

**Notice of Special Called Meeting  
The Board of Trustees  
Fort Bend Independent School District**

Monday, June 5, 2023

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This is Notice that the Fort Bend Independent School District Board of Trustees will hold a Special Called Meeting on Monday, June 5, 2023, beginning at 5:30 PM in the Board Room of the Fort Bend ISD Administration Building, 16431 Lexington Blvd., Sugar Land, TX 77479.

The agenda packet for the meeting is available at <https://meetings.boardbook.org/Public/Organization/649>.

Members of the public may view the live stream of the meeting at the following address:

<https://www.fortbendisd.com/Page/124962>

1. Call to order
2. 2023-24 Budget and Proposed Tax Rate
  - A. Receive Information, Comments, and Taxpayers' Views on the Proposed 2023-24 School District Budget, the Proposed Debt Service Tax Rate, and the Proposed Maintenance & Operations Tax Rate for the year 2023. 2
3. Public Comment
4. Adjournment

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*If, during the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Government Code, Chapter 551, Subchapters D and E or Texas Government Code section 418.183(f). Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in an open meeting. [See BEC (LEGAL)]*

The following Fort Bend ISD Goals may be referenced in agenda items included in this document:

- Goal 1: Fort Bend ISD will provide rigorous and relevant curriculum and deliver instruction that is responsive to the needs of all students.
- Goal 2: Fort Bend ISD will provide a positive culture and climate that provides a safe and supportive environment for learning and working.
- Goal 3: Fort Bend ISD will recruit, develop, and retain high quality teachers and staff.
- Goal 4: Fort Bend ISD will engage students, parents, staff, and the community through ongoing communication, opportunities for collaboration and innovation, and partnerships that support the learning community.
- Goal 5: Fort Bend ISD will utilize financial, material, and human capital resources to maximize district outcomes and student achievement.

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COMMITTED TO  
**E★cellence**

Budget Public Hearing  
June 5, 2023

# 2023-24 Proposed Budget

Fort Bend ISD, Administration Building, June 5, 2023

# School District Budget Requirements Met

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.

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# 2023-24 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.

## 2023-24 Proposed General Fund Budget

**\$766,638,983**

\$9,552 / student (1.4% more than prior year)

Projected Enrollment: 80,256 students

(Based on demographer's moderate-growth projections)

# 2023-24 General Fund

Proposed Budget

# 2023-24 General Fund Highlights

 Meets 90-day operating reserve requirement

 Includes Tier Two golden penny yield of \$126.21 from \$98.26

 Includes \$23.5M expenditure reductions

 Includes a \$500 step for employees on teacher pay scale

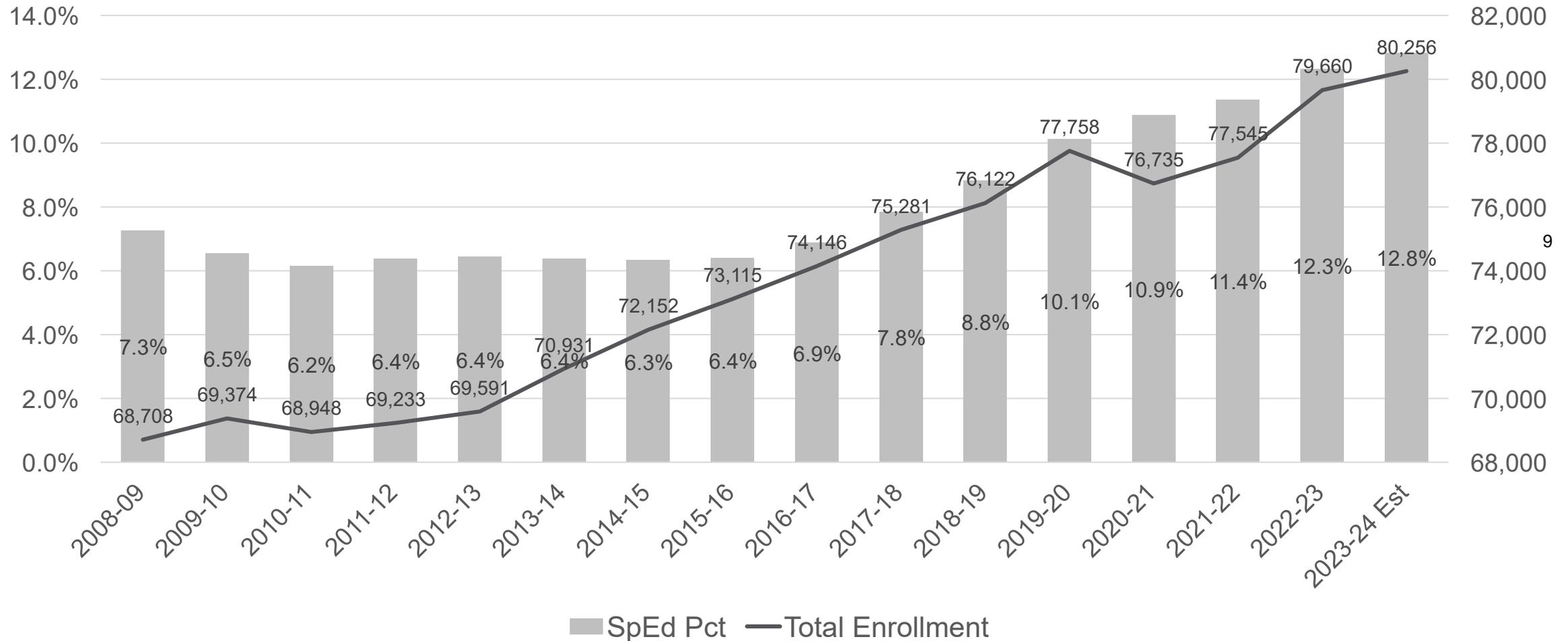
 Includes new instructional staff for enrollment growth and new campuses

# 2023-24 Proposed Budget Assumptions

Enrollment   Average Daily Membership	80,256   78,924
Average daily attendance rate	95.0%
Special Education enrollment	12.8% of total enrollment
Staffing additions (Campus + enrollment growth)	\$7.5M   127.0 FTEs
Weighted average daily attendance growth	2.5%

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# District Enrollment and SPED Population



# Strategic Budget Reductions

\$23.5M in total reductions

340 FTEs reduced through attrition or reassignment

## Key reductions

- Campus consolidations
- Closed Admin Annex
- Staffing guideline efficiencies
- Central admin staffing efficiencies
- Contract efficiencies

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# 2023-24 Proposed Budget

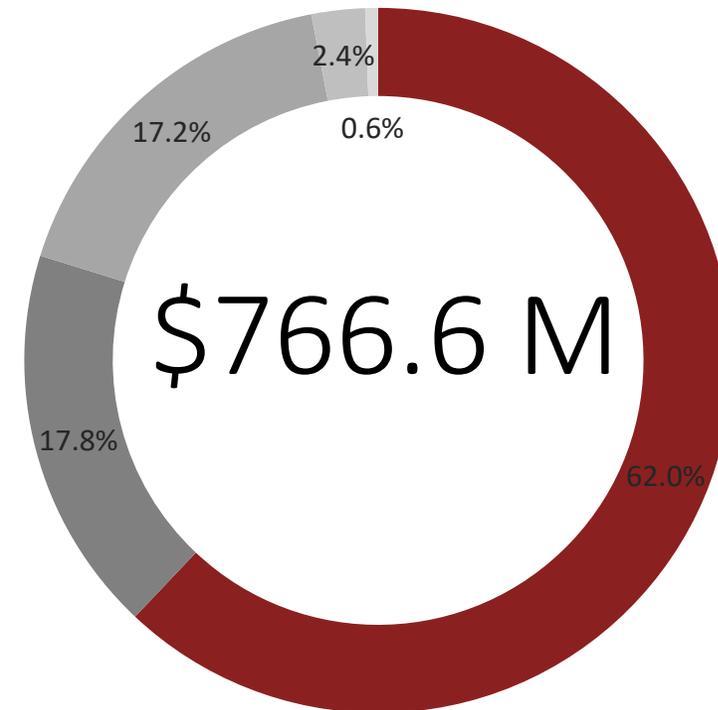
(\$ millions)	No Raises		
	2022-23	2022-23	2023-24
	Amended	Year-End	Proposed
	<u>Budget</u>	<u>Estimate</u>	<u>Budget*</u>
Total Revenue	\$ 732.2	\$ 734.0	\$ 767.5
Total Expenditures	780.6	777.6	790.1
Strategic Budget Reductions	-	-	(23.5)
Use of ESSER	<u>(27.0)</u>	<u>(27.0)</u>	<u>-</u>
Net Expenditures	<u>753.6</u>	<u>750.6</u>	<u>766.6</u>
Other Sources/(Uses)	<u>(4.0)</u>	<u>(4.0)</u>	<u>0.5</u>
Change in Fund Balance	(25.4)	(20.6)	1.4
Fund Balance - Beginning	<u>206.8</u>	<u>206.8</u>	<u>186.2</u>
Fund Balance - Ending	<u>\$ 181.4</u>	<u>\$ 186.2</u>	<u>\$ 187.6</u>
Fund Balance Reserve - %	25%	26%	25%
Fund Balance Reserve - Days	91 Days	94 Days	92 Days

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\* Budget information published for Truth-in-Taxation

# 2023-24 Proposed Budget by Functional Area

Functional Area	2023-24
Instructional	\$475.7 M
Instructional Support	136.1 M
District Operations	131.6 M
Central Admin	18.7 M
Debt Service (Lease)	4.5M
<b>Total</b>	<b>\$766.6 M</b>

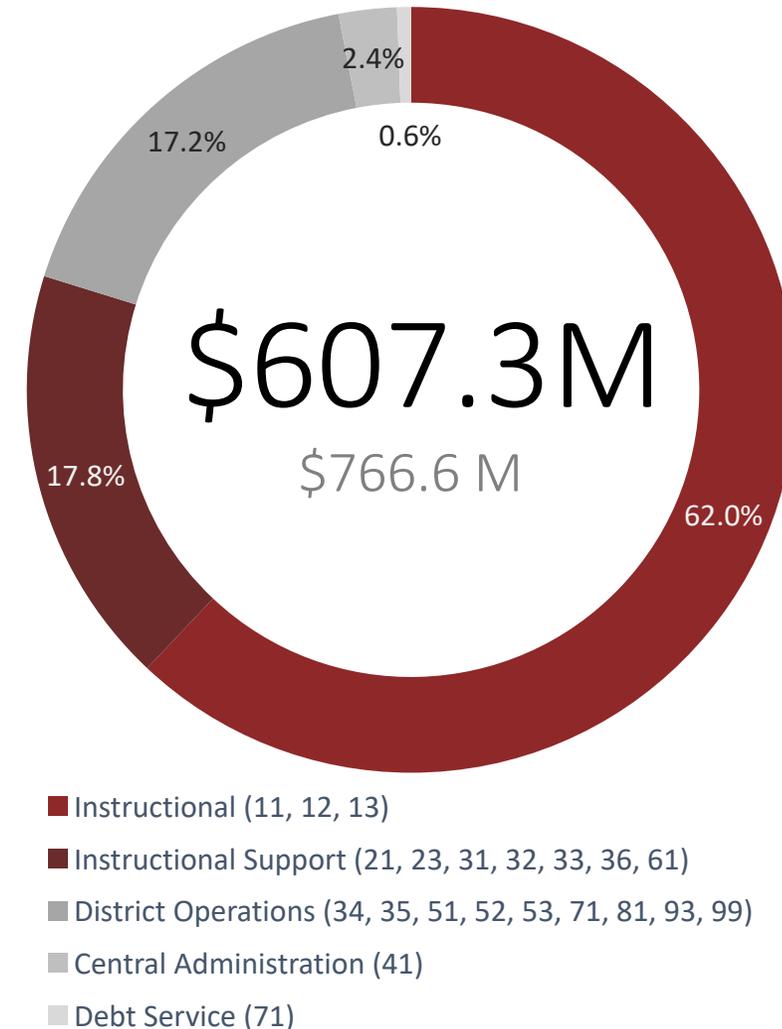


- Instructional (11, 12, 13)
- Instructional Support (21, 23, 31, 32, 33, 36, 61)
- District Operations (34, 35, 51, 52, 53, 71, 81, 93, 99)
- Central Administration (41)
- Debt Service (71)

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# Instruction & Support

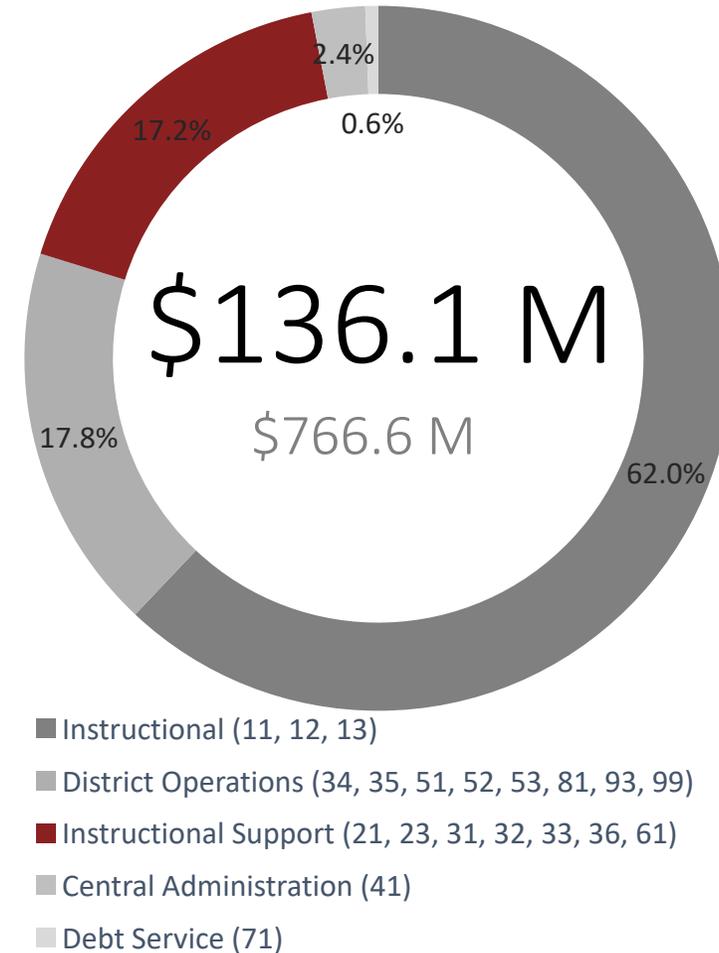
- Represents 79.2% of total budget at \$607.3 M
- Includes the following major functional areas:
  - » Instructional
    - Instruction (11)
    - Instructional Resources Media (12)
    - Curriculum Development (13)
  - » Instructional Support
    - Instructional Leadership (21)
    - School Leadership (23)
    - Guidance Counseling (31)
    - Social Work Services (32)
    - Health Services (33)
    - Co-Curricular & Extra Curricular (36)
    - Community Services (61)



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# District Operations

- Represents 17.8% of the budget at \$136.1 million
- Includes the following major services
  - » Utilities
  - » Police
  - » Building maintenance and repairs
  - » Lawn maintenance
  - » Information Technology and software services
    - Student software systems
    - Financial/HR applications
  - » Student transportation
  - » Property appraisals

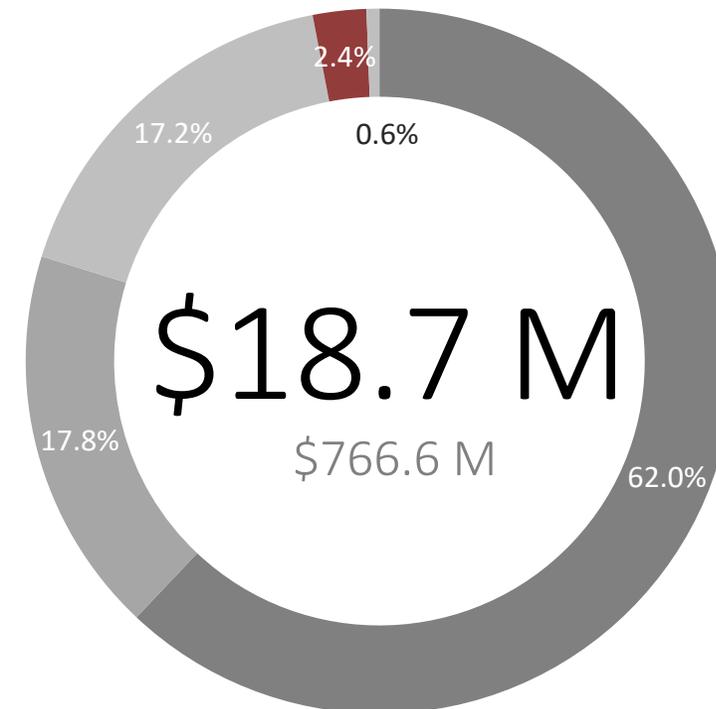


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# Central Administration

Approximately 2.4% of the budget at \$18.7 million

- Accounting
- Accounts Payable
- Budget
- Communications
- District Leadership
- General Counsel
- Human Resources
- Payroll
- Purchasing
- Risk Management
- Special Revenues

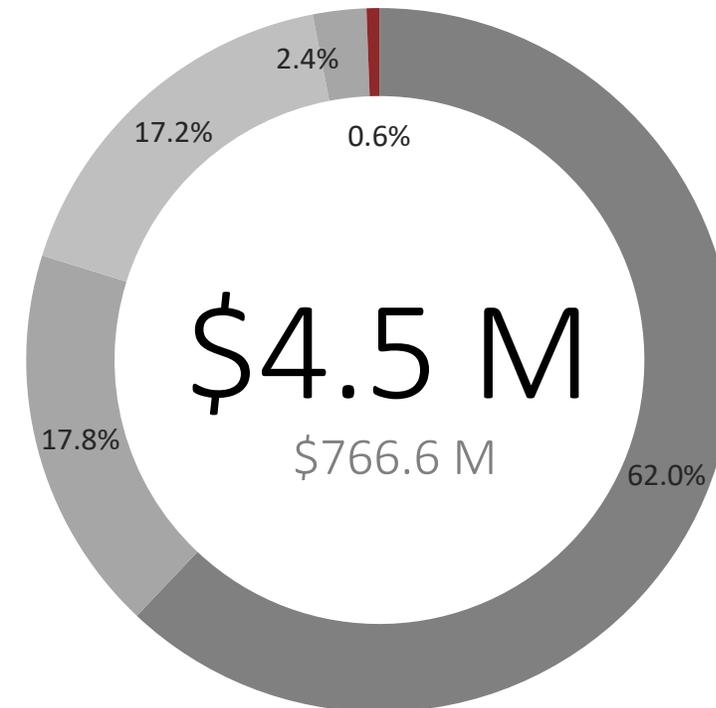


- Instructional (11, 12, 13)
- District Operations (34, 35, 51, 52, 53, 81, 93, 99)
- Instructional Support (21, 23, 31, 32, 33, 36, 61)
- Central Administration (41)
- Debt Service (71)

# Debt Service

Approximately 0.6% of the budget at \$4.5 million

- Accounts for subscription-based information technology arrangements (SBITA) as required by GASB 96 effective for fiscal year 2023
- SBITA amounts were previously recorded in functions 11, 21, 33, 34, 41, 52, 53
- SBITA agreements are reflected as debt service payments in function 71



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- Instructional (11, 12, 13)
- District Operations (34, 35, 51, 52, 53, 81, 93, 99)
- Instructional Support (21, 23, 31, 32, 33, 36, 61)
- Central Administration (41)
- Debt Service (71)

# Debt Service Fund

# M&O Tax Rate vs. I&S Tax Rate

## Maintenance & Operations Tax Rate (M&O)

- Funds district operations
  - » Employee salaries and benefits
  - » Student educational resources
  - » Classroom supplies
  - » Utilities
  - » Property insurance

## Interest & Sinking Tax Rate (I&S)

- Can only be used to pay for principal and interest on bonds sold for construction and capital improvements, land, and FF&E

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# Debt Service Fund Assumptions

## 2022-23

- Revenues are more than budget due to higher interest rates and additional funding from the state
- Expenditures less than budgeted due to lower than anticipated closing costs on most recent transaction and moving the \$9.9 million debt reduction to FY24

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## 2023-24

- Valuation growth of 10% based on central appraisal district; properties with residential homestead capped at 10%
- Assumes tax rate of 27¢
- Current and future debt issuance for 2014, 2018 and 2023 bond program supported
- Includes \$9.9 million debt reduction for August 2023 transaction

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# Debt Service Fund

(\$ millions)	2022-23 Adopted Budget	2022-23 Year-End Estimate	2023-24 Proposed
Local Revenue	\$ 141.4	\$ 147.5	\$ 164.1
State Revenue	1.3	3.8	3.8
Total Revenues	142.7	151.3	167.9
Debt Service	126.2	125.1	134.7
Total Expenditures	126.2	125.1	134.7
Other Sources/Uses	-	-	(9.9)
Changes in Fund Balance	16.5	26.2	23.3
Fund Balance - Beginning	114.3	114.3	140.5
Fund Balance - Ending	\$ 130.8	\$ 140.5	\$ 163.9
July/August Payments		\$ (100.8)	\$ (124.4)
July/August Revenues		\$ 0.5	\$ 0.5
Fund Balance - End of August		\$ 40.2	\$ 40.0

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\* Fund Balance will be utilized to pay for August 2024 debt payments of \$124.4 million.

# Child Nutrition Fund

# Child Nutrition Fund Assumptions

## 2022-23

- Anticipate ending the year with a surplus
- Impacted by supply chain and staffing constraints

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## 2023-24

- Continued impact of supply chain and staffing constraints
- No meal cost increase based on use of required TDA paid lunch equity tool
- Spend down plan of fund balance to be implemented to purchase equipment, technology and signage

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# Child Nutrition Fund

(\$ millions)	2022-23	2022-23	2023-24
	Adopted Budget	Year-End Estimate	Proposed Budget
Total Revenues	\$ 35.80	\$ 44.50	\$ 39.00
Total Expenditures	35.80	35.70	49.50
Changes in Fund Balance	-	8.80	(10.50)
Fund Balance - Beginning	13.40	13.40	22.20
Fund Balance - Ending	<u>\$ 13.40</u>	<u>\$ 22.20</u>	<u>\$ 11.70</u>

# Next Steps

- Adopt Budget: June 26
- Potential future budget amendments based on outcome of special sessions
- Tax Rate adoption process: August / September

# Questions?