

THE HOUSTON INDEPENDENT SCHOOL DISTRICT



AGENDA

**Board of Education
Meeting**

June 16, 2016

THE HOUSTON INDEPENDENT SCHOOL DISTRICT
BOARD OF EDUCATION

Agenda Index

- | | |
|--------------------------------------|---------------------------------------|
| A. Superintendent's Priority Items | G. Human Resources |
| B. Board of Education | H. Business Operations |
| C. Closed Session (Closed to Public) | I. Finance |
| D. Academic Services | J. Other |
| E. School Offices | K. Policy |
| F. Student Support | L. Superintendent's Information Items |

MEMBERS OF THE BOARD OF EDUCATION

Manuel Rodriguez, Jr., *President*
Wanda Adams, *First Vice President*
Diana Davila, *Second Vice President*
Jolanda Jones, *Secretary*
Rhonda Skillern-Jones, *Assistant Secretary*
Anna Eastman
Michael Lunceford
Greg Meyers
Harvin C. Moore

Kenneth Huewitt, *Interim Superintendent of Schools*

BOARD OF EDUCATION AGENDA

June 16, 2016

9:00 a.m.

- **CALL TO ORDER**
- **PUBLIC HEARING ON DISTRICT BUDGET**
- **SPECIAL BOARD MEETING CONVENES IN THE BOARD AUDITORIUM**
- **MEDITATION AND PLEDGE OF ALLEGIANCE**
- **CONSIDERATION AND APPROVAL OF MINUTES FROM PREVIOUS MEETINGS**
- **BUSINESS AGENDA**

Table of Contents

A. SUPERINTENDENT'S PRIORITY ITEMS

- A-1. Approval Of Personal Services Performed By The Superintendent, Including Speaking Engagements, Panel Discussions, Workshops, Etc., In Accordance With Texas Education Code Section 11.201(E)
- A-2. Approval Of The 2016–2017 Recommended District Budget
- A-3. Approval Of 2015–2016 June Budgetary Update
- A-4. Resolution Approving The Commitment Of General Fund Unassigned Fund Balance
 - Resolution On General Fund Unassigned Fund Balance - *New*
- A-5. Annual Authorization To Carry Forward And Re-Appropriate 2015–2016 Encumbrances And Fund Commitments Into Fiscal Year 2016–2017
- A-6. Approval Of 2016–2017 Budgets For Title I, Title II, Title III, Carl Perkins, And IDEA-B Grant Funds And Authority To Submit To The Texas Education Agency The 2016–2017 No Child Left Behind Consolidated Standard Application System And Other Federal Program Applications - *Revised*
 - Title I Part A
 - Title I Part C
 - Title I Part D Subpart 2
 - Title II Part A
 - Title III Part A - LEP Program
 - Title III Part A - Immigrant Student Funding
 - Career And Technical Education Budget Overview 2016–2017
 - IDEA-B
 - IDEA-B Preschool

A-7. Approval Of The 2016–2017 Compensation Manual

B. BOARD OF EDUCATION

B-1. Discussion Of Possible Resolution To Support The School Bus Safety/Stop Arm Enforcement Program - *Withdrawn*

ADJOURNMENT TO CLOSED OR EXECUTIVE SESSION PURSUANT TO SECTIONS 551.004, 551.071, 551.072, 551.074, and 551.083, CHAPTER 551 OF THE TEXAS GOVERNMENT CODE FOR THE FOLLOWING PURPOSES:

C. CLOSED SESSION

C-1. Private consultation with the board's attorney on matters posted or as authorized by law

C-2. Personnel

- a. Deliberate the duties of the superintendent of schools, chief officers, assistant superintendents, principals, employees, internal auditor, and board members; evaluations of the superintendent and internal auditor, consideration of compensation, and contractual provisions
- b. Consider and approve proposed appointments, reassignments, proposed terminations, terminations/suspensions, contract lengths, proposed nonrenewals, renewals, and resignations/retirements of personnel including teachers, assistant principals, principals, chief officers, assistant superintendents, internal auditor, and other administrators, and, if necessary, approve waiver and release and compromise agreements
- c. Consider and recommend appointment of an interim internal auditor
- d. Discuss status of recruitment efforts and possible candidates for position of Superintendent of Schools
- e. Receive legal advice about superintendent search process
- f. Hear complaints against and deliberate the duties of public officers or employees and resolution of same

C-3. Legal Matters

- a. Matters on which the district's attorney's duty to the district under the Code of Professional Responsibility clearly conflicts with the Texas Open Meetings Law; Texas Education Code Recapture issues for HISD
- b. Pending or contemplated litigation matters and status report
- c. Discussion and consideration of internal auditor investigation

- d. Consideration of status and deliberate authority to settle in the matters of Ca. No. 15-20297; Caleb, et al. v. Grier, et al., in the United States Court of Appeals for the Fifth Circuit, Houston Division; Cause No. 01-15-00285-CV; Anderson, et al., v. Grier; in the Court of Appeals for the First Judicial District of Texas
- e. Settlement and release agreement for Chief School Officer Karla Loria
- f. Update on United States Department of Education, Office for Civil Rights Complaints; Numbers 06-14-1242 and 06-14-1294

C-4. Real Estate

D. ACADEMIC SERVICES

E. SCHOOL OFFICES

F. STUDENT SUPPORT

G. HUMAN RESOURCES

H. BUSINESS OPERATIONS

I. FINANCE

I-1. Approval Of 2017 Employee Medical Programs And Authority To Negotiate And/Or Renew Contracts With Service Providers - *Withdrawn*

J. OTHER

K. POLICY

L. SUPERINTENDENT'S INFORMATION ITEMS

Office of the Superintendent of Schools
Board of Education Meeting of June 16, 2016

Office of Finance
Sherrie Robinson, Interim Chief Financial Officer

SUBJECT: APPROVAL OF THE 2016–2017 RECOMMENDED DISTRICT BUDGET

The recommended 2016–2017 budget for the Houston Independent School District (HISD) reflects the allocation of revenues and expenditures to support educational programs and services defined by the district's purpose, goals, strategic intent, and core values. It represents the vision of district leadership articulated through financial and operating policies and is a delicate balance of choices representing the educational needs of students and the ability of the community and the state to provide the financial support to serve them.

Budget planning for 2016–2017 has been a seven-month process, which included a modified zero-based review of all departments and districtwide accounts. HISD projected an increase in local funding from the 2015–2016 original budgeted property tax levy of \$103,698,962, a loss of state funding of \$82,171,865, and projected decrease in revenues from other sources of \$20,612,258 for a net increase of \$914,839 in revenue. This increase includes \$161,797,408 in property taxes that will be collected but paid back to the state through Chapter 41 Recapture.

The recommended maintenance and operations (M&O) rate will be \$1.0267 and the recommended debt service tax rate will be \$0.18, for a combined tax rate of \$1.2067 per \$100 of assessed value.

Increases and decreases to the General Fund budget are listed below.

Major increases/(decreases) with offsetting revenues include:

- Loss of North Forest Incentive funding due to recapture - (\$38,470,818)
- Reduction in Teacher Retirement System on-behalf of - (\$21,000,000)
- Transfers out for North Forest projects - \$13,607,808
- Victory Prep Charter School - \$3,725,695
- Tax Increment Reinvestment Zone (TIRZ) - \$2,411,668
- Texas Connections Charter School - \$2,000,000

Mandatory (contractual or legally required) increases include:

- Chapter 41 Recapture payment - \$161,600,220
- Contractual obligations - \$7,580,708
- Harris County Appraisal District - \$677,486

Other major increases:

- Funding of full-day pre-kindergarten - \$21,190,777
- Positive Behavior Intervention System (PBIS) Initiative - \$879,070

Major decreases to the General Fund carryover budget include:

- Per Unit Allocation (PUA) Reduction- (\$40,000,000)
- Department Reductions – (\$25,153,405)
- Apollo - (\$19,615,672)
- Accelerating Student Progress: Increasing Results and Expectations (ASPIRE) - (\$10,000,000)
- District Operating Reserve - (\$10,000,000)
- Decrease in campus and special-education enrollment - (\$7,963,796)
- Utilities – (\$7,730,515)
- Camelot Contract - (\$3,300,000)
- Long-term substitutes – (\$2,400,124)
- Liability and Property Insurance - (\$2,074,289)
- Gasoline for buses - (\$1,303,808)

Projected revenues and other financing sources for the 2016–2017 General Fund are \$1,848,657,298, a 0.8-percent increase over the original 2015–2016 budgeted revenues.

Appropriations included in the recommended budget for the General Fund total \$1,878,657,298, an increase of 0.8 percent over the original 2015–2016 original budget. Taking into account the projected unspent funds at the end of the fiscal year as well, the adjusted appropriations total is \$1,848,657,298, which balances to projected revenues.

The *2016–2017 Recommended District Budget* includes the following recommended appropriations which also require board approval:

Debt Service Fund	\$332,310,001
Nutrition Service Fund	\$126,772,952

Detailed information regarding the *2016–2017 Recommended District Budget* has been sent to board members under separate cover.

COST/FUNDING SOURCE(S): Included in the *2016–2017 Recommended District Budget*.

STAFFING IMPLICATIONS: Included in the *2016–2017 Recommended District Budget*.

ORGANIZATIONAL GOALS/IMPACT: This item allows HISD to fulfill its purposes, strategic intent, goals, and core values, supports all of HISD's goals, and is aligned to all of HISD's core initiatives.

THIS ITEM DOES REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves the *2016–2017 Recommended District Budget* for fiscal year 2016–2017, effective June 17, 2016.

Office of the Superintendent of Schools
Board of Education Meeting of June 16, 2016

Office of Finance
Sherrie Robinson, Interim Chief Financial Officer

SUBJECT: APPROVAL OF 2015–2016 JUNE BUDGETARY UPDATE

A comprehensive June report on the status of the 2015–2016 budget has been completed. This report reflects various adjustments that are required to be approved by the Houston Independent School District (HISD) Board of Education, in accordance with state guidelines, as well as other adjustments recommended by the Superintendent of Schools for ratification by the board. Although this update reflects all known changes and recommendations, additional changes may be needed. This item requests authority to make adjustments, if necessary, for the Year-End Budgetary Update.

Copies of the budgetary update will be distributed to the board under separate cover.

COST/FUNDING SOURCE(S): Adjustments to the budget will be appropriated as shown in the budgetary update.

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports HISD Goal 1: Increase Student Achievement, Goal 4: Increase Management Effectiveness and Efficiency, and Goal 5: Improve Public Support and Confidence in Schools, and is aligned to Core Initiative 4: Data-Driven Accountability and Core Initiative 5: Culture of Trust through Action. It also allows the financial records to accurately reflect new funds, as well as funds originally budgeted, to support, increase, or change educational services delivered to students.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves the June budgetary update reflecting fiscal adjustments to estimated revenues and appropriations for fiscal year 2015–2016, effective June 17, 2016.

Office of the Superintendent of Schools
Board of Education Meeting of June 16, 2016

Office of Finance
Sherrie Robinson, Interim Chief Financial Officer

**SUBJECT: RESOLUTION APPROVING THE COMMITMENT OF GENERAL FUND
UNASSIGNED FUND BALANCE**

The Governmental Accounting Standards Board (GASB) released Statement 54 – *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) on March 11, 2009, which provides for clearer fund balance classifications. This statement does not apply to enterprise funds, internal service funds, and externally restricted reserves.

GASB 54 established fund balance classifications that comprise a hierarchy of five possible classifications, as follows:

- **Non-spendable Fund Balance** includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually.
- **Restricted Fund Balance** includes amounts constrained for a specific purpose by external parties (e.g. debt service, capital projects, and federal funds).
- **Committed Fund Balance** includes amounts constrained for a specific purpose by a government using its highest level of decision-making authority (e.g. land, capital replacement reserve).
- **Assigned Fund Balance** includes general fund amounts constrained for a specific purpose by a governing board or by an official that has been delegated authority to assign amounts.
- **Unassigned Fund Balance** is the residual classification for the General Fund.

Compliance with GASB 54 requires that the Board of Education annually approve any committed fund balance amounts. The purpose of this agenda item is to request that the Board of Education formally commit funds from the General Fund unassigned fund balance for the reserve for operations. The resolution is attached.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports HISD Goal 4: Increase Management Effectiveness and Efficiency and Goal 5: Improve Public Support and Confidence in Schools, and is aligned to Core Initiative 4: Data-Driven Accountability.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves the resolution committing funds from the General Fund unassigned fund balance, effective June 17, 2016.

STATE OF TEXAS
COUNTY OF HARRIS
HOUSTON INDEPENDENT SCHOOL DISTRICT

RESOLUTION

The undersigned officers of the Board of Education (the "board") of the Houston Independent School District (the "district"), hereby certify as follows:

1. The board of the district convened in regular meeting on June 16, 2016, at the regular designated meeting place, and the roll was called of the duly constituted officers and members of said board, to-wit:

Manuel Rodriguez, Jr., President
Wanda Adams, First Vice President
Diana Davila, Second Vice President
Jolanda Jones, Secretary
Rhonda Skillern-Jones, Assistant Secretary

Anna Eastman, Member
Michael Lunceford, Member
Greg Meyers, Member
Harvin C. Moore, Member

and it was determined that a quorum of the board was present. Whereupon, among other business, the following was transacted at said meeting: a written

**RESOLUTION APPROVING THE COMMITMENT OF GENERAL FUND
UNASSIGNED FUND BALANCE**

was duly introduced for the consideration of the board and read in full. It was then duly moved and seconded that such Resolution be passed; and, after due discussion, such motion, carrying with it the passage of such Resolution, prevailed and carried by the following vote:

AYES ____ NOES ____ ABSTENTIONS ____

WHEREAS the following order was duly put and carried, said Order reading as follows:

IT IS HEREBY RESOLVED, ordered, and directed that the Houston Independent School District commit the following portions of its June 30, 2016 General Fund unassigned fund balance.

BE IT RESOLVED that \$91,482,865 be committed for reserve for operations.

2. That a true, full, and correct copy of such Resolution passed at the meeting described in the above and foregoing paragraph; that such Resolution has been duly recorded in such board's minutes of such meeting; that the above and foregoing paragraph is a true, full and correct excerpt from such board's minutes of such meeting pertaining to the passage of such Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the board as indicated therein; that each of the officers and members of the board was duly and sufficiently notified officially and personally, in advance of the time, place and purpose of such meeting, and that such Resolution would be introduced and considered for passage at such meeting, and each of such officers and members consented, in advance,

to the holding of such meeting for such purpose; and that such meeting was open to the public, and public notice of the time, place and purpose of such meeting was given all as required by Chapter 551, Texas Government Code, as amended.

SIGNED AND SEALED this June 17, 2016.

Veronica Mabasa, Team Lead
Office of Board Services
Houston Independent School District

(SEAL)

Office of the Superintendent of Schools
Board of Education Meeting of June 16, 2016

Office of Finance
Sherrie Robinson, Interim Chief Financial Officer

SUBJECT: ANNUAL AUTHORIZATION TO CARRY FORWARD AND RE-APPROPRIATE 2015–2016 ENCUMBRANCES AND FUND COMMITMENTS INTO FISCAL YEAR 2016–2017

In accordance with the Texas Education Agency Financial Accountability System Resource Guide and with generally accepted accounting principles, funds that are obligated through the issuance of a purchase order or a funds commitment, but are not expended at year-end, may be carried forward to the next fiscal year. This requires approval by the Houston Independent School District (HISD) Board of Education, since these funds must actually be appropriated into the new budget year. Such encumbered and committed amounts will be presented to the Board of Education for approval by fund and function once the year-end financial statements are closed and balances can be determined. As part of the year-end process it is also requested that fund balance accounts be adjusted to reflect the appropriate balances required to meet district obligations.

COST/FUNDING SOURCE(S): Determined at the time of 2015–2016 fiscal year-end closing. Funds will be reserved for encumbrances and fund commitments in the 2015-2016 Comprehensive Annual Financial Report and re-appropriated in 2016–2017.

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports HISD Goal 4: Increase Management Effectiveness and Efficiency. Authorization enables HISD to continue to procure goods and services and maintain operation through the budget transition period.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education authorizes year-end encumbrances and fund commitments from fiscal year 2015–2016 to be carried forward and re-appropriated for fiscal year 2016–2017, effective June 17, 2016.

Office of the Superintendent of Schools
Board of Education Meeting of June 16, 2016

Office of Finance
Sherrie Robinson, Interim Chief Financial Officer

SUBJECT: APPROVAL OF 2016–2017 BUDGETS FOR TITLE I, TITLE II, TITLE III, CARL PERKINS, AND IDEA-B GRANT FUNDS AND AUTHORITY TO SUBMIT TO THE TEXAS EDUCATION AGENCY THE 2016–2017 NO CHILD LEFT BEHIND CONSOLIDATED STANDARD APPLICATION SYSTEM AND OTHER FEDERAL PROGRAM APPLICATIONS

Each year, the Houston Independent School District (HISD) submits applications for entitlement funds to the Texas Education Agency (TEA) under the Elementary and Secondary Education Act of 1965, as amended under the No Child Left Behind (NCLB) Act of 2001; the Individuals with Disabilities Education Improvement Act (IDEA) of 2004; and the Carl D. Perkins Vocational and Technology Education Act of 1998, as amended by the Carl D. Perkins Vocational and Technical Education Act of 2006. The applications include the following programs:

- Title I, Part A—Improving Basic Programs Operated by Local Education Agencies
- Title I, Part C—Education of Migratory Children
- Title I, Part D, Subpart 2—Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent, or At-Risk (N or D)
- Title II, Part A—Teacher and Principal Training and Recruiting (TPTR)
- Title III, Part A—English Language Acquisition, Language Enhancement, and Academic Achievement, including additional immigrant funds to pay for activities that provide enhanced instructional opportunities for immigrant children and youth
- Special Education Student Funding—IDEA, Part B and Part C
- Carl D. Perkins Act IV—Career and Technical Education Programs

The TEA has not released planning entitlements for 2016–2017. However, HISD has begun planning, prioritizing, and renewing the process for programs with projected funds for 2016–2017 fiscal year.

All programs supported by these funding sources must adhere to the “supplement, not supplant” requirement in order to ensure that state and local support for programs remains at least constant and is not replaced by federal funds.

Title I, Part A—Improving Basic Programs Operated by Local Education Agencies

The planning entitlement for Title I, Part A, is projected to be \$91,231,277 with carryover funding of \$1,411,139 for a total budget of \$92,642,416 for the 2016–2017 school year. Funds are allocated to schools on the basis of a per-pupil cost multiplied by the number of students who qualify for free or reduced-price meals at the school. These funds will affect approximately 164,558 students from 159 elementary schools, 51 middle schools,

49 high schools, and 55 private schools. In 2016–2017, Title I, Part A, funds will provide set-aside funds to support:

- training for highly qualified teachers and paraprofessionals,
- parental involvement (NCLB requirement),
- services to homeless students, and
- supplemental services, including summer school, for eligible schools.

The proposed Title I, Part A budget is shown on Attachment 1.

Title I, Part C—Education of Migratory Children

The purpose of Title I, Part C, Education of Migratory Children funds is to establish and improve programs that are designed to meet the special needs of children of migratory agricultural workers or migratory fishers so that they may succeed in meeting the state's academic-content and student academic achievement standards and graduate from high school. There are approximately 394 migrant students in the HISD Migrant Education Program (MEP). On the basis of the number of eligible migratory children residing in the district, the MEP will receive a planning entitlement projected to be \$399,042 with carryover funding of \$75,000 for a total anticipated budget of \$474,042 for the 2016–2017 school year.

A migrant student is defined as an individual who, because of economic reasons, has traveled from one school district to another during the past three years so that a parent/guardian, a member of the immediate family, or the student might seek/obtain employment in temporary/seasonal agricultural or fishing-related activities.

The funds provide salaries for support-staff members and services to migrant students and their families. Priority of services is given to children (1) who are failing, or most at risk of failing, to meet the state's challenging academic content standards and the state's student academic achievement standards, and (2) whose education has been interrupted during the regular school year.

Services are determined by the following seven focus points of the state-approved MEP:

- identification and recruitment (age 3–grade 12)
- early childhood education (ages 3 and 4)
- new generation system for migrant-student record transfer (age 3–grade 12)
- graduation enhancement (grades 9–12)
- secondary credit exchange and accrual (grades 7–12)
- parental involvement (all levels)
- migrant services coordination (all levels)

The proposed Title I, Part C budget is shown on Attachment 2.

Title I, Part D, Subpart 2—Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent, or At-Risk (N or D)

The planning entitlement for Title I, Part D, Subpart 2 is projected to be \$156,696 with carryover funding of \$0 for a total budget of \$156,696 for the 2016–2017 school year. Funds are to provide equitable services to qualifying facilities for the neglected or delinquent youth. This funding will be used to support the following strategies:

- improve educational services for children and youth in local institutions for neglected or delinquent children and youth so that such children and youth have the opportunity to meet the same challenging state academic content standards and state student academic-achievement standards that all children in the state are expected to meet,
- provide such children and youth with the services needed to make a successful transition from institutionalization to further schooling or employment, and
- prevent at-risk youth from dropping out of school, and provide dropouts and children and youth returning from correctional facilities or institutions for neglected or delinquent children and youth with a support system to ensure their continued education.

The proposed Title I, Part A budget is shown on Attachment 3.

Title II, Part A—Teacher and Principal Training and Recruiting (TPTR)

The purpose of Title II, Part A, is to increase student academic achievement through recruiting and training strategies for teachers and principals. The 2016–2017 planning entitlement for Title II, Part A is projected to be \$10,911,059 with carryover funding of \$326,590 for a total budget of \$11,237,649. This funding will be used to support the following strategies:

- implementing effective recruiting of highly qualified teachers, highly qualified principals, and highly qualified assistant principals, and
- providing professional development training to teachers and school administrators.

The proposed Title II budget is shown on Attachment 4.

Title III, Part A—English Language Acquisition, Language Enhancement, and Academic Achievement

The Title III, Part A, English Language Acquisition, Language Enhancement, and Academic Achievement Program, funded by NCLB, provides supplemental and support services to students who are identified as English Language Learners (ELL) and need support due to their Limited English Proficiency (LEP). The purpose of this program is to ensure that ELL students develop English language proficiency and meet the same content and achievement standards that other children are expected to meet. The intent is to supplement the regular bilingual or English as a Second Language program and not

to supplant existing state requirements.

Funds are tentatively projected to be \$5,918,350 for Title III English Language Acquisition and \$1,382,860 for supplemental activities and services targeting immigrant students, including anticipated combined carryover funding of approximately \$1,500,000 for a total budget of \$8,801,201 for LEP and immigrant students to be used in the 2016–2017 school year. Funds will be allocated to all schools serving LEP students on the basis of a per-pupil allocation of LEP students served according to the fall 2015 Public Education Information Management System (PEIMS) reporting figures. These funds will affect approximately 60,280 students from 268 schools that serve LEP students. As required by NCLB, services will also be provided to eligible LEP students in private, nonprofit schools within HISD’s boundaries.

These funds must supplement school programs and may not supplant existing state-mandated requirements. District use of funds includes the following:

- measuring and monitoring the English language proficiency and academic progress of LEP students
- upgrading program objectives and instructional strategies
- identifying, acquiring, and upgrading curricula, instruction, materials, educational software, and assessment procedures based on research-based criteria
- providing instructional support, i.e., tutorials and summer-school tuition
- providing community participation programs, family literacy services, and parent outreach and training activities
- providing technology support
- providing meaningful ongoing professional development for teachers and paraprofessionals who work with LEP and immigrant students
- giving support to personnel to provide services to immigrant children and youth
- providing mentoring and academic or career counseling for immigrant children and youth
- covering costs of additional classroom supplies, costs of transportation, or such other costs as are directly attributable to additional basic instructional services for immigrant children and youth.

The proposed Title III, Part A budgets are shown on Attachment 5 and 5a.

Special Education Student Funding—IDEA, Part B and Part C

Special Education federal grants (Individuals with Disabilities Education Improvement Act) and the State Deaf Grant are based on a permanent formula that includes a base amount, district enrollment of all students, and students on free and reduced-price lunch districtwide. The district receives a tentative allocation per child. The TEA distributes final entitlements to school districts annually in January. The 2016–2017 tentative IDEA-B formula entitlement is \$38,506,135 for approximately 15,912 students and the tentative IDEA-B Preschool entitlement is \$446,743, excluding carryover for approximately 1,415 students. The tentative IDEA-B Formula and IDEA-B Preschool

entitlements are the base entitlement amounts resulting from implementation of the permanent formula established by the reauthorization of IDEA.

The proposed IDEA-B budget is presented in attachment 7 and 7a.

Carl D. Perkins Act IV—Career and Technical Education Programs

The 2016–2017 planning entitlement for the Carl D. Perkins Career and Technical Education program is \$2,797,276. These funds support curriculum integration, professional development, career guidance and counseling, development of career concentrations and coherent sequences, activities for special populations, and participatory planning with parent and student involvement. The funding of this grant will be used to support the following programs:

- Futures Academies
- Career and Technical Education programming

The proposed Carl Perkins Act IV budget is shown in Attachment 6.

The purpose of this agenda item is to request approval of the recommended budgets for 2016–2017 Title I, Part A; Title I, Part C; Title I, Part D, Subpart 2; Title II, Part A; Title III, Part A; Special Education (IDEA, Part B and Part C); and Carl D. Perkins Act IV program funding, and obtain board approval for the submission of the district's consolidated application for all federal grants listed above to the TEA.

COST/FUNDING SOURCE(S): The total amount to be received under these federal entitlements is projected at ~~\$155,062,167~~ \$155,477,137 and will be implemented as federal grant funds.

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports HISD Goal 1: Increase Student Achievement, Goal 4: Increase Management Effectiveness and Efficiency, and Goal 5: Improve Public Support and Confidence in Schools. This agenda item is aligned to Core Initiative 5: Culture of Trust through Action. It also allows the financial records to accurately reflect new funds, as well as funds originally budgeted to support, increase, or change educational services delivered to students.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves the recommended budgets for Title I, Part A; Title I, Part C; Title I, Part D, Subpart 2; Title II, Part A; Title III, Part A; Special Education (IDEA, Part B and Part C); and Carl D. Perkins Act IV grant funds as presented for the 2016–2017 school year and authorizes the administration to submit the appropriate application to the TEA, effective June 17, 2016.

Attachment 1
Houston Independent School District
Title I, Part A — Improving Basic Programs — 2016–2017

Recommended Budget for 2016–2017

Sources of Funding

Planning Entitlement	\$91,231,277
Carryover Funds	\$1,411,139
Planning Budget	\$92,642,416

Use of Funds:

Grant Required

Charter Schools (OMB A-133-New or Significant Growth)	\$950,000
Indirect Costs	\$2,808,217
Private Nonprofit Schools	\$1,009,893
Parent Engagement	\$912,313
Institutions for Neglected Children	\$52,242
Homeless	\$213,597

Title I, Part A Initiatives

Campus Allocations - Academic School Year and Summer	\$70,040,933
Professional Development to become Highly Qualified	\$113,621
Dental	\$100,000
General Administration	\$2,017,117
Home Instruction for Parents of Pre-School Youngsters (HIPPY)	\$750,000
Parent Engagement - Expansion	\$955,500
Professional Development	\$9,516,408
Advanced Virtual Academy Program (AVA)	\$300,000
Professional Service Provider (PSP for Focus/Priority Schools)	\$300,000
See to Succeed	\$100,000
Summer School - Other Expenses	\$2,502,575

Total Title I, Part A Funding

\$92,642,416

ATTACHMENT 2
HOUSTON INDEPENDENT SCHOOL DISTRICT
Title I, Part C — Education of Migratory Children — 2016–2017

Recommended Budget for 2016–2017

Sources of Funding

Planning Entitlement	\$399,042
Carryover Funds	\$75,000
Planning Budget	\$474,042

Use of Funds

Salaries - Migrant Education Program	\$351,280
Title I, Part C Initiatives	
Student Academic	\$56,512
Leadership Development	\$49,750
Student Support	\$16,500

Total Title I, Part C Funding	\$474,042
--------------------------------------	------------------

ATTACHMENT 3

HOUSTON INDEPENDENT SCHOOL DISTRICT

Title I, Part D, Subpart 2 — Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent, or At-Risk — 2016–2017

Recommended Budget for 2016–2017

Sources of Funding

Planning Entitlement	\$156,696
Carryover Funds	\$0
Planning Budget	\$156,696

Use of Funds

Tutoring Services	\$156,696
-------------------	-----------

Total Title I, Part D, Subpart 2 Funding

\$156,696

ATTACHMENT 4
HOUSTON INDEPENDENT SCHOOL DISTRICT
Title II, Part A — Teacher Principal Training Recruiting — 2016–2017

Recommended Budget for 2016–2017

Sources of Funding

Planning Entitlement	\$10,911,059
Carryover Funds	\$326,590
Planning Budget	\$11,237,649

Use of Funds

Grant Required	
Indirect Costs	\$340,640
Private Nonprofit Schools	\$560,000
Title II, Part A Initiatives	
General Administration	\$329,051
Human Resources	\$1,218,404
Teacher Recruitment; Selection	
Recruitment and Retention Incentives	
Professional Development	\$8,789,554
Highly Qualified	
Leadership Development	
Teacher Development - Core Content	
Teacher Development - Special Populations	

Total Title II, Part A Funding

\$11,237,649

ATTACHMENT 5
HOUSTON INDEPENDENT SCHOOL DISTRICT
Title III, Part A — Limited English Proficiency Program — 2016–2017

		Recommended Budget for 2016–2017
Sources of Funding		
Planning Entitlement		\$5,918,350
Carryover Funds		\$1,000,000
Planning Budget		\$6,918,350
Use of Funds		
Grant Required		
Private Nonprofit Schools		\$36,371
Campus Allocations		\$1,808,400
Salaries - Multilingual Programs		\$1,457,984
Salaries - Other Departments		\$1,724,659
General Administration		\$96,649
Title III, Part A LEP Initiatives		
Bilingual Instructional Programming		\$900,009
ESL Instructional Programming		\$629,090
Dropout Prevention/ ELL Graduation Support		\$265,188
Total Title III, Part A LEP Funding		\$6,918,350

ATTACHMENT 5a
HOUSTON INDEPENDENT SCHOOL DISTRICT
Title III, Part A — Immigrant Student Funding — 2016–2017

Recommended Budget for 2016–2017

Sources of Funding

Planning Entitlement	\$1,382,860
Carryover Funds	\$500,000
Planning Budget	\$1,882,860

Use of Funds

Grant Requirement	
Private Nonprofit Schools	\$1,036
Salaries - Multilingual Programs	\$232,851
Salaries - Other Departments	\$667,581
Title III, Part A Immigrant Initiatives	
Staff Development	\$434,263
Newcomer Instructional Programming	\$381,523
Instructional Materials	\$165,606

Total Title III, Part A Immigrant Funding	\$1,882,860
--	--------------------

ATTACHMENT 6
HOUSTON INDEPENDENT SCHOOL DISTRICT
Carl D. Perkins Career and Technical Education Act- 2016–2017

	Recommended Budget for 2016–2017
Sources of Funding	
Final Amount	\$2,629,856
Incentive Amount	\$167,420
Planning Budget	\$2,797,276
Use of Funds	
Payroll (Career Coordinators & Specialists and Stipends for CTE Student Organization CTSO Sponsors)	\$580,796
Development	\$251,011
Supplies and Materials	\$270,956
Capital Outlay to Initiate, Improve, and Expand Quality CTE Programs and the Use of Technology	\$1,611,240
Activities for Special Populations	\$27,000
Indirect Costs	\$56,273
Total Projected Carl Perkins Funding	\$2,797,276

Attachment 7
Houston Independent School District
IDEA-B — 2016–2017

Recommended Budget for 2016–2017

Sources of Funding

Projected Entitlement	\$38,506,135
Carryover Funds	\$0
Tentative Formula Entitlement	\$38,506,135

Use of Funds:

Grant Required

Indirect Costs	\$1,203,702
----------------	-------------

Payroll

Salary and Benefits	\$13,867,069
Hourly Transportation Attendants	\$2,230,907
Extra Duty Pay	\$25,000
Stipends	\$877,759
Extended School Year Services/Extended Time	\$1,350,000

Professional and Consulting Services

VI Services	\$3,000
Speech	\$4,003,575
OT/PT	\$2,376,901
Districtwide Interpreting	\$30,000
Non-Public School Placements - Day	\$3,665,032
Non-Public School Placements - Residential	\$2,629,334
Nurses	\$2,133,831
Professional Development	\$39,000
Surrogate Parents	\$25,200
HCCS Lifeskills	\$21,000
Region 4	\$6,000
Licenses	\$884,093
Instructional	\$18,000

Other Operating Costs

Professional Dues and Fees	\$5,000
In-District Travel (Departments/Districtwide)	\$200,000
Due to Region IV- RDSPD Local	\$2,911,732

Total IDEA-B Expenditures

\$38,506,135

IDEA-B Budget Shortfall

(\$0)

Attachment 7a
Houston Independent School District
IDEA-B Preschool — 2016–2017

Recommended Budget for 2016–2017

Sources of Funding

Projected Entitlement	\$446,743
Carryover Funds	\$414,970
Tentative Formula Entitlement	\$861,713

Use of Funds:

Grant Required-Indirect Costs	\$13,965
Salary and Benefits	\$326,493
Licenses	\$521,255

Total IDEA-B Preschool Expenditures

\$861,713

Office of the Superintendent of Schools
Board of Education Meeting of June 16, 2016

Office of Human Resources
Gloria Cavazos, Chief Human Resources Officer

SUBJECT: APPROVAL OF THE 2016–2017 COMPENSATION MANUAL

The Houston Independent School District (HISD) *Compensation Manual* outlines the policies and procedures that govern compensation for the district. Major changes for 2016–2017 include:

- **Clarifying statements and general updates** to the *Compensation Manual* in order to accurately reflect programs in place.
- **An updated list of HISD stipends** to reflect current programs and requirements.

A detailed summary of the *Compensation Manual* changes and a full copy of the proposed 2016–2017 HISD *Compensation Manual* are on file in Board Services.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports HISD Goal 4: Increase Management Effectiveness and Efficiency and is aligned to Core Initiative 5: Culture of Trust through Action.

THIS ITEM DOES REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves the 2016–2017 HISD *Compensation Manual*, effective June 17, 2016.

Office of the Superintendent of Schools
Board of Education Meeting of June 16, 2016

Office of Finance
Sherrie Robinson, Interim Chief Financial Officer

**SUBJECT: APPROVAL OF 2017 EMPLOYEE MEDICAL PROGRAMS AND
AUTHORITY TO NEGOTIATE AND/OR RENEW CONTRACTS WITH
SERVICE PROVIDERS**

The Houston Independent School District (HISD) has issued a Request for Proposals (RFP) for the employee medical programs this year. HISD received four proposals for the medical administration services, and based on a review and scoring of the proposals, it is recommended that Aetna be selected as the administrator of the medical program for 2017. Aetna has a broad network of physicians, hospitals, and medical providers in the greater Houston area and has a custom network utilizing Memorial Hermann hospitals for employees and covered family members. The flexible-spending account program and stop-loss coverage would also be administered or provided through Aetna to provide consistent plan administration.

It is also recommended that HISD renew services with Express Scripts for pharmacy management services, Vivarae for online wellness programs, Concentra for onsite clinic services at our two onsite wellness centers, Platinum PA for our Select Plan network support services, and Central Care for nearsite clinic services for Select Plan members.

Aetna is the current Employee Assistance Program (EAP) vendor. The 2017 plan year will be the third year of an up to four-year agreement. The third-year rate increases 3.4% pursuant to the contract.

In order to address increasing medical and pharmacy costs, several plan design changes are recommended. Employees with balances in the Health Reimbursement Account (HRA) will have those balances carry over in 2017 as long as they remain in one of the HISD Consumer Plans and maintain continuous coverage. HISD will not be funding additional HRA funds in 2017. There will be no changes in the copayment amounts in the medical plans, but the out-of-pocket maximum amounts will increase by \$900 per individual and \$1,800 per family on all plans. The expert medical opinion program will not be continued in 2017. HISD will also not be offering wellness incentives in 2017.

In addition to the plan design changes, it is recommended that HISD increase the employer contribution to the medical plan by 11.8% or to \$382.47 per month for employee-only options and \$414.78 for employee and dependent options starting in July 2016. For 2017, employee costs will increase 7% for all employee-only options and 9.8% for employee and dependent options. The employee-only Select Plan rate for eligible employees will remain unchanged at \$5 per month.

Summary

Based on Mercer's actuarial projections, the total medical plan cost for calendar year 2017—including fees and health management, wellness, incentive, and other listed programs—is estimated to be \$147,258,000. HISD is self-insured for this program. Included in these costs is aggregate and specific stop-loss coverage available through Aetna.

COST/FUNDING SOURCE(S): The district cost for medical plans for the calendar year 2017 will be funded by the health insurance internal service fund (IS1 33-6219 920-99-951) and employee contributions.

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports HISD Goal 4: Increase Management Effectiveness and Efficiency and HISD Goal 6: Create a Positive District Culture, and is aligned to Core Initiative 4: Data-Driven Accountability and Core Initiative 5: Culture of Trust through Action.

THIS ITEM DOES REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves the calendar year 2017 employee medical programs and authorizes the superintendent of schools or a designee to negotiate and execute contracts with service providers, effective June 17, 2016.