

FBISD State and Local Revenue

Fort Bend ISD receives funding based on a Three Tiered Revenue System

Tier One Funding

- Adopted In 2006 by the Texas Legislature, *House Bill 1* guaranteed districts the same level of state and local tax revenue per weighted average daily attendance (WADA) of students that they had received under the prior funding system in 2005-06 or 2006-07, whichever year generated the highest revenue (this is known as a “hold harmless provision”)
 - FBISD's Maintenance & Operations tax rate was compressed by 33.3% to \$1.00 (previously the district's tax rate was \$1.50)
 - FBISD was held to the 2006-07 level of revenue at approximately \$4,871 per weighted average daily attendance
 - When compared to its peer districts, FBISD's target revenue is the lowest at \$4,871, with target revenues for our peer districts ranging from \$5,103 to \$5,461
- Adopted in 2009, *House Bill 3646* granted an additional \$120 per weighted student and began to return school districts to a formula-based system
- *House Bill 3646* mandated districts to expend a portion of the additional revenue (the extra \$120 per weighted student) on salary increases for certified staff (mostly teachers). FBISD's mandated portion spent on those salary increases equated to 78% of the additional revenue
- 51% of FBISD operating revenues come from local property taxes and other sources, 46% from state funding, and 3% from miscellaneous local and federal sources
- Increasing property values generally has no effect on the revenue of the district in Tier 1, as districts receiving hold harmless funding are limited to the per student amount, and any benefit of an increase in property value is captured by the state
 - 19.2% of the district's property value comes from commercial and retail property
 - 75.2% of the district's property value comes from residential properties which causes our wealth per weighted student to be lower than districts with a large commercial and retail tax bases – i.e., additional property values are typically accompanied by increased enrollment

Tier Two Funding

- An additional four pennies are available without voter approval
- Tied to the Austin ISD wealth (\$590,200 for 2009-10) and are not subject to recapture
 - Considerable benefit to FBISD since our wealth per WADA is approximately \$281,663
- FBISD has utilized the four pennies

Tier Three Funding

- Additional 13 pennies available with voter approval through a tax increase election
- First two pennies are “golden” and not subject to recapture and would generate an approximate revenue of \$5.0 million per penny
- Remaining pennies subject to recapture at \$319,500 and would generate an approximate revenue of \$2.2 million per penny
- FBISD has not sought to conduct a tax increase election

FBISD Quick Financial Facts

Financial Ratings

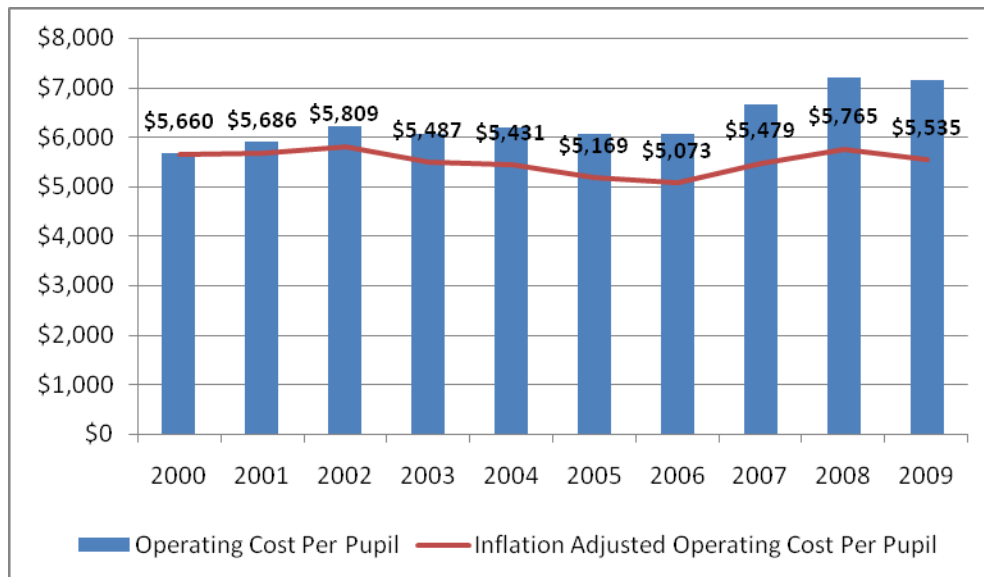
- Fitch - AA
- Standard and Poor's – AA

2009-10 Budget Composition

- Salary & Benefits – 88.2%
 - *Of this allocation 82.3% is allocated for instructional and student support services*
- Utilities & Fuel – 3.8%
- Ongoing Maintenance & Rental Agreements and other Contracted Services – 3.3%
- Supplies & Materials – 3.3%
- Other Operating Expenses – 1.4%

Historical Expenditure Analysis

- 2008-09 operating expenditures equated to \$7,153 per student with funding only at \$5,535
- When adjusted for inflation, FBISD expenditures per child have declined since fiscal year 2000



2010 Staffing Ratios

- Staff / Student 7.57:1 (Acceptable Range of 7.0 to 14.0)
- Teacher / Student 15.62:1 (Acceptable Range of 13.5 to 22.0)