

Fort Bend Independent School District



2011 Budget Challenges





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Agenda

- Legislative Update
- Change in Federal Guidelines for School Lunch
- Update on Health Insurance
- Update to Fiscal Strategy
- Current Budget Status



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Differences in House and Senate School Finance Proposals

	Funding Level	2011-12 Shortfall	2012-13 Shortfall
House (CSHB2485)	\$26.8 billion	\$26.7 million	\$24.9 million
Senate (CSSB 22)	\$30.6 billion	\$19.3 million	\$14.7 million

Estimates based upon Moak, Casey analysis as of 4/29/11

Note: While it may appear that FBISD fares better under the proposed Senate school finance proposal, CSSB 22 assumes a level of funding not supported by the House. If the Senate version of school finance prevails, the cuts to FBISD will exceed \$30 million annually.



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- CSSB 22
 - *Senate school finance plan*
- HB 400
 - *Mandate relief*
- TRS Care
- EduJobs Funding



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CHANGES REQUIRED UNDER FEDERAL SCHOOL LUNCH PROGRAM

Equity in School Lunch Pricing Provision

Hunger Free Kids Act of 2010 effective July 1, 2011

- Requires school districts participating in National School Lunch Program to provide same level of support for lunches served to students who are not eligible for free and reduced lunch.

Equity in School Lunch Pricing Provision

- Districts charging less than \$2.46 will be required to either gradually increase prices or provide additional non-Federal support for its lunches.
 - School Districts must calculate an adjusted average price by multiplying current rate by 3.14 percent

Equity in School Lunch Pricing Provision

Price increases are federally mandated to increase a minimum of 10 cents each school year; or,

Alternatively, meal prices can be increased to accommodate the federal mandate in an attempt to avoid a recurring annual increases



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Equity in School Lunch Pricing Provision Reimbursement Rates 2006 through 2011

Rates	2006/07	2007/08	2008/09	2009/10	2010/11
Free	\$2.40	\$2.47	\$2.57	\$2.68	\$2.72
Reduced	\$2.00	\$2.07	\$2.17	\$2.28	\$2.32
Paid	\$0.23	\$0.23	\$0.24	\$0.25	\$0.26



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Equity in School Lunch Pricing Provision Reimbursement Rates vs. Prices

Rates	Federal Reimbursement	FBISD Meal Price
Free	\$2.72	\$0.00
Reduced	\$2.32	\$0.40
Paid	\$0.26	\$1.75 (elem) / \$2.00 (sec)

Equity in School Lunch Pricing Provision

Proposed Pricing

- Option 1
 - Raise meal prices to \$2.50 at all grade levels
- Option 2 (three-year phase in)
 - Year One – raise meal prices to \$2.00/\$2.25 for elementary & secondary respectively
 - Year Two – raise meal prices to \$2.25/\$2.50 for elementary & secondary respectively
 - Year Three – to be determined according to the Consumer Price Index and law



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HEALTH INSURANCE



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FISCAL STRATEGY



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2011/12 BUDGET STATUS



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Summary of Budget Proposals

	Tier 1
<i>Potential Adjustment</i>	(\$29,600,000)
Revenue, net	\$245,290
Expenditures, non-personnel, net	\$45,000
Expenditures, staffing reduction (net)	\$24,264,600
Total	<u>\$25,054,890</u>
Deficit	(\$5,045,110)

Assumes state funding loss of \$29.6 million annually.



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Revenue Sources/Adjustments

	Tier 1
Adjustment to Interest Income	(\$1,000,000)
Allow out-of-district transfers	\$1,032,000
<i>Calculated based upon \$4,300 basic allotment; Assumes that the state funding formulas include a provision for growth.</i>	
Instrument Rental Fee	\$53,290
<i>\$80 per student. Applied to students who utilize a district owned instrument. Students qualifying for free & reduced lunch are exempted from the fee.</i>	
Extended Day Registration Fee Increase	<u>\$160,000</u>
<i>Increases the registration fee for extended day from \$25 to \$40 per child.</i>	
Increase in Anticipated Revenue	\$245,290



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Non-Personnel Expenditures

	Tier 1
Travel for floating staff members	(\$250,000)
Anticipated Fuel Increase	(\$2,000,000)
Middle School Opening Cost	(\$205,000)
Campus Budget Reductions	\$700,000
Department Budget Reductions	\$1,050,000
<i>Amount will increase as budget proceeds.</i>	
Maintenance & Operations	<u>\$750,000</u>
Eliminate Academy Bus Runs	
Total Non-Personnel	\$45,000



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Personnel Expenditure Reductions - Classroom

Tier 1

Increase HS Staffing Ratios	\$5,700,000
	<i>22:1/23:1 / 113 units</i>
Increase MS Staffing Ratios	\$4,500,000
	<i>21:1/22:1/23:1 / 75 units</i>
Increase Elementary Class Size	\$6,780,000
<i>Requires a change in current law.</i>	<i>22:1 average / 113 units</i>
Special Education	\$1,200,000
Other Campus Personnel <i>(58 units)</i>	\$2,790,000
Non-Campus Personnel <i>(108 units)</i>	\$4,977,000
Bowie Middle School	(\$795,000)
Adjustment for Unemployment Insurance	<u>(\$1,967,400)</u>
Total Salary Reduction	\$24,264,600



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