

I would like to know how these cuts, campus vs. central office, support the district board policies?

The district's executive leadership team worked diligently to ensure that the necessary budget reductions have the least direct impact on campuses and that the resulting budget still allows the district to focus on and meet the district's goals. The largest direct reduction for campuses involves doing away with the ADA hold harmless practice. This is being done since the state is no longer providing funding for this practice, as they did at the beginning of the pandemic. It is the district's hope that the state resumes this practice so that the funding can be directed to campuses again.

How much total do we spend on professional development annually? How would it be possible to switch to in-house professional development to save money?

The budget for Function 13 Curriculum and Instructional Staff Development in the General Fund approved by the board at the March 9, 2023, board meeting was about \$36 million.

This function is for both curriculum and staff development. There is not a function for staff development only.

Of the \$36 million, \$2.7 million is in contracted services so the district is doing most of the staff development in house both centrally and campus budgets.

Please provide an update on the enrollment bus.

An update on all enrollment efforts can be found at this link: <http://bit.ly/3K54hhU>.

A year ago, we had a wonderful slide on the fiscal transformation plan; we have yet to see what the comprehensive recommendations are and we're hearing these little pieces, I feel like some of the things in that are being cherry picked and given to us this year without a comprehensive context of the full fiscal transformation plan to balance the budget. When will we be receiving that?

Over the past year, the leadership team has worked diligently on balancing the district's structural deficit which the current administration inherited. Last year, this included a significant reduction to central office expenditures. Given the district's current circumstances and a current legislative session that could impact funding available to the district, the budgetary adjustments that were recently shared with the board and public are the only recommendations for this year. Moving forward, the district will need to continue to monitor its financial status and consider the various expenditure reduction and revenue generations options that have been highlighted throughout multiple board workshops.

I would like to know how many temporary ESSER positions were created, how much of those temporary positions were filled, and how much does that equate in dollars?

1,279 positions were created as of March 9, 2023. 1,119 positions were filled with a cost of \$75.4 million.

The \$133 million that was put into the instructional stabilization fund, was that meant by TEA to be spent that year or meant to be put into a rainy day fund?

These funds had no strings attached. The district used the additional funds to create the Assigned Fund Balance for Instructional Stabilization.

Please provide a waterfall chart and variance report for the \$185 million in excess to the \$433 million in excess in just this fiscal year. (See [attachment](#))

The fund balance policy is based on adopted budget expenditures and not current expenditures. This slide updates the \$433 million to \$437 million based on adopted budget expenditures.

What other cuts are we making that will have an impact on our four priorities?

As discussed during the April 13th, budget workshop, the administration will no longer be making any recommendations to campus-level budgets, leaving no other reductions than the central office reductions discussed in earlier budget workshops.

Please share the process used to decide what to cut? How do the goals remain the priority in this process?

Related to the central office reductions, the chiefs and their respective leadership teams with support of our partners at Alvarez and Marsal worked collaboratively to make recommendations for the current budget proposal. Last year, the district reduced \$60M from central office expenditures, this additional central office reduction of \$15.3M required operational tradeoffs to be made given that there were no “easy” cuts remaining. The district prioritized the health, safety and well-being of students as well as identifying areas in which the district can continue to support high-quality teaching and learning in the schools. As chiefs and their teams pursued efficiencies in their departments, they identified how those adjustments would impact the service levels to schools, and thus used the board goals to prioritize their reductions.

Please explain how the budget supports the achievement of the student outcomes of our goals? How are the resources allocated as evidence of this?

Most of the monies in the general fund budget (70% of the total) go directly to schools and campuses. As

schools and principals develop their school improvement plans and adopt their strategies for the coming year, those strategies all lead toward improved performance in math, reading, CCMR metrics and performance for SPED students. The primary responsibility of central office departments is in supporting schools in meeting their respective student outcome targets, so as central office staff monitor data and gather feedback from school leaders and teachers, they adjust their strategies and supports accordingly. Given that there have been cuts to central office general fund budgets for the past few years, resourcing decisions have focused on prioritizing reductions that have the least direct impact on the service level of campuses. Thus, the recommended budget reductions are made in the context of decisions regarding which would have the least impact on attaining the board goals.

What is the adopted budget excess fund balance and EOY excess fund balance for every fiscal year since 2016-2017? (Excess meaning less the 3-month operating expense minimum.)

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
3 Month Minimum							
3 Months Operating ⁽¹⁾	\$ 416,965,012	\$ 444,576,985	\$ 432,734,589	\$ 467,196,846	\$ 484,114,771	\$ 470,734,650	\$ 487,406,096
	2016-2017	2017-2018	2018-2019 ⁽²⁾	Actual 2019-2020 ⁽³⁾	2020-2021 ⁽⁴⁾	2021-2022 ⁽⁵⁾	Latest Thinking 2022-2023
Instructional Stabilization	\$ -	\$ -	\$ -	\$ 133,930,224	\$ 133,930,224	\$ 264,213,080	\$ 259,867,487
Unassigned	\$ 366,955,184	\$ 389,415,008	\$ 512,328,146	\$ 655,054,226	\$ 556,322,769	\$ 664,168,529	\$ 664,168,529
Total Available Fund Balance	\$ 366,955,184	\$ 389,415,008	\$ 512,328,146	\$ 788,984,450	\$ 690,252,993	\$ 928,381,609	\$ 924,036,016
Available fund balance actual	\$ (50,009,828)	\$ (55,161,977)	\$ 79,593,557	\$ 321,787,604	\$ 206,138,222	\$ 457,646,959	\$ 436,629,919

Note 1: The minimum fund balance policy in CE(LOCAL) was approved in November 2021 after the adoption of the 2021-2022 budget and is based on the adopted budget expenditures. The concept of available fund balance did not start until spring of 2022 during planning for the 2022-2023 fiscal year. Prior year values are based on the concept being implemented in 2016-2017 but was not a part of the budget adoption, planning workshops, or communications in 2016-2017 through 2021-2022.

Note 2: In 2018-2019 the district unexpectedly received \$133,930,224 from the state for Hurricane Harvey. These funds were used to establish the Instructional Stabilization Fund.

Note 3: March of the 2019-2020 fiscal year the district shut down for COVID. The district had significantly reduced expenditures in this fiscal year contributing to an increase in the district's unassigned fund balance as well as the unexpected funds received at the end of 2018-2019 under note 2.

Note 4: The district had a significant increase in the Assigned Fund Balance Reserve for Encumbrances which consumed the unassigned fund balance.

Note 5: The district experienced more vacancy savings than anticipated at budget adoption. The district also strategically implemented budget reductions in the spring of 2022 to intentionally set aside funds into the instructional stabilization fund to provide funds to implement budget reductions over multiple years and provide a source for some programs to come back to the general fund from ESSER. Additional fallout impacted the Latest Thinking Forecast for 2022-2023.

Are schools that are small by design receiving small school subsidies? If so, what is that amount?

Yes, the total amount is \$3,585,243.

What are our total expenditures (excluding debt)?

The total FY 2023 General Fund budget is \$2,363,326,178.

What are our total expenditures per pupil?

The total FY 2023 budget expenditures per pupil is \$12,485.

What is the percent of students in Special Education?

The percent of HISD students in Special Education is 9.27%

What is the percent of total expenditures spent on Special Education?

The percent of total expenditures of General Fund & IDEA Part B is 9.69%.

How much is spent per enrolled student on transportation?

The budget per student transported is \$4,308.

How much are we spending on College, Career, Military Readiness (CCMR)? What is the percentage of the budget?

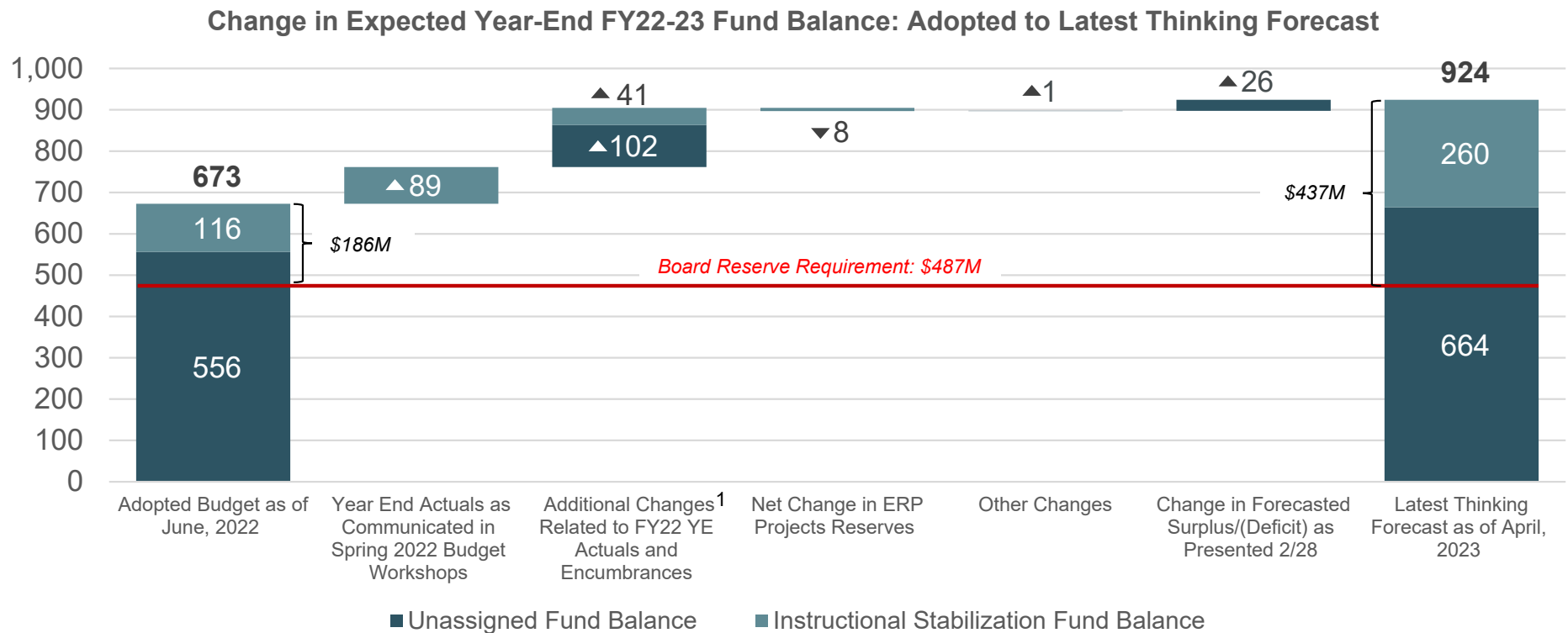
The budget for CCMR is \$15,789,528.

How much are we spending on Wraparound? What is the percentage of the budget?

Wraparound Budget		
Fund Description	Annual Budget	% of Total Budget
General Fund	\$ 4,076,199.85	0.17%
Title I	\$ 12,897,202.00	8.30%
ESSER III	\$ 5,150,582.88	1.68%

Waterfall Chart – Change in Expected Excess Fund Balance at FY22-23 Year End

(\$, In Millions)



1: Although the transfer of \$89M to Instructional Stabilization was communicated in advance of FY22 year end, it was not seen in the financial reports until audited FY22 financials were received in the Fall of 2022