**HISD proposes funding reconfiguration to ensure neediest students get resources amid budget cuts**

*District facing $107 million shortfall as it prepares to send millions of tax dollars back to the state*

*Feb. 25, 2016* — Facing a $107 million shortfall for the 2016-2017 school year, the Houston Independent School District is proposing a reconfiguration of district funding methods to ensure the neediest students still receive appropriate resources.

The budget cuts are a result of the state’s funding formula, which requires HISD to send millions of local tax dollars back to the state — a process that is known as recapture and affects districts designated as property-wealthy. Though nearly 80 percent of HISD students come from low-income families, the district is considered property-wealthy because of rising property values throughout the city.

The reconfiguration plan calls for an increase in funding for students who are designated economically disadvantaged or at-risk, as well as those who are considered homeless or refugees. The funding would be reduced for students who are designated as gifted and talented, but schools will still get an extra $200 for every student identified as gifted and talented.

The amount of funding each campus receives from the district is based on the average daily attendance of its student population. The district currently spends $3,589 on elementary and high school students and $3,625 on middle school students. That amount is then weighted to increase funding for certain student groups.

Schools also receive an extra $112 per student, an increase that was approved by the HISD Board of Education during the 2015-2016 school year to fund salary increases. The added boost brought per-student funding up to $3,701 for elementary and high school students and $3,737 for middle school students.

Under the proposal submitted Thursday to trustees, the overall allotment for each student would decrease by $179 per student, dropping funding to $3,522 for elementary and high school students and $3,558 for middle school students. However, some of that decrease would be offset by increasing the weights for certain student groups.

The reduction to the school allocation is expected to save $40 million. The district also is proposing more than $60 million in cuts to the central office. Among those cuts are $23.3 million from central office administrative and district-wide budgets and $11 million from one-time project funding, as well as the elimination of the ASPIRE teacher bonus and tutoring and extended day programs. Elimination of ASPIRE and the centrally funded tutoring and extended day programs is expected to save almost $30 million.

“When we consider discontinuing centrally funded programs for extended school day and tutoring, we don’t do it lightly,” Deputy Superintendent and Chief Financial Officer Ken Huewitt said. “We know these are valuable services that have made a big difference for our neediest students and have gone a long way in closing the achievement gap. My hope is that, by increasing funding for at-risk students, schools still will be able to implement these best practices, as needed.”

District administrators are continuing to review central office-based contracts and departmental budgets to determine where additional reductions can be made. Additionally, a spending freeze has been proposed for HISD central administrative offices.

