HISD BUDGET WORKSHOP: FY 22 & 23

March 3, 2022

Millard House II Superintendent, Houston Independent School District





- 1. Introduction and Session Goals
- 2. Financial Outlook
- 3. Budget Process & Next Steps
- 4. Compensation Model
- 5. ESSER Presentation

Introduction and Session Goals

This is the first of three meetings where we will work to support HISD's commitment to <u>building trust and reliability for our families</u> <u>and community</u> in demonstrating its financial transparency and sustainability by:

- 1. Clearly conveying HISD's **current** fiscal status.
- 2. Providing a **financial overview** of how the compensation plan will impact the General Fund in SY 22-23.
- 3. Outlining budget processes underway and required for SY 22-23.
- 4. Supporting a dialogue and Q&A with the HISD Board.

FINANCIAL OUTLOOK

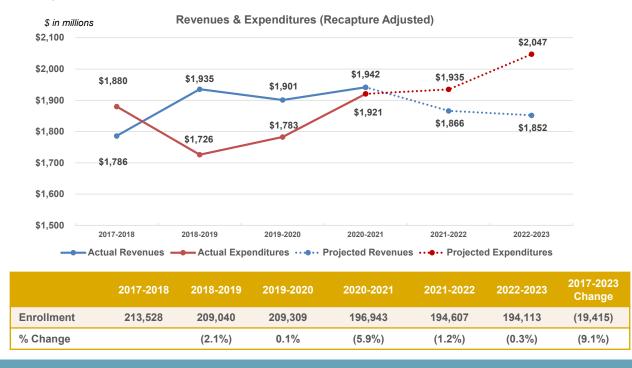
Presented by:

Jim Grady, Alvarez & Marsal

HOUSTON INDEPENDENT SCHOOL DISTRICT

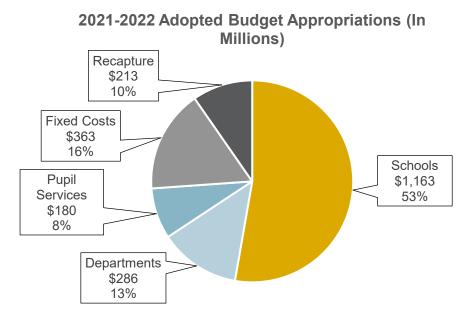
HISD Revenue, Expenditure & Enrollment Trends

Enrollment is the primary revenue driver. As enrollment (and thus revenue) has decreased, expenditures have increased.



General Fund Budget Summary FY 22: Uses

HISD's general fund budget is approved by the Board by function. Below is a breakdown of expenditures within the original adopted budget as of July 2021.



EXAMPLES:

School Funds: PUA Funds, Magnet, HS Allotment, Special Ed, Achieve 180

Department Funds:

Facilities & Custodial, Engagement, Transportation, Talent, Academics

General Counsel, Internal Audit, Accounting, Payroll, Information Technology

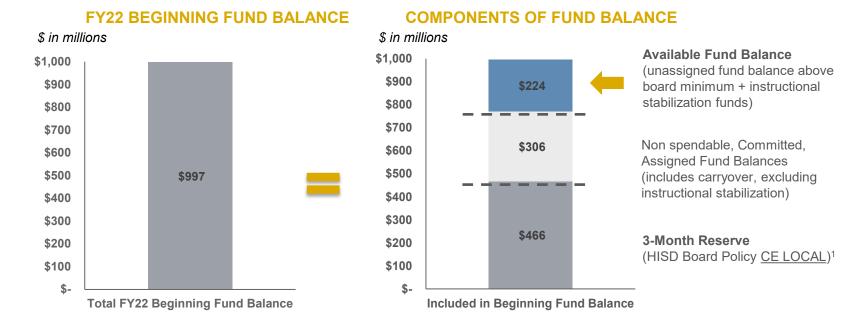
Pupil Services:

Wrap-around, College Career Advisors, Dyslexia, Speech

Fixed-Costs:

Teacher Retirement System (TRS) On-Behalf, Utilities, Insurance, Appraisal District Fees, Tax Increment Reinvestment Zones, Critical Shortage, Bilingual Stipends, Debt transfers

Available Fund Balance



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

ESSER Indirect Cost

The US Department of Education provides indirect cost allocations to support districts in administering federally funded programs.

- HISD's indirect cost rate of 13.8% applies only to operating expenditures, provides \$130M in funding over the next two fiscal years.
- HISD must spend ESSER funds in order to utilize this allocation.

ESSER II & III ESSER CAPEX ¹	\$1,162 M (\$221 M) \$941 M
Indirect Cost Rate	× 13.8%
= Indirect Cost Allocation	\$130M

1) ESSER Capital Expenditures (CAPEX) subject to change based on investment decisions

Budget Assumptions

Enrollments:

- 2021 2022: budget based on 194,607
- **2022 2023:** 194,113

Property Values:

- 2021-2022 Fiscal Year
 - Received certified estimated values on April 30, 2021
 - 3.23 percent over current values (\$204 billion)
 - An increase in values increases recapture, does not provide any significant additional revenues
 - Collection rate 97.97%
 - An increase in collection rate increases recapture, does not provide any significant additional revenues
- 2022-2023 Fiscal Year
 - Projecting a 4 percent increase (\$212 billion)
 - Collection rate 97.97%

Maintenance & Operations (M&O) tax rate 2021-2022:

- Current rate is 0.9617
- TEA will notify districts of their maximum tax rate in late summer 2022 for the 2022-2023 fiscal year based on certified values and surveys of districts.

FY 22 Budget: As of February 2022

The current FY22 Amended Budget projects a surplus at year-end after the use of carryover and ESSER Hold Harmless Funds.

\$ in millions	Amended Budget as of February 28, 2022	
Total Estimated Revenues	\$1,866	
Total Estimated Expenditures	(1,935)	
Operating Surplus (Deficit)	(\$69)	
Use of ESSER Hold Harmless	88	
Net Operating Surplus (Deficit)	\$19	. 🔶

Key Assumptions:

- 1. Revenues and appropriations shown net of recapture of \$231 million.
- 2. Total Estimated Expenditures is appropriations adjusted for carryover and estimated fallout.
- 3. Use of ESSER Hold Harmless Funds approved in February 2022 Board meeting.

HOUSTON INDEPENDENT SCHOOL DISTRICT

FY 22 Budget: Use of Funds

ESSER Indirect Costs (IDC) One-Ti	me Funds	Available Fund Balance				
\$ in millions	Amended Budget as of February 28, 2022	\$ in millions	Amended Budget as of February 28, 2022			
ESSER IDC One-Time Funds Summary Beginning Balance Use of Funds Ending Balance	\$218 (88) \$130	Available Fund Balance Beginning Balance Decrease (Increase) in HISD Board Reserve Budget Surplus (Deficit) Ending Balance	\$224 0 19 \$243			

Use of One-Time Funds in addition to Surplus:



FY 23 Budget

\$ in millions	FY23 Latest Thinking Forecast
Total Estimated Revenues	\$1,852
Total Estimated Expenditures	(2,047)
Operating Surplus (Deficit)	(\$196)

Key Assumptions:

- 1. Revenues and appropriations shown net recapture of \$256 million.
- 2. Total Estimated Expenditures is appropriations adjusted for estimated fallout.
- 3. Assumes estimated cost of compensation plan and healthcare cost increase.

FY 23 Budget: Use of Funds

ESSER Indirect Costs (IDC) One-T	ime Funds	Available Fund Balance				
\$ in millions	FY23 Latest Thinking Forecast	\$ in millions	FY23 Latest Thinking Forecast			
ESSER IDC One-Time Funds Summary Beginning Balance Use of ESSER IDC Funds Ending Balance	\$130 (50) \$80	Available Fund Balance Beginning Balance Decrease (Increase) in HISD Board Reserve Budget Surplus (Deficit) Ending Balance	\$243 (34) (146) \$64			

Use of Sources to Fund the Operating Deficit:

(\$50) + (\$146) = **(\$196)**

Steps We're Taking This FY

- The district will be implementing a central office hiring freeze.
- The district will be reducing central office budgets.
- We are putting in place a freeze on campus-based funds for remainder of FY.
- The district is developing a plan to efficiently and effectively deploy the resources available from all revenue sources.
- The district will implement stronger vetting measures to ensure that central office and campus expenditures are financially responsible, aligned with board goals, and support the strategic plan.

Strategic Plan Financial Impact

It is critical for HISD to address its structural deficit by both cutting costs and increasing enrollment. The strategic plan is designed to help accomplish both.



COMPENSATION PLAN

Presented by:

Jeremy Grant-Skinner, Chief Talent Officer

HOUSTON INDEPENDENT SCHOOL DISTRICT

Compensation Study

To supplement HISD's internal analysis of compensation, HISD engaged a third-party vendor to review its classification and compensation approaches. This report confirmed that HISD is behind peer districts and other employers.

Classroom Teachers: HISD was slightly below the market through the first ten years, but market position improved such that for the final five years the district was more than 5% above the market. Thought should be given to increasing the salary levels for the *first ten years*, as experience shows that if an organization can retain a new employee for five to seven years, there is less likelihood of later losing them to another organization.

Non-Instructional Employees: HISD appeared behind the market across the board. Many benchmark titles fell 20 – 30% below the market, although we are a regional leader in minimum wage among school districts.

Compensation Plan Groups

Based on the recent history and market comparisons for each position category, we developed a three-year plan to make base compensation appropriately competitive across all roles. Positions are categorized as:

- Teachers
- Principals
- Assistant Principals / Deans
- Police
- Master Pay Table (all other employees)

IMPORTANT NOTE: This year's budget development process contemplates the cost of the first year only.

Compensation Plan Components

- 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.
- Maintain our current status as one of the regional leaders among school districts for **minimum wage**.

Teacher Salary Comparison

District		Step 0 Salary	District		Step 5 Salary	District		Step 10 Salary	District	Rank	Step 15 Salary	District		Step 20 Salary
GPISD	1	\$60,850	GPISD	1	\$62,350	C-FISD	1	\$64,425	C-FISD	1	1 \$66,276	C-FISD	1	\$69,708
Alief	2	\$59,700	Fort Bend	2	\$61,500) Fort Bend	2	\$64,000) Fort Bend	2	2 \$66,000	Alief	2	\$69,068
SBISD	3	\$59,000	C-FISD	3	3 \$61,349	GPISD	3	\$63,850	Alief	3	3 \$65,878	Fort Bend	3	\$69,000
Pearland	3	\$59,000	SBISD	4	\$61,000	SBISD	4	\$63,790	SBISD	۷	4 \$65,790	SBISD	4	\$67,790
C-FISD	5	\$58,500	Alief	5	5 \$60,672	Alief	5	5 \$63,390	GPISD	Ę	5 \$65,350	GPISD	5	5 \$66,850
Fort Bend	5	\$58,500	Pearland	6	\$60,495	5 Pearland	6	\$62,568	8 Pearland	6	5 \$64,068	Houston	6	\$ \$66,208
Aldine	7	\$58,000	Tomball	7	\$59,433	Tomball	7	\$61,896	3 Tomball	7	7 \$63,646	Tomball	7	\$65,596
Klein	8	\$57,800	Aldine	8	\$59,250	Katy	8	\$61,550	Katy	ξ	8 \$63,155	Pearland	3	\$65,568
Spring	9	\$57,425	Katy	ç	\$59,005	Klein	9	\$61,287	Aldine	ç	9 \$63,077	Aldine	ç	\$65,236
Katy	10	\$57,365	Spring	10	\$58,925	Aldine	10	\$61,202	2 Houston	10	\$62,841	Spring	10	\$65,225
Houston	11	\$56,869	Klein	11	\$58,700	Houston	11	\$61,185	Spring	11	1 \$62,725	Klein	11	\$65,072
Tomball	12	\$56,700	Houston	12	2 \$58,012	Spring	12	\$60,425	Klein	12	2 \$62,337	Katy	12	2 \$64,975

Teacher Salary Plan

- Three annual increases to the teacher salary scale will raise the minimum starting salary of a teacher to \$64,000 by SY 2024-2025
 - This will 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 5th-year teacher makes only 1% more than a 1st-year teacher.
 - Currently, a 10th-year teacher makes only 6% more than a 1st-year teacher.

Teacher Salaries: SY 2022-23 – SY 2024-25

Step	SY	2021-22	SY	2022-23	SY	2023-24	SY	2024-25
	0\$	56,869	\$	59,000	\$	61,500	\$	64,000
	1\$	57,019	\$	60,000	\$	62,500	\$	65,000
	2\$	57,169	\$	60,500	\$	63,000	\$	65,500
	3\$	57,319	\$	60,750	\$	63,250	\$	65,750
	4\$	57,481	\$	61,000	\$	63,500	\$	66,000
	5\$	58,012	\$	62,000	\$	64,500	\$	67,000
	6\$	58,542	\$	62,500	\$	65,000	\$	67,500
	7\$	59,820	\$	63,000	\$	65,500	\$	68,000
	8\$	60,090	\$	63,500	\$	66,000	\$	68,500
	9\$	60,360	\$	64,000	\$	66,500	\$	69,000
1	0\$	61,185	\$	65,000	\$	67,500	\$	70,000
1	1\$	61,457	\$	65,500	\$	68,000	\$	70,500
1	2\$	62,018	\$	66,000	\$	68,500	\$	71,000
1	3\$	62,292	\$	66,500	\$	69,000	\$	71,500
1	4\$	62,566	\$	67,000	\$	69,500	\$	72,000
1	5\$	62,841	\$	67,500	\$	70,000	\$	72,500
1	6\$	63,115	\$	68,000	\$	70,500	\$	73,000
1	7\$	63,683	\$	68,500	\$	71,000	\$	73,500
1	8\$	64,234	\$	69,000	\$	71,500	\$	74,000
1	9\$	64,786	\$	69,500	\$	72,000	\$	74,500
2	0\$	66,208	\$	70,500	\$	73,000	\$	75,500

Principal Salary Comparison

Elementary Sch	incipals	Middle Schoo	ol Prir	ncipals	High School Principals			
District	Rank	Average Pay	District	Rank	Average Pay	District	Rank	Average Pay
Fort Bend ISD	1	\$113,876.22	Fort Bend ISD	1	\$122,957.74	Spring Branch ISD	1	\$158,633.00
Alief ISD	2	\$111,224.00	Pearland ISD	2	\$119,819.00	Alief ISD	2	\$153,779.00
Katy ISD	3	\$109,216.00	Spring Branch ISD	3	\$119,584.00	Klein ISD	3	\$153,738.00
Galena Park ISD	4	\$108,079.98	Tomball ISD	4	\$119,132.15	Fort Bend ISD	4	\$151,516.35
Spring Branch ISD	5	\$108,061.00	Galena Park ISD	5	\$117,368.58	Cypress-Fairbanks ISD	5	\$148,885.00
Pearland ISD	6	\$107,849.00	Katy ISD	6	\$116,207.00	Katy ISD	6	\$148,725.00
Spring ISD	7	\$106,365.00	Cypress-Fairbanks ISD	7	\$114,671.00	Pearland ISD	7	\$140,789.00
Tomball ISD	8	\$105,212.70	Spring ISD	8	\$112,632.47	Aldine ISD	8	\$140,613.00
Cypress-Fairbanks ISD	9	\$103,375.00	Houston ISD	9	\$107,100.00	Spring ISD	9	\$140,200.00
Klein ISD	10	\$96,383.00	Klein ISD	10	\$105,771.00	Tomball ISD	10	\$129,862.00
Aldine ISD	11	\$94,505.00	Aldine ISD	11	\$102,528.00	Galena Park ISD	11	\$128,203.02
Houston ISD	12	\$94,266.55	Alief ISD	12	\$76,307.00	Houston ISD	12	\$126,480.00
District	Rank	Average Pay	District	Rank	Average Pay	District	Rank	Average Pay
Dallas ISD	1	\$108,657.00	Austin ISD	1	\$119,808.63	Austin ISD	1	\$132,525.55
Austin ISD	2	\$107,776.99	Dallas ISD	2	\$116,001.00	Dallas ISD	2	\$132,239.00
Fort Worth ISD	3	\$95,381.00	Houston ISD	3	\$107,100.00	Fort Worth ISD	3	\$129,853.00
Houston ISD	4	\$94,266.55	Fort Worth ISD	4	\$104,903.00	Houston ISD	4	\$126,480.00

Principal Salaries: SY 2022-23 – SY 2024-25

School Category	SY 2022-23	SY 2023-24	SY 2024-25
Elementary School	\$ 103,500	\$ 108,500	\$ 113,500
Middle School	\$ 109,000	\$ 114,000	\$ 119,000
Specialty High School	\$ 119,000	\$ 124,000	\$ 129,000
Comprehensive High School	\$ 134,000	\$ 139,000	\$ 144,000

Principal School Com	plexity Factor
School's "Risk Load"	Amount
-2 to +2	\$0 - \$7,000

Principal Experience Factor							
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						
20+ Years	\$5,000						

Assistant Principal Comparison

Elementary School Assistant Principals			Middle School A	ssistant	Principals	High School Assistant Principals		
District	Rank	Average Pay	District	Rank	Average Pay	District	Rank	Average Pay
Pearland ISD	1	\$82,851.00	Pearland ISD	1	\$88,229.00	Spring Branch ISD	1	\$95,511.00
Spring Branch ISD	2	\$82,055.00	Spring Branch ISD	2	\$85,944.00	Pearland ISD	2	\$94,975.00
Galena Park ISD	3	\$81,237.15	Katy ISD	3	\$83,907.00	Katy ISD	3	\$92,639.00
Fort Bend ISD	4	\$80,725.51	Alief ISD	4	\$82,847.00	Tomball ISD	4	\$91,668.40
Spring ISD	5	\$80,540.00	Cypress-Fairbanks ISD	5	\$82,103.00	Alief ISD	5	\$88,631.00
Alief ISD	6	\$79,660.00	Fort Bend ISD	6	\$81,196.29	Fort Bend ISD	6	\$87,809.93
Katy ISD	7	\$78,792.00	Klein ISD	7	\$80,918.00	Cypress-Fairbanks ISD	7	\$87,760.00
Cypress-Fairbanks ISD	8	\$78,457.00	Galena Park ISD	8	\$80,591.31	Galena Park ISD	8	\$87,370.50
Klein ISD	9	\$76,906.00	Tomball ISD	9	\$79,190.62	Spring ISD	9	\$86,617.02
Tomball ISD	10	\$76,438.20	Aldine ISD	10	\$78,481.00	Klein ISD	10	\$83,730.00
Aldine ISD	11	\$75,597.00	Spring ISD	11	\$77,351.00	Aldine ISD	11	\$81,915.00
Houston ISD	12	\$74,403.43	Houston ISD	12	\$76,181.00	Houston ISD	12	\$73 <i>,</i> 825.29
District	Rank	Average Pay	District	Rank	Average Pay	District	Rank	Average Pay
Fort Worth ISD	1	\$75,130.00	Fort Worth ISD	1	\$82,167.00	Fort Worth ISD	1	\$87,469.00
Houston ISD	2	\$74,403.43	Austin ISD	2	\$81,797.46	Austin ISD	2	\$84,993.44
Austin ISD	3	\$73,022.04	Houston ISD	3	\$76,181.00	Dallas ISD	3	\$82,402.00
Dallas ISD	4	\$72,063.00	Dallas ISD	4	\$76,084.00	Houston ISD	4	\$73,825.29

Master Pay Table: Recent Changes

Minimum starting rate

- While the minimum rates for Houston ISD have increased from \$10 /hr. since 2016 to \$14 /hr. today, the master pay scale has not been updated since 2009 (Deloitte evaluation).
- Pay grades 15 22 have been updated over the course of this time but pay grades 23 – 37 have not been updated in more than 10 years.

Grade	Position	Starting Rate
15	Custodian	\$14.00
16	Sr. Custodian	\$14.00
17	Maintenance Helper, Grounds Workers	\$14.00
18	General Clerk I, Receptionists	\$14.00
19	General Clerk II, Teaching Assistant	\$14.00
20	General Clerk III, Parent Engagement Rep	\$14.00
21	Student Information Rep	\$14.00
22	Customer Service Reps, Admin Assistants (ES)	\$14.00

2016 - 2017

Master - 12 Months Minimum Midpoint Maximum Grade 37 \$114,885 \$152,223 \$189,561 36 \$104,441 \$138,385 \$172,328 \$94,947 \$125,804 \$156,662 35 \$86.315 \$142,420 34 \$114,367 33 \$78,468 \$103,970 \$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 \$71,013 \$88,432 28 \$48,723 \$64,557 \$80,392 27 \$46.030 \$58,689 \$71.347 26 \$41,846 \$53,353 \$64,861 25 \$48,503 \$58,964 \$38,042 24 \$34,583 \$44,094 \$53,604 23 \$31,439 \$40,085 \$48,731 22 \$28,581 \$36,441 \$44,301 21 \$25,983 \$33,128 \$40,273 20 \$23,621 \$30,117 \$36,612 624 472 \$27,379 \$33,284 18 \$20,800 \$24,890 \$30,258 17 \$20,800 \$22,627 \$27,507 16 \$20,800 \$20,800 \$25,007 \$20,800 \$20,800 \$22,733

2017 – 2018, 2018 – 2019

Grade Minimum	Midpoint \$152,223	Maximum
	\$152 222	
37 \$114,885	\$152,225	\$189,561
36 \$104,441	\$138,385	\$172,328
35 \$94,947	\$125,804	\$156,662
34 \$86,315	\$114,367	\$142,420
33 \$78,468	\$103,970	\$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	\$71,013	\$88,432
28 \$48,723	\$64,557	\$80,392
27 \$46,030	\$58,689	\$71,347
26 \$41,846	\$53,353	\$64,861
25 \$38,042	\$48,503	\$58,964
24 \$34,583	\$44,094	\$53,604
23 \$31,439	\$40,085	\$48,731
22 \$28,581	\$36,441	\$44,301
21 \$25.092	\$33,128	\$40,273
20 \$24,960	\$30,117	\$36,612
19 \$24,960	\$27,379	\$33,284
18 \$24,960	\$24,960	\$30,258
17 \$24,960	\$24,960	\$27,507
16 \$24,960	\$24,960	\$25,007
15 \$24,960	\$24,960	\$24,960

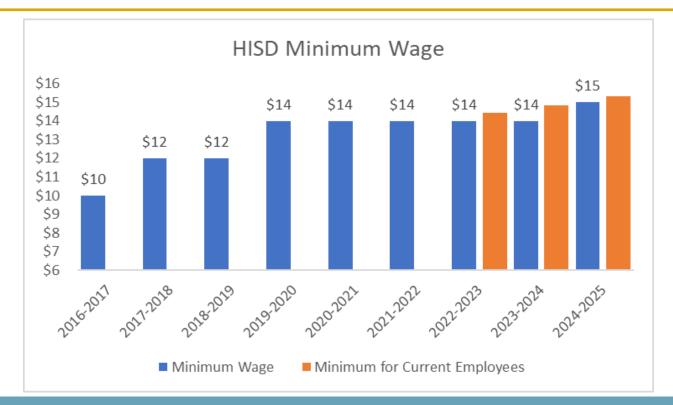
2019 - 2020 to Present

Grade	Minimum	Midpoint	Maximum	
37	\$114,885	\$152,223	\$189,561	
36	\$104,441	\$138,385	\$172,328 \$156,662	
35	\$94,947	\$125,804		
34	\$86,315	\$114,367	\$142,420	
33	\$78,468	\$103,970	\$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	\$71,013	\$88,432	
28	\$48,723	\$64,557	\$80,392	
27	\$46,030	\$58,689	\$71,347 \$64,861 \$58,964 \$53,604 \$48,731	
26	\$41,846	\$53,353		
25	\$38,042	\$48,503		
24	\$34,583	\$44,094		
23	\$31,439	\$40,085		
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 \$30,258 \$29,120 \$29,120	
18	\$29,120	\$29,120		
17	\$29,120	\$29,120		
16	\$29,120	\$29,120		
15	\$29,120	\$29,120 Id year of service is	\$29,120	

explanation of creditable year of service. Employees may exceed the maximum of the range due to board approved

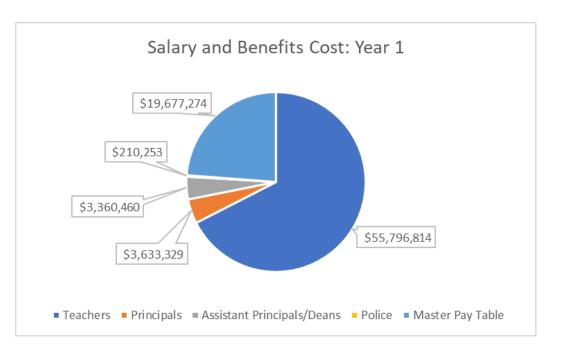
employee raises with the District

Minimum Wage Trajectory



Compensation: GF Fiscal Impact

Total Year one General Fund Impact is estimated at **\$82.7M** including salary and benefits



APPENDIX



HOUSTON INDEPENDENT SCHOOL DISTRICT

Glossary of Definitions

Appropriations: The total expenditures the Board has authorized and instructed the district to utilize. HISD's board approves appropriations based on function.

Fallout: The difference between appropriations and actual expenditures.

- Ex: in the case of salaries, fallout reflects the difference between the total compensation and benefits of positions approved in the budget and the compensation and benefits paid based on the number of positions filled vs. vacant.

Recapture: Under Texas's target revenue formula, the district's revenue from property taxes and state aid is capped. As collections from property taxes increase, state aid is reduced by the same amount, this is shown as an expense in financial statements as recapture. To understand total usable general fund revenue, recapture is removed from both revenues and expenditures.

HISD Board Reserve Requirement: CE (LOCAL) sets the minimum unassigned fund balance at 3 months of expenditures

Indirect Costs: Funds allocated by Federal Agencies (such as US DoE) to grantees (such as HISD) to reimburse grantees for the costs associated with administering federal programs.

ESSER Indirect Cost (IDC) Rate: HISD's indirect cost rate for US Department of Education Funds is 13.8% of operating costs. This means that for every ESSER dollar spent on programming, strategy, etc., 13.8 cents is available to cover General Fund Expenses.

Hold Harmless: Reserves established to cover the reduction of revenue associated with enrollment and attendance loss, in the case of ESSER funds, these reserves allow HISD to compensate for the lost revenue (State and Local) associated with enrollment.

Glossary of Definitions – Fund Balance

Fund Balance: The net position of governmental funds calculated in accordance with generally accepted accounting principles (GAAP), including:

- **Non-Spendable Fund Balance**: Non-spendable fund balance (the most constrained portion of fund balance) includes **items that cannot be spent** because they are either (a) not in spendable form (will not convert to cash soon enough to affect the current period) or (b) are legally or contractually required to be maintained intact.
 - Ex: Inventories, pre-paid items
- **Committed Fund Balance:** The amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
 - **Ex:** Potential litigation, claims, and judgments; Operating Reserve
- **Assigned Fund Balance:** The amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. This includes carryover and instructional stabilization fund.
 - Example: Outstanding encumbrances; Insurance deductibles; Program start-up costs
- **Unassigned Fund Balance:** The amount of funds available for any purpose.

Source: CE(LOCAL) https://pol.tasb.org/Policy/Download/592?filename=CE(LOCAL).pdf

BUDGET PROCESS & NEXT STEPS



HOUSTON INDEPENDENT SCHOOL DISTRICT

Budget Process: Current Department Process

The goal of HISD's budget process this year is twofold:

- 1) Provide more transparency and understanding to Department leads regarding their budgets.
- 2) Support leadership in making strategic decisions to minimize costs / prioritize strategic initiatives.

Phase I: Develop Common Understanding		Phase II: Data Review	Phase III: Formulate Budget Requests
Department leadership holds appropriate internal review and	•	Meet to review provided info and consider strategies.	Submit draft budget request
planning conversations in preparation for budget process:	•	Review of data with eye towards savings, reallocation,	 Final Meetings to provide budget investments / cuts for upcoming school year.
 What do we need to more or less of? 		and strategic investment.	
 How should our department shift to support new strategic vision? 	•	Develop draft budget request	

Next Steps

- Q&A
- Board Workshop Schedule
 - Workshop 2
 - Long-term strategic plan financial considerations
 - Workshop 3
 - Long-term financial outlook
 - Addressing the structural deficit





HOUSTON INDEPENDENT SCHOOL DISTRICT

Elementary and Secondary School Emergency Relief Fund (ESSER) Update

March 3, 2022

Presented by: *Dr. Richard Cruz, Deputy Superintendent*







ESSER Overview

- The funds from ESSER were intended to help school districts safely reopen in light of the COVID-19 pandemic, and to support districts in mitigating learning loss from school closures.
- HISD received its Notice of Grant Award (NOGA) in August of 2021 for both ESSER II and ESSER III Funds
- Through the strategic planning process, we have re-allocated ESSER funds to help launch many of the new initiatives and supports that exist within the strategic plan and have ensured that ESSER projects align to our six strategic priority commitments.



ESSER Funding Timelines

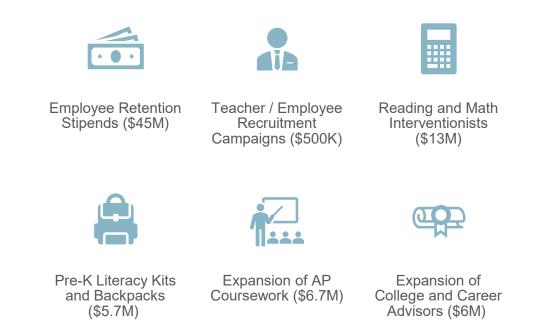
School Year	ESSER II ~\$358M	ESSER III ~\$805M
2019-2020	\checkmark	\checkmark
2020-2021	\checkmark	\checkmark
2021-2022	\checkmark	\checkmark
2022-2023	\checkmark	\checkmark
2023-2024		\checkmark

Houston ISD's total ESSER II and ESSER III allocation: \$1,162,911,611. Note: ESSER is one-time funds and are non-recurring dollars.

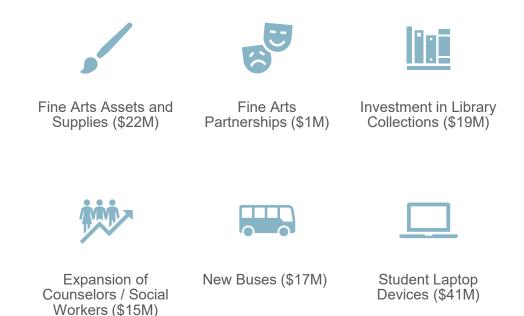
Direct Campus Allocations for 2021-2022

Program	Campuses Eligible	Allocation
Campus-Based Tutoring (HB4545)	All Campuses	~\$32 million
Campus Innovation Allotment	All Campuses	~\$3.5 million
Expanded Wraparound Services	All Campuses	~\$11.3 million
Student COVID-10 Safety Allotment	All Campuses	~\$6.1 million
SAT/ACT/TSI Preparation	High Schools Only	~\$1.1 million

Examples of Major ESSER Investments during the 2021-2022 School Year



Examples of Major ESSER Investments during the 2021-2022 School Year



2021-2022 Project Allocations

You can view current allocations of ESSER funds by campus and by major projects at the HISD ESSER webpage:

www.HoustonISD.org/Page/188723

	Last Revision: March 1, 2022	
Initiative	Initiative Description	21-22 Allocatio
Air Filtration Systems AP/BiDual Credit Academies	Upgrading Air Filtration Systems	\$ 34,087,00
	Program to support AP/IBIDC students Support for the implementation of the new appraisal system	\$ 52,00 \$ 339,90
asiati Tracking Assidu e Technology AVID Expansion	Tracking to recover iostistolen technology devices	\$ 138.42
Assistive Technology	Technology to support students with disabilities	\$ 1,683,89
AVID Expension	Expansion of AVID program to any campus that desires it	\$ 1,000,00
Backpack Buddes Program	Partnership with Houston Food Bank to provide meals on weekends to high need students.	\$ 200,00
Behavior Support PD and Labs Slingual Dictionaries	Supports for students with behavioral issues Dictionaries for Bilingual students to use during instruction / state assessments	\$ 1,624,17
Bus Drivers, Micro Drivers, Transportation Attendants Stpends	Retention stipends to transportation employees	\$ 1,584,00
Cempus Based Tutoring Cempus Computer Labs	Tutorial Services, Extra duty pay for on-campus tutorials and educational supports	\$ 32,575,08 \$ 8,715,88
	Enhancements to campus computer labs	
Campus Innovation Grants	Rexibility to campuses to address learning loss	\$ 3,449,75
Campus Water Bottle Distribution Career Pathways Expansion	Providing water bottles to campuses while water fountains were shut down due to COVID Initiative to grow teacher leaders on campuses	\$ 85,98 \$ 1,200,00
COMR Advisors Stepend	Stipend to support COMR Counselors for work during COVID pendemic	\$ 109.75
College and Career Readiness Programming	External programming to support CCMR goals Community outreach and systems to assist in student enrolment.	\$ 926,60
Community-based enrollment supports		
COVID Safety Alotment	Funding given to compuses to support a safe reopening and maintain safety protocols	\$ 6,112,48
COVID Safety Campus Designee Stipends COVID-19 Enhanced Cleaning	Stipends for Numes / appointed staff to support contract tracing and other work associated with COVID Deep cleaning and sanitization of campuses	\$ 317,38 \$ 5,000,74
COVID-19 Veccination Stipends	Stipend to employees who chose to get vaccinated from COVID-19	\$ 14,000,00
Digital Authoring Tools	Licenses for digital resources to be used by teachers and students	\$ 1,982,17
Dual Language Expansion Resources	Materials to support the expansion of dual language programming across the district	\$ 500,00
Dyslexia Interventionists and SPED Support Teachers	Funding to hire add1 SPED support teachers Funding to support evaluation of students with disabilities	\$ 1,607,01
Educational DiagnosSciens	Funding to support evaluation of students with disackities Tutoring services for targeted campuses with large EL / newcorner populations	\$ 1,336,13 \$ 1,000,00
Elementary Curriculum Item Bank	Item bank of STAAR aligned questions to support lesson plans and learning acceleration	\$ 248.00
Enhanced Data Collection & Analysis for Student Re-engagement Enhanced School Choice / Enrollment Tools	Data systems to support efforts to increase student encolment	\$ 250,00 \$ 3,252,00
Enhanced School Choice / Enrollment Tools		\$ 3,252,00
ESL Teacher Stipends	Stipends to retain ESL teachers	\$ 2,100,00
Expanded College and Career Advisors Expanded Courseions / Social Workers	Adding college advisors to HS campuses Funding to increase the number of counselons and social workers on Campuses	\$ 6,239,64 \$ 15,224,50
Expanded Counselors / Social Workers Expanded Mental Health Supports	Expanded programming to support mental health initiatives	\$ 4,932,94
Expanded Wraparound Services	Funding given to campuses to procure external services to support Whaperound needs	\$ 12,672,20
Expansion of Student Assistance Services	Expansion of supports to help homeless, foster, and other high-need youth	\$ 1,730,76
Expansion of Wraperound Specialists	Expansion of Whaperound Specialists to additional compuses	\$ 6,514,85
Fire Arts Assets and Supplies Fire Arts Residencies - Art Partnerships	Materials to support fine arts programming Partnerships to expand fine arts programming at compuses	\$ 22,152,56 \$ 1,000,00
HB4545 Accelerated Learning Stipends	Partherships to expand the arts programming at campuses Stipends for campus accelerated learning coordinators	\$ 1,000,00
interfacts	Hearing the Complete Accounting work in a Goldal learning and/remark	
Headsets HSD Employee / Teacher Stipends - Year 1	Headsets for students complete work in a digital learning environment Retention stipends to HISD teachers and employees	\$ 375,00 \$ 45,302,41
HVAC Upgrades	Upgrading HVAC Systems	\$ 82,952,50
mmigrant Wraparound Services Instructional Materials Allotment	Partnership to provide targeted wraperound services to newcomer students Funding to purchase instructional materials	\$ 1,000,00 \$ 12,930,03
Instructional Materials Automent	Funding to purchase instructional materials Investment to fix and clean existing instruments across the district to increase participation in the fine arts	\$ 1,920,60
Chan Anariemy Dashhoard	Tool to support SAT Prep	\$ 280,00
Chan Academy Dashboard Endergarten GT Testing Stipends	Stipends for GT test coordinators to provide testing to identify GT students	\$ 95.32
.MS Supports	Digital tools to support the 1:1 Learning Management System	\$ 987,00
Middle School Student Devices	Devices to expand district 1:1 initiative to the middle school level	\$ 34,323,29 \$ 17,047,50
iew Buses iewcomer Secondary Resources	Buses to improve transportation efficiency	\$ 17,047,50
Information Management Department Expansion	Resources to support teaching and learning for students new to the United States Right-sizing of department to better support campuses with HR Needs	
Performance Management Department Expansion Pre-K Literacy Kits and Beckpecks	Resources for Pre-K students to take home to support learning	\$ 5,797,75
Principal AP, Dean Retention Stineoria	Retention stipends to campus leadership	\$ 1,925,61
Professional Development for AP/IB/DC Teachers	Professional Development for teachers of postsecondary coursework	\$ 380,00
RTI Reading and Math Interventions SAT/ACT/TSI Preparation	Money to hire campus based interventionist to support with learning loss	\$ 12,981,60 \$ 1,544,99
	Curricular materials and programs to help students prepare for postsecondary readiness exams Program to provide spenish-language interventions for Special Education students	\$ 1,544,99
PED Pipeline Patherships	Funding for "Grow Your Own" program to address SPED shortages	\$ 108,90
IPED Resource. Inclusion and Co-Teachers	Funding to hite addl SPED support teachers	\$ 3280.48
IPED Teaching Assistant PD	Professional Development for SPED teaching assistants	\$ 116,66
PED Teaching Assistants	Teaching Assistants to support students with disabilities	\$ 1,083,32 \$ 1,215,07
Speech and Language Pathologist / Therapists Strategic Plan Financial Planning Support	Additional speech and language pathologists / therapists to support students with disabilities Support for financial audit and planning related to strategic plan	\$ 1,215,07 \$ 2,500,00
Integer Han Financial Hanning Support	Addition of vehicles to feet to improve transportation efficiency	\$ 6.027.50
Itudent Information System	Continued upgrades and design revisions to the district's student information system Laptops for the PowerUp 1:1 Learning Initiative	\$ 220.00
itudent Laptops	Laptops for the PowerUp 1:1 Learning Initiative	\$ 9,185,00
tudent Mobile Internet Allocation	Internet hotspots for student to have wi-fl accessibility	\$ 6,924,98
itudent Re-engagement Team	Team to lead student re-engagement efforts to increase student enrollment	\$ 1,376,56
WD Parent Courses lystematic Phonics Program (Really Great Reading)	Facilitation of Parent Engagement Activities for students with disabilities HB3 Required Phonics Program	\$ 151,00
SLAC Proficient Library Collection / Extra-Duty	Purchase of Library books to bring district libraries to TSLAC standards	\$ 19,083,83
SLAC Proficient Library Collection / Extra-Duty -TESS Region 4 Certification	Purchase of Library books to bring district libraries to TSLAC standards Support for the Implementation of the new appraisal system	\$ 620.12
JT OnRemon Program	Dual Enrolment Partnemblo with LIT	\$ 170,00
Artual Learning Allotment Artual Learning Allotment (Pearson Virtual Academy)	Funding to create a ful-virtual program	\$ 3,736,74
Virtual Learning Allotment (Pearson Virtual Academy) Volunteer Literacy Program Expansion	Program to support virtual learning option (Virtual Academy) during COVID Expansion of volunteer reading programs such as Read Houston Read	\$ 2,742,00
Volunteer Literacy Program Expansion Wreparound Specialist Stipend	Expansion of volunteer reading programs such as Read Houston Read Stipends for Wheperound Specialists	\$ 1,339,34

EVALUATION AND DASHBOARDS

Presented by:

Dr. Allison Matney

Evaluation of ESSER Programs

The evaluation will consist of two sections

Section I:

- Executive Summary
- ESSER II and ESSER III Individual Program Briefs
- Program Goals and Objectives
- Key Findings
- Recommendations

Section II:

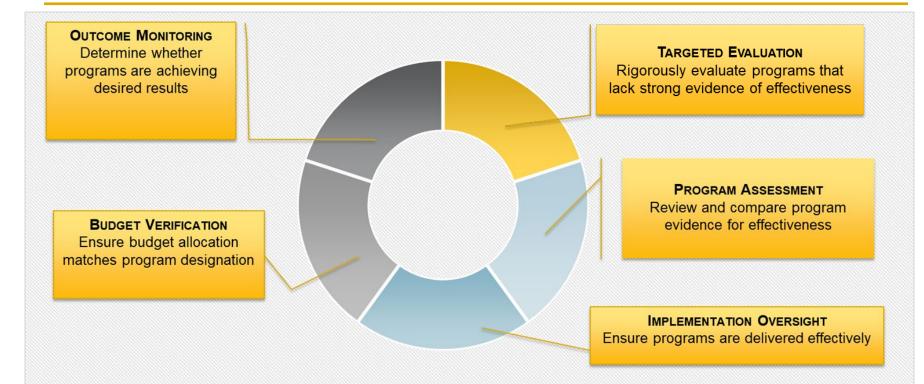
- Executive Summary
- Campus-based Programs Dashboard

Examples of Evaluation Measures*:

- Observations
- Stakeholder Feedback
- Program Usage Data
- Total Allocation vs. Total Expenditure
- Number of Students Receiving Services
- Student Background Characteristics
- Student Assessment Results
- Number of Staff Receiving Services
- Teacher Appraisal Ratings
- Number of Products Purchased/Disseminated

*Final measures used in individual program briefs will be aligned to program goals and objectives.

ESSER Program Evaluation Strategy



Department: Chief Technology Office

Priority: Technology

ESSER-Funded Programs

Each of the ESSERfunded programs will have a self-descriptive "brief" which will succinctly summarize the method and manner the program utilized/continues to utilize its ESSER funds. Program outcomes also will be included.

Project Description

The Houston Independent School District (HISD) Chief Technology Office is striving to lessen the effects of learning loss brought on by the COVID-19 pandemic. To that end, HISD is ensuring equitable access to digital content and instruction by providing mobile hotspots to students that do not have home internet and when students are away from school. Mobile hotspots will give students real-time interaction with their peers and teachers to complete assignments to scale back learning loss.

20,774,880.00	Total Expenditure (\$):	
ESSER III (\$): 20,774,880.00	ESSER II (\$):	1

diture (S):		
	ESSER III (\$):	

Project Goals	Key Findings
 Provide mobile hotspots to students in need of internet access when they are away from school. Provide data reports to monitor student usage of hotspots to help ensure that they are making educational progress. 	

	African Am.	Atian	Hispanic	White	Two or More	H/PI	Am Indian
96	_						
	Male	Female	Eco. Disady.	English learners	At Risk	Spec. Ed.	G/T
46							

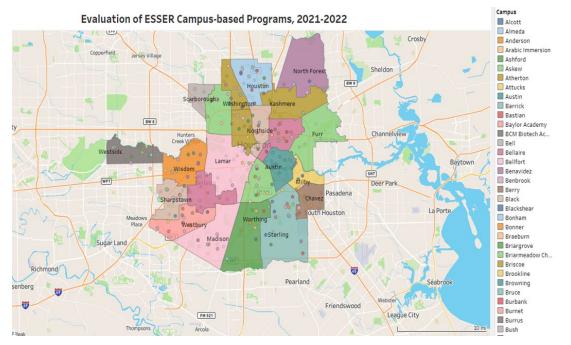






ESSER Campus-Based Outcomes Dashboard

SAMPLE DASHBOARD



SAMPLE OUTCOME MEASURES

Program Categories	Key Outcomes
SAT/ACT/TSI Preparation	SAT/ACT/TSI Results
RTI Reading & Math Interventions	STAAR Reading and Math Passing Rates/Scale Scores
Campus-based Tutoring	STAAR Reading Passing Rates/Scale Scores
Campus Innovative Allotment	STAAR/EOC Passing Rates in All Content Areas
Expanded Counselors/Social Workers	# of Counselors/Social Workers Hired; Student Disciplinary Actions & Attendance Rates
Student Safety Funds	Materials and Supplies Purchased/Disseminated
Expanded Wraparound Services	# of Unique Students Served; Services Accessed; Disciplinary Actions & Attendance Rates

ESSER Spending Dashboard

We are working on developing a ESSER spending dashboard that will allow for the public to view the allocation of ESSER dollars by project, and track alignment of the funds to the district's strategic commitments





