

**Spring Branch Independent School District
Agenda Item Information**

Date of Board Meeting: June 25, 2007

Subject: Public Hearing on Proposed FY 2008 Spring Branch ISD Budget

Administrator Responsible:

Name: Karen Wilson

Position: Associate Superintendent for Finance

Purpose of Agenda Item:

Information only **Action needed** **Report**

Additional Information and/or Back-Up:


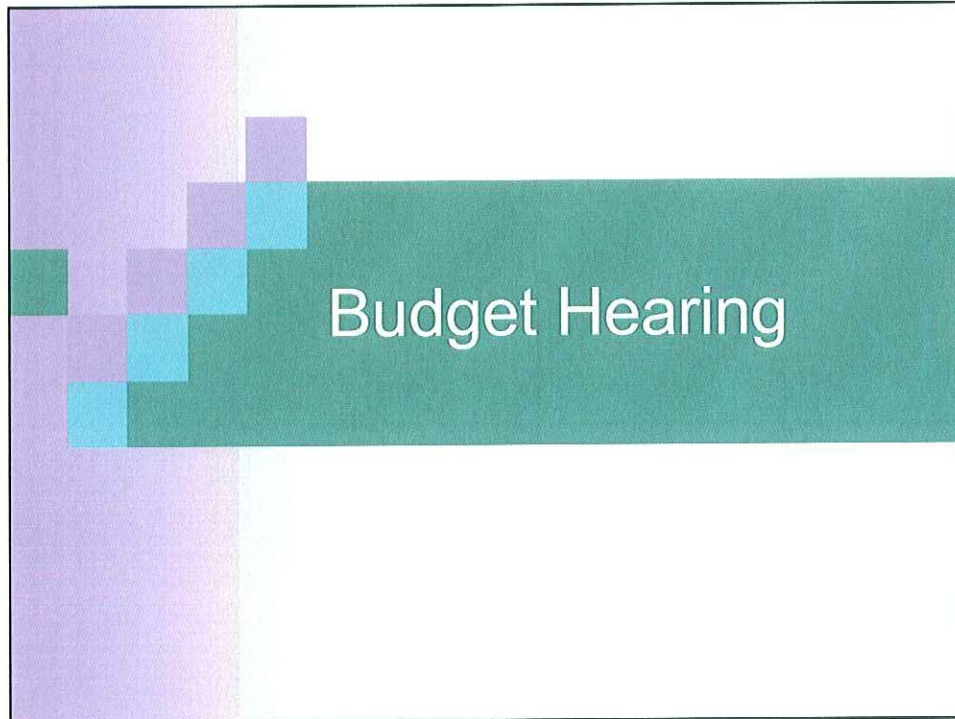
The Board will hold a Public Hearing to receive input from the community on the Proposed FY 2008 Spring Branch ISD Budget.

NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

The Spring Branch Independent School District will hold a public meeting at 7:00 PM, June 25, 2007 in Spring Branch ISD, Administration Building, Board Room, 955 Campbell Rd., Houston, Texas 77024. The purpose of this meeting is to discuss the school district's budget that will determine the tax rate that will be adopted. Public participation in the discussion is invited.

The tax rate that is ultimately adopted at this meeting or at a separate meeting at a later date may not exceed the proposed rate shown below unless the district publishes a revised notice containing the same information and comparisons set out below and holds another public meeting to discuss the revised notice.

| | | | | | |
|--|---|---|------------------|--------------------------------------|--------------------------------------|
| Maintenance Tax | \$1.050000/\$100 (Proposed rate for maintenance and operations) | | | | |
| School Debt Service Tax | \$0.235000/\$100 (Proposed rate to pay bonded indebtedness) | | | | |
| Approved by Local Voters | | | | | |
| <u>Comparison of Proposed Budget with Last Year's Budget</u> | | | | | |
| The applicable percentage increase or decrease (or difference) in the amount budgeted in the preceding fiscal year and the amount budgeted for the fiscal year that begins during the current tax year is indicated for each of the following expenditure categories: | | | | | |
| Maintenance and operations | (0.71)% (decrease) | | | | |
| Debt service | 3.31% increase | | | | |
| Total expenditures | (0.25)% (decrease) | | | | |
| <u>Total Appraised Value and Total Taxable Value</u> (as calculated under Section 26.04, Tax Code) | | | | | |
| | <u>Preceding Tax Year</u> | <u>Current Tax Year</u> | | | |
| Total appraised value* of all property | \$18,930,203,524 | \$19,761,763,349 | | | |
| Total appraised value* of new property** | \$268,975,043 | \$280,724,425 | | | |
| Total taxable value*** of all property | \$14,583,785,983 | \$15,224,417,792 | | | |
| Total taxable value*** of new property** | \$243,038,037 | \$253,654,437 | | | |
| * "Appraised value" is the amount shown on the appraisal roll and defined by Section 1.04(8), Tax Code. | | | | | |
| ** "New property" is defined by Section 26.012(17), Tax Code. | | | | | |
| *** "Taxable value" is defined by Section 1.04(10), Tax Code. | | | | | |
| <u>Bonded Indebtedness</u> | | | | | |
| Total amount of outstanding and unpaid bonded indebtedness* \$363,273,008 | | | | | |
| * Outstanding principal. | | | | | |
| <u>Comparison of Proposed Rates with Last Year's Rates</u> | | | | | |
| | <u>Maintenance & Operations</u> | <u>Interest & Sinking Fund*</u> | <u>Total</u> | <u>Local Revenue Per Student</u> | <u>State Revenue Per Student</u> |
| Last Year's Rate | \$1.436500 | \$0.195000 * | \$1.631500 | \$6,783 | \$1,488 |
| Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service | \$1.125400 | \$0.245690 * | \$1.371090 | \$4,942 | \$1,882 |
| Proposed Rate | \$1.050000 | \$0.235000 * | \$1.285000 | \$4,756 | \$2,541 |
| * The Interest & Sinking Fund tax revenue is used to pay for bonded indebtedness on construction, equipment, or both. The bonds, and the tax rate necessary to pay those bonds, were approved by the voters of this district. | | | | | |
| <u>Comparison of Proposed Levy with Last Year's Levy on Average Residence</u> | | | <u>Last Year</u> | <u>This Year</u> | |
| Average Market Value of Residences | | | \$287,872 | \$315,169 | |
| Average Taxable Value of Residences | | | \$215,298 | \$237,135 | |
| Last Year's Rate Versus Proposed Rate per \$100 Value | | | \$1.631500 | \$1.285000 | |
| Taxes Due on Average Residence | | | \$3,512.59 | \$3,047.18 | |
| Increase (Decrease) in Taxes | | | \$(465.41) | | |
| Under state law, the dollar amount of school taxes imposed on the residence homestead of a person 65 years of age or older or of the surviving spouse of such a person, if the surviving spouse was 55 years of age or older when the person died, may not be increased above the amount paid in the first year after the person turned 65, regardless of changes in tax rate or property value. | | | | | |
| Notice of Rollback Rate: The highest tax rate the district can adopt before requiring voter approval at an election is \$1.325. This election will be automatically held if the district adopts a rate in excess of the rollback rate of \$1.325. | | | | | |
| <u>Fund Balances</u> | | | | | |
| The following estimated balances will remain at the end of the current fiscal year and are not encumbered with or by a corresponding debt obligation, less estimated funds necessary for operating the district before receipt of the first state aid payment: | | | | | |
| | Maintenance and Operations Fund Balance(s) | \$22,600,000 | | | |
| | Interest & Sinking Fund Balance(s) | \$4,100,000 | | | |



FY 2008
Proposed Budget
June 25, 2007

2

SBISD – Funding Status

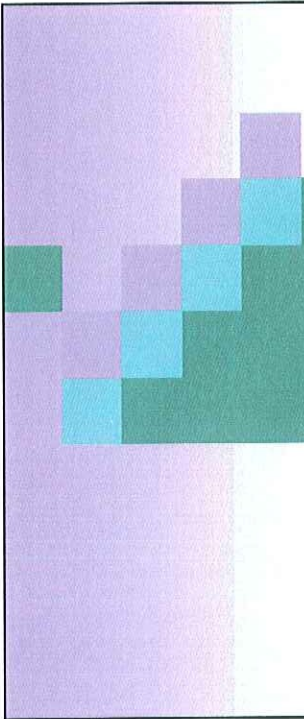
- SBISD continues to be a Chapter 41 district and sends local tax dollars from the M & O tax rate to the state
- Tax dollars from the Debt Service/I & S tax rate are not sent to the state

3

Comparison - 2006 Tax Rates On a \$200,000 Home

| | | | |
|----------------------|---------------|------------|----------------|
| Katy | 1.8150 | 0 | \$3,358 |
| Spring | 1.7100 | 0 | \$3,164 |
| Crosby | 1.6711 | 0 | \$3,092 |
| Channelview | 1.6584 | 0 | \$3,068 |
| Humble | 1.6400 | 0 | \$3,034 |
| Aldine | 1.6040 | 0 | \$2,967 |
| Huffman | 1.6000 | 0 | \$2,960 |
| Alief | 1.5900 | 0 | \$2,942 |
| Tomball | 1.5800 | 0 | \$2,923 |
| Klein | 1.5800 | 0 | \$2,923 |
| North Forest | 1.5385 | 0 | \$2,846 |
| Pasadena | 1.6900 | 10% | \$2,789 |
| Average | | | \$2,762 |
| Goose Creek | 1.5956 | 10% | \$2,633 |
| Galena Park | 1.7150 | 20% | \$2,487 |
| Deer Park | 1.6623 | 20% | \$2,410 |
| Cypress-Fairbanks | 1.6540 | 20% | \$2,398 |
| LaPorte | 1.6350 | 20% | \$2,371 |
| Sheldon | 1.6340 | 20% | \$2,369 |
| Spring Branch | 1.6315 | 20% | \$2,366 |
| Houston | 1.4757 | 20% | \$2,140 |

4



Proposed Budget

Budget Summary By Fund

| | General Fund | Food Service Fund | Self-Sustaining Fund | Special Revenue Fund | Debt Service Fund | Total |
|---|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Projected Fund Balance at 7/1/07: | | | | | | |
| Unreserved Fund Balance | | | | | | |
| Unreserved - Designated | \$ 42,408,599 | \$ - | \$ 993,286 | \$ 942,248 | \$ - | \$ 44,344,133 |
| Unreserved - Undesignated | 22,997,053 | - | - | - | - | 22,997,053 |
| Reserved Fund Balance | 1,146,222 | 1,669,611 | - | - | 12,106,616 | 14,922,449 |
| Total Beginning Fund Balance | 66,551,874 | 1,669,611 | 993,286 | 942,248 | 12,106,616 | 82,263,635 |
| Revenues: | | | | | | |
| Local Taxes | 150,420,860 | - | - | - | 33,604,902 | 184,025,762 |
| Other Local Sources | 6,583,675 | 4,095,800 | 3,196,839 | 285,000 | 400,000 | 14,561,314 |
| State Funding | 74,298,894 | 98,500 | - | 6,408,653 | - | 80,806,047 |
| State TRS Contribution | 11,915,250 | - | - | - | - | 11,915,250 |
| Federal and Other Sources | 811,300 | 10,167,524 | - | 21,551,837 | - | 32,530,661 |
| Total Revenues | 244,029,979 | 14,361,824 | 3,196,839 | 28,245,490 | 34,004,902 | 323,839,034 |
| Expenditures: | | | | | | |
| Payroll Costs | 207,559,455 | 5,852,345 | 2,188,450 | 21,291,354 | - | 236,891,604 |
| Contract Services | 17,111,865 | 1,134,600 | 379,300 | 3,036,116 | - | 21,661,881 |
| Supplies and Materials | 7,592,458 | 7,245,757 | 486,888 | 2,650,137 | - | 17,965,241 |
| Other Costs | 4,683,146 | 37,500 | 139,200 | 923,985 | - | 5,763,831 |
| Debt Service | 785,581 | - | - | 179,030 | 33,633,485 | 34,598,096 |
| Capital Outlay | 20,000 | 289,000 | 3,000 | - | - | 312,000 |
| Expenditures | 237,732,505 | 14,560,102 | 3,196,839 | 28,091,522 | 33,633,485 | 317,214,453 |
| Recapture | 12,514,484 | - | - | - | - | 12,514,484 |
| Total Expenditures | 250,246,989 | 14,560,102 | 3,196,839 | 28,091,522 | 33,633,485 | 329,728,937 |
| Revenues Over(Under) Expenditures | (6,217,010) | (198,278) | - | 153,968 | 371,417 | (5,889,903) |
| Projected Fund Balance at 6/30/08: | | | | | | |
| Unreserved Fund Balance | | | | | | |
| Unreserved - Designated | 36,191,589 | - | - | - | - | 36,191,589 |
| Unreserved - Undesignated | 22,997,053 | - | - | - | - | 22,997,053 |
| Reserved Fund Balance | 1,146,222 | 1,471,333 | 693,286 | 1,098,216 | 12,478,033 | 17,185,080 |
| Total Ending Fund Balance | \$ 60,334,864 | \$ 1,471,333 | \$ 693,286 | \$ 1,098,216 | \$ 12,478,033 | \$ 76,373,732 |
| Fund Balance Percent of Budget | 24.80% | | | | 37.10% | |

Unreserved - Designated fund balance has been adjusted to reflect \$6,217,010 use of fund balance.

