

# Budget Workshop #7

May 26, 2022

*Millard House II  
Superintendent, Houston Independent School District*



# Agenda

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- 1. Revised Proposed Compensation Plan for 2022-2023**
- 2. 2022-2023 Proposed Budget Overview**

# **ORIGINAL COMPENSATION PLAN**

# World-Class Talent Commitment

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The three-year compensation plan is grounded in **market research**, consideration of **recent trends** within HISD across employee groups, and **our strategic plan's commitment** to make HISD a great place for effective employees to work, grow, and stay.

## World-Class Talent Strategies:

- *Growing talent*
- *Recruitment and hiring*
- ***Compensation*** and culture

# Original Compensation Plan Components

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- Raise teacher salaries by both **updating the salary scale** and **granting a step increase** every year for the next three years.
- Raise principal and assistant principal/dean salaries by **upgrading flat rates** every year for the next three years.
- Provide three annual **step increases** to police officers.
- **Update the Master Pay Scale**, which determines wages and salaries for *all of HISD's other support staff*, in three phases over the next three years.
  - Many job categories were shown to be 20% or more below the regional market for similar jobs.
- Maintain our current status as one of the regional leaders among school districts for **minimum wage**.

# Original Teacher Salary Plan

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- Three annual increases to the teacher salary scale would raise the minimum starting salary of a teacher to \$64,000 by SY 2024-2025
  - This would beat the current average regional starting salary *even if the last 3 years' growth trend continues*.
  - This is 5% higher than today's *maximum* regional starting salary.
- Step increases need to be more significant and differentiated in key years:
  - Currently, a 5<sup>th</sup>-year teacher makes only 1% more than a 1<sup>st</sup>-year teacher.
  - Currently, a 10<sup>th</sup>-year teacher makes only 6% more than a 1<sup>st</sup>-year teacher.

# Teacher Salaries in Context

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Photo Credit: Houston Cofield for The New York Times

Last year, the National Center on Teacher Quality (*Ten school districts with the highest salaries for first-year teachers*, May 27, 2021) wrote: “With the average starting salary for teachers in our database currently at \$45,422, [these ten districts] offer up to a third more. It's hard to miss that **eight of these districts are located in Texas.**”

According to the New York Times (*In Several States, Teachers Get Their Biggest Raise in Decades*, April 14, 2022):

- Mississippi is raising salaries by \$5,100... raising the average to \$51,943.
- Florida is investing \$800 million... to raise the minimum to \$47,000.
- New Mexico is increasing 20 percent... raising the minimum to \$50,000.

# Teacher Salaries in Context

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The original three-year compensation plan would raise the minimum teacher salary to:

- \$59,000 in Year 1
- \$61,500 in Year 2
- \$64,000 in Year 3

Other large Texas ISDs have the following current or proposed minimum teacher salaries:

- \$60,500 in Dallas ISD
- \$58,000 in Fort Worth ISD
- \$54,200 in San Antonio ISD
- \$51,150 in Austin ISD

Meanwhile, the minimum salaries in several other large, urban districts include:

- \$56,107 in Los Angeles, CA
- \$59,874 in Chicago, IL
- \$61,070 in New York, NY

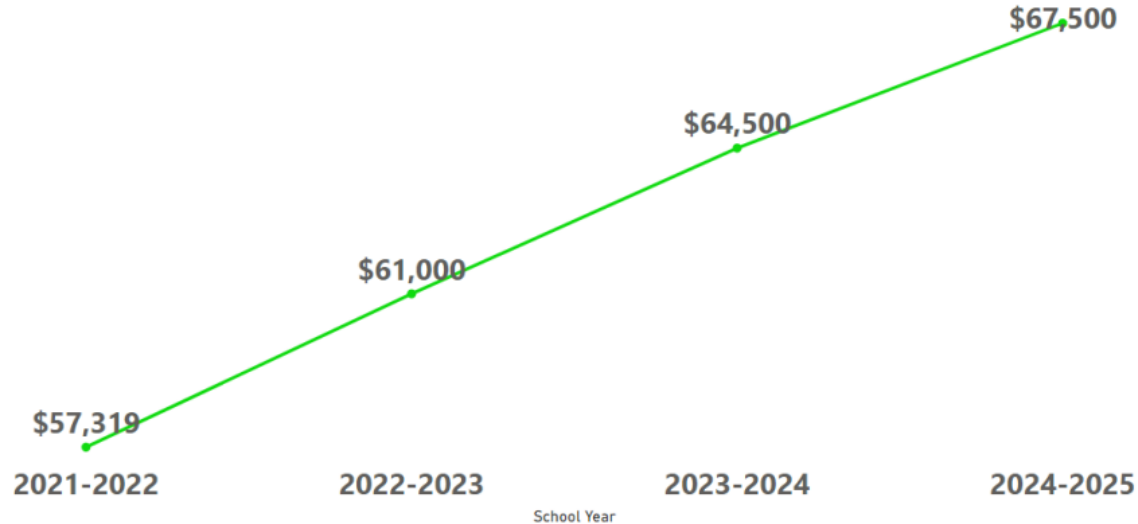


# Sample Trajectory: Original Teacher Salary Plan

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## *Salary Calculator Example: Teacher (10-month) Currently on Step 3*

Potential Salary Based on Experience



# Teacher Retention Context

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## Recent Historical Data

Year	All Teachers	Leavers	Retention Rate
2021	11,530	1,625	86%
2020	11,690	1,341	89%
2019	11,778	1,726	85%

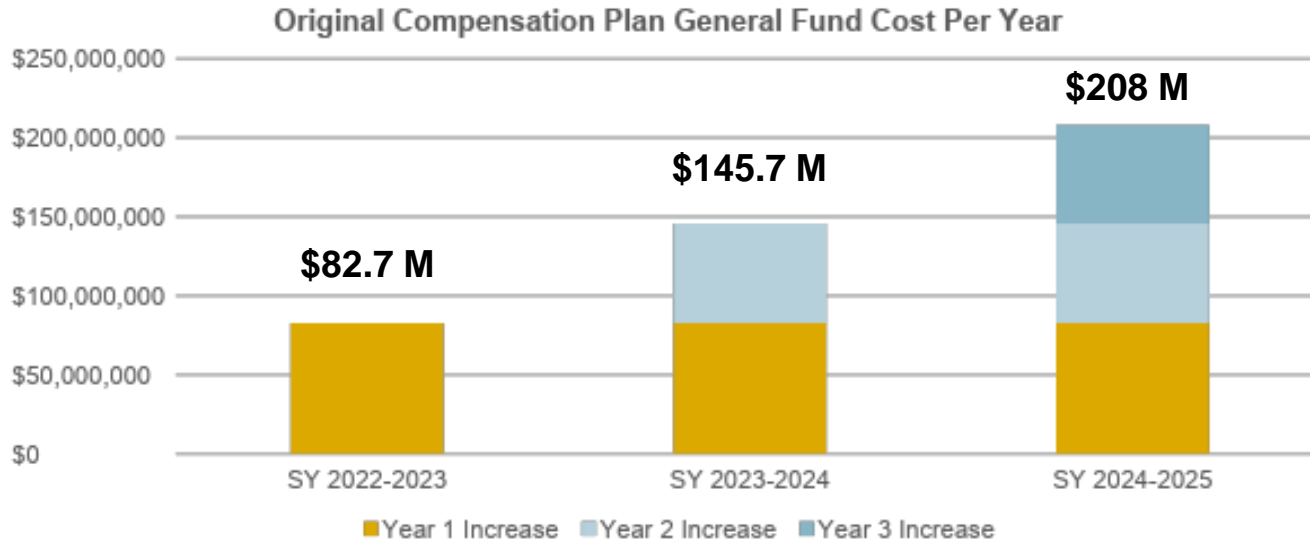
## Early Data on SY 2022-23

Between April 5 and May 12, we asked all teachers to complete an Intent to Return form.

Among respondents:

- **93%** of current teachers said they are planning to teach in HISD next year.
- **More than 8,000 current teachers committed to teach in HISD for three more years.**
- About 650 teachers notified us early that they are not returning next year.

# Original Compensation Plan Costs

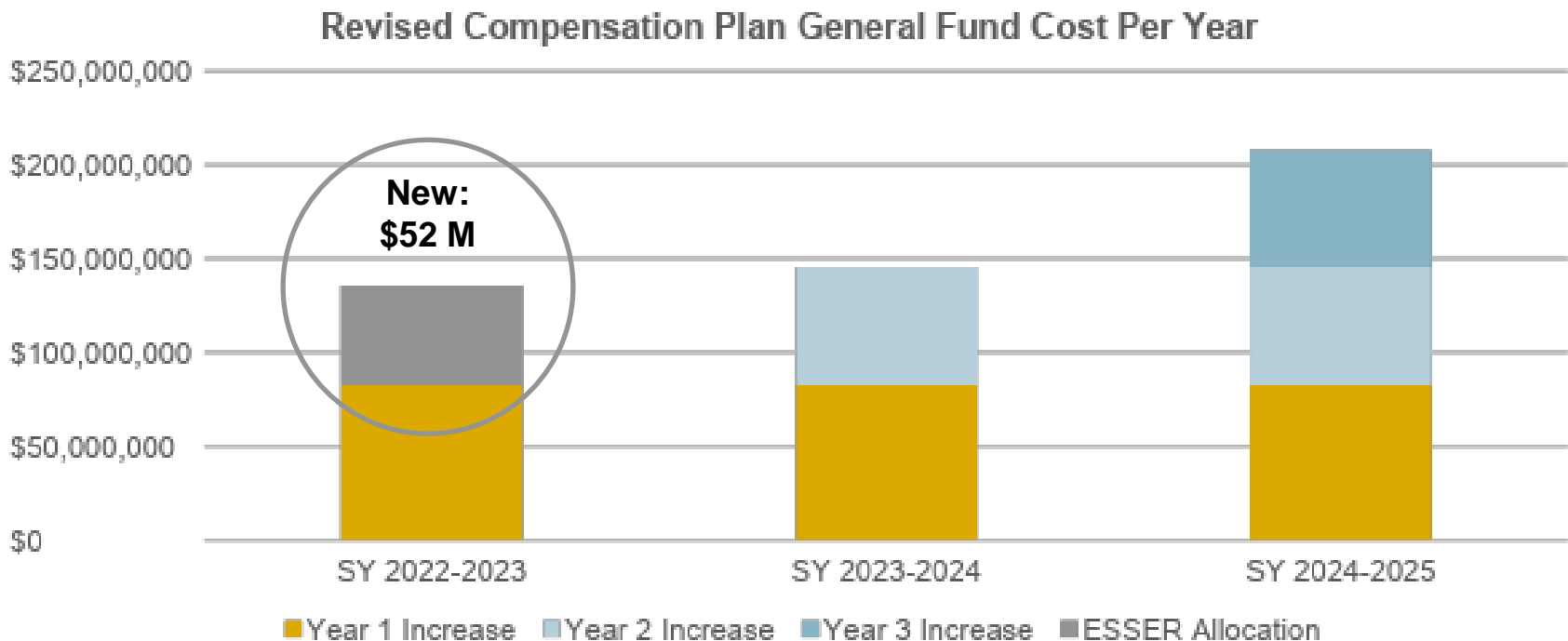


Total new,  
cumulative 3-year  
investment in  
employee  
compensation:  
**\$436 million**

*This is in addition to  
the recurring \$33  
million for teacher  
salary increases  
implemented in SY  
2021-2022.*

# REVISED COMPENSATION PLAN

# Revised Compensation Plan Costs



# Revised Compensation Plan Components

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- Apply a 9.8% average COLA to the steps on the teacher salary scale in SY 2022-2023; apply a 3.7% average COLA in SY 2024-2025; and grant a step increase each year for the next three years. 95% of step increases are \$500+.
- Raise principal and assistant principal/dean salaries by **upgrading flat rates** in SY 2022-2023 and in SY 2024-2025, while incorporating a school complexity factor and a principal experience factor to differentiate salaries.
- Provide three annual **step increases** to police officers.
- **Update the Master Pay Scale**, which determines wages and salaries for *all of HISD's other support staff*, in two phases: in SY 2022-2023 and SY 2024-2025.
  - Many job categories were shown to be 20% or more below the regional market for similar jobs.
- Maintain our current status as one of the regional leaders among school districts for **minimum wage**, increasing all but one grade of the Master Pay Table to at least \$15 per hour for current employees at the start of SY 2022-2023.

# Revised Compensation Plan Components

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- This compensation plan represents a holistic approach to avoid repeating – and correct for – past inconsistency in adjustments to compensation across groups.

For example:

- This plan corrects for **compression** of the Master Pay Table, wherein past decisions to fund raises to the minimum wage without funding proportional raises to higher grades led to a wide range of job categories being paid at the same rate. Today, the minimum rate is the same for **eight distinct grades**. We will correct for this by spreading apart the pay ranges for these eight grades and others.
- This plan avoids creating more **inequity** in positions that are intended to be lateral positions, which has been the result of some job categories receiving wage/salary increases and others receiving none.

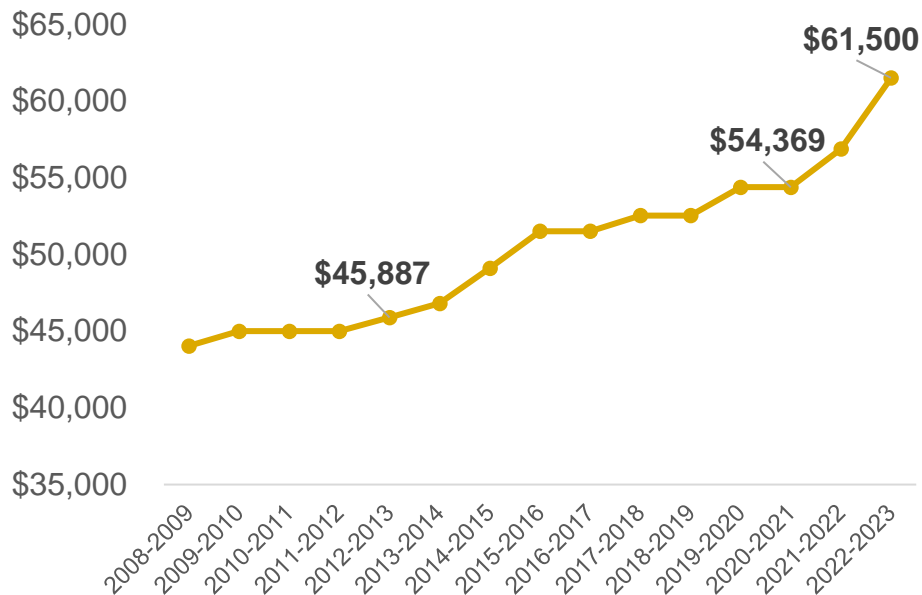
# Teacher Salaries: 2022-23

Step	Salary	Step	Salary	Step	Salary	Step	Salary
0	\$ 61,500	11	\$ 68,000	21	\$ 73,500	31	\$ 80,500
1	\$ 62,500	12	\$ 68,500	22	\$ 74,000	32	\$ 81,000
2	\$ 63,000	13	\$ 69,000	23	\$ 74,500	33	\$ 81,500
3	\$ 63,250	14	\$ 69,500	24	\$ 75,000	34	\$ 82,000
4	\$ 63,500	15	\$ 70,000	25	\$ 77,500	35	\$ 85,000
5	\$ 64,500	16	\$ 70,500	26	\$ 78,000	36	\$ 85,500
6	\$ 65,000	17	\$ 71,000	27	\$ 78,500	37	\$ 86,000
7	\$ 65,500	18	\$ 71,500	28	\$ 79,000	38	\$ 86,500
8	\$ 66,000	19	\$ 72,000	29	\$ 79,500	39	\$ 87,000
9	\$ 66,500	20	\$ 73,000	30	\$ 80,000	40	\$ 87,500
10	\$ 67,500						



# Revised Teacher Salary Plan Impact

First Year Teacher Salary by Year



Under the revised plan, the *starting* salary for a teacher in SY 2022-2023 will be **\$61,500**.

This is a raise of:

- \$7,131 (13%) in the last 2 years
- \$15,613 (34%) in the last 10 years

*Note:* teachers beyond their first year also have received step increases in most years, including each of the last 5 years.

# Revised Teacher Salary Plan Impact

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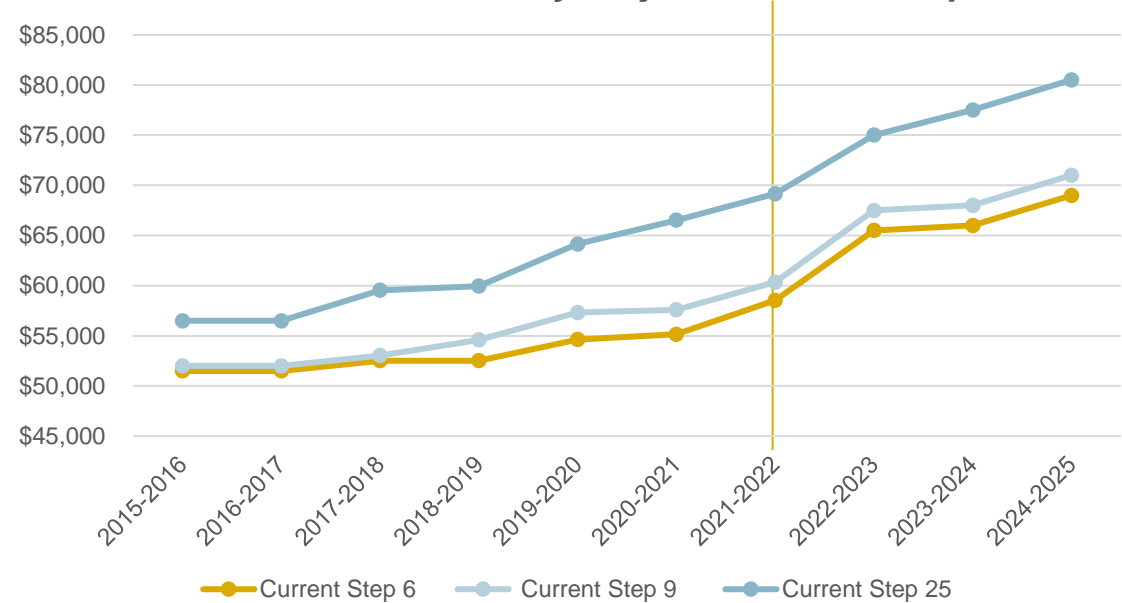
- Current teachers will receive an 11% raise this summer, on average.
- The average teacher salary in 2024 will be 22% (\$13,000) above 2020.

Year	Average Salary*	Annual Change (%)	Annual Change (\$)
2020-2021	\$59,800		
2021-2022	\$62,412	4%	\$2,612
<b>2022-2023</b>	<b>\$69,080</b>	<b>11%</b>	<b>\$6,668</b>
2023-2024	\$69,651	1%	\$571
2024-2025	\$72,723	4%	\$3,072

\*Based on current population of HISD teachers (Spring 2022)

# Sample Trajectories: Revised Teacher Salary Plan

Recent and Future Salary Trajectories: 3 Examples



A teacher currently on Step 6 will get a \$6,958 raise this year as part of a \$10,458 raise by 2024.

A teacher currently on Step 9 (the current **median** experience for all HISD teachers) will get a \$7,140 raise this year as part of a \$10,640 raise by 2024.

A teacher currently on Step 25 will get a \$5,843 raise this year as part of a \$11,343 raise by 2024.

# Teacher Salary Comparison with New HISD Plan

Step 0			Step 5			Step 10			Step 15			Step 20		
District	Rank	Salary	District	Rank	Salary	District	Rank	Salary	District	Rank	Salary	District	Rank	Salary
<b>HISD - New</b>		<b>\$61,500</b>	<b>\$64,500</b>			<b>\$67,500</b>			<b>\$70,000</b>			<b>\$73,000</b>		
GaPaISD	1	\$60,850	GaPaISD	1	\$62,350	Cy-Fair ISD	1	\$64,425	Cy-Fair ISD	1	\$66,276	Cy-Fair ISD	1	\$69,708
Alief	2	\$59,700	Fort Bend	2	\$61,500	Fort Bend	2	\$64,000	Fort Bend	2	\$66,000	Alief	2	\$69,068
SpBrISD	3	\$59,000	Cy-Fair ISD	3	\$61,349	GaPaISD	3	\$63,850	Alief	3	\$65,878	Fort Bend	3	\$69,000
Pearland	3	\$59,000	SpBrISD	4	\$61,000	SpBrISD	4	\$63,790	SpBrISD	4	\$65,790	SpBrISD	4	\$67,790
Cy-Fair ISD	5	\$58,500	Alief	5	\$60,672	Alief	5	\$63,390	GaPaISD	5	\$65,350	GaPaISD	5	\$66,850
Fort Bend	5	\$58,500	Pearland	6	\$60,495	Pearland	6	\$62,568	Pearland	6	\$64,068	Houston	6	\$66,208
Aldine	7	\$58,000	Tomball	7	\$59,433	Tomball	7	\$61,896	Tomball	7	\$63,646	Tomball	7	\$65,596
Klein	8	\$57,800	Aldine	8	\$59,250	Katy	8	\$61,550	Katy	8	\$63,155	Pearland	8	\$65,568
Spring	9	\$57,425	Katy	9	\$59,005	Klein	9	\$61,287	Aldine	9	\$63,077	Aldine	9	\$65,236
Katy	10	\$57,365	Spring	10	\$58,925	Aldine	10	\$61,202	Houston	10	\$62,841	Spring	10	\$65,225
Houston	11	\$56,869	Klein	11	\$58,700	Houston	11	\$61,185	Spring	11	\$62,725	Klein	11	\$65,072
Tomball	12	\$56,700	Houston	12	\$58,012	Spring	12	\$60,425	Klein	12	\$62,337	Katy	12	\$64,975

Note: This table lists data from last year's compensation study. Some districts have adopted updated teacher salary schedules.

# **SALARY SCALES BY EMPLOYEE GROUP**

# Teacher Salaries: Next 3 Years

Step	SY 2021-22	SY 2022-23	SY 2023-24	SY 2024-25		Step	SY 2021-22	SY 2022-23	SY 2023-24	SY 2024-25
0	\$ 56,869	\$ 61,500	\$ 61,500	\$ 64,000		21	\$ 66,653	\$ 73,500	\$ 73,500	\$ 76,000
1	\$ 57,019	\$ 62,500	\$ 62,500	\$ 65,000		22	\$ 69,018	\$ 74,000	\$ 74,000	\$ 76,500
2	\$ 57,169	\$ 63,000	\$ 63,000	\$ 65,500		23	\$ 69,157	\$ 74,500	\$ 74,500	\$ 77,000
3	\$ 57,319	\$ 63,250	\$ 63,250	\$ 65,750		24	\$ 69,602	\$ 75,000	\$ 75,000	\$ 77,500
4	\$ 57,481	\$ 63,500	\$ 63,500	\$ 66,000		25	\$ 71,128	\$ 77,500	\$ 77,500	\$ 80,000
5	\$ 58,012	\$ 64,500	\$ 64,500	\$ 67,000		26	\$ 71,689	\$ 78,000	\$ 78,000	\$ 80,500
6	\$ 58,542	\$ 65,000	\$ 65,000	\$ 67,500		27	\$ 72,700	\$ 78,500	\$ 78,500	\$ 81,000
7	\$ 59,820	\$ 65,500	\$ 65,500	\$ 68,000		28	\$ 73,655	\$ 79,000	\$ 79,000	\$ 81,500
8	\$ 60,090	\$ 66,000	\$ 66,000	\$ 68,500		29	\$ 73,936	\$ 79,500	\$ 79,500	\$ 82,000
9	\$ 60,360	\$ 66,500	\$ 66,500	\$ 69,000		30	\$ 74,609	\$ 80,000	\$ 80,000	\$ 82,500
10	\$ 61,185	\$ 67,500	\$ 67,500	\$ 70,000		31	\$ 75,620	\$ 80,500	\$ 80,500	\$ 83,000
11	\$ 61,457	\$ 68,000	\$ 68,000	\$ 70,500		32	\$ 76,070	\$ 81,000	\$ 81,000	\$ 83,500
12	\$ 62,018	\$ 68,500	\$ 68,500	\$ 71,000		33	\$ 76,744	\$ 81,500	\$ 81,500	\$ 84,000
13	\$ 62,292	\$ 69,000	\$ 69,000	\$ 71,500		34	\$ 77,642	\$ 82,000	\$ 82,000	\$ 84,500
14	\$ 62,566	\$ 69,500	\$ 69,500	\$ 72,000		35	\$ 78,597	\$ 85,000	\$ 85,000	\$ 87,500
15	\$ 62,841	\$ 70,000	\$ 70,000	\$ 72,500		36	\$ 80,562	\$ 85,500	\$ 85,500	\$ 88,000
16	\$ 63,115	\$ 70,500	\$ 70,500	\$ 73,000		37	\$ 82,809	\$ 86,000	\$ 86,000	\$ 88,500
17	\$ 63,683	\$ 71,000	\$ 71,000	\$ 73,500		38	\$ 83,309	\$ 86,500	\$ 86,500	\$ 89,000
18	\$ 64,234	\$ 71,500	\$ 71,500	\$ 74,000		39	\$ 83,809	\$ 87,000	\$ 87,000	\$ 89,500
19	\$ 64,786	\$ 72,000	\$ 72,000	\$ 74,500		40	\$ 84,309	\$ 87,500	\$ 87,500	\$ 90,000
20	\$ 66,208	\$ 73,000	\$ 73,000	\$ 75,500						

# Principal Salaries: 2022-23

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School Category	SY 2022-23
Elementary	\$ 108,500
Middle	\$ 114,000
Specialty High	\$ 124,000
Comprehensive High	\$ 139,000

School Complexity Factor	
School's "Risk Load"	Amount
+ 0.5 to + 2.0	\$0
+ 0.25 to + 0.49	\$1,000
0.0 to + 0.24	\$2,000
- 0.25 to - 0.01	\$3,000
- 0.50 to - 0.26	\$4,000
- 0.75 to - 0.51	\$5,000
- 1.0 to - 0.76	\$6,000
- 2.0 to - 1.01	\$7,000

Experience Factor	
Principal Experience	Amount
0 Years	\$0
1-3 Years	\$1,000
4-6 Years	\$2,000
7-10 Years	\$3,000
11-15 Years	\$4,000
Over 15 Years	\$5,000

# 12-Month AP/Dean Salaries: 2022-23

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School Category	SY 2022-23
Elementary	\$ 82,246
Middle	\$ 87,729
High	\$ 93,213

School Complexity Factor	
School's "Risk Load"	Amount
+ 0.5 to + 2.0	\$0
+ 0.25 to + 0.49	\$500
0.0 to + 0.24	\$1,000
- 0.25 to - 0.01	\$1,500
- 0.50 to - 0.26	\$2,000
- 0.75 to - 0.51	\$2,500
- 1.0 to - 0.76	\$3,000
- 2.0 to - 1.01	\$3,500

Experience Factor	
Principal Experience	Amount
0 Years	\$0
1-3 Years	\$500
4-6 Years	\$1,000
7-10 Years	\$1,500
11-15 Years	\$2,000
Over 15 Years	\$2,500



# Master Pay Table: Paraprofessional Grades

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## Master Pay Table - SY 2021-2022

<u>Grade</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
25	\$ 38,042	\$ 48,503	\$ 58,964
24	\$ 34,583	\$ 44,094	\$ 53,604
23	\$ 31,439	\$ 40,085	\$ 48,731
22	\$ 29,120	\$ 36,441	\$ 44,301
21	\$ 29,120	\$ 33,128	\$ 40,273
20	\$ 29,120	\$ 30,117	\$ 36,612
19	\$ 29,120	\$ 29,120	\$ 33,284
18	\$ 29,120	\$ 29,120	\$ 30,258
17	\$ 29,120	\$ 29,120	\$ 29,120
16	\$ 29,120	\$ 29,120	\$ 29,120
15	\$ 29,120	\$ 29,120	\$ 29,120

## Master Pay Table - SY 2022-2023

<u>Grade</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
25	\$ 41,940	\$ 55,571	\$ 69,202
24	\$ 38,128	\$ 50,519	\$ 62,911
23	\$ 34,661	\$ 45,926	\$ 57,191
22	\$ 31,942	\$ 42,323	\$ 52,704
21	\$ 31,522	\$ 41,767	\$ 52,012
20	\$ 31,109	\$ 41,219	\$ 51,329
19	\$ 30,700	\$ 40,678	\$ 50,656
18	\$ 30,297	\$ 40,144	\$ 49,991
17	\$ 29,900	\$ 39,617	\$ 49,335
16	\$ 29,507	\$ 39,097	\$ 48,687
15	\$ 29,120	\$ 38,584	\$ 48,048

# Master Pay Table: Professional/Executive Grades

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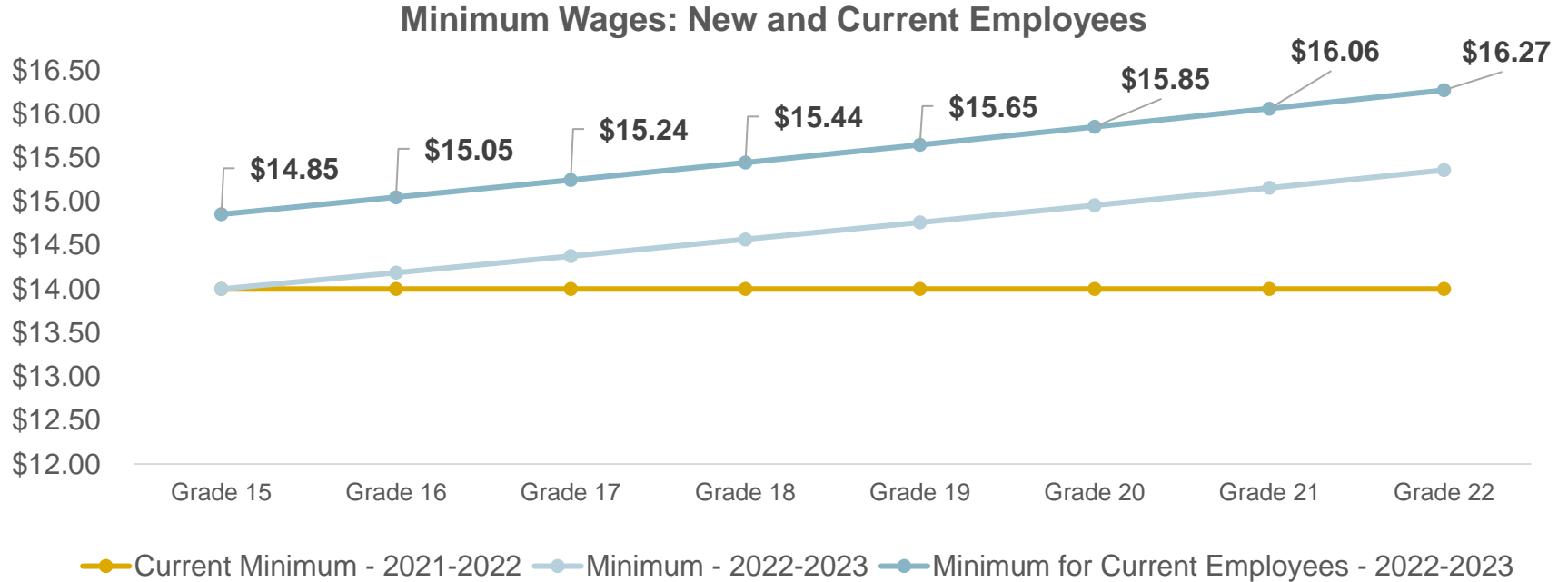
## Master Pay Table - SY 2021-2022

<u>Grade</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
37	\$ 114,885	\$ 152,223	\$ 189,561
36	\$ 104,441	\$ 138,385	\$ 172,328
35	\$ 94,947	\$ 125,805	\$ 156,662
34	\$ 86,315	\$ 114,368	\$ 142,420
33	\$ 78,468	\$ 103,971	\$ 129,473
32	\$ 71,335	\$ 94,519	\$ 117,702
31	\$ 64,850	\$ 85,926	\$ 107,002
30	\$ 58,954	\$ 78,115	\$ 97,275
29	\$ 53,595	\$ 71,014	\$ 88,432
28	\$ 48,723	\$ 64,558	\$ 80,392
27	\$ 46,030	\$ 58,689	\$ 71,347
26	\$ 41,846	\$ 53,353	\$ 64,861

## Master Pay Table - SY 2022-2023

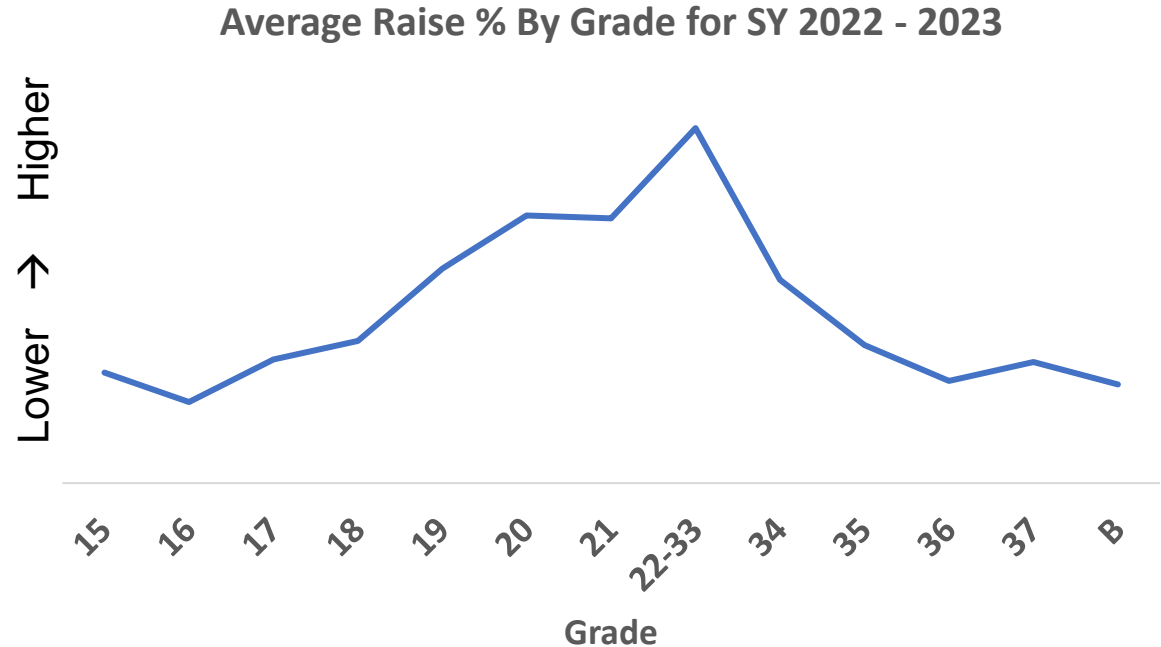
<u>Grade</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
37	\$ 131,627	\$ 174,406	\$ 217,185
36	\$ 119,661	\$ 158,551	\$ 197,440
35	\$ 108,783	\$ 144,137	\$ 179,491
34	\$ 98,893	\$ 131,034	\$ 163,174
33	\$ 89,903	\$ 119,121	\$ 148,340
32	\$ 81,730	\$ 108,292	\$ 134,854
31	\$ 74,300	\$ 98,447	\$ 122,595
30	\$ 67,545	\$ 89,498	\$ 111,450
29	\$ 61,405	\$ 81,362	\$ 101,318
28	\$ 55,823	\$ 73,965	\$ 92,107
27	\$ 50,748	\$ 67,241	\$ 83,734
26	\$ 46,134	\$ 61,128	\$ 76,122

# Minimum Wage Trajectory



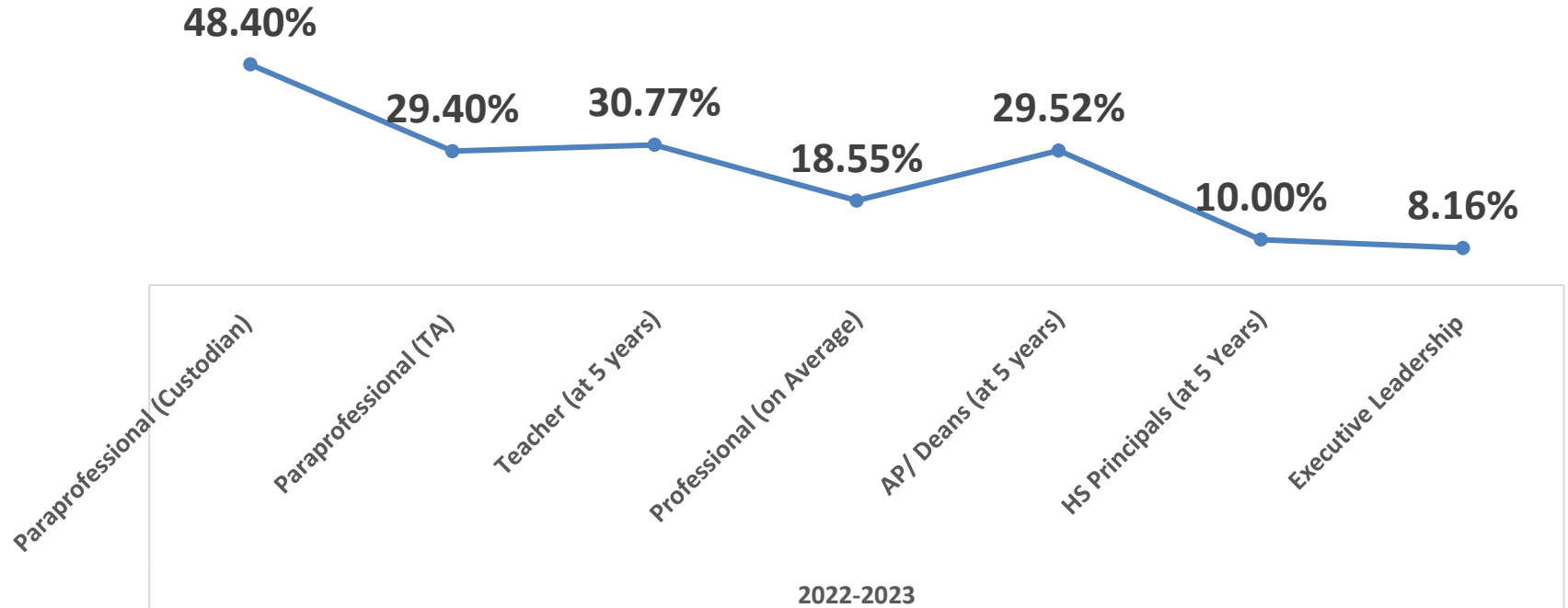
# Master Pay Table: SY 2022-23 Raise

Increases for SY 2022-2023 were informed by both: (1) market comparisons and (2) recent HISD history for raises, which some categories of staff have received and others have not.



# Cumulative 7-Year Raises Across Positions

Cumulative % Salary Increase: 2015-2016 – 2022-2023



# HEALTH INSURANCE PREMIUMS UPDATE

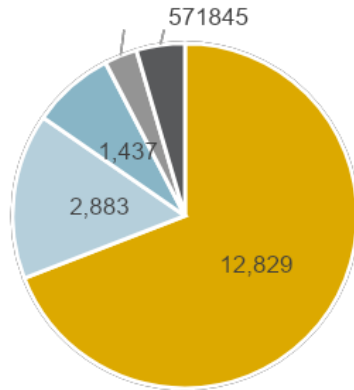
## Health Insurance Plan Costs

- While HISD increases its employer contribution by \$5 million for 2022-2023, there will be **no increase to employee premiums for employee-only health insurance plans** for the next plan year (January - December 2023).
- Employee premiums for plan options that also cover dependents will go up less than the 10% increase that was projected in the spring 2021 Board update.

Plan Type	Employee Premium Increase	Cost Per Paycheck (Min & Max)	
Employee Only	0%	\$0	
Employee and Child(ren)	4%	\$3.40	\$8.70
Employee and Spouse	8%	\$7.20	\$18.03
Employee, Spouse, and Child(ren)	7%	\$10.50	\$25.58

# Health Insurance Plan Costs

## Employee Premium Increase for 2023



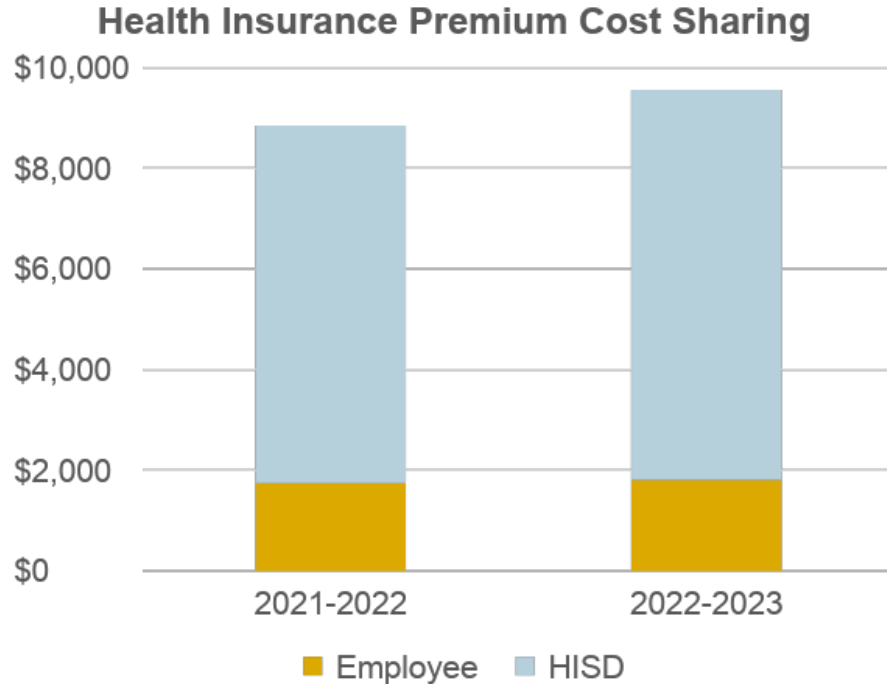
- No Increase
- Less than \$200
- Between \$201 and \$300
- Between \$301 and \$400
- Between \$401 and \$614

- 69% of employees (12,829) will experience no health insurance premium increase in 2023.
- The average employee premium increase, across all health insurance plan options, is \$72.00 (\$3.00 per paycheck) in 2023.

Also note: 15% of HISD employees participate in a special, low-cost plan for which the employee-only premium will remain only **\$5 per month**.



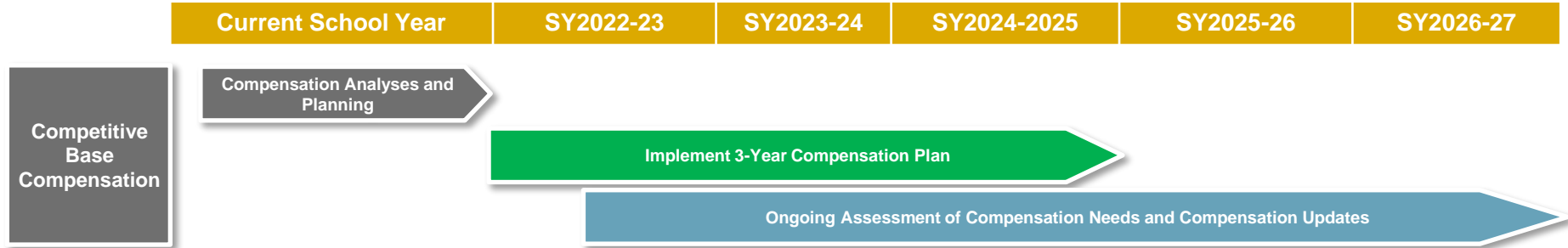
# Health Insurance Plan Costs



- While the increase of **\$72 per year** raises the average annual employee premium cost to \$1,812, the employer contribution per covered employee will go up from \$7,107 to \$7,743.
- The HISD-paid share of health insurance premium costs is increasing from 80% to 81%.

# **CONNECTION TO THE *WORLD-CLASS* *TALENT* STRATEGIC PLAN COMMITMENT**

# Compensation as a Foundation for Other Work



## Compensation and Culture

**Competitive Base Compensation:** We must ensure that every single HISD employee receives a compensation package that helps us compete with other districts.

**Recognizing Greatness:** We will provide incentives for teachers and other staff who choose to work in our highest-need content areas and schools.

**A Great Place to Work:** We will foster community among our employees, connecting their individual interests with our mission, opportunities to serve students, and our core values.

## Reminder: Key Metrics (World-Class Talent)

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- Average daily position fill rate
- Number of teacher vacancies on the first day of school
- Year to year retention rate of highest performing teachers
- Average time to process a new hire
- Employee ratings of HISD as a great place to work

# **OVERALL BUDGET FOR 2022-2023**

# PROPERTY VALUES UPDATE

# Tax Year 2022 Property Values

Major Property Category	2021 Taxable Value	Percent Change	Projected 2022 Taxable Value
Residential & Rural Improved	89,022,208,244	7.91%	96,063,034,339
Apartments	28,955,163,670	12.95%	32,706,135,157
Commercial	56,857,610,421	7.90%	61,348,019,805
Vacant Land	5,486,526,907	4.47%	5,731,684,900
Industrial	4,145,009,921	5.32%	4,365,475,745
Utility	2,030,326,944	5.25%	2,136,825,714
Commercial Personal	10,151,306,190	-2.72%	9,875,190,662
Industrial Personal	5,377,981,483	-3.96%	5,165,185,512
All Other Property	139,190,653	-2.73%	135,396,316

<b>Projected 2022 Taxable Value</b>	<b>202,165,324,433</b>	<b>7.60%</b>	<b>217,526,948,148</b>
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## Projected 2022 Taxable Value Range

<b>Accuracy +/- 5%</b>	<b>206,650,600,741</b>	<b>To</b>	<b>228,403,295,555</b>
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# Tax Year 2022 Property Values

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	2021	2022
Average Market Value of Residences:	\$329,093	\$368,270
Average Taxable Value of Residences:	\$252,920	\$270,094

Total Appraised Value of All Property:	\$259,331,614,123	\$283,018,234,309
Total Appraised Value of New Property:	\$5,818,118,753	\$5,965,564,353
Total Taxable Value of All Property:	\$202,165,324,433	\$217,526,948,148
Total Taxable Value of New Property:	\$4,535,589,960	\$4,650,533,090

Total Market Value of All Property:	\$262,427,849,435	\$286,397,271,045
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Last Year Losses Due To Substantial Error Corrections	\$18,801,599
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# **2022-2023 BUDGET**

# General Fund Budget 2022-2023

	<u>2022-2023 <sup>(1)</sup></u>	
<b>Revenue and Resources</b>		
5700-Local Sources	\$ 1,900.66	
5800-State Sources	190.73	
5900-Federal Sources	71.91	
7900-Other Sources	20.00	
<b>Total Revenues</b>	<u>\$ 2,183.29</u>	
<b>2021-2022 Beginning Appropriations</b>	<u>\$ 2,205.57</u>	
<b>Change in recapture payment</b>	<u>\$ 34.17</u>	
<b>Salaries &amp; Benefits</b>		
Employees on pay scale tables amended in 2021-2022	33.47	
Compensation Package - All employees	132.95	
<b>Total Salaries &amp; Benefits</b>	<u>\$ 166.42</u>	
<b>Transfer of salaries to ESSER</b>	<u>\$ (52.05)</u>	
		<b>Temporary Funds in the Budget</b>
		Federal ESSER Indirect Costs \$ 50.00
		Transfer of Salaries to ESSER 52.05
		<u>\$ 102.05</u>

# General Fund Budget 2022-2023

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## **Appropriation Increases**

ESSER Support Positions		1.43
Performance contract schools		19.49
Transfers Out		0.01
Contract Management System		0.77
Verizon Innovative Learning Support		0.56
Move of Bond Positions		0.78
<b>Total increases to appropriations</b>	<b>\$</b>	<b><u>23.05</u></b>

## **Appropriation Decreases**

Capital lease recognition	<b>\$</b>	(22.37)
Campus Resource Allocation		(2.03)
Tax Increment Reinvestment Zones		(0.48)
Device maintenance from COVID device purchases		(4.57)
Districtwide		(3.65)
Department cuts		(60.00)
<b>Total decreases to appropriations</b>	<b>\$</b>	<b><u>(93.10)</u></b>

# General Fund Budget 2022-2023

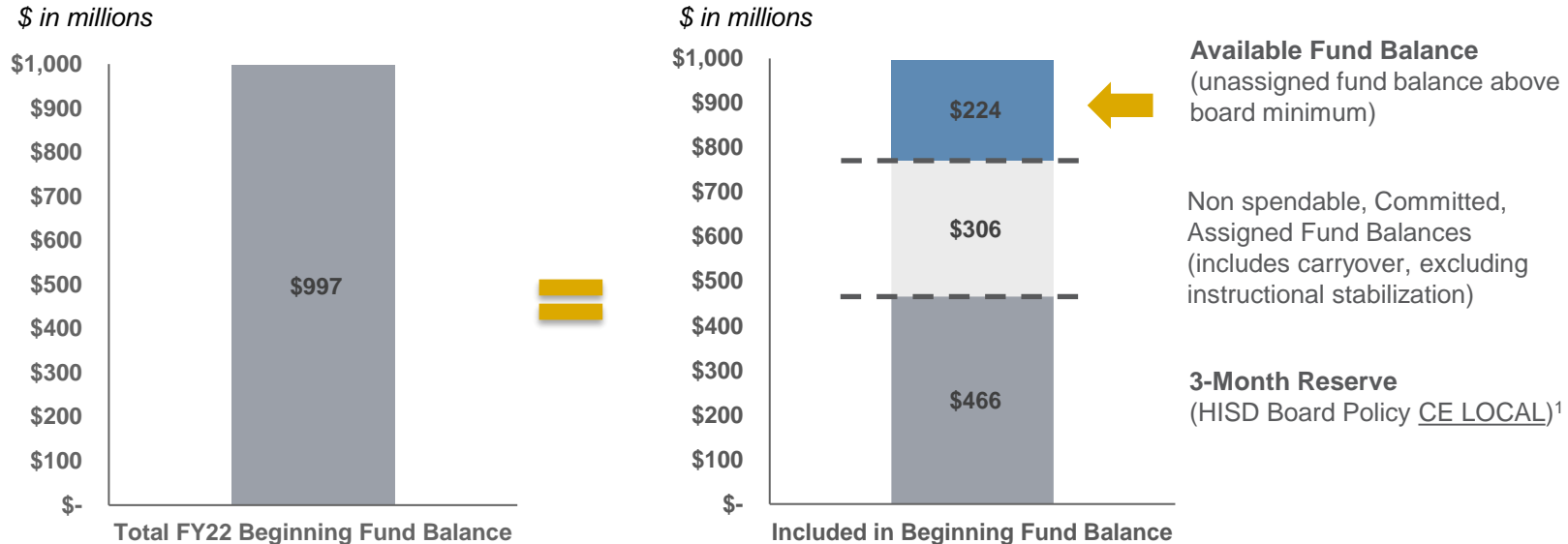
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<b>2022-2023 Appropriations</b>	<b>\$</b>	<u><b>2,284.06</b></u>
<b>Surplus / (Deficit)</b>	<b>\$</b>	<u><u><b>(100.77)</b></u></u>
Anticipated fallout		70.00
<b>Surplus / (Deficit) after fallout</b>	<b>\$</b>	<u><u><b>(30.77)</b></u></u>

# REVISITING FUND BALANCE

# Starting Fund Balance 2021-2022

## 2021-2022 BEGINNING FUND BALANCE    COMPONENTS OF FUND BALANCE



1) Example demonstrates FY22 Beginning Available Fund Balance – total amount will adjust over time based on growth in appropriations relative to 3-month reserve requirement

# Fund Balance

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	2021-2022	2022-2023
Beginning fund balances available	\$ 224	293
Anticipated change of fund balance	90	(31)
Increase in board policy minimum fund balance	<u>(21)</u>	<u>(19)</u>
Ending fund balances available	\$ <u>293</u>	<u>243</u>

# LOOKING AHEAD



# Reaching Long Term Fiscal Sustainability

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- This moment presents a unique opportunity to invest in our schools, but that opportunity does not change the lasting reality of revenue constraints and cost growth that HISD faces.
- While fund balance and Federal funds support HISD in making critical investments, these commitments require additional financial improvements to become sustainable in the long run.
- **HISD has begun studying a variety of options to reach long-term fiscal sustainability and is committed to pursuing and achieving savings throughout SY22-23 and SY23-24.**
- **To reach long-term sustainability, HISD will look to stabilize and grow enrollment, and will continue its work to ensure every dollar possible is used to support students.**

# Financial Improvement Strategies (1 of 2)

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In order to reach lasting fiscal sustainability, HISD will pursue a long-term fiscal transformation process through a variety of possible strategies, including, but not limited to:

## 1. Stabilize and Improve Revenues:

- Develop attractive education models tailored to community needs in order to stabilize and improve enrollment.
- Optimize HISD's use of its real estate, monetize assets where appropriate, and consider Public-Private Partnerships for key projects.
- Put fund balances to work to safely maximize return on investment
- Strengthen taxpayer support through bond issuance
- Advocate for more state funding / more equitable state funding

# Financial Improvement Strategies Under Study (2 of 2)

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## 2. Reduce Expenditures and Improve Efficiency

- Optimize Central Office supports to focus on supports with the highest impact on students
- Improve procurement management to increase the buying power of our schools and departments
- Reconfiguring our school footprint to better match the needs of our communities
- Explore adjustments to our funding model in support of equity and sustainability
- Strengthen financial management capacity to serve as a foundation for transformation

# Q & A

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01

Building Trust and  
Reliability for Our  
Families and  
Community

02

Providing  
Equitable  
Opportunities  
and Resources  
at Every School

03

Ensuring Great  
Schools and  
Programs in  
Every  
Community

04

Promoting High-  
Quality Teaching  
and Learning

05

Delivering  
Effective Services  
and Supports to  
Students with  
Exceptional  
Needs

06

Cultivating  
World-Class  
Talent at  
All-Levels