

School Budget & Finance

Presented by:

Bryan Guinn

Chief Financial Officer



Pre-Session Quiz Items

★ What are the most important variables for public education funding?

- A. State and federal funding
- B. Attendance and enrollment
- C. Local property taxes
- D. None of these

★ True or False

- The district receives more than 50 percent of its funding from the federal government
- The state funds almost all of the district's budget
- When property taxes go up, school districts receive a windfall

★ What are some key areas where advocacy could most benefit the district?

- SPED is underfunded by \$36M; increase SPED funding
- There is competition for teacher; increase funding for staff raises
- Inflation has increased over 20% since 2019; increase the basic allotment to address inflation

Topics We'll Discuss

★ Maintenance and Operations Tax Rate

- How much does the state budget for public education
- How does Texas fund public education
- Property values and the tax rate
- Basic allotment and tiered funding

★ Income and Sinking Tax Rate

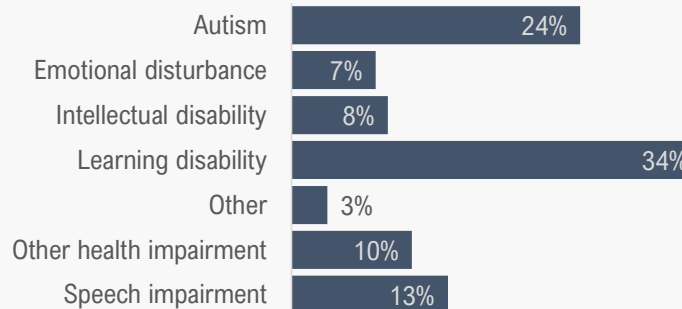
- How does the school district fund new schools and renovations
- Bond ratings

Fort Bend ISD Profile

Student Information

79,643 Enrollment (Fall 2024)
95 Languages spoken
43% Bilingual/ESL
47% Economically disadvantaged
7% Gifted and talented
14% Special education

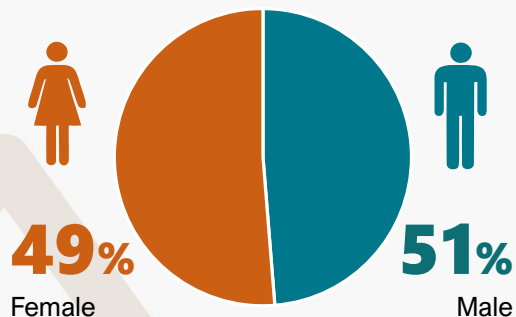
SPED Primary Disabilities



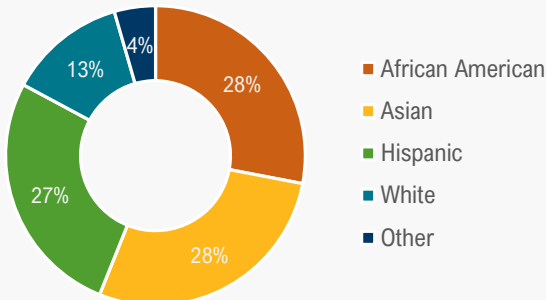
Key Facts and Figures

- ★ Sixth largest district in Texas
- ★ 170 square miles
- ★ 83 campuses and 22 other sites
- ★ Largest employer in Fort Bend County (13,980 employees)
- ★ 82 National Merit semifinalists
- ★ Number 1 ranked elementary school in Texas
- ★ Number 1 ranked academic decathlon team in Texas
- ★ Recognized 17 years as a Best Communities for Music Education district
- ★ Buses circumnavigate the world every day (24,000+ miles driven)
- ★ AA+ bond ratings (Fitch and S&P)

Student Gender Distribution



Race and Ethnicity



Source: On Data Suite; FBISD Staff



Who oversees public education in Texas, and how much is spent?

Who oversees public education in Texas?



TEXAS STATE
LEGISLATURE

ELECTED

COMMISSIONER OF
EDUCATION (TEA)

APPOINTED

STATE BOARD
OF EDUCATION

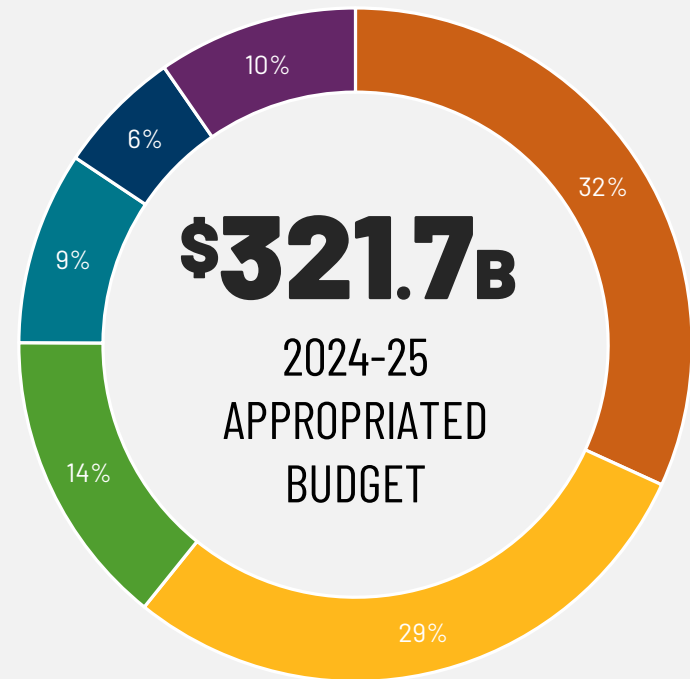
ELECTED

LOCAL SCHOOL
BOARDS

ELECTED

Texas Budget (2024-25 Biennium)

Health & Human Services:	\$102.4B
Public Education:	\$93.1B
Business & Economic Development:	\$46.0B
Higher Education:	\$29.8B
Public Safety & Criminal Justice:	\$19.4B
Everything Else:	\$40.0B



Source: Legislative Budget Board

Public Education Breakdown

Public Education: \$93.1B

Texas Education Agency

Texas School for the Blind & Visually Impaired

Texas School for the Deaf

Texas Permanent School Fund Corporation

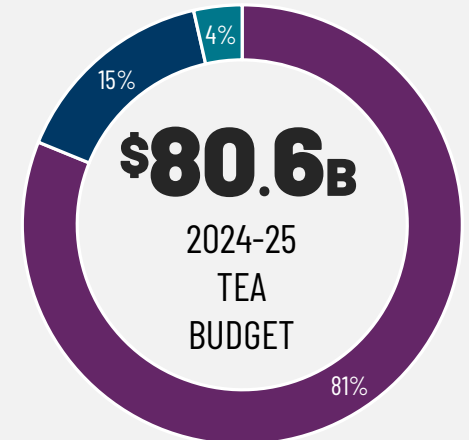


Foundation School Program (FSP): \$65.4B

Federal Programs: \$12.3B

Other Programs: \$2.9B

TEA Program Appropriations

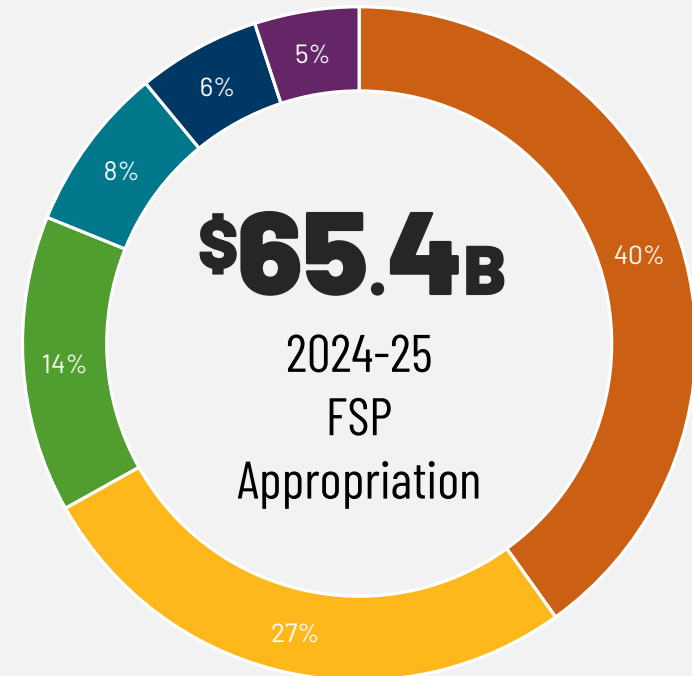


Source: Legislative Budget Board

Foundation School Program Funding by Source

Foundation School Fund:	\$26.2B
Property Tax Relief Fund:	\$17.5B
Recapture Payments:	\$9.3B
Available School Fund:	\$5.2B
Lottery Proceeds:	\$3.9B
TREE ¹ Fund:	\$3.3B

¹Tax Reduction and Excellence in Education



Source: Legislative Budget Board



How are schools in Texas funded?

Primary Funding Sources for Public Education

FOUNDATION SCHOOL PROGRAM



Property Tax



State Funding



Federal Funding

Foundation School Program (FSP)

- ★ Primary source of state funding for ***school districts*** and ***charter schools***
- ★ Designed so all districts receive “substantially equal access to similar revenue per student at similar tax effort”
- ★ Shared funding model that is formula driven using both ***local property taxes*** and ***state funding***
- ★ Formulas set the threshold for the maximum revenue a school district can receive based on enrollment, attendance, & special populations (SPED, CTE, Bilingual, etc.)

Key feature: as local property tax collections increase ↑, state funding decreases ↓

Property Value Pop Quiz:

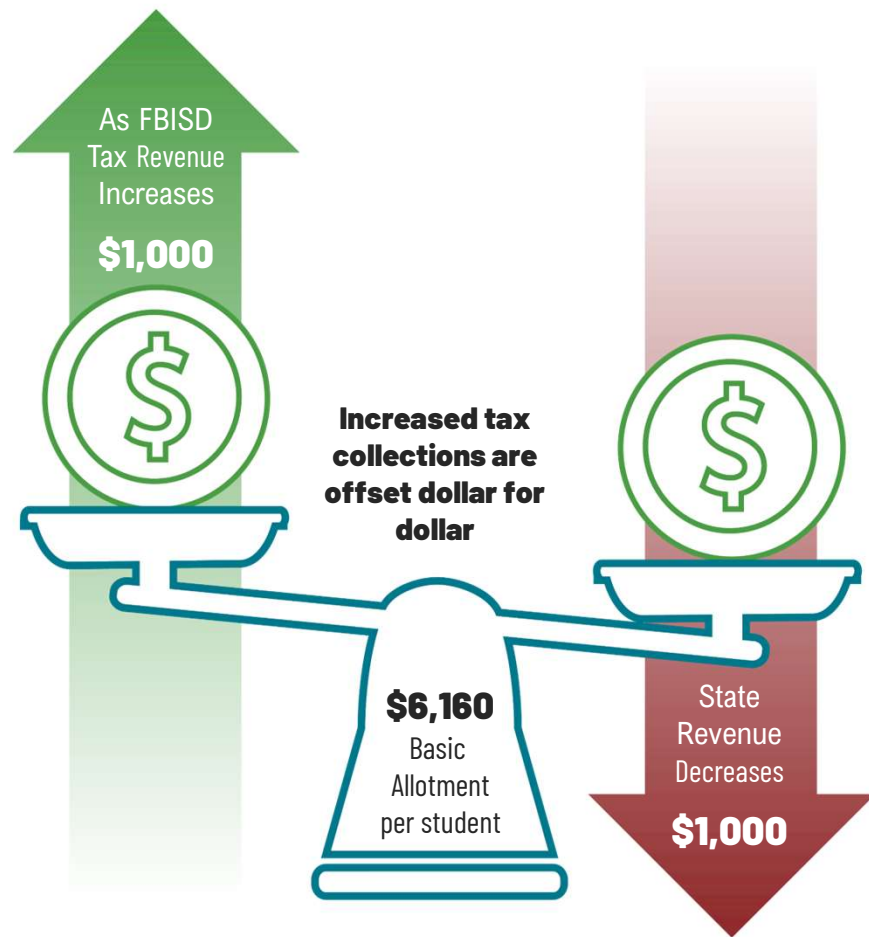
If your property values increase 10%, how much more money does FBISD receive in the General Fund?



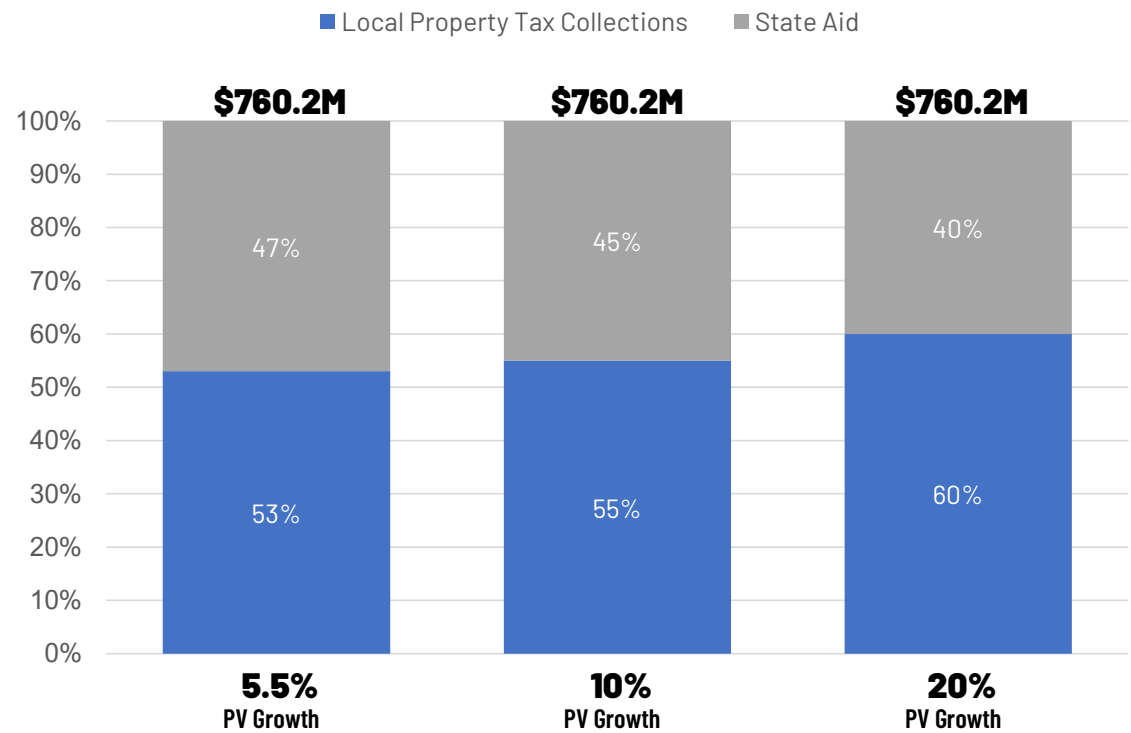
A large, bold black '\$0' symbol is centered on a background of a US dollar bill. The bill is slightly out of focus, showing the intricate patterns and colors of the currency. The '\$0' is a simple, thick, sans-serif font.

The state pays FBISD **less** when property taxes increase.

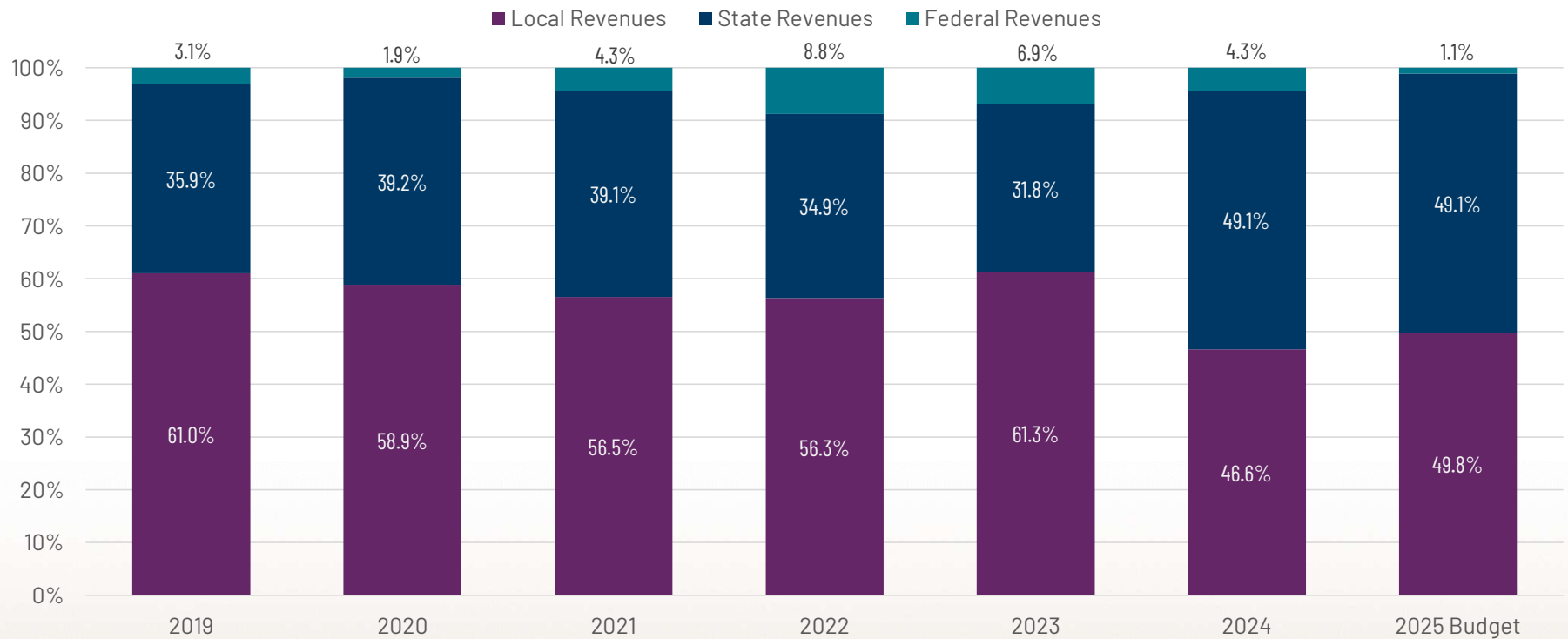
My property
values
increased;
**where's the
money?**



Maximum revenues
FBISD can receive
in 2024-25 under
FSP without a
tax rate increase:
\$760.2m



FBISD General Fund Revenue Sources



Source: FBISD Business & Finance

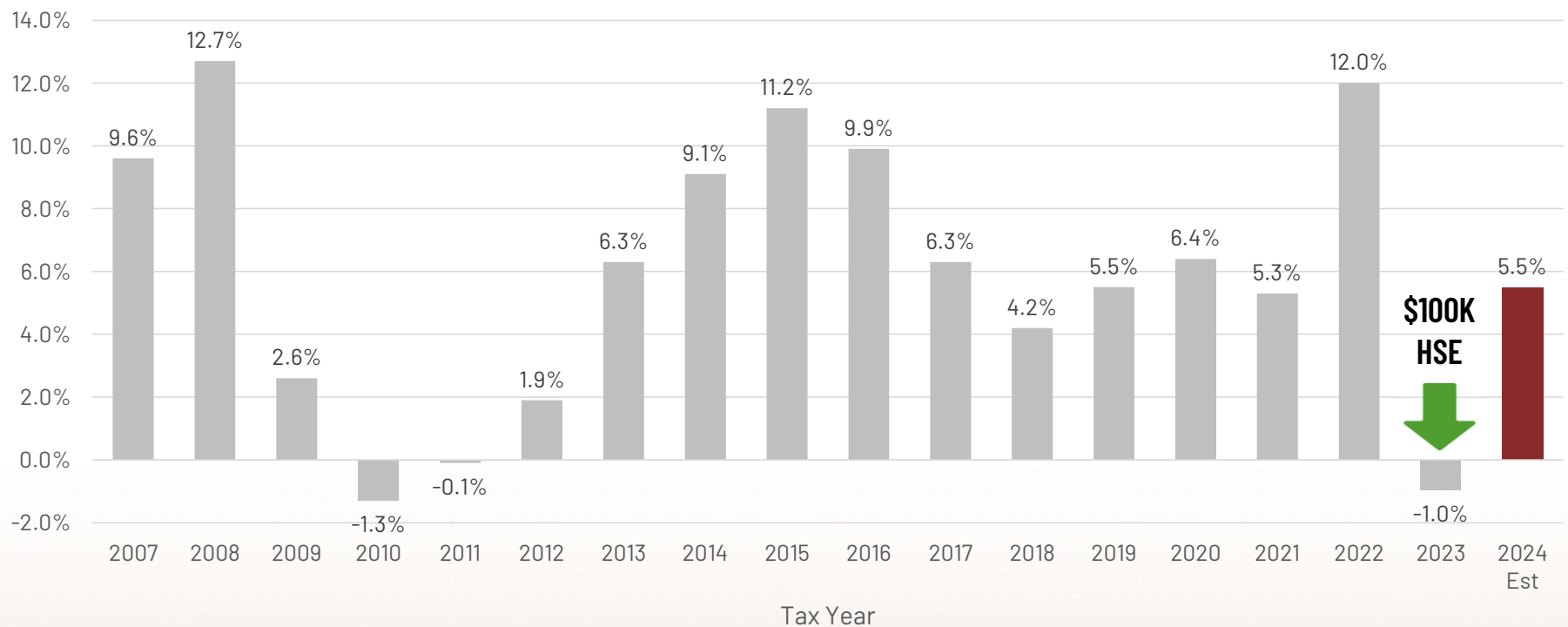


Property Values & Tax Rate

FBI SD Property Value by Tax Year



Change in Certified Net Taxable Value



Local Property Tax Revenues

Property taxes are the largest funding source for the Texas public school system
School property taxes are made up of two rates:

Maintenance & Operations (M&O)

M&O tax rate pays for day-to-day operations
teacher and staff salaries and benefits,
materials, utilities, maintenance, fuel, etc.



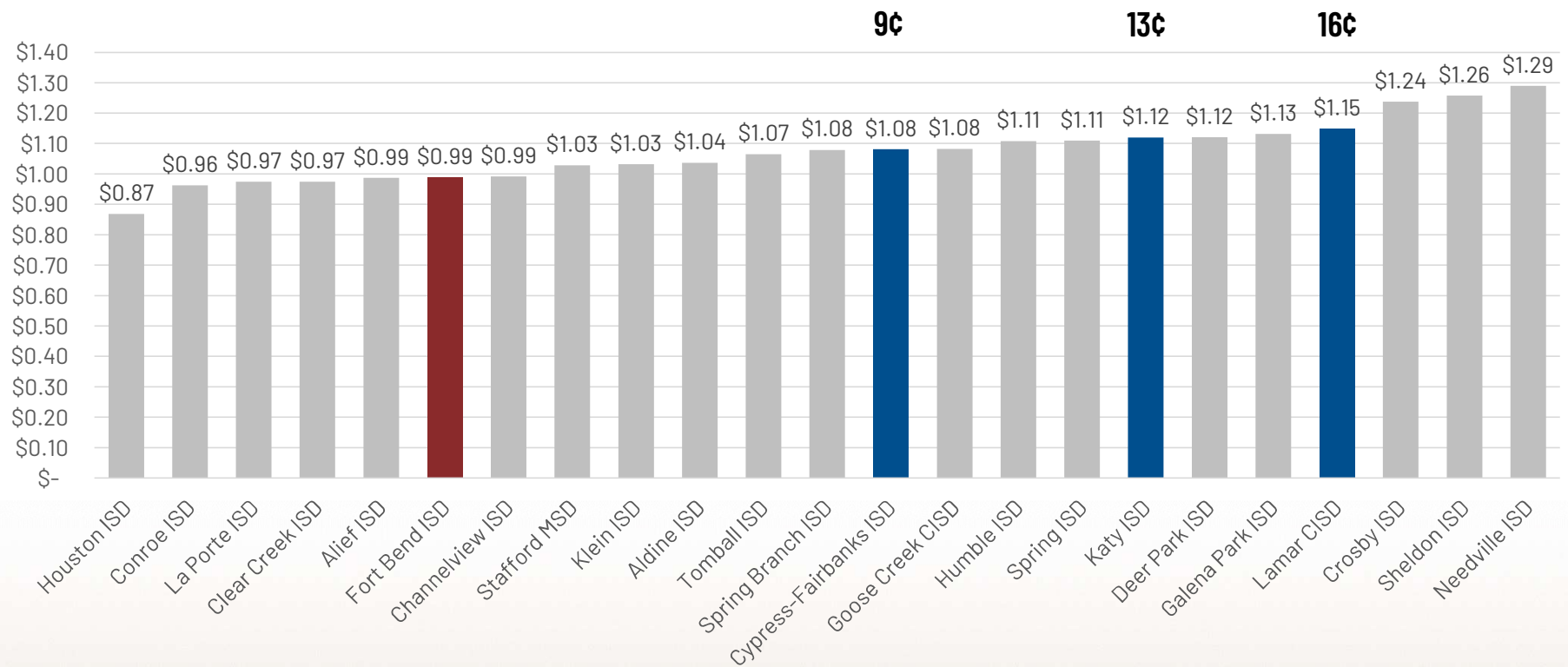
Students × District Allotment =
Total O&M Revenue (Local + State)

Interest & Sinking (I&S)

I&S tax rate pays principal and interest
on debt issued by the district. It cannot
be used for operational costs.

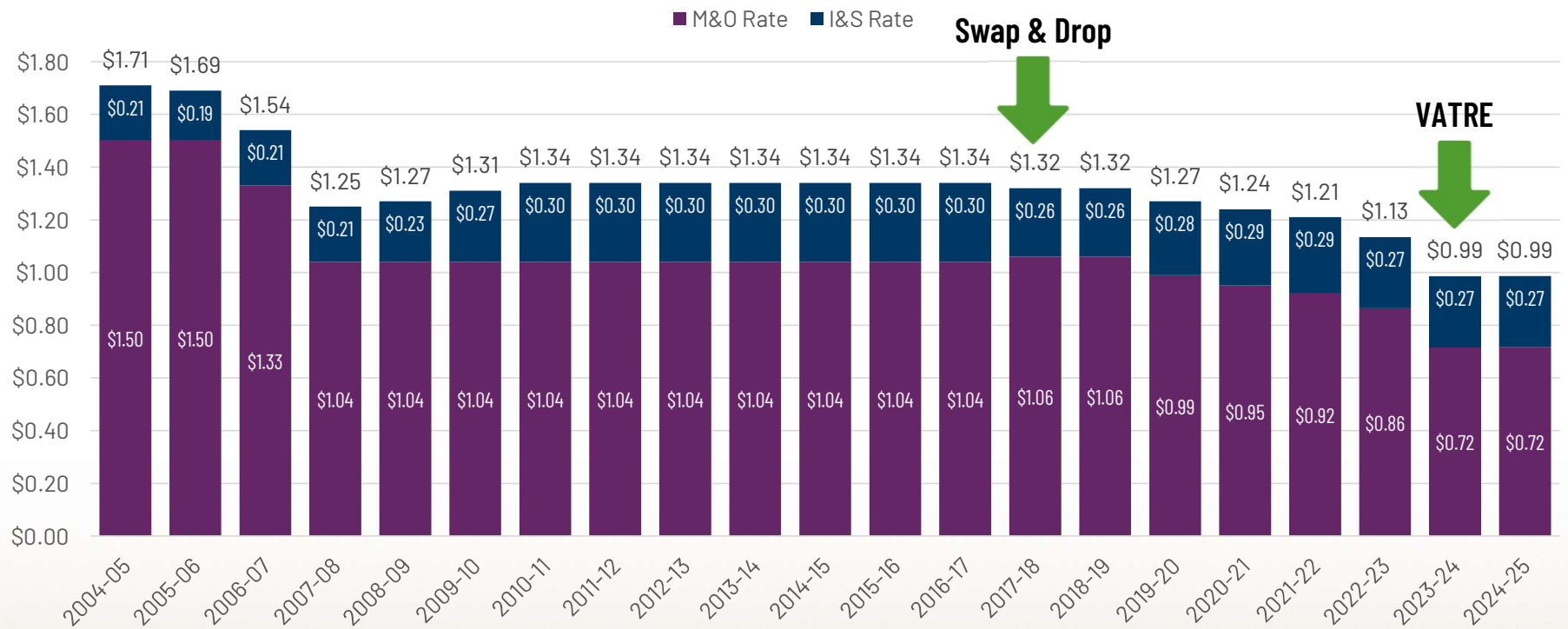
Property Values × Rate =
Total I&S Revenue

Local Tax Rate Comparison (Tax Year 2023)



Source: Texas Comptroller

FBISD Historic Tax Rate



Tax Rate and Collections

	M&O		I&S		Total
Property Value	\$56.5B		\$56.5B		\$56.5B
Tax Rate per \$100	\$0.7169	+	\$0.2700	=	\$0.9869
Collection Percentage	98.7%		98.7%		98.7%
Total Current Collections	\$399.1M	+	\$150.3M	=	\$549.4M
Delinquent Taxes	\$1.2M	+	\$0.5M	=	\$1.7M
Total Tax Collections	\$400.3M	+	\$150.8M	=	\$551.1M

Property Tax Formula:	(Property Value ÷ 100)	× Tax Rate	× Collection Rate
Formula with FBISD Variables:	(56,543,407,834 ÷ 100)	× 0.9869	× 0.987

Tax Bill Quick Facts

2024 YEAR TAX STATEMENT

CARMEN P. TURNER, MPA, PCC, CTOP
FORT BEND COUNTY TAX ASSESSOR/ COLLECTOR
1317 EUGENE HEIMANN CIRCLE
RICHMOND, TEXAS 77469-3623
PHONE NO. (281) 341-3710

Mail To:
DOE JOHN
1234 MAIN ST
SUGAR LAND, TX 77479

Legal Description:
FBC SUBDIVISION SEC 2, BLOCK 3, LOT 5

Legal Acres: .0000
Parcel Address: 1234 MAIN ST

Account No: 9999-99-999-9999-999
CAD No: R999999
As of Date: 11/20/2024
Print Date: 11/20/2024
Printed By: ACT INQ

Market Value		Appraised Value	Assessed Value	Capped Value	Homesite Value	AG/TIM Market Value	Non-Qualifying Value
Land	Improvement						
\$57,330	\$288,065	\$345,395	\$345,395	\$0	\$345,395	\$0	\$0

Taxing Unit	Assessed Value (100%)	Exemptions		Taxable Value	Tax Rate	Tax
		Code	Value			
FORT BEND ISD	\$345,395	HOM	\$100,000	\$245,395	0.986900	\$2,421.80
CITY OF SUGAR LAND	\$345,395	HOM	\$51,809	\$293,586	0.353210	\$1,036.98
WITHOUT A CITY SALES TAX, YOUR CITY TAX WOULD INCREASE BY \$241.60						
FORT BEND CO DRAINAGE	\$345,395	HOM	\$69,079	\$276,316	0.010000	\$27.63
FORT BEND CO GEN FND	\$345,395	HOM	\$69,079	\$276,316	0.412000	\$1,138.42
FORT BEND COUNTY LID #2	\$345,395	HOM	\$0	\$345,395	0.118000	\$407.57

Total 2024 Tax: \$5,032.40

Total 2024 Levy Paid To Date: \$0.00

2024 Levy Due: \$5,032.40

Total 2024 Due: \$5,032.40

Exemptions:

HOM HOMESTEAD

AMOUNT DUE IF PAID BY THE END OF:

Taxes become delinquent on February 01, 2025.

11/30/2024 0%	12/31/2024 0%	01/31/2025 0%	02/28/2025 7%	03/31/2025 9%	04/30/2025 11%
\$5,032.40	\$5,032.40	\$5,032.40	\$5,384.67	\$5,485.32	\$5,585.97

IF YOU ARE 65 YEARS OF AGE OR OLDER OR ARE DISABLED AND THE PROPERTY DESCRIBED IN THIS DOCUMENT IS YOUR RESIDENCE HOMESTEAD, YOU SHOULD CONTACT THE APPRAISAL DISTRICT REGARDING ANY ENTITLEMENT YOU MAY HAVE TO A POSTPONEMENT IN THE PAYMENT OF THESE TAXES.

School Information:

FORT BEND ISD 2024 M&O .71690000 I&S .27000000 Total .98690000 2023 M&O .71920000 I&S .27000000 Total .98920000

TO PAY BY CREDIT CARD VISIT WWW.FORTBENDCOUNTYTX.GOV/TAXOFFICE

CREDIT CARD PAYMENTS ARE CHARGED 2.09% CONVENIENCE FEE PER ACCOUNT BY GRANT STREET. NO FEE CHARGED FOR E-CHECK.

PLEASE CUT AT THE DOTTED LINE AND RETURN THIS PORTION WITH YOUR PAYMENT. 7.1 61

AMOUNT DUE IF PAID BY THE END OF:

Print Date: 11/20/2024

11/30/2024 0%	12/31/2024 0%	01/31/2025 0%	02/28/2025 7%	03/31/2025 9%	04/30/2025 11%
\$5,032.40	\$5,032.40	\$5,032.40	\$5,384.67	\$5,485.32	\$5,585.97

PLEASE NOTE YOUR ACCOUNT NUMBER ON YOUR CHECK AND MAKE CHECKS PAYABLE TO:

CARMEN P. TURNER, MPA, PCC, CTOP
FORT BEND COUNTY TAX ASSESSOR/COLLECTOR
1317 EUGENE HEIMANN CIRCLE
RICHMOND, TEXAS 77469-3623


9999-99-999-9999-999
DOE JOHN
1234 MAIN ST
SUGAR LAND, TX 7747

AMOUNT PAID:
\$

FBISD Tax Bill

FBISD Tax Rate Breakdown

25



How the Foundation School Program Works

Key Factors Impacting State Aide



Basic allotment
(Tier 1)



Student demographic
and Average Daily
Attendance
(Tier 1)



Comptroller Property
Tax Division (CPTD)
estimate of local values
(Tier 1 & 2)



Guaranteed yield
(Tier 2)



Weighted Average Daily
Attendance (WADA)
(Tier 1 & 2)

Basic Allotment

\$6,160

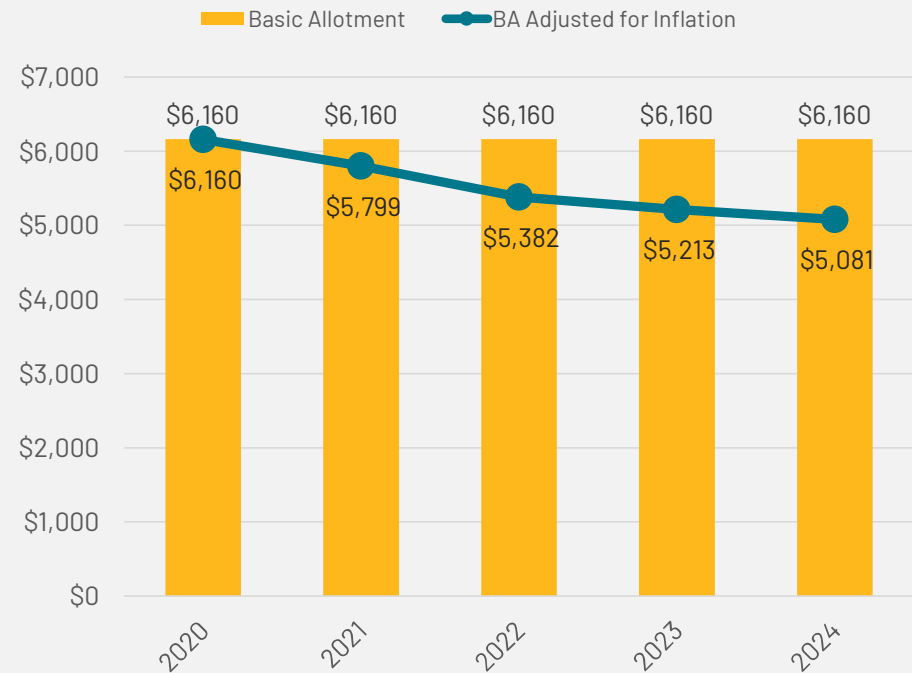
No change since 2019

22%

Inflation since 2019

(\$1,079)

Decrease in purchasing power



Maintenance & Operations Tax Rate

Texas school districts levy a maintenance and operations property tax rate comprised of two tiers and two levels

TIER 1



TIER 2: 17¢



LEVEL ONE

8 Golden Pennies

NOT subject to recapture

LEVEL TWO

9 Copper Pennies

Subject to recapture

Source: Moak Casey

Tier 1: Maintenance & Operations Tax Rate

TIER 1



- Tier 1 portion of the tax rate is subject to compression due to HB3 (2019).
- Prior to HB3, District's Tier 1 rate was \$1
- After HB3, Tier 1 rate determined by formula that depends on estimated statewide property value growth and local property value growth
- TEA notifies District of the maximum Tier 1 rate that can be adopted each summer

Tier 1 components

- Regular program allotment
- Special purpose allotments
 - » Special education
 - » Compensatory education
 - » Bilingual education
 - » Career and technology education
 - » Transportation
 - » New instructional facility allotment
 - » Public education grant
 - » Early education
 - » College and career readiness
 - » Dyslexia

Source: Moak Casey

FBISD Tier 1: 2024-25 Estimated Funding

	Current Weights	ADA/FTEs	Tier I Revenue
Regular Program AA	1	74,978	\$ 415,600,106
Special Education	1.15-5.0	7,313	92,825,491
Career & Tech	1.10-1.47	4,503	37,247,065
State Comp Ed	0.230-0.280	40,219	58,881,530
Bilingual	0.05-0.15	15,646	9,957,948
Dyslexia	0.1	3,881	2,390,696
Early Education	0.1	15,792	9,727,872
College, Career & Military Readiness	\$2,000-\$5,000	1,440	5,045,000
Fast Growth Allotment	N/A	3,834	5,927,596
Other Allotments (Transportation, School Safety, GT, Homeless, College Prep Exams)	N/A	N/A	10,319,794
Total Cost of Tier I			\$ 647,923,098

Source: FBISD Business & Finance

Tier 2: Maintenance & Operations Tax Rate

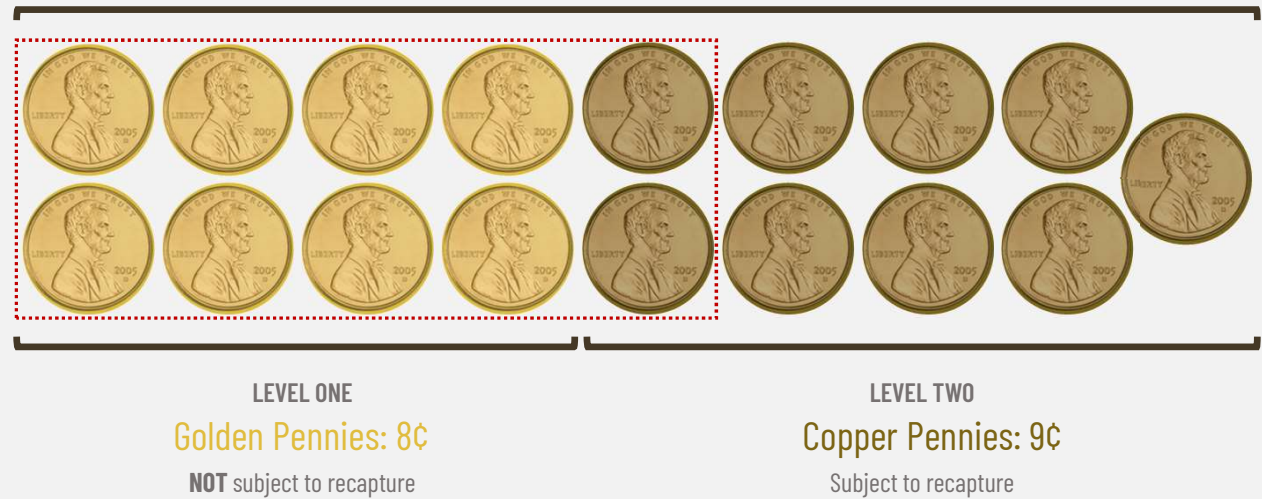
TIER 2: 17¢

- **Tier 2, Level 1 Golden Pennies:**

- » First eight pennies above the compressed rate
- » Called golden because of high funding level
- » Not subject to recapture

- **Tier 2, Level 2 Copper Pennies:**

- » Nine pennies copper pennies available after Level 1
- » Called copper because funding level is lower
- » Subject to recapture



- Districts can levy up to 17¢ in Tier 2 (Level 1 of Tier 2 includes 8¢ in golden pennies; Level 2 of Tier 2 includes 9¢ in copper pennies)
- FBISD has taken eight golden pennies (8¢) and two copper pennies (2¢)
- FBISD has 7¢ remaining that can be accessed by voter authorization (copper pennies: 7¢)

Source: Moak Casey

FBISD Tier 2: 2024-25 Estimated Funding

Proposed M&O Tax Rate	\$ 0.7169	Tax Rate
Net M&O Collections attributed to MCR	\$ 344,429,395	Total M&O Collections
Yield Per Penny	\$ 5,583,229	M&O Collections per penny of Adopted Tax Rate
Golden & Copper Pennies	\$ 0.10	8 Golden pennies and 2 Copper pennies
M&O Collections Level 1 of Tier 2	\$ 55,832,290	Total M&O Collections for all Golden and Cooper Pennies
Current Year CPTD T2	\$ 56,543,407,834	Comptroller's Property Value Estimate for Current Year
District Tax Rate (DTR) Golden Pennies (A)	\$ 0.08	Ratio of M&O Collections for Golden
District Tax Rate (DTR) Cooper Pennies (A)	\$ 0.02	& Copper Pennies to CPTD T2
Weight Average Daily Attendance (WADA) (B)	\$ 104,130	
Guaranteed Yield - Golden Pennies (C)	\$ 129.52	Value of Each Golden Penny/WADA
Guaranteed Yield - Copper Pennies (C)	\$ 49.28	Value of Each Copper Penny/WADA
Total Level of Tier 2 Entitlement (D)	\$ 116,655,756	$A \times B \times C \times 100$ for Golden & Copper penny

Source: FBISD Business & Finance

ODALO Updated

Osorio De Armero, Luis, 2024-11-13T22:55:28.853



Local Assignments & State Allocation

State Funding Elements	Adopted 2024-25 Budget	
Total Cost of Tier 1	\$ 647,923,098	
Less: Local Fund Assignment	(348,816,283)	
State Share of Tier 1		\$ 299,106,815
Total Tier 2 Entitlement	\$ 116,655,763	
Less: Local Share of Tier 2	(55,832,426)	
State Share of Tier 2		60,823,337
Total 2024-25 Foundation School Program Revenue		\$ 359,930,152

ODALO Updated

Osorio De Armero, Luis, 2024-11-13T22:36:18.529

FBISD Total 2024-25 FSP Funding

Adopted 2024-25 Budget		
Local O&M Tax Collections	\$400.3M	
State Share of Tier 1 Collections	\$299.1M	
State Share of Tier 2 Collections	\$60.8M	
Total State Revenues	\$359.9M	
Total FSP Funding	\$760.2M	

ODALO Updated

Osorio De Armero, Luis, 2024-11-13T22:33:36.668

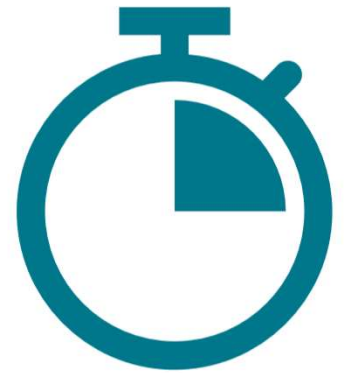
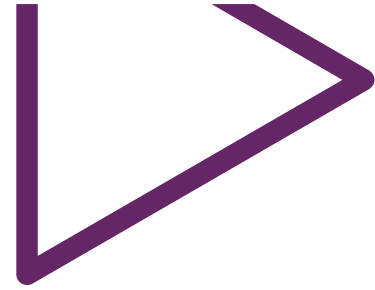
Recapture: Chapters 48 & 49 Districts

- ★ Ch. 48: Because value of a penny can vary, provides a guaranteed yield on each penny of M&O tax effort levied by property-poor districts
- ★ Property wealthy districts whose wealth per student exceeds an established wealth level subject to recapture
- ★ FBISD is subject to recapture (\$1.01M for 2024-25 school year)



Source: Texas Education Agency

10 minute
Brain Break





How does FBISD spend the money?

State Budget Requirements

★ Established by Sections 44.002 through 44.006 of the Texas Education Code

- Superintendent must prepare budget by June 19
- Must be adopted by June 30 by majority vote of the governing body
- Must post public notice in local paper 10 days prior to public hearing on proposed budget and tax rate
- Budget must be posted to district's website
- Budget must be adopted before adoption of tax rate
- Budget must include General, Food Service, and Debt Service Funds

Local Budget Requirements



BALANCED BUDGET



90-DAY RESERVE

Why have a 90-day operating reserve?



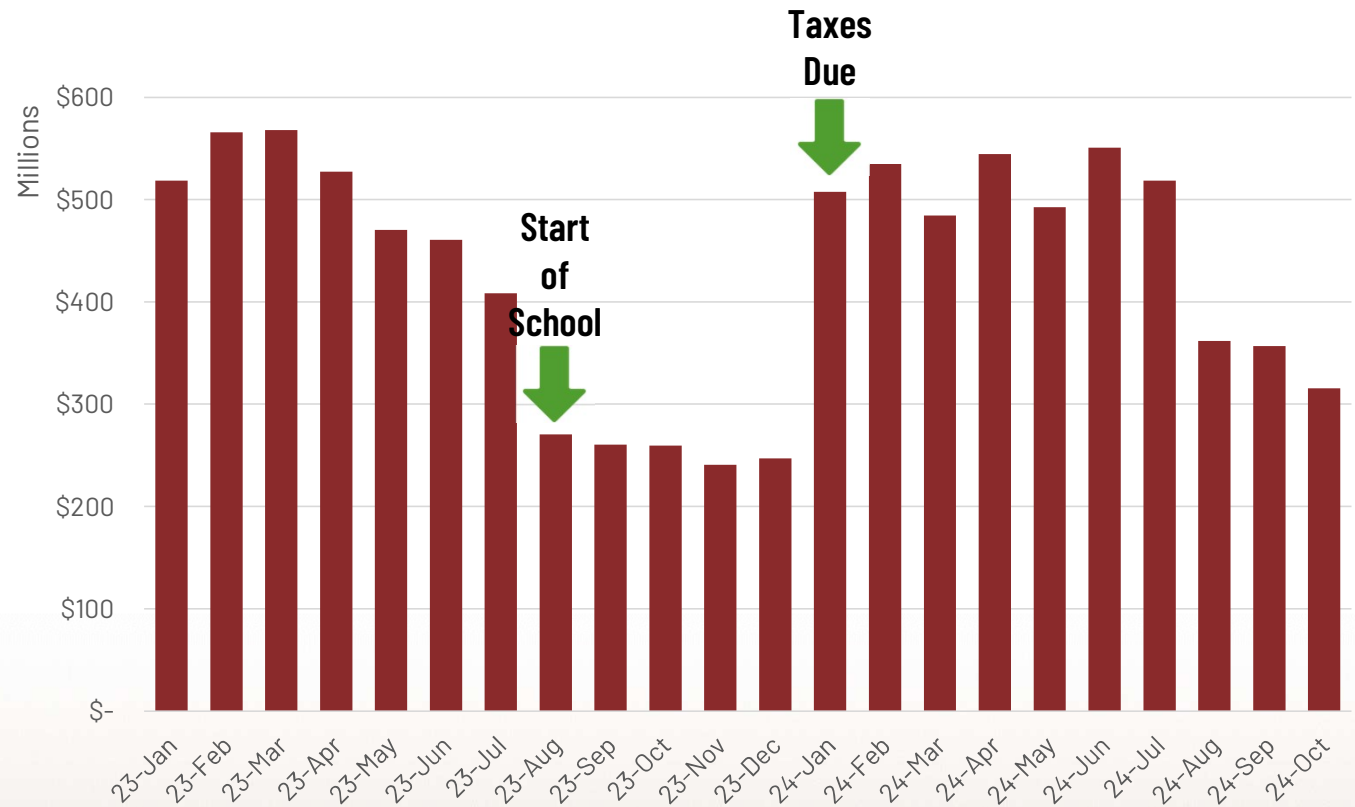
Cash management
Working capital
One-time purchases



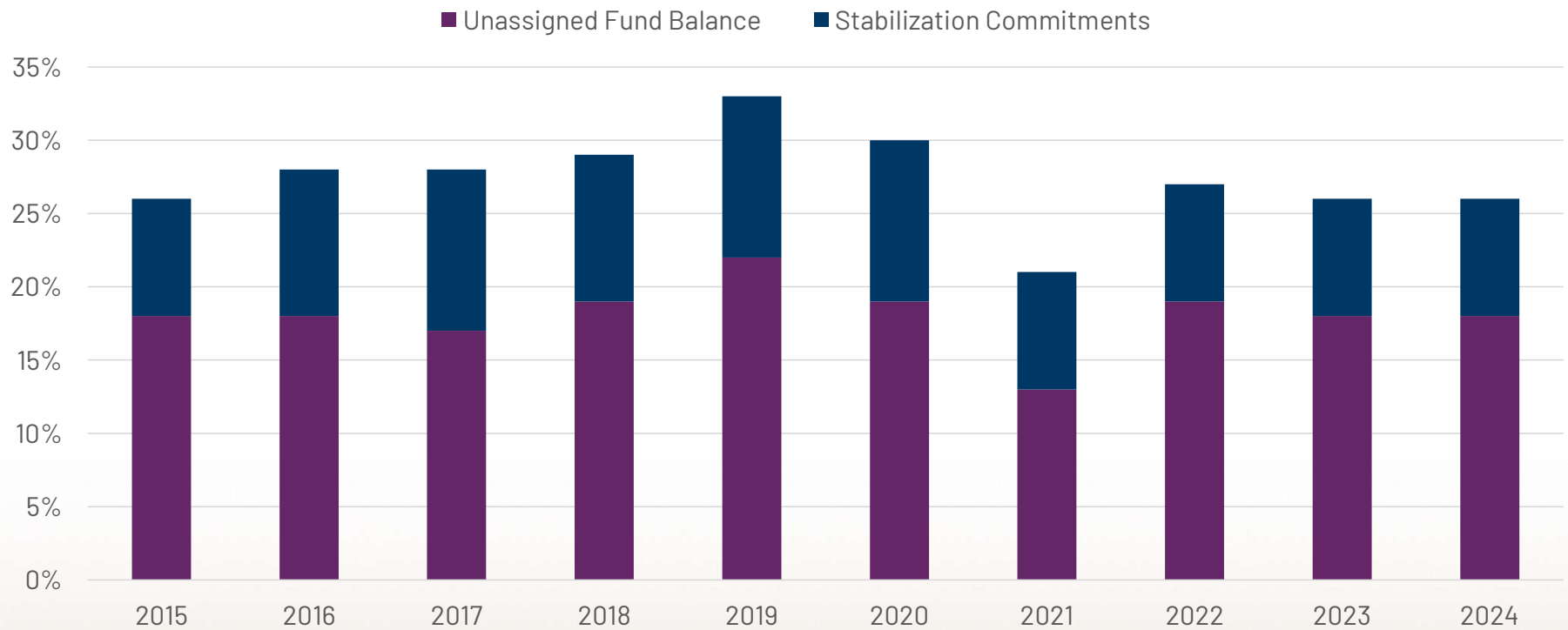
Bond ratings



Natural disasters
Loss of state revenue



Fund Balance as a Percentage of Expenditures

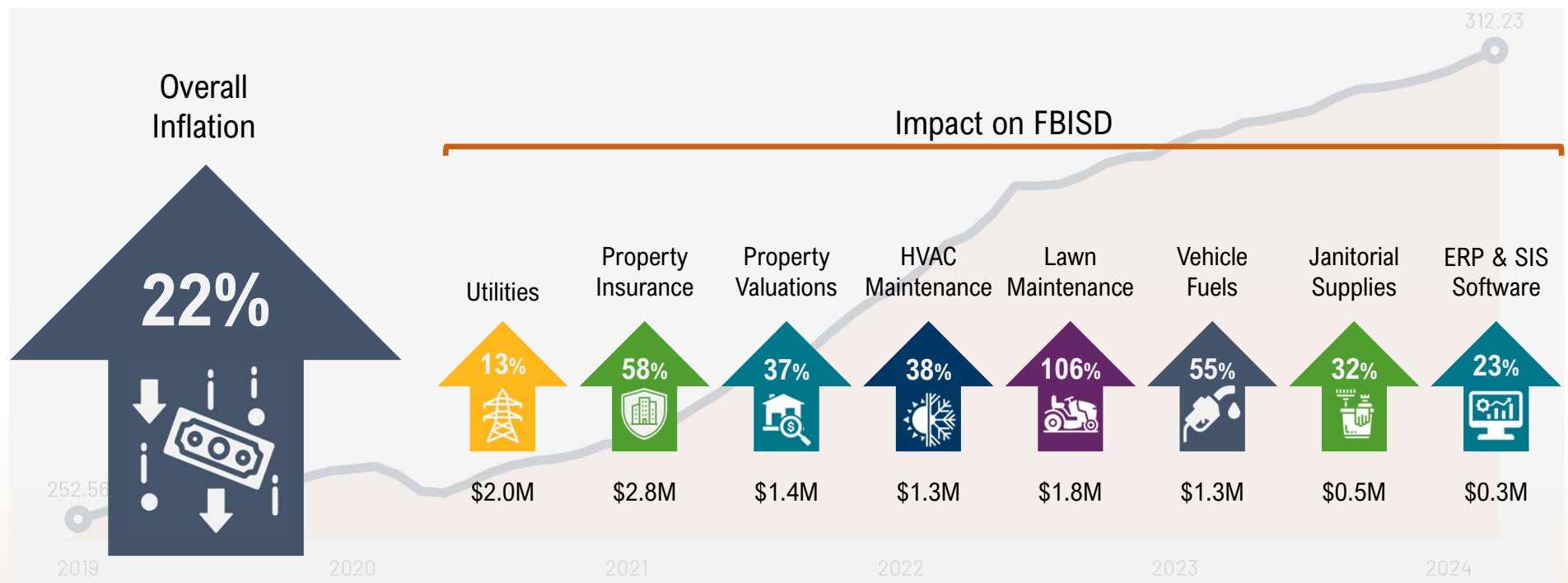


Source: Whitley Penn

State of School Budgets

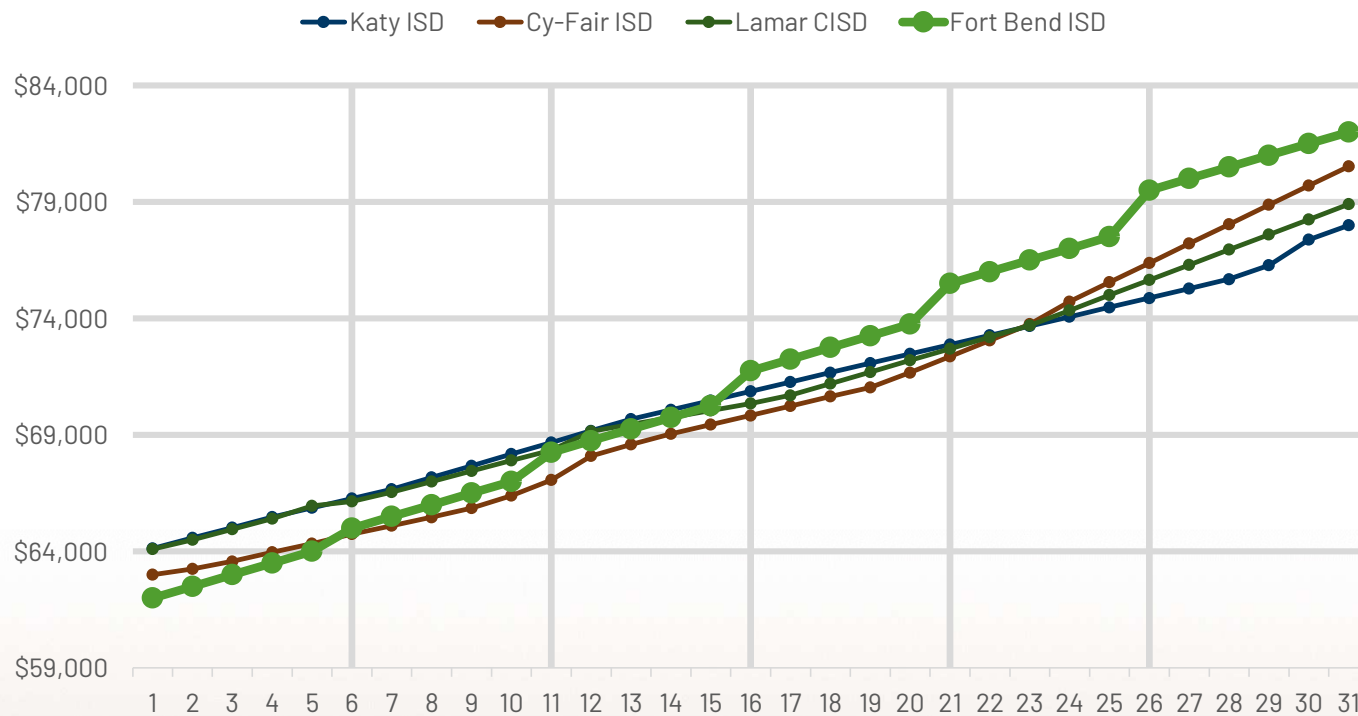
FBIISD made \$39M in budget cuts between 2022 and 2024

Impact of Inflation Since 2019



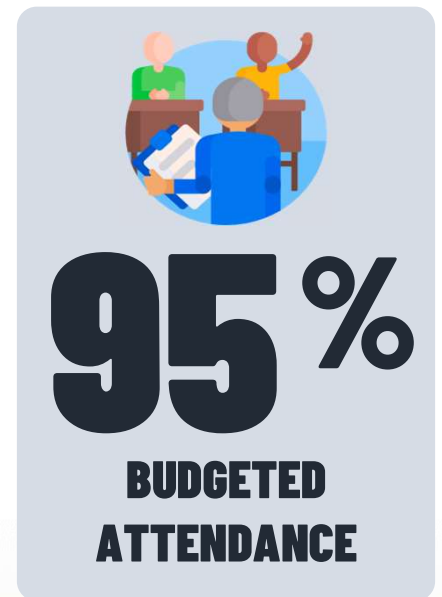
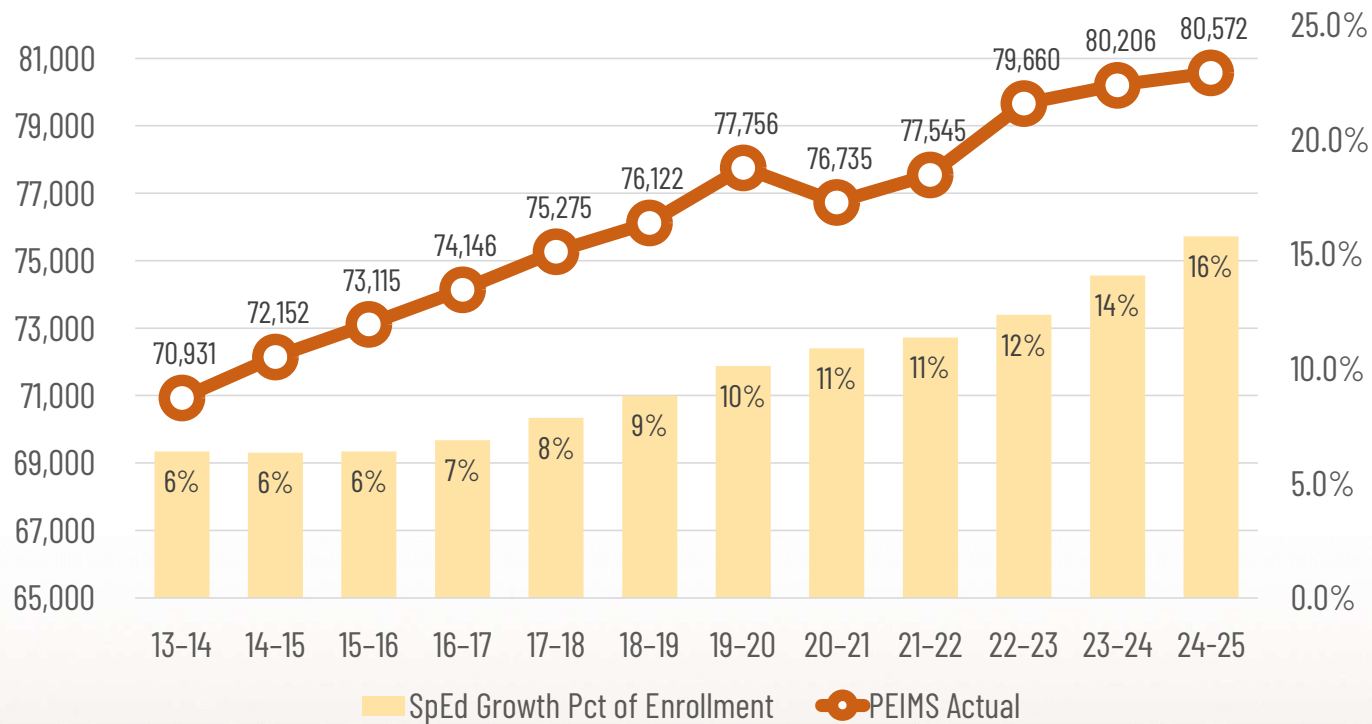
Source: Bureau of Labor Statistics and FBISD Finance

Teacher Compensation Comparison



- ★ **No teacher raises in 2024-25**
- ★ \$62,000 = starting teacher pay
- ★ FBISD has a differentiated teacher step
- ★ Teachers at years 10 and beyond meet or exceed peer districts

FBIISD Enrollment & Attendance



Special Education Funding Shortfall



Slide 47

GB0 [@Osorio De Armero, Luis] one more for you that I've added. I think this may exist already. This would preferably show over time.

Guinn, Bryan, 2024-11-15T20:00:40.419

ODAL0 0 Done. I saved the source data in the chart's workbook

Osorio De Armero, Luis, 2024-11-16T00:36:21.030

GB0 1 [@Osorio De Armero, Luis] this is inclusive of IDEA-B funds, correct?

Guinn, Bryan, 2024-11-18T14:31:21.278

OL0 2 Yes. Includes funds 224, 225, 226, 284, and 285

Osorio De Armero, Luis, 2024-11-18T14:35:14.017

OL0 3 It is worth mentioning that the deficit is only direct costs. The chart does not include ORG999 and PIC99 distribution.

Osorio De Armero, Luis, 2024-11-18T14:38:33.049

Non-FSP Revenues



Local Revenues

\$10.0M

Interest income
Penalties and interest on
delinquent taxes
Tuition-based activities
Athletic ticket sales



State Revenues

\$40.5M

TRS on behalf
Property value audit

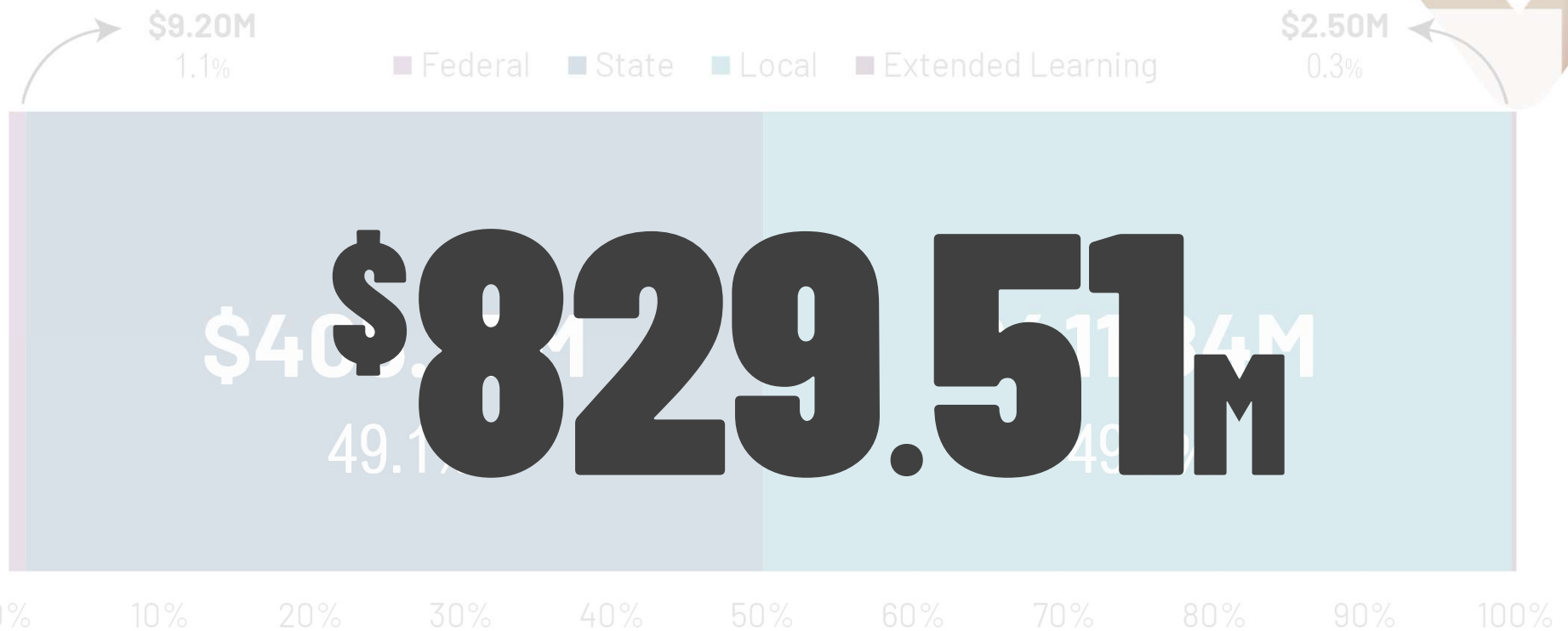


Transfers in

\$2.5M

Extended Learning
Enterprise Fund

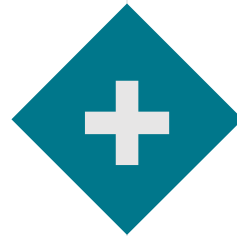
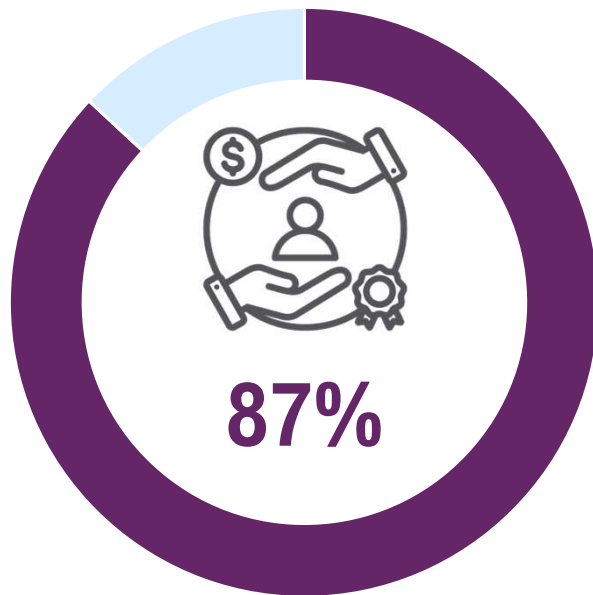
2024-25 General Fund Revenues



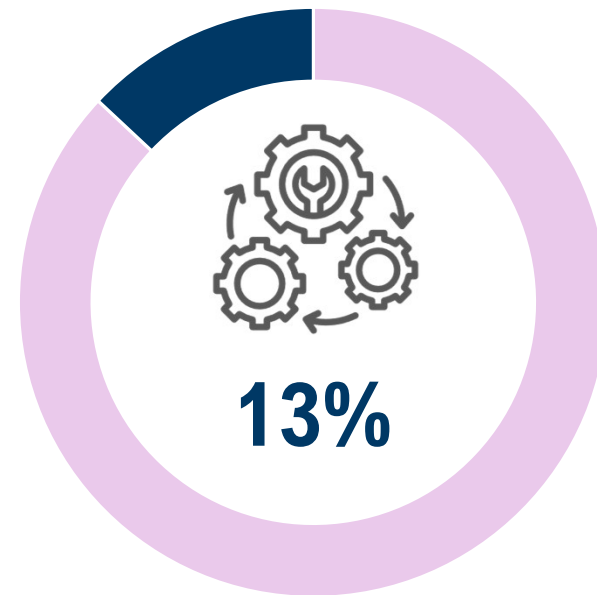
2024-25 General Fund Expenditures

\$828.60M

Salary & Benefits
\$720.67M



Maintenance & Operations
\$107.91



Key Operational Expenditures



\$17.6M
UTILITIES



\$6.6M
PROPERTY INSURANCE



\$5.1M
PROPERTY VALUATIONS



\$4.7M
HVAC MAINTENANCE



\$3.9M
LAWN MAINTENANCE



\$3.5M
VEHICLE FUELS



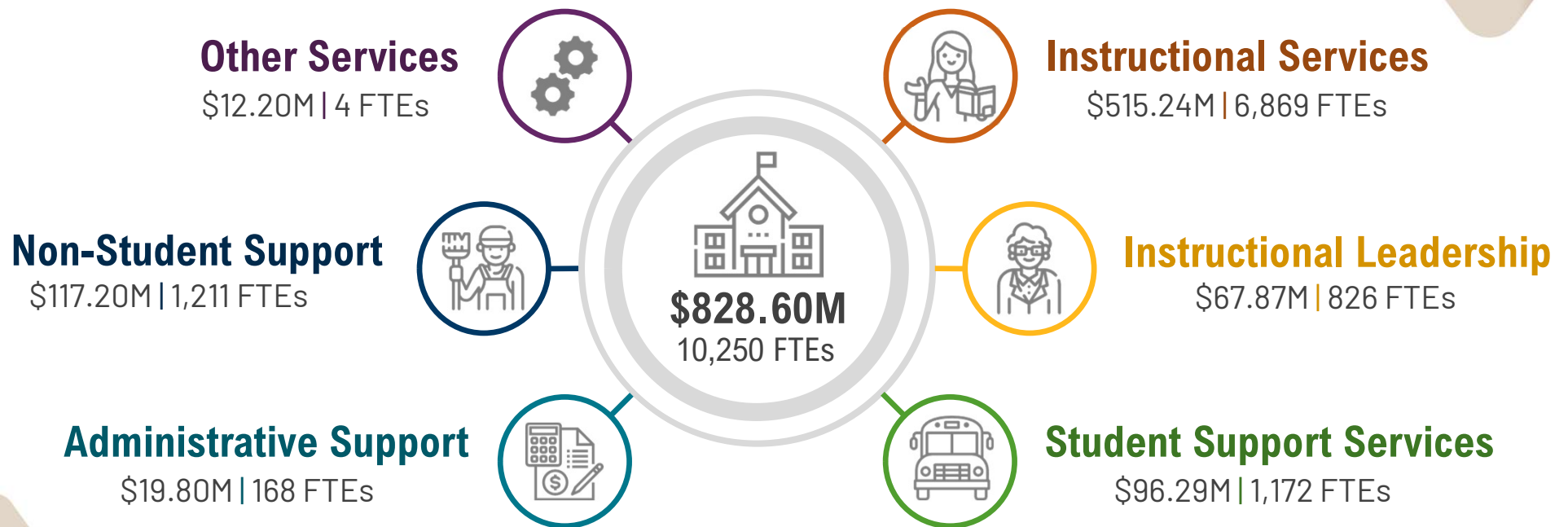
\$2.0M
JANITORIAL SUPPLIES



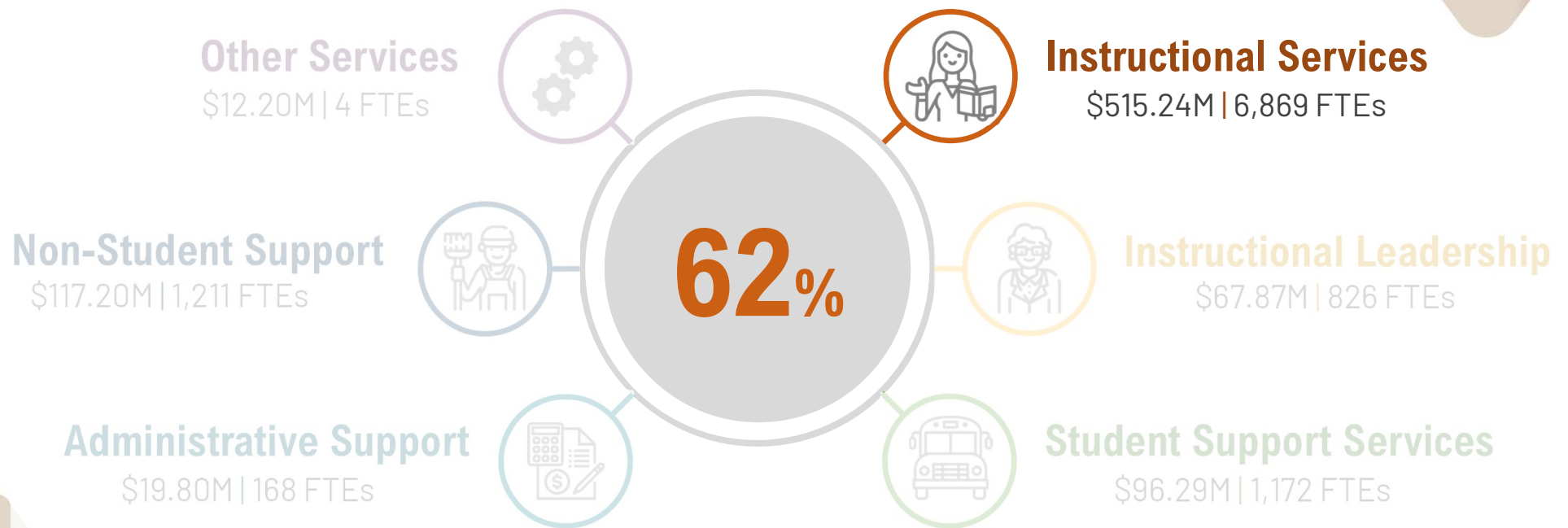
\$1.4M
ERP & SIS SOFTWARE

\$44.8M

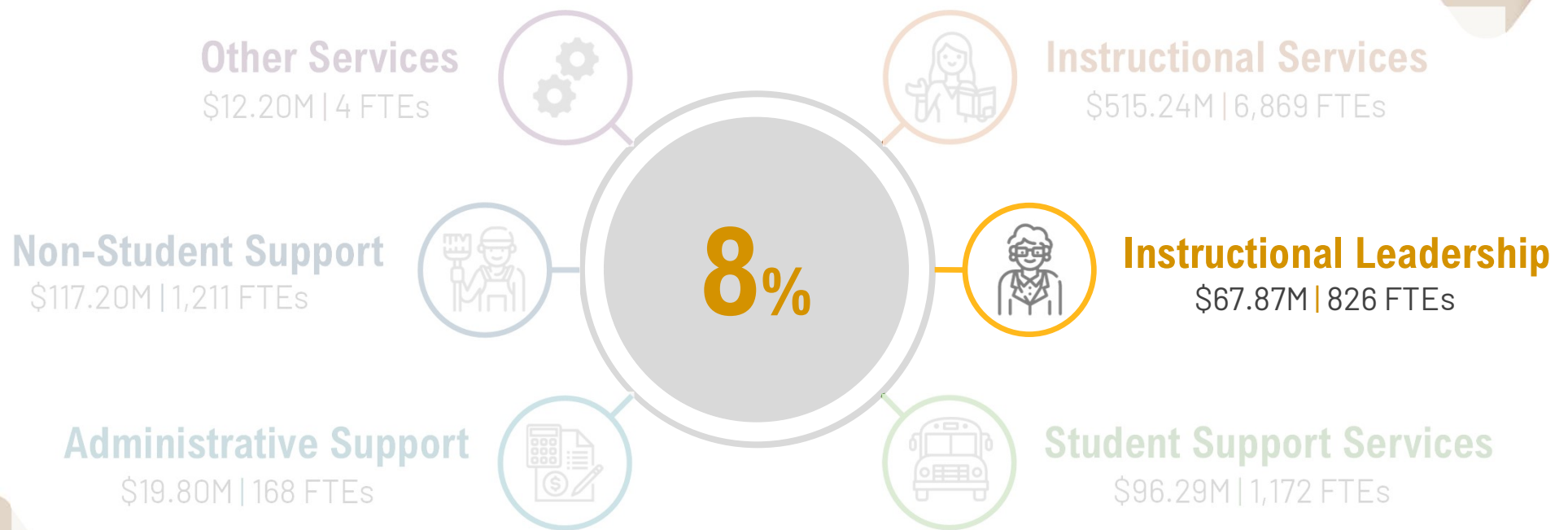
Budget by Major Functional Area



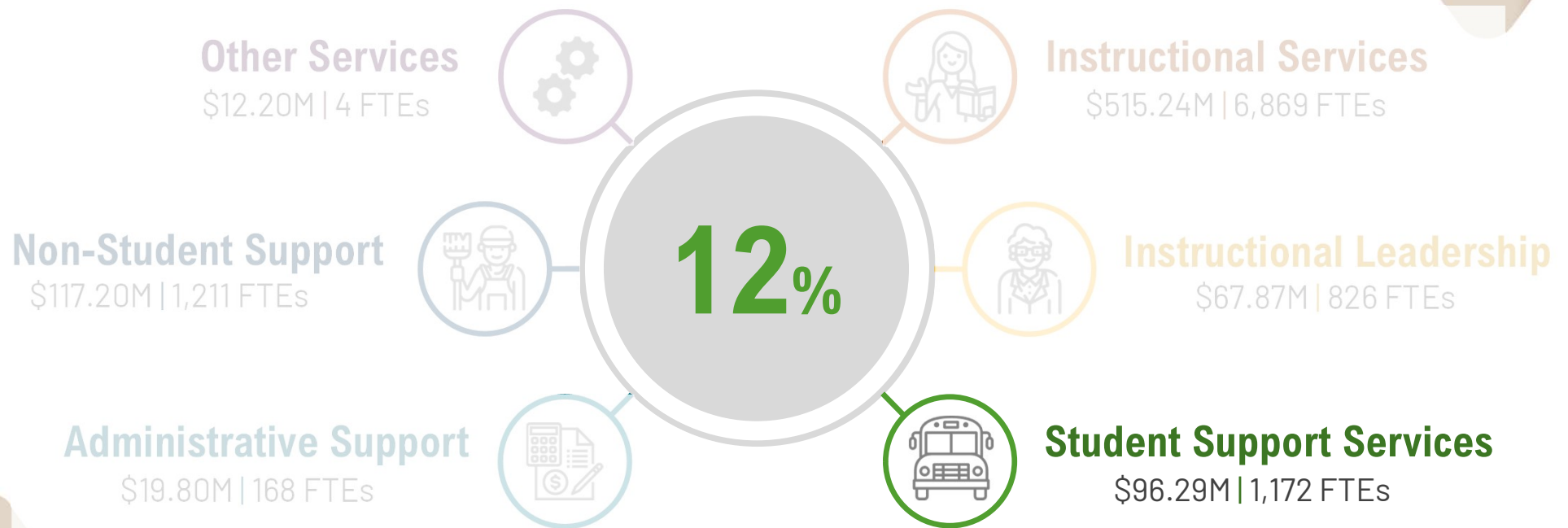
Budget by Major Functional Area



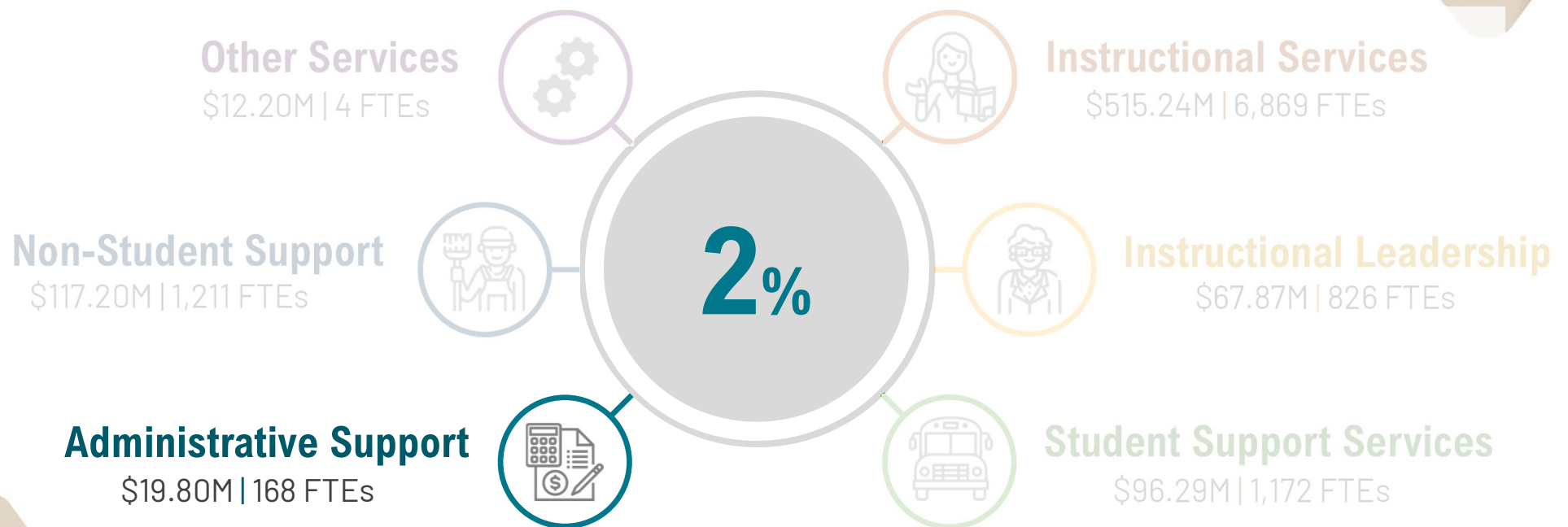
Budget by Major Functional Area



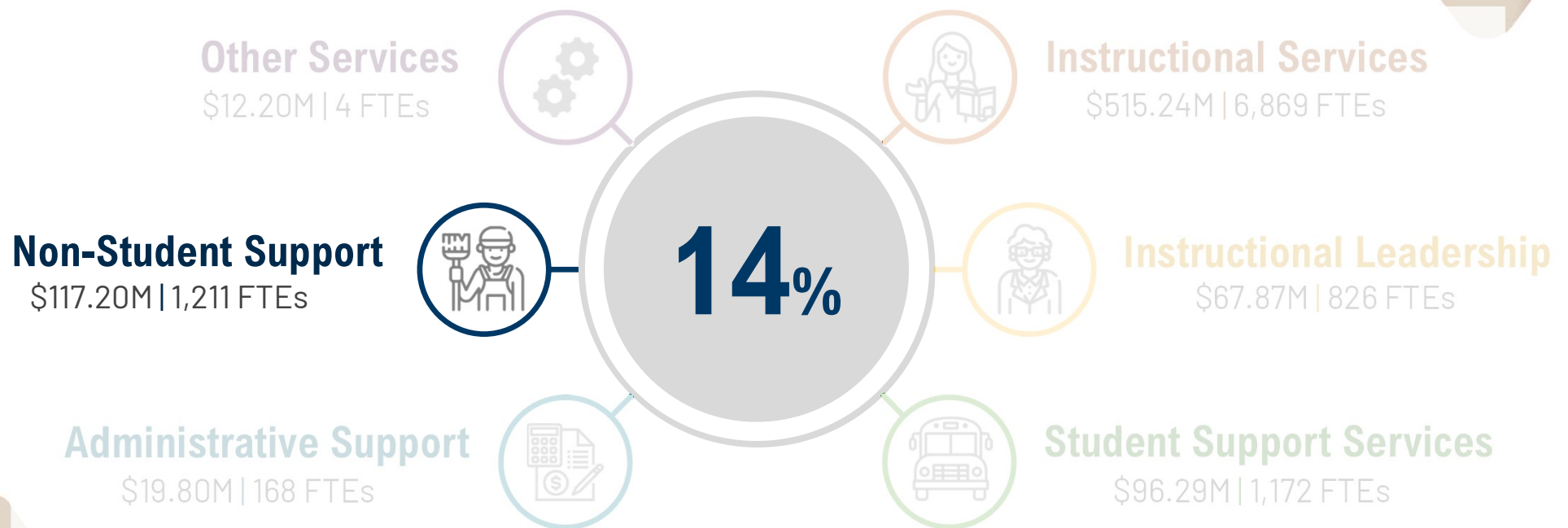
Budget by Major Functional Area



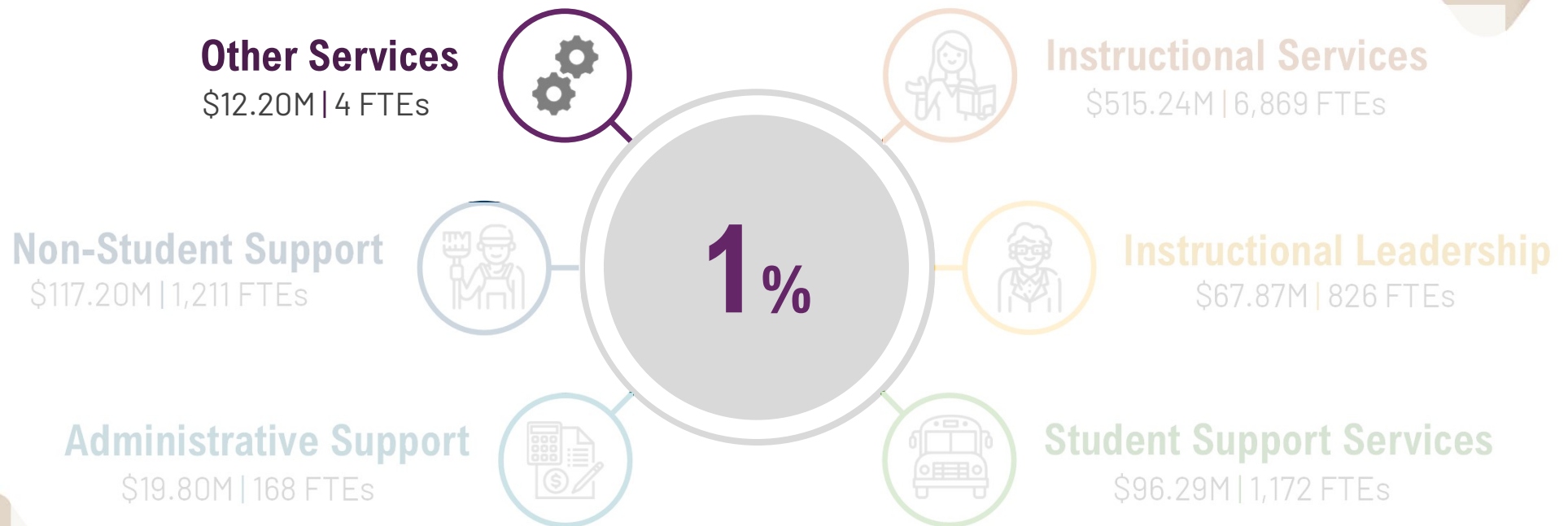
Budget by Major Functional Area



Budget by Major Functional Area



Budget by Major Functional Area



2024-25 General Fund Adopted Budget

	2023-24	2024-25
	Year-End	Adopted
(\$ millions)	Estimate	Budget
Total Revenue	\$ 808.4	\$ 827.0
Total Expenditures	809.2	828.6
Other Sources/(Uses)	<u>0.5</u>	<u>2.5</u>
Change in Fund Balance	(0.2)	0.9
Fund Balance - Beginning	<u>200.2</u>	<u>200.0</u>
Fund Balance - Ending	<u><u>\$ 200.0</u></u>	<u><u>\$ 200.9</u></u>
Fund Balance Reserve - %	25%	25%
Fund Balance Reserve - Days	92 Days	90 Days

What about federal funding?

\$33.6M in Federal Funds for Students and Staff

TITLE I

\$14.9M

- Support for low-income students
- Used to ensure students meet state academic standards

TITLE II

\$2.2M

- Support for professional development to enhance student achievement

TITLE III

\$1.7M

- Support for English learners and immigrant students

TITLE IV

\$1.1M

- Support for programs that improve academic enrichment, health, safety and access to technology

IDEA B

\$13.7M

- Support for special education services

Slide 60

GB0

[@Arnold, Leah] can you verify these budget numbers for 2024-25, please? I combined IDEA-B (funds 224 and 225).

Guinn, Bryan, 2024-11-15T20:43:31.453



How does FBISD fund new schools and renovations?

The Debt Service Fund and Income and Sinking Tax Rate

2023 Bond Election

\$1.26B

Prop A
\$1.0B
New construction
Rebuilds
Renovations

Prop B
\$52.5M
Student services
Laptops

Prop C
\$22.9M
Student services

FBISD Debt Management Program



Governance

Government, Education, Tax, and
Administrative codes
Policies CCA and CCG
Fiscal and Budgetary Strategy and
Disclosure Strategy



Expert advisors

Financial advisor (Hilltop)
Bond counsel (Bracewell)



Actively managed

Parameter orders
Refundings
Variable rate debt
Commercial paper

FBISD Debt Statistics

Principal Outstanding

\$1.67_B

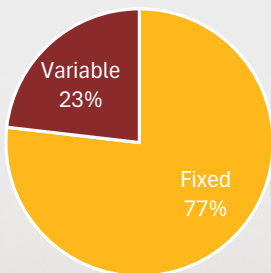
I&S Tax Rate

27[¢]

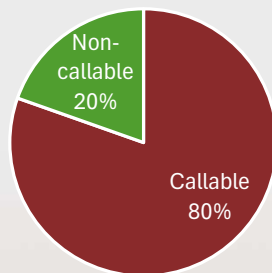
Debt to be Issued

\$1.15_B

Fixed Rate Debt vs. Variable Rate Debt



Callable Debt vs. Non-Callable Debt



Debt Ratings

AA⁺
Fitch and Standard & Poor

Voter Authorized Debt Remaining to be Issued

2023 Bond: **\$1.08B**

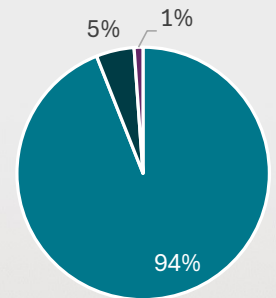
Prop A: **\$1.03B**

Prop B: **\$0.03B**

Prop C: **\$0.02B**

2018 Bond: **\$0.06B**

2014 Bond: **\$0.01B**



Source: Hilltop Securities and FBISD Finance

Debt Service Fund



Source of revenues

I&S tax rate
(27¢ per \$100 valuation)
State revenues (hold harmless
for homestead exemption
increases)
Interest earnings



Use of funds

Can only be used to pay principal
and interest on debt



Payment due dates

February
August



Permanent School Fund

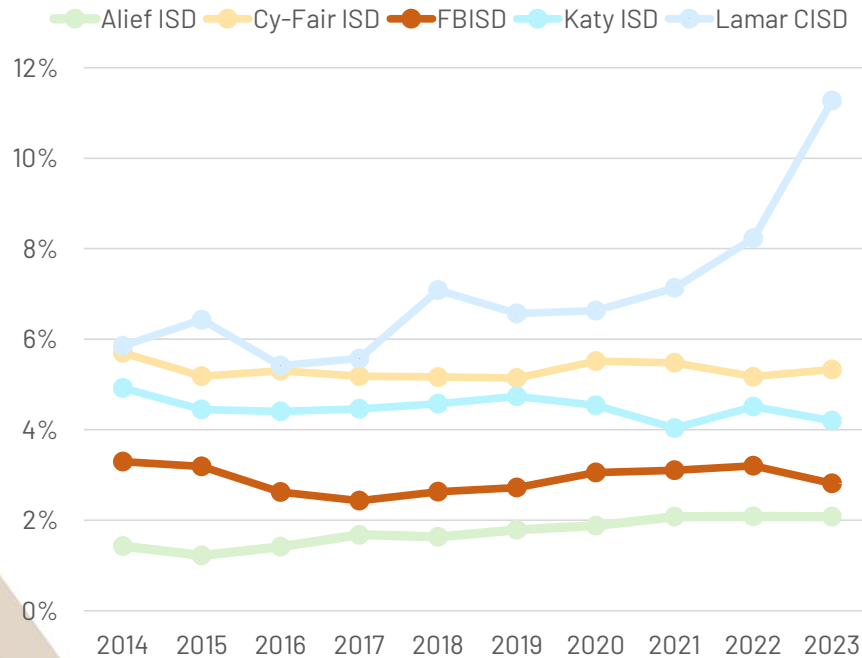
Covers debt issued by ISDs and
charter schools
Backed by full faith and credit of
state of Texas
AAA rated

Key Differences between M&O and I&S Tax Rates

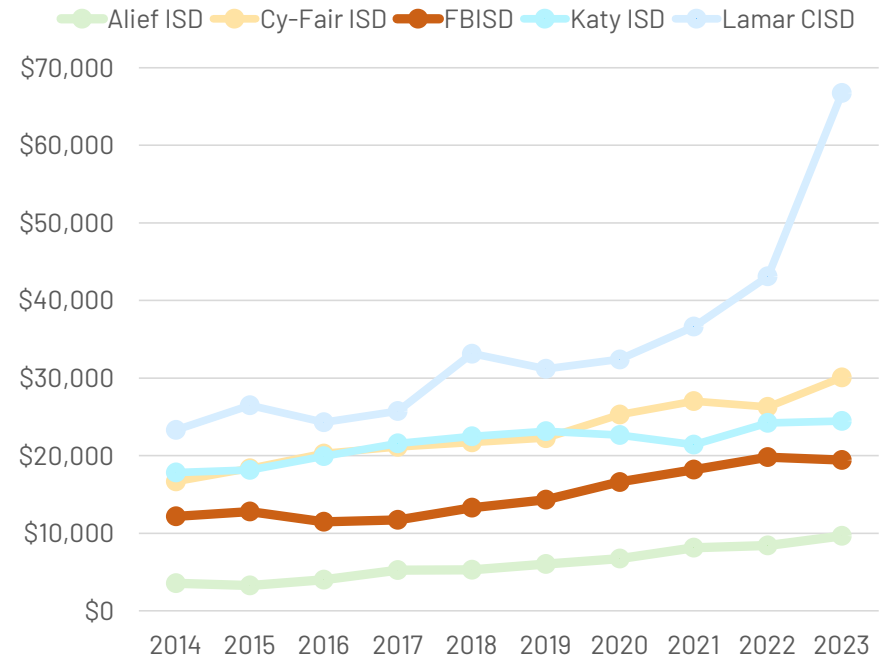
	Maintenance & Operation	Interest & Sinking
Increases in local property tax revenues result in lower state revenues	✓	✗
Increases in local property tax revenues do not impact state revenues	✗	✓
Subject to a maximum of 2.5% growth in property values	✓	✗
Subject to a maximum of 10% growth in property values	✗	✓

Debt Ratios Comparisons

Debt as a Percent of Assessed Valuation

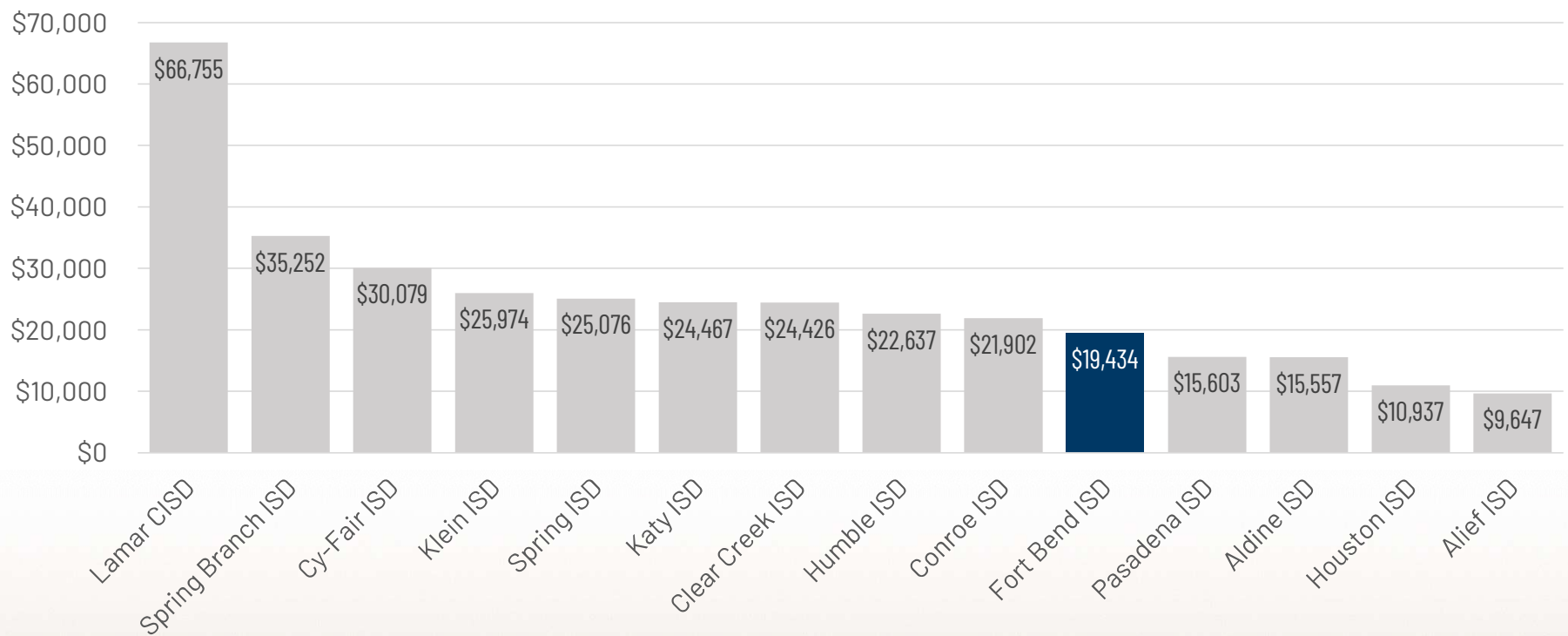


Bond Principal Outstanding per Student



Source: Forecast5

Bond Principal Outstanding per Student



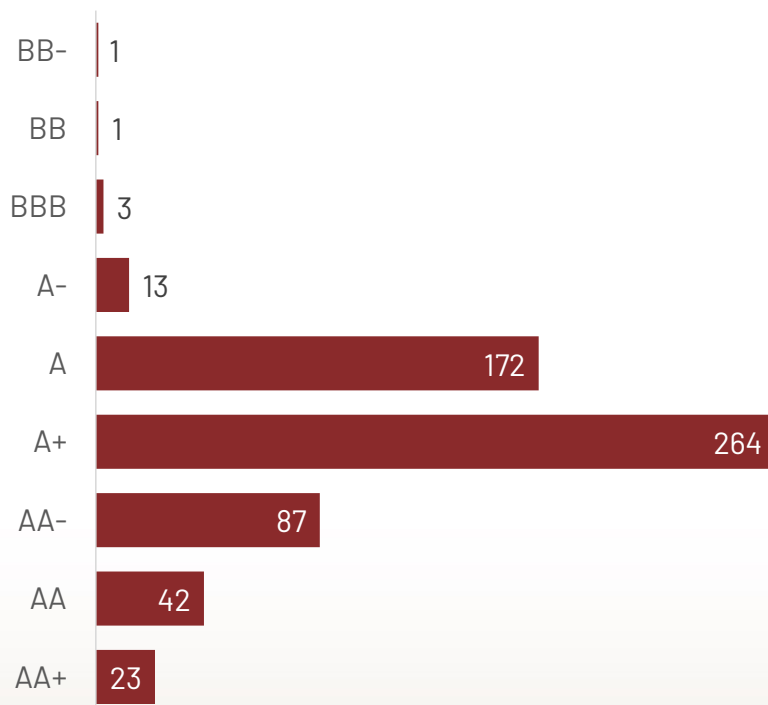
Source: Forecast5

Rating Agency Reviews

- ★ **Fund Balance (90-days)**
- ★ **Outstanding debt**
- ★ **Ratio to assessed value**
- ★ Management changes
- ★ **Current year projections**
- ★ Future year projections
- ★ **Enrollment, property values**
- ★ Local/State economic trends
- ★ Future bond plans
- ★ Future debt issuance plans
- ★ **Variable debt outstanding**
- ★ **Permanent School Fund**
- ★ New laws, regulations, or compliance issue

S&P Global Texas K-12 Ratings

S&P Global Ratings Distribution



Source: S&P Global

S&P Global AA+ Rated Districts

#	District	#	District
1	Amarillo	13	Grapevine-Colleyville
2	Austin	14	Houston
3	Barbers Hill	15	Hurst-Euless-Bedford
4	Carroll	16	Irving
5	Carrollton-FB	17	Lake Travis
6	Conroe	18	Lewisville
7	Coppell	19	McKinney
8	Dallas	20	Pflugerville
9	Deer Park	21	Plano
10	Eanes	22	Richardson
11	Fort Bend	23	Tomball
12	Frisco		

Tax Exempt Commercial Paper (TCEP)

- ★ Short-term instrument with maturities from 1 to 270 days
- ★ Used to finance construction or for short-term capital needs
- ★ Allows issuer to match cash flow needs with project expenditures by issuing notes only as needed
- ★ Flexible maturities to meet needs of issuer and investors
- ★ Requires liquidity support and remarketing agent
- ★ Only three school districts in Texas have TCEP (Austin, San Antonio, Fort Bend)

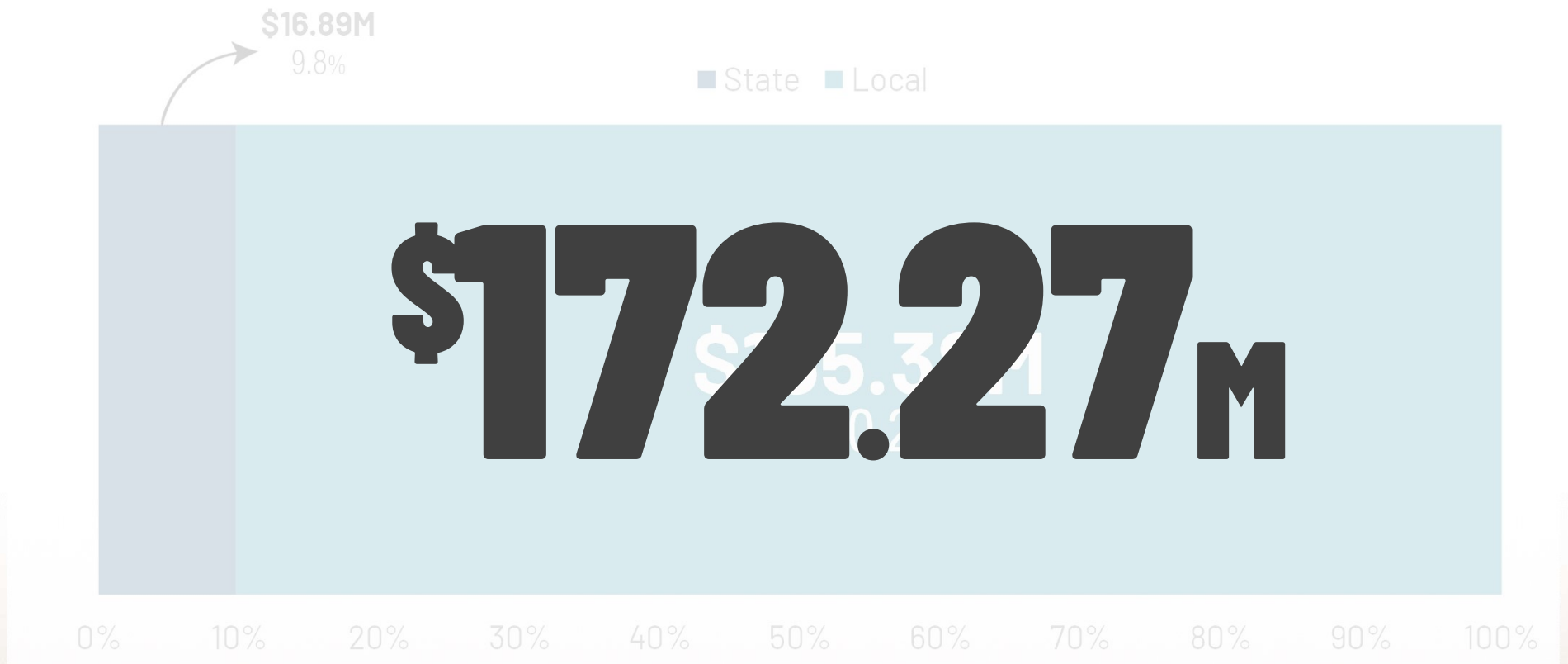
FBISD TCEP Program

- ★ Established \$100M program in November 2016
- ★ Expanded in January 2019 to \$150M
- ★ Renewed \$150M program in July 2023
- ★ Currently no commercial paper outstanding
- ★ Program has avoided \$26.95M in interest cost since inception

INTEREST EXPENSE COMPARISON					
	Commercial Paper Notes			Fixed Rate Issue	Difference
Period Ending	Series A	Series B	Total Interest Expense	Total Estimated Interest	Total Interest Avoided
11/30/2024	\$4,513,854	\$153,263	\$4,667,117	\$31,620,780	\$(26,953,663)

Source: Hilltop Securities

2024-25 Debt Service Fund Revenues



2024-25 Debt Service Fund Adopted Budget

	2023-24	2024-25
	Year-End	Adopted
(\$ millions)	Estimate	Budget
Total Revenue	\$ 165.8	\$ 172.3
Total Expenditures	138.2	164.6
Other Sources/(Uses)	(10.9)	-
Change in Fund Balance	16.7	7.7
Fund Balance - Beginning	141.8	158.5
Fund Balance - Ending	<u>\$ 158.5</u>	<u>\$ 166.2</u>
February/August Payments	121.9	122.9
February/August Revenues	0.6	0.6
Fund Balance - End of August	\$ 37.2	\$ 44.0



Questions?

FBISD Board Legislative Priorities



Advocacy and the FBISD Legislative Priorities



Advocate



Communicate



Collaborate

