

# Budget Update



# Agenda

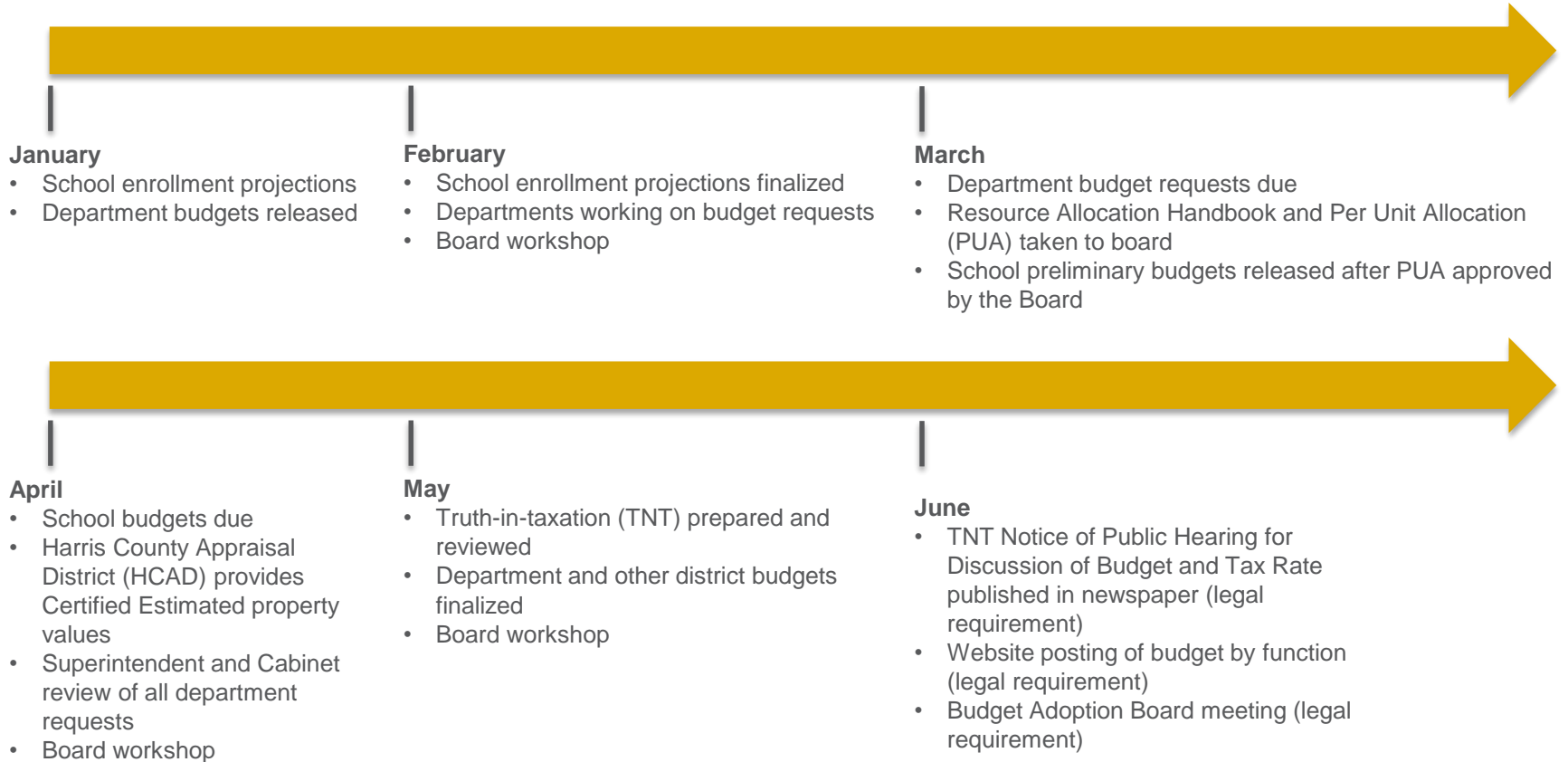
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- Budget Calendar
- Chapter 41
- 2015-2016 budget outlook
- Minimum hourly rate
- Bilingual Stipends
- Coach Stipends

# Budget Calendar (Budget Adoption)

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- January 1 – June 30



# Chapter 41

## (Better known as “Robin Hood”)

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- \$504,000 per Weighted Average Daily Attendance (WADA) – anything above this is recaptured (set to 88th percentile)
- HISD is at \$471,583 for 2014-2015 and projected \$524,200 for 2015-2016

# The system: Recapture/Ch. 41

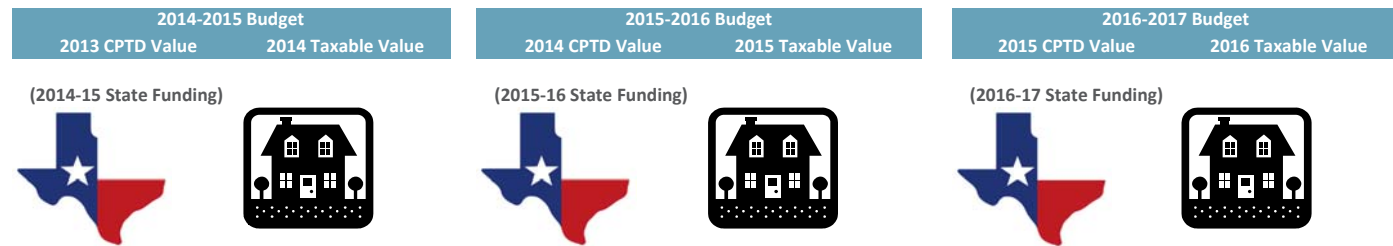
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- Districts subject to recapture must exercise one of five options:
  - Option 1 – Voluntary consolidation
  - Option 2 – Detachment/annexation
  - Option 3 – Purchase of attendance credits from state
  - Option 4 – Education of nonresident students (purchase credits from other district(s))
  - Option 5 – Tax base consolidation
- An election is required if Option 3 is no longer available due to insufficient FSP state funding to offset the recapture payment (HISD is currently in this situation).

# The system: Recapture/Ch. 41

## Potential Impact of State's "Wealth Per WADA" Limits

Also important to remember is the fact that the state only allows school districts to retain funding per student up to a specified amount. HISD will exceed the limit in 2015-2016 unless the Legislature takes steps to raise the limit



	2014-2015 Budget 2013 CPTD Value	2014 Taxable Value	2015-2016 Budget 2014 CPTD Value	2015 Taxable Value	2016-2017 Budget 2015 CPTD Value	2016 Taxable Value
Taxable Value (assumes 9.8% increase each year)		139,822,021,085		153,524,579,151		168,569,987,908
CPTD Value	126,481,138,018		140,593,228,802		154,746,634,801	
<b>Enrollment</b>	<b>Assumes no growth</b>					
Weighted Average Daily Attendance (WADA)		268,205.226		268,205.226		268,205.226
Revenue per WADA		\$ 5,384		\$ 5,219		\$ 5,289
Wealth per WADA		\$ 471,583		\$ 524,200		\$ 576,971
Wealth per WADA limit		\$ 495,000		\$ 504,000		\$ 504,000
Difference Wealth/WADA vs Limit		(23,417)		20,200		72,971

When "Wealth per WADA" exceeds the "Wealth per WADA limit" the district is in RECAPTURE (sending money to the state) - aka "Robin Hood"

# PUA Levels

Fiscal Year	ES PUA	MS PUA	HS PUA
2011	\$3,485	\$3,510	\$3,474
2012 Prelim	\$3,257	\$3,282	\$3,246
2012 Final	\$3,342	\$3,367	\$3,331
2013*	\$3,341	\$3,366	\$3,330
2014	\$3,378	\$3,403	\$3,367
2015	\$3,470	\$3,495	\$3,459
2016	\$3,534	\$3,559	\$3,523

HISD was forced to cut the PUA \$228 in 2012 due to state funding cuts, however \$85 was restored the same year.

\*Decrease in 2013 was due to the creation of a new weight for migrant and refugee students

\$64 increase to the PUA proposed for 2015 to 2016 due to salary increases approved by the board. Does not include the \$55 in one-time PUA

# Revenue Assumptions

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- Local roll increase of 9.8%
- Enrollment growth of 1%
- No change to Maintenance & Operations (M&O) tax rate
- Loss of one-time state aid for TRS contribution
- State Aid calculations based on current law



# Current 2015-2016 Budget Outlook

## HOUSTON INDEPENDENT SCHOOL DISTRICT Financial Outlook 2015-2016

2015-2016 Projected Revenues	\$1,735,324,578
2015-2016 Projected Fallout	60,000,000
2015-2016 Available Sources	<u>\$1,795,324,578</u>
2014-2015 Carryover Appropriations (Original Budget)	<u>\$1,741,413,089</u>
<b>Increases / Decreases with Offsetting Revenue</b>	
Campus PUA from enrollment increase	\$15,963,915
Tax Increment Reinvestment Zone	8,795,515
Capital outlay	6,598,025
Transfers out	(6,854,762)
<b>Mandatory Increases</b>	
Chapter 41 Recapture Payment	45,915,647
<b>One-Time Funding from 2014-2015</b>	
PUA (\$55 to PUA)	(12,638,504)
SAP Upgrade	(4,416,511)
Digitizing Employment and Payroll Records	(1,000,000)
Emergency Preparedness Manuals	(950,000)
2015-2016 Projected Appropriations	<u>1,792,826,414</u>
<b>Budget Surplus/(Deficit)</b>	<u><u>\$2,498,163</u></u>

# Minimum hourly rate

**\$4.5 million**

- Minimum hourly rate: \$4.5 million to increase base to \$10.10 per hour

Job Groups Impacted	Filled	Vacant	Grand Total
Academic Tutor	111.00	176.00	287.00
Assoc Laboratory Tech	1.00		1.00
Associate Teacher	207.00	234.00	441.00
Associate Tutor	41.00	109.00	150.00
Athletics (Stadium & Equipment Tech, Sports Attendant)	5.00	33.00	38.00
Crossing Guard		106.00	106.00
Custodians	885.00	127.00	1,012.00
Dispatcher	2.00		2.00
Food Service (Attendant, Substitute, Trainee)	110.00	280.00	390.00
General Clerk	43.00	85.00	128.00
Hourly Lecturer		450.00	450.00
Intern, LSSP		3.00	3.00
Mailroom Attendant		3.00	3.00
Maintenance (Fence Repairer, Grounds Workers, Maintenance Helper)	38.00	5.00	43.00
Non-Instructional Aide	60.60	45.00	105.60
Parent Tutor	44.00	9.00	53.00
Receptionist	2.00	4.00	6.00
Student Worker	145.00	244.00	389.00
Substitutes (Aid, Clerk, Secretary)	29.00	125.00	154.00
Transport (Attendant, Mechanic Helper)	129.63	19.00	148.63
Grand Total	1,853.23	2,057.00	3,910.23

# Bilingual Stipends

**\$5.6 million**

	<b>2014-2015</b>	<b>2015-2016</b>	<b>Difference</b>
	<b>Current</b>	<b>Recommendation</b>	
Stipend Amount	\$ 1,250	\$ 4,000	\$ 2,750
Projected employees	1,750	1,827	77
Projected payout	\$ 2,187,500	\$ 7,308,000	\$ 5,120,500
Medicare & TRS payroll contributions	225,313	752,724	527,412
Projected payout including benefits	\$ 2,412,813	\$ 8,060,724	\$ 5,647,912

# Coach stipends

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- Coach stipends and pay
  - Currently \$3 million for 792 employees for all athletic stipends.
  - Football - Head Coach (Fall)
    - Athletic stipends in campus budgets. Amount determined by the campus with a maximum of \$6,000.
    - Current range paid is \$4,350 to \$6,000 plus 25 extra days.

**Thank you**

