



# Monthly Business Breakfast

## May 20, 2015



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# 2015-2016 Budget Development Board Workshop

May 11, 2015



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- HB 1759-Aycock Proposing Additional \$3.0 Billion for K-12
- House Appropriations includes \$2.2 Billion for K-12
- **Senate Appropriations includes \$1.1 Billion for K-12**
- House/Senate Debate over Funding for Tax Relief
  - ✓ Impact of Debt Service Unknown
- Controversy Continues over Vouchers
- SB 149 – Graduation Committees
- Opportunity School Districts – some form expected

## Dates of interest:

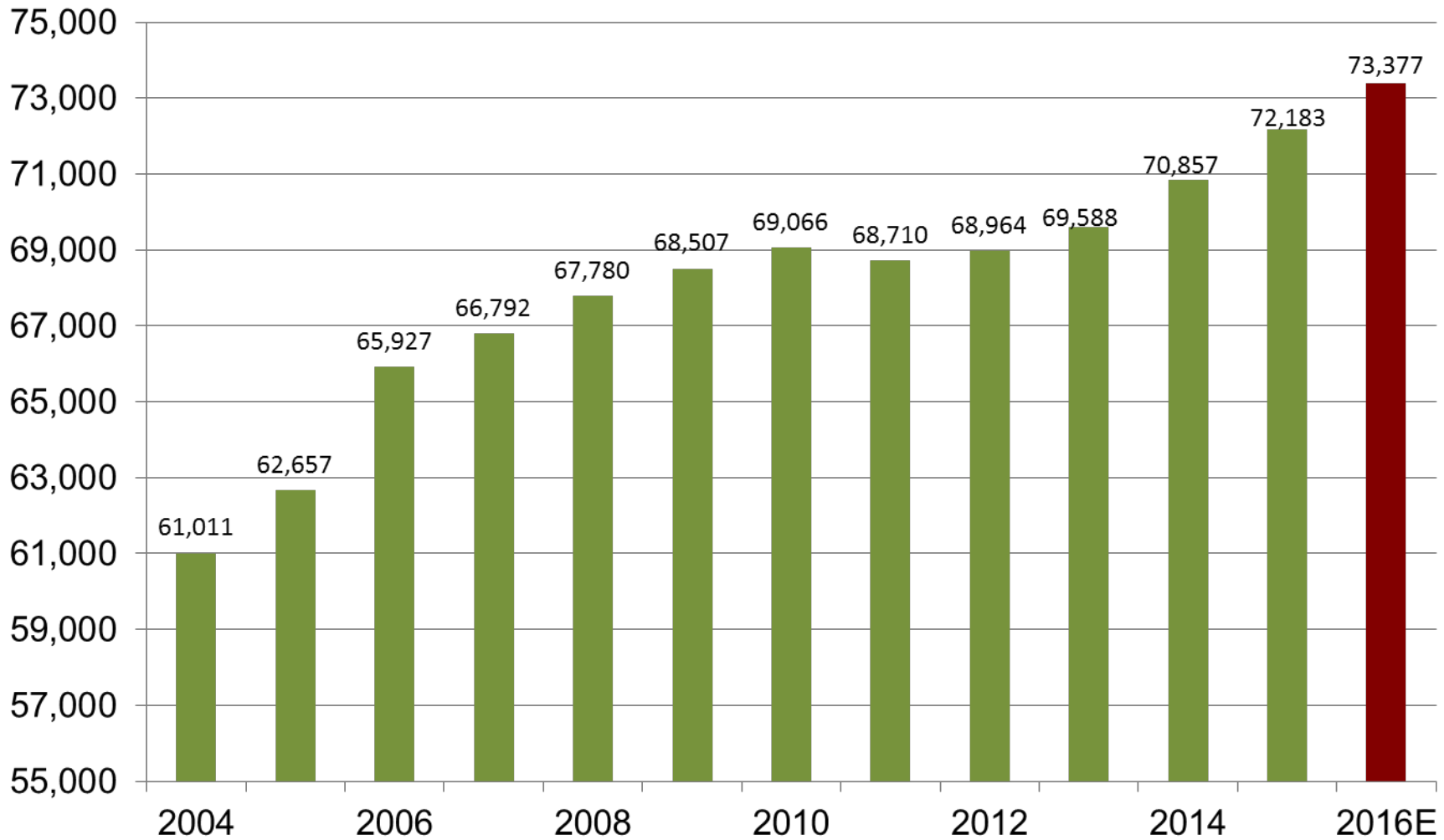
- May 11 - last day for House committees to report House bills from committee
- May 14 - last day for House to hear House bills on second reading
- May 23 - last day for House committees to report Senate bills from committee
- May 26 - last day for House to hear Senate bills on second reading
- May 31 - last day for House to adopt conference committee reports
- **Sine die: June 1**



# 2015-16 Final Budget Assumptions

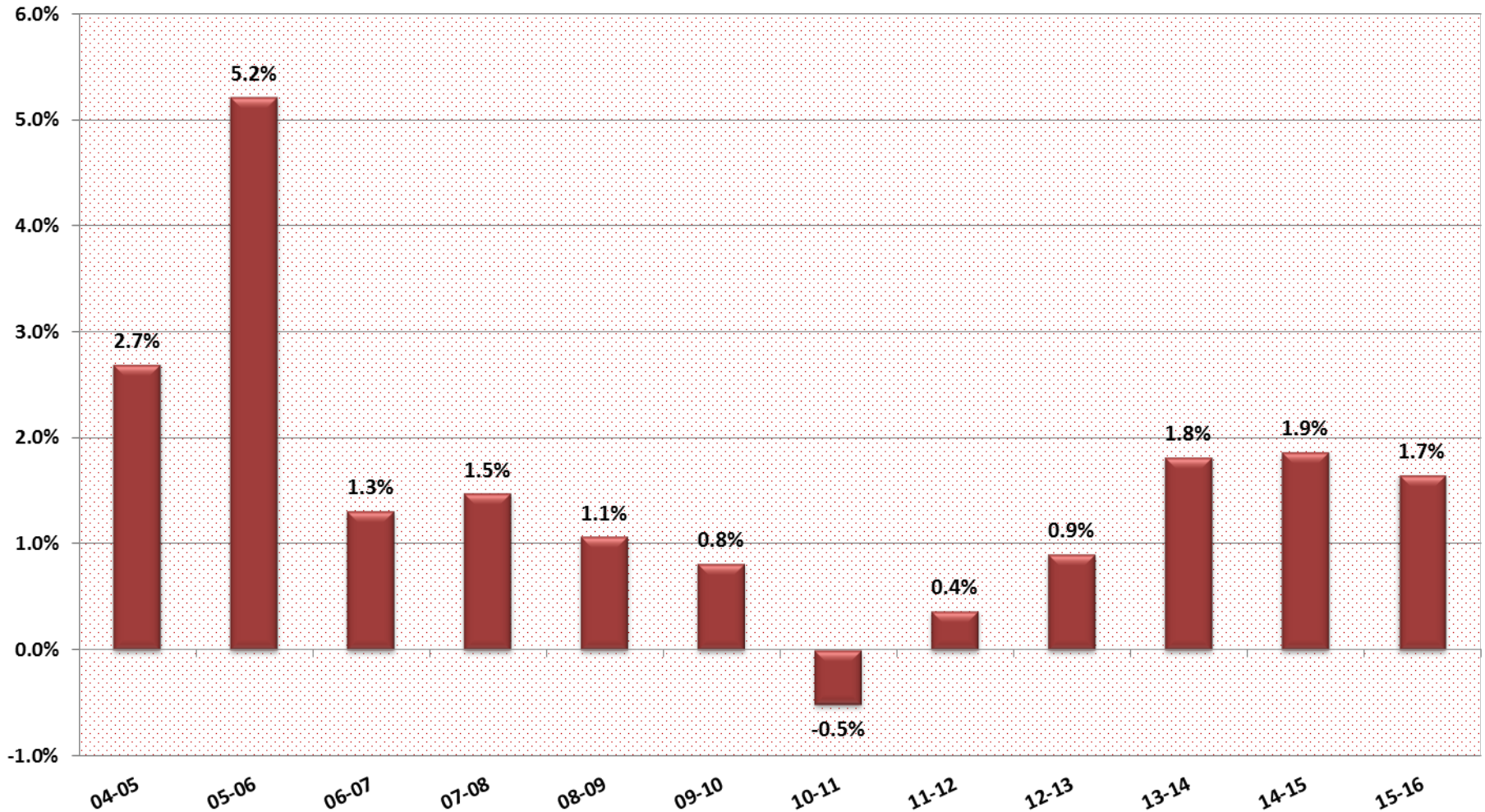
- Enrollment – 73,377 (PASA February 2015 Most-Likely Growth)
- 11.5% Property Value Growth
- 74 Approved Campus Positions
- 10 Approved Non-Campus Positions
- 7.5 Contingency Teaching Positions
- Estimated Cost of Salary Increase at 2%
- **Employee Compensation Adjustment of Approximately \$3.5M**
- Estimated Transportation Supplemental Funding of \$2.5M
- Funding Calculated Utilizing SB2 Proposed Formula

March 2015



March 2015

## Annual Change in Enrollment 2004/05 - 2015/16



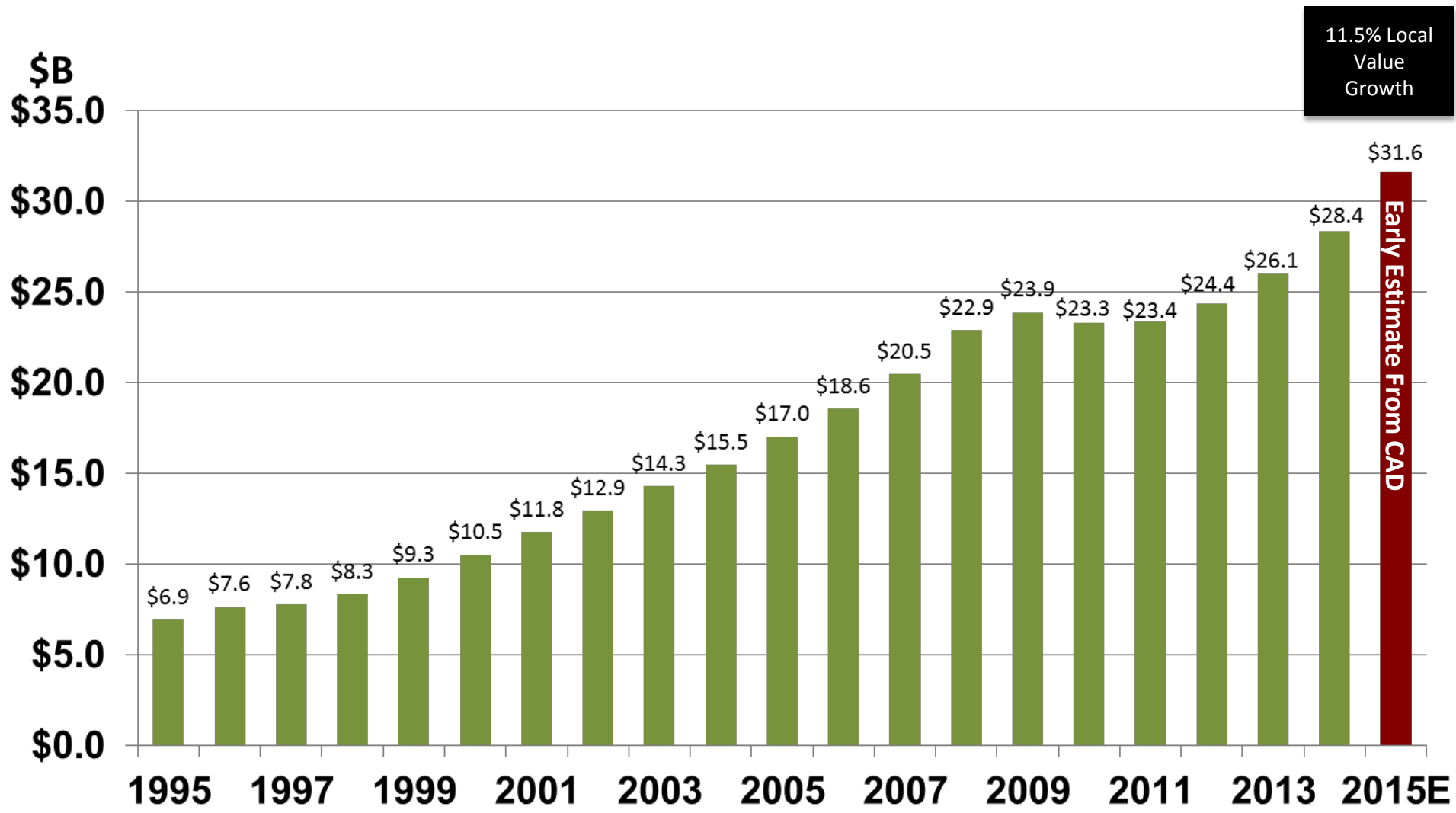


## 2015-16 Fort Bend ISD Taxable Property Value

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

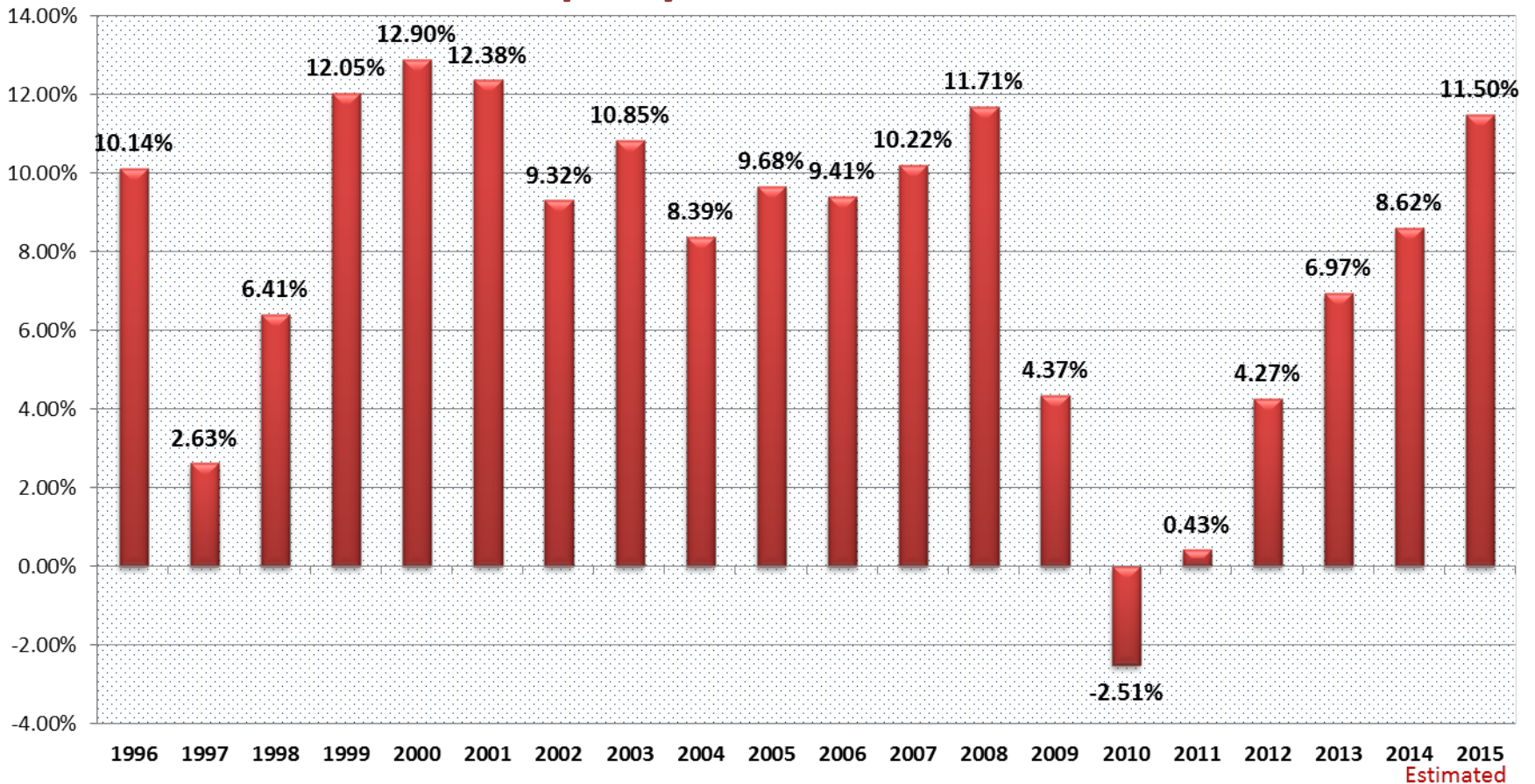
# Property Value Growth

April 2015



April 2015

## Annual Growth/(Decline) Net Assessed Property Value 1994 – 2015

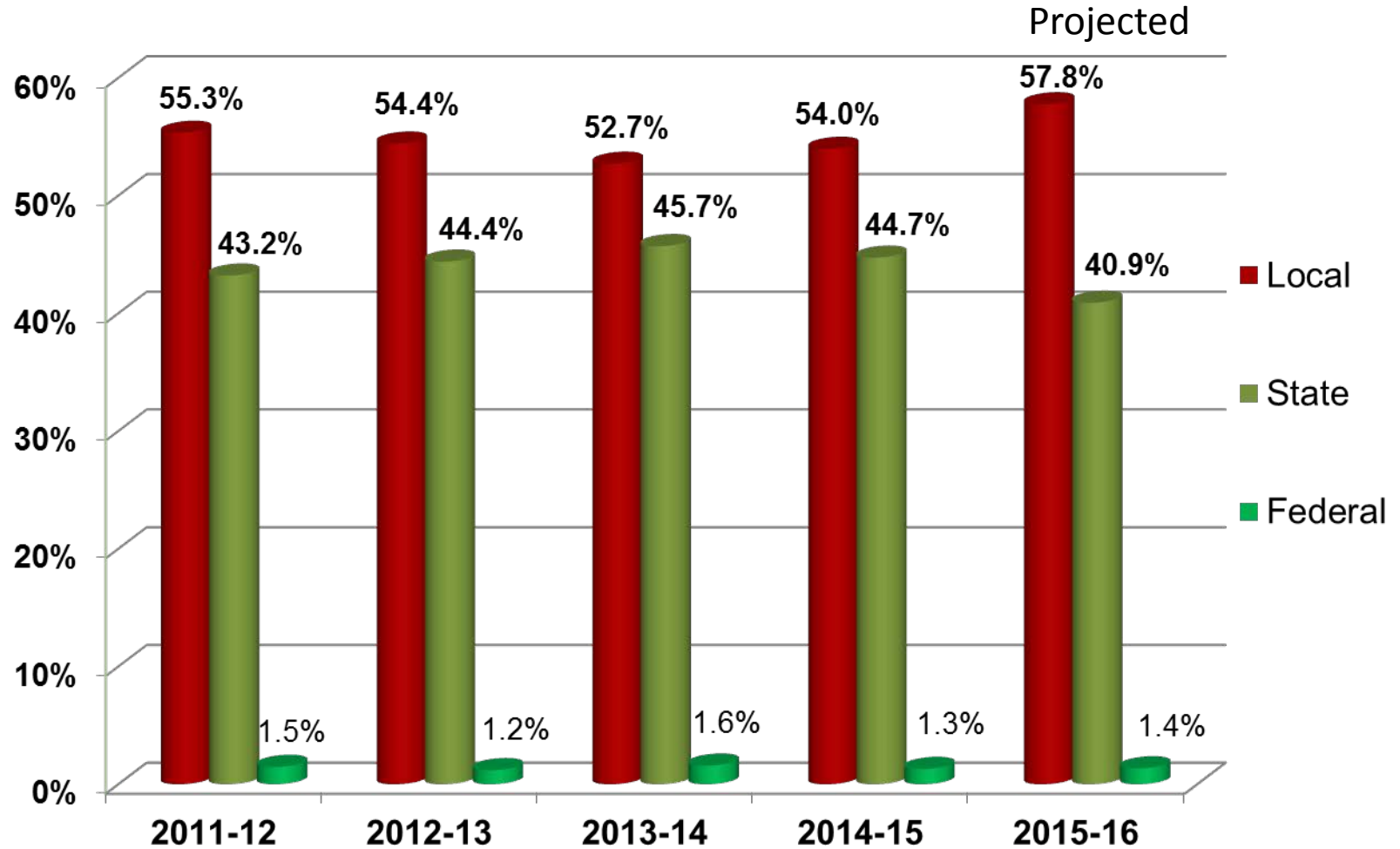


Source: FBISD Finance and Central Appraisal District

# Proposed 2015-16 Budget Compared to 2014-15

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

## General Fund Revenue Sources



## General Fund Revenue Sources

	2013-14	2014-15	2015-16	2016-17
(\$M's)	Actual	Projected	Proposed	Projected
Local	\$ 282.5	\$ 304.1	\$ 333.2	\$ 360.3
State	\$ 245.0	\$ 250.0	\$ 235.9	\$ 210.8
Federal	\$ 8.5	\$ 7.2	\$ 7.8	\$ 7.8
<b>Total</b>	<b>\$ 536.0</b>	<b>\$ 561.3</b>	<b>\$ 576.9</b>	<b>\$ 578.9</b>

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

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

# 2015-16 Compensation Recommendations

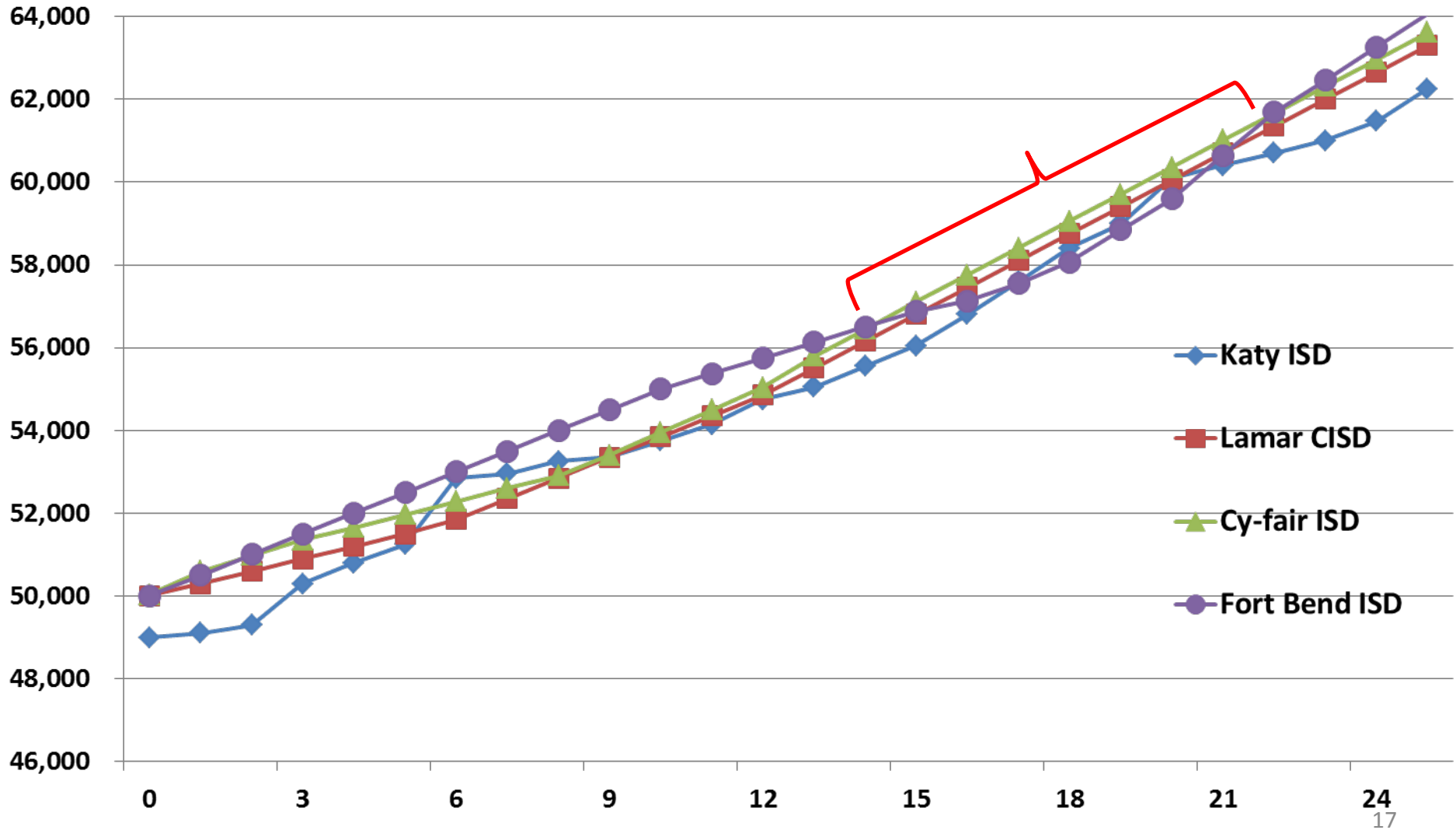
- Salary Increase
- Equity/Market adjustments
- Reclassifications
- Stipends

## 2015-16 Proposed Teacher Pay Scale & General Increase

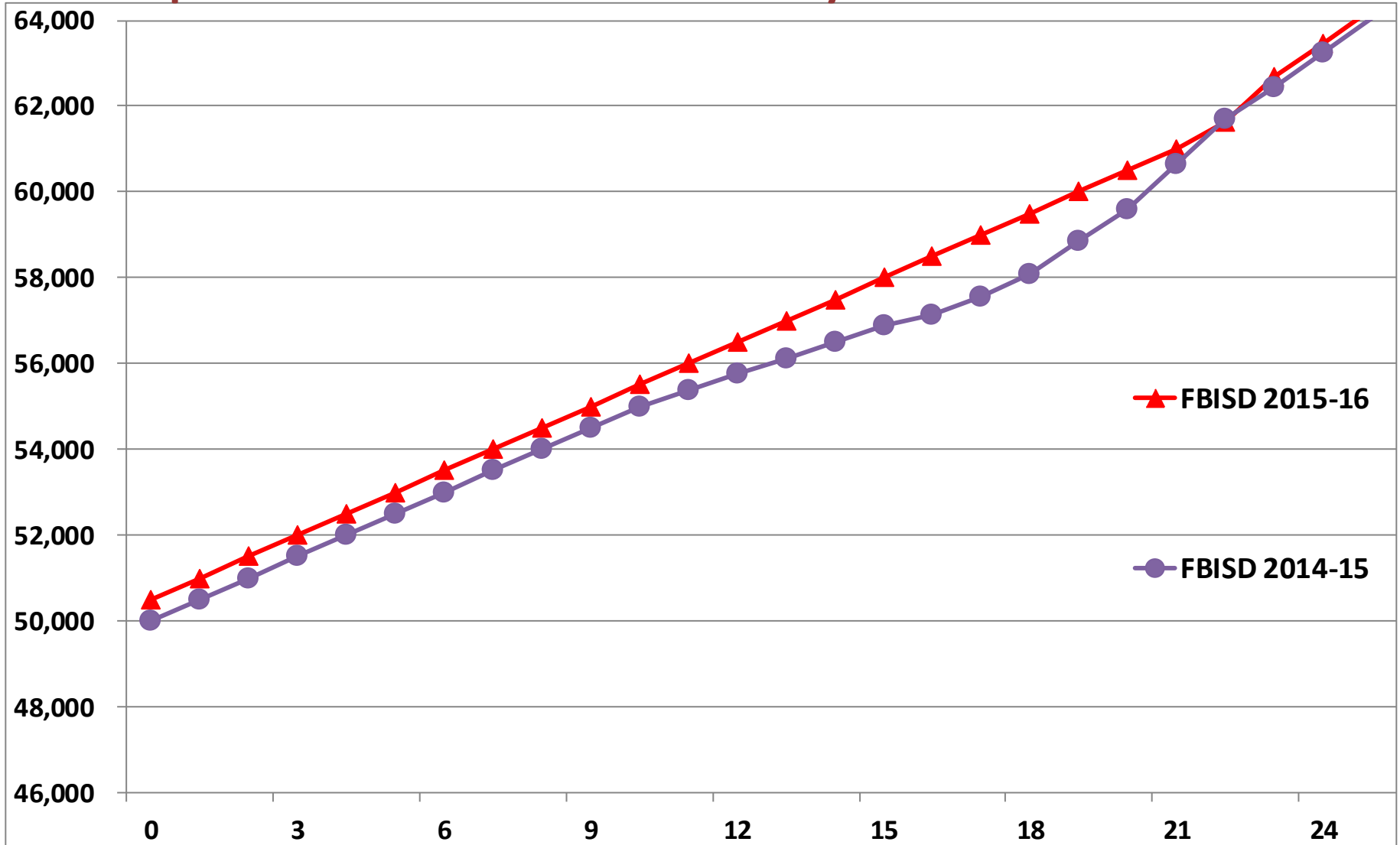
- \$50,500 Starting Pay (up from \$50,000)
- Goal of smoothing scale for even \$500 steps
- Percentage Increase Ranges from 1.6% to 3.4% (2.1% avg.)
- Salary Increase Ranges from \$1,000 to \$1,947 (\$1,218 avg.)
- Teacher Salary Leader through Year 20 on Scale depending on the other districts
- Proposed pay increase of 2% of midpoint for non-teaching employees
- Cost of \$5.5M for Teachers & \$3.7M for Others = \$9.2M



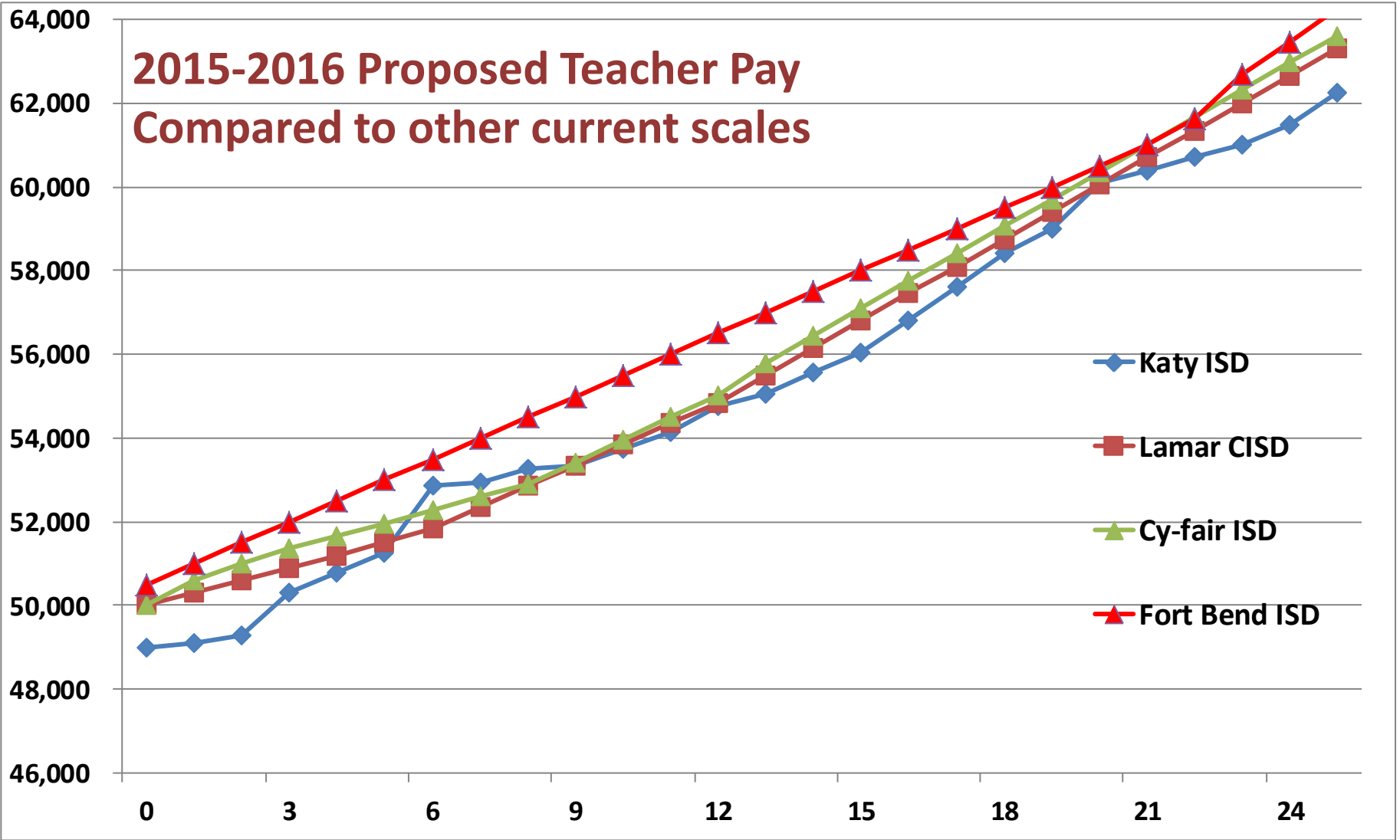
## 2014-2015 Teacher Pay



## Proposed 2015-16 FBI

SD Teacher Pay


## 2015-2016 Proposed Teacher Pay Compared to other current scales



## Compensation Recommendations Summary

<b>(\$M's)</b>	<b>2015-16</b>
<b>Salary Proposal</b>	<b>\$ 9.2</b>
<b>Stipend Adjustments</b>	<b>0.5</b>
<b>Market, Equity &amp; Reclasses</b>	<b>2.6</b>
<b>Total Investment</b>	<b>\$ 12.3</b>

Staffing and Compensation make up 87.1% of proposed budget

## Summary of New General Fund Positions for 2015-16

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Classification	FTEs	Salary
Teacher Positions	50.5	\$3,194,125
Other Campus Professional Positions	12.5	\$887,190
Campus Paraprofessional Positions	11	\$302,672
Non-Campus Professional Positions	10	\$740,102
<b>Total Position Requests</b>	<b>84</b>	<b>\$5,124,089</b>

## Salary and Staffing Summary

<b>(\$M's)</b>	<b>2015-16</b>	<b>FTE's</b>
<b>Salary Proposal</b>	<b>\$ 9.2</b>	
<b>Campus Staffing</b>	<b>\$ 4.4</b>	<b>74.0</b>
<b>Non-Campus Staffing</b>	<b>0.7</b>	<b>10.0</b>
<b>Stipend Adjustments</b>	<b>0.5</b>	
<b>Market, Equity &amp; Reclasses</b>	<b>2.6</b>	
<b>Total Investment</b>	<b><u>\$ 17.4</u></b>	<b><u>84.0</u></b>

Staffing Approved at the 2/26 and 3/23 Board Meetings

Staffing and Compensation make up 87.1% of proposed budget

## Summary of Division Operating Increases for 2015-16

	2015-16 Increases
<b>Non-Staff Increases by Division</b>	<b>\$000</b>
(1) Curriculum & Instruction/School Leadership	161
(2) Police	200
<b><i>Total Division Expenditures Increase</i></b>	<b><i>\$ 361</i></b>

*(1) Increase for Fine Arts instrument replacement \$500K / Decrease of \$339K in other C&I line items*

*(2) Overtime for district officers for athletic and other district events*

## Summary of Division Operating Decreases for 2015-16

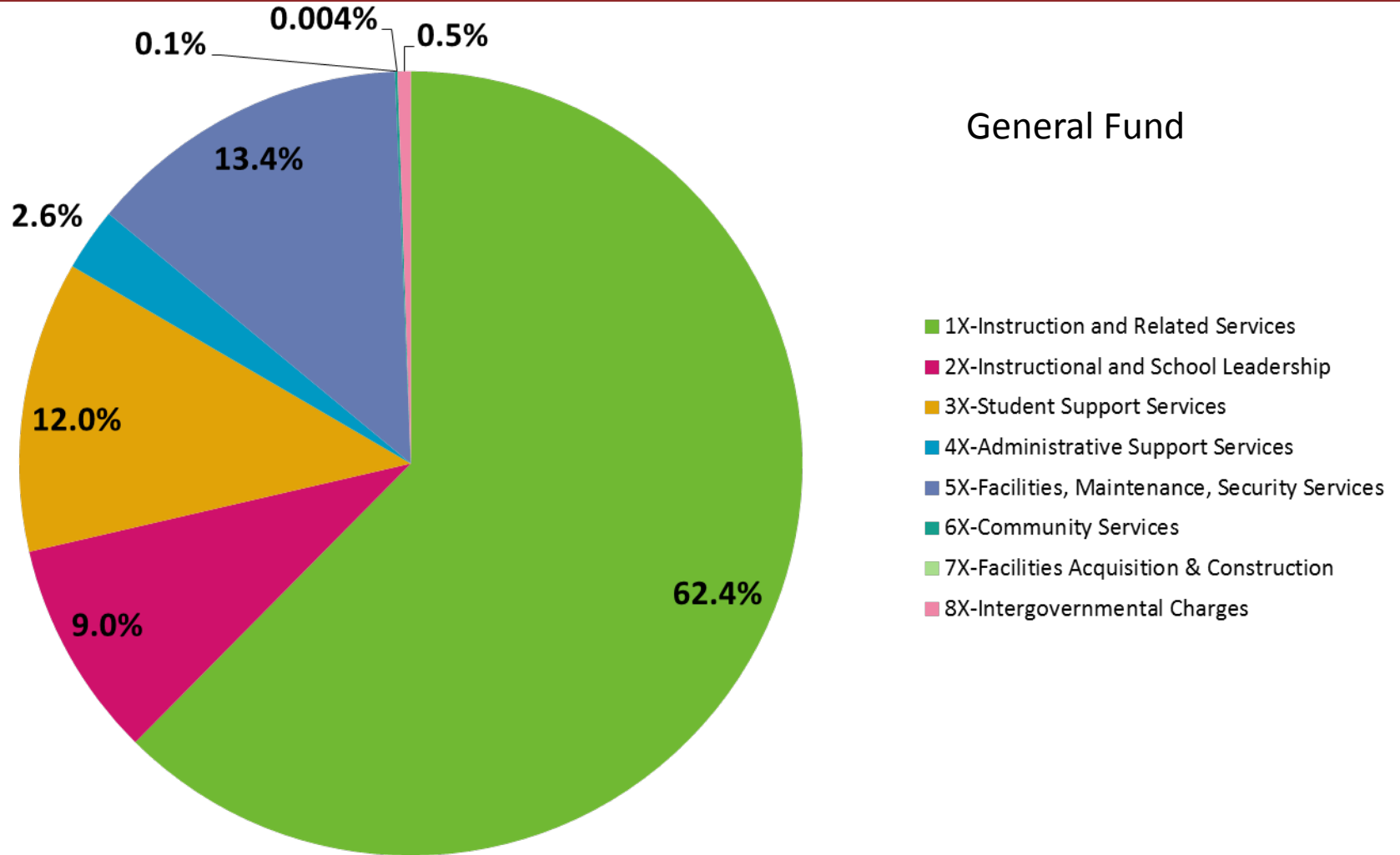
	2015-16 Decreases
<b>Non-Staff Decreases by Division</b>	<b>\$000</b>
(1) Technology	\$ (78)
(2) Human Resources	0
(3) Business & Finance	(399)
(4) Operations	(401)
(5) Legal	0
<b><i>Total Division Expenditures Decrease</i></b>	<b><i>\$ (878)</i></b>

\* FBISD has over 40 departments within its organizational structure

- (1) Movement of expenditures to Internal Service Fund
- (2) Addition of Gallup screening software for teachers but making reductions to offset expense
- (3) Reduction to various line-items due to zero-based budgeting analysis
- (4) Energy management initiatives and fuel reductions
- (5) Legal working with static budget



# 2015/16 Budget By Function



## Expenditures by Object Code

(\$000's)	2013-14	2014-15	2015-16
	Actual	Projection	Proposed
Payroll Costs (61XX)	\$ 432,547	\$ 484,405	\$ 503,154
Professional & Contract Services (62XX)	34,040	37,024	41,494
Supplies & Materials (63XX)	26,476	27,059	23,498
Other Operating Costs (64XX)	10,437	10,734	11,598
Capital Outlay (66XX)	3,516	1,655	664
<b>Operating Expenditures</b>	<b>\$ 507,016</b>	<b>\$ 560,877</b>	<b>\$ 580,408</b>
Other Financing*	\$ (29,088)	\$ 1,083	\$ -
<b>Total Expenditures</b>	<b>\$ 477,928</b>	<b>\$ 559,794</b>	<b>\$ 580,408</b>

## 2014/15 – 2016/17 Projected Budget Estimates

	2014-15	2015-16	2016-17
(\$000's)	YE Projection	SB2 Projection	SB2 Projection
<b>Revenue</b>	\$ 559,436	\$ 576,945	\$ 578,917
<b>Operating Expenditures</b>	\$ 560,877	\$ 580,408	\$ 582,881
<b>Other Financing</b>	\$ 1,000	\$ 1,000	\$ 1,500
<b>Net Change in Fund Balance</b>	\$ (441)	\$ (2,463)	\$ (2,464)
<b>Beginning Fund Balance</b>	\$ 170,431	\$ 169,990	\$ 167,527
<b>Ending Fund Balance</b>	\$ 169,990	\$ 167,527	\$ 165,063

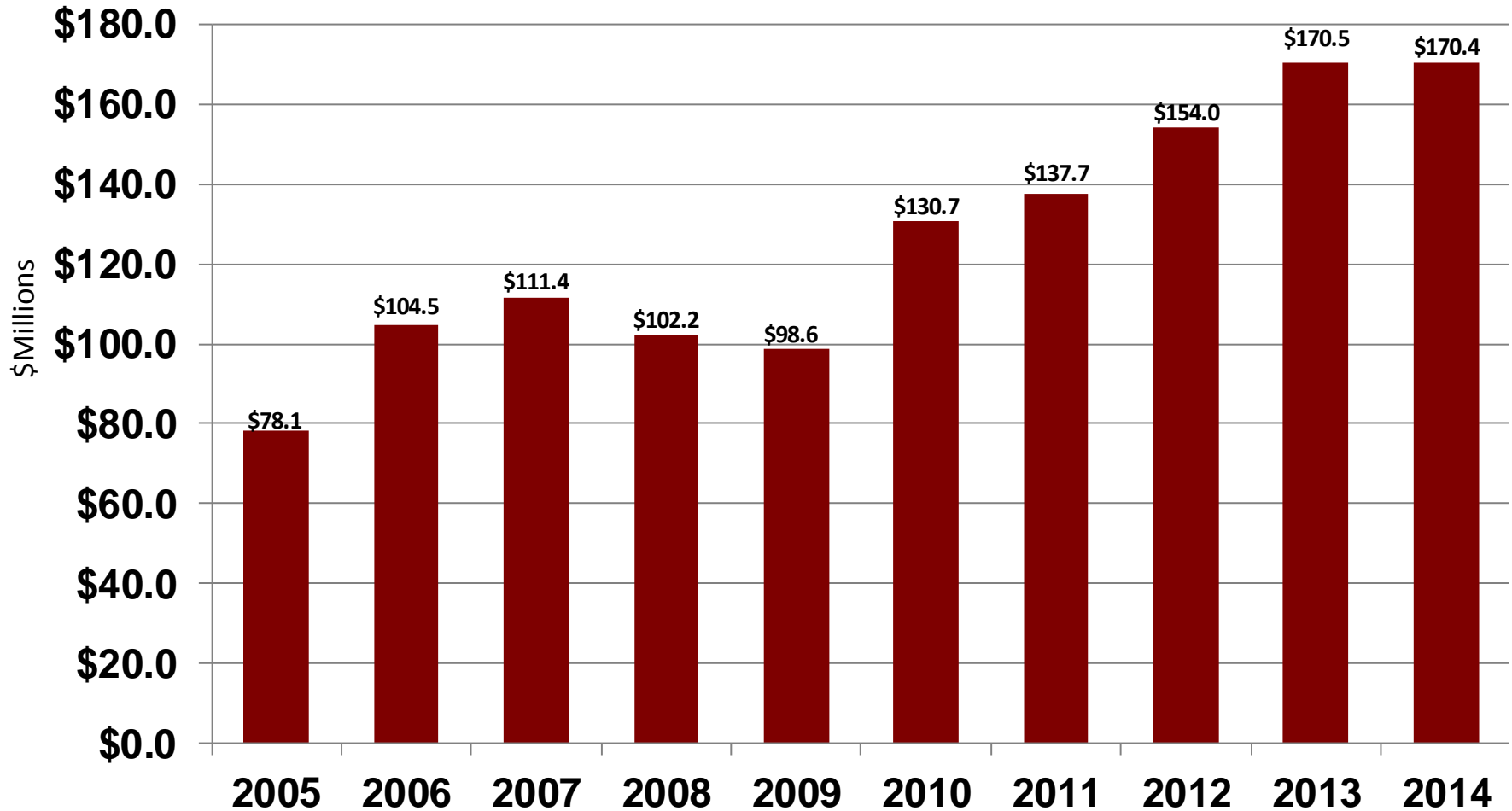
  

	<ul style="list-style-type: none"> <li>• +1060 students</li> <li>• CPTD = 9.98%</li> <li>• CAD = 11.5%</li> </ul>	<ul style="list-style-type: none"> <li>• +739 students</li> <li>• CPTD = 11%</li> <li>• CAD = 6.5%</li> </ul>
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## Uses of Fund Balance

- 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” for the unassigned fund balance to equal estimated amount needed to cover cash flow deficits in General Fund for fall period following fiscal year plus estimated monthly cash disbursements for the following fiscal year
  - Fund balance need is greater for Districts with June 30<sup>th</sup> year end
- **Current FBISD Policy:** District will strive to maintain an unassigned general fund balance equal to the greater of sixty (60) days or seventeen percent (17%) of net budgeted operating expenditures

## Total Fund Balance



## Prior Fund Balance Action

- Create requirement in Fiscal Policy to commit one month of operating expenditures as a Set Aside for Loss of State Revenue
- \$8.9 million committed for Major Maintenance
- \$5.0 million committed for Textbooks

		2014 - 15	2015 - 16	2016 - 17
TOTAL PROJECTED REVENUES		\$ 559,436	\$ 576,946	\$ 578,917
TOTAL PROJECTED EXPENDITURES		\$ (560,877)	\$ (580,408)	\$ (582,881)
Transfer In/Out		<u>1,000</u>	<u>1,000</u>	<u>1,500</u>
OPERATING SURPLUS (DEFICIT)	Prior	(441)	(2,463)	(2,464)
	<u>Commitments</u>			
Committed: Major Maintenance	(8,867)	2,500	-	-
Committed: Textbooks	(5,000)	2,301	-	-
Committed: Set Aside for Loss of State Revenue		(46,700)	-	-
Committed: Transportation		<u>(2,500)</u>	<u>2,500</u>	<u>-</u>
Increase (decrease) in Unassigned Fund Balance	(13,867)	(44,839)	37	(2,464)
Projected Unassigned Beginning Fund Balance		<u>143,721</u>	<u>98,882</u>	<u>98,920</u>
Projected Unassigned Ending Fund Balance		<u>\$ 98,882</u>	<u>\$ 98,920</u>	<u>\$ 96,456</u>
% of Budget		17.6%	17.0%	16.5%
2 Months of Operations		93,479	96,735	97,147
# Months of Operations (un-assigned)		2.1	2.0	2.0

## Additional Considerations

- Uncertainty with Local Value Growth
- Legislative Session 2015
  - Potential Special Session
- School Finance Lawsuit
- Future New Campus Expenses
- Transportation
- Partially Unfunded Technology Plan



## Critical Dates

June 1

Special Meeting

Public Meeting to Discuss Budget and Proposed Tax Rate

June 15

Regular Board Meeting

Adoption of the 2015/16 Budget

Consideration of Final Amendment



# Purchasing



## Quick Reminders

### **Dedicated Pricing Websites:**

We do have dedicated FBISD web pages that are a great tool for pricing. Each of these dedicated pages has our current pricing listed, so it is perfect for staff and teachers to plan orders and stay within budget.

#### **Office Max – BID 12-045ML**

[www.officemaxsolutions.com](http://www.officemaxsolutions.com)

User: fortbend

Password: browse1

(Case sensitive; be sure to use low caps)

This gives the user only the items that are not restricted to Fort Bend ISD.

#### **Standard Office Products – BID 12-045ML**

[www.standardofficeproducts.com](http://www.standardofficeproducts.com)

Login Section:

Account Code: 001182

Password: FBISD

This gives the user updated FBISD pricing on all of the products available.

#### **School Specialty**

[www.schoolspecialtyonline.com](http://www.schoolspecialtyonline.com)

User: fortbend isd (There is a space between fortbend and isd)

Password: browser1

(Case Sensitive)

This gives the user access to School Specialty, Sportime, Childcraft, Sax and Abilitations and a few other catalogs owned by school specialty.

#### **Lakeshore BID 12-009KK**

<http://epro.lakeshorelearning.com/fbisd>

Here is the link to the view only Ft Bend ISD website. No logins required!

### **Palletized delivery:**

Please remember that we do not accept pallet deliveries. If you find yourself with a delivery driver that will not remove the items from the pallet, please refuse the shipment and contact Kelly Kelly (4-1854).

## Specialty Paper Orders

As a result of the Office Max/Office Depot merger, there will be a few changes regarding the order of specialty paper. Copy paper orders remain the same.

- A list of discontinued stock and their replacements (handout and pipeline)
- If product is not available in Office max please check Office Depot and vice-versa.
- Quick reminder that Office Max is a Web Order; Office Depot is a line item requisition

# Supplemental Pay



# Supplemental Pay

Email the name of the person responsible for submitting Supplemental Pay for your campus/department to [gina.cerio@fortbendisd.com](mailto:gina.cerio@fortbendisd.com)

- Include name, phone number and location

Submit supplemental pay information by the posted date and time deadline

- Let your employees know that time submitted late will be paid on the next payroll
- Do not email duplicate time
- Employees on Leave of Absence should not be working and will not generate a check during the regular payroll

Due to ACA (Affordable Care Act), hours must be tracked on a weekly basis.

- Weekly time is Monday through Sunday
- Submit time to be paid using weekly dates per the payroll schedule
- Remind employees to submit weekly hours and do not hold on to hours to build their payment.

# Supplemental Pay

- Hours to be paid for June 29 and June 30 should be paid using the 2014-2015 speed types
- Hours after June 30, should be submitted with a 2015-2016 log number and speed type



# Accounts Payable



## A/P Year End Reminders

- Check your PeopleSoft worklist to make sure all vouchers entered have been initiated, approved, and have valid budget status – all unposted vouchers will be deleted 6/30/15 and will need to be rekeyed in July.
- Make sure all invoices for BPO's and our vouchers have been submitted to AP

## Field Trips

- Provide AP with the documentation (either PO or voucher) as soon as the arrangements are made
- The sponsor should contact the vendor a week prior to the event to confirm payment was received
- Remember: The PCard (unless using Grant Funds) is a perfect way to pay for these events

## Rush Checks/ Check Pick up

### Rush Checks

- Quick overview of A/P process to check issuance
- Allow AP at least two weeks notification to issue payment, No guarantee that a check will be issued and ready if two weeks are not given
- Work with sponsors to make sure they are aware of these deadlines so that the proper paperwork is done so that a check can be issued well in advance
- We understand that under certain circumstances (such as qualifying for an event) this is unavoidable

### Check Pickup

- Checks are only allowed to be picked up if the payment involves Student Travel Activities

## What's New?

### Vendor ACH payments

- We are happy to announce that we are now able to process vendor payments through ACH
- We are working with purchasing to get current vendors (PO) and new Bid vendors to allow us to pay them through ACH
- If you have a vendor that would like to be paid through ACH, here's how:
  - Have the vendor complete the Vendor ACH Authorization form (I can email the form and we will have it available on the Pipeline)
  - Once the form is returned to you, email it to Minnie Martinez and [AccountsPayable.Invoices@fortbendisd.com](mailto:AccountsPayable.Invoices@fortbendisd.com)
  - Minnie will notify you when the change is made
  - All new payments will be issued through ACH

# Activity Funds



Important Wrap-ups:

Spring Book fair

Important Wrap-ups:

Yearbook



Important Wrap-ups:

Senior Activities

## 2016 Budget for Fund 461:

### Due by May 28

- Excel template (by email)
- Printed, signed\*
- Nvision revenue/expense report\*

\*pony mail or scan/email

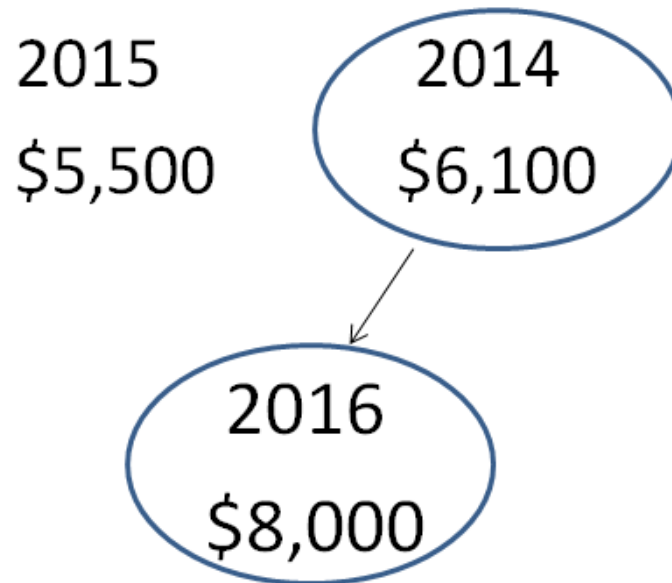
## 2016 Budget for Fund 461:

- Revenue estimate pre-calculated by business office.
- Campus chooses where to budget amounts to spend

## 2016 Budget for Fund 461:

### Revenue Budget Methodology

- Recent historical - plus



2016 Budget for Fund 461:

Ending Fund Balance  
budgeted  
separately/later

## 2016 Budget for Fund 461:

### The template is simple

- Green cells: budgeted revenue
- Yellow cells: (function, object, amount)
- The rest is automatic
- It will tell you if you are not balanced

## 2016 Budget for Fund 461:

### Choosing where to budget expenses

- Pay your Expense of Fundraiser first. (*if...*)
- What things have you spent for before?
- Appropriate variety of Functions; Objects
- Budgeted Expenses = budgeted revenue

## 2016 Budget for Fund 461:

New?

Call for a walkthrough

Need hints?

“Sample Guidance” tab

Call for a refresher

Mary, Lolly, Cyndi, Nancy



## 2016 Budget for Fund 461:

Don't worry, it's only a budget.

You can shift if plans change.

# Questions????

## ➤ Tentative Dates for 2015-16

August 12<sup>th</sup>

September 9<sup>th</sup>

October 7<sup>th</sup>

November 11<sup>th</sup>

January 13<sup>th</sup>

February 10<sup>th</sup>

March 9<sup>th</sup>

April 13<sup>th</sup>

May 11<sup>th</sup>