



Budget Workshop

March 26, 2012



AGENDA

1. District Overview
2. Debt Service Tax Rate
3. Maintenance & Operating Budget
 - ✓ Revenue Projections
 - ✓ Proposed Budget
 - ✓ Proposed Salary Schedule
4. Calendar



FINANCIAL OVERVIEW

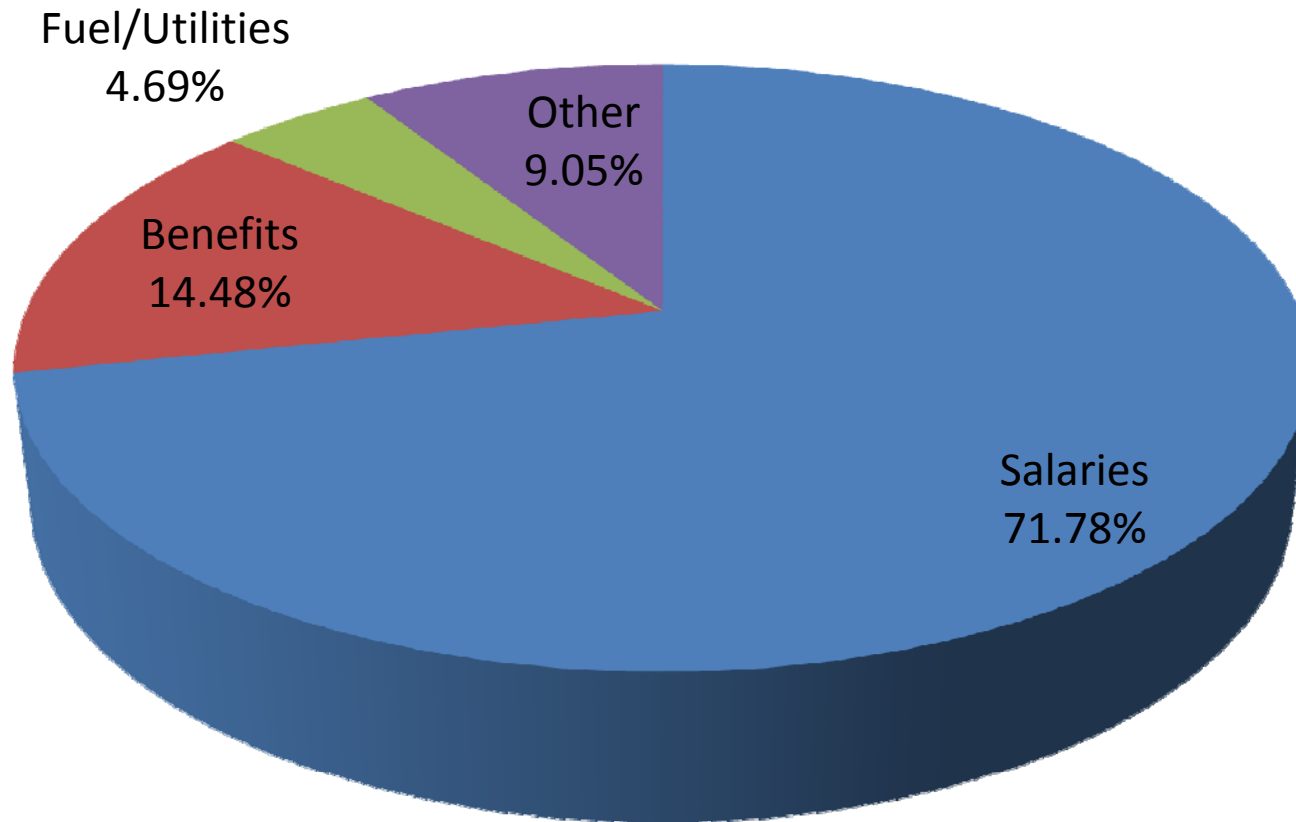


Fitch recently affirmed the district's financial rating as AA+

“The district's financial position is strong... Historically, the district's proactive administrators have prudently managed resources to sustain a healthy financial profile; this track record largely mitigates concerns over the recent budgetary challenges.”



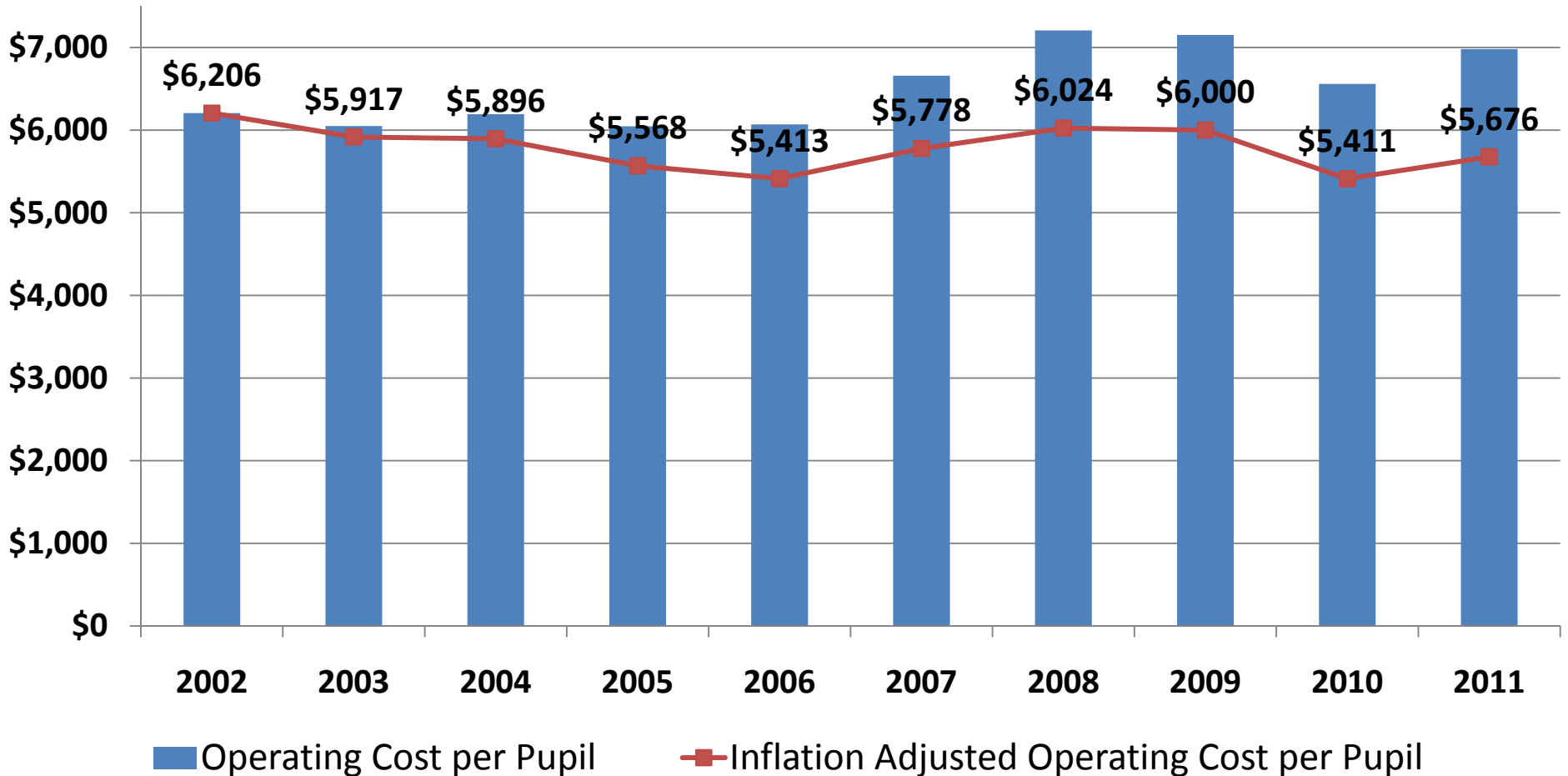
2011-12 Budgeted Expenditures by Type



Leading in Character



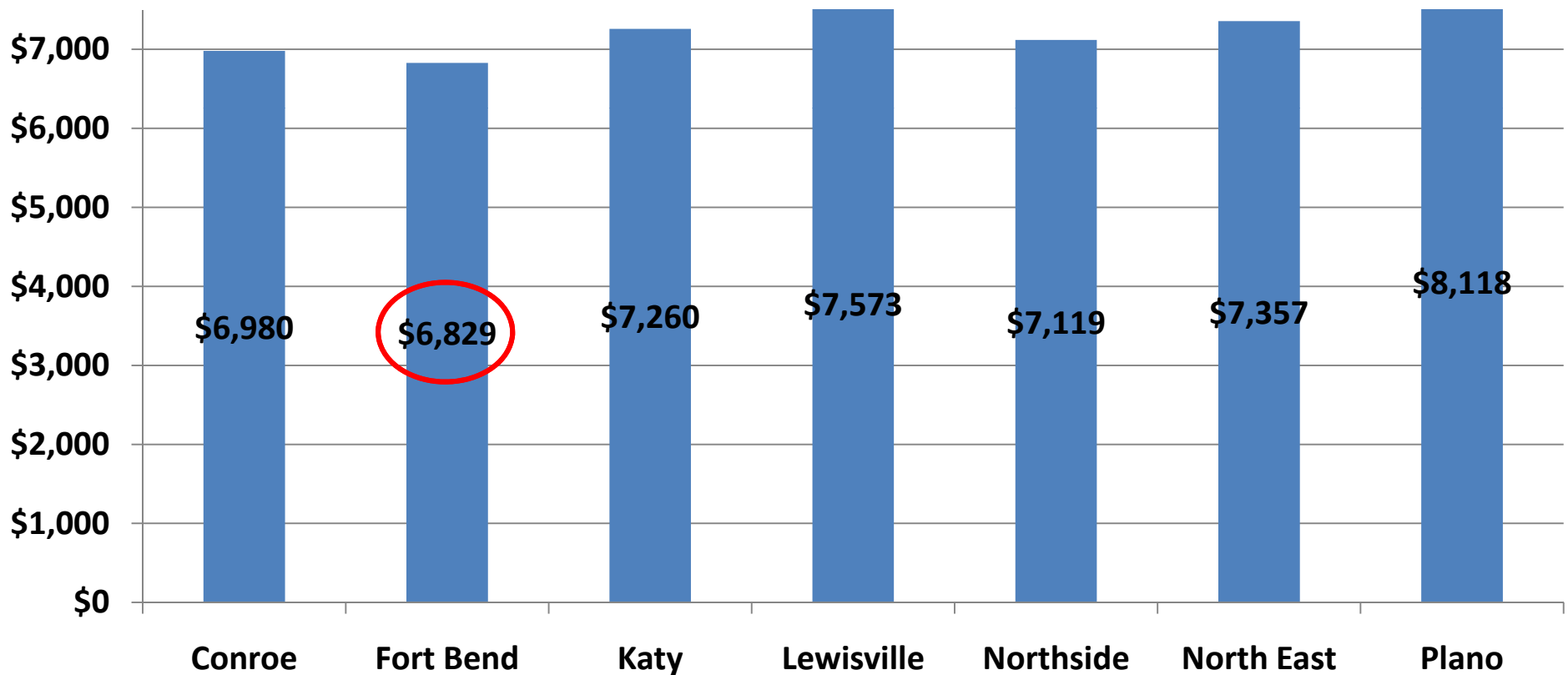
2011-2012 School Year



2010 reflects 10 months of expense



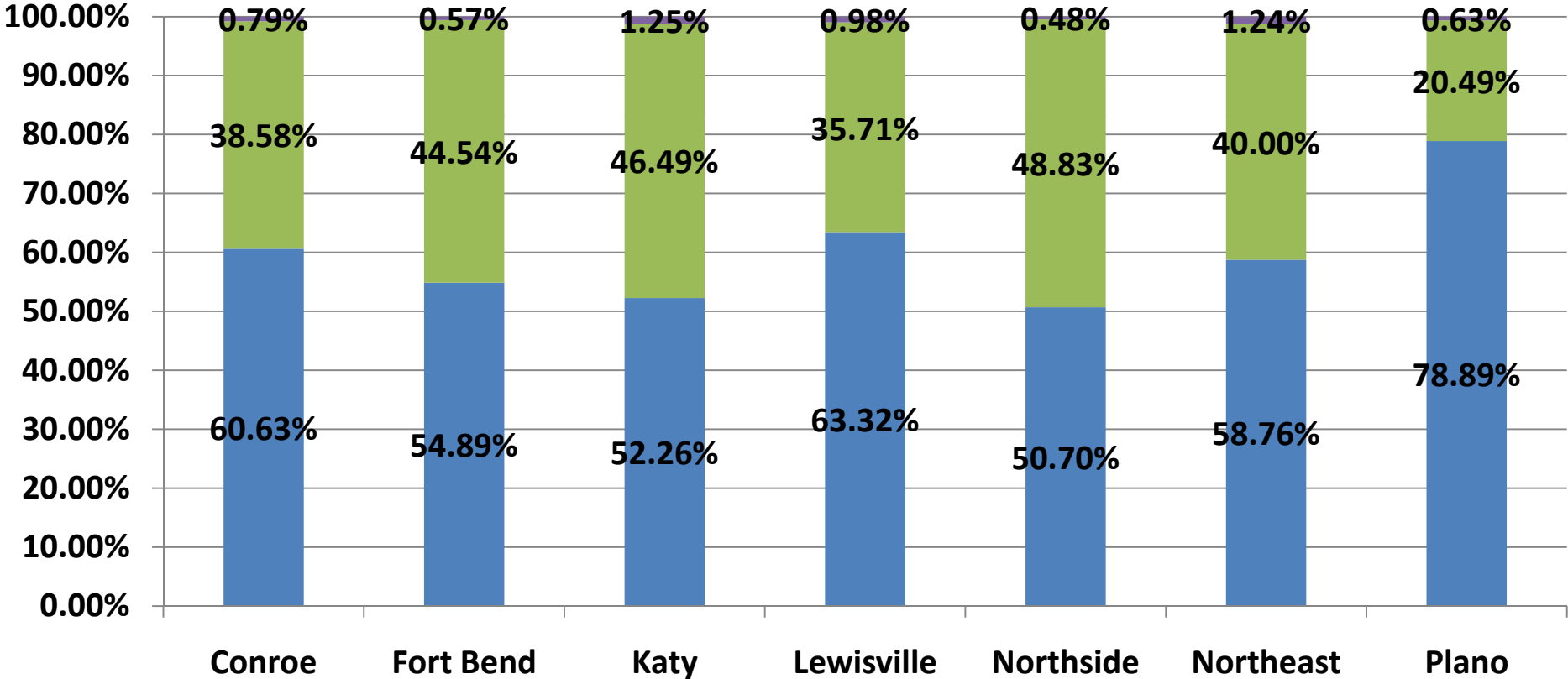
2010-11 Revenue Per Student by District and Peers



Per 2010/11 audited financial statements



2010-11 Revenue Per Student Percentage by Type by District and Peers

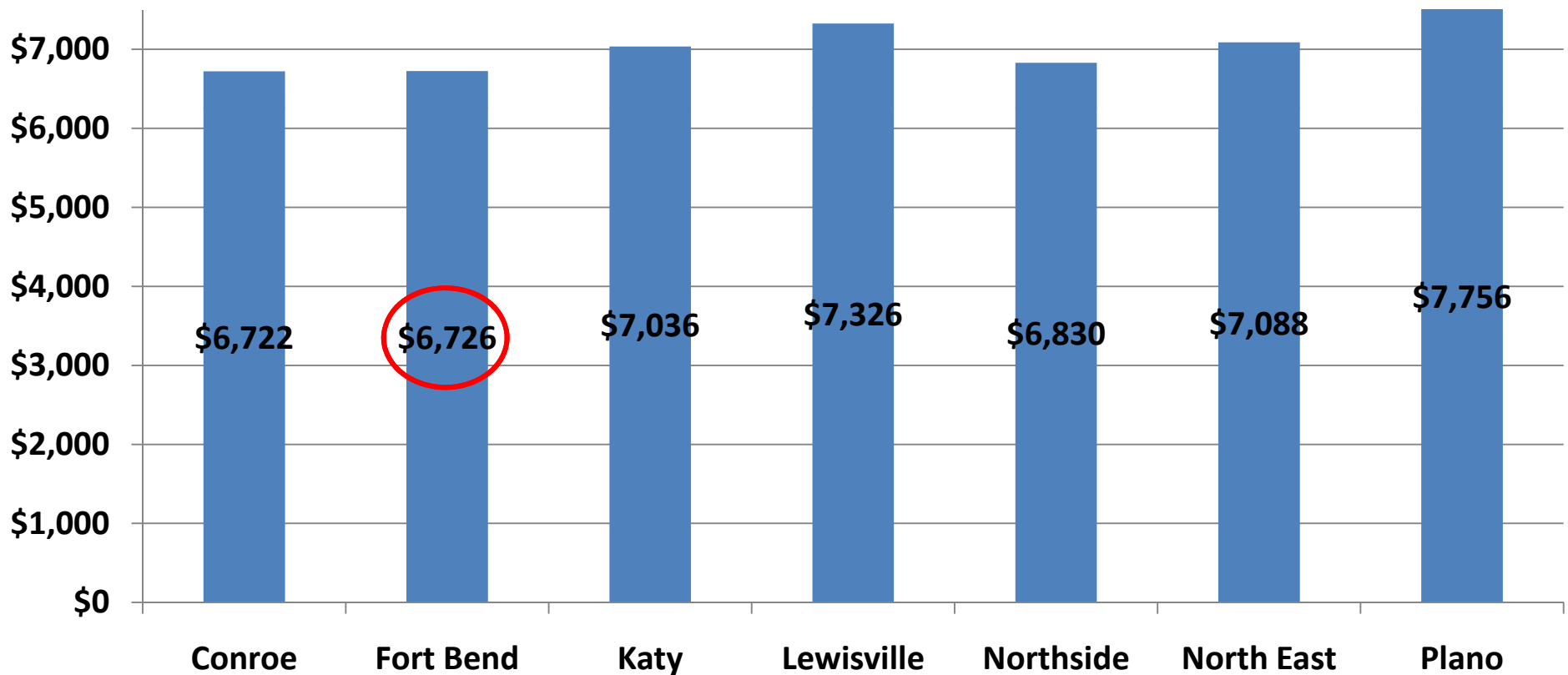


Local State Federal

Per 2010/11 audited financial statements.



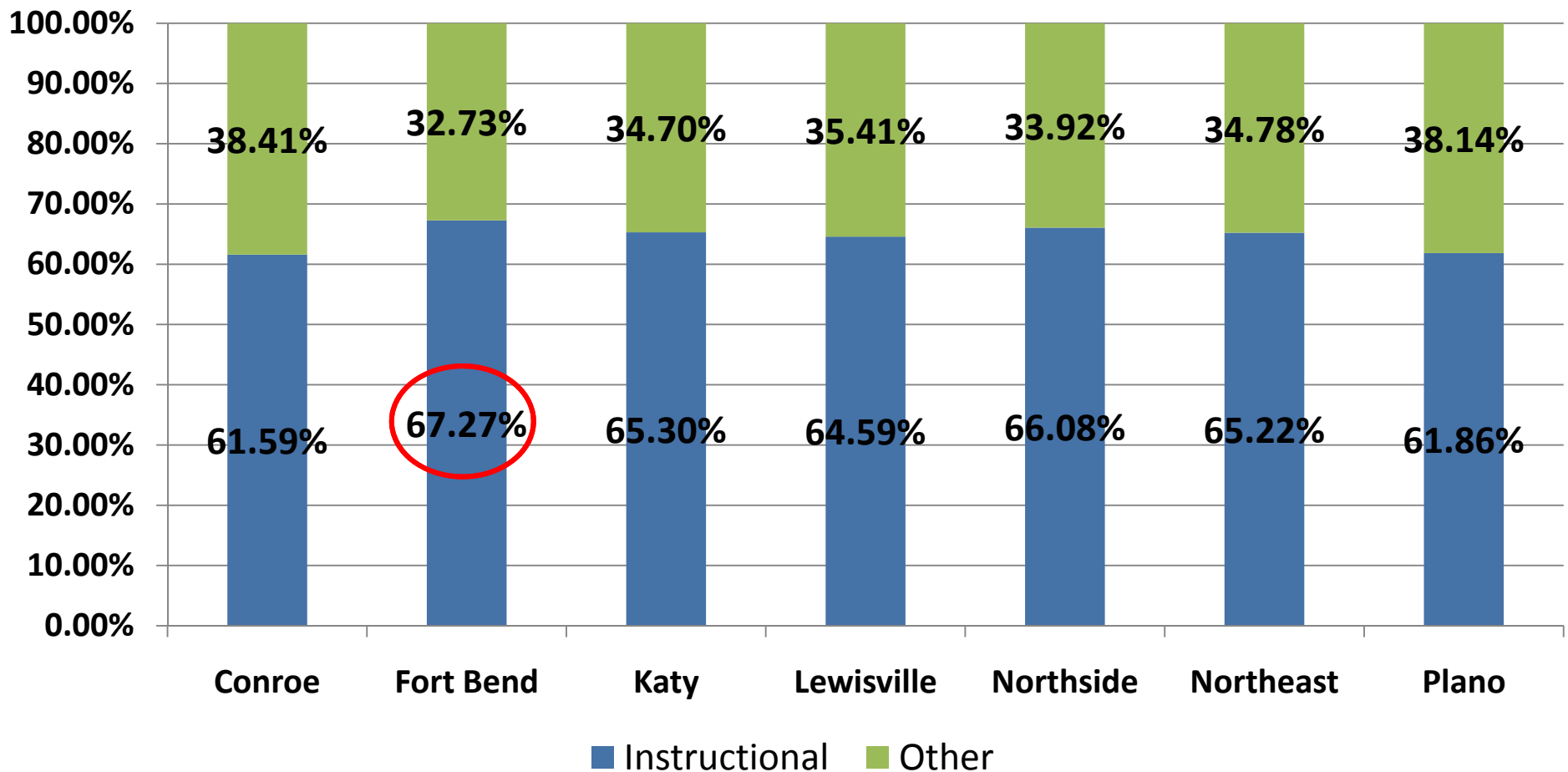
2010-11 Expenditures Per Student by District and Peers



Per 2010/11 audited financial statements

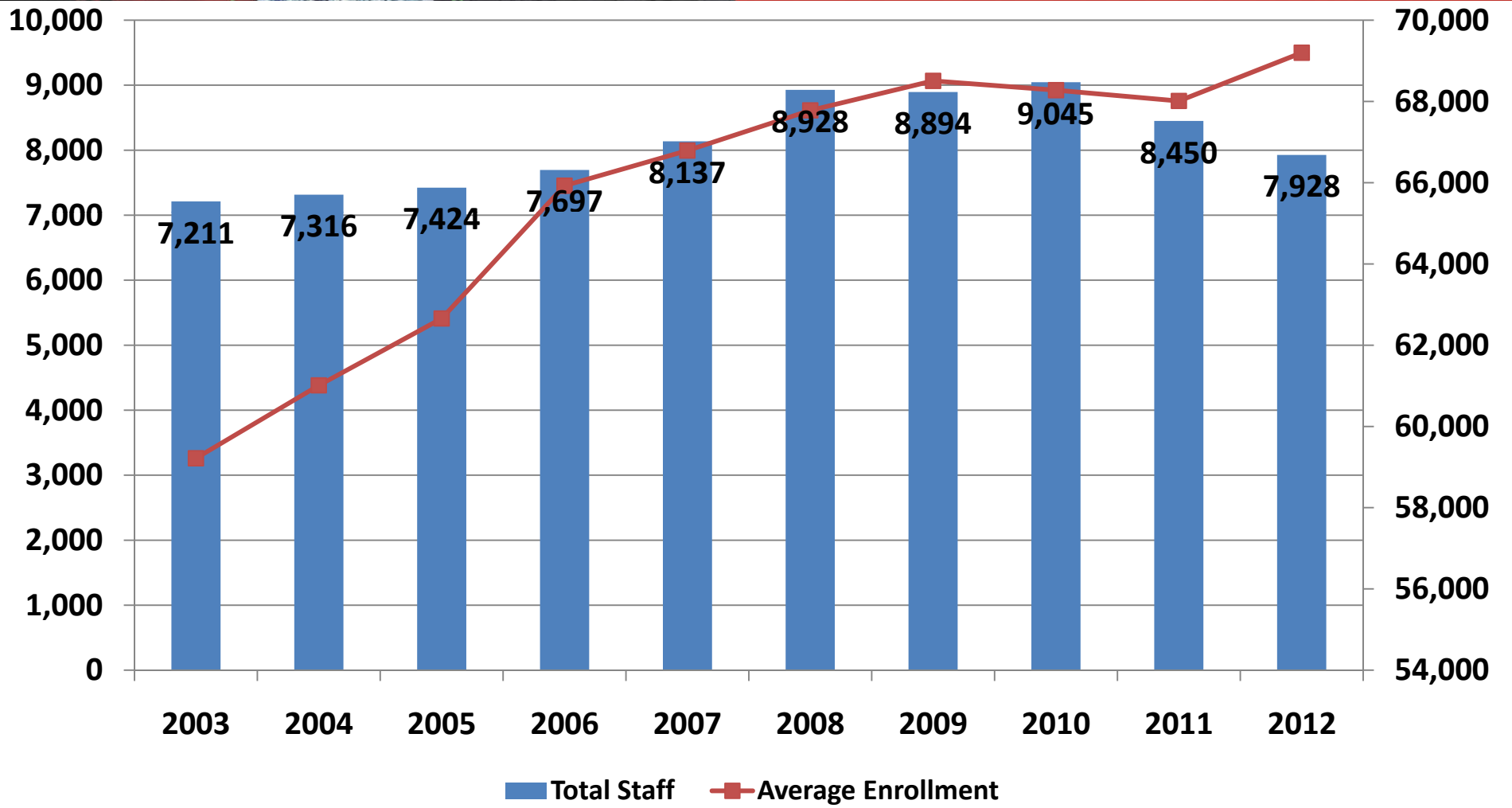


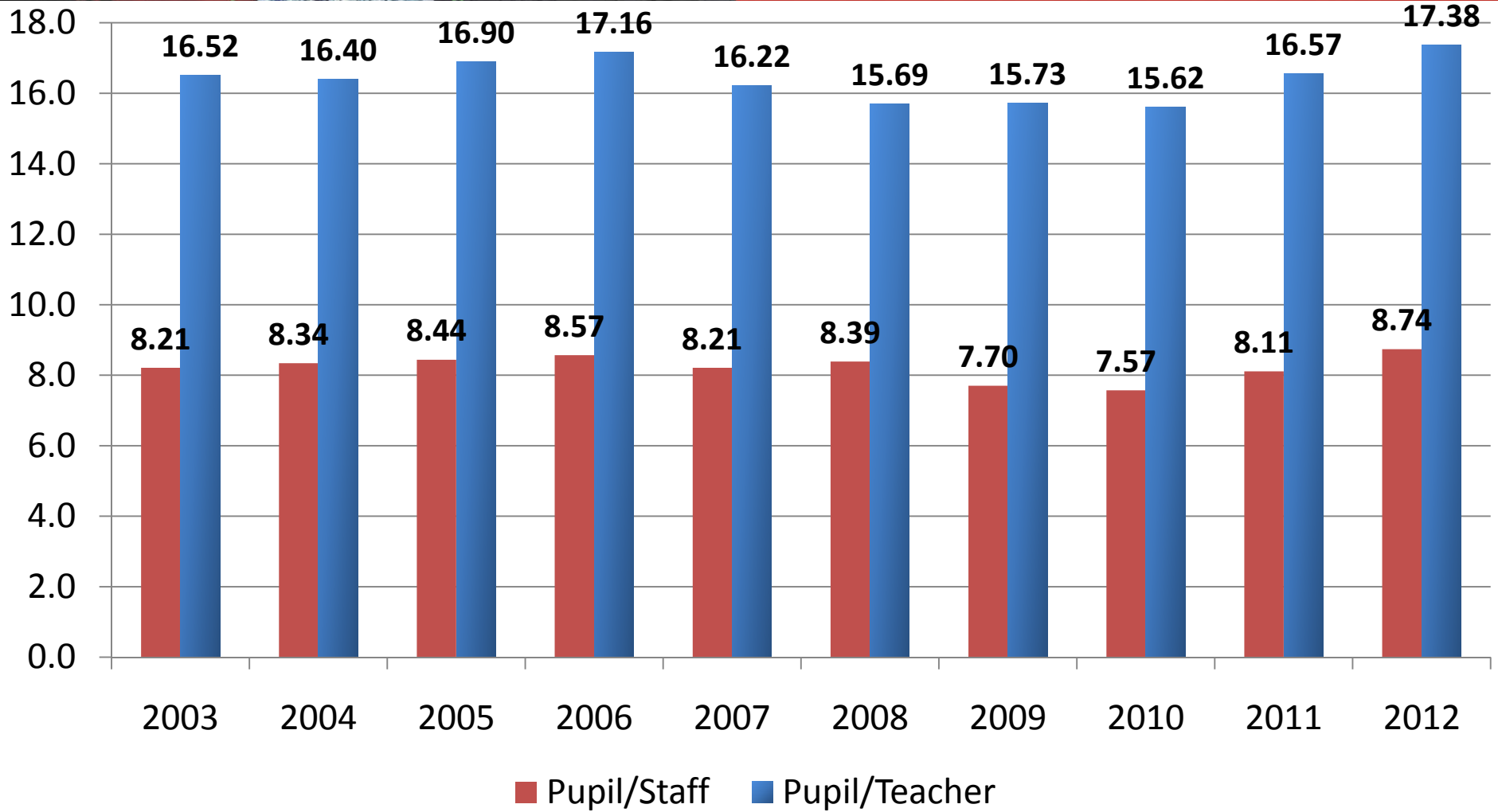
2010-11 Percentage of Instructional Expenditures by District and Peers





STAFFING

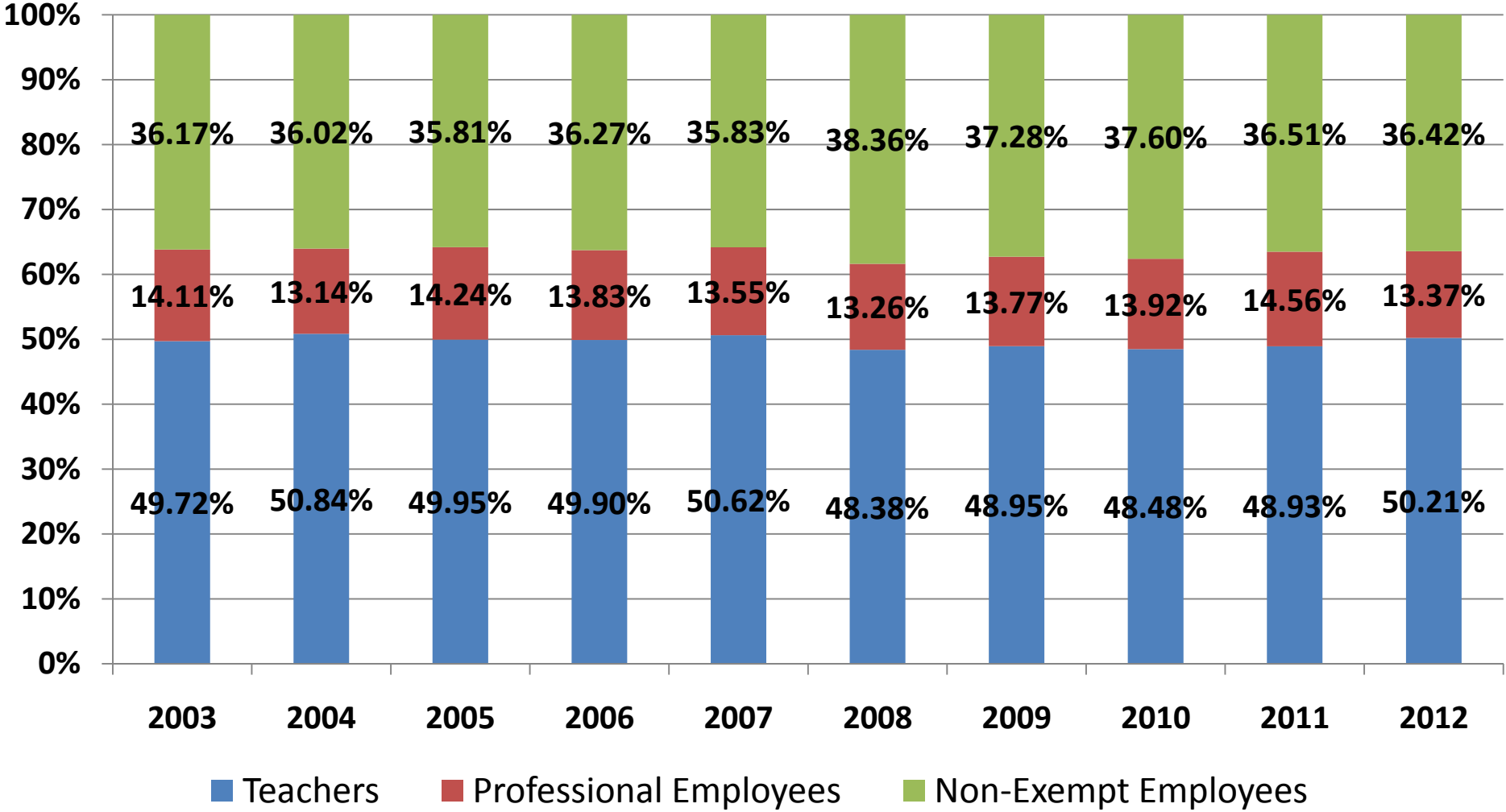




Leading in Character

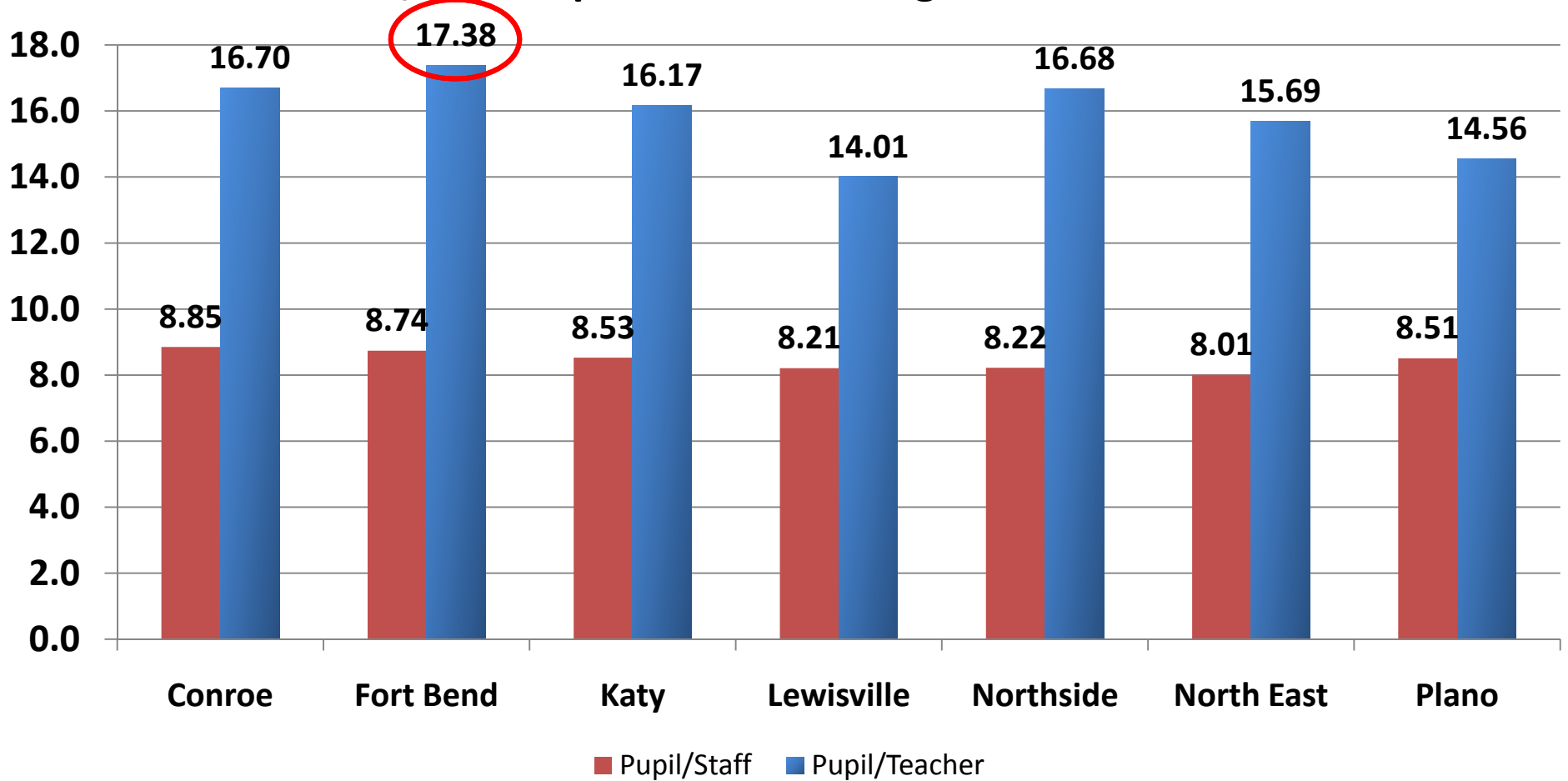


2011-2012 School Year



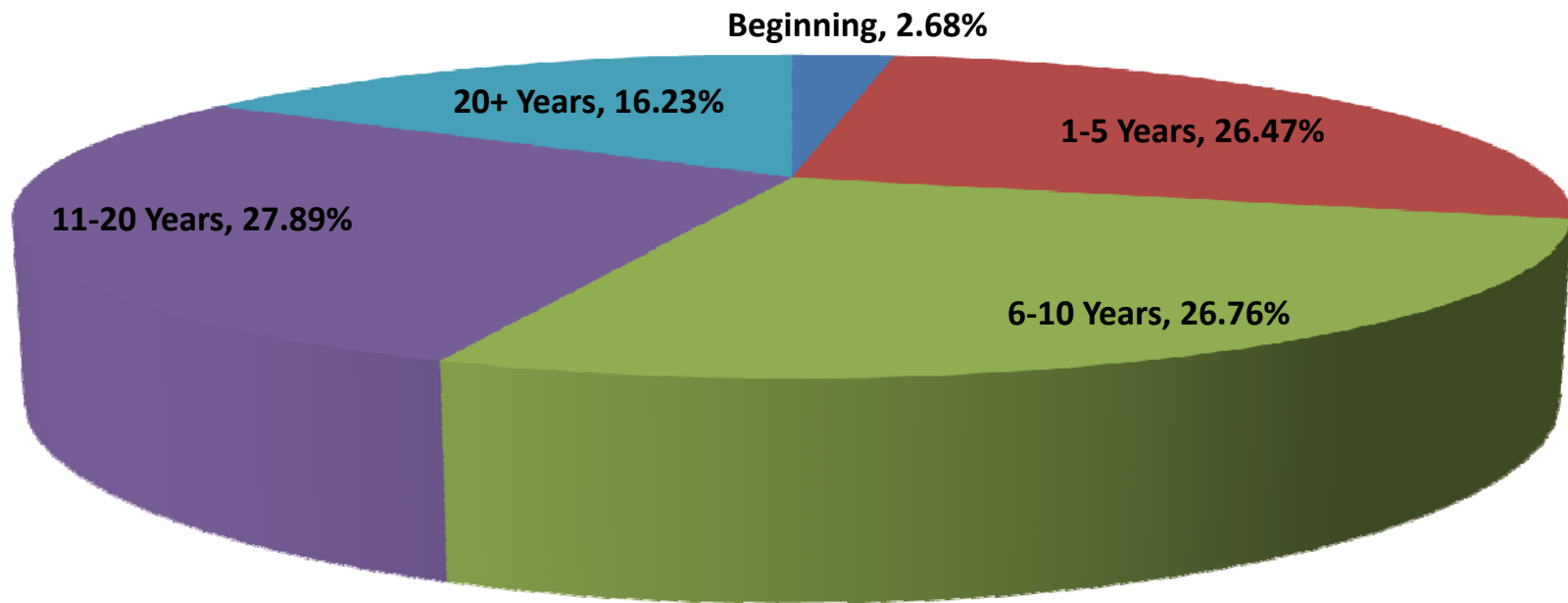


2011/12 Comparison of Staffing to Peer Districts





Average Years FBISD Teacher Experience



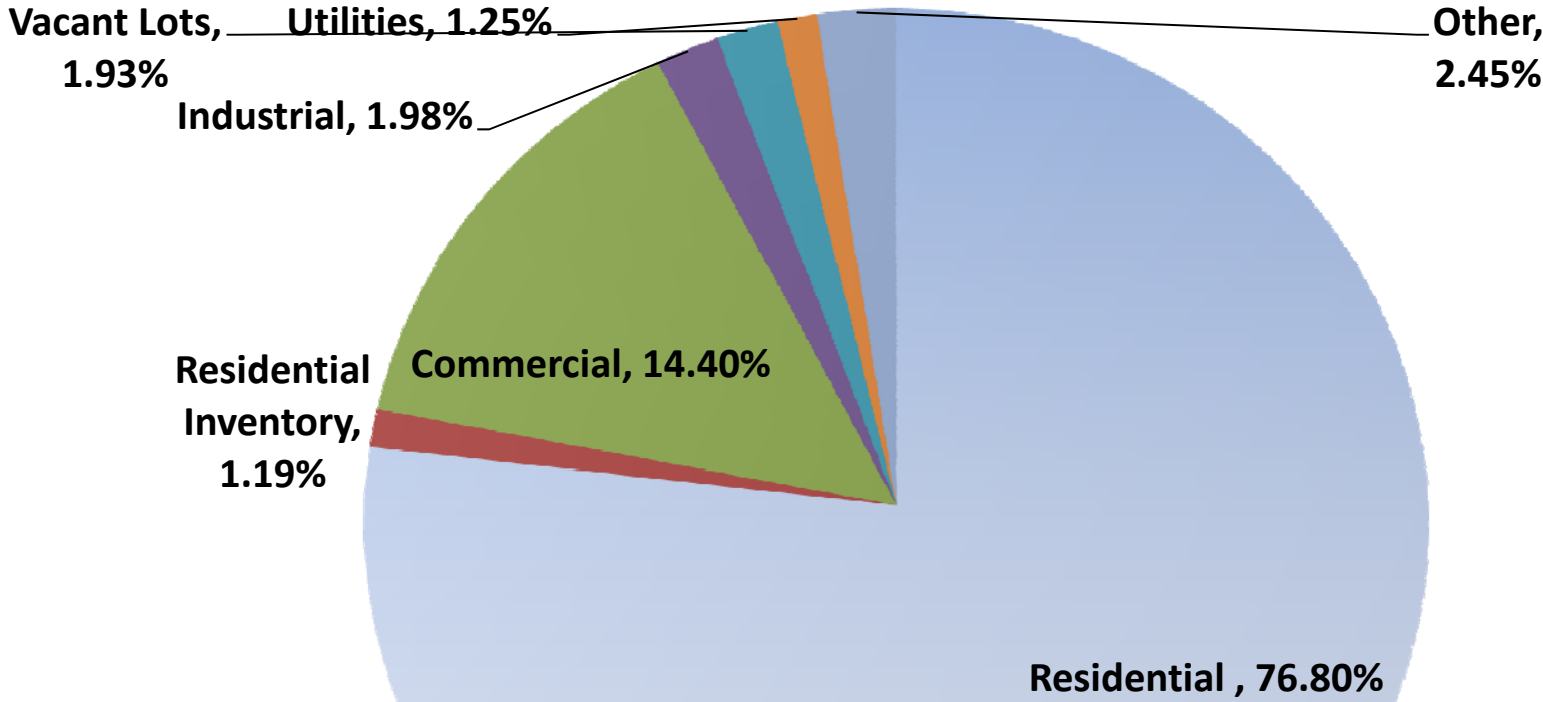


TAX RATES AND PROPERTY VALUATIONS

Leading in Character



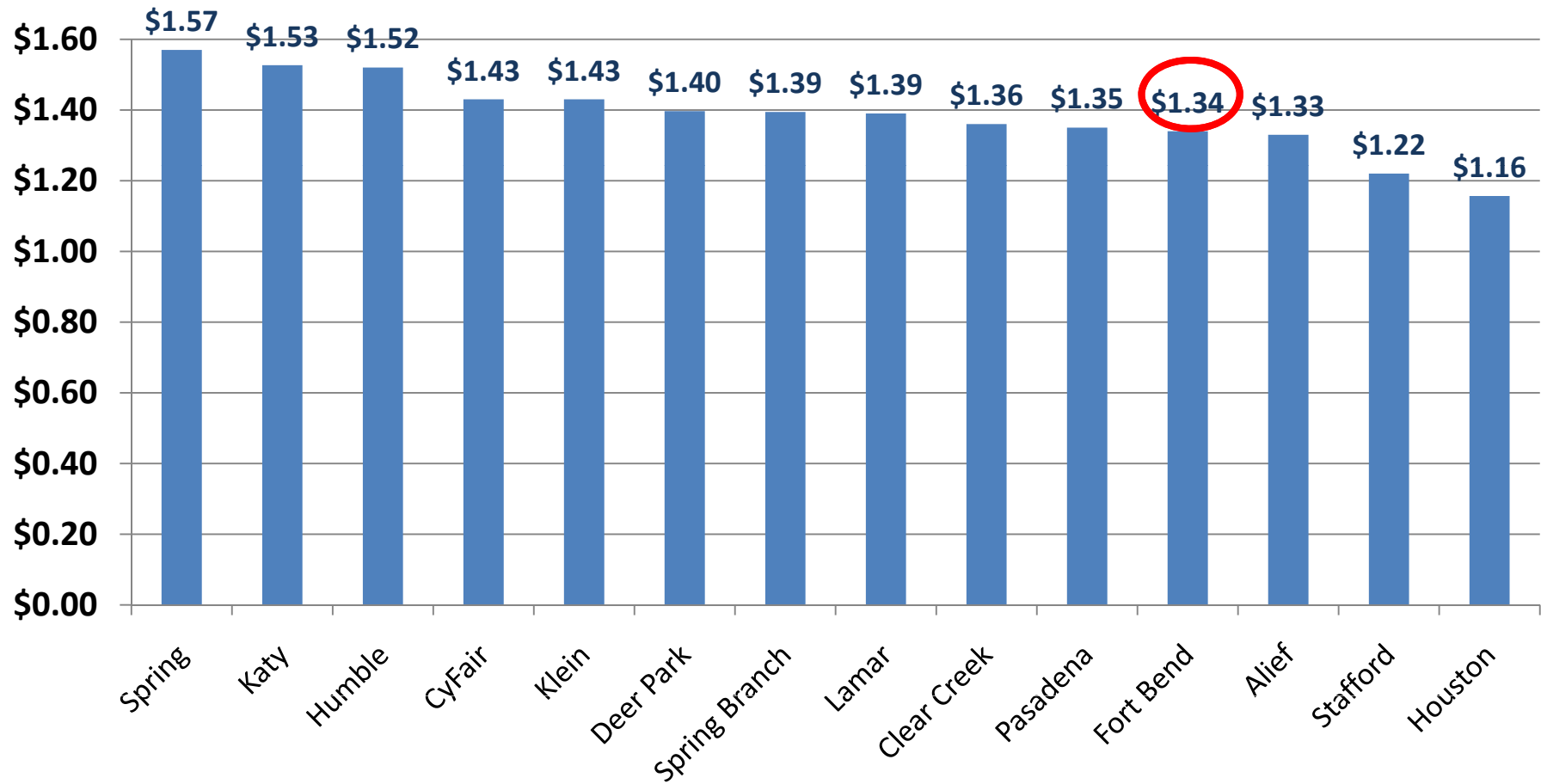
2011-2012 School Year



2011 Property Value By Type

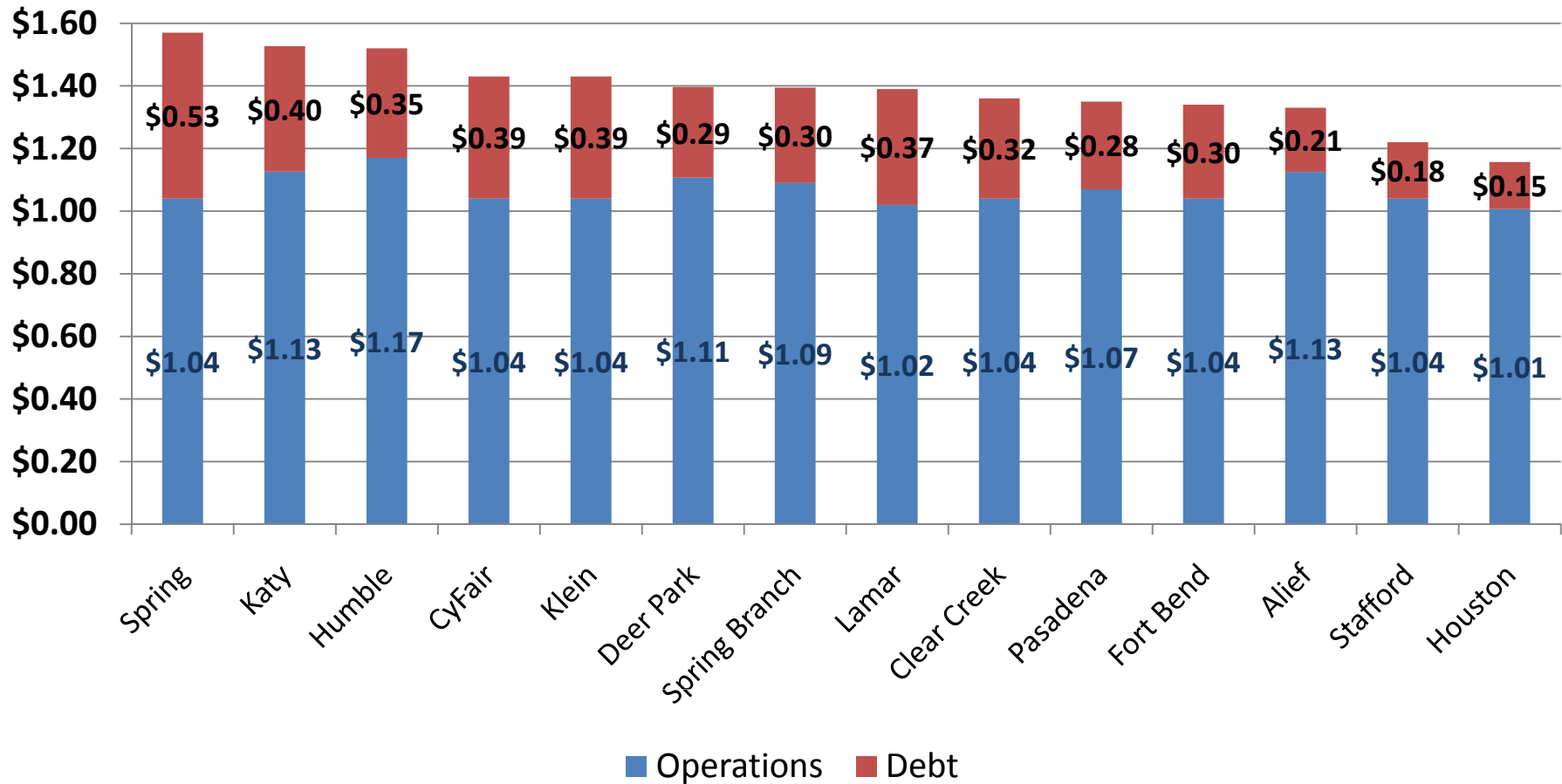


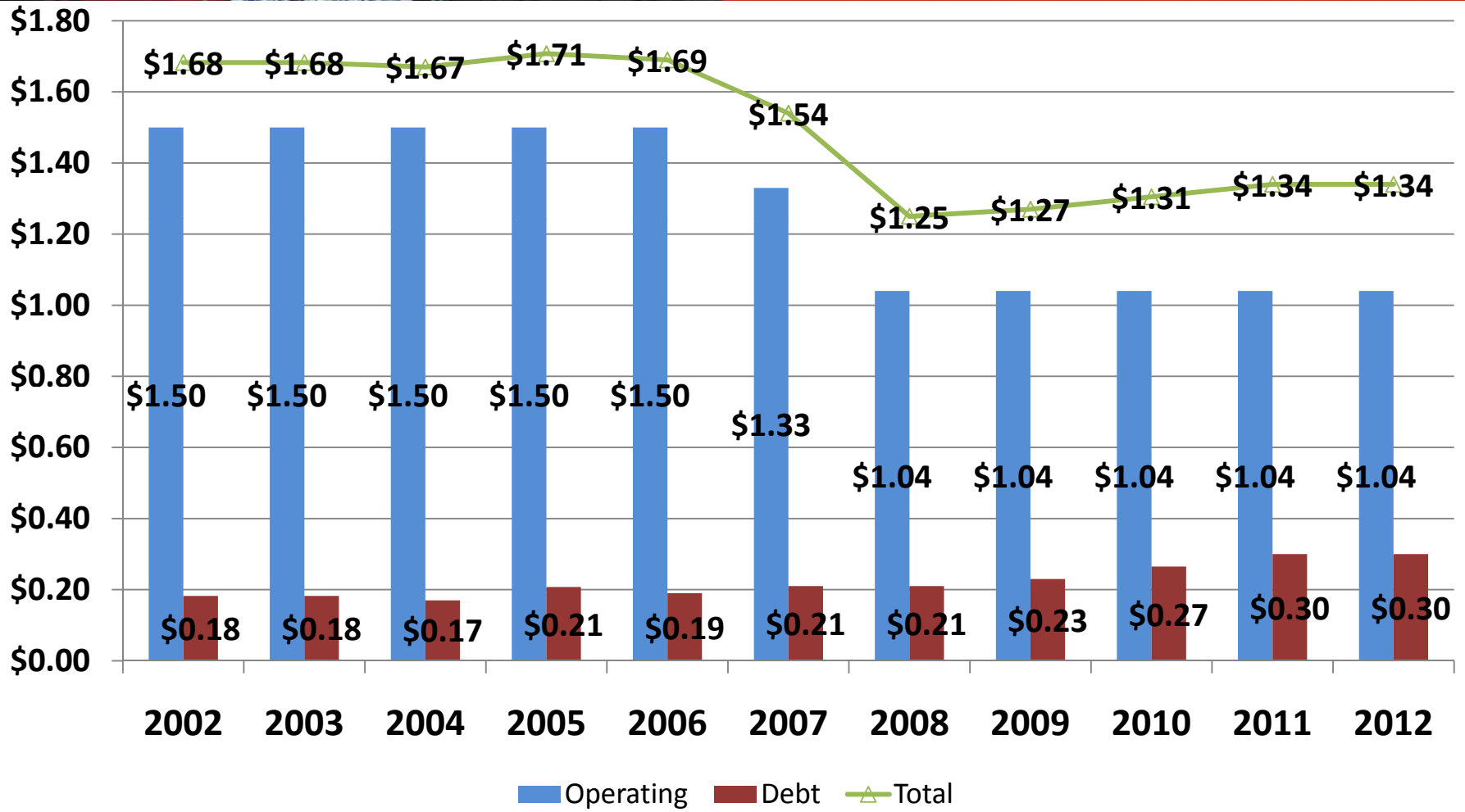
FY 2011/12 Houston Area Tax Rates





FY 2011/12 Houston Area Tax Rates

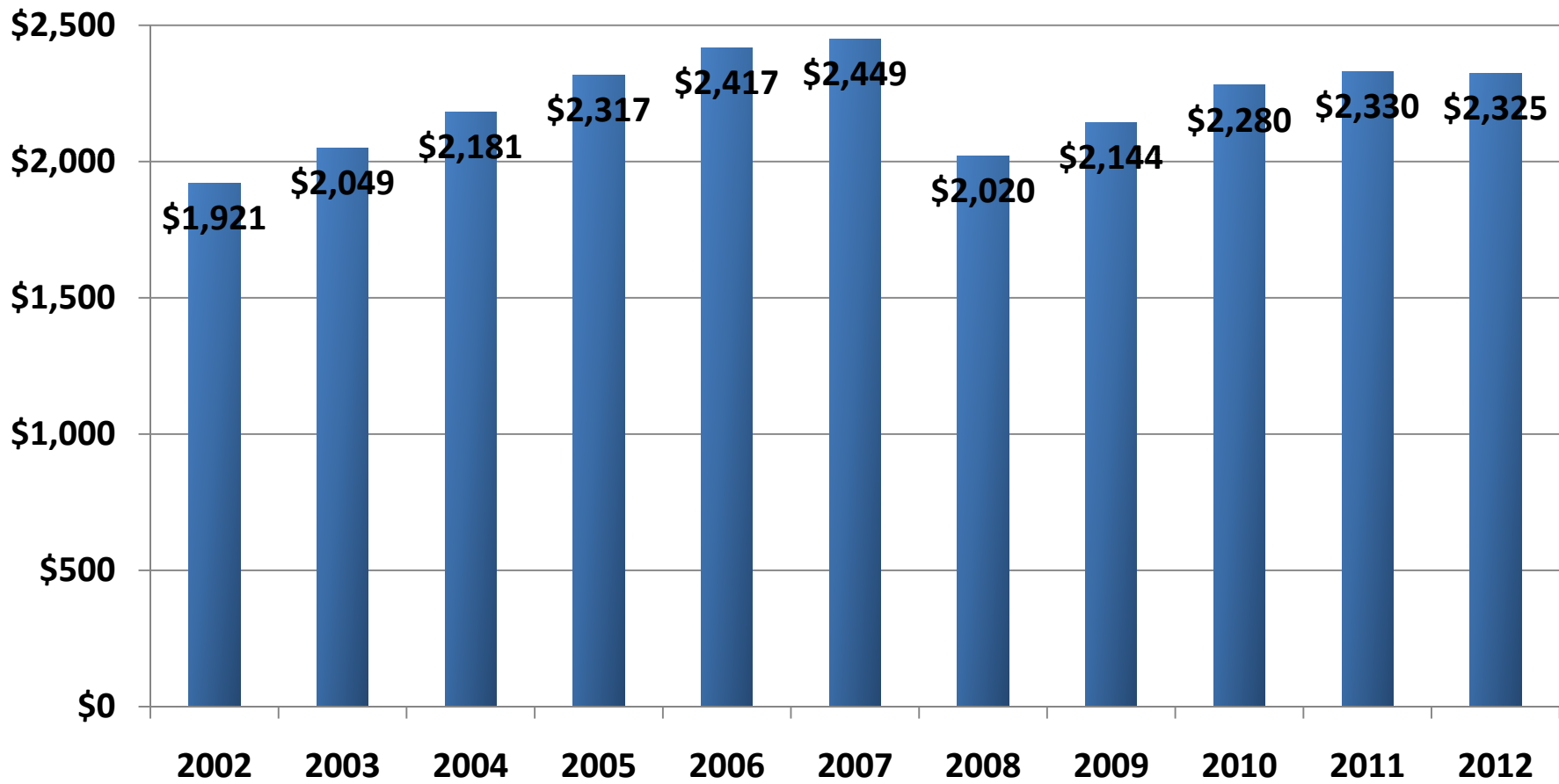




20 new campuses have opened since 2002



Annual Taxes Due on Average Valued Home

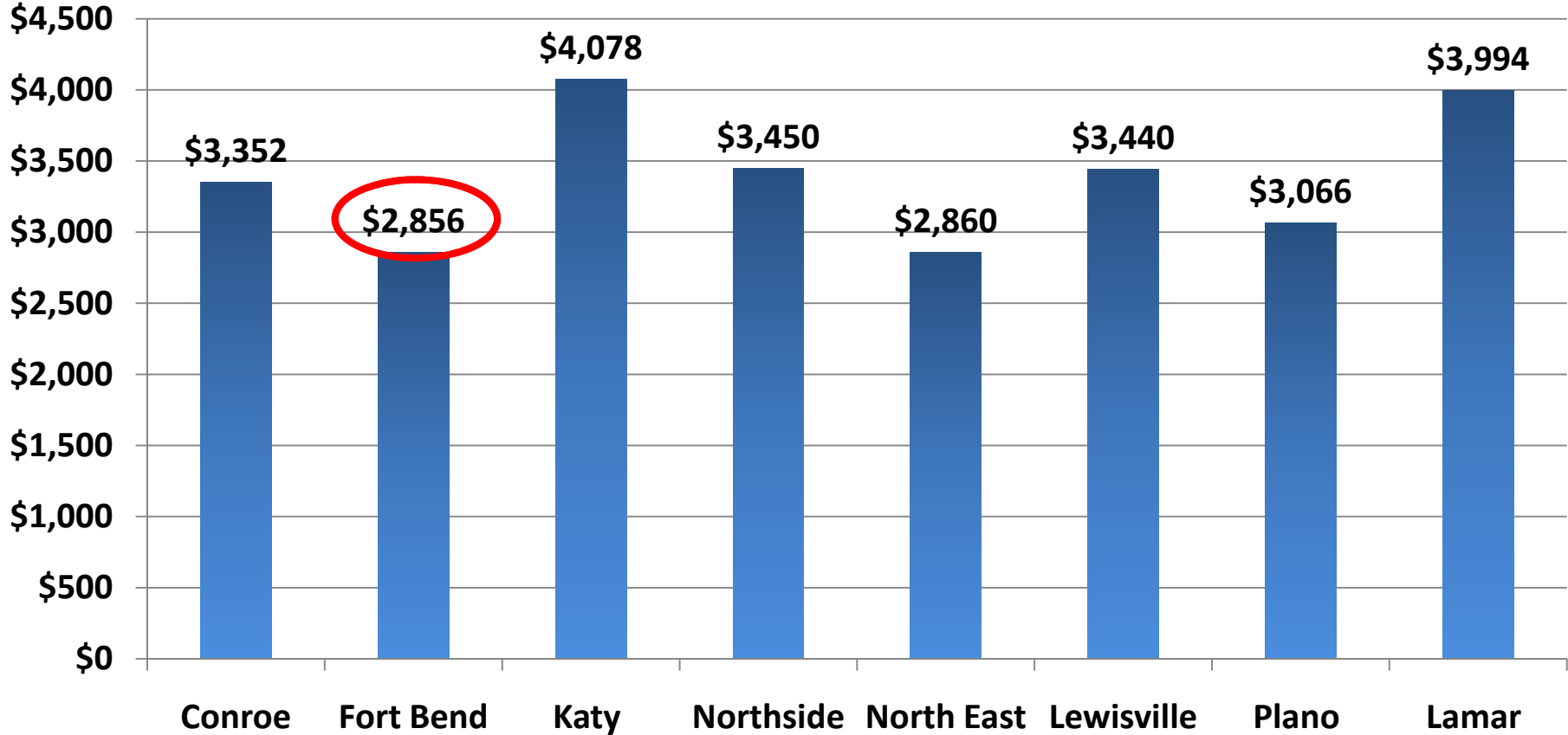


20 new campuses have opened since 2002

Difference in Taxable Value 2002-2012 = \$51,742



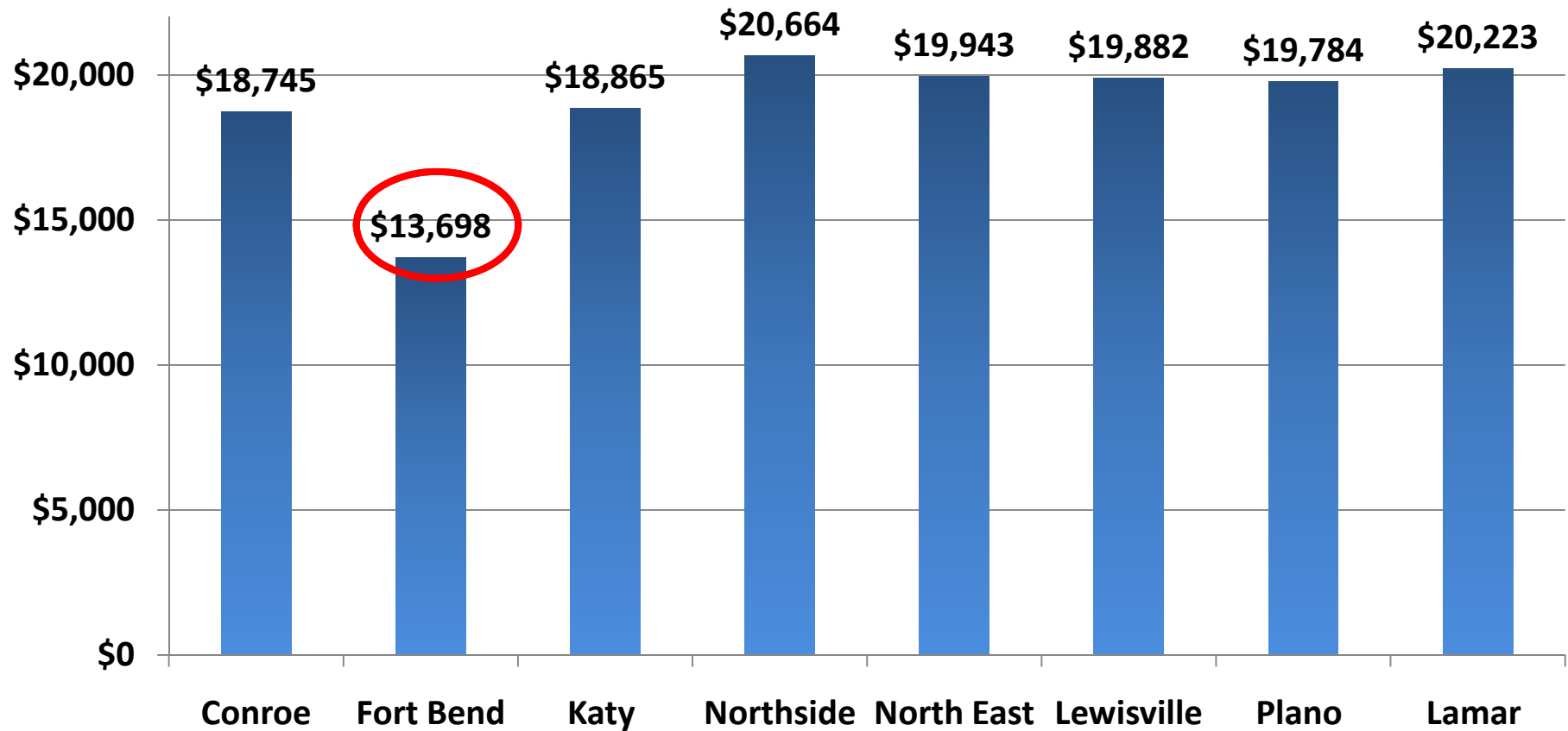
Debt Per Capita



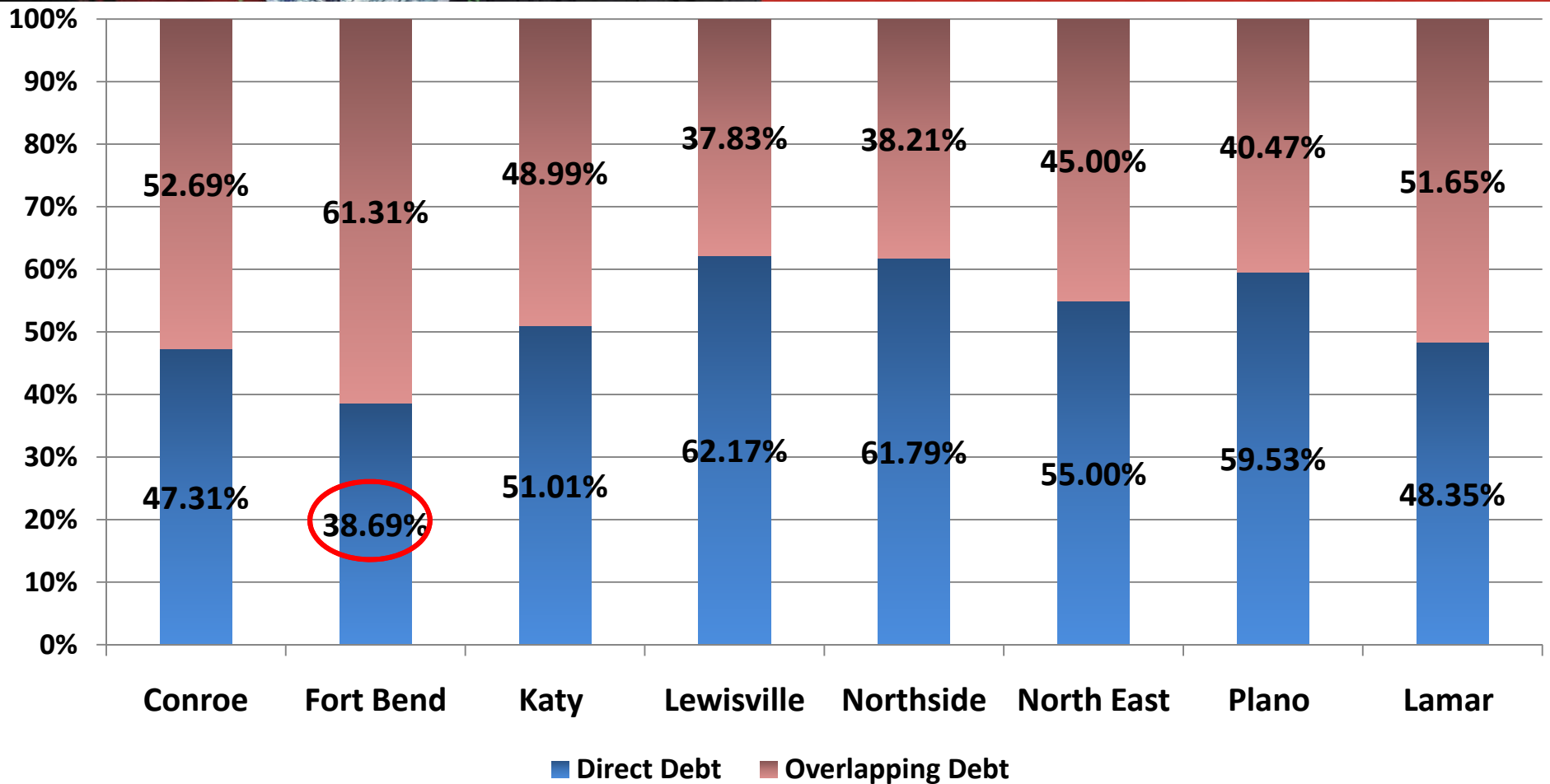
Data retrieved from most recent Municipal Advisory Council Bond Reports



Debt Per Pupil



Data retrieved from most recent Municipal Advisory Council Bond Reports



Data retrieved from most recent Municipal Advisory Council Bond Reports



DEBT SERVICE TAX RATE

Fort Bend Independent School District
Preliminary Tax Rate Analysis
Existing Debt Service

DRAFT FOR DISCUSSION PURPOSES ONLY

Period Ending 8/31	Assessed Valuation	Est. AV Growth	Existing Debt Service			Less: State Share	Est. Total Net D/S	Est. I&S Tax Rate	Change
			Principal	Interest	Total				
2012	\$ 23,704,163,317		\$ 30,888,388	\$ 43,297,386	\$ 74,185,774	\$ -	\$ 74,185,774	\$ 0.3000	
2013	23,941,204,950	1.00%	33,883,388	42,096,235	75,979,623	-	75,979,623	0.3206	0.0206
2014	24,180,617,000	1.00%	27,609,102	50,335,697	77,944,799	-	77,944,799	0.3256	0.0050
2015	24,422,423,170	1.00%	31,788,333	46,156,917	77,945,249	-	77,945,249	0.3224	
2016	24,666,647,401	1.00%	34,873,388	43,066,786	77,940,174	-	77,940,174	0.3192	
2017	24,913,313,875	1.00%	36,003,388	41,937,014	77,940,402	-	77,940,402	0.3160	
2018	25,162,447,014	1.00%	42,278,388	35,664,123	77,942,511	-	77,942,511	0.3129	
2019	25,414,071,484	1.00%	44,278,388	33,663,407	77,941,795	-	77,941,795	0.3098	
2020	25,668,212,199	1.00%	40,358,388	37,575,740	77,934,128	-	77,934,128	0.3067	
2021	25,924,894,321	1.00%	48,113,388	29,826,069	77,939,457	-	77,939,457	0.3037	
2022	26,184,143,264	1.00%	50,358,388	27,582,228	77,940,616	-	77,940,616	0.3007	
2023	26,184,143,264	0.00%	52,735,000	25,205,749	77,940,749	-	77,940,749	0.3007	
2024	26,184,143,264	0.00%	55,270,000	22,673,069	77,943,069	-	77,943,069	0.3007	
2025	26,184,143,264	0.00%	57,595,000	20,347,029	77,942,029	-	77,942,029	0.3007	
2026	26,184,143,264	0.00%	52,455,000	17,352,175	69,807,175	-	69,807,175	0.2693	
2027	26,184,143,264	0.00%	51,925,000	14,881,925	66,806,925	-	66,806,925	0.2577	
2028	26,184,143,264	0.00%	51,540,000	12,262,488	63,802,488	-	63,802,488	0.2461	
2029	26,184,143,264	0.00%	50,640,000	9,772,063	60,412,063	-	60,412,063	0.2331	
2030	26,184,143,264	0.00%	53,130,000	7,280,538	60,410,538	-	60,410,538	0.2330	
2031	26,184,143,264	0.00%	23,755,000	4,666,113	28,421,113	-	28,421,113	0.1096	
2032	26,184,143,264	0.00%	24,955,000	3,458,738	28,413,738	-	28,413,738	0.1096	
2033	26,184,143,264	0.00%	26,200,000	2,211,863	28,411,863	-	28,411,863	0.1096	
2034	26,184,143,264	0.00%	27,515,000	902,638	28,417,638	-	28,417,638	0.1096	
2035	26,184,143,264	0.00%	-	-	-	-	-	-	
2036	26,184,143,264	0.00%	-	-	-	-	-	-	
2037	26,184,143,264	0.00%	-	-	-	-	-	-	
2038	26,184,143,264	0.00%	-	-	-	-	-	-	
2039	26,184,143,264	0.00%	-	-	-	-	-	-	
2040	26,184,143,264	0.00%	-	-	-	-	-	-	
2041	26,184,143,264	0.00%	-	-	-	-	-	-	
2042	26,184,143,264	0.00%	-	-	-	-	-	-	
			\$ 948,147,928	\$ 572,215,984	\$ 1,520,363,912	\$ -	\$ 1,520,363,912		\$ 0.0256

Assumptions:

- (1) Assessed valuations and growth assumptions provided by the District.
- (2) Actual I&S tax rate for FY 2012.
- (3) Est. tax collections rate: **99.00%**



Debt Service Financial Statement

Revenue YTD	\$68,052,124
Expenditures YTD	\$72,773,302
Projected Collections through June 30 th	\$3,000,000
Projected Deficit	(\$1,721,178)
Beginning Fund Balance, <i>July 1, 2011</i>	\$53,535,279
Ending Fund Balance (est.), <i>June 30, 2012</i>	\$51,814,101
August 15 th Payment	(\$39,965,131)
Estimated Fund Balance, <i>August 31, 2012</i>	\$11,848,970

Fort Bend Independent School District
Preliminary Capital Improvement Program Analysis

DRAFT FOR DISCUSSION PURPOSES ONLY

\$152,150,000 Unlimited Tax Refunding Bonds, Series 2012 (Level Savings) and \$9,305,000 Unlimited Tax Refunding Bonds, Series 2012A (Restructuring)

Period Ending 8/31	Assessed Valuation	Est. AV Growth	Existing D/S	PRELIMINARY									Est. Total D/S	Less: State Share	Est. Total Net D/S	Est. I&S Tax Rate	Change
				\$152,150,000 Unlimited Tax Refunding Bonds, Series 2012			\$9,305,000 Unlimited Tax Refunding Bonds, Series 2012A										
				5/12 @ 2.796%			5/12 @ 3.285%										
				Principal	Interest	Total	Principal	Interest	Total								
2012	\$ 23,704,163,317		\$ 70,036,846	\$ 1,355,000	\$ 2,158,563	\$ 3,513,563	\$ -	\$ 134,406	\$ 134,406	\$ 73,684,815	\$ -	\$ 73,684,815	\$ 0.3000				
2013	23,941,204,950	1.00%	63,191,768	-	7,444,850	7,444,850	-	465,250	465,250	71,101,868	-	71,101,868	0.3000	(0.0000)			
2014	24,180,617,000	1.00%	63,904,094	-	7,444,850	7,444,850	-	465,250	465,250	71,814,194	-	71,814,194	0.3000	0.0000			
2015	24,422,423,170	1.00%	67,901,044	1,230,000	7,444,850	8,674,850	-	465,250	465,250	77,041,144	-	77,041,144	0.3186				
2016	24,666,647,401	1.00%	62,131,469	7,030,000	7,407,950	14,437,950	-	465,250	465,250	77,034,669	-	77,034,669	0.3155				
2017	24,913,313,875	1.00%	62,137,637	7,305,000	7,126,750	14,431,750	-	465,250	465,250	77,034,637	-	77,034,637	0.3123				
2018	25,162,447,014	1.00%	62,144,206	7,670,000	6,761,500	14,431,500	-	465,250	465,250	77,040,956	-	77,040,956	0.3093				
2019	25,414,071,484	1.00%	62,163,890	8,030,000	6,378,000	14,408,000	-	465,250	465,250	77,037,140	-	77,037,140	0.3062				
2020	25,668,212,199	1.00%	62,166,158	8,420,000	5,976,500	14,396,500	-	465,250	465,250	77,027,908	-	77,027,908	0.3031				
2021	25,924,894,321	1.00%	62,191,007	8,825,000	5,555,500	14,380,500	-	465,250	465,250	77,036,757	-	77,036,757	0.3002				
2022	26,184,143,264	1.00%	62,202,516	9,255,000	5,114,250	14,369,250	-	465,250	465,250	77,037,016	-	77,037,016	0.2972				
2023	26,184,143,264	0.00%	62,221,099	9,700,000	4,651,500	14,351,500	-	465,250	465,250	77,037,849	-	77,037,849	0.2972				
2024	26,184,143,264	0.00%	62,216,019	10,190,000	4,166,500	14,356,500	-	465,250	465,250	77,037,769	-	77,037,769	0.2972				
2025	26,184,143,264	0.00%	62,208,854	10,705,000	3,657,000	14,362,000	-	465,250	465,250	77,036,104	-	77,036,104	0.2972				
2026	26,184,143,264	0.00%	54,061,975	11,255,000	3,121,750	14,376,750	2,950,000	465,250	3,415,250	71,853,975	-	71,853,975	0.2772				
2027	26,184,143,264	0.00%	51,050,563	11,830,000	2,559,000	14,389,000	3,100,000	317,750	3,417,750	68,857,313	-	68,857,313	0.2656				
2028	26,184,143,264	0.00%	48,037,363	12,430,000	1,967,500	14,397,500	3,255,000	162,750	3,417,750	65,852,613	-	65,852,613	0.2540				
2029	26,184,143,264	0.00%	44,589,863	13,105,000	1,346,000	14,451,000	-	-	-	59,040,863	-	59,040,863	0.2278				
2030	26,184,143,264	0.00%	44,537,988	13,815,000	690,750	14,505,750	-	-	-	59,043,738	-	59,043,738	0.2278				
2031	26,184,143,264	0.00%	28,421,113	-	-	-	-	-	-	28,421,113	-	28,421,113	0.1096				
2032	26,184,143,264	0.00%	28,413,738	-	-	-	-	-	-	28,413,738	-	28,413,738	0.1096				
2033	26,184,143,264	0.00%	28,411,863	-	-	-	-	-	-	28,411,863	-	28,411,863	0.1096				
2034	26,184,143,264	0.00%	28,417,638	-	-	-	-	-	-	28,417,638	-	28,417,638	0.1096				
2035	26,184,143,264	0.00%	-	-	-	-	-	-	-	-	-	-	-				
2036	26,184,143,264	0.00%	-	-	-	-	-	-	-	-	-	-	-				
2037	26,184,143,264	0.00%	-	-	-	-	-	-	-	-	-	-	-				
2038	26,184,143,264	0.00%	-	-	-	-	-	-	-	-	-	-	-				
2039	26,184,143,264	0.00%	-	-	-	-	-	-	-	-	-	-	-				
2040	26,184,143,264	0.00%	-	-	-	-	-	-	-	-	-	-	-				
2041	26,184,143,264	0.00%	-	-	-	-	-	-	-	-	-	-	-				
2042	26,184,143,264	0.00%	-	-	-	-	-	-	-	-	-	-	-				
			\$ 1,242,758,707	\$ 152,150,000	\$ 90,973,563	\$ 243,123,563	\$ 9,305,000	\$ 7,128,406	\$ 16,433,406	\$ 1,502,315,676	\$ -	\$ 1,502,315,676		\$ (0.0000)			

Assumptions:

- (1) Assessed valuations and growth assumptions provided by the District.
- (2) Actual I&S tax rate for FY 2012.
- (3) Est. tax collections rate: **99.00%**
- (4) All interest rate assumptions are as of February 21, 2012 and are for purposes of illustration only. Preliminary, subject to change.

Fort Bend Independent School District
Preliminary Capital Improvement Program Analysis

DRAFT FOR DISCUSSION PURPOSES ONLY

\$81,280,000 Unlimited Tax Refunding Bonds, Series 2012 (Level Savings) and \$9,305,000 Unlimited Tax Refunding Bonds, Series 2012A (Restructuring)

Period Ending 8/31	Assessed Valuation	Est. AV Growth	Existing D/S	PRELIMINARY									Est. Total D/S	Less: State Share	Est. Total Net D/S	Est. I&S Tax Rate	Change
				\$81,280,000 Unlimited Tax Refunding Bonds, Series 2012			\$9,305,000 Unlimited Tax Refunding Bonds, Series 2012A										
				5/12 @ 2.854%			5/12 @ 3.285%										
				Principal	Interest	Total	Principal	Interest	Total								
2012	\$ 23,704,163,317		\$ 71,831,624	\$ 760,000	\$ 1,152,652	\$ 1,912,652	\$ -	\$ 134,406	\$ 134,406	\$ 73,878,682	\$ -	\$ 73,878,682	\$ 0.3000				
2013	23,941,204,950	1.00%	66,781,323	-	3,974,750	3,974,750	-	465,250	465,250	71,221,323	-	71,221,323	0.3005	0.0005			
2014	24,180,617,000	1.00%	67,493,649	-	3,974,750	3,974,750	-	465,250	465,250	71,933,649	-	71,933,649	0.3005	0.0000			
2015	24,422,423,170	1.00%	71,490,599	1,700,000	3,974,750	5,674,750	-	465,250	465,250	77,630,599	-	77,630,599	0.3211				
2016	24,666,647,401	1.00%	71,511,024	1,725,000	3,923,750	5,648,750	-	465,250	465,250	77,625,024	-	77,625,024	0.3179				
2017	24,913,313,875	1.00%	71,519,802	1,785,000	3,854,750	5,639,750	-	465,250	465,250	77,624,802	-	77,624,802	0.3147				
2018	25,162,447,014	1.00%	71,523,111	1,875,000	3,765,500	5,640,500	-	465,250	465,250	77,628,861	-	77,628,861	0.3116				
2019	25,414,071,484	1.00%	71,540,895	1,950,000	3,671,750	5,621,750	-	465,250	465,250	77,627,895	-	77,627,895	0.3085				
2020	25,668,212,199	1.00%	71,546,728	2,035,000	3,574,250	5,609,250	-	465,250	465,250	77,621,228	-	77,621,228	0.3055				
2021	25,924,894,321	1.00%	71,571,057	2,115,000	3,472,500	5,587,500	-	465,250	465,250	77,623,807	-	77,623,807	0.3024				
2022	26,184,143,264	1.00%	71,581,716	2,215,000	3,366,750	5,581,750	-	465,250	465,250	77,628,716	-	77,628,716	0.2995				
2023	26,184,143,264	0.00%	63,807,599	10,100,000	3,256,000	13,356,000	-	465,250	465,250	77,628,849	-	77,628,849	0.2995				
2024	26,184,143,264	0.00%	63,802,519	10,610,000	2,751,000	13,361,000	-	465,250	465,250	77,628,769	-	77,628,769	0.2995				
2025	26,184,143,264	0.00%	63,795,354	11,150,000	2,220,500	13,370,500	-	465,250	465,250	77,631,104	-	77,631,104	0.2995				
2026	26,184,143,264	0.00%	55,648,475	11,715,000	1,663,000	13,378,000	2,950,000	465,250	3,415,250	72,441,725	-	72,441,725	0.2795				
2027	26,184,143,264	0.00%	52,637,063	12,315,000	1,077,250	13,392,250	3,100,000	317,750	3,417,750	69,447,063	-	69,447,063	0.2679				
2028	26,184,143,264	0.00%	59,688,863	2,875,000	461,500	3,336,500	3,255,000	162,750	3,417,750	66,443,113	-	66,443,113	0.2563				
2029	26,184,143,264	0.00%	56,243,113	3,075,000	317,750	3,392,750	-	-	-	59,635,863	-	59,635,863	0.2301				
2030	26,184,143,264	0.00%	56,187,738	3,280,000	164,000	3,444,000	-	-	-	59,631,738	-	59,631,738	0.2300				
2031	26,184,143,264	0.00%	28,421,113	-	-	-	-	-	-	28,421,113	-	28,421,113	0.1096				
2032	26,184,143,264	0.00%	28,413,738	-	-	-	-	-	-	28,413,738	-	28,413,738	0.1096				
2033	26,184,143,264	0.00%	28,411,863	-	-	-	-	-	-	28,411,863	-	28,411,863	0.1096				
2034	26,184,143,264	0.00%	28,417,638	-	-	-	-	-	-	28,417,638	-	28,417,638	0.1096				
2035	26,184,143,264	0.00%	-	-	-	-	-	-	-	-	-	-	-				
2036	26,184,143,264	0.00%	-	-	-	-	-	-	-	-	-	-	-				
2037	26,184,143,264	0.00%	-	-	-	-	-	-	-	-	-	-	-				
2038	26,184,143,264	0.00%	-	-	-	-	-	-	-	-	-	-	-				
2039	26,184,143,264	0.00%	-	-	-	-	-	-	-	-	-	-	-				
2040	26,184,143,264	0.00%	-	-	-	-	-	-	-	-	-	-	-				
2041	26,184,143,264	0.00%	-	-	-	-	-	-	-	-	-	-	-				
2042	26,184,143,264	0.00%	-	-	-	-	-	-	-	-	-	-	-				
			\$ 1,363,866,600	\$ 81,280,000	\$ 50,617,152	\$ 131,897,152	\$ 9,305,000	\$ 7,128,406	\$ 16,433,406	\$ 1,512,197,158	\$ -	\$ 1,512,197,158		\$ 0.0005			

Assumptions:

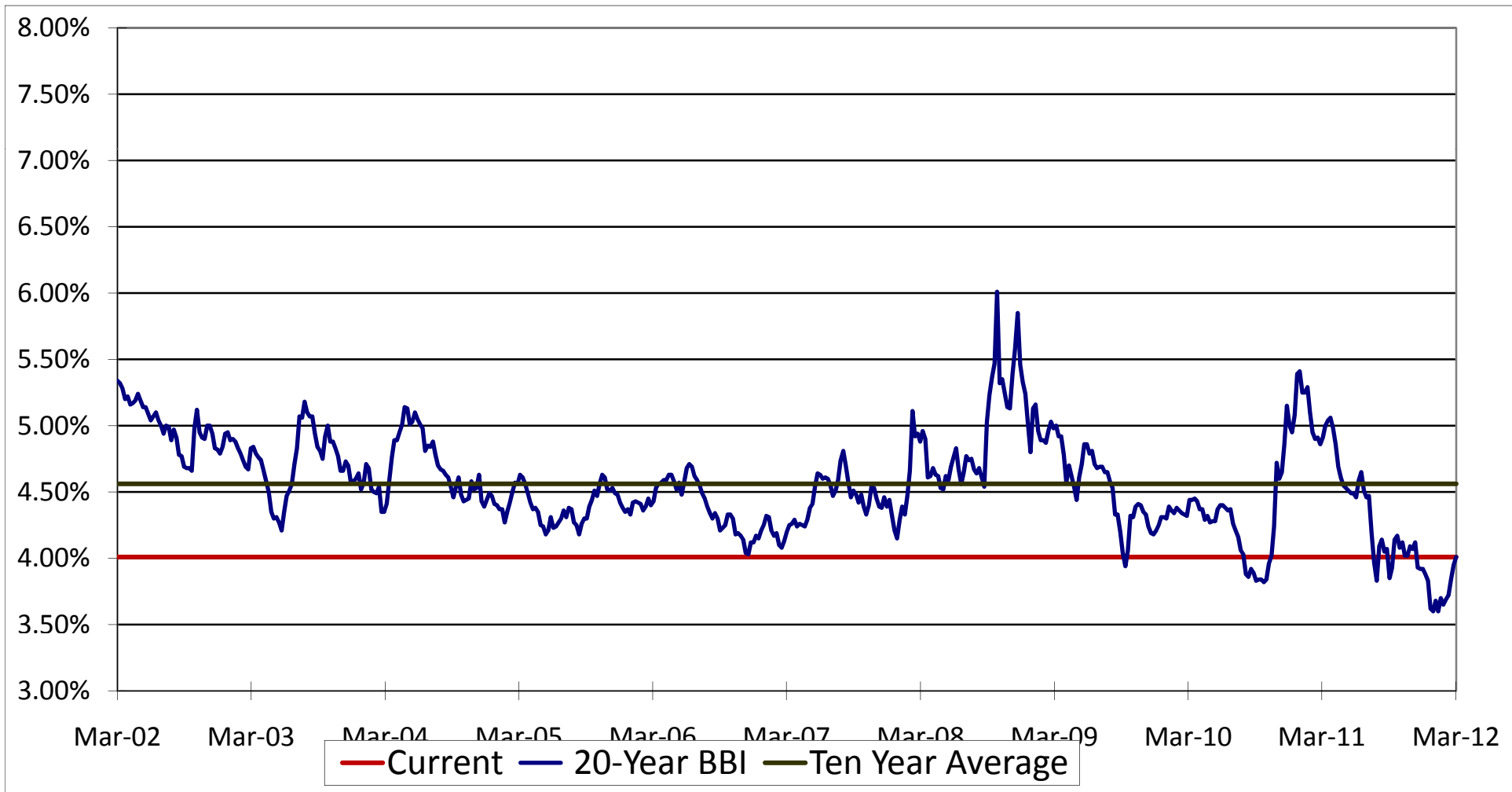
- (1) Assessed valuations and growth assumptions provided by the District.
- (2) Actual I&S tax rate for FY 2012.
- (3) Est. tax collections rate: **99.00%**
- (4) All interest rate assumptions are as of February 21, 2012 and are for purposes of illustration only. Preliminary, subject to change.



- To maintain the tax rate at \$.30 cents in 2013
 - Utilize available 2003 bond funds \$1,734,584
 - Utilize additional debt service funds
 - Restructure/Refinance a portion of the outstanding debt



Bond Buyer's Index





Bond Buyer's Index February 27, 2012	
Current	3.65%
1-Year Average	4.30%
5-Year Average	4.52%
10-Year Average	4.57%
Maximum	6.01%
Minimum	3.60%
Over the past 10 years the index has been higher 99.5 % of the time	

Bond Buyer's Index March 23, 2012	
Current	4.01%
1-Year Average	4.20%
5-Year Average	4.51%
10-Year Average	4.56%
Maximum	6.01%
Minimum	3.60%
Over the past 10 years the index has been higher 94.9 % of the time	

Costs Associated with Refunding of \$153,970,000 in Bonds

Financial Advisory Fee	\$159,824
Miscellaneous Expenses	\$2,500
Document Processing Fee	\$2,500
Final Official Statement Printing & Mailing	\$4,000
Computer Structuring Fee	\$7,500
Bond Counsel	\$115,477
Miscellaneous Expenses	\$2,000
Attorney General Fee	\$9,500
Standard & Poor's Rating Fee	\$41,250
Fitch Ratings Fee	\$70,000
Paying Agent Fees & Expenses	\$500
Escrow Agent Fees & Expenses	\$2,500
Verification Agent	\$4,000
PSF Fee	\$2,300
i-deal Preliminary Official Statement Distribution	\$760
Miscellaneous	\$10,388
Total	\$435,000

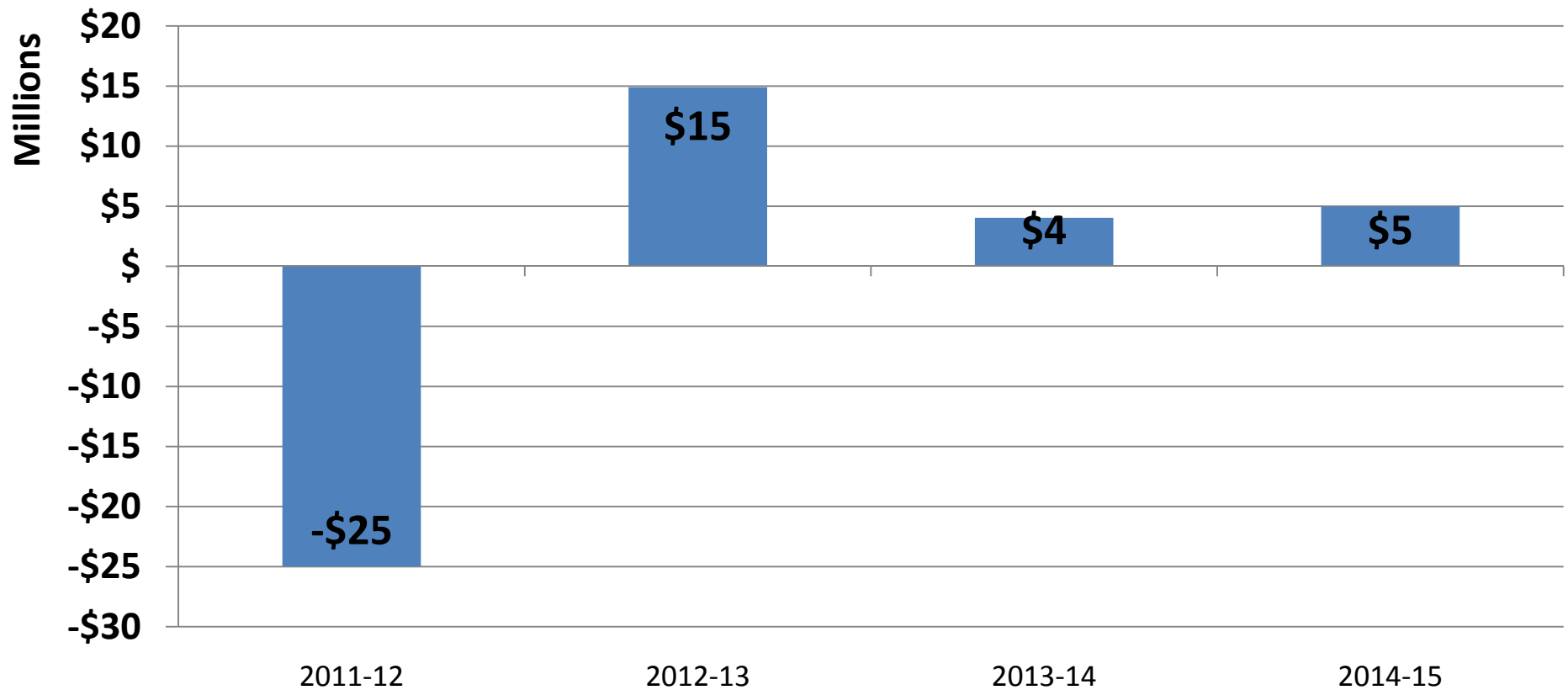
Note: Projected Gross savings of \$20.4 million



REVENUE PROJECTIONS



General Fund Revenue Change from Preceding Year





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

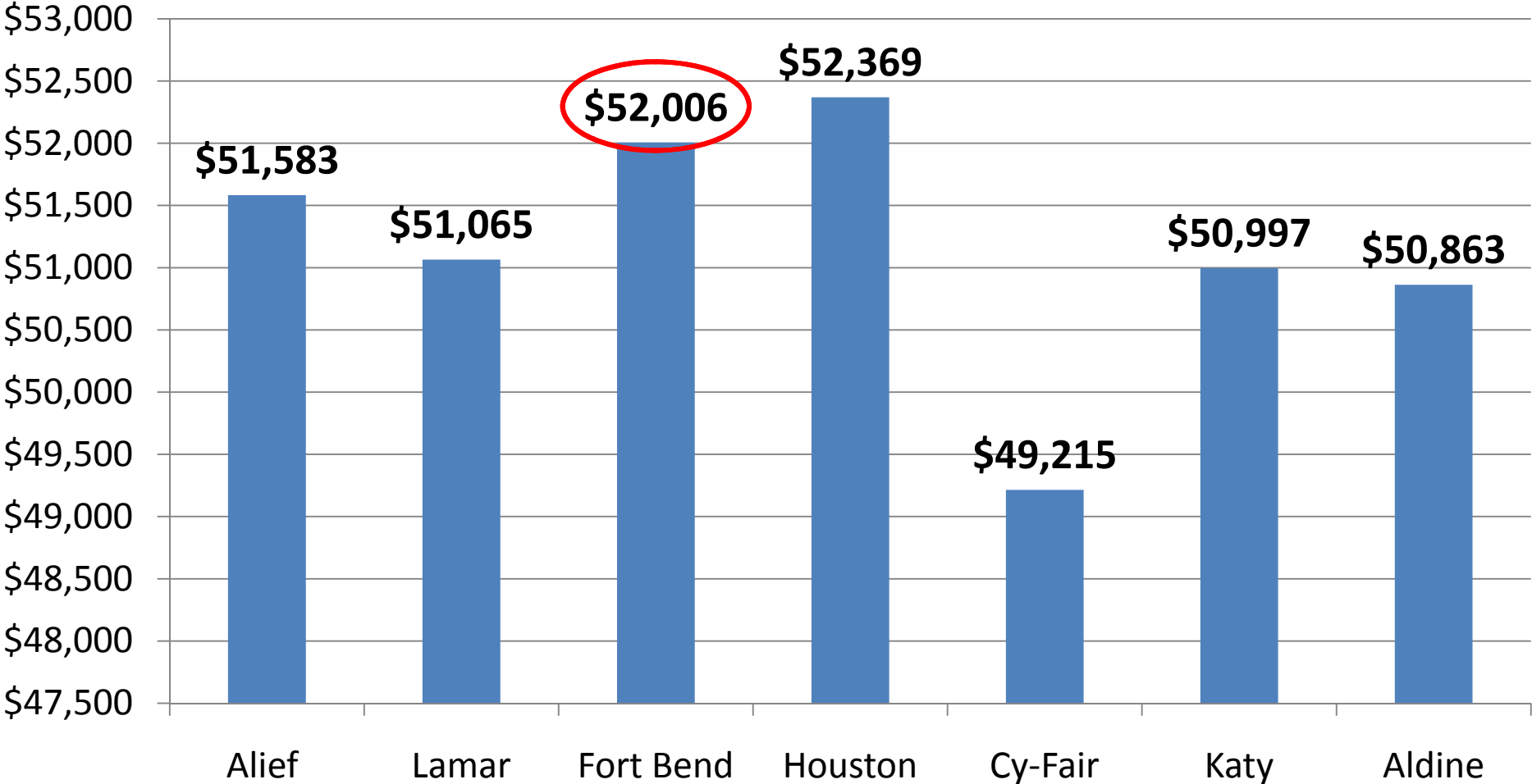


PROPOSED 2012/13 BUDGET

Additional Revenue	\$15,250,000
Salary & Benefits	
Additional Staffing Due to Growth	\$4,080,000
EduJobs Positions (October, 2011)	\$1,600,000
Proposed Salary Increase (2%)	\$6,700,000
Property Casualty Insurance Increase (August, 2011)	\$850,000
Truancy Court – (October, 2011 as part of EduJobs)	\$300,000
Mentor Teacher Program	\$175,000
AVID – Willowridge HS (net of Title 1)	\$117,545
International Baccalaureate - Missouri City Middle School	\$18,000
21 st Century (<i>5th Year of Program, FBISD responsibility</i>)	\$85,000
Athletics – costs associated with 4A and <i>single-robin</i> tournaments	\$250,000
KickStart Program (3 campuses)	\$150,000
HVAC – major maintenance needs	\$400,000
Lease/Purchase – Vehicles & Small Equipment (est.)	\$150,000
Fort Bend County Appraisal District Fees (est.)	\$150,000
Departmental / Campus Budget Increases	\$250,000
Proposed Budget	<hr/> \$15,275,545



Average Teacher Salary





- Proposed Salary Adjustments
 - Increase starting teacher salary to \$44,750
 - 2% Increase for all employees



CALENDAR



- April 23rd
 - Staffing
 - Health Insurance
 - Property Casualty Insurance
- May 7th
 - Tentative Budget Workshop
- May 21st
 - Budget Hearing
- June 11th
 - Budget Adoption