

2016-2017 Proposed Budget

FAQ

Why is the district facing a \$107 million budget shortfall for the 2016-2017 school year?

Under the state's current funding structure, the Houston Independent School District is required to make a "recapture" payment to the state under Chapter 41 of the Texas Education Code. The "recapture" payment for the 2016-2017 school year amounts to approximately \$162 million. HISD is able to pay \$55 million of that amount, but the remaining \$107 million will need to be cut from the 2016-2017 budget.

What is Chapter 41?

Chapter 41 law, commonly known as the "Robin Hood Plan," was passed by the Texas Legislature in 1993 in an attempt to equalize disparities between property-wealthy and property-poor districts. Under the law, the state can take money from property-wealthy districts with revenue that exceeds a state-set level and redistribute the funds to property-poor districts — a process known as "recapture." Though nearly 80 percent of HISD students come from low-income families, rising property values throughout Houston caused HISD in 2015 to exceed the state-set level and go into "recapture."

Who receives the money HISD must pay in "recapture"?

The state uses "recapture" dollars from wealthier districts not just to redistribute to poorer districts, but also to put into the state's general revenue to pay for non-educational purposes.

If HISD entered "recapture" in 2015, why wasn't there a large budget shortfall for the 2015-2016 school year?

In 2015, HISD's legislative team, along with board members, parents, and community members, lobbied aggressively during the 84th legislative session for a school finance bill that would keep HISD out of "recapture." That bill did not pass.

Fortunately, at the end of the legislative session, lawmakers put \$1.2 billion into the state school fund program. By using these last-minute funds, HISD was able to offset all but \$2.5 million of its \$47 million "recapture" payment for the 2015-2016 school year.

Can HISD's legislative team lobby again this year for a school finance bill?

Unfortunately, the Texas Legislature will not meet again until 2017. Although the governor legally can call a special session requiring lawmakers to meet this year, it is highly unlikely.

Why is HISD considered wealthy if nearly 80 percent of the district's students are economically disadvantaged?

A district's wealth is measured in terms of the taxable value of property within the district's borders, divided by the number of students in weighted average daily attendance (WADA). If a district's wealth per WADA exceeds limits established in law, the district is considered "wealthy." Student demographic percentages do not impact this designation.

Can HISD lower property values to avoid "recapture"?

No. Though the HISD school board adopts a property tax rate, the district cannot determine property values. Property values are determined by Harris County Appraisal District.

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Can HISD change its tax rate to avoid “recapture”?

No, that is not an option. Even if HISD were able to raise its tax rate, the district would generate more revenue, but a portion of this new revenue would become subject to “recapture.”

How much are proposed cuts to the central office and what could be affected?

The district is proposing about \$60 million in cuts to the central office. Among those cuts are \$17.5 million from central office administrative and district-wide budgets, \$11 million from one-time project funding as well as the elimination of the ASPIRE teacher bonus and Apollo tutoring and extended-day program.

What is PUA and how would it change under this proposal?

PUA is known as the per-unit allocation, or money allocated per student based on weighted average daily attendance (WADA). A total of \$40 million in cuts is proposed to the PUA, which comes out to an average of \$179 per student based on weighted average daily attendance. That means the basic allotment per student would drop to \$3,522 for elementary and high school students and \$3,558 for middle school students after an increase of \$112 for the pay raises approved in 2015-2016. Tutoring and extended day as a centrally-funded program have been discontinued, and the funds were used to increase weights.

How would proposed cuts to PUA affect individual schools and classroom instruction?

Funding changes would vary by campus based on their population sizes. How schools adjust would be campus-based decisions. Since campuses are decentralized, they each are affected differently.

What are the WADA changes and how will they affect campuses?

The weight for economically disadvantaged or at-risk students would increase from .075 to .10, and the weight for homeless and refugee students would increase from .05 to .20. The weight for gifted and talented students would decrease from .12 to .06. Because campuses are different sizes and have different-sized weighted populations, the financial impact would vary. Changes in WADA do not affect magnet funding.

Why is the district reconfiguring the way funding is distributed?

The district is proposing a reconfiguration of district funding methods to ensure the neediest students have the resources to succeed despite the budget cuts.

Is there a spending or hiring freeze in the district?

The details of a spending freeze have yet to be determined. There is no hiring freeze. There are many positions, such as teachers, that are essential to the district and must be filled.

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