

**HISD considers a centralized funding model**

**in response to budget challenges**

*Jan. 23, 2018* – The Houston Independent School District is moving to a more centralized budgeting process for schools in the 2018-19 school year to address budget challenges resulting from Hurricane Harvey and recapture.

Hurricane Harvey left HISD with several schools that need to be repaired, renovated or rebuilt with district funds and will likely impact student enrollment and property values when they are released in April. In addition, state law requires HISD to send a portion of local property tax dollars to the state – a process called Recapture. It is part of the state’s school finance system commonly known as the “Robin Hood” plan.

That payment for the upcoming school year is nearly $269 million.

“If you combine our recapture payment with the significant decrease in post-Harvey property values that we anticipate, what you get is a perfect financial storm that is unavoidable,” Superintendent Richard Carranza said. “To weather this storm, we have to shift our thinking about how we allocate funds both at the school and department level. Those changes will hurt, but we are starting the conversations early to ensure we make those changes without compromising quality equitable education for all of our students.”

Utilizing an equity lens, the district has reviewed its current funding model, and Superintendent Carranza has recommended HISD shift to a more centralized budgeting process for schools called FTE, or Full-Time Equivalent model. Under the FTE model, principals will still decide whom they hire, but the district will ensure every school has essential positions such as a nurse, counselor and librarian. Principals will be directly involved in the process of developing the new model to ensure that HISD schools do not lose the flexibility to meet the unique needs of their community or stifle innovation in the classroom. This change is an effort to maximize the district’s limited funding while continuing to drive its initiatives – providing wraparound services to support the social and emotional needs of students, expanding fine arts to all students, and ensuring every school has the essential staff needed to meet the needs of all students.

In addition, all HISD departments are taking a hard look at their budgets and staffing models to determine essential services and areas that can be streamlined.

“It is our duty to proceed thoughtfully about the resources, materials and staffing we need to ensure we meet our goals of educating the whole child and providing all students with the essential services they need to be successful,” Carranza said.