

Fort Bend Independent School District

From: Jenney, Dr. Timothy

Sent: Friday, March 30, 2012 11:46 AM

To: All E-Mail Users

Subject: March 2012 Budget Message to Staff

Dear Colleagues,

As you may know, we are in the process of preparing the District's budget for the 2012-2013 school year. I am pleased to report that we are projecting a gain in general fund revenue from the State next year. Our District is projected to receive \$15.5 million in additional revenue for our maintenance and operating (M&O) budget.

Proposed raise and addition of staff due to growth

Due to the additional revenue, we are proposing a two percent salary increase for all employees and an increase in the starting teacher salary to \$44,750. Although we are not opening any new campuses for the first time since 2005, we must also budget for additional staff due to growth. For example, we are adding another grade level at Ridge Point High School. Eighty-six (86%) percent of our M&O budget is salaries and benefits for our employees. More than \$12 million of the additional revenue for next year will be spent on salaries and benefits for our employees.

FBISD spends 67% on classroom instruction; one of the highest levels among peer districts

After losing close to \$50 million dollars of state funding over the past two years and dealing with budget shortfalls, we have had to do more with less staff and less resources. During this time, it is important for you to know that we maintained instructional spending in the classroom at 67 percent.

District's tax rate remains at current level; one of the lowest in the 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 M&O tax rate, will remain at its current level for 2012-2013. At its March 26 Board Meeting, the Board of Trustees voted to take advantage of the historic low interest rates and authorized the administration to pursue a refunding of a portion of our outstanding debt so that the District could take advantage of the lower rates. This action will reduce the total amount of outstanding debt and afford the district the opportunity to maintain the debt service tax rate at the current level. As part of this adoption, the Board officially rescinded the declaration of financial exigency which was adopted last spring and scheduled to expire in June of this year.

FBISD maintains strong financial position receiving AA+ Fitch Rating

Fitch Ratings recently gave Fort Bend ISD a AA+ bond rating. In addition, the District's bonds are secured by the Texas Permanent School Fund (PSF), whose bond guarantee program is rated AAA by Fitch. This is good news and means we are prudently managing resources, which is important to continue to maintain our healthy financial position and strong bond rating.

In closing, we know there is more work to complete before the adoption of the 2012-2013 Budget, but I hope you are as relieved as I am with the prognosis of a better year ahead. I know this has been an especially challenging year, and I want to express to you my sincere appreciation for your continued work on behalf of our students and commitment to the District.

Sincerely,
Tim Jenney