



The 84th session of the Texas legislature has officially ended, and the legislature did restore some of the \$5.4 billion previously cut in the prior session. Our staff is preparing a forecast of the potential new revenues for the next two years, and we will adjust our budget with any new revenues to best address the District's strategic priorities.

In the future, the budget process will be much more open and inclusive, and we will start earlier to develop priorities based on input from those we serve.

So that we may move forward in planning for the new fiscal year, we have prepared a conservative, balanced budget based on current funding formulas, with an emphasis on expenditures that are critical to student success. We will conduct the public budget hearing on June 3 and stakeholders may share feedback with the Board regarding the budget proposal.

The following are highlights of the proposed 2013-2014 budget shared with the Board of Trustees and the actions taken at the Board meeting on Monday, May 20:

Proposed raise and addition of staff – The Board approved the following pay adjustments for all Fort Bend ISD employees:

- Teachers: An average 2% salary increase for current teachers and an increase in the starting teacher salary to \$46,500 from \$44,750. However, teachers currently in the earliest years of their career would receive a higher increase in an attempt to recognize that our entry-level salaries for teachers are notably behind those of surrounding districts.
- All Other Staff: A salary increase that is 2% of mid-point of the assigned pay grade.

The estimated cost of these increases is \$7.5 million, with \$4.9 million, or 60% being allocated to teacher raises. In addition, the proposed salary increase includes approximately \$1.2 million for market adjustments designed to ensure all compensation is competitive with other school districts in the area. The market adjustment is based on an independent salary study that was conducted by the Texas Association of School Boards.

Board approves new positions for the 2013-2014 school year - Although we will not be opening any new campuses until August 2014, we must also budget for 162 additional staff due to growth and the strategic reallocation of resources. The new positions include the addition of college and career advisors at each high school, administrative staff for the new elementary, hall monitors, assistant principals, and additional math and science specialists for at-risk campuses, a Fine Arts coordinator,

curriculum coordinator for PE, Health, and Wellness, and other new campus staff throughout the District.

District's tax rate remains at current level; one of the lowest in the greater Houston area – Our overall tax rate of \$1.34 per \$100 valuation, which includes a debt service tax rate of 30 cents combined with the District's \$1.04 maintenance and operations (M&O) tax rate, will remain at its current level for 2013-2014. Through fiscal stewardship during budget challenges, the District's tax rate has remained at its current level for the past four years.

Fort Bend ISD is committed to sound financial management and prudent stewardship. The District's general obligation bonds are currently rated AA+ by Fitch and AA by Standard & Poor's. A high credit rating typically reduces the interest costs the District pays on future bond sales. In looking ahead, the District has the opportunity to refund portions of the Series 2004 Bonds to generate debt service savings of more than \$11.2 million. The District will also need approximately \$20 million in new money to build a new elementary school and based on preliminary estimates the current debt service tax rate would not increase if the new money bonds are issued with the refunding bonds in September 2013.