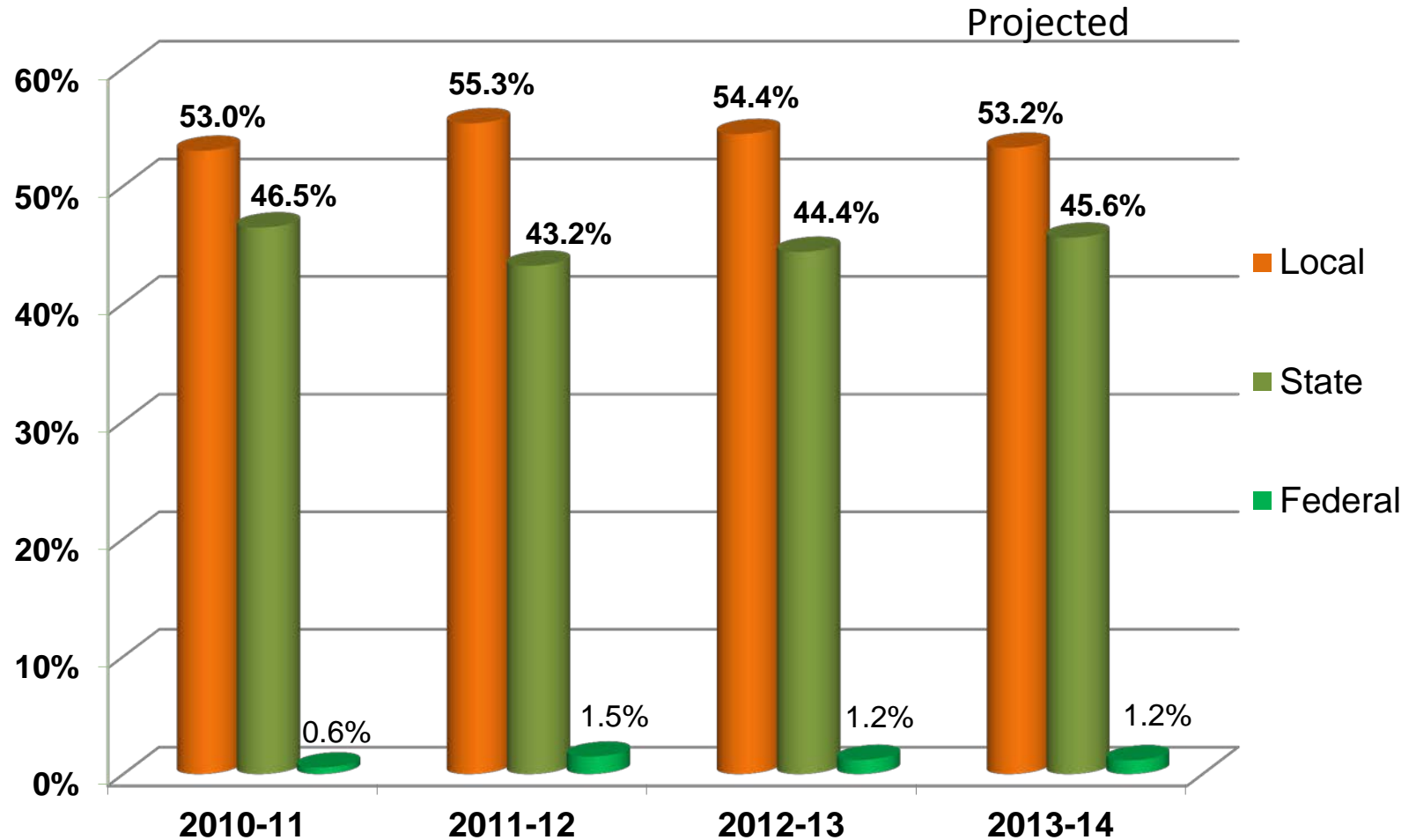
2013-14 Adjusted Budget		(\$Millions)
➤ General Fund		\$513.1
➤ Child Nutrition Fund		\$29.1
➤ Debt Service Fund		\$74.5
➤ Internal Service Fund		
– Workers Compensation		\$1.4
– Health Insurance		\$53.7
➤ Capital Projects Fund		\$52.0
➤ Special Revenue Fund		
– Title I		\$9.6
– IDEA		\$16.7



Revenue



General Fund Revenue Sources





Revenue by Source

	2012-13	2013-14 Adopted	2013-14
(\$000's)	Actual	Budget	Projection
Local	\$ 264,924	\$ 278,002	\$ 285,228
State	216,120	213,587	244,269
Federal	5,820	5,570	6,250
Total	\$ 486,864	\$ 497,159	\$ 535,747

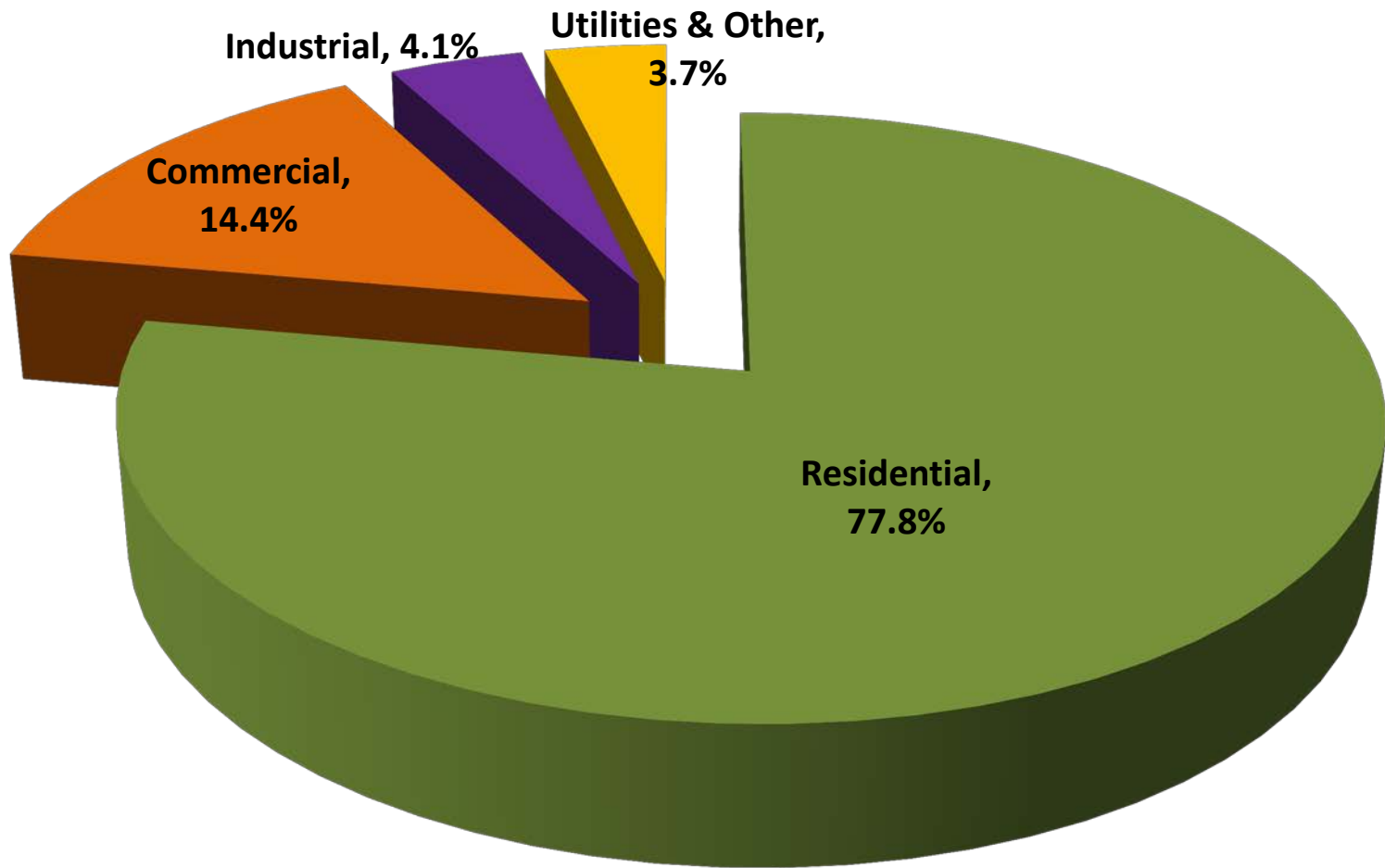


General Fund Revenue

	2013-14 Revenue Projection	
	Projected Revenue	Percent of Total
(\$000's)		
Property Tax	\$ 269,984	50.4%
Other Local Income	15,244	2.8%
State Funding	244,269	45.6%
Federal Funding	6,250	1.2%
Total	\$ 535,747	100.0%

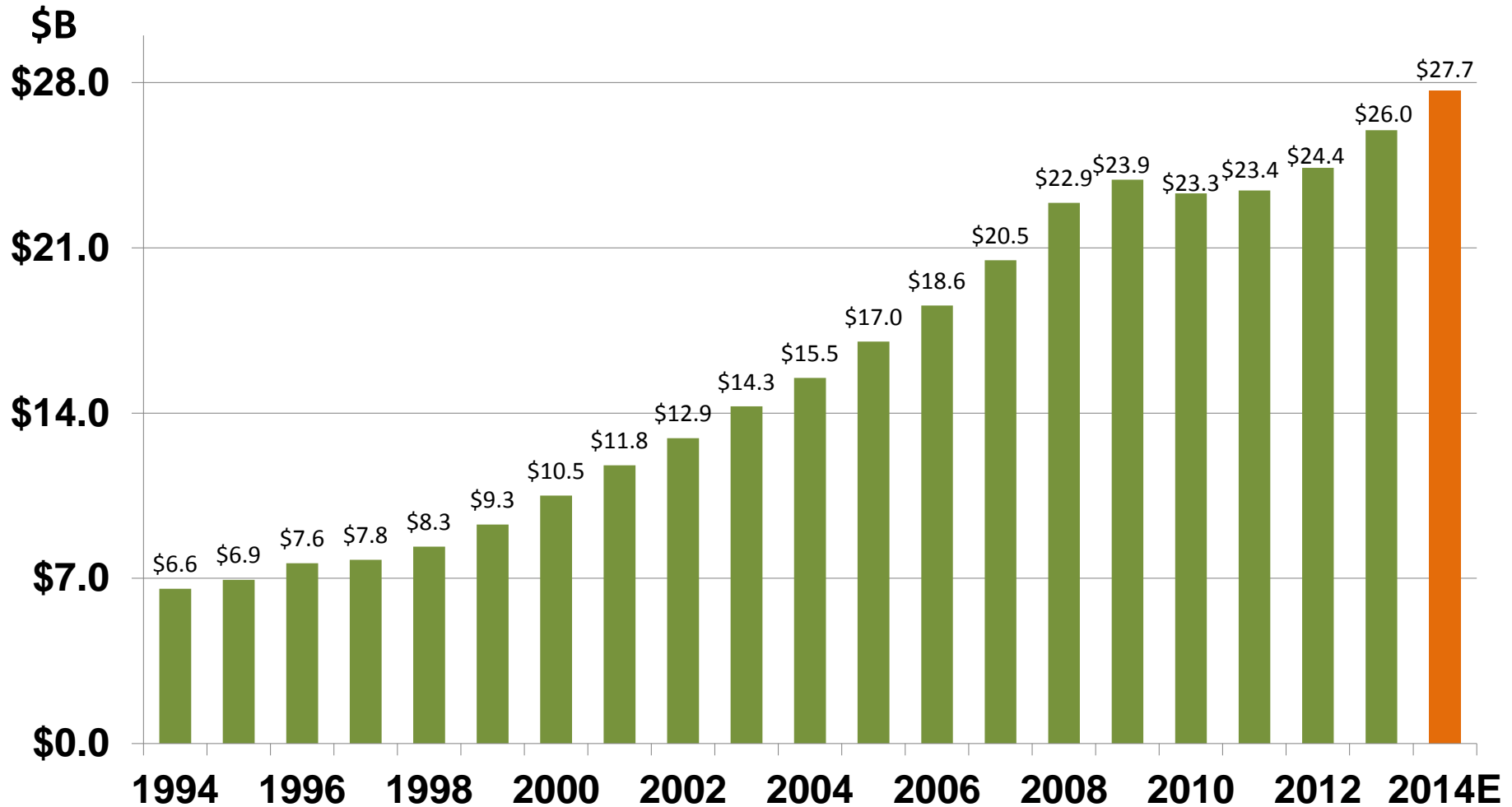


FBISD Property Value 2013-14





Property Value By Year



Source: FBISD Finance & Appraisal District

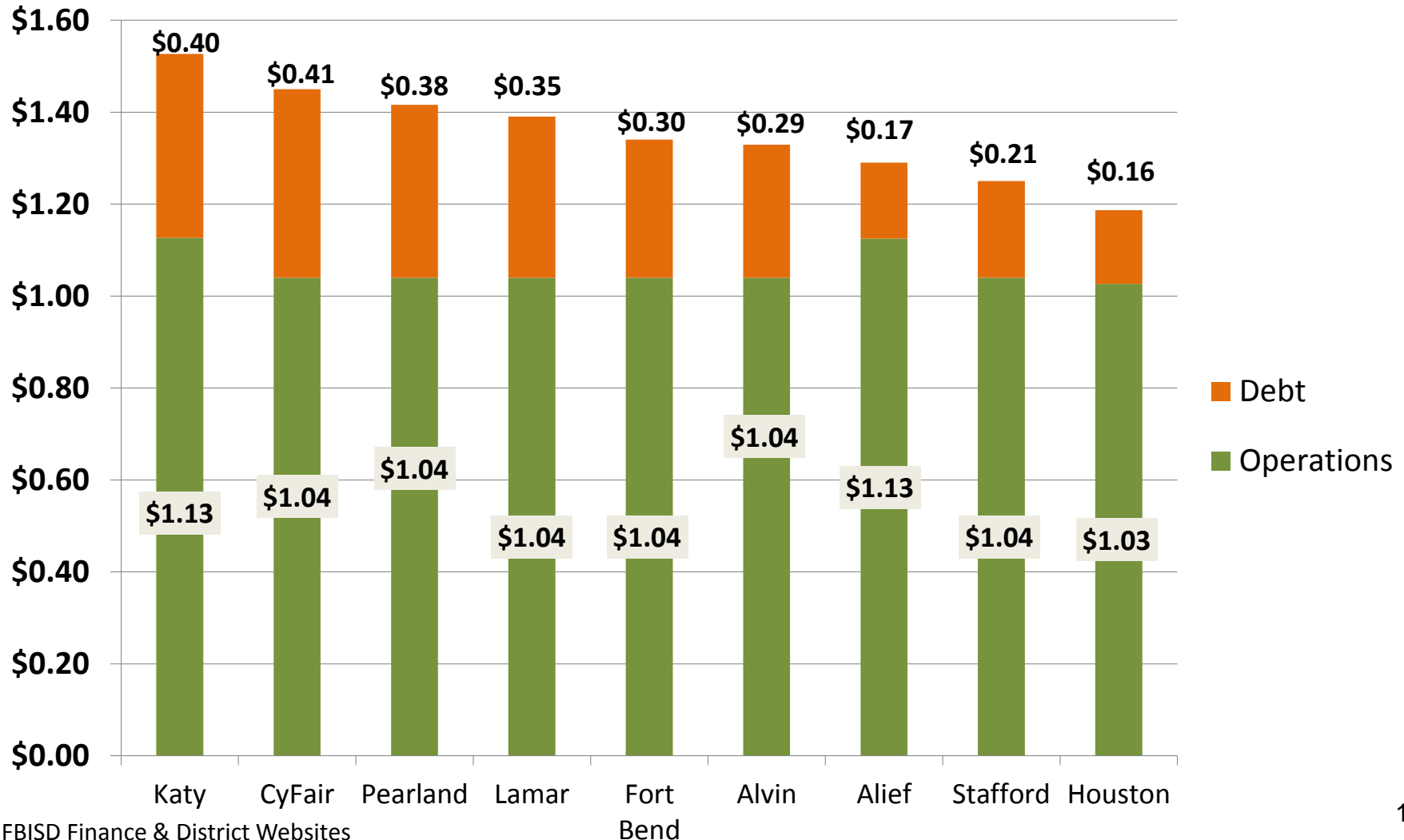


2014-15 Fort Bend ISD Taxable Property Value

- Approximate increase of 6.5% in taxable value vs. last year growth of 6.5%
- \$27,667,149,383 Taxable Value
- \$2,766,715 Local Revenue per Penny (99% Collection Rate)

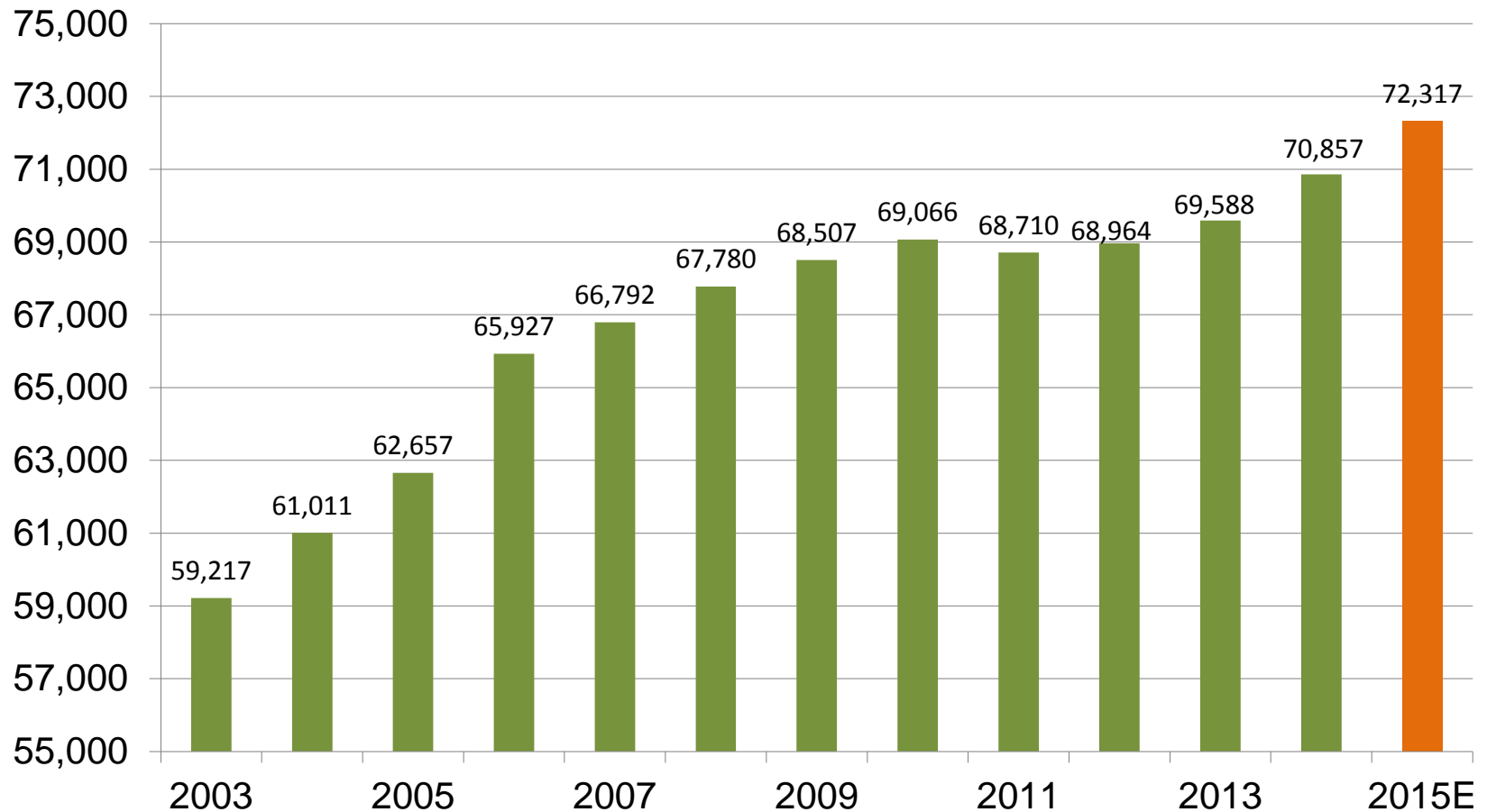


Houston Area Tax Rates 2013





Average Student Enrollment





FBISD Tier 1 Funding 2013-14 Projected

	Current Weights	Current FTEs	Tier 1 Revenue
Regular Program ADA	1.0	63,972	\$ 352,612,606
Special Education	1.1 - 5.0	2,295	30,581,063
Career & Tech	1.35 - \$50	2,724	17,507,889
Bilingual	0.10	8,795	4,847,620
Gifted & Talented	0.12	3,342	2,199,197
Comp Ed	0.20	27,297	30,091,662
Comp Ed Pregnancy	2.41	4	54,424
Transportation Allotment			5,936,670
High School Allotment	\$275	21,381	5,879,693
			\$ 449,710,824

Weighted ADA = 83,782



State Funding Elements	Projected 2013-14 Budget
Total Cost of Tier I	\$449,710,824
Less: Local Fund Assignment	<u>(\$240,390,472)</u>
State Share of Tier I	\$209,320,352
Tier II and Other Programs	\$12,848,237
TRS on behalf	<u>\$22,100,000</u>
Total 2013-14 State Allocation	<u><u>\$244,268,589</u></u>



Expenditures



Comparing Actual to Budget, Budget to Projections

Why is it difficult to compare actual, budget & projections?

➤ **Actual includes recorded expenditures**

- ❖ Includes savings from turnover & lower salaries
- ❖ Includes savings from budget manager stewardship

➤ **Budget is the legal authorization to spend money**

- ❖ Assumes all positions are filled at all times & Salaries based on current personnel or position averages for unfilled positions
- ❖ Non-staff accounts: assumes that all will be spent and none will be carried forward

➤ **Projection is a forecast of year end results**

- ❖ Includes savings from turnover, lower salaries, unspent funds



Expenditures by Function Code

(\$000's)	2012-13 Actual	2013-14 Adjusted Budget	%
Instruction (11)	\$ 289,240	\$ 315,929	61.6%
Instructional Resources & Media Services (12)	6,615	6,959	1.4%
Curriculum & Instructional Staff Development (13)	5,038	6,076	1.2%
Instructional Leadership (21)	4,889	5,111	1.0%
School Leadership (23)	28,608	31,308	6.1%
Guidance/Counseling/Evaluation Services (31)	20,128	21,822	4.3%
Social Work Services (32)	463	416	0.1%
Health Services (33)	5,918	6,328	1.2%
Student Transportation (34)	17,053	17,453	3.4%
Extracurricular Activities (36)	9,221	10,586	2.1%
General Administration (41)	11,307	12,412	2.4%
Plant Maintenance & Operations (51)	49,805	53,845	10.5%
Security and Monitoring Services (52)	5,227	5,241	1.0%
Data Processing Services (53)	8,497	10,124	2.0%
Community Services (61)	6,036	6,517	1.3%
Facilities Acquisition & Construction (81)	386	262	0.1%
Intergovernmental Charges (93)	368	499	0.1%
Other Intergovernmental Charges (99)	1,761	2,200	0.4%
Total	\$ 470,560	\$ 513,088	100%



Expenditures by Functional Group

(\$000's)	2012-13 Actual	2013-14 Adjusted Budget	%
Instructional (Func. 11,12,13)	\$ 300,893	\$ 328,964	64.1%
Instructional Support (Func. 21,23)	33,497	36,420	7.1%
Campus Support (Func.31,32,33,34,36,61)	58,820	63,123	12.3%
Central Administration (Func.41)	11,307	12,411	2.4%
District Operations (Func.51,52,53,81,93,99)	66,043	72,170	14.1%
Total	\$ 470,560	\$ 513,088	100.0%



Expenditures by Object Code

(\$000's)	2012-13 Actual	2013-14 Adjusted Budget	2013-14 Projection
Payroll Costs (61XX)	\$ 408,857	\$ 432,684	\$ 423,400
Professional & Contract Services (62XX)	32,481	39,127	36,524
Supplies & Materials (63XX)	17,583	27,263	23,454
Other Operating Costs (64XX)	9,511	12,061	11,068
Capital Outlay (66XX)	2,128	1,953	1,800
<i>Operating Expenditures</i>	<i>\$ 470,560</i>	<i>\$ 513,088</i>	<i>\$ 496,246</i>
Other Financing*	\$ (104)	\$ -	\$ 10,241
<i>Total Expenditures</i>	<i>\$ 470,456</i>	<i>\$ 513,088</i>	<i>\$ 506,487</i>

* 2013-14 amount is transfer out to health insurance fund



Expenditures by Object Code

(\$000's)	2013-14 Projection	%
Payroll Costs (61XX)	\$ 423,400	85.3%
Professional & Contract Services (62XX)	36,524	7.4%
Supplies & Materials (63XX)	23,454	4.7%
Other Operating Costs (64XX)	11,068	2.2%
Capital Outlay (66XX)	1,800	0.4%
<i>Operating Expenditures</i>	\$ 496,246	100.0%
Other Financing	\$ 10,241	
<i>Total Expenditures</i>	\$ 506,487	



Net Change in Fund Balance

(\$000's)	2012-13 Actual	2013-14 Adopted Budget	2013-14 Projection
<i>Revenue</i>	\$ 486,864	\$ 497,159	\$ 535,747
<i>Operating Expenditures</i>	\$ 470,560	\$ 497,159	\$ 496,246
<i>Other Financing</i>	\$ 104		\$ (10,241)
<i>Net Change in Fund Balance</i>	\$ 16,408	\$ -	\$ 29,260
<i>Beginning Fund Balance</i>	\$ 154,050	\$ 154,050	\$ 170,458
<i>Ending Fund Balance</i>	\$ 170,458	\$ 154,050	\$ 199,718

Remember: Fund Balance ≠ Cash Balance

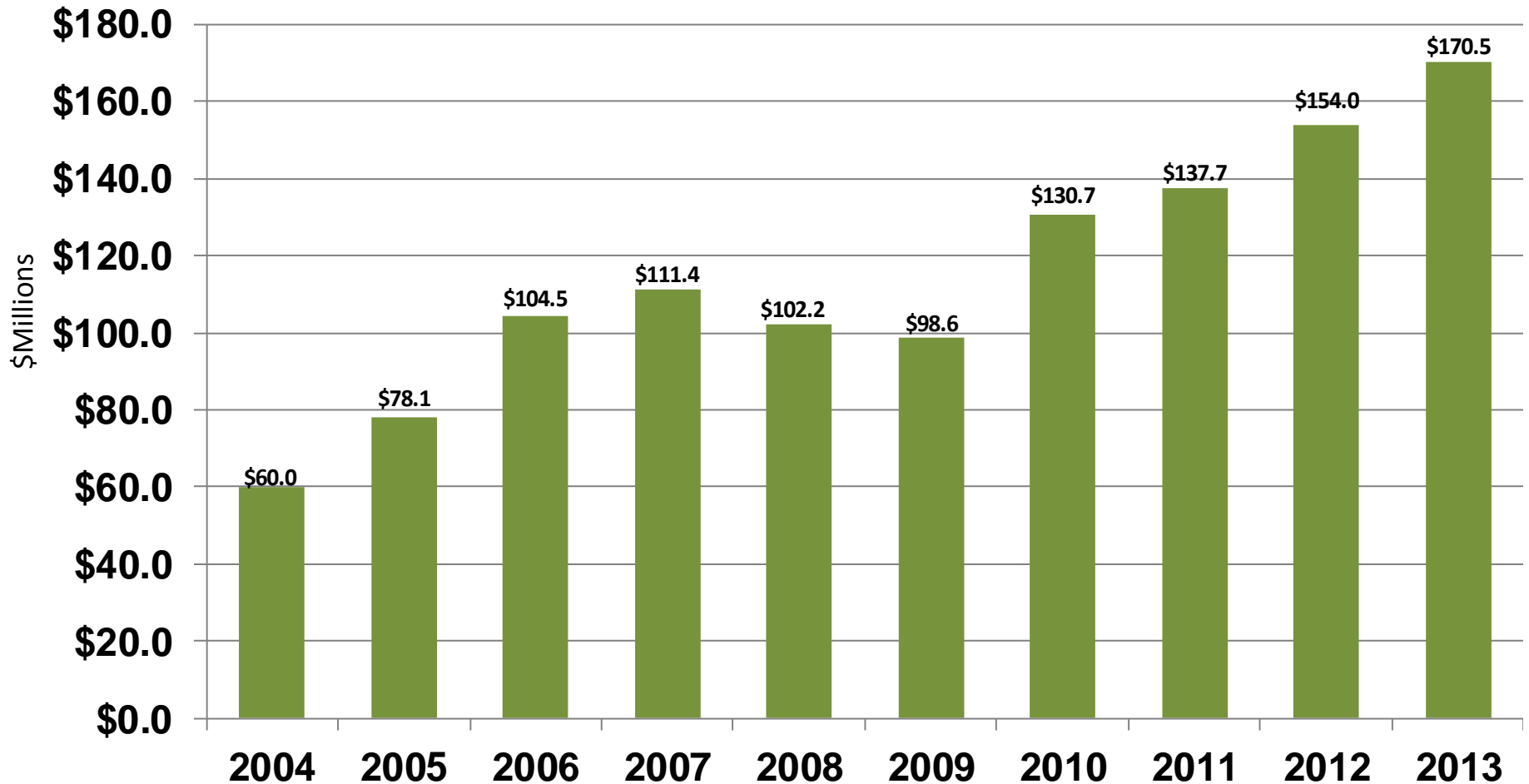


Uses of Fund Balance

- Cash management & working capital
- “AA+” bond ratings - lower interest rates on district bonds
- Unforeseen expenditures and/or disasters
- Unforeseen revenue shortfalls
- Ongoing support for educational programs (one-time)
- Best Practices
 - The Government Finance Officers Association (GFOA) recommends ...“no less than two months of...regular general revenue operating expenditures”
 - The TEA’s “rule of thumb” is for the unassigned fund balance to equal the estimated amount needed to cover cash flow deficits in the General Fund for the fall period following the fiscal year plus estimated monthly cash disbursements for the following fiscal year
 - Fund balance need is greater for Districts with June 30th year end



Total Fund Balance





Fund Balance

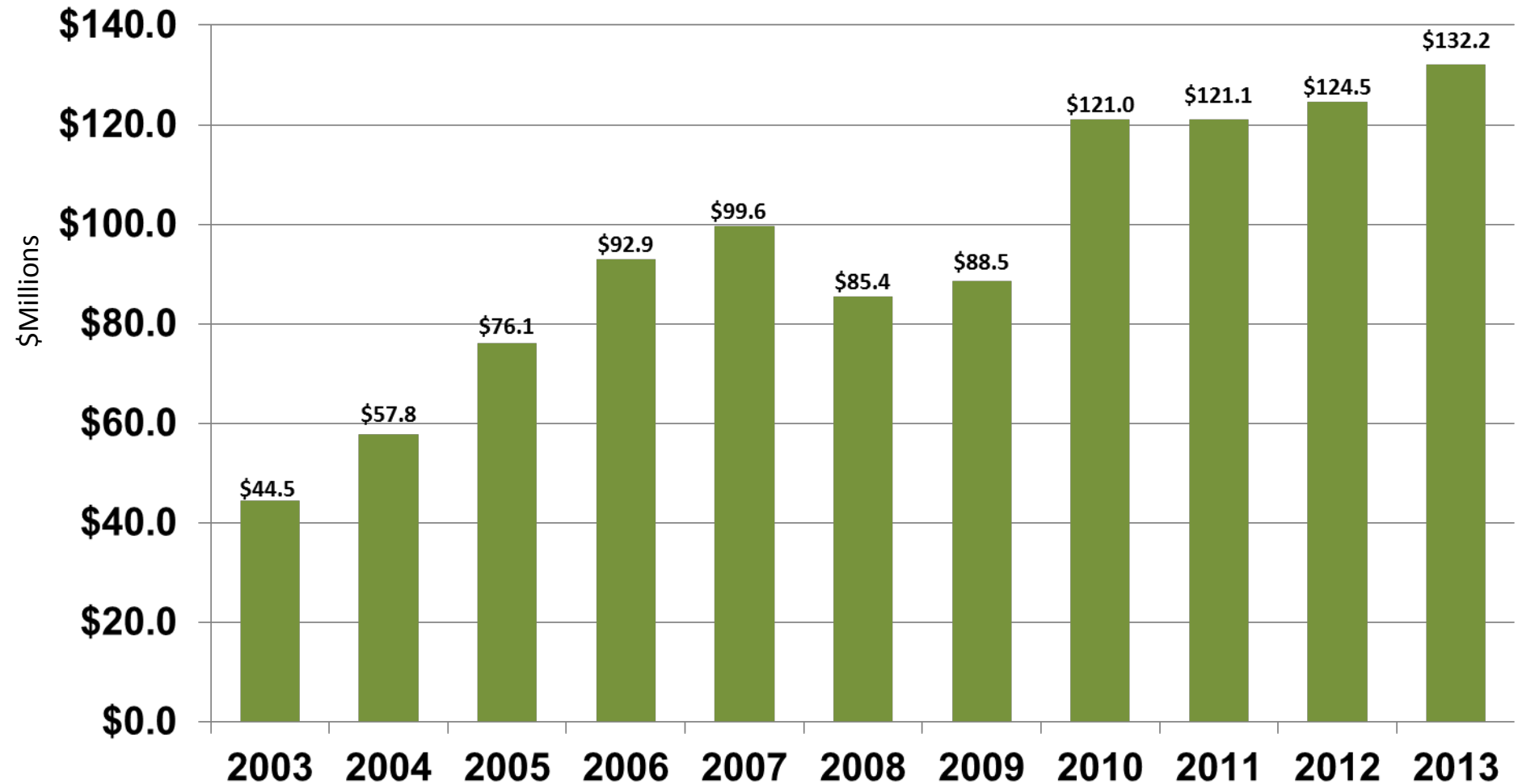
(\$000's)	Adjusted Budget 2013-14
Inventories	\$ 532
Prepaid Items	1,121
Various Expenditures*	13,300
Health Insurance	10,255
Assigned for other purposes **	13,093
Unassigned	132,157
Total Fund Balance	\$ 170,458

* \$10M Major Maintenance, \$1.9M Instructional Materials, \$0.5M Custodial Supplies, \$0.5M Musical Instruments, \$0.4M Curriculum

** \$6.2M Special Education MOE, \$6.9M roll forward of prior year purchase orders



Total Unassigned Fund Balance





2013-14 Fund Balance

- Will be recommending a portion of fund balance to be committed for:
 - Health Insurance Reserve
 - Special Education Maintenance of Effort
 - Covering potential shortfall of State revenue (\$40M)
- Designate future General Fund surplus to reduce need for bond funds or to pay off debt early



Net Change in Fund Balance

(\$000's)	2012-13 Actual	2013-14 Adopted Budget	2013-14 Projection
Revenue	\$ 486,864	\$ 497,159	\$ 535,747
Operating Expenditures	\$ 470,560	\$ 497,159	\$ 496,246
Other Financing	\$ 104		\$ (39,241)
Net Change in Fund Balance	\$ 16,408	\$ -	\$ 260
Beginning Fund Balance	\$ 154,050	\$ 154,050	\$ 170,458
Ending Fund Balance	\$ 170,458	\$ 154,050	\$ 170,718

Remember: Fund Balance ≠ Cash Balance



Additional Considerations

- Legislative Session 2015
 - Competing Demands
 - Improved Economy
- School Finance Lawsuit
- Sequestration
- Affordable Care Act
- Maintenance of Effort



Budget Calendar



Budget Committee Process



Budget Committees: Transparency & Collaboration at All Levels

- Budget & Compensation Committee
 - Nominated delegates
 - Participation from all campuses and departments
 - Document needs and set priorities
- Principals & Directors
- Teacher Forum
- Benefits Committee

FBISD 2014-2015 BUDGET

Fort Bend Independent School District

5.00

4.90

4.50

M

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