

Budget Update Compensation & Staffing Proposal

March 31, 2014





FBISD Finances – Recent History

- **Deficit of (\$9.1M) in 2007-08 with raises of 3% to 4%**
- **Deficit of (\$3.6M) in 2008-09 with raises of 3%**
- **Deficit budget of (\$18.6M) adopted for 2009-10 (2+% raises and local value decline of 2.5%)**
- **Fiscal year change and expenditure reductions result in \$32.1M surplus in 2009-10**
- **Balanced budget adopted for 2010-11 (Enrollment decline, no local value growth, 0% raise with step increase only)**
- **2010-11 expense reductions result in surplus of \$7.1M with State reductions looming**



FBISD Finances – Recent History

- **Adopted balanced budget in 2011-12 with significant expenditure reductions (\$25.7M), modest growth in local value and enrollment, and no raises**
- **State revenue reduction in 2011-12 much less than expected (\$12.5M)**
- **Expenditure reductions in 2011-12 higher than loss in State revenue resulting in surplus of \$16.3M**
 - **Utility savings of \$5M from new contract**
- **Adopted balanced budget in 2012-13 with 4.5% local value growth, modest enrollment growth, and 3% raises**



FBISD Finances – Recent History

- **Local value growth in 2012-13 would have caused additional decrease in State revenue that year (under target revenue)**
- **Increases in ADA and tax base caused FBISD to be “back on formula” in 2012-13**
- **Instead of loss of State revenue in 2012-13, District realized an increase of \$15M**
- **Additional staff reductions and further tightening of spending in 2012-13 results in surplus of \$16.4M**
- **Conservative revenue assumptions lead to conservative expenditure budget for 2013-14 leading to \$39M gap between revenue and expenditures**



2014-15 REVENUE ASSUMPTIONS

- **7.0% Assessed Value Growth**
- **Enrollment Growth of 1,460 Students - 2.1%**
- **TRS Supplement (one-time) \$4.6M**



Revenue by Source

Preliminary

(\$M's)	2013-14 Projection	2014-15 Projection	2014-15 \$ Variance
Local	\$ 285.3	\$ 303.3	\$ 18.0
State	\$ 244.9	\$ 252.9	\$ 8.0
Federal	\$ 6.3	\$ 6.4	\$ 0.1
Total	\$ 536.5	\$ 562.6	\$ 26.1



2014-15 EXPENDITURE ASSUMPTIONS

- **Salary proposal - \$19.5M**
- **Stipend adjustments - \$0.4M**
- **436 Additional FTE's - \$27.0M**
- **New TRS Supplement (ongoing) - \$5.0M**
- **2% to 3% Increase in Non-Staff Expenses - \$2.0M**



Expenditures by Object Code

Preliminary

	2013-14	2014-15	2014-15
(\$000's)	Projection	Projection	\$ Variance
Payroll Costs (61XX)	\$ 427.7	\$ 486.5	\$ 58.8
Prof. & Cntr. Serv.(62XX)	18.7	19.2	0.6
Supp. & Mat. (63XX)	35.8	36.7	0.9
Other Oper. Costs (64XX)	10.3	10.6	0.3
Capital Outlay (66XX)	5.1	2.4	(2.7)
Operating Expenditures	\$ 497.5	\$ 555.4	\$ 57.9
Other Uses*	\$ 38.9	\$ -	\$ (38.9)
Total Expenditures	\$ 536.4	\$ 555.4	\$ 19.0

* 2013-14 amount is \$10.2M transfer out to health insurance fund and proposed transfer of \$28.7M to capital fund.



2014-15 Projection

Preliminary

<u>(\$M's)</u>	<u>2013-14</u> <u>Projection</u>	<u>2014-15</u> <u>Projection</u>	<u>2014-15</u> <u>\$ Variance</u>
Revenue	<u>\$ 536.5</u>	<u>\$ 562.6</u>	<u>\$ 26.1</u>
Expenditures	<u>\$ 536.4</u>	<u>\$ 555.4</u>	<u>\$ 19.0</u>
Surplus	<u><u>\$ 0.1</u></u>	<u><u>\$ 7.2</u></u>	<u><u>\$ 7.1</u></u>



District Goals

- 1) FBISD will provide an educational system that will enable all students to reach their full potential**
- 2) FBISD will recruit, develop and retain effective teachers**
- 3) FBISD will provide a supportive climate and a safe learning/working environment**
- 4) FBISD will provide and promote leadership development at all levels**
- 5) FBISD will be a collaborative, efficient and effective learning community**



District Priorities

- **Investments needed to support Board Priorities**
 - ❖ **Development of systems that will be used to ensure the delivery of an unbiased, guaranteed, aligned, written, taught, and tested curriculum.**
 - ❖ **Development of well-defined systems for advanced learning opportunities and interventions for academic and behavior**
 - ❖ **Development of a well-defined, well-supported assessment system that is rigorous and used to inform instruction**



District Priorities

- **Investments needed to support Board Priorities**
 - ❖ **Development of systems that will be used for effectively and efficiently attracting, evaluating, and developing talent and leaders**
 - ❖ **Development of systems that support a safe and secure learning environment and workplace for students and staff**
 - ❖ **Development of scalable systems that support productive, reliable, and efficient district operations**



Budget Committee Priorities

- **Salary Increase (including stipends, equity adjustments)**
- **Smaller Class Size**
- **Special Education**
- **Testing Coordinator at Elementary Schools**
- **Common Planning/Teacher Collaboration Time**
- **Incentives for Working in At Risk Schools**



Budget Committee Priorities

- **Instructional Coaches**
- **Technology Support (Digital Learning Coach)**
- **Updated Technology Hardware**
- **Pre K for All Eligible Students**
- **Math Specialists at all Elementary Schools**
- **Library Funding –Aides and Books**



2013-14 Compensation Issues

- **Low Teacher Pay Compared to local Peers**
- **High Teacher Turnover Compared to state Peers**
- **Equity Issues Not Addressed By TASB Study**
- **Stipend Recommendations Not Implemented**



Rationale for 2014-15 Salary Proposal

- **To support Board commitment to recruit, develop and retain effective teachers**
- **To be competitive within the Houston area and State**
- **To address high turnover among teachers with 10 or less years of experience**
- **To balance these objectives with maintaining stewardship of taxpayer funds**

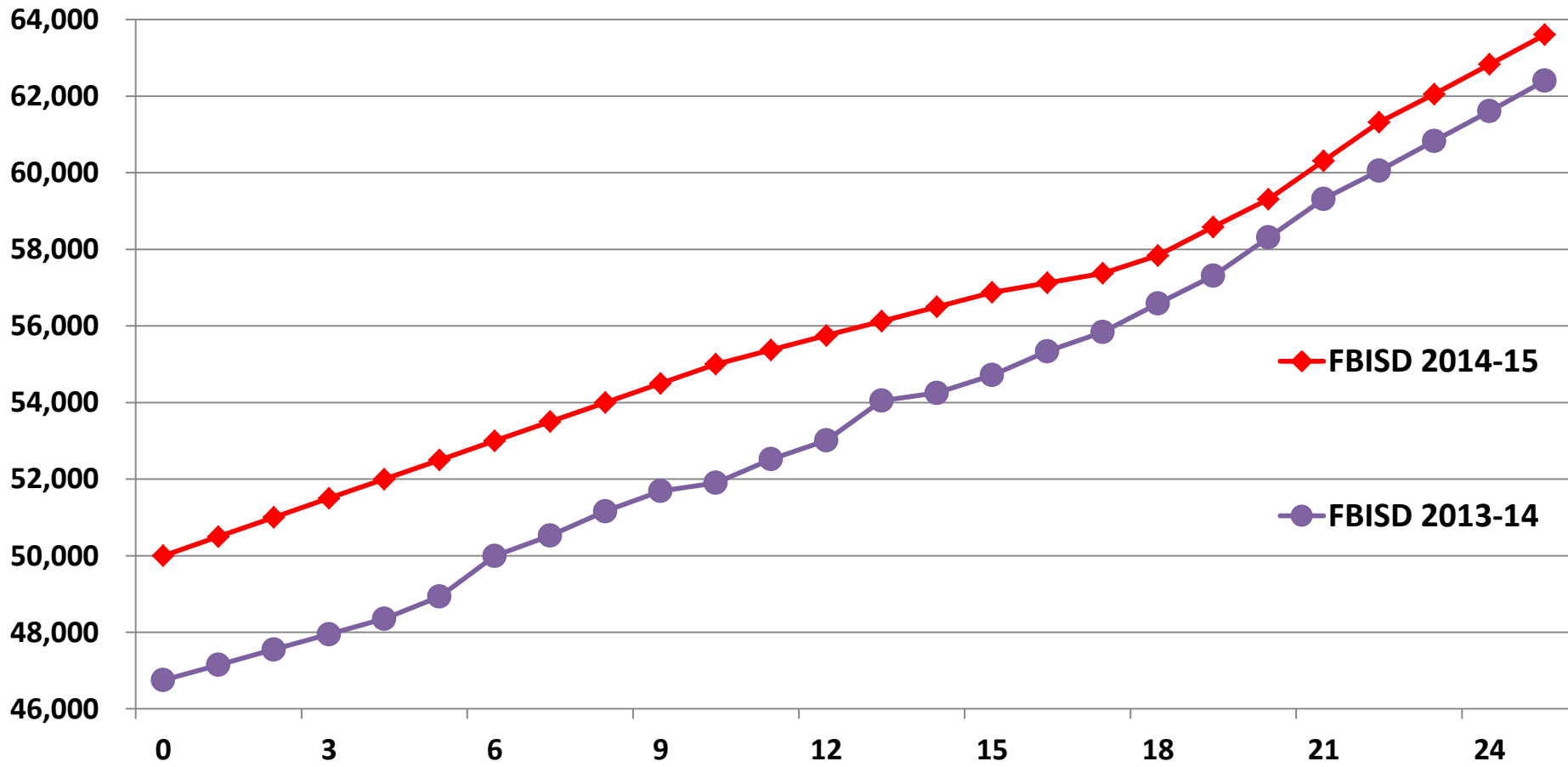


2014-15 Proposed Teacher Pay Scale & General Increase

- **\$50,000 Starting Pay**
- **Percentage Increase Ranges from 4.0% to 8.6% (5.8% avg.)**
- **Salary Increase Ranges from \$2,214 to \$4,147 (\$3,018 avg.)**
- **Teacher Salary Leader through Year 14 on Scale**
- **Proposed pay increase of 4% of midpoint for non-teaching employees**
- **Cost of \$14.1M for Teachers & \$5.4M for Others = \$19.5M**



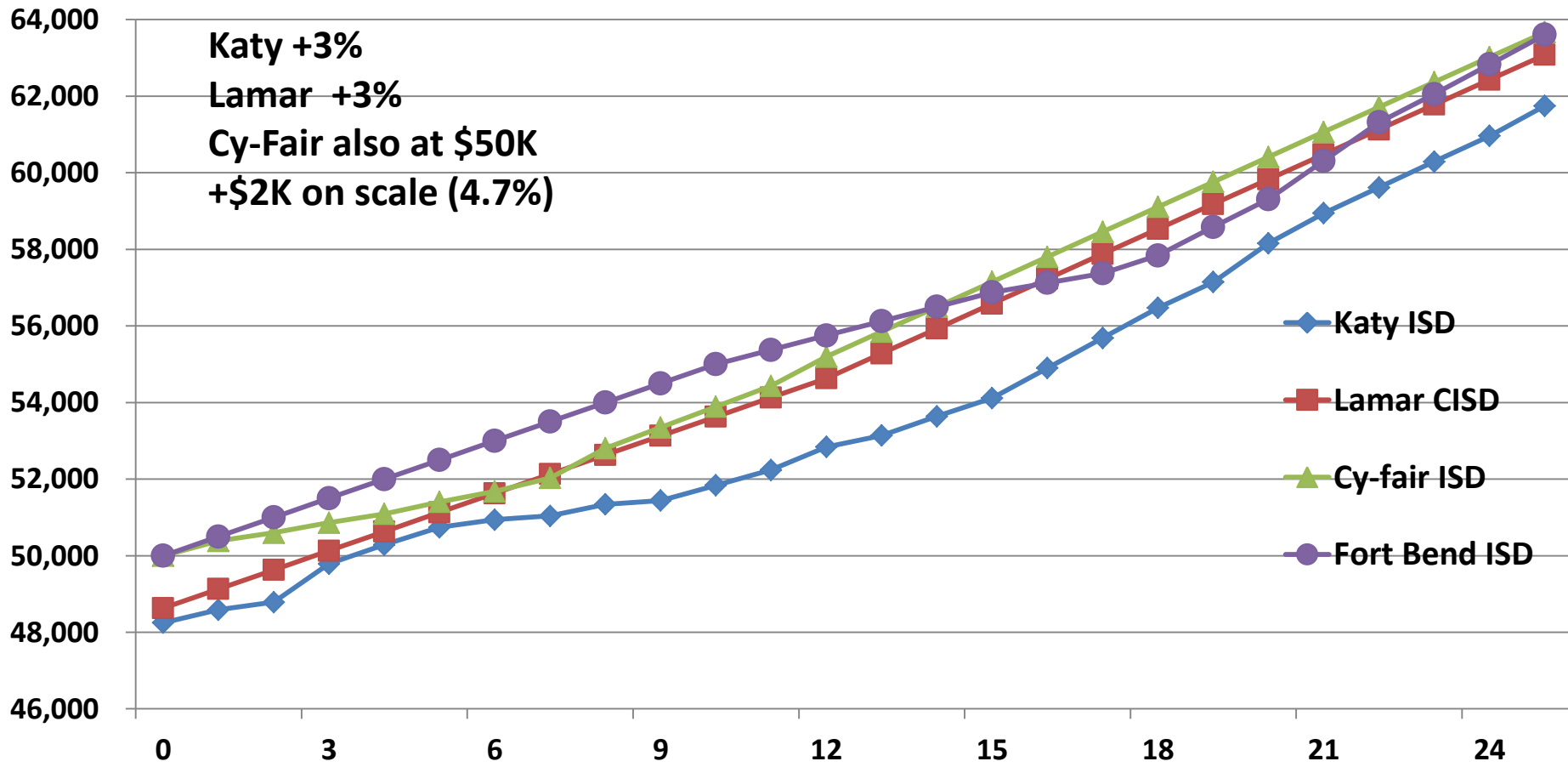
Proposed 2014-15 FBISD Teacher Pay



Source: FBISD Finance & District Websites



2014-2015 Teacher Pay Scenarios



Source: FBISD Finance & District Websites



2014-15 Compensation

Stipend Adjustments:

➤ Bilingual Stipends

- ❖ Changing from \$3,000 to \$4,000
- ❖ Total cost of \$150K

➤ Academic, Fine Arts & Athletic Stipends

- ❖ Increases for multiple stipends ranging from \$50 to \$1,080
- ❖ Total cost of \$291K

➤ Review of other stipends for next year



2014-15 Compensation

- **Early Commitment Incentive for campus professionals and hard to fill positions – to be expensed in 2013-14**
 - ❖ **\$1,000 for new campus professionals**
 - ❖ **Additional \$1,000 for certified math & science teachers**
 - ❖ **Must commit and sign contract before June 30th to be eligible**



2014-15 Compensation

- **Recommended compensation plan for 2014-15**
 - ❖ **Salary proposal - \$19.5M**
 - ❖ **Stipend adjustments - \$0.4M**
 - ❖ **Early Commitment Incentive - \$0.3M (2013-14 expense)**

- **Open issues**
 - ❖ **Equity adjustments**
 - ❖ **Benefits**
 - ❖ **Impact of Affordable Care Act**



Special Education – All Levels

- **New SPED management system approved by Board**
- **Add 5 diagnosticians to balance workload - \$0.4M**



Special Education - Elementary

- **Add Campus Compliance Coordinators (45 new positions) - \$3.0M**
 - ❖ **ARD Facilitator**
 - ❖ **Testing Coordinator**
 - ❖ **Response To Intervention**
 - ❖ **504**

- **Establish Life Skills at K-2nd**
 - ❖ **9 new teachers - \$0.5M**



Special Education - Secondary

- **Add 0.5 FTE at each secondary campus to allow Department Heads to teach half-time vs. current full-time load**
 - ❖ **12.5 new teachers - \$0.8M**

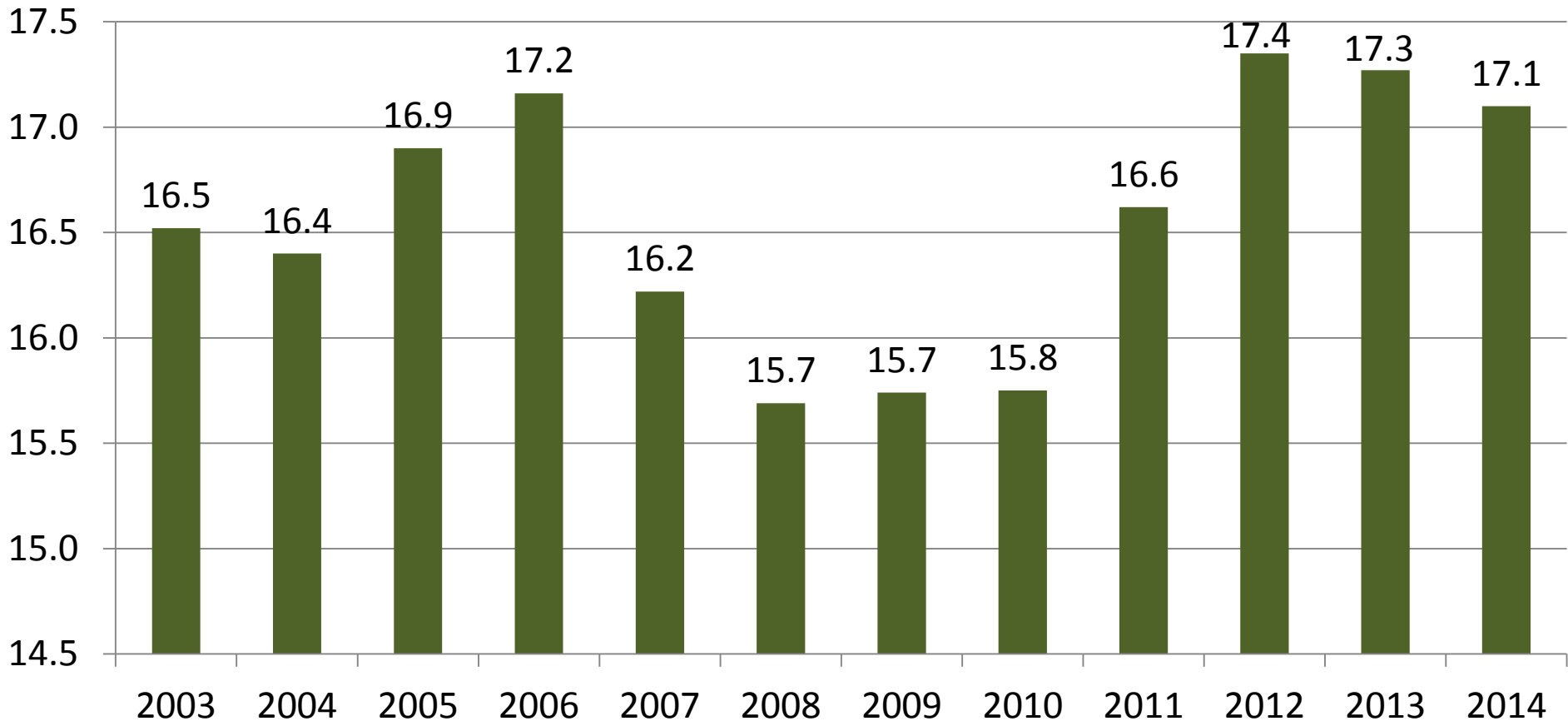


Testing Coordinator at Elementary

- **Addressed by addition of Campus Compliance Coordinator**
- **Provides significant relief to ES counselors**



FBISD Student/Teacher



Source: FBISD Finance

■ Student/Teacher



State Peers

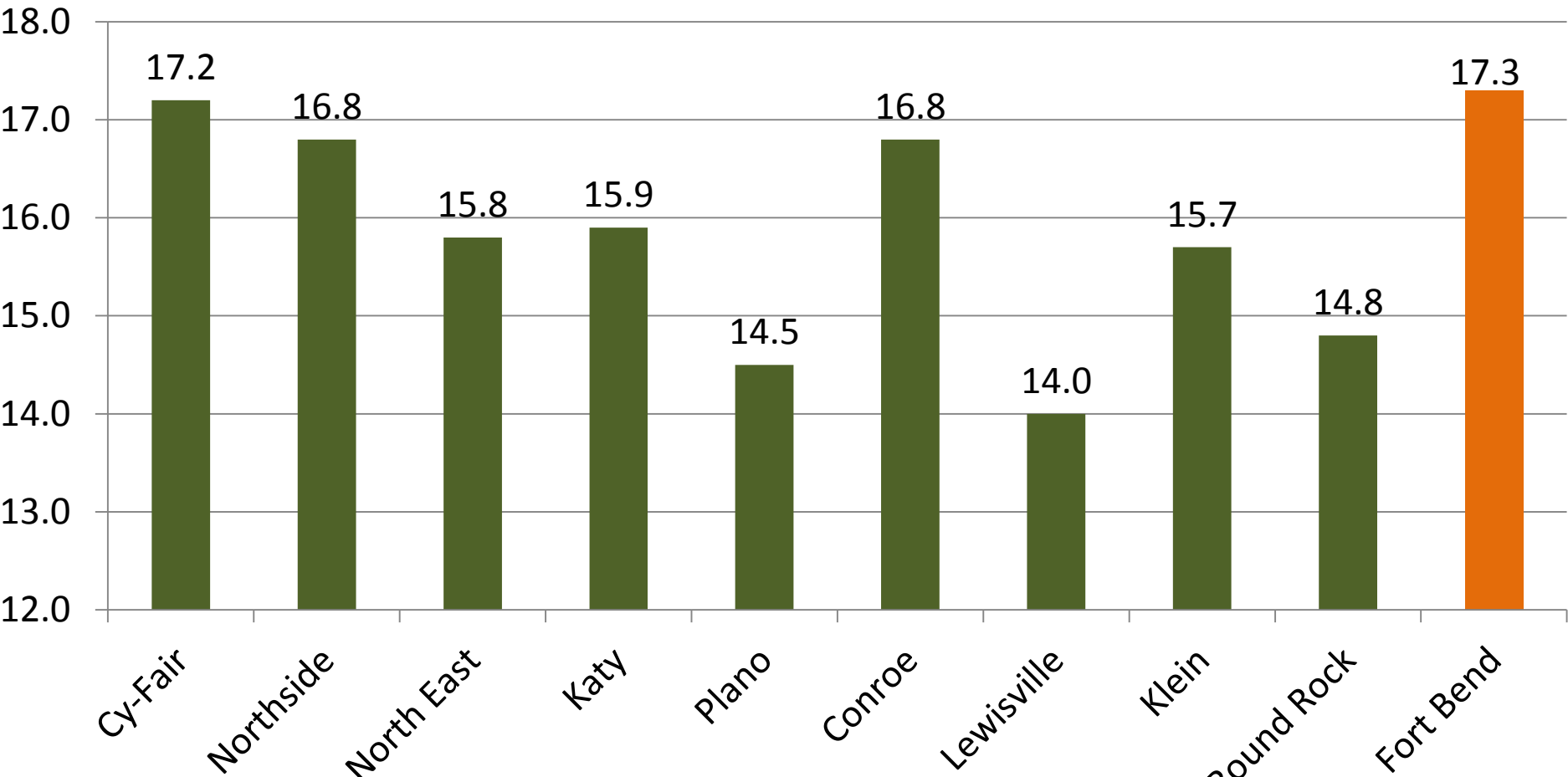
- **Cypress-Fairbanks**
- **Northside**
- **North East**
- **Katy**
- **Plano**
- **Conroe**
- **Lewisville**
- **Klein**
- **Round Rock**

State Peers Parameters: 2013
Enrollment = 45,000 - 109,000
EDS% = 27.5% - 53.5%

Fort Bend ISD 2013:
Enrollment = 69,123
EDS% = 38.6%



Student/Teacher 2013 State Peers



Source: FBISD Finance



Smaller Classes

Elementary Schools

- **2013-14: K-3 22:1 with cap at 23
4&5 24:1 with cap at 25**
- **2014-15: K-4 22:1 with cap at 23; 5th no change**
 - ❖ **56 new teachers - \$3.4M**
- **Additional outclass teachers based on school size**
 - ❖ **7 new teachers (Art, Music, PE) - \$0.4M**



Smaller Classes

Secondary Schools

- **2013-14: 27:1 and 25:1 at risk**
- **2014-15: 25:1 and 24:1 at risk**
 - ❖ **50 new teachers - \$3.0M**
- **Master schedule review**
 - ❖ **Add or remove positions based on need**



Smaller Classes

Middle Schools

- **Additional elective teachers based on campus need**
 - ❖ **Includes 10 Choir/Orchestra teachers - \$0.6M**

High Schools

- **Additional 14 Fine Arts teachers - \$0.8M**
- **Additional On-line Learning Teacher at each HS**
 - ❖ **11 new positions - \$0.6M**



Common Planning Time and Teacher Collaboration Time

Middle Schools

- **Core teachers teach five out of seven periods at LOMS, CMMS & MCMS**
 - ❖ **22 new teachers - \$1.3M**

High Schools

- **Core teachers teach five out of seven periods at MHS & WHS**
 - ❖ **16 new teachers - \$1.0M**



Technology Support

- **Digital Learning Coaches -**
 - ❖ **11 shared between each HS and MS**
 - ❖ **1 shared between three smallest MS**
 - ❖ **1 shared between four campuses (ES and Alternative)**
 - **Visit once per week with training day**
 - ❖ **Instructional focus**
 - ❖ **Re-allocation of current coaches**
- **Full-time technician at each HS - \$0.6M**
- **1 technician for two MS**
- **1 technician for four ES**



Other Notable Increases Elementary Schools

- **Additional staffing based on enrollment**
 - ❖ **Assistant principals**
 - ❖ **Counselors**
- **Part-time Receptionists for elementary campuses**
- **Full-time RN at each campus (no LVNs)***
 - ❖ **Reassign LVNs to high schools to provide RN and LVN at each high school**

*Through attrition



Other Notable Increases

All Secondary

- **Additional staffing based on enrollment**
 - ❖ **Assistant principals**
 - ❖ **Counselors**

Middle Schools:

- **Part-time Bookkeeper for all campuses**

High Schools:

- **Full-time RN and LVN at each campus**
- **Assistant Athletic Trainers at each campus***
- **Lead Counselors will have 300 students**
- **Two Police Officers at each campus**
 - ❖ **5 new officers**

*Through arrangement with Methodist Hospital



Other Priorities

- **Incentives for Working in At Risk Schools**
- **Instructional Coaches**
- **Updated Technology**
- **Pre K for All**
- **Math Specialists at all Elementary Schools**
- **Library Funding – Aides and Books**



Non Campus Staffing

- **Additional staff needed to support Board Goals & Priorities for development of systems:**
 - ❖ **Ensure the delivery of an unbiased, guaranteed, aligned, written, taught, and tested curriculum.**
 - ❖ **Develop advanced learning opportunities and interventions for academic and behavior**
 - ❖ **Develop well-defined, well-supported assessment system that is rigorous and used to inform instruction**
 - ❖ **Effectively and efficiently attracting, evaluating, and developing talent and leaders**
 - ❖ **Support a safe and secure learning environment and workplace**
 - ❖ **Scalable that support productive, reliable, and efficient district operations**



Curriculum & Instruction Staffing

- **Assistant Superintendent**
- **Executive Director – Federal & Special Programs**
- **Directors for Elementary Curriculum and At-Risk**
- **Coordinators for Early Childhood and PreAP/AP**
- **Speech Pathologist**
- **Student Affairs Specialist and Annex Receptionist**
- **Licensed Specialist in School Psychology (2)**
- **Diagnosticians (5)**
- **Social Worker (2)**
- **Financial Clerk – Fine Arts**
- **19 total positions - \$1.5M**



Technology Staffing

- **Managers of Business Services**
- **Manager of Web Services**
- **Information Security Advisor**
- **Senior Network Engineer (2)**
- **Project Manager**
- **Network Analyst**
- **Analyst Programmer Systems (2)**
- **Web Developer**
- **Service Desk Analyst**
- **Technician – Non Campus Support**
- **12 total positions - \$1.2M**



Operations Staffing

- **Building Automation Specialist**
- **Custodian @ Ridgemont Early Child Center**
- **HVAC Supervisor and Technicians (6)**
- **Alarm Technician and Electronics Technician**
- **Second shift supervisors, mechanics & servicemen at both Transportation facilities (6)**
- **Transportation Audio Visual Technician (2)**
- **Transportation Routing Supervisor**
- **19 total positions - \$0.9M**



Other Non Campus Staffing

- **Chief of Staff**
- **Executive Director of Finance**
- **Media Relations Coordinator**
- **Police Lieutenant**
- **Itinerant Bookkeepers (3)**
- **7 total positions - \$0.6M**

- **Total Non Campus Staffing of 57 positions plus benefits - \$4.8M for General Fund**
- **Other Funding: 10 positions for \$0.5M**



Strategic Financial Planning

- **State sales tax collections and other revenue sources continue to grow beyond projections**
- **Local values continue to increase**
- **School Finance lawsuit yet to be resolved**



Strategic Financial Planning

But what if.....?

Strategies for Potential Revenue Losses

- **Commit Fund Balance to covering any potential shortfall of State revenue (\$40M)**
- **Adjust staffing ratios and reduce staff through attrition**
- **Extend open time for vacant positions**
- **Reductions of non-staff budgets**



Summary of Compensation & Staffing

Salary and Staffing Summary

<u>(\$M's)</u>	<u>2014-15</u>	<u>FTE's</u>
Salary Proposal	\$ 19.5	
Stipend Adjustments	0.4	
Campus Staffing	22.2	379.0
Non-Campus Staffing	4.8	57.0
Total Investment	<u>\$ 46.9</u>	<u>436.0</u>



2014-15 Budget Calendar – Key Upcoming Dates

- **April 7 – Special Called Board Meeting**
 - ❖ **Action on Staffing & Compensation Recommendation**
- **April 21 – Regular Board Meeting**
 - ❖ **Informational Briefing on Debt Service and Bond Capacity**
- **May 5- Regular Board Workshop**
 - ❖ **Benefit Update and Informational Briefing on Child Nutrition**
- **May 19 – Regular Board Meeting**
 - ❖ **Budget Update**
- **June 2 – Regular Board Workshop**
 - ❖ **Public Hearing on the Budget and Proposed Tax Rate**
- **June 9 – Regular Board Meeting**
 - ❖ **Budget adoption**