

## BUDGET

### Overview

- Legislative Update
- Preliminary Budget Variables
- Initial Budget Focus
- Balancing ToolKit
- 2016-2017 Year-End Projections
- Timeline

2

**FBISD** 2017 - 18  
**BUDGET**

Legislative Update

“It’s a sucker’s game, predicting the future. I think we read the tea leaves that we were given at the time. The numbers are the numbers, and that was the data that we had at the time, and this is the data we had as of Thursday.”

Glenn Hegar, October 2015

3

**BIENNIAL REVENUE ESTIMATE**

A CLOSER LOOK

January 2017

The Biennial Revenue Estimate is issued by the Comptroller at the start of every legislative session before Texas legislators begin budgeting for the next biennium. The estimate tells lawmakers how much they can spend, which in turn affects every Texan.

### General Revenue-Related Revenues

**STATE TAX REVENUES**

Motor Vehicle Sales & Rental Taxes	9.3%
Oil Production Tax	4.4%
Franchise Tax	5.6%
Natural Gas Production Tax	1.6%
Motor Fuel Taxes	1.8%
All Other State Taxes	10.5%

**OTHER REVENUES**

Fees, Investments & Other Non-Tax Revenue	13.0%
---	-------

	2016-17	2018-19	
<b>Revenue Available for General Purpose Spending</b>			
General Revenue-Related (GR-R) Revenues from Sales Taxes (Before allocation to State Highway Fund)	+ \$56.83	\$61.97	In 2015, voters approved Proposition 7, which requires the Comptroller to direct some tax revenues to the State Highway Fund starting in fiscal 2018.
Sales Taxes Allocated to State Highway Fund	- \$0.0	\$4.71	
<b>Net GR-R Revenues from Sales Taxes</b>	= \$56.83	\$57.26	SUBTOTAL
Other GR-R Revenues	+ \$45.61	\$49.21	
<b>Total GR-R Revenues</b>	= \$102.45	\$106.47	SUBTOTAL
Beginning Balance (Funds carried forward from 2016)	+ \$7.29	\$1.53	
<b>Total GR-R Revenue &amp; Fund Balances</b>	= \$109.73	\$108.00	SUBTOTAL
Revenue Reserved for Transfers to the Economic Stabilization and State Highway Funds	- \$2.0	\$3.13	
<b>Total Revenue Available for General-Purpose Spending</b>	= \$107.73	\$104.87	TOTAL

### Annual Net Sales Tax Collections

In Billions of Dollars

Glenn Hegar

Texas Comptroller of Public Accounts

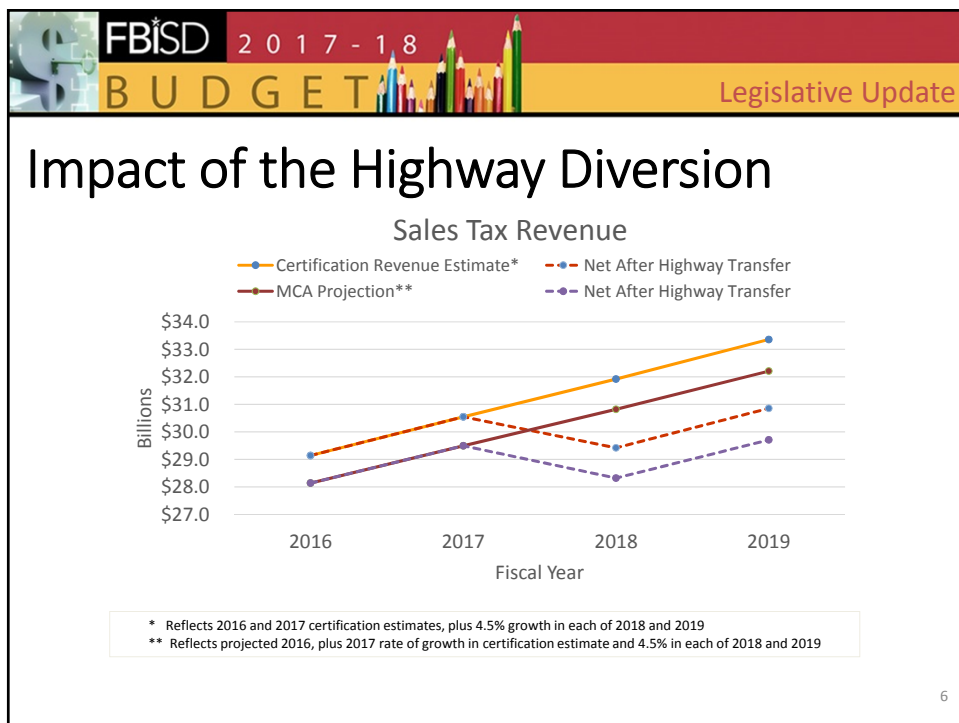
**FBISD** 2017 - 18  
**BUDGET**

Legislative Update

## From the Desk of the Texas Comptroller

- Highway Funding Diversion
  - Diverts new money up to \$2.5 Billion beginning in 2018
  - Diverts 35% of excess Motor Vehicle Sales Tax to Highways
- State Revenue Forecast Sufficient to Cover Current Funding Formula and Student Enrollment
- Optimistic about Impact of Trump Administration on the Texas Economy - but not Immediate
- Main Strategy to Keep Property Value Growth in the Foundation School Program (FSP) Funding

5



**FBISD** 2017 - 18  
**BUDGET**

Legislative Update

## 85<sup>th</sup> Texas Legislature

### *Top Public Education Finance Issues*

- 200+/- Bills Filed Pertaining to Education
- School Finance Funding Formula
  - Many financial models being discussed
- School Choice Priority in Senate
- Property Tax Reform Discussions
- 5 Bills Related to the Extension of ASATR (Additional State Aid for Tax Reduction) created in 2005-2006

7

Legislative Update

**FBISD**

2017 - 18 SCHOOL YEAR

### State Share of Formula Declining

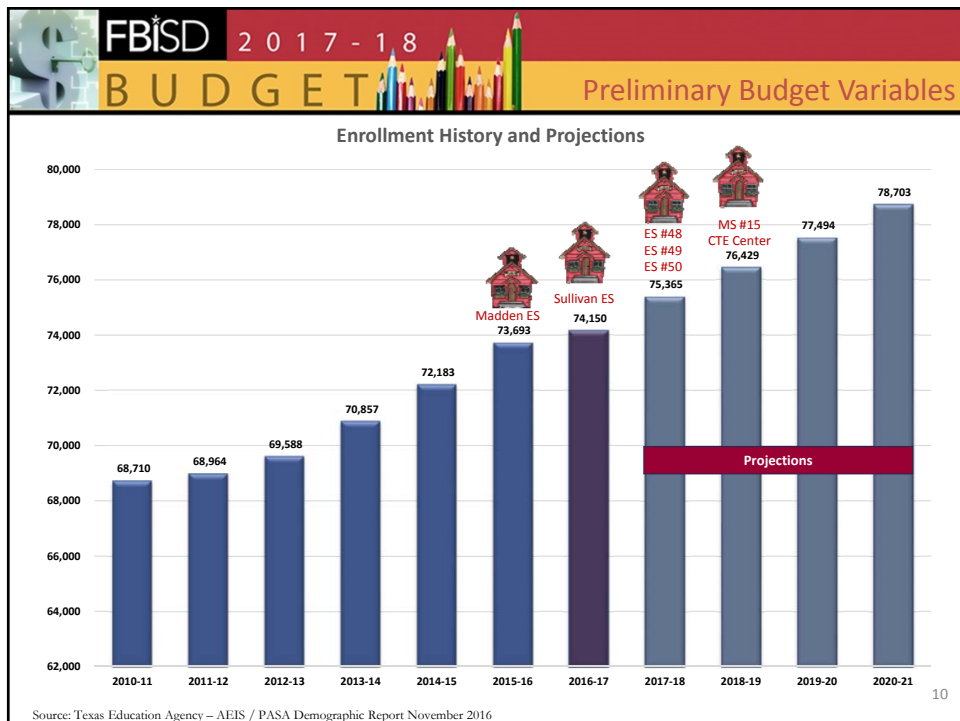
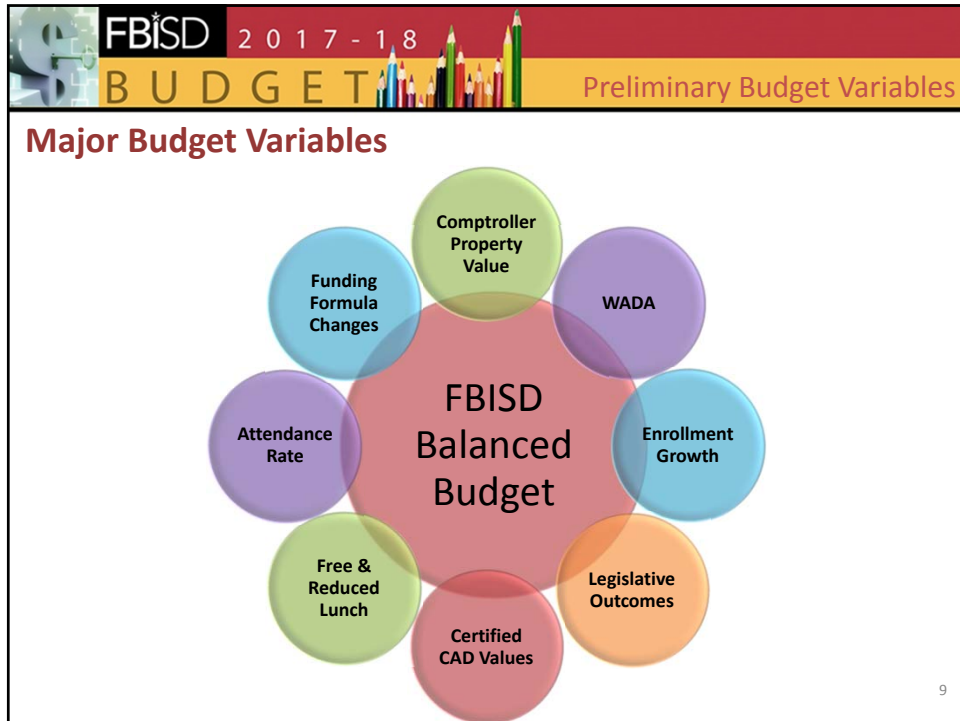
---

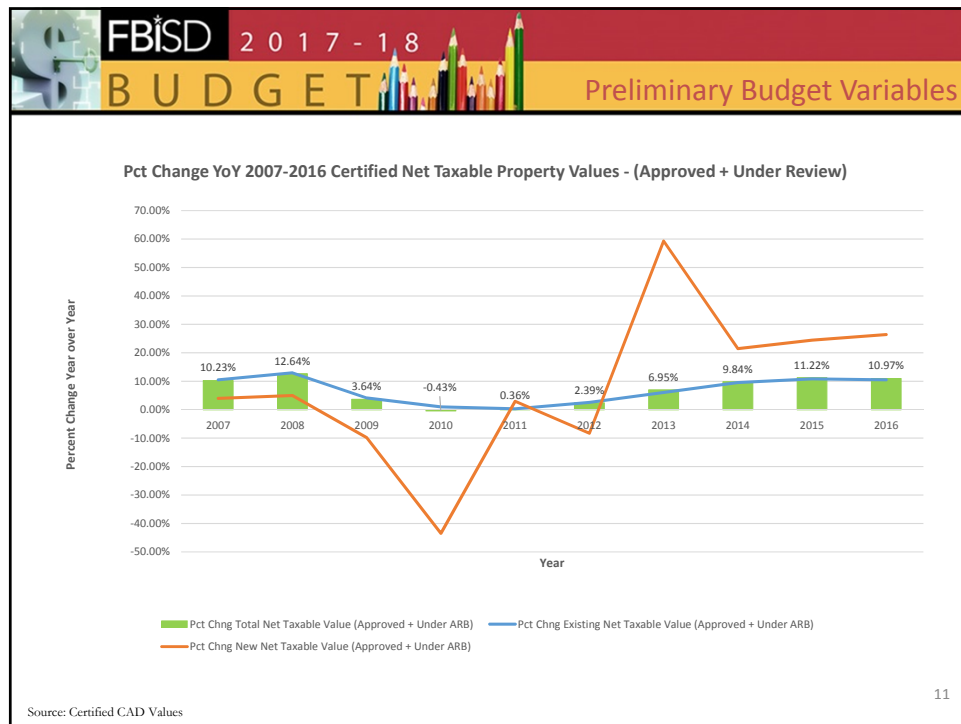
Year	Local M&O Taxes	State Funding	% State
2015-16	\$22.2 B	\$16.8 B	43.1%
2016-17	\$23.2 B	\$15.8 B	40.4%
2017-18	\$24.4 B	\$14.4 B	37.1%
2018-19	\$25.7 B	\$13.7 B	34.8%

© Moak, Casey & Associates

**BUDGET**

8





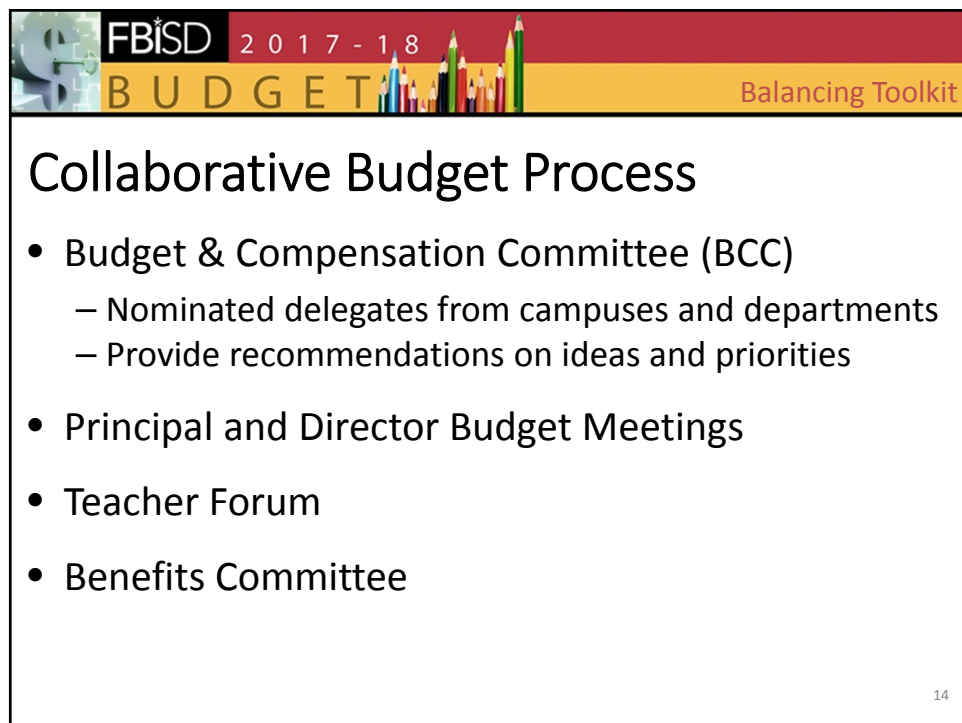
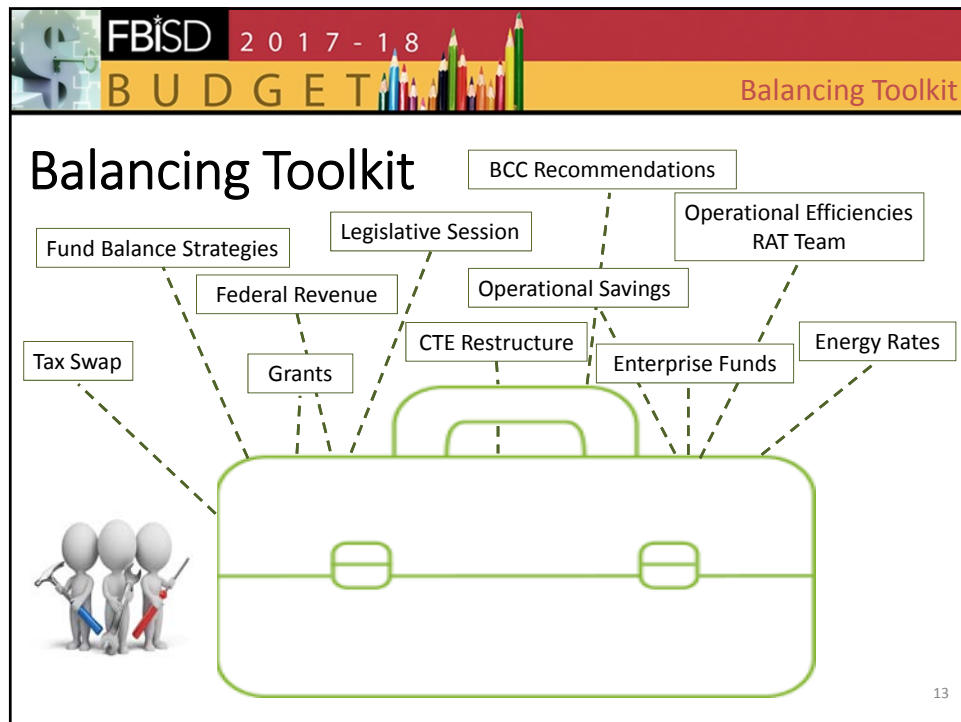
11

**FBISD 2017-18 BUDGET Initial Budget Focus**

## Initial Budget Focus

- Compensation
  - Attract and Retain Best-in-Class Talent
    - Market Leadership in Campus Staffing
      - Teacher Salary Schedule
      - Market Leadership in Principal Role
        - » Principal Development & Succession Planning
    - Step, Salary Scales, Raises, Calendar Changes, Stipends
    - General Pay Increase

12



**FBISD** 2017 - 18  
**BUDGET**

Balancing Toolkit

## Resource Allocation Team

- Cross-Functional Team of District Leaders
  - Curriculum, DOSL, Business & Finance, HR, Public Communications, Facilities, Special Education, Accountability, Principals
- Evaluate District Programs for Efficiencies and Effectiveness
- Identify Funds Available for Reallocation to Support BOT Priorities

15

**FBISD** 2017 - 18  
**BUDGET**

Balancing Toolkit

## Enterprise Funds

Facility Rentals ↑\$240k

Community Engagement ↑\$145k

Leases ↑\$107k+

Advertising ↑\$100k

Sponsorships ↑\$40k

Catering ↑TBD

Collections ↑\$100k

EdConnect ↑Employee Discounts

Fundraisers ↑\$35k

Concessions ↑TBD

Print Shop ↑TBD


CTE Center ↑TBD

16



FBISD 2017-18 BUDGET Balancing Toolkit

## Tax Swap Consideration



I&S → M&O

\$0.28 → \$1.06

17

FBISD 2017-18 BUDGET Balancing Toolkit


## Fund Balance Strategies


	YE2016	YE2017
Non-spendable	\$ 1,741,180	\$ 4,839,981
Major maintenance	6,400,000	6,400,000
<b>Instructional materials</b>	<b>2,700,000</b>	<b>2,700,000</b>
<b>Transportation</b>	<b>1,500,000</b>	<b>1,500,000</b>
<b>New instructional facilities</b>	<b>4,500,000</b>	<b>4,500,000</b>
<b>Economic stabilization</b>	<b>7,500,000</b>	<b>7,500,000</b>
Assigned fund balance	3,938,733	3,938,733
<b>Total Committed &amp; Assigned FB*</b>	<b>\$ 28,279,913</b>	<b>\$ 31,378,714</b>

\* Excludes 30 day state revenue stabilization and unassigned FB as board policy

**Discretionary Fund Balance: \$16.2M**

18

 <b>BUDGET</b>			FY17 Year-End Projections
<b>Early Year-End Budget Projections</b>			
(\$000s)	2015-16 Actuals	2016-17 Estimate	
Revenue	\$ 594,531	\$ 594,378	
Operating Expenditures	576,388	594,294	
Other Sources/Uses	(7,045)	(816)	
Other Financial Sources	1,131	1,500	
Projected Surplus/(Shortage)	12,228	768	
Beginning Fund Balance	170,235	182,463	
Ending Fund Balance	\$ 182,463	\$ 183,231	
Fund Balance ≠ Cash Balance			
<b>Notes:</b> <ul style="list-style-type: none"> <li>• Enrollment growth based on 2016 PEIMS Snapshot and PASA projections</li> <li>• CPTD is prior year and adjusted for hold harmless</li> <li>• 2016-17 property values based on CAD as of Supplement 5</li> </ul>			19

 <b>BUDGET</b>		
<b>Budget Development Timeline</b>		
<b>Feb/March</b> <ul style="list-style-type: none"> <li>• Budget Development/ Legislative Update</li> <li>• Compensation Recommendations and Approval</li> <li>• Staffing Approval</li> <li>• Tax Swap Consideration</li> <li>• Debt Service Update</li> </ul>	<b>April/May</b> <ul style="list-style-type: none"> <li>• Talent Draft – 4/1</li> <li>• Budget Briefing</li> <li>• Renewal/Non-Renewal Approvals</li> <li>• Preliminary CAD Values</li> <li>• Call Date for Budget Hearing</li> </ul>	<b>June</b> <ul style="list-style-type: none"> <li>• Budget Hearing</li> <li>• Final Amendment</li> <li>• Budget Adoption</li> </ul>

