

HISD BUDGET BASICS

Your guide to understanding the budget

How much money does my child's school get?



Where does the money come from and how is it budgeted?



How is the money spent?



Who decides how the money is spent?



Who's keeping an eye on the budget?

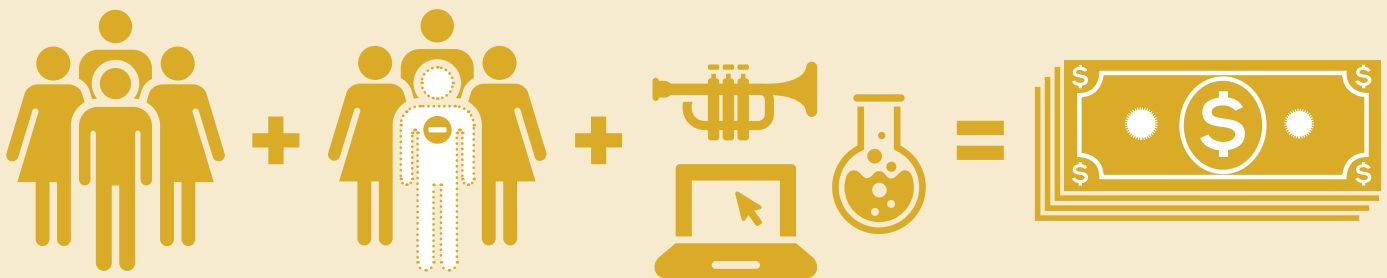


How much money does my child's school get?

Your child's school is funded using a formula that is based on the number of students enrolled, student demographics, attendance, and the school's participation in special programs.

THE SCHOOL FUNDING FORMULA INCLUDES:

- **Total student enrollment**
- **Average daily attendance (ADA)** – the average number of students who come to class on any given day. If a school has a 100% ADA, it would receive 100% of its basic budget allocation. A lower ADA means a lower budget allocation.
- **Basic per student allocation** – \$3,602 for high schools, \$3,638 for middle schools, \$3,602 for elementary schools (2021-2022).
- **Capital allocation** – a \$10 per student amount for any capital expenditure at the school, such as computers, band instruments, etc.
- **Weighted-student units** – student populations that need more educational resources including those classified as at-risk, economically disadvantaged, bilingual, special education, gifted and talented, career and technical education, refugee and homeless.
- **Small school subsidy** – additional funds for campuses that have very low student enrollments that help provide the same levels of service as larger campuses. Small schools are defined as elementary schools under 500, middle schools under 750 and high schools under 1,000 students.



Student attendance is important!

When students come to class, they not only increase their learning opportunities, they also increase their school's budget for the year. Suppose an elementary school with 500 students has an average daily attendance of 95%. That would earn the school a basic allocation of about \$1.71 million. If that same school increased its average daily attendance to 98%, the difference in its basic allocation (about \$54,030) is almost enough to hire another teacher for the school.



Where does the money come from?



LOCAL

Property taxes paid by homeowners and businesses make up the majority of revenue HISD receives. Unlike the City of Houston, HISD doesn't get any money from sales taxes. Local revenue collected from property taxes makes up about 89.3% of HISD's operating budget revenue.



STATE

Texas school districts receive funding from the Texas Education Agency (TEA) based primarily on student attendance. State revenue makes up the difference between total revenue earned and local tax revenue. About 7.40% of HISD's operating budget revenue comes from the state, but the state's share has been decreasing due to HISD's increasing property values. This has led HISD to send tax revenue back to the state as part of recapture.



OTHER LOCAL

Fees, interest income, revenues from other governments and other miscellaneous sources also make up local revenue. These funds are used to offset the cost of operating the district in addition to the funds generated from tax revenue and state funding and provide approximately 2.48% of the district's operating budget revenue.

Federal revenue accounted for in the district's general fund makes up less than 1% of the operating budget revenue. These funds are directed toward reimbursements only.



89.3%



7.40%



2.48%

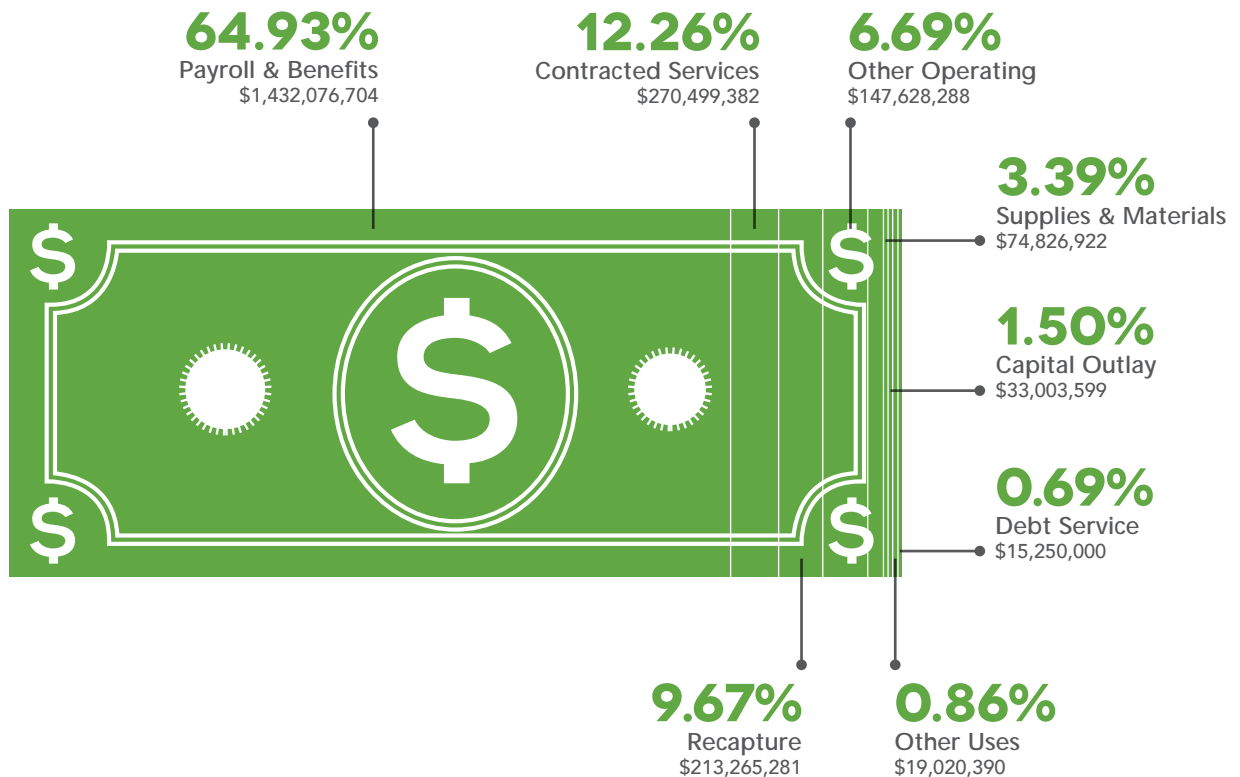
How is the money spent?

About 64.93% of HISD's budget pays for the salaries at schools, the administrative level, and support services. The payroll and benefits percentage is lower than most other school districts due primarily to the large recapture payment the district makes.

HISD also pays for employee benefits like health insurance, pension contributions, unemployment, workers compensation, and Medicare.

While its employees are the district's biggest expense, there are other general fund expenditures that keep school buildings open and operating smoothly such as utilities, computers and technology, building maintenance, security, and instructional materials and equipment. The district also pays for legal services, professional development for employees, fuel and maintenance of school buses, and many other products and services.

General Budget Expenditures (\$2,205,570,566)



How is the money budgeted?

The General Fund accounts for the district's operating budget and supports the district's daily operations and is broken down into the following main funding areas:

Instruction: Basic instruction, library and media services, and professional development.

Instructional Support: Instructional leadership, campus leadership, guidance and counseling, social work services, health services, and co-curricular activities.

General Administration: Costs primarily associated with administrative operations of the district.

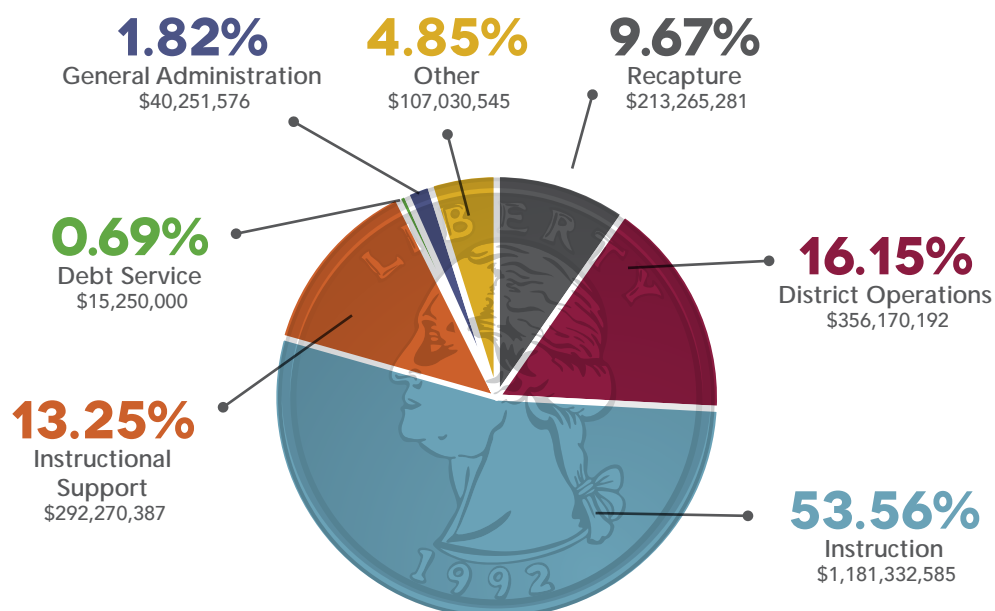
Recapture: Accounts for tax dollars collected and sent to the state to meet the district's recapture obligation.

District Operations: Student transportation, facilities maintenance, security, and data processing and technology.

Other: Community services, construction, tax increment reinvestment zone payments, Harris County appraisal fees, and transfers to other funds.

Other funds that can only be used for specific expenditures are: Special Revenue Funds, Debt Service Fund, Capital Renovation Fund, Internal Service Funds, and Enterprise Funds.

General Fund Allocations (\$2,205,570,566)



Who decides how the money is spent at the school level?

Your child's principal and his/her leadership team decide the school's needs and spending priorities, but they consider recommendations from their PTA/PTO, business partners, staff, and Shared Decision-Making Committee.



Every school is different and so are the spending priorities. School A may decide to spend funds on two counselors and a librarian, while School B may choose to spend that same amount on a counselor, a part-time nurse, and computer equipment. Both schools are addressing their own unique student needs.

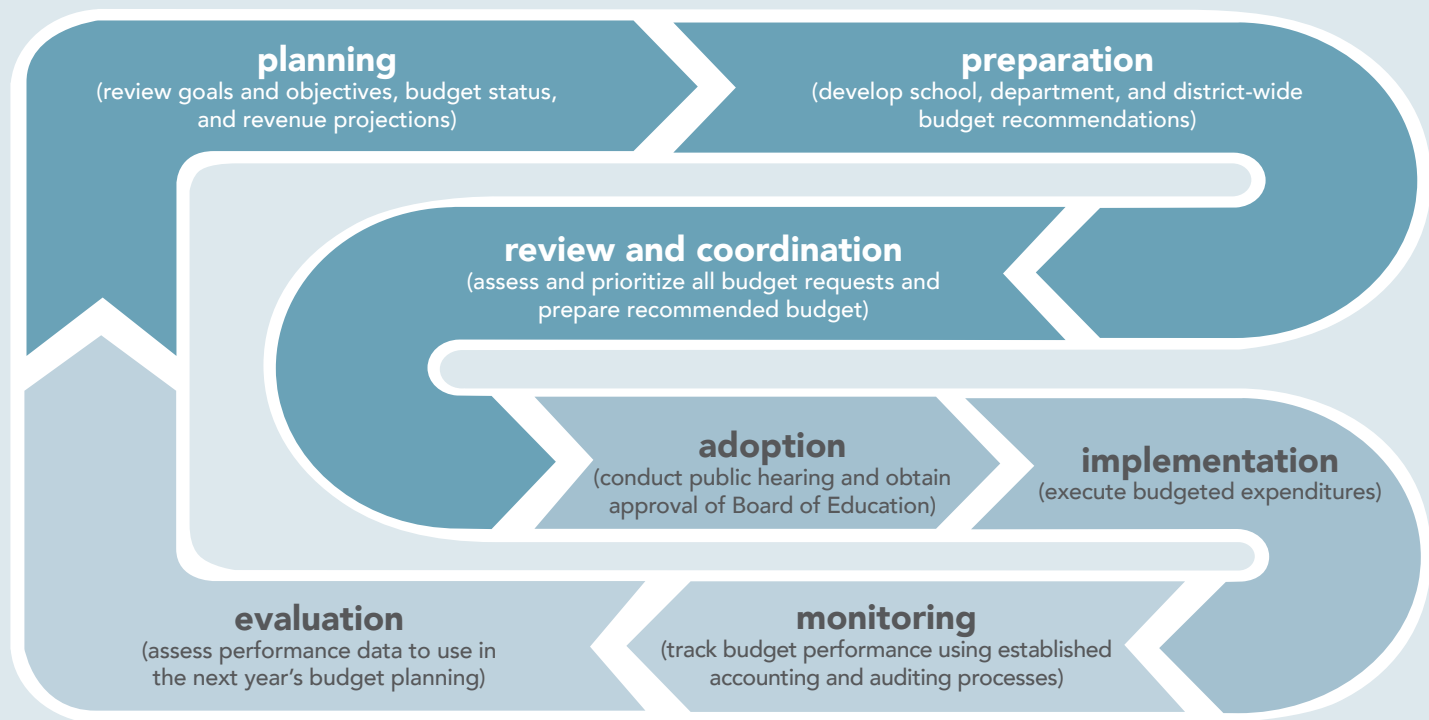
Who's keeping an eye on the budget?



Spending outlined in each school's improvement plan is monitored throughout the year. School Principals, School Support Officers, Area Superintendents and the Budget Office all work together in monitoring and adjusting budgets. Regular year to date expenditure reports are provide to the Area Offices to monitor how much campuses have spent and have remaining available for the year.

HISD's budget cycle begins each year on July 1

Developing a budget is a year-round process



So now that you have the basics, get involved in the HISD budget process!

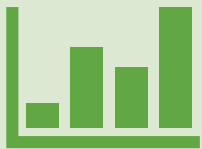
- Attend PTA/PTO meetings at your child's school
- Contact your HISD board member or your state legislator
- Email questions and suggestions to info@HoustonISD.org
- Attend a scheduled Community Conversation town hall meeting
- Attend a public hearing on the recommended budget
- Sign up to speak at a regularly scheduled meeting of the Board of Education

Remember, there's a lot of information about the budget and the district at HoustonISD.org.

Where can I get more information about the HISD budget?



HISD is your public school district, and you have access to clear and detailed information about the budget process and how your tax dollars are allocated and spent. You can go online to access multiple years of



- Budget planning documents
- Adopted budgets
- Budget adoption presentations
- Budget update reports
- School budgeting handbooks
- Budget calendars and budget staff information



It's all there at HoustonISD.org/Budgeting.

You can also see how the district spends money by going to the HISD check registry at HoustonISD.org/CheckRegistry. Here, you can review a searchable list of every check that HISD has written for products or services within the last two years.

