

HISD Budget Workshop

April 23rd
Workshop #3



Workshop 3 Outcomes and Agenda

Outcomes:

1. Review central office department drafts
2. Review PUA school budget drafts
3. Provide timely updates from 89th Legislative Session + discuss impact on HISD

- Department Budget Overview
- PUA School Budget Overview
- NES School Budget Overview
- Legislative Update

Budget Workshop Scope and Sequence

Workshop Series Goals

- Socialize HISD’s approach to budgeting
- Connect the 25-26 budget to District goals and priorities
- Outline areas for proposed spending reductions
- Provide transparency into the department and school budget allocations

February 27 th	March 26 th	April 23 rd	May 1 st	May 22 nd June 12 th
<div>Overview of District Financial Position</div> <div>Overview of Best-in-Class District Budget Development Practices</div> <div>HISD’s School Year 25-26 Budget Approach and Timeline, Assumptions and Methodology</div>	<div>School Year 25-26 District Action Plan and Alignment to Board Goals</div> <div>School Budget Approach Preview</div>	<div>Central Office Department Budget Allocations</div> <div>PUA School Budget Overview</div> <div>NES Budget Overview</div>	<div>Preliminary high-level budget</div> <div>Facilities Review</div> <div>NES Budget Update</div>	<div>May 22: Proposed budget review + Board discussion</div> <div>June 12: Budget Vote</div>

Development Timeline



School Year 25-26 Budget Goals

- **Prioritize district resources to sustain transformation:** Resource key district priorities to sustain early transformation progress, accomplish Board Goals
- **Align resources to enrollment to ensure sustainability:** Create central office department budgets and ensure direct-to-school budget allocations align to the Action Plan and account for enrollment decreases. Ultimately, these allocations aim to ensure minimal disruptions to programming

Our Guiding Principles

- 1. Keep cuts as far away from the classroom as possible.** We are ensuring that every school gets the per-pupil allowance they are supposed to receive. The District will provide the necessary resources to maintain high quality instruction and a safe and supportive school environment.
- 2. Prioritize resources to meet District goals.** The District Action Plan provides an outline of the highest priority items that will help the District accomplish the School Board's goals and the District's mission.
- 3. Make decisions now that will support long term financial sustainability.** The District will be one step closer to a balanced budget, will allocate necessary funds to accomplish Board Goals and actualize District vision while maintaining District fiscal stability.

CENTRAL OFFICE BUDGET OVERVIEW

Central Office Budget – First Draft

	FY25 Budget (\$)	Reduction for FY26 (\$)	Key Action Investments	Other Adjustments	FY26 Budget (\$)*	Change
Facilities & Operations	108.6M	1.8M		0.0M	106.8M	-1.8M
Academics	97.9M	17.9M	15.5M	0.2M	95.8M	-2.2M
Organizational Effectiveness	74.3M	2.4M		-43.9K	71.8M	-2.5M
Information Technology	50.0M	2.8M		-0.3M	46.9M	-3.1M
Police	27.1M	16.9K			27.1M	-16.9K
Finance	21.8M	1.6M		0.1M	20.3M	-1.5M

*Department Budget totals exclude benefits

Central Office Budget – First Draft

	FY25 Budget (\$)	Reduction for FY26 (\$)	Key Action Investments	Other Adjustments	FY26 Budget (\$)*	Change
Public Affairs & Communication	20.4M	5.7M	2.0M	-0.1M	16.6M	-3.8M
Human Resources	12.9M	0.9M			12.1M	-0.9M
Chief of Schools Office	38.4M	10.9M	0.5M	0.6M	28.6M	-9.8M
General Counsel	6.0M	34.5K		-4.5K	5.9M	-39K
Chief of Staff	1.6M			0.8M	2.4M	0.8M
Superintendent	1.1M			-42.3K	1.0M	-42.3K
TOTAL (Slide 8 & 9)	460.2M	44.1M	18M	1.2M	435.2M	-24.9M

*Department Budget totals exclude benefits

Efficiency & Effectiveness at Central Office

We continue to right-size central office staff. This year, we are eliminating an additional 100 positions across multiple departments to more efficiently and effectively support schools and students.

Department	SY24-25 Total	Eliminations	Additions	Net Change	SY25-26 Total
Human Resources	123	12	10	-2	121
Finance	196	8	1	-7	189
Academics	675	66	76	10	685
Police	251	0	0	0	251
Facilities, Maintenance, Operations	1607	55	52	-3	1604
Public Affairs & Communications	120	58	6	-52	68
Schools	297	63	14	-49	249
Legal	24	1	0	-1	23
Information Technology	240	38	0	-38	202
Organizational Effectiveness	125	124	154	30	155
SpEd (*Central Office Only)	67	0	0	0	67
Chief of Staff	3	0	9	9	12
TOTALS	3728	425	322	-103	3626

PUA SCHOOL BUDGETS

PUA School Budgets Over Time

SY23-24	SY24-25	SY25-26
<p>In SY23-24 the made no changes to the previously determined and formulas for PUA budgets. Most notably, the administration maintained <i>hold harmless</i> for lost and ADA.</p>	<p>In SY24-25 the eliminated the <i>hold</i> lost enrollment and ADA. Campuses were given an allocation based on actually served in their For schools who saw a loss of funding due to the <i>hold harmless</i>, the administration capped budget reduction at 12% of previous year.</p>	<p>In SY25-26, the funded schools based on enrollment, ADA, plus an \$75 per student.</p> <p>To make this shift to a budget easier for schools, the schools projected was added back to their allocation.</p>

Approach to PUA School Budgets

Use this basic formula for allocating funds:

**Projected Enrollment
(Provided by
Demographer)**



**Average Daily
Attendance (ADA)
(SY 24-25)**



**Per Unit Allocation
(PUA) + additional
\$75 per student**

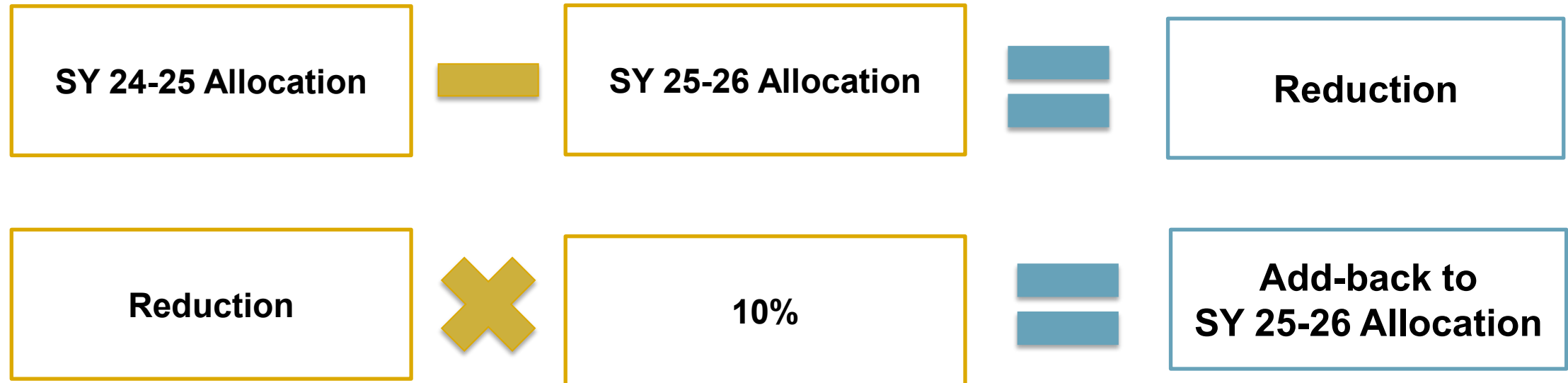


Total Funding

*PUA includes the weights or amounts for gifted & talented, small school subsidy, bilingual students, special education students, high school subsidy, state comp & economically disadvantaged, at risk, homeless, refugee, CTE, Magnet subsidies added after calculation of PUA allocation

*Schools can expect a true-up process after October 2025 based on actual enrollment and ADA.

Calculating SY25-26 PUA Budgets



**Only applicable if school experienced reduction*

PUA EXAMPLE BUDGETS

Example A (Field ES) – Increased Enrollment

	Enrollment		ADA	2024-2025 Current Budget	2025-2026 Projected Calculation using Average ADA Cycle III & IV				
Grade Level	SY 25-26 Projected Enrollment	Enrollment Δ Snapshot SY 24- 25 vs SY 25-26 Prelim	Average ADA Cycle III & IV	SY 24-25 Actual Budget	SY 24-25 Actual Per Unit Allocation + Average Salary Adj (\$75)	Prelim SY 25-26 Allocation	Δ 24-25 Actual vs Prelim Allocation SY 25-26	10% add back for FY26	FY26 Allocation
ES	547	37	96.2%	\$ 2,556,669	\$ 5,344	\$ 2,812,256	\$255,587	\$ -	\$ 2,812,256

Example B (Bastian ES) – Similar Enrollment

	Enrollment		ADA	2024-2025 Current Budget	\$ 75.00	2025-2026 Projected Calculation using Average ADA Cycle III & IV			
Grade Level	SY 25-26 Projected Enrollment	Enrollment Δ Snapshot SY 24-25 vs SY 25-26 Prelim	Average ADA Cycle III & IV	SY 24-25 Actual Budget	SY 24-25 Actual Per Unit Allocation + Average Salary Adj (\$75)	Prelim SY 25-26 Allocation	Δ 24-25 Actual vs Prelim Allocation SY 25-26	10% add back for FY26	FY26 Allocation
ES	635	(1)	91.7%	\$ 2,938,900	\$ 5,049	\$ 2,939,833	\$933	\$ -	\$ 2,939,833

Example C (West Briar MS) – Decreased <\$150K

	Enrollment		ADA	2024-2025 Current Budget	\$ 75.00	2025-2026 Projected Calculation using Average ADA Cycle III & IV			
Grade Level	SY 25-26 Projected Enrollment	Enrollment Δ Snapshot SY 24- 25 vs SY 25-26 Prelim	Average ADA Cycle III & IV	SY 24-25 Actual Budget	SY 24-25 Actual Per Unit Allocation + Average Salary Adj (\$75)	Prelim SY 25-26 Allocation	Δ 24-25 Actual vs Prelim Allocation SY 25-26	10% add back for FY26	FY26 Allocation
MS	952	(42)	94.3%	\$ 4,875,182	\$ 5,271	\$ 4,731,572	(\$143,610)	\$ 14,361	\$ 4,745,933

Example D (Herrera ES) – Decreased >\$250K

	Enrollment		ADA	2024-2025 Current Budget	\$ 75.00	2025-2026 Projected Calculation using Average ADA Cycle III & IV			
Grade Level	SY 25-26 Projected Enrollment	Enrollment Δ Snapshot SY 24-25 vs SY 25-26 Prelim	Average ADA Cycle III & IV	SY 24-25 Actual Budget	SY 24-25 Actual Per Unit Allocation + Average Salary Adj (\$75)	Prelim SY 25-26 Allocation	Δ 24-25 Actual vs Prelim Allocation SY 25-26	10% add back for FY26	FY26 Allocation
ES	687	(35)	93.6%	\$ 3,571,655	\$ 5,086	\$ 3,270,293	(\$301,362)	\$ 30,136	\$ 3,300,429

Supporting Small Schools to Serve Students Well

- Because of how school budgets are determined, our schools with the lowest enrollment necessarily receive a smaller budget.
- To ensure that every campus remains both **viable and well-supported for SY25-26**, the Finance team conducts a **case-by-case review** of small schools. This deeper analysis considers;
 - Programmatic needs and student services
 - Operational efficiencies and constraints
- Through this lens, the district may adjust support or make targeted investments to sustain small schools.

PUA Small Schools - Elementary

SCHOOL	Division	Grade Level	Enrollment			
			SY 24-25 Current Enroll. 10.25.24	SY 25-26 Projected Enrollment	Enrollment Δ Snapshot SY 24-25 vs SY 25-26 Prelim	% Δ Enrollment
Briscoe ES	Central	ES	177	196	19	-2.3%
Pleasantville ES	Central	ES	219	214	(5)	-4.5%
Garcia ES	North	ES	292	279	(13)	-4.7%
Mading ES	South	ES	299	285	(14)	-0.3%
Martinez C ES	Central	ES	271	290	19	-8.4%
MLK ECC	South	ES	300	299	(1)	-8.3%

* This worksheet identifies the Elementary PUA campuses that have projected 2025-26 enrollment of less than 300.

PUA Small Schools - Middle

SCHOOL	Division	Grade Level	Enrollment			
			SY 24-25 Current Enroll. 10.25.24	SY 25-26 Projected Enrollment	Enrollment Δ Snapshot SY 24- 25 vs SY 25-26 Prelim	% Δ Enrollment
High School Ahead Acad MS	North	MS	151	131	(20)	-13.2%
Leland YMCPA	Central	MS	251	249	(2)	-0.8%
Baylor College MS	South	MS	306	291	(15)	-4.9%
BCM Biotech Acad at Rusk	Central	MS	325	320	(5)	-1.5%
Attucks MS	South	MS	392	389	(3)	-0.8%

* This worksheet identifies the Middle School PUA campuses that have projected 2025-26 enrollment of less than 400.

PUA Small Schools – High School

SCHOOL	Division	Grade Level	Enrollment			
			SY 24-25 Current Enroll. 10.25.24	SY 25-26 Projected Enrollment	Enrollment Δ Snapshot SY 24-25 vs SY 25-26 Prelim	% Δ Enrollment
Middle College HS - Gulfton*	West	HS	73	58	(15)	-20.5%
Middle College HS - Fraga*	Central	HS	120	125	5	4.2%
Jones HS	South	HS	298	275	(23)	-7.7%
Liberty HS	West	HS	350	352	2	0.6%
HSLJ	Central	HS	391	370	(21)	-5.4%
Eastwood Acad HS	Central	HS	365	373	8	2.2%
East EC HS	Central	HS	458	448	(10)	-2.2%
HAIS HS	Central	HS	473	462	(11)	-2.3%
South EC HS	South	HS	452	478	26	5.8%
Challenge EC HS	Central	HS	485	483	(2)	-0.4%
YWCPA	Central	HS	494	488	(6)	-1.2%
North Houston EC HS	North	HS	489	488	(1)	-0.2%
Energy Inst HS	South	HS	664	673	9	1.4%
Kinder HSPVA	Central	HS	782	792	10	1.3%
* This worksheet identifies the High School PUA campuses that have projected 2025-26 enrollment of less than 800.						
The light green shaded cells indicate campuses that have increased projected enrollment after appeal.						

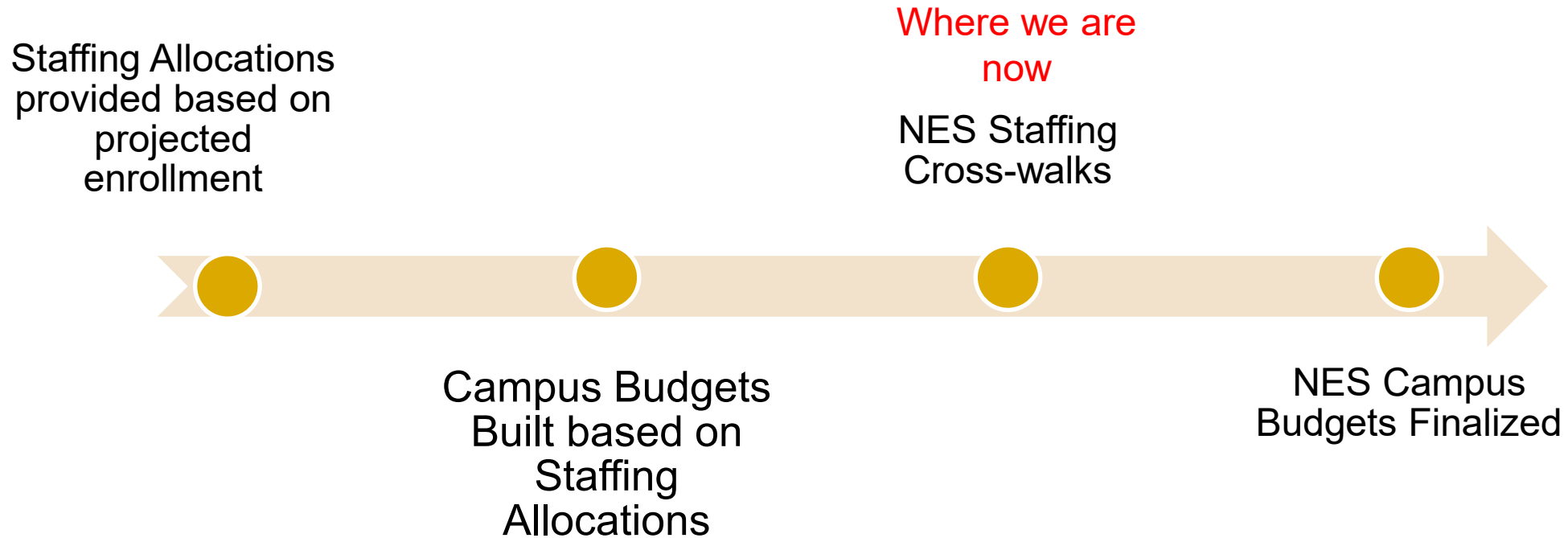
NES CAMPUS BUDGETS

New Education System Campus Budget

NES campus budgets are built centrally, and NES principals have little discretion over their budget. The budget is designed so that the NES model can be implemented with fidelity. The **district's standard budget model** (enrollment × ADA × per-student funding) is applied with additional key operational costs to drive rapid increases in student achievement.

Centrally Allocated	Centrally Funded
<ul style="list-style-type: none">▪ <i>All core instructional inputs are centrally i.e. master schedule, resources, staffing</i>▪ <i>Centralized Staffing Allocation:</i><ul style="list-style-type: none">▪ NES team provides staffing allocations based on projected enrollment and standardized, defined ratios▪ Grade-level and programmatic staffing determined centrally for consistency	<ul style="list-style-type: none">▪ <i>Additional Centrally Funded</i><ul style="list-style-type: none">▪ Select supplies and instructional materials covered by the district▪ <i>Expanded Staffing Model</i><ul style="list-style-type: none">▪ Teacher Apprentices▪ Learning Coaches▪ Copy Clerks▪ DYAD Instructors

NES Campus Budgeting Process



LEGISLATIVE UPDATES

89th Legislative Session – In Progress

- **SB 260/HB 124 - School Safety Allotment**
 - Increases allotment from \$10-\$14 per pupil, and from \$15,000 to \$37,000 per campus.
- **HB 2 - Comprehensive Education Finance Bill**
 - Increases Basic Allotment
 - Full day PreK funding
 - Hold Harmless added back
- **SB 26 - Teacher Pay Increase**
 - \$2,500 per teacher with at least 3 years but less than five years of teaching experience.
 - \$5,500 for each classroom teacher who has five or more years of teaching experience.
- **HB 500 - Supplemental Appropriations bill**
 - Appropriates \$934,500,000 for the School Health and Related Services Program (SHARS).

Workshop 4 Preview

- Review of preliminary high-level budget
 - Provide an overview of revenue estimates
 - Provide an overview of total expenditures
- Facilities Review and Maintenance Tax Notes
- NES Budget Update
- Legislative Updates