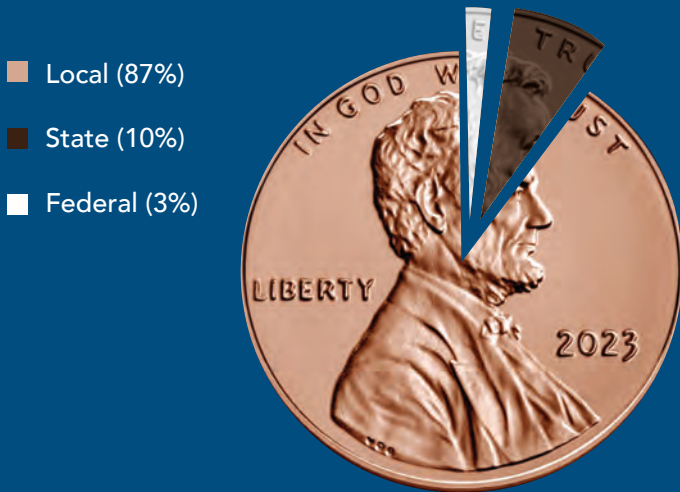


2022-2023 General Fund Budget



A. Instructional and Campus Leadership	\$255,764,879	57.4%
B. Student Support & Community Services	\$ 40,230,713	9.0%
C. Central Plant Operations	\$ 47,224,082	10.6%
D. General Administration	\$ 15,563,969	3.5%
E. Recapture Payments to State	\$ 86,717,197	19.5%
Total Budget	\$445,500,840	100.0%

2022-23 General Fund Revenue Sources

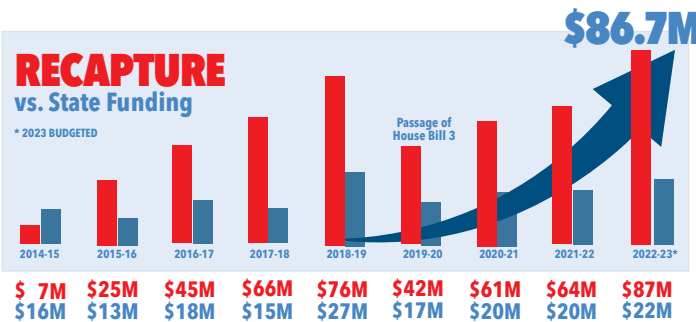


To balance the budget, SBISD will draw down the Fund Balance by \$17.4 million.

Impact of State Funding Formula

- In 2019, the 86th Texas Legislature passed House Bill 3 (HB3) to improve the school finance system, with an increase in per-student funding, reductions to recapture, property tax cuts and more. While HB3 provided SBISD with temporary recapture payment reductions, the district is facing higher than ever recapture payments this year. **This is not sustainable.**
- The state considers SBISD “property wealthy,” yet 57% of SBISD students qualify for free or reduced lunch benefits.
- SBISD is the 39th largest district in Texas but pays the 10th highest recapture payment.
- Since 2014, SBISD has sent \$472 million of local taxpayer funds to the state. SBISD has received only \$168 million in state funding.
- Though your SBISD tax payment may rise due to increased property values, little of this new revenue stays in SBISD – it all goes to the state as recaptured dollars.

Note: Recapture is officially titled, “Local Revenue in Excess of Entitlement.”



SBISD Budget Basics

- Two components of SBISD’s budget are the General Fund – the district’s primary operating budget, and the Debt Service Fund – which covers costs related to payment of debt (bond) principal and interest.
- SBISD maintains a Fund Balance that works like a savings account to cover emergencies as well as expenses occurring between the end of our fiscal year (June 30) and when we begin to receive tax collections (December). The Fund Balance also is used to balance the district’s budget when expenses exceed revenues due to recapture payments.

Our STUDENTS:

33,653 Students Enrolled
57% Economically Disadvantaged
38% English Language Learners
54% At-risk
12% Gifted & Talented
12% Special Education
10,000+ Enrolled in CTE Courses

SBISD Fiscal Management

In recent years, SBISD has:

- Earned the 2021 Certificate of Achievement for Excellence in Financial Reporting;
- Earned an A in the state’s FIRST financial accountability rating system for the 21st consecutive year;
- Earned strong bond ratings in Sept. 2022: AA by Standard & Poors and Aa1 by Moodys;
- Maintained one of the lowest local property tax rates in the Houston area and remains one of the few districts granting the local optional homestead exemption at the full 20%.

Area District Tax Rates Comparison

	General Fund	Debt Service	2022-23 Tax Rate Total	Estimated School Taxes on \$500K Home
Katy	\$0.9148	\$0.3900	\$1.3048	\$6,002
Alief	\$0.9561	\$0.2050	\$1.1611	\$5,341
Cypress-Fairbanks	\$0.8948	\$0.4000	\$1.2948	\$4,661
Spring Branch	\$0.9643	\$0.3045	\$1.2688	\$4,568
Houston	\$0.8705	\$0.1667	\$1.0372	\$3,734

Dear SBISD Taxpayers,

Since 2004, the state’s school finance system has had a severe impact on SBISD’s operations. The most recent changes under House Bill 3 (HB3), passed in 2019, provided only short-term relief. HB3 provided no adjustments for inflation or cost of education, which is more expensive in an urban area like Houston.

Most significantly, the state now takes, or recaptures, nearly 20 percent of your local tax dollars, with additional increases expected, putting SBISD on an unsustainable financial trajectory.

That’s \$87 million this year alone that won’t remain in SBISD for the benefit of your children.

The state will take nearly \$5 billion from 160 “recapture districts” in 2023, reducing its share of public education funding with little transparency about how those dollars are used. (There are over 1,000 Texas school districts.) Under HB3, the state decides how much revenue per penny of tax rate we keep in SBISD for our students, effectively taking away the district’s local control.

We need further reform of the state’s funding formulas for public education to meet the needs of SBISD children. The 88th Legislative Session convened in January 2023. Join us in our campaign to #FullyFundSBISD and advocate for:

- Basic Allotment Increase – to provide increases in the formula for the state’s primary funding mechanism for public school districts.
 - A \$1,000/student increase saves SBISD \$41M in recapture and increases state revenues by \$4.5M.
- Inflation Adjustment – to provide automatic adjustment to account for increased cost of goods and services and payroll costs.
- Cost of Education Adjustment – to account for regional differences in the cost of doing business.
- Early Recapture Payment Discount – to provide the same early-payment benefit businesses have for tax collections sent to the state.
- Full Credit for Local Optional Homestead Exemption – to provide full credit for reducing property taxes of our local taxpayers, reducing our recapture payment by \$5-7M.

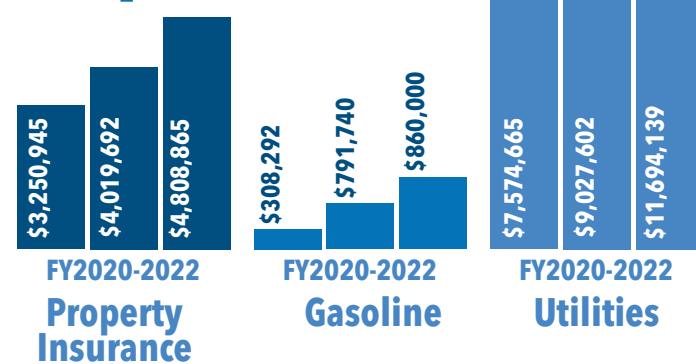
The state is budgeted to have a \$33+ billion surplus for the upcoming biennium. We need a substantial portion of those funds invested in public education – for Every Child. Your children deserve nothing less.

Jenny Blaine
Jennifer Blaine, Ed. D.
Superintendent of Schools



From FY2020-FY2022 inflation has increased these expenses by 55%.

Inflation Impacts:



Property Insurance increased by 48%.
Gasoline increased by 179%.
Utilities increased by 54%.

= \$6.3 million

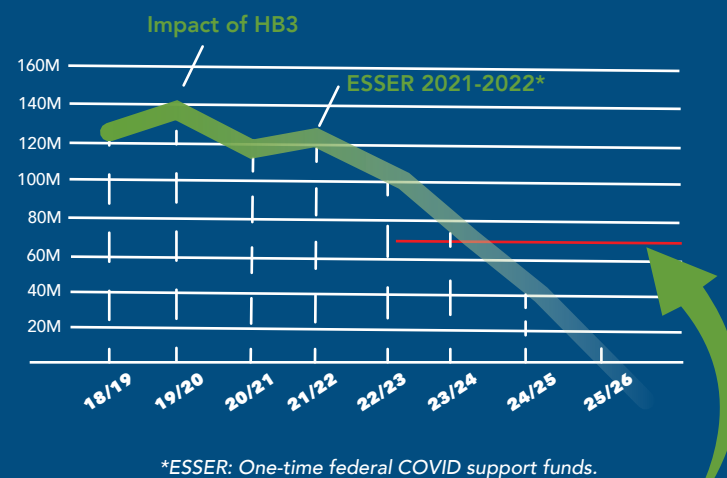
The current state funding formula does not account for inflation.



Balancing The Budget Understanding the Fund Balance

Wise financial decisions made by the SBISD Board of Trustees over the past several years have provided the district with a solid Fund Balance. Board policy sets a target for the Fund Balance at 19% of annual budgeted expenditures. Setting aside these funds ensures the district's financial stability.

Projected Fund Balance impact if no change is made to funding formula:



If SBISD's Fund Balance drops below this point, the district's capacity to maintain services, financial stability and bond ratings is unsustainable.

Shaping Spring Branch – Bond Programs

2017 Bond Program - \$898.4 million Under the 2017 Bond Program the district will:

- Replace the remaining nine oldest elementary schools and one middle school.
- Provide classroom and facility renovations (multiple locations).
- Upgrade safety and security, building systems and technology at all campuses, including classroom furniture for secondary schools.
- Replace Career and Technical Education (CTE) classroom equipment.
- Replace aged music instruments and uniforms.
- Upgrade athletics, including four turf fields.
- Replace older buses.

Great work is underway!

www.springbranchisd.com/bond

2022 Bond Program - \$381.6 million Under the 2022 Bond Program the district will:

- Provide CTE classroom, lab, and facility improvements at four high schools, six middle schools and two specialty campuses and provide CTE-related technology equipment.
- Address identified district facility needs including additional classrooms at Valley Oaks Elementary to meet anticipated capacity challenges.
- Address new building stormwater detention and code requirements put into place after Hurricane Harvey.
- Fund technology infrastructure improvements that support CTE programming and lifecycle replacements of audio-visual instructional tools and student and teacher devices.

Great work is beginning!

www.springbranchisd.com/2022bond

What can you do? Advocate!

We need further reform of the state's funding formulas for public education to meet the needs of SBISD's children. During the 88th Legislative Session this spring, we need the strong voices of our community to be heard in Austin. **Join us in our campaign to #FullyFundSBISD!**

How can you help? Take Action!

- Be informed. Get engaged.
- Be an advocate. Make your voice heard in Austin!
- Attend a community event.
- Call your representative.
- Write a letter.
- Send an email.
- Retweet and like SBISD's social media posts.

Learn more at:
www.springbranchisd.com/schoolfinance

Questions?
partner@springbranchisd.com



Children Are Our Bottom Line

A Guide to the Spring Branch ISD Budget

2022-2023

