

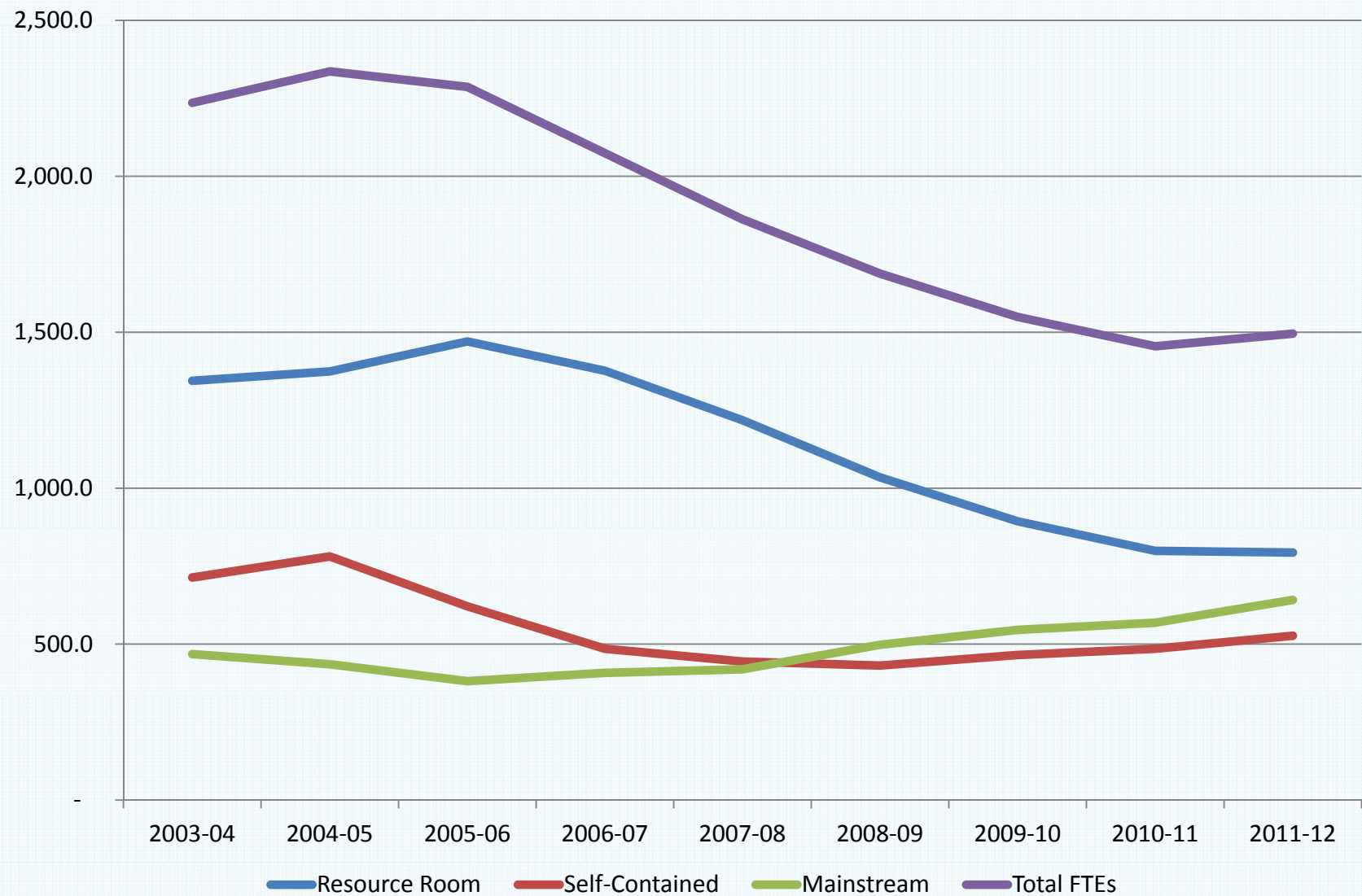
Fort Bend ISD Budget Workshop Presentation



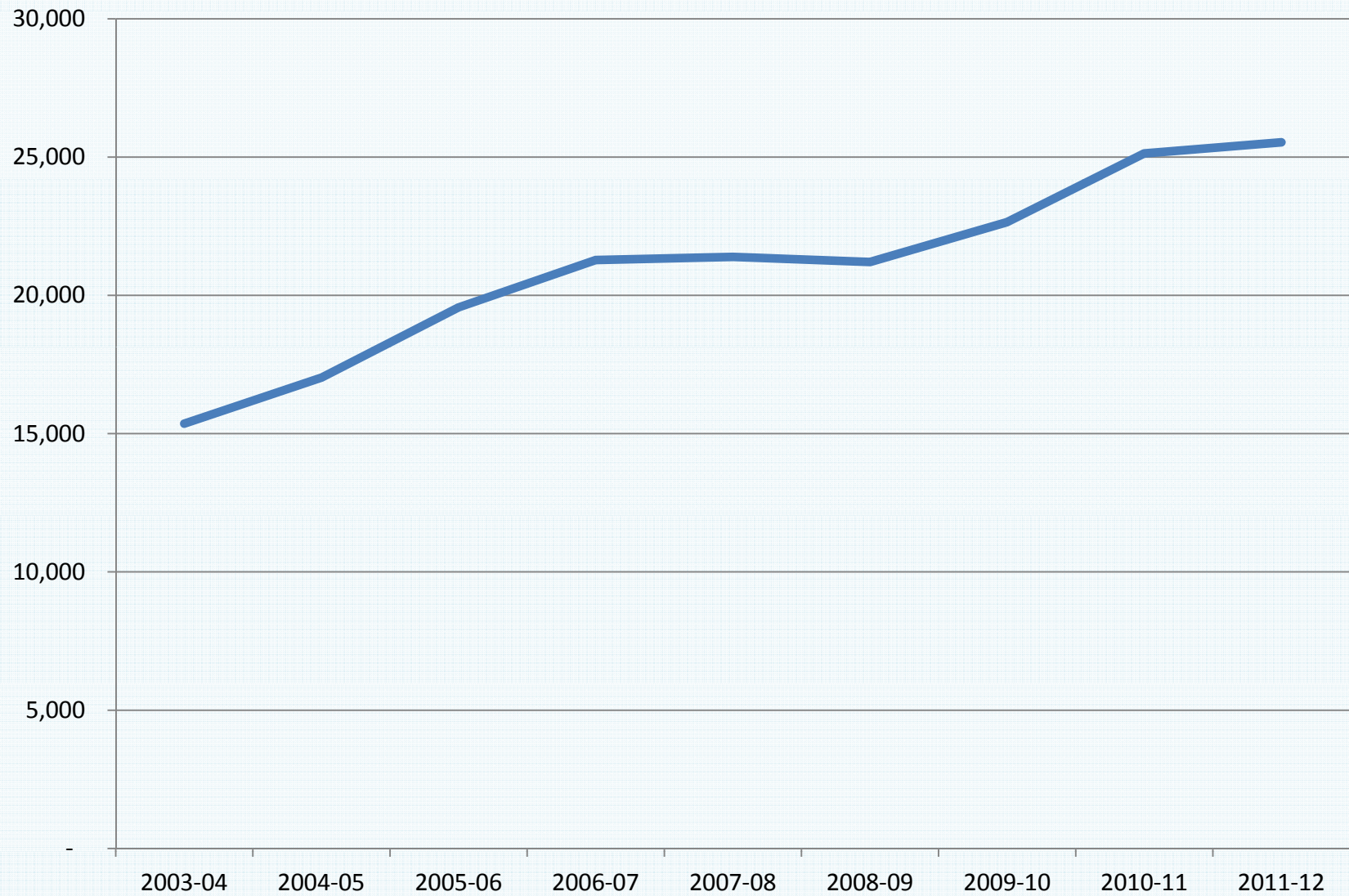
Revenue Projection

- Property values projected to grow modestly, averaging about 1% per year
- Attendance projected to grow less than 1% per year
- Changes in student populations over time may also impact total revenue
 - Recent decrease in Career and Tech FTEs
 - Recent increase in Special Ed FTEs
 - FTEs decreased each year since 2004-05 until 2011-12
 - Increase in low income, generating Compensatory Ed

Special Education FTE Trends

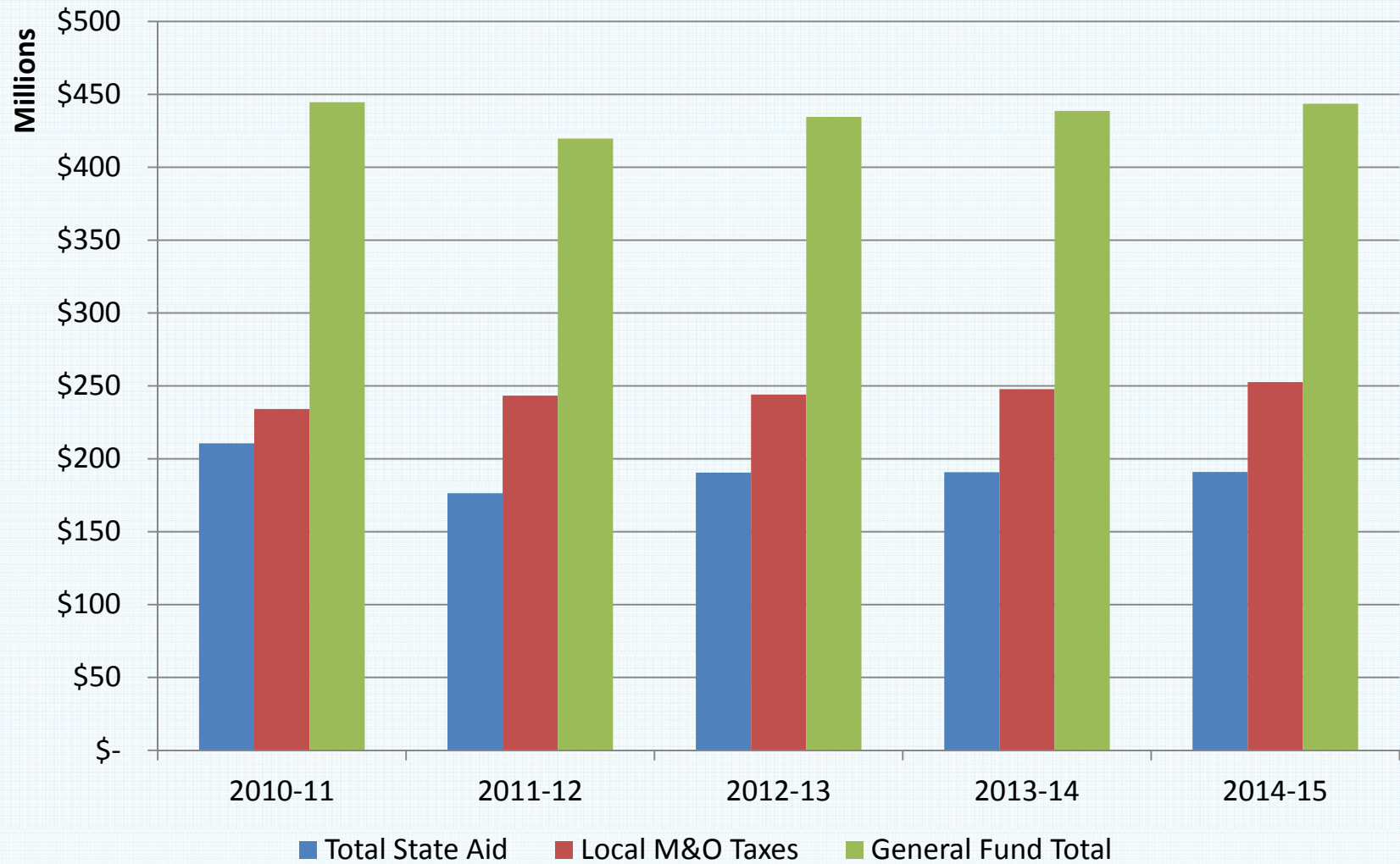


Compensatory Education Funding Count



February 27, 2012

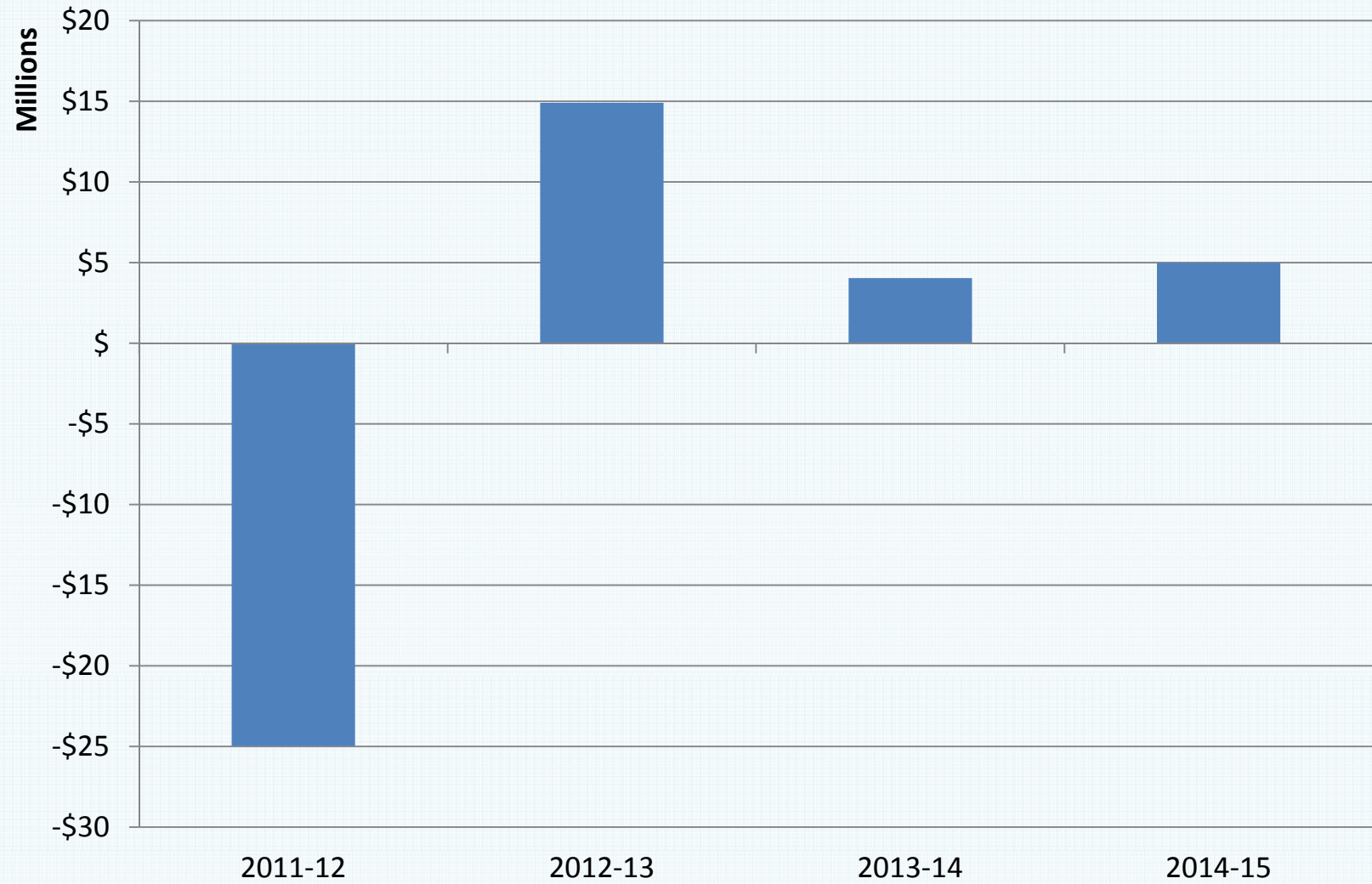
Projected State, Local, and Total FSP M&O Revenue



Revenue Projection

- Formula system M&O revenue increase of about \$15 million for 2012-13, but that follows a decrease of about \$25 million in 2011-12
- M&O revenue not projected to return to 2010-11 level until 2014-15

General Fund Total Change from Preceding Year

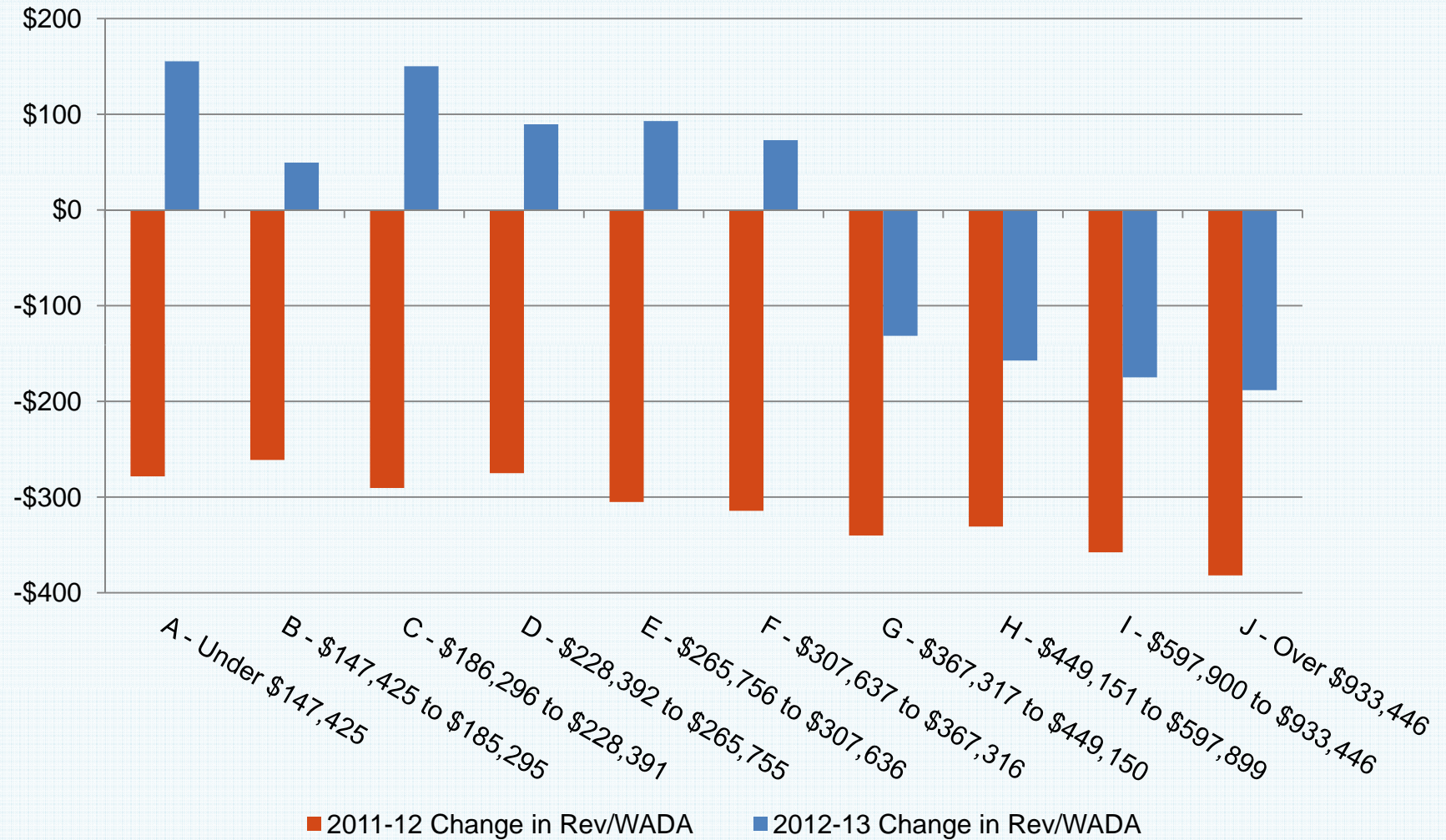


February 27, 2012

Statutory Changes for 2012-13

- Restoration of regular program funding to 98% (RPAF)
 - 92.39% for 2011-12
- Reduction of 7.65% for targets (ASATR impact)
 - More than 600 districts likely to be “on formula”
 - Includes FBISD
 - Over 500 districts expected to gain general fund revenue
 - More than \$1 billion reduction in ASATR in 2012-13

YEARLY CHANGE IN REVENUE PER WADA



Statutory Changes After 2012-13

- “It is the intent of the legislature, between fiscal year 2014 and fiscal year 2018, to continue to reduce the amount of Additional State Aid For Tax Reduction (ASATR) to which a school district is entitled under Section 42.2516, Education Code, and to increase the basic allotment to which a school district is entitled under Section 42.101, Education Code.”
- Section 42.2516 is repealed effective September 1, 2017

Impact Statutory Change By 2017-18

- Nearly 700 districts gain revenue from elimination of RPAF (repealed effective 09/01/15), elimination of ASATR, basic allotment increase of \$83
- Over 300 districts expected to lose revenue from those changes
- About \$660M moves from losers to gainers
- Average losses \$350/WADA, average gains \$150/WADA

State Budget Context

- Ongoing structural deficit (continued use of one-time funding sources)
- Competing demands from various areas within state government
 - Public Education
 - Health and Human Services
 - State Water Plan
 - Higher Education
 - Transportation
- Growing balance in Economic Stabilization Fund
- Improved economy since last revenue estimate

One-time Revenue Sources

- 2007
 - State used surplus and phased-in property tax reductions
- 2009
 - Federal Stimulus Funds: \$6.4 billion GR reductions paid for through stimulus
- 2011
 - FSP payment delay: \$2.0 billion
 - Tax speed-ups: \$700 million
 - Under-funded Medicaid: \$4.8 billion (\$3.8 billion after certification of surplus funds by comptroller).

Economic Stabilization Fund

- Rainy Day Fund estimates growing
 - \$7.3 billion currently estimated by end of 2013
 - \$6.5 billion estimated at the end of the legislative session

Improved State Economy

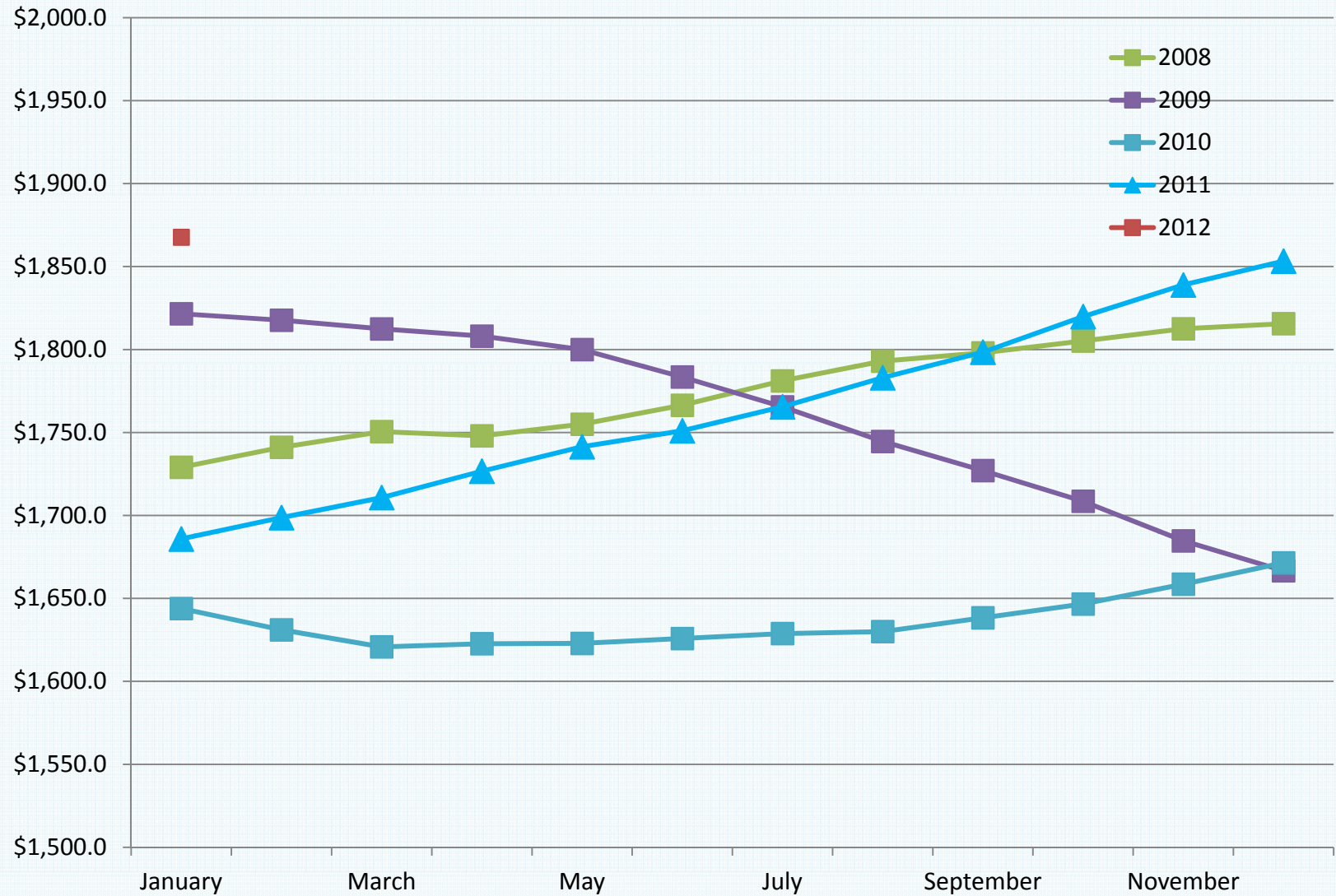
Job growth, sales tax collections – both from business and consumer purchases – as well as automobile sales, signal that the Texas economy has emerged from the recent recession.

--Susan Combs, January 6, 2012

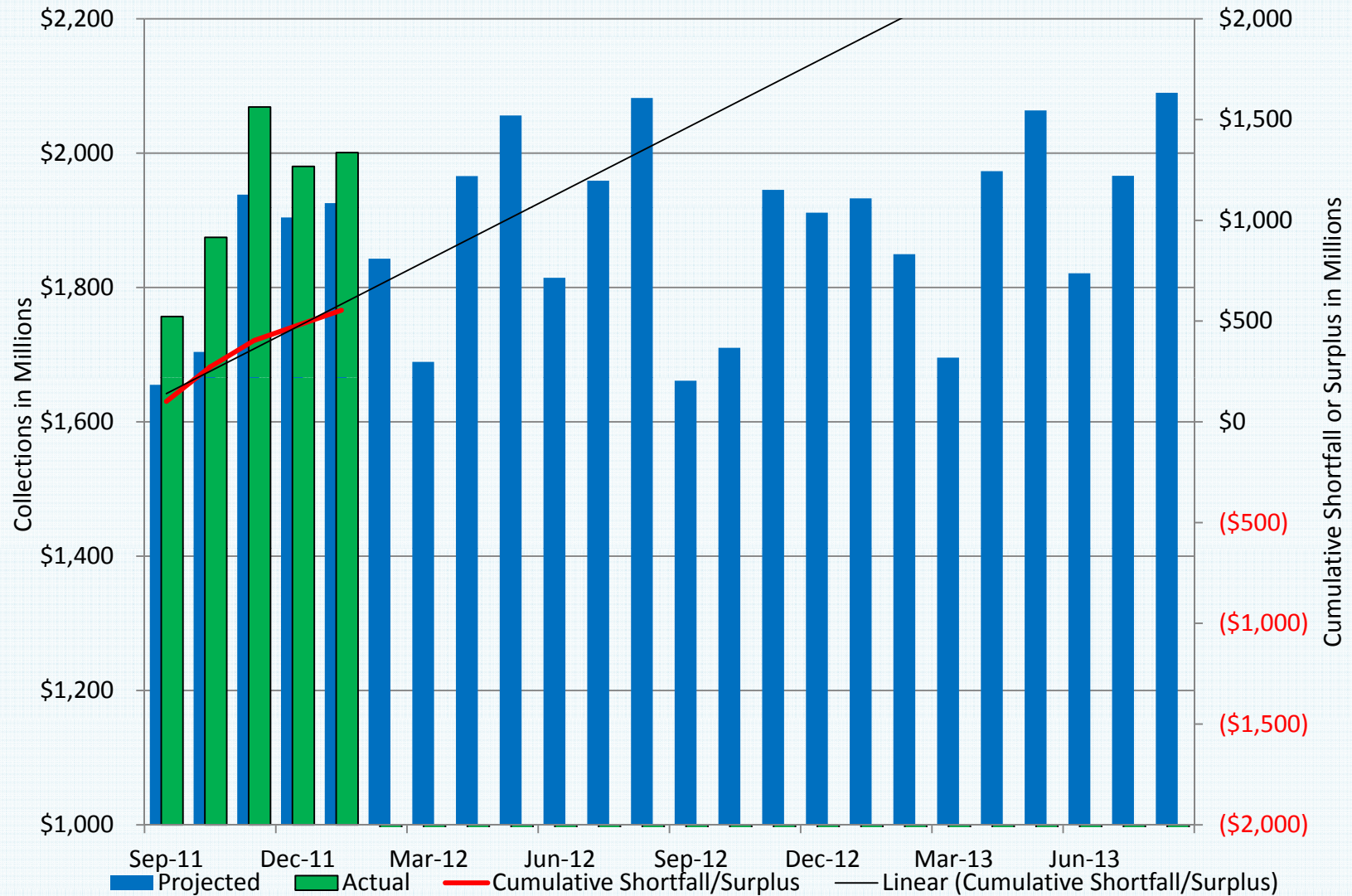
Revenue Estimate

- Biennial Revenue Estimate January 2011
 - \$77.3 billion anticipated revenue
- May 2011
 - Comptroller added \$1.2 billion to estimate
 - Other changes (speed-ups, etc.) added \$1.7 billion
- Certification Revenue Estimate December 2011
 - \$82.7 billion anticipated revenue
 - Increase of \$2.5 billion from May

1-Year Moving Average Sales Tax Collections



Projected and Actual Sales Tax Collections



Major Revenue Sources

Revenue Source	Current Official 2012 Growth Estimate	Current 5 Month Trend
Motor Vehicle	8.5%	16.9%
Sales Tax	5.4%	11.7%
Franchise Tax	?	?
Natural Gas Production	16.7%	82.9%
Oil Production	-10.0%	47.5%

Cautions

- Improving revenue will not necessarily be sufficient to cover current services state budget
 - Underfunded Medicaid in current biennium
 - Higher costs of federal mandates in 2014 a concern
 - Will need to cover the underfunding plus any growth
 - 24 payments in the Foundation School Program
 - Growth in the cost of the FSP
 - Growing demand for other state services