

Notice of Texas Academic Performance Report Hearing
The Board of Trustees
Fort Bend Independent School District

Monday, August 21, 2023

This is notice that the Fort Bend Independent School District's Texas Academic Performance Report Hearing will be held on Monday, August 21, 2023, beginning at 5:30 PM in the Board Room of the Fort Bend ISD Administration Building, 16431 Lexington Blvd., Sugar Land, TX 77479. Members of the public may view the live stream of the meeting at following address:

<https://www.fortbendisd.com/October19LIVESTREAM>.

The agenda packet for the meeting can be found here:

<https://meetings.boardbook.org/Public/Organization/649>.

1. Call to Order
2. Public Comment
3. Conduct Public Hearing to Discuss Tax Rate
4. Adjournment

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If, during the course of 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 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.

For: Fort Bend ISD Board of Trustees
Date: August 21, 2023
Action: Public Hearing on Proposed Tax Rate
References: Board Policy CE (Legal)
Department: Business and Finance

Recommendation

A public hearing will be held on Monday, August 21, 2023 to receive information, comments, and taxpayers' views on the proposed 2023 tax rates and the potential for a voter approval tax ratification election (VATRE). The hearing will be held at 5:30 p.m. in the Board Room of the Fort Bend ISD Administration Building.

Summary

In accordance with Board Policy CE (Legal), the Board of Trustees has called a public meeting to discuss the proposed tax rates and potential VATRE to provide taxpayers the opportunity to offer input on the proposed budget and maintenance and operation and debt service tax rates.

Recommended by:

Christie Whitbeck
Superintendent of Schools

Submitted by:

Bryan Guinn
Chief Financial Officer



Statutory Requirements

- General Fund and Debt Service Fund adopted on June 26
- Tax rate adopted separately after the following statutory requirements are met:
 - » General fund and debt service fund budgets are adopted
 - » Receipt of certified tax roll from central appraisal district
 - » TEA approval of maximum compressed rate
 - » Proposed tax rate advertised in local paper at least ten days prior to adoption
- All requirements have been met

Adopted Budgets

General Fund

- Totals \$766.56M
- Supported by tax rate of \$0.9492
- Budget has surplus of \$1.4M
- Does *not* include teacher or staff raises

Debt Service Fund

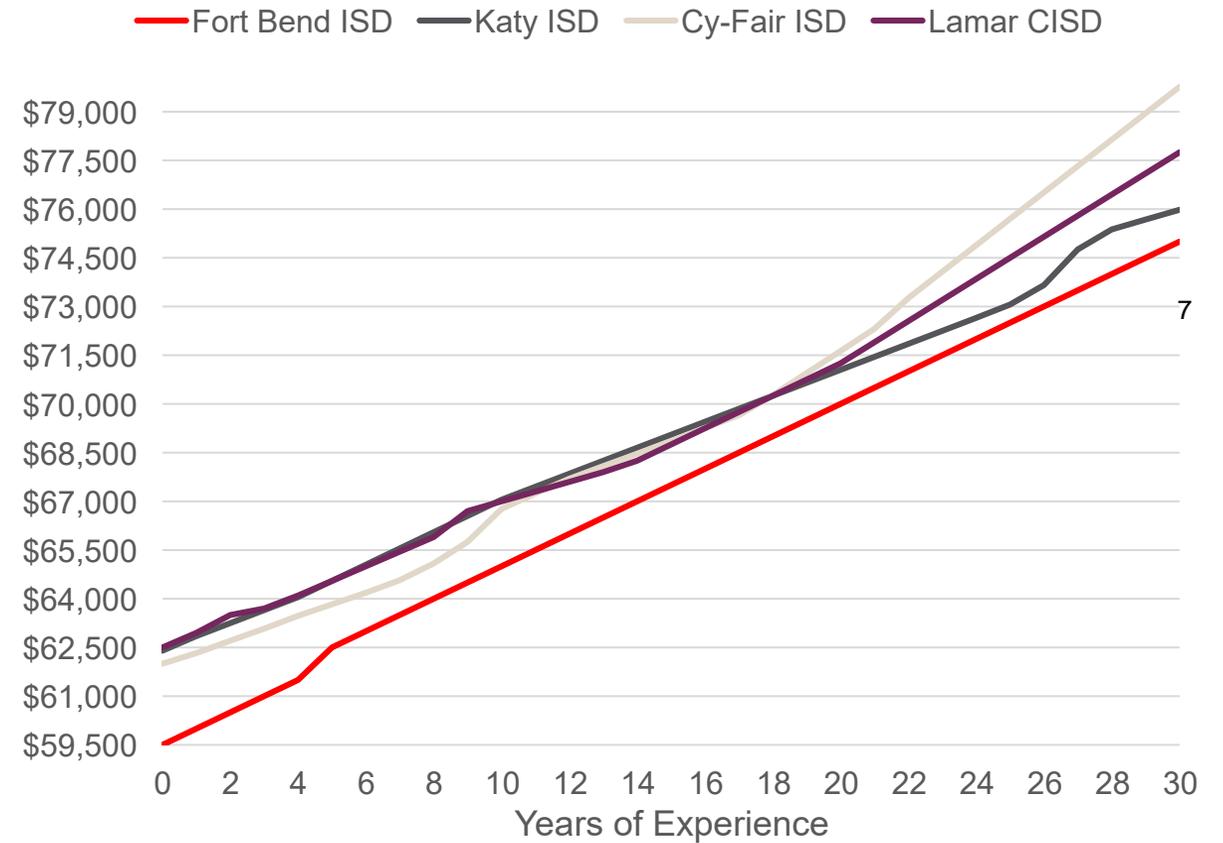
- Totals \$134.68M
- Supported by tax rate of \$0.27
- Includes payments on outstanding principal and interest for district debt

Peer District Compensation Adjustments

District	Teachers	All Other Staff
Cy-Fair ISD	\$1,500 (avg 3%)	3% of midpoint
Katy ISD	\$1,700 (avg 3%)	3% of midpoint
Lamar CISD	\$1,950 (avg 3%)	3% of midpoint

Regional Teacher Compensation

District	Starting Teacher Pay
Lamar CISD	\$62,500 ↑
Aldine ISD	\$62,500 ↑
Pasadena ISD	\$62,456 ↑
Katy ISD	\$62,400 ↑
Alief ISD	\$62,000 ↑
CyFair ISD	\$62,000 ↑
Spring Branch ISD	\$62,000
Houston ISD	\$61,500 *
Alvin ISD	\$61,100 ↑
Pearland ISD	\$60,500 ↑
Klein ISD	\$60,000 *
Fort Bend ISD	\$59,500



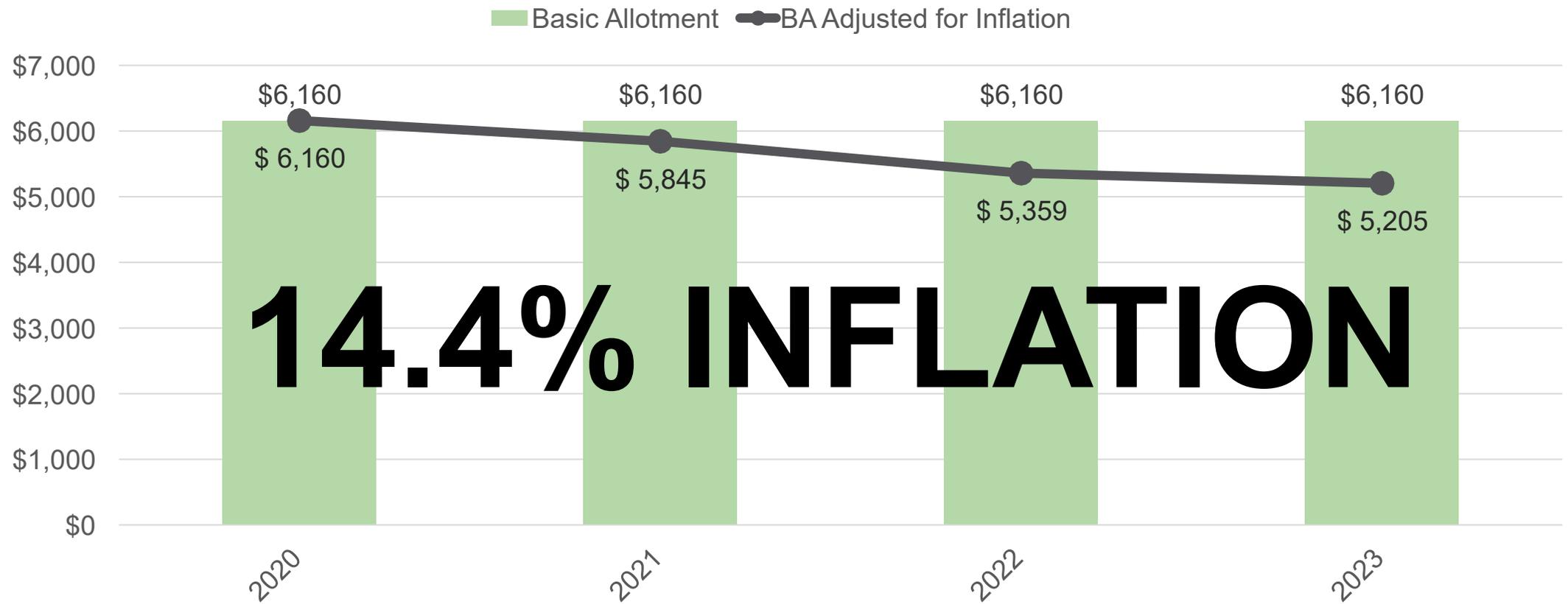
* Houston ISD is rolling out a new program that includes starting pay of \$80K at some schools

* Klein ISD approved a 4% increase for teachers but did not increase starting teacher pay

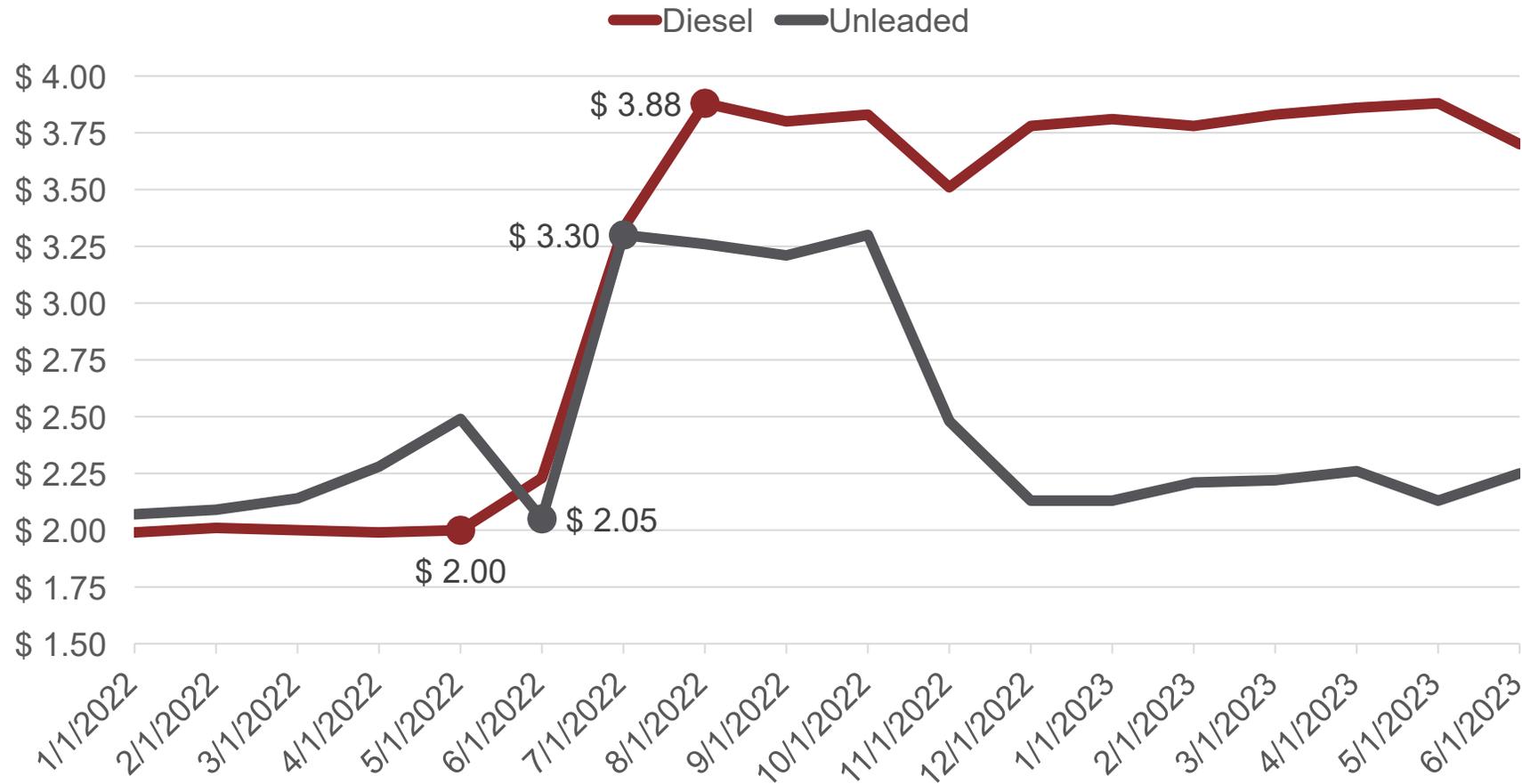
Select Vacancy Rates

Position	Percent Vacant
Teachers	4.0%
Bus Drivers	25.4%
Counselors	1.7%
Classroom Aides	13.5%
Nurses	6.3%
Police Officers	16.6%
Speech Pathologists	12.7%

Basic Allotment Adjusted for Inflation



Impact of Inflation on Fuel Cost

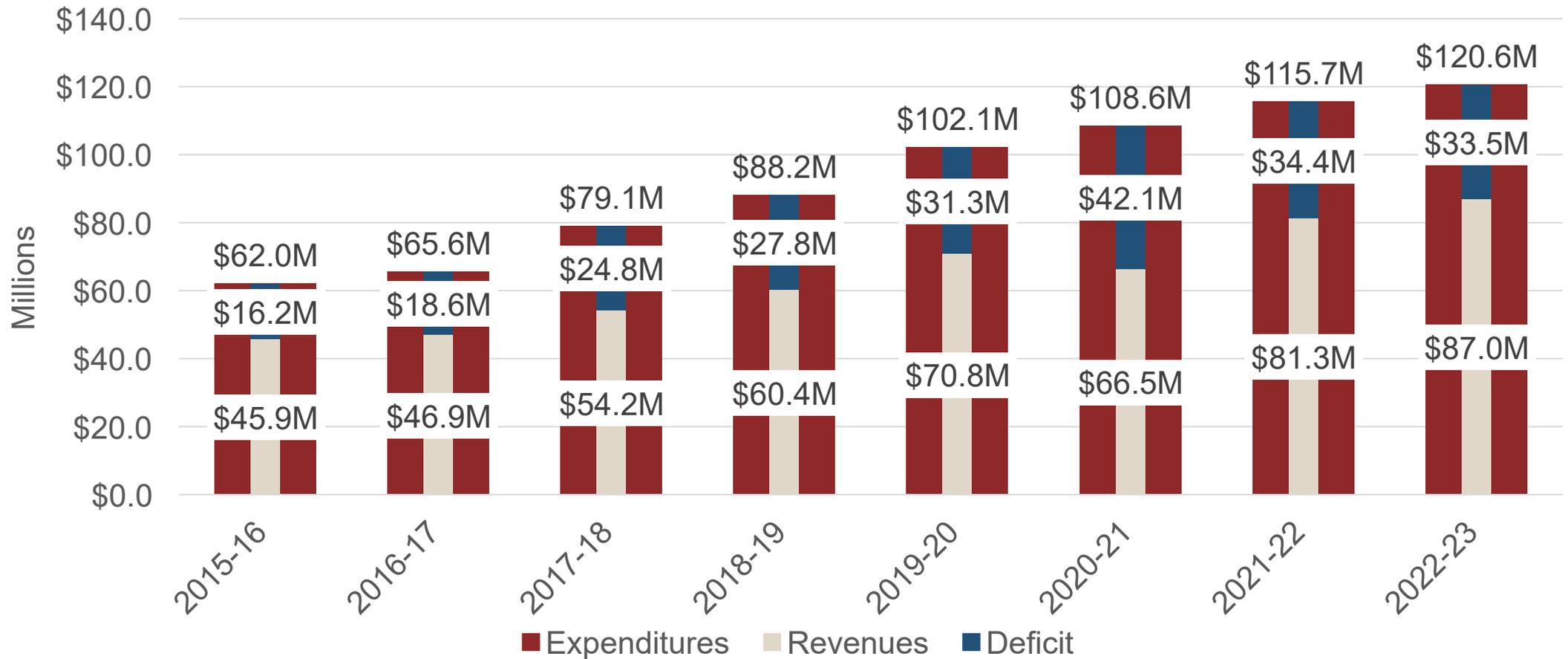


Diesel fuel makes up 72% of total usage

Diesel prices **increased 94%** between May and August 2022

Unleaded prices **increased 61%** between May and June 2022

Special Education Deficit



How many districts have enrichment pennies?

District	Tax Rate	Golden Pennies	Copper Pennies	VATRE Year
Alvin ISD	\$1.3777	\$0.08	\$0.0583	2018
Pasadena ISD	\$1.3353	\$0.08	\$0.0778	2017
Katy ISD ¹	\$1.3048	\$0.08	\$0.0302	
Pearland ISD	\$1.3027	\$0.08	\$0.0700	2020
CyFair ISD ¹	\$1.2948	\$0.08		
Spring Branch ISD ¹	\$1.2688	\$0.08	\$0.0064	
Aldine ISD ¹	\$1.2217	\$0.08	\$0.0346	
Alief ISD	\$1.1611	\$0.08	\$0.0291	2008
Fort Bend ISD²	\$1.1346	\$0.06		

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¹ Districts that have all 8 golden pennies with no VATRE had tax rates greater than \$1.50 when legislative changes in 2006 changed state funding formulas. This reduced tax rates state-

wide, and districts with tax rates greater than \$1.50 at the time had the additional tax capacity converted into golden and copper pennies.

² FBISD has a sixth golden penny that was taken by board action through a “swap and drop” in fiscal year 2017-18.

VATRE Scenarios



= \$40_m



= \$35_m



= \$30_m



= \$25_m

Impact of Recapture

Two Golden Pennies



- Not subject to recapture
- Generates \$25M in funding
 - » \$14M state funding
 - » \$11M local funding

Three Copper Pennies



- Subject to recapture
- Generates \$16.5M in funding
 - » Subject to \$1.5M in recapture
 - » \$15M received in local funding

Strategic Abandonment Efforts

2022-23 Outcome

- \$16M in total reductions
- 17 FTEs through attrition

2023-24 Outcome

- Reduced \$23M
- 340 FTEs through attrition or reassignment

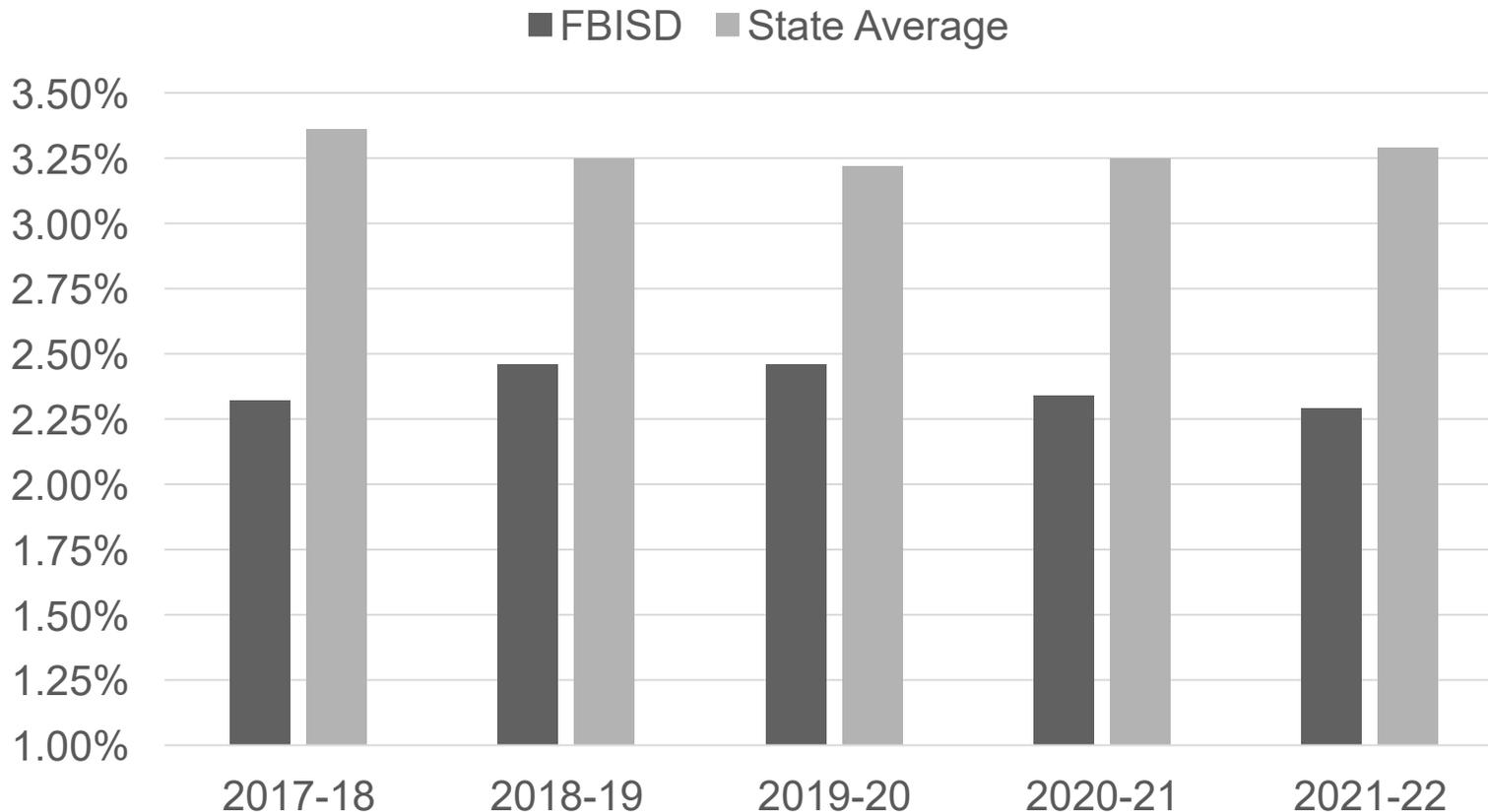
Cumulative Results

- \$39M in reductions
- 357 FTE positions reduced

Work is Ongoing

- Reviewing all non-campus positions before filling
- Initiating work on strategic plan

Reductions in General Administration

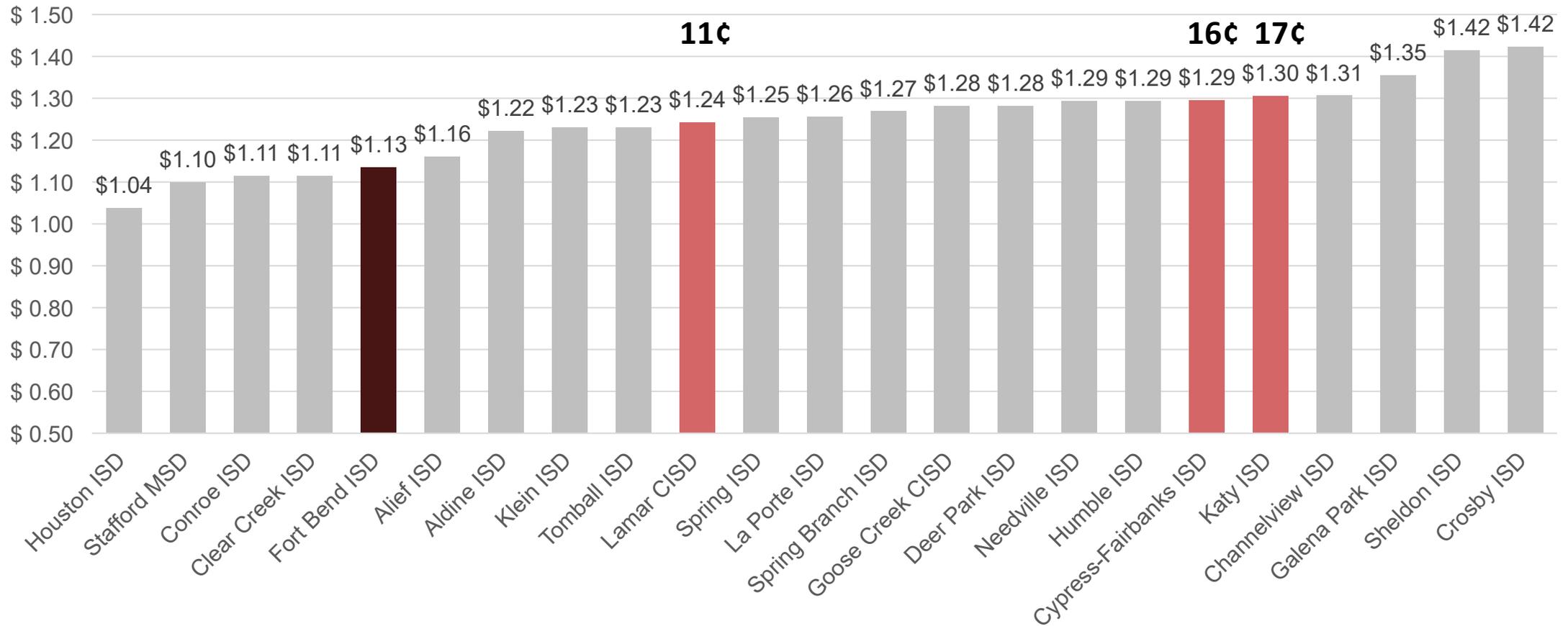


FBI SD admin expenditures *decreased* from 2.46% to 2.29% over three years

FBI SD admin expenditures are 1% *less* than state average

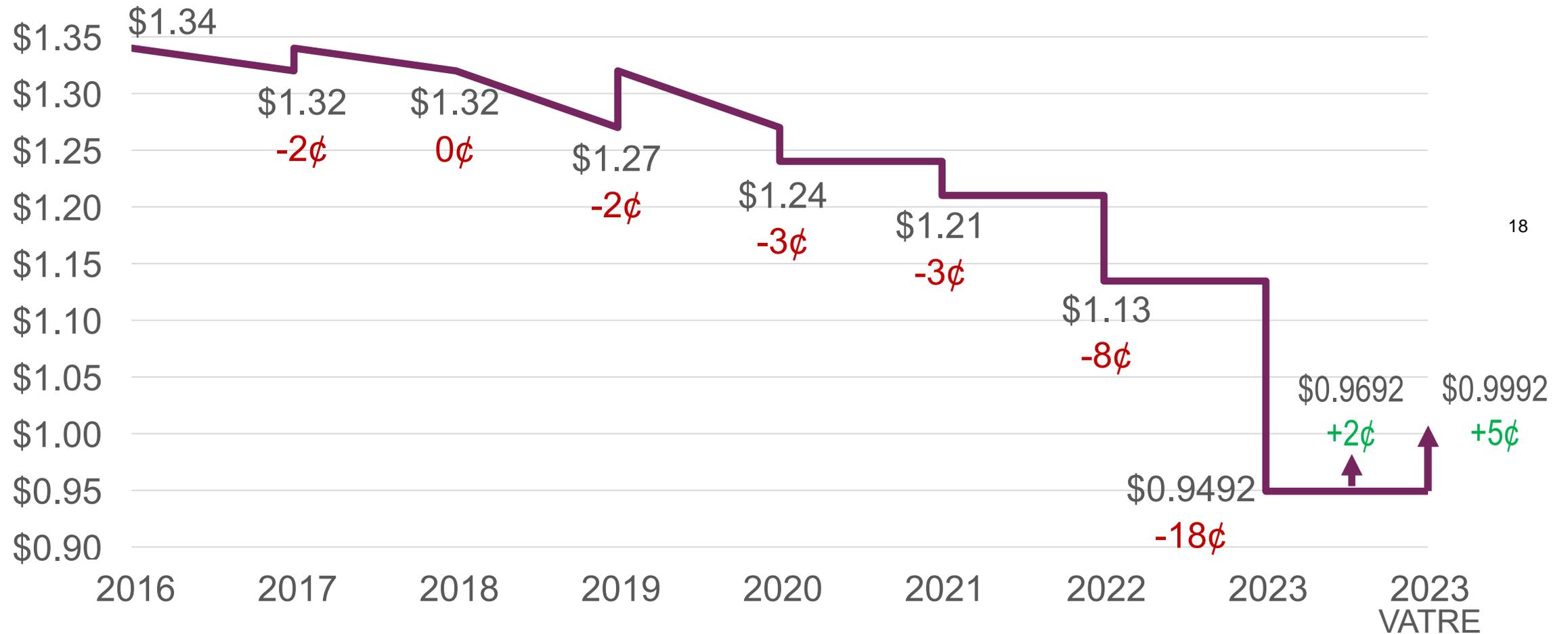
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Local Tax Rate Comparison Tax Year 2022



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FBISD Tax Rate Over Last Eight Years



VATRE Options

2¢ Option

Recapture: \$0
Cost: \$24.96M

- Increase teacher pay to \$62,000 (\$2,500 increase)
- Increase police officer pay \$5,742
- \$1/hour increase for:
 - Classroom aides
 - Auxiliary staff
 - Non-classroom paras
 - Bus drivers
- 3% increase for:
 - Administrators and business professionals
 - Principals and assistant principals
 - Directors and above

3¢ Option

Recapture: \$0.50M
Cost: \$29.9M

- All items included in 2¢ option with the following additions:
 - Armed, uniformed security at all elementary schools
 - Additional \$1.3M to identify and serve SPED students
 - Additional 50¢/hour (\$1.50 total increase) for:
 - Classroom aides
 - Bus drivers

4¢ Option

Recapture: \$1.0M
Cost: \$35.2M

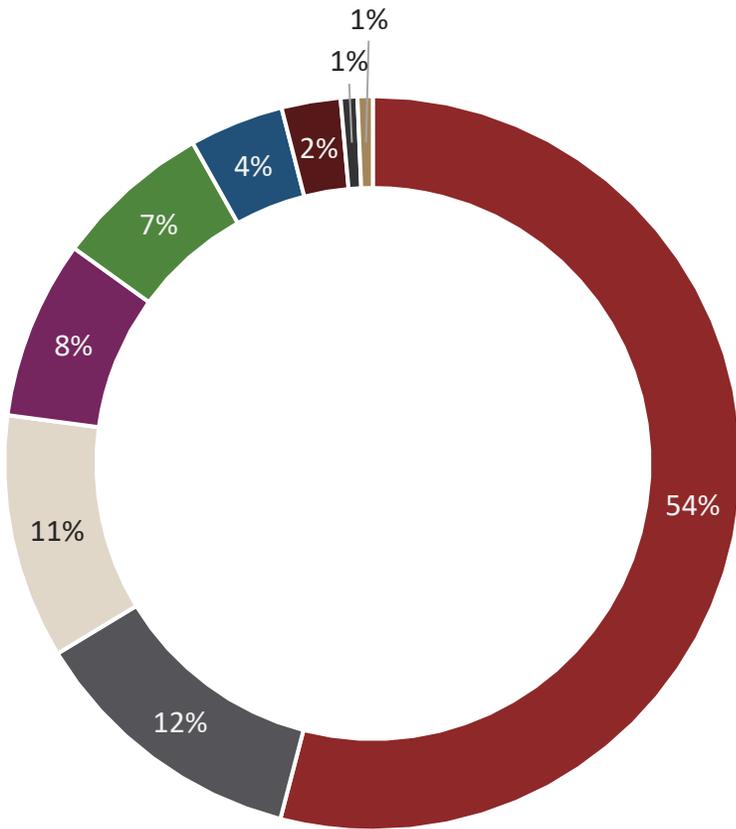
- All items included in 2¢ scenario with the following addition:
 - Armed, uniformed security at all elementary schools
 - Differentiated teacher step at 5 year milestones
 - Additional 50¢/hour (\$1.50 total increase) for:
 - Classroom aides
 - Bus drivers

5¢ Option

Recapture: \$1.5M
Cost: \$39.7M

- All items included in 4¢ scenario with the following additions:
 - Additional \$3M to identify and serve SPED students
 - Funding for technology support staff for 1:1 devices at secondary schools

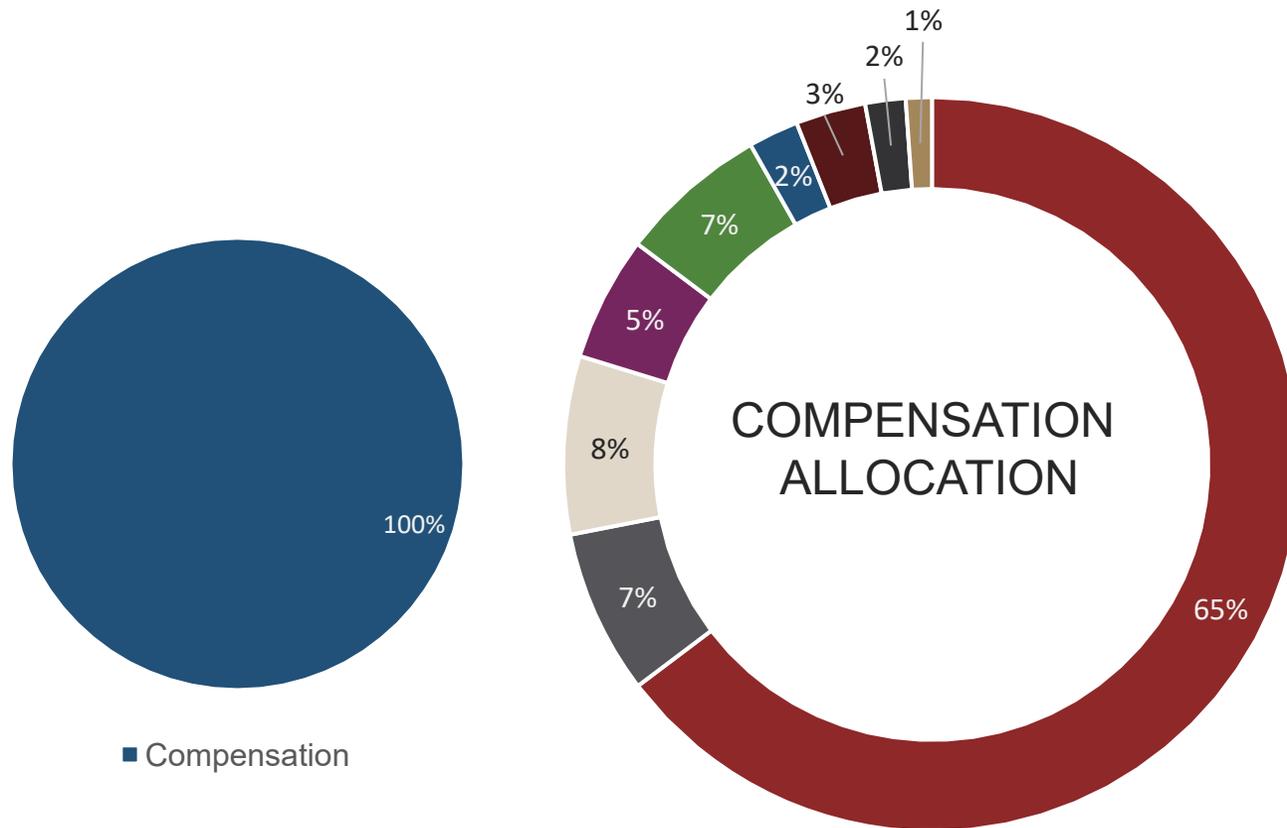
Allocation of Staff by Category



Position Categories	FTEs	% of Total
Teachers, Librarians, Nurses, Counselors	5,420	54%
Classroom Aides	1,234	12%
Auxiliary and PTTs	1,079	11%
Non-Classroom Paraprofessionals	789	8%
Administrators & Business Professionals	693	7%
Bus Drivers	415	4%
Principals and Assistant Principals	260	2%
Police Officers	73	1%
Director and Above	66	1%
Totals	10,029	100%

Allocation of 2¢ VATRE by Category

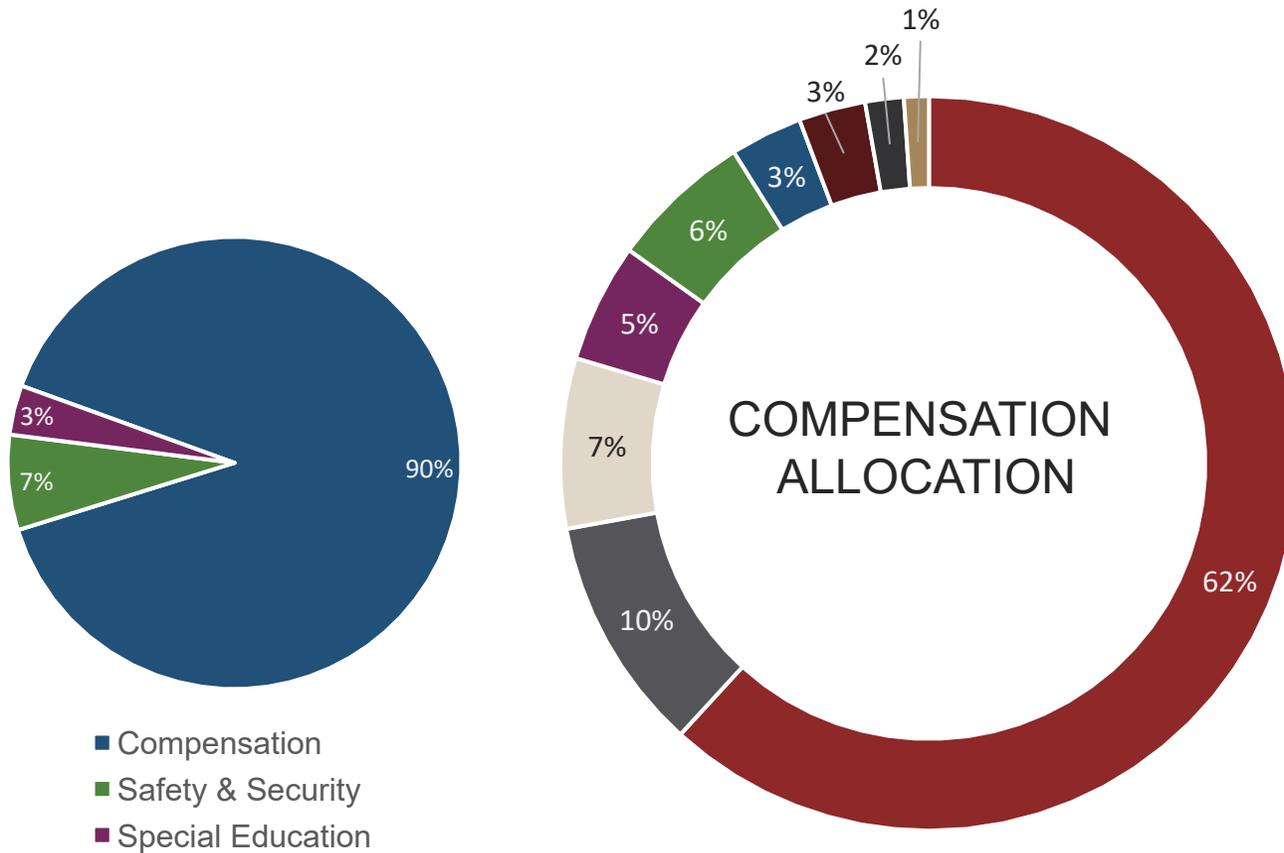
(Base Scenario)



Position Categories	Total
Teachers, Librarians, Nurses, Counselors	\$16.15M
Classroom Aides	\$1.81M
Auxiliary and PTTs	1.96M
Non-Classroom Paraprofessionals	1.37M
Administrators & Business Professionals	1.63M
Bus Drivers	0.55M
Principals and Assistant Principals	0.77M
Police Officers	0.44M
Director and Above	0.28M
Compensation Totals	\$24.96M

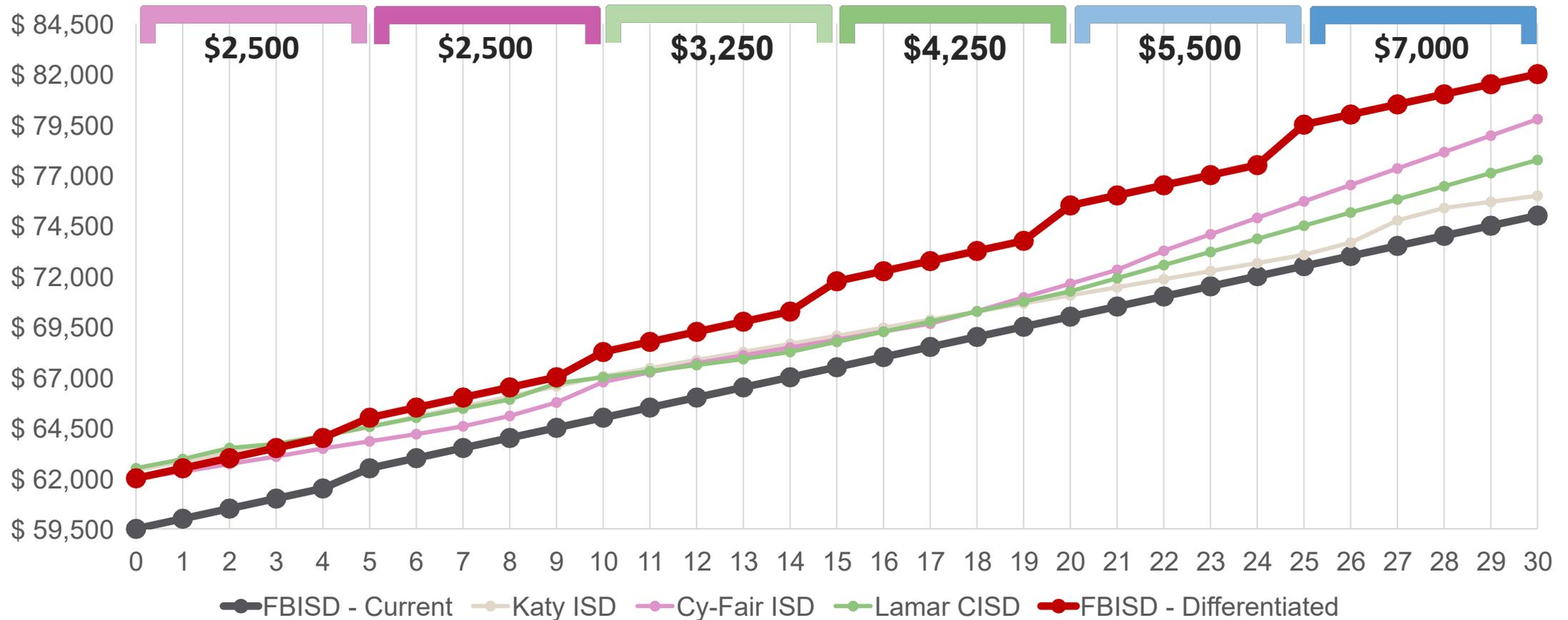
Allocation of 3¢ VATRE by Category

(Additional 50¢/hour for classroom aides and bus drivers, safety and security additions, additional SPED support)



Position Categories	Total
Teachers, Librarians, Nurses, Counselors	\$16.15M
Classroom Aides	\$2.71M
Auxiliary and PTTs	1.96M
Non-Classroom Paraprofessionals	1.37M
Administrators & Business Professionals	1.63M
Bus Drivers	0.83M
Principals and Assistant Principals	0.77M
Police Officers	0.44M
Director and Above	0.28M
Compensation Total	\$26.14M
Safety & Security Total	\$2.50M
Special Education Total	\$1.30M
Grand Total	\$29.94M

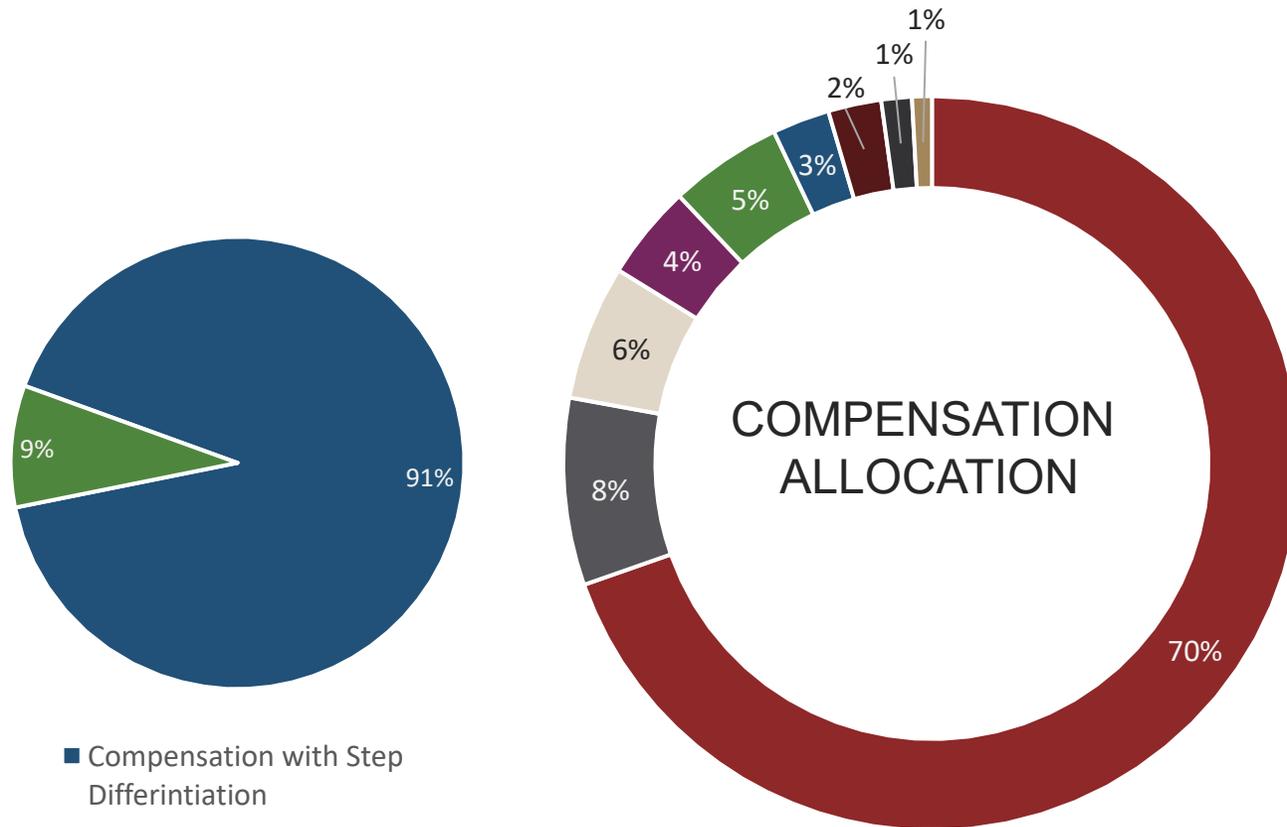
Differentiated Step with \$62,000 Starting Pay



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Allocation of 4¢ VATRE by Category

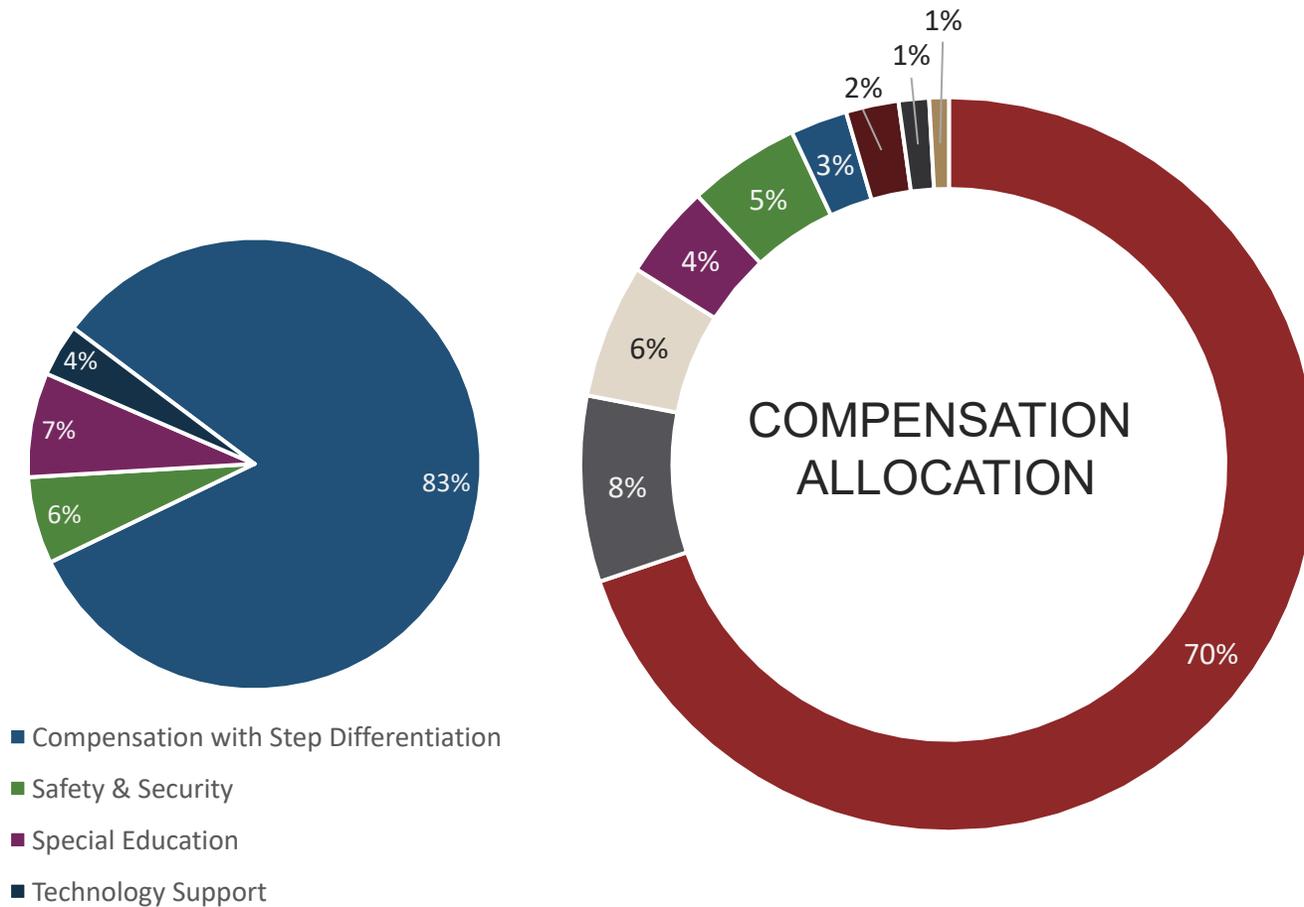
(Teacher step differentiation, additional 50¢/hour for classroom aides and bus drivers, safety and security additions)



Position Categories	Total
Teachers, Librarians, Nurses, Counselors	\$23.13M
Classroom Aides	\$2.71M
Auxiliary and PTTs	1.96M
Non-Classroom Paraprofessionals	1.37M
Administrators & Business Professionals	1.63M
Bus Drivers	0.83M
Principals and Assistant Principals	0.77M
Police Officers	0.44M
Director and Above	0.28M
Compensation Totals	\$33.12M
Safety & Security Total	\$2.50M
Grand Total	\$35.62M

Allocation of 5¢ VATRE by Category

(Teacher step differentiation, additional 50¢/hour for classroom aides and bus drivers, safety and security additions, additional SPED support, additional technology support)



Position Categories	Total
Teachers, Librarians, Nurses, Counselors	\$23.13M
Classroom Aides	\$2.71M
Auxiliary and PTTs	1.96M
Non-Classroom Paraprofessionals	1.37M
Administrators & Business Professionals	1.63M
Bus Drivers	0.83M
Principals and Assistant Principals	0.77M
Police Officers	0.44M
Director and Above	0.28M
Grand Totals	\$33.12M
Safety & Security Total	\$2.50M
Special Education Total	\$3.00M
Technology Support Total	\$1.50M
Grand Total	\$40.12M

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Tax Bill Impact

	Senate Bill 2	2¢ VATRE	3¢ VATRE	4¢ VATRE	5¢ VATRE
Assessed Value	\$370,630	\$370,630	\$370,630	\$370,630	\$370,630
Homestead Exemption	-100,000	-100,000	-100,000	-100,000	-100,000
Taxable Value w/HSE	\$270,630	\$270,630	\$270,630	\$270,630	\$270,630₂₆
Tax Rate	\$0.9492	\$0.9692	\$0.9792	\$0.9892	\$0.9992
Tax Bill	\$2,569	\$2,623	\$2,650	\$2,677	\$2,704
Change from Adopted	-\$1,149	-\$1,095	-\$1,068	-\$1,041	-\$1,014
Tax Rate Reduction		17.5¢	15.5¢	14.5¢	12.5¢
Annual Offset		\$54	\$81	\$108	\$135
Monthly Offset		\$5	\$7	\$9	\$11

Total compression: 17.5¢; lowest historic tax rate ever (in any scenario)

Questions?

2¢ Option

Recapture: \$0

Cost: \$24.96M

- Increase teacher pay to \$62,000 (\$2,500 increase)
- Increase police officer pay \$5,742
- \$1/hour increase for:
 - Classroom aides
 - Auxiliary staff
 - Non-classroom paras
 - Bus drivers
- 3% increase for:
 - Administrators and business professionals
 - Principals and assistant principals
 - Directors and above

3¢ Option

Recapture: \$0.50M

Cost: \$29.9M

- All items included in 2¢ option with the following additions:
 - Armed, uniformed security at all elementary schools
 - Additional \$1.3M to identify and serve SPED students
 - Additional 50¢/hour (\$1.50 total increase) for:
 - Classroom aides
 - Bus drivers

4¢ Option

Recapture: \$1.0M

Cost: \$35.2M

- All items included in 2¢ scenario with the following addition:
 - Armed, uniformed security at all elementary schools
 - Differentiated teacher step at 5 year milestones
 - Additional 50¢/hour (\$1.50 total increase) for:
 - Classroom aides
 - Bus drivers

5¢ Option

Recapture: \$1.5M

Cost: \$39.7M

- All items included in 4¢ scenario with the following additions:
 - Additional \$3M to identify and serve SPED students
 - Funding for technology support staff for 1:1 devices at secondary schools