

Title: Resource Allocation Committee Meeting

Date/Time: August 7, 2018 – 4:00 PM

Location: HISD Board Auditorium

I. Welcome – Silvia Trinh, Chief of Staff

- Committee Member Introductions
- Purpose of RAAC Meeting – Make sure we have different voices looking at how money follows students and that it is the most equitable way. Regardless of what type of student and what school they attend, the money should follow the student. Task is to come up with recommendations to take forward to the board by January 2019.
- Introduction of RAAC Meeting Co-Facilitators: Ashlea Turner, Kenneth Davis and Glenn Reed (*Susan Kaler will also serve as Co-Facilitator; however, she was unable to attend the first meeting*)

II. Presentation – Glenn Reed, Officer of Budget & Financial Planning

- Clarified the purpose of the RAAC Meetings was not to support the Resource Allocation Model; this is an open discussion on how to change and redesign current system to get the funds where they are most needed. The purpose is not to modify current model; looking for fresh ideas, different ways of doing things.
- **Presentation #1: Purpose, Picture, Plan, People**
Created RAAC committee; comprised of broad group of people with different backgrounds. Some of RA issues are: 1) small campuses – no school closures 2) double funding 3) balancing resources – how to put resources in right places 4) essential personnel and 5) funding formula elements – not limited to special populations categories; consider other weights/categories.
 - **PURPOSE:** Design an equitable resource allocation model that provides adequate resources to all campuses regardless of size.
 - **DEFINE:** What is equitable? What is adequate? What are essential personnel? Small school funding – how to ensure small schools receive funds
 - **PICTURE:** RAAC's purpose will be achieved when all students have equal access to opportunities, services and supports.
 - **DEFINE:** Equity – Opportunities – What does that look like? Supports/Services – Define support/services that all students should have access to no matter what school the student attends.
 - **PLAN:** By January 2019, RAAC should have drafted recommendation for the BOE to consider.
 - **Aug 7, 2018 – Meeting #1:** A) Review: meeting dates, goals & expectations; B) Set Context: Status Quo is our state allocation; state has not increased our revenues. C) Education members on current RA formula
 - **Aug 23, 2018 – Meeting #2:** Define key terms
 - **Sept 6, 2018 – Meeting #3:** Conduct SWOT Analysis of current RA system
 - **Sept 20, 2018 – Meeting #4:** Review SWOT Analysis/Begin Problem-Solving
 - **Oct 4, 2018 – Meeting #5:** Continue SWOT Analysis
 - **Oct 18, 2018 – Meeting #6:** Continue SWOT Analysis; draft recommendations
 - **Nov 1, 2018 – Meeting #7:** Continue drafting/refining recommendations
 - **Nov 15, 2018 – Meeting #8:** Continue drafting/refining recommendations
 - **December 2018:** Present draft of recommendations to Cabinet
 - **PEOPLE:** Principals (18); Board Member Appointees (9); DAC (1); HERC (1); Departments (6); District Administration (2); HFT (1); Teacher Congress (1); Equity Expert (1)

- **NEXT STEPS:** December present draft to cabinet; January 2019 make recommendations to BOE. Clarification - Silvia Trinh: Committee is putting together recommendations for board approval; this does not get put into action until the board approves.
- **QUESTION:** 1) Who serves on the cabinet? **RESPONSE** by Glenn Reed: Chief Academic Officer, Chief Operating Officer, Chief Strategy/Innovations Officer, Chief Technology Information Officer, Chief Human Resources Officer, Chief Communications Officer, Chief Financial Officer, Chief Development Officer, Chief Government Relations & Strategy Officer and General Counsel 2) What does Equity Expert mean? **RESPONSE** by Silvia Trinh: This person is going to be a dean/professor from a university that specializes in this area/field of research.
- **Presentation #2: Resource Allocation – PowerPoint Presentation Attached.**
 - Slide 2** – Overview: Overall district budget breakdown; how schools are funded; RA drivers; examples of school funding, data sources – what data feeds into a schools' budget and examples of what schools pay for and don't pay for.
 - Slide 3** – Chart shows the overall budget; RA system (includes benefits); primary focus of RAAC is to focus on RA and CTE; there is a subcommittee that is focusing on Magnet; RA formula can indirectly impact A180. Recommendations could impact A180.
 - **Question:** Recapture Payment – is this a set figure for 18-19 or does that amount increase? **RESPONSE** by Glenn Reed: This number depends on the number of students in the district, type of services they are receiving and property taxes. Example: As property taxes go up, recapture amount goes up; if property taxes go down then recapture amount goes down. If the student count goes up, then recapture amount is less; if the student count goes down, then recapture amount is more. The number on the slide is an estimate depending on tax collection and student count. Wont' know final payment until next September.
- **Slide 4** – HISD uses Resource Allocation Funding Formula to finance schools based on Per Unit Allocation (PUA). District uses PUA which determines how much a school receives and is able to make decisions vs. FTE Model where district decides how many teachers, counselors, assistant principals, clerks, etc. a school receives based on student enrollment. Aside from PUA, schools receive additional funding from capital allocation, if applicable, small school subsidy, high school allotment, magnet funding as well as Title I/Title III funds. All of these pieces are used to build a school's budget (main resources). Title I Part A – supplemental federal funds that provide additional resources for economically disadvantaged students; Title III – supplemental federal funds for LEP students. Both help support campuses.
 - **Question:** Did the threshold for the small school subsidy change this year? **RESPONSE** by Glenn Reed: Yes; in the past there was a cap on small school subsidy; this year the cap was removed. This could cause the maximum a school generates to change.
- **Slide 5** - Resource Allocation Drivers – 1) Student Enrollment - schools get majority of funding from student attendance. 2) Special Populations: Campuses receive money for GT, CTE, Economically Disadvantaged, Special Education, Bilingual/ESL and Homeless/Refugee Counts (state does not fund Homeless/Refugee – these are unique to HISD) 3) Per Unit Allocation (dollar amount)
 - **Question:** A student could be all of these things? **RESPONSE** by Glenn Reed: Yes – more details will be provided during the example.
- **Slides 6 – 10** - Resource Allocation Example – PowerPoint Presentation Attached.
 - Special Pops Counts – extremely important for campuses to identify and enter whatever services a student is eligible for and receiving – coding is extremely important – campus can lose funding if a student is not identified.
 - ADA is the biggest generator of funds – students enrolled coming to school every day.
 - **Question:** Is it a state decision to make ADA the way a campus gets compensated? **RESPONSE** by Glenn Reed: Yes, that is how the district gets funded. Committee

Member clarified that it is the district's decision to fund campuses that way and is not mandated by the state. The district has chosen to follow the state's district funding mechanism as a model to fund local campuses. Glenn Reed agreed; district follows state model very closely with a few minor exceptions like homeless and refugees and state comp ed.

- **Question:** Can you give examples of other large school districts in Texas that follow the state's model closely? **RESPONSE** by Glenn Reed: Most districts are de-centralized or do a per unit model. All the districts HISD reached out to use the FTE model where they allocate dollars and resources from a central budget.
- **Question:** Could you please clarify at-risk? **RESPONSE** by Glenn Reed/Committee Member: There are 13 indicators for becoming at-risk. Any one of those 13 indicators could cause a student to become at-risk. There are more opportunities for high school students to become at-risk.
- Special Education Units – not intended to fund special education program; this provides additional funds/resources – stays at the campus level
- Gifted/Talented Enrollment – the state caps GT funding; but on RA there is no cap- campus gets all the funding
- Bilingual/ELL ADA – if a student is being served but not identified then campus is not getting the funds
- **Question:** Is the weighting a state set weight? **RESPONSE** by Glenn Reed: GT, CTE and Bilingual follow state weights; all other weights are HISD.
- **Question:** What flexibility is there in changing the weights? **RESPONSE** by Glenn Reed: The only restraint is that when state gives district funds, HISD has a minimum amount of funds to spend in these categories; funds must be spent.
- **Question:** What is total number of small school subsidy dollars from last year? **RESPONSE** by Glenn Reed: 19 million - 83 schools
- **Slide 11-12 - Campus Budget Timeline** – information on attached PowerPoint
 - **Question:** Snapshot – Could that happen in September/earlier in the process or is that something district has no choice/control? **RESPONSE** by Glenn Reed: Snapshot is state driven; there is a choice on what data/time frame is used.
 - **Question:** Is there money that is rolled over? **RESPONSE** by Glenn Reed: No, board stopped doing that during SY17-18.
- **Slide 13-14 - Title I** – information on attached PowerPoint
- **Slide 15 - How Funds Are Spent (examples)** – information on attached PowerPoint
 - **Question:** Campus Stipends – are they set across all campuses? **RESPONSE** by Glenn Reed: No, they are decided by principal. RAAC member clarified that some stipends such as athletic stipends that are not flexible.
 - **Question:** Classroom subs – how is that determined? **RESPONSE** by Glenn Reed: HISD has a system for subs; teacher calls in and system assigns a sub to that campus. There are some principals who have purchased dedicated subs to use as needed in classrooms when teachers call in.
 - **Question:** Free Breakfast, Lunch and Dinner – where are those funds coming from? **RESPONSE** by Glenn Reed: Funds district gets are based on economically disadvantaged count. RAAC Member commented on the importance of completing the Free/Reduced Lunch Forms – students are receiving free meals but must complete forms in order for district to receive funds – this must be communicated out to all schools/parents.

- **Comment** – Glenn Reed will provide RAAC a list of things that schools are having to buy from their budgets.
- **Comment:** Regarding Free Meals – All meals are not all actually free/not all meals will be reimbursed. HISD will probably receive reimbursement for 80-85% of the students - consequently, HISD will serve lower quality meals to all students in order to provide all students free meals without spending any extra money.
- **Comment:** Principals might not budget for certain things because they can ask PTO/parents for assistance with funding.
- **Comment:** Zeph Capo expressed his concern with addressing equity and spending if district doesn't have a vision about the values that are important, the things that should be prioritized, the expectations we have for our students/communities and what should be first. District should have a shared set of values.
- **Concern:** RAAC Member is concerned with group having to define equity. Glenn Reed agreed that this is a challenge; however, committee is only making the recommendation to the board.
- **Slide 16** - Examples of what schools do not pay for – information on attached PowerPoint

Focus of next meeting – Per Glenn Reed, email will be sent out to all committee members.