Board Workshop
2012-2013 Budget Issues
January 19, 2012
Agenda

• Approach to Budget Deficit
• Apollo Funding
• Technology Needs
Balancing the Budget

- Identified Deficit $-43,893,140$
- One-time Funding $18,490,403$
- Budget Deficit $-25,402,737$

- Salary Increase?
- Additional funds for low performing – unacceptable schools?
Where are the 2011-2012 dollars budgeted?

District-wide accounts 13.31%

Departments 5.11%

Total Direct School Allocations, Services, and Programs 81.58%

District-wide Fixed Costs, $199,653,410, 12.53%

District-wide Costs (non-school related); $12,389,406; 0.78%

Departmental Costs; $81,385,789; 5.11%

School Services / Programs; $424,173,293; 26.62%

Direct School Allocations; $876,033,879; 54.97%

District-wide Costs (non-school related); $12,389,406; 0.78%
Budget Reduction Considerations

- Consideration the elimination of any central office departments
- Consider percentage cuts from departments and service level impact of those cuts
- Review potential changes to Direct School Allocations, Services and Programs
- Review potential changes to the Per Unit Allocation
- Review of Small School Subsidy/Unique PUA
- Review potential Magnet changes
Budget Timeline

• February 23rd Recommendations for balancing budget & Title Funds

• March 8th Board approval of Resource Allocation Handbook

• March-May Review of Other Funds –
Apollo Funding
## Apollo Funding

<table>
<thead>
<tr>
<th></th>
<th>HIGH SCHOOLS</th>
<th>MIDDLE SCHOOLS</th>
<th>CENTRAL</th>
<th>ELEMENTARY</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost of Program</td>
<td>$25,170,221</td>
<td>$18,726,176</td>
<td>$8,152,256</td>
<td>$9,433,354</td>
<td>$61,482,007</td>
</tr>
<tr>
<td>Dedicated District Grant Funding</td>
<td>$24,471,611</td>
<td>$3,684,583</td>
<td>-</td>
<td>$3,761,625</td>
<td>$31,917,819</td>
</tr>
<tr>
<td>Dedicated District General Fund Funding</td>
<td>-</td>
<td>-</td>
<td>$5,966,643</td>
<td>$4,968,321</td>
<td>$10,934,964</td>
</tr>
<tr>
<td>Total Funding Available to Project Cost</td>
<td>$24,471,611</td>
<td>$3,684,583</td>
<td>$5,966,643</td>
<td>$8,729,946</td>
<td>$42,852,783</td>
</tr>
<tr>
<td>Funding Shortage</td>
<td>$698,610</td>
<td>$15,041,593</td>
<td>$2,185,613</td>
<td>$703,408</td>
<td>$18,629,224</td>
</tr>
<tr>
<td>Private Funds Raised</td>
<td>$92,699</td>
<td>$12,072,425</td>
<td>$1,865,583</td>
<td>$196,000</td>
<td>$14,226,707</td>
</tr>
<tr>
<td>Net Funding Needed</td>
<td>$605,911</td>
<td>$2,969,168</td>
<td>$320,030</td>
<td>$507,408</td>
<td>$4,402,517</td>
</tr>
</tbody>
</table>

### Funds to be Raised

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$23,261</td>
<td>$582,650</td>
<td>-</td>
<td>$605,911</td>
</tr>
<tr>
<td></td>
<td>$281,623</td>
<td>$2,687,545</td>
<td>-</td>
<td>$2,969,168</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>$320,030</td>
<td>-</td>
<td>$320,030</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$507,408</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$4,402,517</td>
</tr>
</tbody>
</table>
Technology
2011-2013 Major IT Initiatives

Infrastructure
- Network, Datacenter, Wireless, Cabling, Storage, Servers, Telephony

Information Management
- Data Warehouse, Business Intelligence, Operational Data Store, Assessment, Analytics, Online Testing

Security
- Access/Identity Management, Threat mitigation, Content Filtering, Compliance, Policy, IT Governance

Migration
- SAP, PeopleSoft, Chancery and other application reimplementation, Email, End User Applications, Portal

Education Solutions
- Blended Learning, Multi-Device Strategy, Digital Content
Through these initiatives and investments, HISD will be positioned to...

• Protect HISD’s information resources and ensure compliance with federal and state regulations
• Provide students / educators the tools to enable student achievement
• Scale enterprise applications to align with district objectives to promote business process efficiencies
• Integrate data across systems to support educational and management decisions
Infrastructure

Datacenter Facilities $600,000
IT Service Delivery Tools $2,500,000
Monitoring Tools $900,000
WAN / LAN / Wireless $110,000,000
Storage Environment $3,000,000
Systems Virtualization and Servers $14,500,000
Infrastructure Architecture and Design $1,700,000

Total Infrastructure Cost $133,200,000
## Information Management

<table>
<thead>
<tr>
<th>Service</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment- STAAR/ EOC/Formative/Benchmark</td>
<td>$15,500,000</td>
</tr>
<tr>
<td>Data Warehouse/Business Intelligence</td>
<td>$10,500,000</td>
</tr>
</tbody>
</table>

**Information Management Cost**: $26,000,000
IT Security

Security

Network Forensics $500,000
Security Hardening $7,900,000
Business Continuity Assessment $300,000
Content Filtering $600,000

Total IT Security $9,300,000
## Migrations

<table>
<thead>
<tr>
<th>Migration</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERP Upgrades and Reimplementation</td>
<td>$20,500,000</td>
</tr>
<tr>
<td>Internal and External Web Presence</td>
<td>$2,600,000</td>
</tr>
<tr>
<td>Document Management</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Disaster Recovery Upgrade</td>
<td>$600,000</td>
</tr>
<tr>
<td>Asset Management Automation</td>
<td>$400,000</td>
</tr>
<tr>
<td>Email, Microsoft Software Assurance, Server Operating Systems refresh</td>
<td>$12,600,000</td>
</tr>
</tbody>
</table>

### Total Migration Cost

$37,700,000
Education Solutions

Blended Learning and Collaboration Tools Pilot $2,700,000

Total Education Solutions $2,700,000
Information Technology Investment
2011-2013

- Infrastructure: $133,200,000 (64%)
- Migration: $37,700,000 (18%)
- Security: $9,300,000 (5%)
- Information Management: $26,000,000 (12%)
- Educational Solutions: $2,700,000 (1%)
## 2011-2013 Summary

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Capital</th>
<th>E-rate</th>
<th>Funded</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>$133,200,000</td>
<td>($68,000,000)</td>
<td>($1,700,000)</td>
<td>$63,500,000</td>
</tr>
<tr>
<td>Information Management</td>
<td>$26,000,000</td>
<td>$0</td>
<td>($5,500,000)</td>
<td>$20,500,000</td>
</tr>
<tr>
<td>Security</td>
<td>$9,300,000</td>
<td>$0</td>
<td>($2,500,000)</td>
<td>$6,800,000</td>
</tr>
<tr>
<td>Migrations</td>
<td>$37,700,000</td>
<td>$0</td>
<td>($500,000)</td>
<td>$37,200,000</td>
</tr>
<tr>
<td>Educational Solutions</td>
<td>$2,700,000</td>
<td>$0</td>
<td>$0</td>
<td>$2,700,000</td>
</tr>
<tr>
<td><strong>Total Funds</strong></td>
<td><strong>$208,900,000</strong></td>
<td><strong>($68,000,000)</strong></td>
<td><strong>($10,200,000)</strong></td>
<td><strong>$130,700,000</strong></td>
</tr>
</tbody>
</table>