

2018-19
**BUDGET
DEVELOPMENT**

June 11, 2018
Board Update



FBISD
INSPIRE • EQUIP • IMAGINE

School District Budget Requirements

School district budget requirements as established by Sections 44.002 through 44.006 of the Texas Education Code and the Texas Education Agency:

- ✓ The Superintendent is the budget officer for the district and causes the budget to be prepared.
- ✓ The district budget must be prepared each year by June 19 and adopted by June 30.
- ✓ The President of the Board of Trustees must call a public meeting of the Board of Trustees, giving at least 10 days public notice in the newspaper, for the adoption of the district budget. District taxpayers may be present and participate in the meeting.
- ✓ Concurrently with the publication of the meeting notice, the district must post a summary of the proposed budget to its website. The budget must include the elements outlined in Section 44.0041, TEC.
- ✓ The budget must be adopted before the adoption of the supporting tax rate.
- ✓ Budgets for the General Fund, the Food Service Fund, and the Debt Service Fund must be included in the official district budget. These budgets must be prepared and approved at least at the fund and function levels to comply with the state's legal level of control mandates.
- ✓ No funds may be expended that exceed the adopted functional categories until the board of trustees amends the budget appropriately.

2018-19

BUDGET DEVELOPMENT



2018-19 Proposed General Operating Budget

All income and expenses necessary to operate the school district such as salaries and benefits, utilities, equipment, and supplies that are paid from the general fund budget. The operating budget is funded through property taxes, local revenues, and state and federal allocations.

2018-19 Proposed General Fund Budget

\$634,633,006

\$8,360 / student

**Projected 75,909 students
in average daily membership**

(Based on demographer's moderate-growth projections)

2018-19

BUDGET DEVELOPMENT

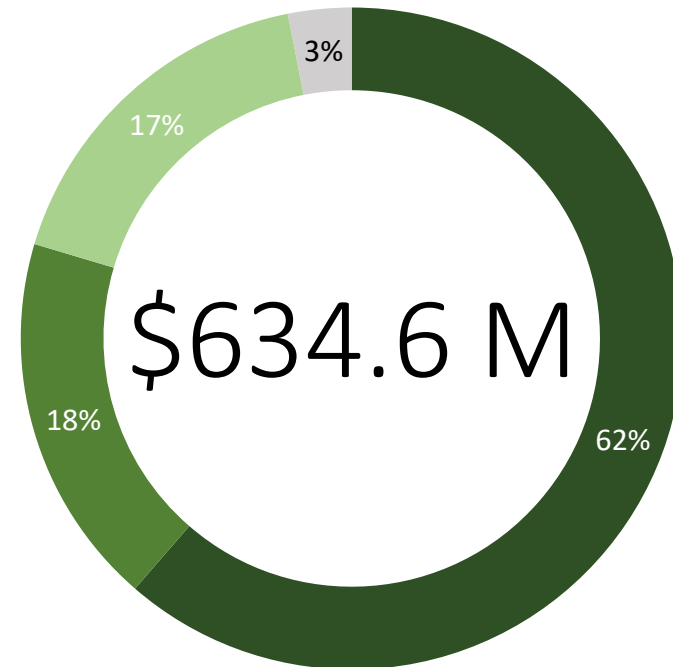


2018-19 Budget Assumptions

Average daily membership:	75,909
Average daily attendance:	96.5%
Property value growth:	3% CAD
CPTD value growth:	6.8% CPTD
WADA growth:	0.9%
Free and reduced count:	32,717 (43%)
Revenue adjustments:	\$2.90 M (SPED/Extended Day)
Teacher step increases:	\$2.6 M
Thornton MS staffing:	\$2.50 M (46 FTEs)
Other staffing needs:	\$10.51 M (168 FTEs)

2018-19 Proposed Budget by Functional Area

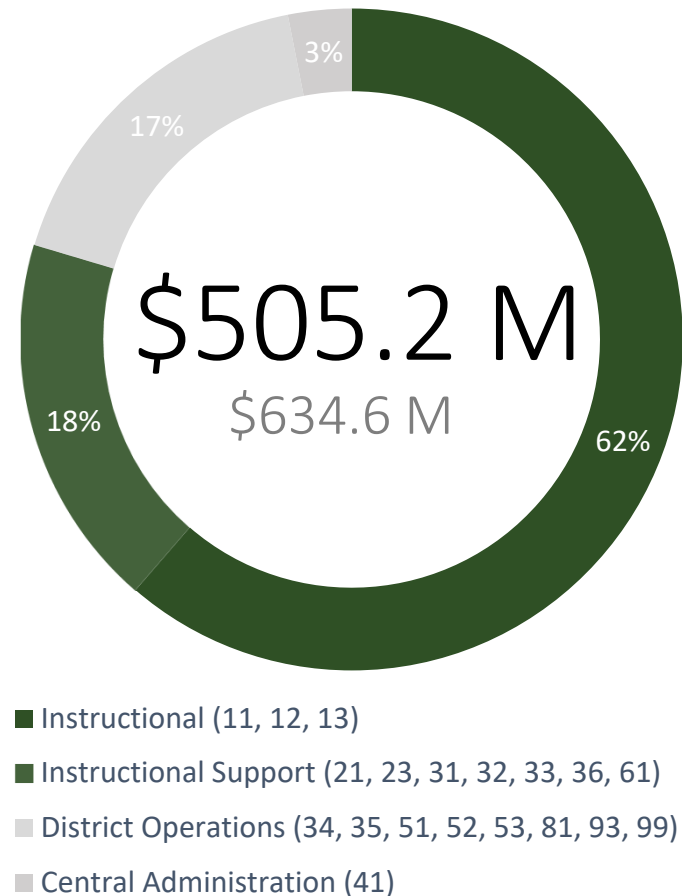
Functional Area	2018-19 Est.
Instructional	\$389.4 M
Instructional Support	115.8 M
District Operations	109.8 M
Central Admin	19.6 M
Total	\$634.6 M



- Instructional (11, 12, 13)
- Instructional Support (21, 23, 31, 32, 33, 36, 61)
- District Operations (34, 35, 51, 52, 53, 81, 93, 99)
- Central Administration (41)

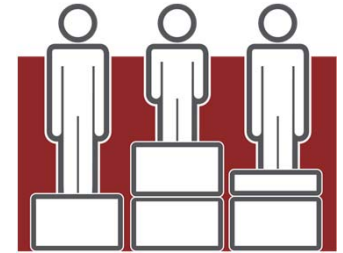
Core Business

- Instructional and Instructional Support
- Represents 80% of total budget at \$505.2 M
- Includes the following major functional areas:
 - » Instructional
 - Instruction (11)
 - Instructional Resources Media (12)
 - Curriculum Development (13)
 - » Instructional Support
 - Instructional Leadership (21)
 - School Leadership (23)
 - Guidance Counseling (31)
 - Social Work Services (32)
 - Health Services (38)
 - Co Curricular and Extra Curricular (36)
 - Community Services (61)



District Goal 1

Fort Bend ISD will provide an **equitable learning environment** that provides all students access to the FBISD curriculum.



Budgeted Expenditures	Amount
Classroom Teachers & Aides	\$220.47 M
School Leadership	\$48.49 M
Professional Learning Model	\$1.75 M
Curriculum Development	\$10.37 M
- Curriculum Development Staff	8.89 M
- Curriculum Writing	0.65 M
- Distance Learning (O-Labs)	0.83 M
Fine Arts	\$25.56 M
- Teaching Staff	23.60 M
- Clinicians/Instruments/Uniforms	1.96 M

Budgeted Expenditures	Amount
Instructional Programming	\$99.81 M
- Instructional Leadership Staff	13.09 M
- Early Literacy Center/EDGE	5.71 M
- SPED/Co-Teach	51.20 M
- GT/Academies	20.71 M
- Bilingual/ESL	9.10 M
Academic Intervention	\$7.20 M
- Summer School/SSI/EOC	1.20 M
- Interventionists/Specialists	5.99 M
Campus Budgets	\$9.65 M
Goal 1 Total	\$423.30 M

District Goal 2

Fort Bend ISD will ensure **students own** and are **responsible** for their learning, behavior, and progress through the FBISD curriculum.

Budgeted Expenditures	Amount
CCCs and CACs	5.75 M
Assessment framework	4.71 M
- Assessment/Accountability	1.48 M
- Renaissance 360	0.87 M
- Post Secondary Readiness	2.22 M
- CTE Certifications	0.14 M
Positive Behavior Int. Supp.	0.90 M
Goal 2 Total	\$11.36 M



District Goal 3

Fort Bend ISD will provide an **inclusive, collaborative, and fluid learning environment** with opportunities for both risk-taking and success.



Budgeted Expenditures	Amount
Blended Learning	\$16.65 M
- Career & Tech Education	14.50 M
- PLTW/Robotics/Coding	1.93 M
- Schoology	0.20 M

Budgeted Expenditures	Amount
Extra Curricular Activities	\$9.69 M
- Athletics/Fine Arts Stipends	4.60 M
- Student Travel & UIL Fees	1.62 M
- Athletics Equipment	1.27 M
- Athletics Game Officials	0.56 M
- Campus/Dept. Supplies	0.72 M
- Athletics Staffing	0.92 M
Goal 3 Total	\$26.34 M

District Goal 4

Fort Bend ISD will develop students’ social-emotional, academic, literacy, language, and life skills in a safe and secure Collaborative Community at every school.



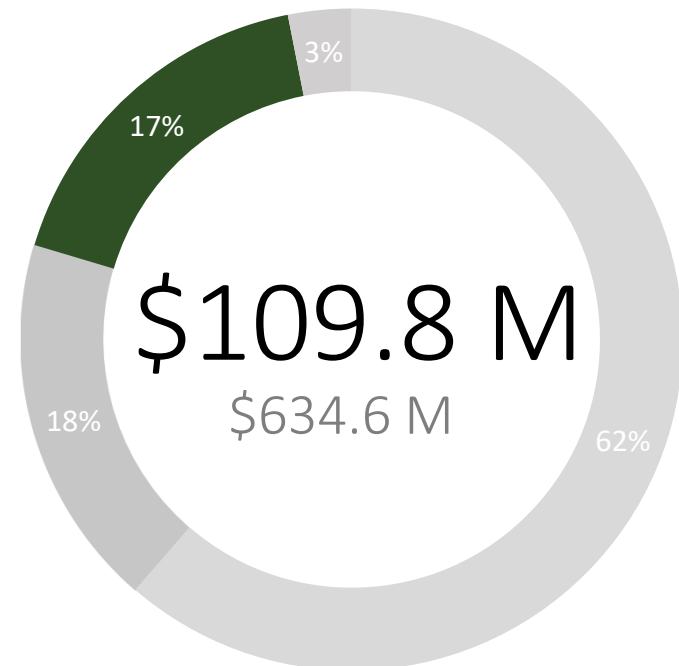
Budgeted Expenditures	Amount
Guidance Counseling	\$31.30 M
- Counseling Staff	29.84 M
- Naviance	0.23 M
- Supplies & Materials	1.23 M
Health Services	\$7.88 M
- Nurses and Aides	7.30 M
- Health Services Supplies	0.58 M

Budgeted Expenditures	Amount
Social Work Services	\$1.62 M
- Social Workers	1.39 M
- Fort Bend County Truancy	0.24 M
Collaborative Communities	\$0.47 M
LSSPs	\$2.78 M
ROPES	\$0.15 M
Goal 4 Total	\$44.20 M

District Operations

Almost 1/5 of the budget at \$109.8 million

- Utilities (electricity, water, natural gas, phone/ internet)
- Police services
- Building maintenance and repairs
- Lawn maintenance
- Information Technology and software services
 - » Student software systems
 - » Financial/HR applications
- Student transportation
- Property appraisal services

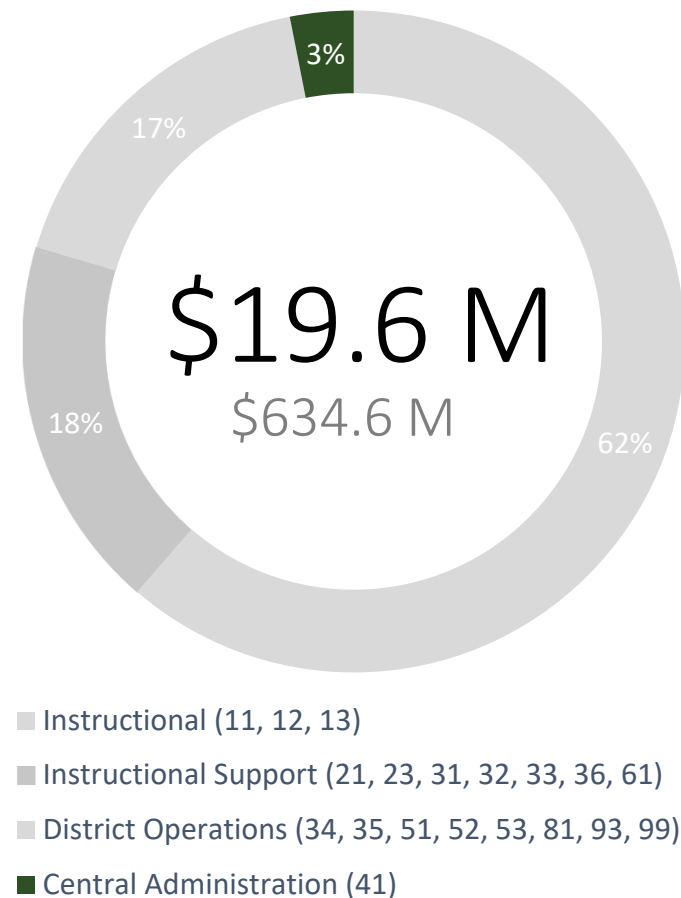


- Instructional (11, 12, 13)
- Instructional Support (21, 23, 31, 32, 33, 36, 61)
- District Operations (34, 35, 51, 52, 53, 81, 93, 99)
- Central Administration (41)

Central Administration

Approximately 3% of the budget at \$19.6 million

- District Leadership
- Accounting
- Accounts Payable
- Budget
- Purchasing
- Human Resources

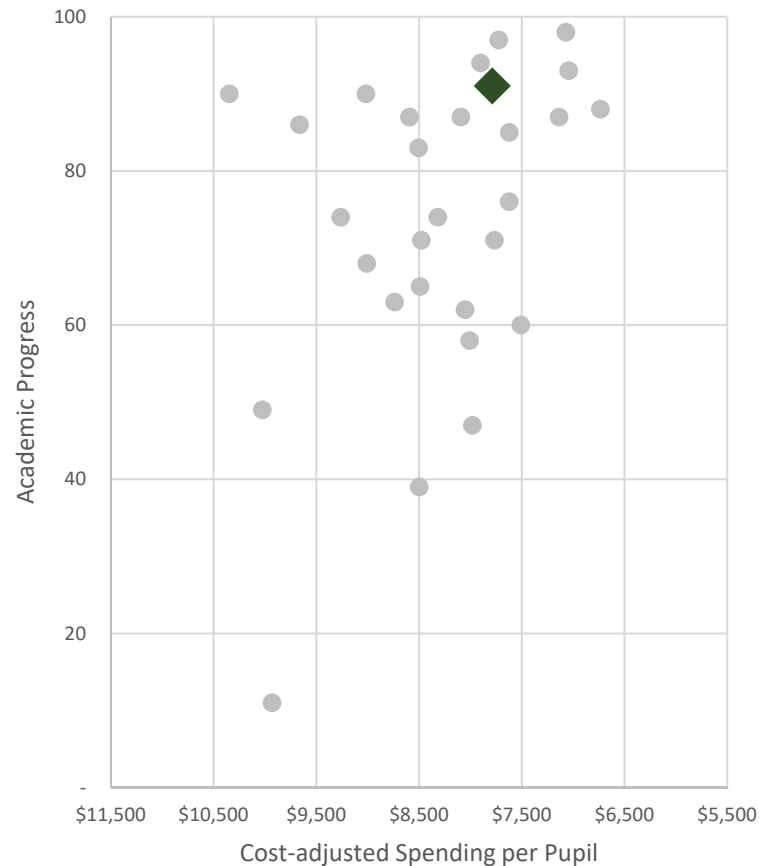


Cost-adjusted Spending per Pupil vs. Academic Progress



- Very high academic progress: at or above 91% of all districts
- Low spending compared to fiscal peers: \$7,785.67 cost-adjusted spending per pupil

Smart Score



Budget Reductions

- Utility savings - contractual & behavioral (\$2.6M)
- Targeted reduction of extra planning periods (\$2.7M)
- Bilingual/Pre-K Consolidation (\$1.3M)
- Central Office budget reductions (\$2.6M)
 - » Cut historic under-expended amounts (\$1.1M)
 - » Professional services (\$0.2M)
 - » Professional development (\$0.5M)
 - » Hiring review (\$0.8M)
- Centralize Educational Assistants (\$0.8M)
- Assistant Principal Interns back to classrooms (\$0.3M)

2018-19 Proposed Budget

Goal/Functional Area	Proposed Amount
Goal 1	\$423.30 M
Goal 2	11.36 M
Goal 3	26.32 M
Goal 4	44.20 M
Sub-total	505.18 M
District Operations	109.80 M
Central Administration	19.65 M
Total Proposed Budget	\$634.63 M

2018-19

BUDGET DEVELOPMENT



2018-19 Proposed Budget

	2016-17	2017-18	2017-18	2018-19
(\$ Millions)	Actuals	Budget	Estimate	Proposed
Operating Revenues	\$ 596.91	\$ 619.89	\$ 636.30	\$ 626.77
Operating Expenditures	595.01	633.35	639.47	634.63
Other Sources/(Uses)	0.89	1.50	1.60	2.00
Use of Economic Stabilization	-	11.96	1.56	5.86
Surplus/(Deficit)	2.79	-	-	-

2018-19

BUDGET DEVELOPMENT



Fund Balance History

	YE 2016-17	YE 2017-18	YE 2018-19
Fund Balance – Beginning	\$182.46 M	185.26 M	\$183.69 M
Use of Econ Stabilization	0.00 M	-1.56 M	-5.86 M
Fund Balance – Ending	\$185.26 M	\$183.69 M	\$177.83 M
Committed Fund Balance	\$35.29 M	\$28.48 M	\$21.40 M
State Revenue Stabilization	49.40 M	52.80 M	52.90 M
Unassigned Fund Balance	100.57 M	102.41 M	103.53 M
Total Fund Balance	\$185.26 M	\$183.69 M	\$177.83 M
90 Day Reserve	148.16 M	158.40 M	156.40 M
Reserve as % of Expenses	25%	25%	25%
Reserve in Days of Exps	92 Days	90 Days	90 Days

Source: FBISD Finance

Three Year Outlook Assumptions

- Revenues
 - » Property value growth of 3% each year
 - » No assumed changes to state funding formulas
 - » No assumed state revenues for Harvey related expenditures
- Expenditures
 - » Opening of Reese CTE Center and Elementary 51 in Fall 2019
 - » New teaching staff based on projected enrollment growth
 - » Teacher step increases included each year
 - » General pay increase of 2% each year beginning in 2019-20

Three Year Outlook

	2018-19	2019-20	2020-21
(\$ Millions)	<u>Proposed</u>	<u>Forecast</u>	<u>Forecast</u>
Operating Revenues	\$ 626.77	\$ 628.59	\$ 636.19
Operating Expenditures	<u>634.63</u>	<u>653.67</u>	<u>670.54</u>
Other Sources/(Uses)	2.00	2.00	2.00
Use of Economic Stabilization	<u>5.86</u>	<u>-</u>	<u>-</u>
Surplus/(Deficit)	<u>-</u>	<u>(23.08)</u>	<u>(32.35)</u>
Fund Balance - Beginning	<u>183.69</u>	<u>177.83</u>	<u>154.75</u>
Fund Balance - Ending	<u>\$ 177.83</u>	<u>\$ 154.75</u>	<u>\$ 122.41</u>

Proposed Child Nutrition Fund Budget

	2016-17	2017-18	2017-18	2018-19
(\$ Millions)	Actuals	Budget	Estimate	Proposed
Operating Revenues	25.93	28.65	25.31	29.87
Operating Expenditures	26.35	28.65	25.91	29.87
Surplus/(Deficit)	(0.42)	-	(0.60)	-
Fund Balance - Beginning	4.64	4.22	4.22	3.62
Fund Balance - Ending	\$ 4.22	\$ 4.22	\$ 3.62	\$ 3.62

Lost 12 operating
Days due to weather
(~\$1.5M in revenues)

Free and reduced participation represents 43.9% of total enrollment as of 3/31/18

Proposed Debt Service Budget

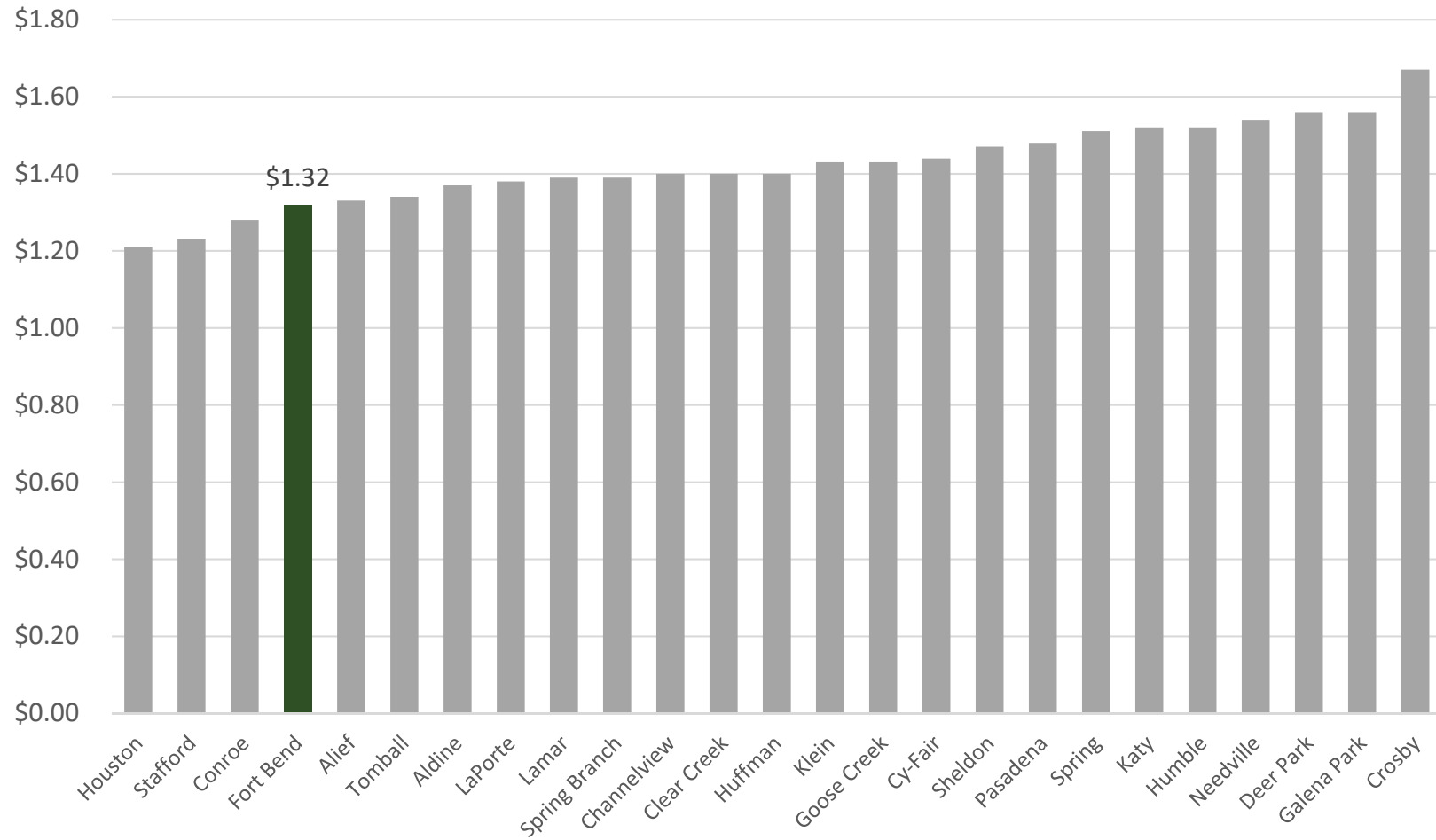
	2016-17	2017-18	2017-18	2018-19
(\$ Millions)	<u>Actuals</u>	<u>Budget</u>	<u>Estimate</u>	<u>Proposed</u>
Operating Revenues	\$ 105.75	\$ 97.71	\$ 98.36	\$ 99.51
Operating Expenditures	<u>92.71</u>	<u>86.52</u>	<u>187.63</u>	<u>91.24</u>
Other Sources	33.16	149.69	239.22	-
Other Uses	<u>(40.16)</u>	<u>(150.14)</u>	<u>(150.14)</u>	<u>-</u>
Surplus/(Deficit)	<u>6.03</u>	<u>10.73</u>	<u>(0.19)</u>	<u>8.27</u> *
Fund Balance - Beginning	<u>59.01</u>	<u>65.04</u>	<u>65.04</u>	<u>64.85</u>
Fund Balance - Ending	<u>\$ 65.04</u>	<u>\$ 75.77</u>	<u>\$ 64.85</u>	<u>\$ 73.12</u>

* NOTE: The \$8.27 million surplus for 2018-19 will be utilized for the August 2018 debt payments leaving a \$19.3 million fund balance as of 8/31/2018.

Impact of PV Increase on Average FBISD Home

	Published 2017-18	Proposed 2018-19	Proposed Change
As proposed at \$1.32			
Avg. Market/Assessed Value of Residences	\$277,218	\$284,377	2.58%
Avg. Taxable Value of Residences	\$248,681	\$255,111	2.59%
M&O Rate	\$1.06	\$1.06	\$ -
I&S Rate	\$0.26	\$0.26	\$ -
Total Tax Rate	\$1.32	\$1.32	\$ -
Annual Taxes on Average Residence	\$3,282.59	\$3,367.47	2.59%
Annual Increase in Taxes		\$84.88	
Monthly Increase in Taxes		\$7.07	

Local Tax Rate Comparison (2017-18)



Upcoming Actions

June

- Budget adoption
- Final amendment
- Fund balance resolution

July

- Receive certified tax roll

August

- Chapter 41 choice selection

September

- Tax rate adoption

2018–19

BUDGET DEVELOPMENT



QUESTIONS?

Function 41 Expenditure per Pupil Comparison

