

The following factors were considered in establishing the District's budget for 2012-2013:

- Hitchcock ISD's target revenue is based on 2006-07 funding based on the 2006 school finance law that froze school districts at the "target revenue" levels they were operating at that year. The state essentially froze the district's state revenues at the 2005-2006 amounts with no provision for inflation.
- Operating cost have accelerated annually and state funding was reduced in 2011-12 by \$500,000 and \$900,000 in 2012-13
- Utility costs have increased as well as other operating expenditures
- Property insurance and janitorial service costs have increased due to new facilities
- Additionally property insurance has almost doubled due to the hard insurance market – higher deductibles were chosen to offset the higher cost.
- The District's M&O 2012-13 tax rate of \$1.04 per \$100 of property valuation remained the same. The I & S rate is .50 for 2012-13
- District officials anticipate that the fund balance for the general fund will remain the same for 2012-2013