Budget Workshop

Date: 06/04/2020
Presenter: Office of Finance
Agenda

- Changes since last budget workshop
- Salary Proposal Changes
- Updated 2020-2021 Financial Analysis
- Capital, Internal Service and Proprietary Funds
- Special Revenue Planning Amounts
- Summary
2020-21 Budget

• Presenting a balanced budget for 2020-2021
• Taking a cautious approach to 2020-2021 due to COVID-19 and in preparation of 2021-2022
• Salary proposal reduced to
  – Employees on the Teacher Step Scale
  – Police Officers
Changes since last budget workshop

• CARES Act allocations released
  – Not new funding to the district
  – Will be used as the ADA hold harmless for school districts.
  – Districts will be funded for the first four-week periods ADA.
  – PEIMS ADA will then be adjusted downward for historical changes for the last two six week periods.
  – TEA will then adjust the Final ADA number by an amount equal to our CARES Act allocation, net of amounts for equitable services due to Private Non-Profits.
Changes since last budget workshop

- Concerns driving change in proposal
  - District will not have any CARES Act funding to fill in any needs for 2020-2021
    - PPE
    - Cleaning supplies and cleaning schedules
    - Student devices and hotspots
    - Other COVID-19 related costs
    - **NOT built into the current 2020-2021 budget.**
  - Potential for additional reduction in the district’s taxable value and tax collection rate
    - Continued closing of businesses
    - Unemployment
    - How both could be impacted by another fall/winter spike in COVID-19 causing closures of businesses and the district again.
Changes since last budget workshop

• Funds reliant on sales
  – Nutrition Services
  – Hattie Mae’s Cafeteria
  – Print Shop
Changes since last budget workshop

• Nutrition Services
  – Funded primarily on meals served
  – Also have revenues from ala carte items
  – Significant meals served losses will exhaust Nutrition Services fund balance.
  – Expected to lose over $21 million in 2020-2021
  – Meals served in brick and mortar, in classroom, or curbside. Expect that the number of meals served will decline in order respectively based on how meals are served.
  – Options:
    • Continue to pay employees and supplement from the general fund any deficit.
    • Layoffs/furloughs
  – **NOT built into the current 2020-2021 budget.**
Changes since last budget workshop

• Printshop and Hattie Mae’s
  – Based on sales of products
  – The more days the district is closed these areas lose sales
  – Options:
    • Continue to pay employees and supplement from the general fund any deficit.
    • Layoff/furloughs
  – NOT built into the current 2020-2021 budget.
Changes since last budget workshop

• 2021-2022 and 2022-2023 budget
  – Potential decline in 2021 tax roll values
  – Potential for state budget cuts to public education (not currently being proposed by the state)
  – A 2020-2021 budget deficit of $18 million means any cuts/layoffs needed for 2021-2022 will be $18 million higher
  – Expect vacancy fallout to decline in 2021-2022 as schools and departments will cut vacancies first, therefore vacancies cannot be relied upon to cover a deficit in 2021-2022.
Salary Proposal Changes
2020-2021 Teacher-Other Job Titles

- Employees on the Teacher and Teacher Other step salary tables receive ($6 million):
  - Step
  - Social Workers moved to Teacher Step Schedule

<table>
<thead>
<tr>
<th>Teacher-Other Job Titles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair-SPED</td>
</tr>
<tr>
<td>Librarian</td>
</tr>
<tr>
<td>Literacy Coach</td>
</tr>
<tr>
<td>Nurse</td>
</tr>
<tr>
<td>Dyslexia Interventionist</td>
</tr>
<tr>
<td>Coordinators</td>
</tr>
<tr>
<td>Teacher Specialist</td>
</tr>
<tr>
<td>Speech Therapist</td>
</tr>
<tr>
<td>Registrar</td>
</tr>
<tr>
<td>Social Workers (Added)</td>
</tr>
</tbody>
</table>
• Police Officers pay based on experience including Texas Commission on Law Enforcement (TCOLE) ($3.5 million).

• Employer increase of $9.3 million to employee health insurance from the General Fund
  – No Employee health insurance plan rate increases for 2021
  – Current employee contribution about $30 million or 18% of the plan.
  – District has increased the employer portion by over $40 million over the past 5 years; employees have declined about $8 million.
  – Without the 2020-2021 employer contribution employee rates would increase by 30 percent.
Budget Workshop

2020-2021
2020-2021 Updated Assumptions

- Presenting a balanced budget
- Property Value Increase
  - Taxable value increase of 5%
  - Collection rate of 97%
  - Certified estimates are based on January 2020 value
- Maintenance & Operations (M&O) tax rate
  - 2019-2020 current rate is $0.97
  - 2020-2021 based on $0.9510 (includes the additional golden penny)
    - Generates about $24 million, currently allocated to salary increases
    - Assumes unanimous vote of the additional golden penny in September/October 2020
  - TEA will notify districts of their maximum tax rate in late summer 2020 based on certified values and surveys of districts.
2020-2021 Updated Assumptions

• Originally projected enrollment of 209,309 – flat from 2019-2020 snapshot.
  – Updated to 207,809 (1,500 fewer students from 2019-2020 snapshot)
• First year of excess revenue (old recapture) under HB3 with these assumptions – approximately $12 million
• $170 increase over 2019-2020 in Per Unit Allocation (PUA) for average salary increase.
• No increase over 2019-2020 in student weights.
2020-2021 Additional Golden Penny

Reminder

“Golden Penny” – Pennies in the tax rate that are not subject to recapture and are guaranteed to yield at least $98.56 per penny of tax effort. This generates our Tier II State Funding.

The 2021-2022 budget includes one “Golden Penny” that is accessible only in 2020-2021 by unanimous vote of the board when adopting the tax year 2020 tax rate in September / October 2020.

This additional “Golden Penny” can only be accessed in future years via a Tax Ratification Election (TRE).

If there isn’t a unanimous vote of the board for the 2020 tax rate that includes the additional “Golden Penny” the district will have a $24 million budget deficit.
2020-2021 Financial Changes

Changes since May 21, 2020 Workshop

Revenue Changes
Budget deficit May 21, 2020
No change
  Decrease in revenues

2020-2021

Appropriation Changes
Decrease in salary proposal
$ 16,645,774
Decrease in budget for vacant positions
  2,305,827
Decrease in appropriations
$ 18,951,601

Operational budget deficit May 21, 2020
$ -
## 2020-2021 Financial Analysis

### Revenues and Resources

<table>
<thead>
<tr>
<th>Source</th>
<th>2020-2021 May 7, 2020</th>
<th>2020-2021 May 21, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>5700-Local Sources</td>
<td>$1,785,542,493</td>
<td>$1,785,542,493</td>
</tr>
<tr>
<td>5800-State Sources</td>
<td>166,787,686</td>
<td>166,787,686</td>
</tr>
<tr>
<td>5900-Federal Sources</td>
<td>19,724,182</td>
<td>19,724,182</td>
</tr>
<tr>
<td>7900-Other Sources</td>
<td>22,500,000</td>
<td>22,500,000</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$1,994,554,361</strong></td>
<td><strong>$1,994,554,361</strong></td>
</tr>
</tbody>
</table>

### Beginning Appropriations

<table>
<thead>
<tr>
<th>Source</th>
<th>2020-2021 May 7, 2020</th>
<th>2020-2021 May 21, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Change in excess revenue payment</strong></td>
<td><strong>$12,083,891</strong></td>
<td><strong>$12,083,891</strong></td>
</tr>
<tr>
<td>Teacher Step and Police Officers</td>
<td>26,236,534</td>
<td>9,590,760</td>
</tr>
<tr>
<td>District Health Insurance Contribution</td>
<td>9,300,000</td>
<td>9,300,000</td>
</tr>
<tr>
<td>Retention Stipends</td>
<td>(1,084,000)</td>
<td>(1,084,000)</td>
</tr>
<tr>
<td><strong>Salary and Benefit Package</strong></td>
<td><strong>$34,522,534</strong></td>
<td><strong>$17,806,760</strong></td>
</tr>
</tbody>
</table>
## Required Increases / Decreases

<table>
<thead>
<tr>
<th>Description</th>
<th>2020-2021 May 7, 2020</th>
<th>2020-2021 May 21, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Lease Recognition</td>
<td>(15,089,788)</td>
<td>(15,089,788)</td>
</tr>
<tr>
<td>College, Career, Military Readiness (CCMR)</td>
<td>(1,056,471)</td>
<td>(1,056,471)</td>
</tr>
<tr>
<td>Transfers Out for Debt Service</td>
<td>(2,685,625)</td>
<td>(2,685,625)</td>
</tr>
<tr>
<td>IT Maintenance/Software Contracts</td>
<td>2,371,059</td>
<td>2,371,059</td>
</tr>
<tr>
<td>SAT reimbursement</td>
<td>189,000</td>
<td>189,000</td>
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<tr>
<td>CTE Certification reimbursement</td>
<td>367,028</td>
<td>367,028</td>
</tr>
<tr>
<td>Property, Liability, Auto Insurance</td>
<td>2,500,000</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Self Insurance</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Harris County Appraisal District (HCAD)</td>
<td>1,157,402</td>
<td>1,157,402</td>
</tr>
<tr>
<td>Charter School Enrollment Increase</td>
<td>5,700,000</td>
<td>5,700,000</td>
</tr>
<tr>
<td>Tax Increment Reinvestment Zone (TIRZ)</td>
<td>1,539,766</td>
<td>1,539,766</td>
</tr>
<tr>
<td>Campus Enrollment Increase</td>
<td>3,358,555</td>
<td>3,358,555</td>
</tr>
<tr>
<td>Career &amp; Technology Allotment- Middle School</td>
<td>1,384,873</td>
<td>1,384,873</td>
</tr>
<tr>
<td>State Compensatory Education (SCE) compliance</td>
<td>7,049,422</td>
<td>7,049,422</td>
</tr>
<tr>
<td>Early Education Allotment compliance</td>
<td>24,300,000</td>
<td>24,300,000</td>
</tr>
<tr>
<td><strong>Total Required Increases / Decreases</strong></td>
<td><strong>32,085,221</strong></td>
<td><strong>32,085,221</strong></td>
</tr>
</tbody>
</table>
## 2020-2021 Financial Analysis

### Other Increases

<table>
<thead>
<tr>
<th>Description</th>
<th>2020-2021 May 7, 2020</th>
<th>2020-2021 May 21, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verizon Innovative Learning Support</td>
<td>864,527</td>
<td>864,527</td>
</tr>
<tr>
<td>Liberty HS lease, maintenance, and custodial</td>
<td>455,922</td>
<td>455,922</td>
</tr>
<tr>
<td>Family &amp; Community Engagement</td>
<td>387,762</td>
<td>387,762</td>
</tr>
<tr>
<td>Federal &amp; State Compliance</td>
<td>472,368</td>
<td>472,368</td>
</tr>
<tr>
<td>Chief Audit Executive</td>
<td>229,021</td>
<td>229,021</td>
</tr>
<tr>
<td><strong>Total Other Increases</strong></td>
<td><strong>2,409,600</strong></td>
<td><strong>2,409,600</strong></td>
</tr>
</tbody>
</table>

### Decreases

<table>
<thead>
<tr>
<th>Description</th>
<th>2020-2021</th>
<th>2020-2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacant Salaries</td>
<td>(5,000,000)</td>
<td>(7,305,827)</td>
</tr>
<tr>
<td>Utilities</td>
<td>(2,000,000)</td>
<td>(2,000,000)</td>
</tr>
<tr>
<td>LBB Recommendation 1</td>
<td>(412,078)</td>
<td>(412,078)</td>
</tr>
<tr>
<td>LBB Recommendation 39</td>
<td>(145,676)</td>
<td>(145,676)</td>
</tr>
<tr>
<td>Reduction in temporary assignment positions (vacancies)</td>
<td>(835,077)</td>
<td>(835,077)</td>
</tr>
<tr>
<td>District-wide Benefits (Medicare, Workers' Comp)</td>
<td>(1,000,000)</td>
<td>(1,000,000)</td>
</tr>
<tr>
<td>District-wide long-term subs (fallout)</td>
<td>(3,400,000)</td>
<td>(3,400,000)</td>
</tr>
<tr>
<td><strong>Total Decreases</strong></td>
<td><strong>(12,792,831)</strong></td>
<td><strong>(15,098,658)</strong></td>
</tr>
</tbody>
</table>
# 2020-2021 Financial Analysis

## One-Year Funding Items
- Compensation Study from 2019-2020
- **Total One-Year Funding Items**
  - **2020-2021 May 7, 2020**: $(175,000)
  - **2020-2021 May 21, 2020**: $(175,000)

## Total Appropriations and Transfers Out Before COVID-19 Expenditures
- **2020-2021 May 7, 2020**: $2,031,940,587
- **2020-2021 May 21, 2020**: $2,012,988,986

## Budget Surplus/(Deficit)
- **Use of assigned fund balance for North Forest construction**: $18,434,625
- **Net Budget Surplus/(Deficit)**
  - **2020-2021 May 7, 2020**: $(18,951,601)
  - **2020-2021 May 21, 2020**: $-

## Notes
- Total Appropriations and Transfers Out Before COVID-19 Expenditures:
  - **Use of assigned fund balance for North Forest construction**: $18,434,625

## Source
- **Houston Independent School District**
Budget Workshop

2020-2021 Budget Adoption Funds
# 2020-2021 Budget Adoption Funds

## REVENUES

<table>
<thead>
<tr>
<th>Source</th>
<th>General Fund</th>
<th>Debt Service</th>
<th>Nutrition Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes</td>
<td>$1,771,575,694</td>
<td>$309,558,116</td>
<td>$-</td>
</tr>
<tr>
<td>Earnings on investments</td>
<td>5,000,000</td>
<td>400,000</td>
<td>112,500</td>
</tr>
<tr>
<td>Miscellaneous local sources</td>
<td>8,966,799</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State sources</td>
<td>166,787,686</td>
<td>2,300,000</td>
<td>585,000</td>
</tr>
<tr>
<td>Federal sources</td>
<td>19,724,182</td>
<td>-</td>
<td>104,924,484</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>$1,972,054,361</strong></td>
<td><strong>$312,258,116</strong></td>
<td><strong>$105,621,984</strong></td>
</tr>
</tbody>
</table>

## APPROPRIATIONS

<table>
<thead>
<tr>
<th>Item</th>
<th>General Fund</th>
<th>Debt Service</th>
<th>Nutrition Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 Instruction</td>
<td>$1,140,996,889</td>
<td>-</td>
<td>$-</td>
</tr>
<tr>
<td>12 Instructional resources and media services</td>
<td>10,028,295</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>13 Curriculum development and instructional staff development</td>
<td>35,377,872</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>21 Instructional leadership</td>
<td>27,142,500</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>23 School leadership</td>
<td>150,421,575</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>31 Guidance, counseling, and evaluation services</td>
<td>63,661,678</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>32 Social work services</td>
<td>17,684,166</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>33 Health services</td>
<td>21,618,499</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>34 Student (pupil) transportation</td>
<td>61,874,862</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
## 2020-2021 Budget Adoption Funds

### General Fund

<table>
<thead>
<tr>
<th>Item</th>
<th>General Fund</th>
<th>Debt Service</th>
<th>Nutrition Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>35</td>
<td>Food services</td>
<td>-</td>
<td>120,337,264</td>
</tr>
<tr>
<td>36</td>
<td>Co-curricular/extracurricular activities</td>
<td>13,016,782</td>
<td>-</td>
</tr>
<tr>
<td>41</td>
<td>General administration</td>
<td>39,414,051</td>
<td>-</td>
</tr>
<tr>
<td>51</td>
<td>Facilities maintenance and operations</td>
<td>199,280,849</td>
<td>-</td>
</tr>
<tr>
<td>52</td>
<td>Security and monitoring services</td>
<td>28,138,788</td>
<td>-</td>
</tr>
<tr>
<td>53</td>
<td>Data processing services</td>
<td>56,155,573</td>
<td>-</td>
</tr>
<tr>
<td>61</td>
<td>Community services</td>
<td>2,991,987</td>
<td>-</td>
</tr>
<tr>
<td>91</td>
<td>Contracted instructional services between public schools</td>
<td>12,083,891</td>
<td>-</td>
</tr>
<tr>
<td>95</td>
<td>Juvenile justice alternative education program</td>
<td>792,000</td>
<td>-</td>
</tr>
<tr>
<td>97</td>
<td>Payments to tax increment fund</td>
<td>63,066,742</td>
<td>-</td>
</tr>
<tr>
<td>99</td>
<td>Tax appraisal and collection</td>
<td>16,505,000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Debt service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>71</td>
<td>Principal</td>
<td>14,500,000</td>
<td>233,331,456</td>
</tr>
<tr>
<td>71</td>
<td>Interest and fiscal charges</td>
<td>750,000</td>
<td>127,126,590</td>
</tr>
<tr>
<td>81</td>
<td>Capital outlay</td>
<td>37,848</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total expenditures</td>
<td>1,975,539,846</td>
<td>360,458,046</td>
</tr>
<tr>
<td></td>
<td>Excess (deficiency) of revenues over (under) expenditures</td>
<td>(3,485,485)</td>
<td>(48,199,930)</td>
</tr>
</tbody>
</table>
## 2020-2021 Budget Adoption Funds

### OTHER FINANCING SOURCES (USES)

<table>
<thead>
<tr>
<th>Source</th>
<th>General Fund</th>
<th>Debt Service</th>
<th>Nutrition Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in</td>
<td>22,500,000</td>
<td>42,788,700</td>
<td>2,647,890</td>
</tr>
<tr>
<td>Capital Leases</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(37,449,140)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>(14,949,140)</td>
<td>42,788,700</td>
<td>2,647,890</td>
</tr>
<tr>
<td>Net change in fund balances</td>
<td>(18,434,625)</td>
<td>(5,411,230)</td>
<td>(12,829,500)</td>
</tr>
<tr>
<td>Estimated fund balances–beginning</td>
<td>878,463,630</td>
<td>110,385,975</td>
<td>13,318,691</td>
</tr>
<tr>
<td>Estimated Fund balances–ending</td>
<td>$860,029,005</td>
<td>$104,974,745</td>
<td>$489,191</td>
</tr>
</tbody>
</table>

Note: $18,434,625 of the General Fund net change in fund balances is from the planned use of the assigned fund balance for North Forest Construction Projects.
Budget Workshop

Capital, Internal Service and Enterprise Funds
## 2020-2021 Capital Projects Fund

<table>
<thead>
<tr>
<th>REVENUES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings on investments</td>
<td>$ 3,449,578</td>
</tr>
<tr>
<td>Miscellaneous local sources</td>
<td>31,085,797</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>34,535,375</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>APPROPRIATIONS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities acquisition and construction</td>
<td>176,835,375</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td><strong>176,835,375</strong></td>
</tr>
<tr>
<td>Excess (deficiency) of revenues over (under) expenditures</td>
<td>(142,300,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OTHER FINANCING SOURCES (USES)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(7,987,450)</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td><strong>(7,987,450)</strong></td>
</tr>
<tr>
<td><strong>Net change in fund balances</strong></td>
<td><strong>(150,287,450)</strong></td>
</tr>
<tr>
<td>Estimated fund balances-beginning</td>
<td>307,582,019</td>
</tr>
<tr>
<td>Estimated fund balances-ending</td>
<td>$ 157,294,569</td>
</tr>
</tbody>
</table>
OPERATING REVENUES

Charges for sales and services:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Charges to Customers</th>
<th>Charges to employees or other funds</th>
<th>Miscellaneous</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Insurance Fund</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 8,931,232</td>
</tr>
<tr>
<td>Workers’ Compensation Fund</td>
<td>$ 163,004,368</td>
<td>$ 6,246,663</td>
<td>$ 60,000</td>
</tr>
<tr>
<td>Print Shop Fund</td>
<td>$ 60,000</td>
<td>$ 1,022,144</td>
<td>$ 6,536,827</td>
</tr>
<tr>
<td>UIL Fund</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 424,043</td>
</tr>
<tr>
<td>Athletics Fund</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 7,127,318</td>
</tr>
<tr>
<td>Alternative Certification Fund</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 184,421,363</td>
</tr>
<tr>
<td>Shared Services Fund</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 7,127,318</td>
</tr>
<tr>
<td>Total Internal Service Fund Types</td>
<td>$ 9,259,079</td>
<td>$ 7,127,318</td>
<td>$ 203,203,512</td>
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</table>

OPERATING EXPENSES:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Payroll</th>
<th>Contracted Services</th>
<th>Supplies and Materials</th>
<th>Other Operating</th>
<th>Depreciation</th>
<th>Total operating expenses</th>
<th>Operating income (loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Insurance Fund</td>
<td>$ 1,492,081</td>
<td>$ 1,569,747</td>
<td>$ 1,431,100</td>
<td>$ 561,718</td>
<td>$ 3,080,500</td>
<td>$15,612,103</td>
<td>$15,612,103</td>
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<tr>
<td>Workers’ Compensation Fund</td>
<td>$ 172,536,046</td>
<td>$ 6,347,702</td>
<td>$ 6,747,675</td>
<td>$ 165,000</td>
<td>$ 1,399,400</td>
<td>$187,699,222</td>
<td>$187,699,222</td>
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<tr>
<td>Print Shop Fund</td>
<td>$ 8,175</td>
<td>$ 18,960</td>
<td>$ 851,707</td>
<td>$ 72,900</td>
<td>$ 484,300</td>
<td>$1,452,136</td>
<td>$1,452,136</td>
</tr>
<tr>
<td>UIL Fund</td>
<td>$ 17,220</td>
<td>$ 526,604</td>
<td>$ 2,350</td>
<td>$ 224,476</td>
<td>$ 8,202</td>
<td>$1,558,300</td>
<td>$1,558,300</td>
</tr>
<tr>
<td>Athletics Fund</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Alternative Certification Fund</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Shared Services Fund</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>$ 174,053,522</td>
<td>$8,463,012</td>
<td>$9,032,832</td>
<td>$1,024,094</td>
<td>$561,718</td>
<td>$206,321,761</td>
<td>$206,321,761</td>
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<tr>
<td>Operating income (loss)</td>
<td>(1,695,154)</td>
<td>(2,076,349)</td>
<td>(40,000)</td>
<td>(1,950)</td>
<td>(812,726)</td>
<td>(3,118,249)</td>
<td>(3,118,249)</td>
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</tbody>
</table>

NONOPERATING REVENUES:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Earnings on investments</th>
<th>Total nonoperating revenue</th>
<th>Change in net position</th>
<th>Total net position–beginning</th>
<th>Total net position–ending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Insurance Fund</td>
<td>$ 256,962</td>
<td>$ 296,000</td>
<td>$ 40,000</td>
<td>$ 1,950</td>
<td>$ 36,318,199</td>
</tr>
<tr>
<td>Workers’ Compensation Fund</td>
<td>$ 256,962</td>
<td>$ 296,000</td>
<td>$ 40,000</td>
<td>$ 1,950</td>
<td>$ 33,370,552</td>
</tr>
<tr>
<td>Print Shop Fund</td>
<td>$ 40,000</td>
<td>$ 1,950</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 998,212</td>
</tr>
<tr>
<td>UIL Fund</td>
<td>$ 812,726</td>
<td>$ 205,282</td>
<td>$ 812,726</td>
<td>$ 449,940</td>
<td>$ 4,422,244</td>
</tr>
<tr>
<td>Athletics Fund</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Alternative Certification Fund</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shared Services Fund</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total net position–beginning</td>
<td>$36,318,199</td>
<td>$33,370,552</td>
<td>$998,212</td>
<td>$554,284</td>
<td>$2,852,894</td>
</tr>
<tr>
<td>Total net position–ending</td>
<td>$ 34,880,007</td>
<td>$ 31,590,203</td>
<td>$ 998,212</td>
<td>$ 554,284</td>
<td>$ 655,222</td>
</tr>
</tbody>
</table>
## 2020-2021 Proprietary Funds

<table>
<thead>
<tr>
<th>Medicaid Fund</th>
<th>The Marketplace</th>
<th>Total Other Enterprise Fund Types</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for sales and services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales to Customers</td>
<td>$ -</td>
<td>$ 414,871</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>1,920,970</td>
<td>414,871</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll</td>
<td>3,388,158</td>
<td>147,154</td>
</tr>
<tr>
<td>Contracted Services</td>
<td>3,887,850</td>
<td>7,425</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>343,057</td>
<td>253,859</td>
</tr>
<tr>
<td>Other Operating</td>
<td>949,222</td>
<td>11,848</td>
</tr>
<tr>
<td>Depreciation</td>
<td>50,666</td>
<td>-</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>8,618,953</td>
<td>420,286</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>(6,697,983)</td>
<td>(5,415)</td>
</tr>
<tr>
<td><strong>NONOPERATING REVENUES (EXPENSES)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings on investments</td>
<td>50,000</td>
<td>5,415</td>
</tr>
<tr>
<td>School health services (SHARS)</td>
<td>23,387,384</td>
<td>-</td>
</tr>
<tr>
<td>Total nonoperating revenue</td>
<td>23,437,384</td>
<td>5,415</td>
</tr>
<tr>
<td>Income (loss) before transfers</td>
<td>16,739,401</td>
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</tr>
<tr>
<td>Change in net assets</td>
<td>(5,760,599)</td>
<td>-</td>
</tr>
<tr>
<td>Fund balances, beginning</td>
<td>20,293,492</td>
<td>-</td>
</tr>
<tr>
<td>Fund balances, ending</td>
<td>$ 14,532,893</td>
<td>-</td>
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</table>
Special Revenue Schedule
## 2020-2021 Special Revenue Planning Amounts

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LOCAL</strong></td>
<td></td>
</tr>
<tr>
<td>Houston Endowment Inc</td>
<td>$3,690,000</td>
</tr>
<tr>
<td>Special Ed. Local*</td>
<td>3,206,791</td>
</tr>
<tr>
<td>The Super School Project</td>
<td>1,999,665</td>
</tr>
<tr>
<td><strong>Total local</strong></td>
<td>8,896,456</td>
</tr>
<tr>
<td><strong>STATE</strong></td>
<td></td>
</tr>
<tr>
<td>Instructional Materials Allotment**</td>
<td>24,279,719</td>
</tr>
<tr>
<td>Special Ed. - State Programs*</td>
<td>1,849,206</td>
</tr>
<tr>
<td><strong>Total state</strong></td>
<td>26,128,925</td>
</tr>
</tbody>
</table>
# 2020-2021 Special Revenue Planning Amounts

**FEDERAL**

<table>
<thead>
<tr>
<th>Program</th>
<th>2020-2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title I - Part A</td>
<td>119,189,058</td>
</tr>
<tr>
<td>Special Education-IDEA B</td>
<td>40,382,002</td>
</tr>
<tr>
<td>Title II - Part A</td>
<td>10,054,490</td>
</tr>
<tr>
<td>Title III - Part A - LEP</td>
<td>6,520,550</td>
</tr>
<tr>
<td>TTIPS</td>
<td>463,602</td>
</tr>
<tr>
<td>Title IV- Part A</td>
<td>8,025,468</td>
</tr>
<tr>
<td>Special Ed. Shared Services*</td>
<td>278,282</td>
</tr>
<tr>
<td>Carl Perkins</td>
<td>2,959,640</td>
</tr>
<tr>
<td>21st Century</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Title III - Immigrant</td>
<td>1,842,314</td>
</tr>
<tr>
<td>Title I - Migrant</td>
<td>224,331</td>
</tr>
<tr>
<td>Special Ed. - Preschool</td>
<td>546,779</td>
</tr>
<tr>
<td>Title I - Part D</td>
<td>117,592</td>
</tr>
<tr>
<td><strong>Total federal</strong></td>
<td><strong>192,104,108</strong></td>
</tr>
<tr>
<td><strong>Total Planning Amounts</strong></td>
<td><strong>$ 227,129,489</strong></td>
</tr>
</tbody>
</table>
Summary
Summary

- Presenting a balanced budget for 2020-2021
- Taking a cautious approach to 2020-2021 due to COVID-19 and in preparation of 2021-2022
- Salary proposal reduced to
  - Employees on the Teacher Step Scale
  - Police Officers
- Additional “Golden Penny” requirements
- Budget Adoption Funds reviewed
- Capital, Internal Service and Proprietary Funds reviewed
Pubic Hearing on Budget and Tax Rate and Budget Adoption June 11, 2020