

# HOUSTON INDEPENDENT SCHOOL DISTRICT

INTRODUCTORY  
SECTION



## INTRODUCTORY SECTION

ADOPTED  
DISTRICT BUDGET  
2016-2017

November 18, 2016

The Honorable Board of Education  
Houston Independent School District  
4400 West 18th Street  
Houston, Texas 77092

Dear Board Members:

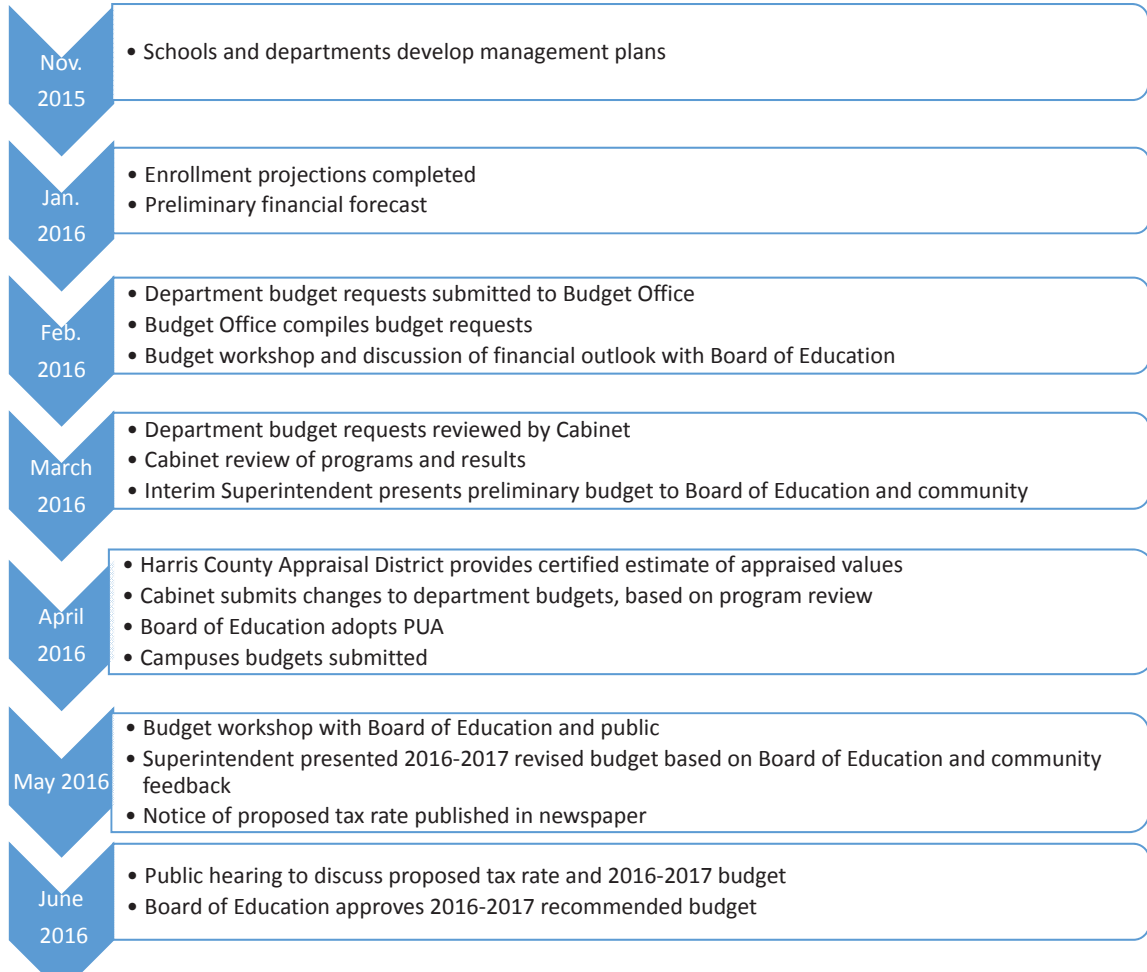
Budget planning for the 2016-2017 fiscal year was a challenging six-month process. For the first time, the Houston Independent School District (HISD) became a “Chapter 41” or “Robin Hood” district under the current state finance system, whereby the district is considered property rich and required to equalize its wealth by sending funds back to the state. For the 2016-2017 fiscal year the district expects to send the state \$161.80 million of local property tax collections to equalize its wealth. The district was able to cover approximately \$66 million from increased property tax values, however that still left the district with a \$95 million deficit. To address this deficit, the budget development process for 2016-2017 consisted of a detailed review of department budgets, staffing, contracts, and programs. This process provided a better look into the programmatic requests of the district’s support, and whether they were aligned to the needs of our campuses.

Additionally, central office engaged in an extensive review of programs and contracts, eliminating contracts not demonstrating significant impacts on student achievement and prioritizing investments in contracts and programs that met criteria established through the Program Review Advisory Team (PRAT) process, further described in the Organizational Section of this document. Throughout the budget process and as cuts were identified by both campuses and central services, significant focus was put on limiting negative impact to instruction, instructional support, and the classroom.

The development, review, and consideration of the 2016-2017 Governmental Funds (General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund) and the Proprietary Funds (Internal Service Funds and Enterprise Funds) were completed with a detailed review of revenue and expenditure accounts. The Financial Section of this document contains the budgets for the General Fund, the Debt Service Fund and the Nutrition Service Fund, which by Texas law, must be approved by function by the Board of Education. While all other operating funds do not require Board of Education approval, they are being presented as other supplementary information.

The preparation of the budget commenced in November 2015 with the development of management plans for schools and departments. This process included the forecast of student enrollments for the 2016-2017 year, analysis of the impact of laws passed by the U.S. Congress and the Texas Legislature, and recommendations from schools, parents, staff, patrons, and friends of the district. The enrollment forecast provides the assumption on which allocations for developing budgets are formulated and staff resources are based. A timeline of the 2016-2017 budget process is contained in the chart on the next page.

## Fiscal Year 2016-2017 Budget Development Timeline



### Budget Presentation

The budget process is comprised of seven phases:

- Planning
- Preparation and Submission
- Review and Coordination
- Adoption
- Implementation
- Monitoring
- Evaluation

The budget document and the year-end Comprehensive Annual Financial Report (CAFR) are the primary vehicles used to present the financial plan and the results of operations of the district. This document, the 2016-2017 District Budget, comprises ten sections:

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>· Awards and Acknowledgements</li> <li>· Introductory Section</li> <li>· Board and Superintendent Section</li> <li>· Organizational Section</li> <li>· Financial Section</li> </ul> | <ul style="list-style-type: none"> <li>· Capital Renovation Section</li> <li>· Informational Section</li> <li>· Schools Section</li> <li>· Departments Section</li> <li>· Supplemental Section</li> </ul> |
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The information included in the budget document is structured to meet the requirements of the Meritorious Budget Award (MBA) of the Association of School Business Officials International (ASBO) and the Distinguished Budget Presentation Award for the Government Finance Officers Association (GFOA). To receive these awards, a school entity must publish a budget document which is also a policy document, an operations guide, a financial plan, and a communications device. We believe our current budget conforms to the requirements of both programs. We are submitting this document to ASBO and the GFOA to determine its continued eligibility for these awards. These awards represent the highest level of recognition in budgeting for school entities. Their attainment represents a significant accomplishment by a school entity and its management. The awards are conferred after a comprehensive review by a panel of independent budget professionals. Using extensive criteria, the reviewers not only evaluate the effectiveness of the budget in meeting the program's criteria, but also provide commentary and feedback to the submitting entity as a basis for improving the process and presentation of their district's financial and operational plan.

HISD's budget document has been awarded the Distinguished Budget Presentation Award by the GFOA annually since the 1992-1993 fiscal year. HISD has also been awarded the Meritorious Budget Award by ASBO annually since the 1999-2000 fiscal year.

Our most important concern in the presentation of the budget data, however, is to improve the quality of information provided to our community about the financial plan for the district's educational programs and services for the 2016-2017 fiscal year. The material in the budget document also includes information that has been suggested by the Board of Education, patrons, community members, staff, and those who review the document for the awards previously mentioned.

Both human and financial resources are allocated in the budget to achieve the goals of the district. The adopted budget reflects the allocation of revenues and expenditures to support educational programs and services defined by the district's purpose, goals, strategic intent, and core values. It represents the vision of district leadership and the hearts and minds of teachers and staff articulated through financial and operating policies. The budget is a good balance of choices representing the responsive equilibrium between the educational needs of students and the ability of the community and the state to provide the necessary financial support to serve them.

## Purpose of the Houston Independent School District

The Houston Independent School District exists to strengthen the social and economic foundation of Houston by assuring its youth the highest quality elementary and secondary education available anywhere.

### Goals

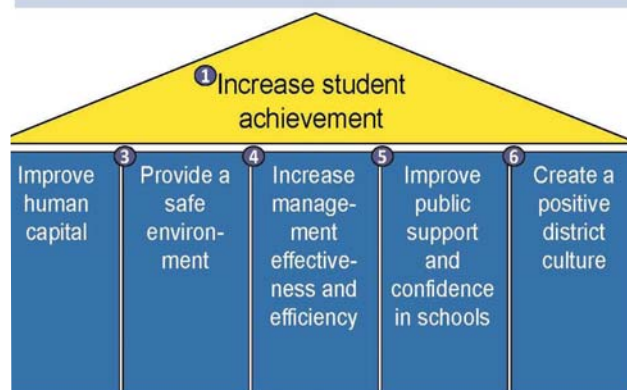
- Increase Student Achievement
- Improve Human Capital
- Provide a Safe Environment
- Increase Management Effectiveness and Efficiency
- Improve Public Support and Confidence in Schools
- Create a Positive District Culture

**To achieve these goals, the district has adopted the following initiatives:**

### Core Initiatives

- Effective Teacher in Every Classroom
- Effective Principal in Every School
- Rigorous Instructional Standards and Supports
- Data-Driven Accountability
- Culture of Trust Through Action

## HISD has developed a clear set of goals linked to the Board's Beliefs



Our ultimate goal is to become the best school district in America



## **Core Values**

- Safety Above All Else
- Student Learning is the Main Thing
- Focus on Results and Excellence
- Parents as Partners
- Common Decency
- Human Capital

## **General Fund Revenues and School Finance**

The district's General Fund is funded primarily from local property taxes and state revenue. Through the state's funding formula, a school district receives a basic allotment for each student, with weights added to that allotment if the student receives additional services, such as special education, at-risk (state compensatory education) bilingual, gifted and talented, and career and technology. The district also generates other funds on top of student generated funding, including a high school allotment, staff allotment, and transportation allotment.

Under the current funding system, the district has a hold harmless level called targeted revenue. With this system, the district is guaranteed a minimum amount of revenue per Weighted Average Daily Attendance (WADA), between property taxes and state aid. However, the state's funding formula, Chapter 41 of the Texas Education Code, requires that if a district's wealth per student exceeds an amount set in statute, then the district must make payments back to the state through the Recapture process. Chapter 41 Recapture may be accomplished by several means, but ultimately the district keeps a reduced portion of their local property taxes as wealth per student increases. State funding and Chapter 41 are discussed in more detail in the Informational Section of this document.

In 2016-2017, for the first time, the district is considered property wealthy (Chapter 41 or "Robin Hood") and will be required to equalize its wealth by either sending funds to the state, in the amount of \$161.80 million, or detaching property to another district, thereby reducing the district's wealth. The district is required to hold an election to get approval from the tax payers to send funds back to the state. Detachment does not require voter approval, however it would significantly impact both the detached property and the remaining district taxpayers. During the November 8, 2016 general election, voters rejected the option to make a direct Recapture payment to the state, activating property detachment if the Texas Legislature does not make changes to the state's funding formula during the upcoming legislative session.

In May 2015, the 84th Legislature put \$1.2 billion back into Public Education for the 2015-2016 biennium related to the Basic Allotment, \$860 million related to the Austin Yield, and \$1.2 billion for an increase in the state mandated homestead exemption for a total of \$3.26 billion in these areas. The Legislature put the funds back in through several changes to the funding formula.

1. The basic allotment was increased from \$5,040 to \$5,140 for 2015-2016 and 2016-2017. The Basic Allotment is the base amount is generated by every student in HISD.
2. The Equalized Wealth Level per WADA was changed from \$504,000 to \$514,000 for 2015-2016 and 2016-2017. This is the level at which a district becomes Chapter 41 ("Robin Hood") and must send a portion of local property taxes to the state.
3. The Tier II (Austin Yield) changed to \$74.28 in 2015-2016 and \$77.53 in 2016-2017. This funding is generated by \$.04 pennies of the district's tax rate approved in 2006-2007.
4. The state mandated local homestead exemption was increased from \$15,000 to \$25,000. This item was approved by voters in November 2015.

## 2016-2017 Tax Rate

In November 2012, voters approved a \$1.89 billion bond program which included an increase in the district's Interest & Sinking (I&S) tax rate to fund debt service. The District used a rate of \$0.18 per \$100 valuation for the truth in taxation (TNT) calculations for 2016-2017, which reflects a \$0.01 cent increase for the I&S over the previous year.

The 2016-2017 Adopted Budget is based on a \$1.0267 Maintenance & Operation (M&O) tax rate and a \$0.18 Interest & Sinking (I&S) tax rate for a total tax rate of \$1.2067.

## Prior Year Actuals

Prior year actual revenues and expenditures are reflected in the charts below.

Actual revenues over the adopted budget are primarily due to increases in state aid from prior year property tax audits, higher current property tax collections than anticipated, and an adjustment to the accrual for property tax litigations.

Actual expenditures under the adopted budget are primarily due to unspent funds from North Forest Incentive Aid (set aside at the end of 2015-2016 for payment of PFC debt), district-wide salaries, campus and departmental funds, and utilities in decending order.

A more detailed analysis of the district's revenues and expenditures can be found in the Management's Discussion and Analysis (Unaudited) of the district's Comprehensive Annual Financial Audit.

### General Fund Budget to Actuals Comparison

Revenues	Adopted Budget 2015-2016	Actual Revenues 2015-2016
General Fund	\$1,834,134,651	\$ 1,863,593,271

Appropriations	Adopted Budget 2015-2016	Actual Expenditures 2015-2016
General Fund	\$ 1,864,134,651	\$ 1,771,513,228

## General Fund Revenues

The adopted budget reflects the allocation of revenues and appropriations to support educational programs and services defined by the district's purpose, goals, strategic intent, and core values. Projected revenues for the 2016-2017 General Fund are \$1,835,049,490, which is a 0.05 percent increase over original 2015-2016 budgeted revenues. Revenues for the General Fund and other financing sources are primarily generated through local property taxes and state aid, but include other sources. A description of the methodology for calculating state formula revenue in detail is included in the Informational Section of this document.

## General Fund Revenue Assumptions

The 2016-2017 state revenue projections are based on an estimated average daily attendance (ADA) of 193,009.465, or 267,857.490 based on a weighted average daily attendance (WADA).

Property tax revenue is the district's largest revenue source, comprising 88.06 percent of all budgeted revenues. HISD is projecting an increase in local funding from the 2016-2017 original budgeted property tax levy of \$103.70 million, a loss of state funding of \$82.17 million, and projected decrease in other revenues (rentals, tuition, etc) of \$20.61 million for a net increase of \$0.91 million in revenues. This increase includes \$161.80 million in property taxes that will be collected but paid to the state through Chapter 41 Recapture. The state revenue decrease includes a loss of \$38.47 million of the incentive aid for the 2014 annexation of the North Forest Independent School District. The incentive aid was supposed to be received for five years. However, due to the district becoming Chapter 41 Recapture the district will not receive the last two years, estimated at \$89.55 million.

Revenues percentages for the General Fund are generated from the following primary resources:

**Total Revenue Sources for the General Fund**

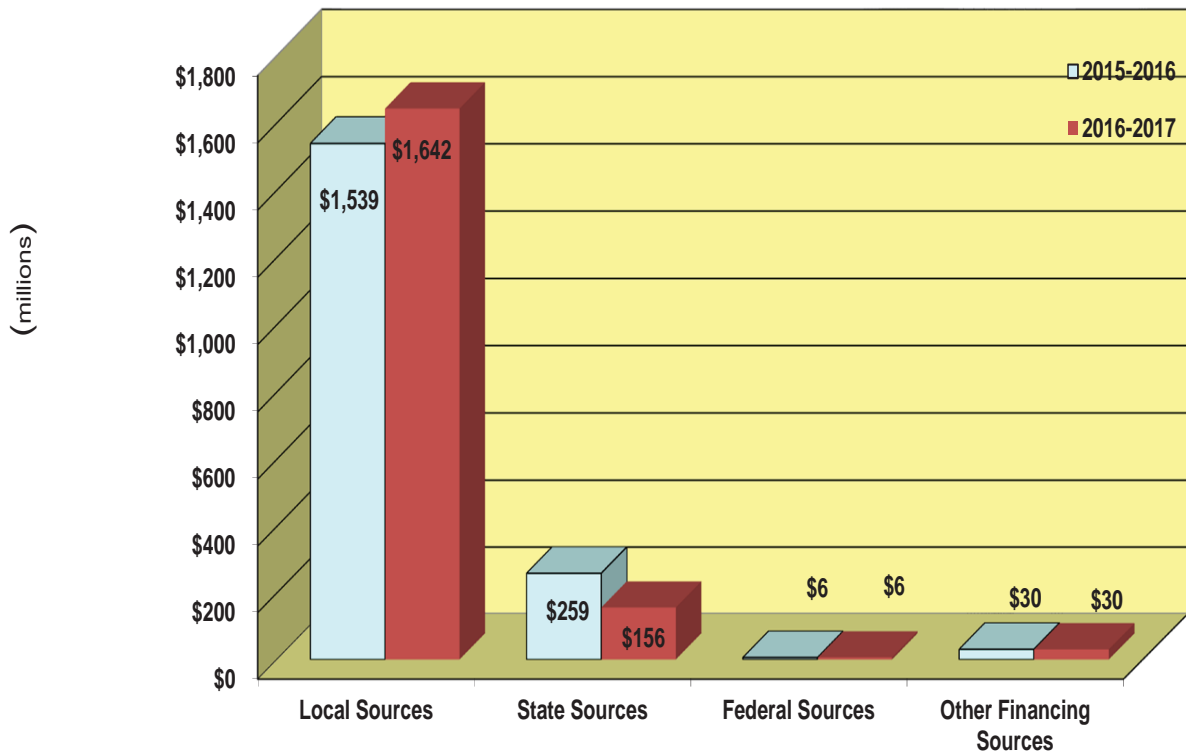
Revenue Sources	Adopted Budget 2015-2016	Adopted Budget 2016-2017	% Change
<b>Local Sources</b>	\$ 1,538,745,307	\$ 1,642,333,620	6.73%
<b>State Sources</b>	259,237,111	156,065,246	-39.80%
<b>Federal Sources</b>	5,752,233	6,250,624	8.66%
<b>Other Financing Sources</b>	30,400,000	30,400,000	0.00%
<b>Total General Fund Revenue</b>	<b>\$ 1,834,134,651</b>	<b>\$ 1,835,049,490</b>	<b>0.05%</b>

**Total Revenue Percentages for the General Fund**

Revenue Sources	Adopted Budget 2015-2016	Adopted Budget 2016-2017
<b>Local Sources</b>	83.90%	89.50%
<b>State Sources</b>	14.13%	8.50%
<b>Federal Sources</b>	0.31%	0.34%
<b>Other Financing Sources</b>	1.66%	1.66%
<b>Total General Fund Revenue</b>	<b>100.00%</b>	<b>100.00%</b>

The general fund revenue increase in local sources is primarily the result of increased market value of the property within the district, based on the district's 2016-2017 adopted Maintenance and Operations (M&O) tax rate. Even with maintaining the current rate for maintenance and operations, current property tax revenue is expected to increase and remain the district's largest revenue source, in the amount of \$1,615,925,620, or 88.06 percent of all General Fund Revenues. The district has experienced significant increases in its local tax roll values.

### Total General Fund Revenues 2015-2016 and 2016-2017



Below is a chart of the district's roll values for the past 10 years.

Fiscal Year	Tax Roll Value	% Change
2007-2008	96,574,625,420	13.38%
2008-2009	108,108,659,598	11.94%
2009-2010	109,064,369,708	0.88%
2010-2011	104,439,029,647	-4.24%
2011-2012	105,895,088,157	1.39%
2012-2013	111,568,771,772	5.36%
2013-2014	125,112,516,134	12.14%
2014-2015	139,580,407,554	11.56%
2015-2016	152,860,482,797	9.51%
2016-2017	165,970,503,045	8.58%

Note: 2015-2016 and prior are from the HISD Comprehensive Annual Financial Report, 2016-2017 is the Certified Estimated value from the Harris County Appraisal District.

However, unlike many city and county tax rolls, HISD does not keep all of the increase in tax revenues generated. Under the state's funding formula, as local property tax values rise, the state reduces its share of public school formula funding revenue. In fact, the state share of formula revenue in HISD has decreased from a high of 33.9



percent in 2007-2008 to a low of -1.3 percent in 2016-2017, as HISD anticipates sending back more in Recapture payments than the district receives in state aid.

The revenue projections used for 2016-2017 are based off the certified estimated roll value that the district receives in April of each fiscal year. The district works with the Harris County Appraisal District (HCAD) early in the year, usually around February, to determine a starting point for tax revenue projections. These projections are used to build early estimates of the district's budget resources and help with the planning and ranking of programs in the upcoming years. The district has traditionally taken a conservative approach in early revenue and projections and in the past has been able to fund projects on a ranked planning list.

In the near-term, the district revenue projections are impacted by growth in property values, changes in student enrollment, and current state statute. District revenues are driven by local property taxes, and roll values are used to estimate revenues before the budget is adopted in June. In most cases, roll values increase as the year progresses, and the district does not need to make significant budget changes to address shortfalls during the middle of the budget cycle. Sudden declines in student population can impact the district's formula funding allotment, discussed in further detail in the Informational Section of this document, and per-student allocations budgeted at the school-level. Student population is monitored daily during September of each year, and the district responds immediately, preparing for allocation adjustments as necessary. The district then settles-up with campuses after the state's enrollment snapshot in October. The district's long-term revenue forecast is represented in more detail in the Informational Section of this document. This forecast makes several assumptions, estimating the future property tax roll values will grow between three and five percent annually.

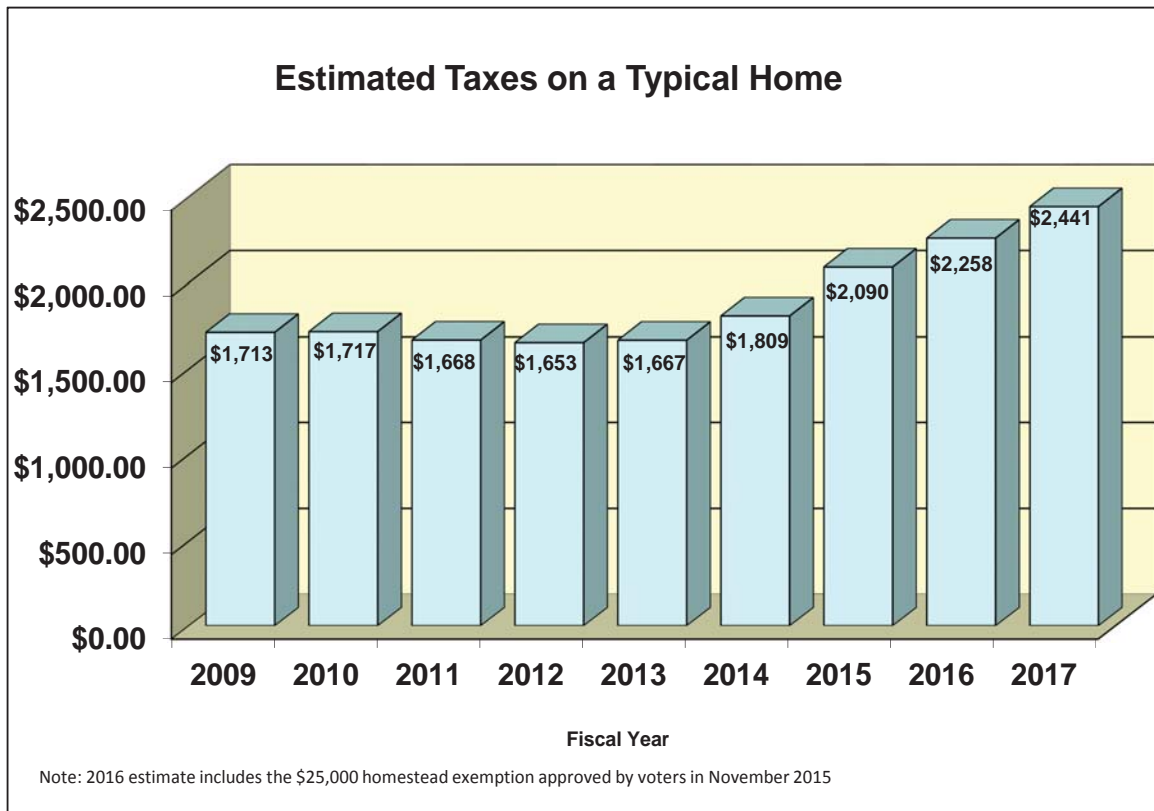
Revenue is significantly influenced by state law. In 2016 the Texas Supreme Court ruled against a lawsuit filed by two-thirds of Texas school districts, challenging the state's school finance system. The Court found the current school finance system flawed but constitutional, and the future of the state's school finance system now rests with the Texas Legislature. Without changes to state law, the district's revenue forecast assumes the state's school funding formula will continue to be calculated as articulated in current law, requiring the district to make increasing Recapture payments to the state in future years, resulting in revenue shortfalls. Revenue projections are further detailed in the Informational Section of this document.

## **HISD Local Tax Rolls and Estimated Taxes on a Typical Home**

HISD's estimated assessed value for the 2016-2017 fiscal year, per the HCAD certified estimated roll in April 2016, was \$165,970,503,045, compared to the certified estimated value in April 2015 of \$153,591,977,494 during the same period. These are not final tax roll numbers; however, these values are used for original budget projections. The 2016-2017 value used for the 2016-2017 Adopted Budget does not reflect the changes that occur through the tax year or represent a final roll value. For the typical homeowner, taxes to fund programs and services for the 2016-2017 fiscal year will increase an estimated \$183. The resulting increase does not take into account exemptions for homeowners over 65, disabled homeowners, or surviving spouses over age 55.

The \$1.2067 tax rate adopted by the Board of Education for 2016-2017 fiscal year reflected an increase of 1 cent for debt service over the tax rate adopted in 2015-2016. The tax rate increase assumes an average taxable value of a Houston-area home of \$202,291 in 2016-2017, and taxes on the average home of \$2,441.05. The tax bill in 2015-2016 for an average value home, \$188,682, was \$2,257.96. This average tax bill is calculated by taking the average market value, provided by HCAD, less a homestead exemption of \$25,000 approved by voters in 2015 and the 20 percent optional homestead exemption offered by the district, and excludes the additional exemptions for which homeowners may qualify.

The chart on the next page illustrates the tax burden for the typical homeowner from 2009-2017, which has primarily increased as a result of property value growth.



## 2016-2017 Appropriations

Appropriations included in the recommended budget for the General Fund total \$1,878,657,298. Taking into account the projected unspent funds at the end of the fiscal year and use of assigned fund balance for the payment of PFC North Forest construction projects, the adjusted appropriations total \$1,835,049,490. This balances to the district's total operating revenues.

The 2015-2016 carryover budget, adjusted for the recommended increases and decreases, resulted in an overall increase to the 2016-2017 budget of \$14,522,647 or 0.78 percent.

Increases/(decreases) to the General Fund budget include:

Major increases/(decreases) with offsetting revenues include:

- Loss of North Forest Incentive funding due to Recapture – (\$38,470,818)
- Reduction in TRS on-behalf of – (\$21,000,000)
- Transfers out for North Forest projects - \$13,607,808
- Victory Prep Charter School - \$3,725,695
- Tax Increment Reinvestment Zone (TIRZ) - \$2,411,668
- Texas Connections Charter School - \$2,000,000

Mandatory (Contractual or legally required) increases include:

- Chapter 41 Recapture payment - \$161,600,220 (Total Recapture payment is \$161,797,407)
- Contractual obligations - \$7,580,708
- Harris County Appraisal District - \$677,486

Other major increases:

- Funding of full day Pre-Kindergarten \$21,190,777
- Positive Behavioral Intervention and Supports (PBIS) Initiative - \$879,070

Major decreases to the General Fund carryover budget include:

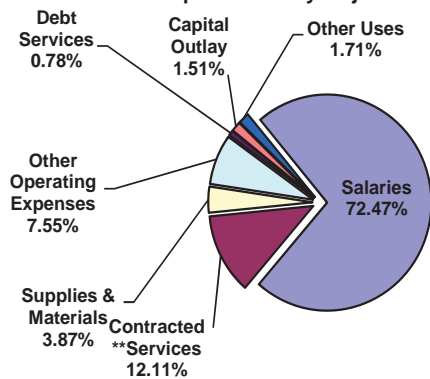
- PUA Reduction- (\$40,000,000)
- Department Reductions – (\$25,153,405)
- APOLLO- (\$19,615,672)
- ASPIRE- (\$10,000,000)
- District Operating Reserve-(\$10,000,000)
- Decrease in campus and special education enrollment-(\$7,963,796)
- Utilities – (\$7,730,515)
- Camelot Contract - (\$3,300,000)
- Long-term subs – (\$2,400,124)
- Liability and Property Insurance (\$2,074,289)
- Gasoline for buses – (\$1,303,808)

Below is a comparison of total General Fund expenditures, by object, for the fiscal years 2015-2016 and 2016-2017.

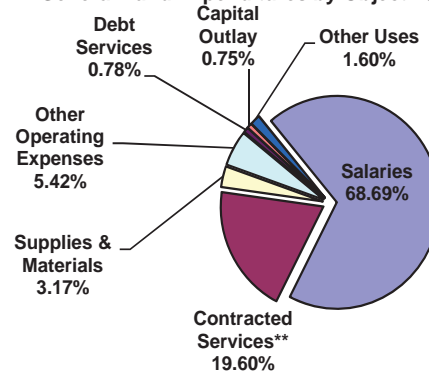
**General Fund Expenditure by Object  
(Comparison of Total Expenditures of Current and Previously Adopted Budgets)**

Object	Adopted Budget 2015-2016	Adopted Budget 2016-2017	% Change
Salaries	\$ 1,350,908,210	\$ 1,290,357,960	-4.48%
Contracted Services**	225,704,130	368,274,910	63.17%
Supplies & Materials	72,140,390	59,567,188	-17.43%
Other Operating Expenses	140,833,378	101,738,151	-27.76%
Debt Services	14,558,020	14,560,939	0.02%
Capital Outlay	28,108,055	14,108,416	-49.81%
Other Uses	31,882,468	30,049,734	-5.75%
<b>Total General Fund Expenditures</b>	<b>\$ 1,864,134,651</b>	<b>\$ 1,878,657,298</b>	<b>0.78%</b>

General Fund Expenditures by Object 2015-2016



General Fund Expenditures by Object 2016-2017



Notes:

\*Chart may not add to 100% due to rounding

\*\* Increase to contracted services includes the district's Recapture payment

## General Fund Reserve Adjustment

In accordance with Board Policy CA (Local), the Reserve for Operations account shall maintain a balance equal to five percent of the appropriations for the General Fund. Accordingly, board policy requires the district to set aside 5 percent of its General Fund budget as reserve for operations. The approval of this budget will require a shift of \$1,776,132 from the Unassigned Fund Balance to the Committed Fund Balance due to the increase in the General Fund budget.

## General Fund Budget Distribution

Below is a chart representing where funds are budgeted within the district's organizational structure. HISD's organizational chart can be found in the Organizational Section of this document. Detail for each campus is located in the School Section, and individual department details are located in the Departments Section. For a more detailed description of the departments and district-wide funds, see the Departments Section of this document.

2016-2017 Original Budget Report - General Operating Fund

	Payroll	Contracted Services	Supplies and Materials	Other Operating Costs	Debt Service	Capital Outlay	Other Uses	Total Allocation	Total Allocation % to Total
<b>SCHOOLS</b>	\$857,679,778	\$85,441,773	\$35,708,372	\$6,443,436	\$18,719	\$5,829,303	\$0	\$991,121,381	53.2%
<b>GENERAL ADMINISTRATION</b>	\$3,573,336	\$3,408,332	\$71,390	\$105,600	\$0	\$0	\$0	\$7,158,658	0.4%
<b>CHIEF OF STAFF</b>	\$25,644,863	\$849,539	\$564,982	\$419,161	\$0	\$34,048	\$0	\$27,512,593	1.5%
<b>CHIEF ACADEMIC OFFICER</b>	\$115,585,879	\$4,614,986	\$1,895,006	\$1,683,013	\$0	\$0	\$0	\$123,778,884	6.6%
<b>OFFICE OF STUDENT SUPPORT</b>	\$41,440,358	\$5,510,515	\$8,834,454	\$1,212,716	\$0	\$750	\$0	\$56,998,793	3.1%
<b>CHIEF COMMUNICATIONS OFFICER</b>	\$3,254,956	\$333,959	\$53,911	\$65,118	\$0	\$0	\$0	\$3,707,944	0.2%
<b>CHIEF HUMAN RESOURCES OFFICER</b>	\$11,801,855	\$856,421	\$141,891	\$285,403	\$0	\$0	\$0	\$13,085,570	0.7%
<b>CHIEF FINANCIAL OFFICER</b>	\$12,222,637	\$672,146	\$138,235	\$492,721	\$0	\$0	\$0	\$13,525,739	0.7%
<b>CHIEF TECHNOLOGY INFORMATION OFFICER</b>	\$87,467,935	\$39,869,300	\$9,786,073	\$17,410,610	\$14,542,220	\$4,858,856	\$0	\$173,934,994	9.3%
<b>CHIEF OPERATING OFFICER</b>	\$292,533	\$0	\$14,220	\$40,000	\$0	\$0	\$0	\$346,753	0.0%
<b>CHIEF ACADEMIC OFFICER</b>	\$4,664,078	\$1,024,862	\$2,324,507	\$443,008	\$0	\$0	\$0	\$8,456,455	0.5%
<b>OFFICE OF STUDENT SUPPORT</b>	\$865,959	\$28,700	\$17,147	\$10,750	\$0	\$0	\$0	\$922,556	0.0%
<b>DISTRICT-WIDE BENEFITS</b>	\$90,391,086	\$0	\$0	\$0	\$0	\$2,010	\$0	\$90,393,096	4.8%
<b>DISTRICT-WIDE OPERATING SERVICES</b>	\$0	\$222,403,374	\$17,000	\$67,981,540	\$0	\$0	\$30,049,734	\$320,451,648	17.2%
<b>DISTRICT-WIDE SCHOOL SERVICES</b>	\$35,472,707	\$3,261,003	\$0	\$5,145,075	\$0	\$3,383,449	\$0	\$47,262,234	2.5%
<b>GRAND TOTAL</b>	\$1,290,357,960	\$368,274,910	\$59,567,188	\$101,738,151	\$14,560,939	\$14,108,416	\$30,049,734	\$1,878,657,298	100.0%

Note: May not add to 100% due to rounding in each category

## Other District Fund Appropriations

HISD operates three additional governmental funds:

The district adopted a **Debt Service Fund** budget of \$332,310,001 that provides for principal and interest payments for outstanding debt in accordance with generally accepted accounting principles for governmental entities.

All remaining unspent funds from the 2015-2016 **Capital Renovation Fund** budget will be carried forward into the 2016-2017 fiscal year to provide for costs for the construction and renovation of school sites in accordance with the district's 2007 Rebuild HISD Program and the 2012 HISD Bond.

The \$ 184,618,276 **Special Revenue Fund** budget provides for school-centered programs designed to support increased student achievement. The district continues to pursue additional dollars from non-traditional sources to support the educational delivery system. The primary sources of this fund is Title I, Title II, E-Rate, IDEA-B, and the Instructional Materials Allotment. Only awarded and known resources are presented in the adopted budget. The district will continue to make adjustments throughout the year as notice of grant awards and district carryover are approved.

### **HISD operates four Enterprise Funds:**

The adopted **Nutrition Services Fund** budget is \$126,435,722 and reflects the ongoing activity of the nutrition services program. Revenue to support the nutrition service program is primarily derived from operating revenues from the sale of food products to the students and faculty of the district during breakfast and lunch. The nutrition service program also participates in the National School Breakfast and Lunch Program and state programs, which provide support in the form of cash and commodities.

The **Marketplace Fund** budget of \$1,011,785 accounts for the financial operation of the restaurant-style cafeteria on the first level of the Hattie Mae White (HMW) Educational Support Center.

The district has a very active **Medicaid Fund** that provides Medicaid claiming services to other school districts throughout the state. This fund has a total budget of \$39,705,770 of which \$9,705,770 is for operational expenses and \$30,000,000 which will be transferred to the General Fund for the support of the instructional program.

The **Business Development Fund** budget of \$5,143,707 is used to account for the financial operations of the District's Marketing Office.

### **HISD operates seven Internal Service Funds:**

The **Health Insurance Fund** budget of \$149,772,806 accounting for the health insurance plan administered by the district.

On the next page are charts representing the district's total revenues and appropriation in its various funds.

The **Print Shop Fund** budget of \$8,419,734 accounting for the cost of printing, graphics, and mail services for the district.

The **Workers' Compensation Fund** has a budget of \$9,610,775 accounting for activities related to the district's workers' compensation program.

The **Alternative Certification Fund** has a budget of \$1,243,155 accounting for the recruiting, training, and supporting of qualified, degreed classroom professionals.

The **Athletics Fund** has a budget of \$7,429,236 accounting for the educational, social, moral and athletic skills of the student athlete in various sports, including football, basketball, track/field and soccer. The fund is also used to schedule athletic activities, transportation trips, game officials and to efficiently operate sports complex venues for HISD athletics competitions and events.

The **Special Education Shared Service Fund** has a budget of \$7,209,428 accounting for the Special Education evaluation and support services.

The **UIL (University Interscholastic League) Fund** has a budget of \$1,023,418 accounting for campus participation in UIL activities such as One-Act Play, Debate Cross-Examination, Marching Band, Concert Band, Choir, Orchestra, Solo-Ensemble, and Academics.

On the next page are charts representing the district's total revenues and appropriations in its various funds.



**Total Revenues**

Revenue Sources	Adopted Budget 2015-2016	Adopted Budget 2016-2017	% Change Adopted to Adopted
<b>Governmental Funds Types</b>			
General Fund	\$ 1,834,134,651	\$ 1,835,049,490	0.05%
Special Revenue Fund	214,165,530	184,618,276	-13.80%
Debt Service Fund	288,356,339	333,968,239	15.82%
Capital Renovation Fund	39,993,000	672,235,000	1580.88%
Public Facilities Corporation	92,000	171,000	85.87%
<b>Total Governmental Fund Types</b>	<b>\$ 2,376,741,520</b>	<b>\$ 3,026,042,005</b>	<b>27.32%</b>
<b>Internal Service Fund Types</b>			
Health Insurance Fund	\$ 113,873,950	\$ 132,366,024	16.24%
Workers' Compensation Fund	10,175,375	8,566,591	-15.81%
Athletics Fund	6,108,636	5,977,236	-2.15%
Print Shop Fund	3,744,000	8,454,036	125.80%
Copier Services Fund	4,248,382	-	100.00%
Alternative Certification Fund	1,584,053	1,243,155	-21.52%
UIL Fund	981,482	1,049,469	6.93%
Shared Services Fund	7,520,256	7,212,802	-4.09%
Virtual Schools Fund	58,007	-	-100.00%
<b>Total Internal Service Fund Types</b>	<b>\$ 148,294,141</b>	<b>\$ 164,869,313</b>	<b>11.18%</b>
<b>Proprietary Fund Types</b>			
Nutrition Services Fund	\$ 124,486,254	\$ 124,855,852	0.30%
The Market Place	975,100	1,074,602	10.20%
Medicaid Fund	28,972,573	30,340,010	4.72%
Business Development Fund	5,112,730	5,222,996	2.16%
<b>Total Proprietary Fund Types</b>	<b>\$ 159,546,657</b>	<b>\$ 161,493,460</b>	<b>1.22%</b>
<b>Total Revenues</b>	<b>\$ 2,684,582,318</b>	<b>\$ 3,352,404,778</b>	<b>24.88%</b>

Notes: The Copier Services Fund merged with the Print Shop Fund in 2017.  
The Virtual Schools Fund moved to the General Fund in 2017.

**Total Appropriations**

Appropriations	Adopted Budget 2015-2016	Adopted Budget 2016-2017	% Change Adopted to Adopted
<b>Governmental Funds Types</b>			
General Fund	\$ 1,864,134,651	\$ 1,878,657,298	0.78%
Special Revenue Fund	214,165,530	184,618,276	-13.80%
Debt Service Fund	288,281,241	332,310,001	15.27%
Capital Renovation Fund	512,868,881	514,437,018	0.31%
Public Facilities Corporation	48,000,000	70,000,000	45.83%
<b>Total Governmental Fund Types</b>	<b>\$ 2,927,450,303</b>	<b>\$ 2,980,022,593</b>	<b>1.80%</b>
<b>Internal Service Fund Types</b>			
Health Insurance Fund	\$ 127,345,934	\$ 149,772,806	17.61%
Workers' Compensation Fund	11,172,019	9,610,775	-13.97%
Athletics Fund	7,462,261	7,429,236	-0.44%
Copier Services Fund*	4,647,219	-	-100.00%
Print Shop Fund	3,744,000	8,419,734	124.89%
Alternative Certification Fund	1,584,053	1,243,155	-21.52%
UIL Fund	981,482	1,023,418	4.27%
Shared Services Fund	7,520,256	7,209,428	-4.13%
Virtual Schools Fund*	52,701	-	-100.00%
<b>Total Internal Service Fund Types</b>	<b>\$ 164,509,925</b>	<b>\$ 184,708,552</b>	<b>12.28%</b>
<b>Proprietary Fund Types</b>			
Nutrition Services Fund	\$ 120,691,411	\$ 126,435,722	4.76%
The Market Place	918,660	1,011,785	10.14%
Business Development Fund	5,089,982	5,143,707	1.06%
Medicaid Fund	38,757,180	39,705,770	2.45%
<b>Total Proprietary Fund Types</b>	<b>\$ 165,457,233</b>	<b>\$ 172,296,984</b>	<b>4.13%</b>
<b>Total Appropriations</b>	<b>\$ 3,257,417,461</b>	<b>\$ 3,337,028,129</b>	<b>2.44%</b>

\* In 2016-2017, the Copier Services Fund merged with the Print Shop. Virtual Schools transitioned to the General Fund

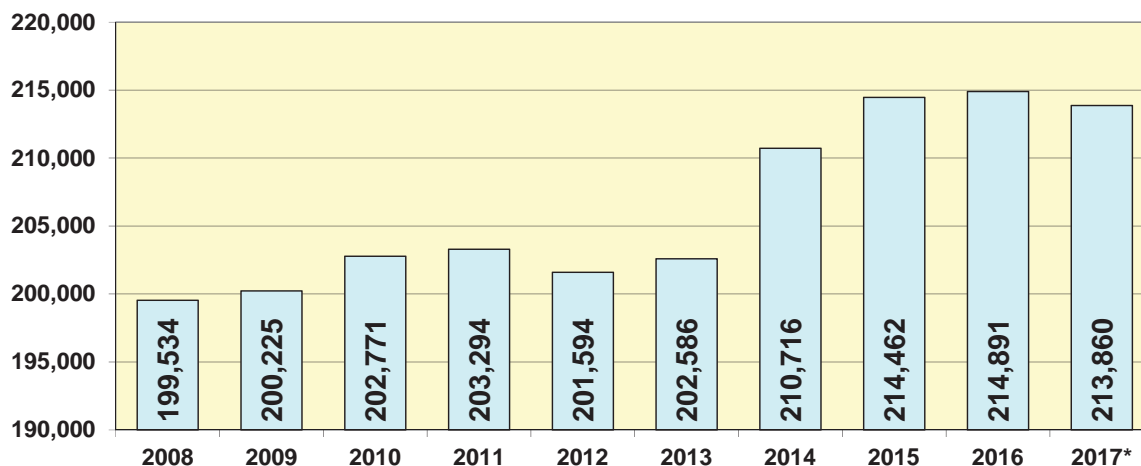
District appropriations assume \$30 million in fall-out will be realized, and actual expenditures will be less than budgeted. Capital renovation revenues exclude bonds sold in prior years, and appropriations are estimated amounts to be spent during the year for capital projects.

## Demographics and Student Enrollment

The Houston Galveston Area Council (H-GAC) has a population of more than 6.6 million, making it the fourth largest metropolitan area in the country. Demographically and economically, the region has rapidly diversified, transforming the city to a cosmopolitan, international center of business and industry. Over the last decade, the population of H-GAC has experienced significant growth, despite volatility in the oil and gas industry. As a result, the district must be prepared to meet the challenges of educating an increasingly heterogeneous student population. In light of the recent growth of service-sector jobs in the Houston area and U.S. economy, students must be prepared for careers requiring advanced skills in mathematics, science, and technology, in addition to strong reading and writing skills.

The net effect of the growing population on HISD's student enrollment is difficult to ascertain, due to many complicating factors. In particular, the recent growth of state charter schools, private schools, and homeschooling, combined with central-city demographic shifts and economic conditions will mitigate the effect of the Houston metropolitan area's population increases, resulting in difficulty predicting the district's enrollment. Additional demographic information can be found in the Informational Section of this document, while a summary of district enrollment changes is presented below.

### HISD Pupil Enrollment Trends



\*Projected by the Office of Budgeting and Financial Planning

## Personnel Allocation

The district continues to monitor staffing at all levels and finds ways to be more efficient. Central Office staffing levels are monitored closely and were extensively reviewed during the 2016-2017 budget development process to ensure the majority of district funds are directed toward classroom instruction and minimize the impact of necessary district budget cuts to schools. HISD consistently maintains an administrative cost ratio below state limits and peer districts, according to the Texas Schools Financial Integrity Rating System (FIRST). The chart on the next page illustrates the staffing for the district, representing the various types of positions from 2013-2017. As a result of the district's belief in site-based decision-making, principals have direct control over positions and employees listed in the campus category. Department positions include custodians, police officers, transportation employees, speech therapists, special education diagnosticians, special education teachers, and teacher aides who work at the campus-level, but who are managed and supervised by central office departments.

### HISD - General Fund Position FTE's by Staff Types 2013 - 2017

Category	2013	2014	2015	2016	2017
Campus	13,750.88	14,529.75	14,889.68	14,907.87	14,774.46
Departmental	7,026.56	7,386.51	7,570.03	8,140.00	7,467.00
<b>Total Staff</b>	<b>20,777.44</b>	<b>21,916.26</b>	<b>22,459.71</b>	<b>23,047.87</b>	<b>22,241.46</b>

### HISD - General Fund Position FTE's by Staff Types 2013 - 2017

Category	2013	2014	2015	2016	2017
Assistant Supt / General Manager	52.00	60.00	59.00	63.00	61.00
Consultants, Specialists	218.80	242.50	253.29	263.29	259.29
Consultants, Specialists	304.44	328.45	354.96	390.48	371.48
Coordinators	433.50	433.50	452.00	312.00	289.00
Coordinators	407.96	439.16	447.85	449.37	434.37
Counselors, Psychologists, Social Workers	55.00	49.00	80.00	80.00	80.00
Counselors, Psychologists, Social Workers	134.54	162.05	163.35	177.66	179.16
Deans	0.00	0.50	0.00	0.00	0.00
Deans	93.09	110.99	132.30	138.49	132.30
Directors	0.00	2.00	0.00	0.00	0.00
Directors	32.00	36.00	47.00	113.00	101.00
General Superintendent	1.00	1.00	1.00	1.00	1.00
Librarians	101.69	94.78	82.58	77.18	74.68
Maintenance/Custodial	0.00	4.00	3.00	4.30	3.30
Maintenance/Custodial	2,043.00	2,071.00	2,071.00	2,015.70	1,983.70
Manager/Supervisors	20.00	21.50	24.50	25.50	24.50
Manager/Supervisors	527.49	561.49	614.00	631.00	598.00
Nurses	29.26	29.46	27.46	28.46	28.46
Nurses	204.06	216.97	219.36	220.63	218.63
Other	16.00	15.00	40.00	39.00	39.00
Paraprofessional	1,018.00	1,025.00	1,006.00	1,187.50	1,149.50
Paraprofessional	1,157.34	1,257.89	1,272.55	1,320.75	1,302.95
Police	20.95	28.87	28.89	25.89	24.89
Police	189.05	215.13	217.11	217.11	217.11
Principals and Assistant Principals	0.00	0.50	0.00	2.00	2.00
Principals and Assistant Principals	504.49	527.99	543.30	588.30	584.30
Professional	114.60	118.85	115.50	115.03	113.03
Professional	374.00	398.00	400.50	378.96	358.96
Supt. Direct Reports	15.00	17.00	19.00	17.00	15.00
Teacher Aides & Assistants	888.86	921.02	975.53	591.58	569.58
Teacher Aides & Assistants	786.64	894.14	926.14	946.32	923.32
Teachers	1,140.18	1,241.34	1,242.86	1,704.47	1,235.47
Teachers	9,884.50	10,381.18	10,615.68	10,897.90	10,847.48
Trainers	0.00	0.00	12.00	12.00	6.00
Trainers	10.00	10.00	12.00	13.00	13.00
<b>Total Staff</b>	<b>20,777.44</b>	<b>21,916.26</b>	<b>22,459.71</b>	<b>23,047.87</b>	<b>22,241.46</b>

## Summary

School year 2015-2016 continued to be one of challenge and change in the Houston Independent School District. One of the primary focus areas for 2015-2016 was a continued commitment to the district's Literacy by 3 plan that works to ensure students read on grade level by grade 3, leverages resources to prepare students for grade-level or above success, and engages parents and communities to model and support literacy. Additionally we focused on the expansion of dual language programs, targeted intervention for the district's bottom third campuses, and expansion of college readiness programs. The district recognizes that challenges associated with limited resources will continue into 2016-2017, requiring the district to assess the effectiveness of its current programs and initiatives and staffing in an effort to align appropriations with expected revenue.

For 2016-2017, each new challenge comes with the opportunity to further the progress toward accomplishing our strategic direction of a quality teacher in every classroom, effective principal in every school, rigorous instructional standards and supports, and data-driven accountability. We welcome those opportunities, along with collaboration of the entire community, in successfully preparing students for the future. Public education is a never-ending responsibility, but it is one that holds the greatest opportunity to make the future for the thousands of young people the brightest possible. It is this responsibility to which each and every HISD employee dedicates his or her life. It is clearly a worthwhile task that we undertake, year after year, fully committed to the Houston community. Some of the district's key accomplishments during the 2015-2016 school year are highlighted below.

## AWARDS AND RECOGNITION

### **HISD Administrators and Educators Recognized Regionally, Nationally**

Angela Lundy-Jackson, principal of North Houston Early College High School, had a stellar year. As HISD Secondary Teacher of the Year, she went on to win Region IV Principal of the Year and was a finalist for Texas High School Principal of the Year. In addition, she was named High School Principal of the Year by the Texas Association of Secondary School Principals. Lundy-Jackson and Bellaire High School teacher Ann Linsley won the H-E-B Excellence in Education Award. HISD Interim Superintendent Kenneth Huewitt won the 2015 Bill Wise Award for Distinguished Service to Urban Education from the Council of Great City Schools. HISD Assistant Superintendent Jorge Arredondo was named Educator of the Year by LULAC Council 402, and teacher Rebecca Ryan at Mickey Leland College Preparatory Academy for Young Men received the 2015 Outstanding Teaching of the Humanities Award from the National Endowment for the Humanities Texas.

### **HISD Schools Recognized For Excellence Nationally**

North Houston Early College High School won the 2015 National Blue Ribbon Award, and several HISD high schools were featured in the U.S. News & World Report Best High School rankings: Carnegie Vanguard High School was ranked the tenth best high school in the nation, and DeBaKey High School for Health Professions, Eastwood Academy, and Challenge Early College High School were ranked in the top 100. The Washington Post's 2016 list of America's Most Challenging High Schools featured 37 HISD schools, led by Energized for STEM Academy in the No. 4 slot. Children at Risk named DeBaKey number one in its annual rankings, and four other HISD schools were in the top 10: Carnegie Vanguard High School, High School for the Performing and Visual Arts, Eastwood Academy, and North Houston Early College High School. T.H. Rogers, which serves students in grades pre-K through 8, has held steady in the top position among middle schools in Houston since 2011 and among elementary schools since 2012. Other HISD schools in the top 20 were Wharton K-8, Pin Oak, Lanier, and Briarmeadow Charter at the middle-school level; and West University, River Oaks, Horn Academy, Bush, Condit, Oak Forest, and Roberts at the elementary level. Garden Oaks Montessori, Lovett Elementary School, and Energy Institute High School received 2016 National Merit awards from Magnet Schools of America, the National Association for Magnet and Theme-Based Schools. The Texas Education Agency named South Early College High School one of 23 new T-STEM academies for 2016-2017, and 33 HISD schools earned a spot on 2015 Texas Honor Roll by Educational Results Partnership.

### **HISD Wins Magna Award for Literacy By 3**

The district's Literacy By 3 initiative was honored by the National Association of School Boards with a Magna Award. Some 180 elementary schools are participating in the program, which is now in its second year. Designed to have every student reading at or above grade level by third grade, the movement was bolstered by an \$8.5 million grant that paid for leveled book rooms at each elementary campus and classroom libraries for every K-3 teacher. Rigorous, ongoing professional development was provided for both teachers and principals, and Read Houston Read saw hundreds of caring citizens continue to volunteer to work with first-graders each week.

### **More Than Two Dozen HISD Schools Earn "Family Friendly" Certification**

As part of a newly established certification program adopted by the HISD Family and Community Engagement department, 26 HISD schools earned gold, silver, or bronze "Family Friendly" certification in the first year of the program. The certification, which was founded to assist schools in building relationships, linking family events with student learning, and supporting parental advocacy, was created to ensure parents feel welcomed and valued at their child's school.

### **Nutrition Services Wins Perfect Peach Award from Texas Department of Agriculture**

HISD Nutrition Services was recognized with the Texas Department of Agriculture's Perfect Peach Award for offering locally sourced vegetables, fruits, milk, and fresh breads. Nutrition Services is committed to using locally grown products on its menus to familiarize students with Texas' agricultural diversity.

## **STUDENT ACHIEVEMENTS**

### **HISD Students Recognized for Excellence**

There was an increase in both SAT and PSAT scores on the 2015 college-entrance exams. HISD graduating seniors' overall reading and math scores rose more than state and national scores, which showed slight decreases in all subjects. The increase coincides with an increase in the number of students taking the SAT, which has more than doubled in the past six years, largely because of the decision in 2011 to allow all high school juniors to take the SAT for free on their home campuses during regular school hours. Students also receive free access to the College Board's online SAT test preparation materials. As a result, more HISD students than ever are scoring at the college-ready level in all three subject areas and across all racial and ethnic groups. The percentage of students who scored at or above the benchmark score of college readiness on the PSAT also has risen.

HISD fourth- and eighth-graders outperformed their peers across the nation in math, according to recently released results from the National Assessment of Educational Progress. The math results also show that HISD students in both grades outperformed their national counterparts in all subgroups, which means White, African-American and Hispanic students are doing better than their respective peers across the country. Known as the nation's report card, NAEP analyzes fourth- and eighth-grade student performance in reading and math by testing a representative sample of students. In HISD, about 3,200 students—half from fourth grade and half from eighth grade—from 116 schools took the test in 2015.

In individual honors, a Bellaire student aced the SAT and ACT; four students from Carnegie Vanguard and one from Lamar aced the ACT; and a student from HSPVA was named Houston's first Youth Poet Laureate. Another Bellaire student was honored as a U.S. Presidential Scholar, while a group of Bellaire students won a national economics competition. Carnegie Vanguard students won the state title at the UIL One-Act Play competition.



## **EMERGE Preparing Students for Ivy League and Top Tier College Success**

The EMERGE program prepares talented HISD students from underserved communities to successfully attend and graduate from the nation's top colleges and universities at no cost to the student or their parents. Those in the program benefit from extensive programming, individualized support, and tailored resources throughout grades 10-12. EMERGE program managers work closely with students and their families to ensure students' success at college. Since its inception in 2011, more than 600 students have pursued higher education. This year, HISD and EMERGE are sending 64 scholars to Ivy League schools and other Tier-One colleges and universities, up 65 students from 2015.

## **More HISD Students Applying to College and FAFSA**

Last year, HISD hired 28 college success advisors and 15 college success managers to advise district seniors regarding applying to colleges and obtaining scholarships. The year ended with great success: a college-application rate of 182 percent compared with 59 percent the previous year, and a FAFSA completion rate of 50 percent compared with 40 percent the previous year. The college success advisers conduct outreach to exiting seniors to ensure that they successfully make it to their first day of college classes.

## **DISTRICT MILESTONES**

### **The Global Graduate**

HISD truly is a global district in a global city. That's why we work hard to ensure our students graduate ready for the world—possessing the characteristics they need to be successful in college and compete in today's global workforce. With the help of community and business partners, as well as leaders from Houston's largest industries and institutes of higher education, HISD developed the Global Graduate profile. The profile includes six characteristics or qualities that we want all students to develop during their time in elementary, middle, and high school. The HISD Global Graduate is a leader, a skilled communicator, a responsible decision-maker, a critical thinker, a college-ready learner, and an adaptable and productive member of a global society.

### **The Global Teacher**

HISD's ability to produce Global Graduates is dependent on our ability to develop teachers with the skills they need to be effective. To guide us in our work to support, develop, evaluate, and hire effective teachers, HISD created a teacher profile similar to the Global Graduate profile. Teachers must provide students access to personalized learning opportunities that allow them to develop the skills needed to succeed. Our teachers should be data-driven, lifelong learners, literacy developers, personalized learning architects, social and emotional learning facilitators, and deeper-learning cultivators.

### **The Global Leader**

In an effort to transform tier-one instruction that will lead to the development of Global Graduates, HISD has created a leader profile as well. HISD is committed to ensuring that our principals have the resources, professional development, and support needed to develop certain competencies. Every school must be led by an effective principal who creates an instructional-learning environment that allows students to develop the skills needed to compete in today's global economy. Leaders should be visionary, data-driven, culture developers, leadership-team managers, instructional planners, able to observe teachers consistently, and able to give feedback that empowers faculty and staff to improve their craft.

### **Global Programs and Initiatives**

The Arabic Immersion Magnet School opened in August 2015 with pre-K and kindergarten classes, and another grade will be added each year. The first of its kind in the nation, the school had a stellar inaugural year and saw its application pool grow for the 2016-17 school year. The Mandarin Immersion Magnet School begins the 2016-2017 school year in a brand-new building. And HISD in 2016-2017 opens the new Mark White Elementary School to house the French Immersion Program, the first public school program of its kind in Texas.

## **Dual Language and International Baccalaureate**

HISD expanded its successful dual-language programs to 21 more campuses this year, bringing the total number of schools offering the program to more than 50. Students take core instruction in both English and Spanish, which promotes biculturalism through consistent exposure to customs, traditions, and unique traits of other nations and people. Another global program offered in HISD schools is the International Baccalaureate, which offers challenging educational programs for students ages 3 to 19 that help develop their intellectual, personal, emotional, and social skills to live, learn, and work in a rapidly globalizing world. The number of HISD schools that offer IB has grown to 12 elementary schools, five middle schools, and four high schools.

## **HIPPY Program Continues to Expand**

Nearly 600 families participated in the free Home Instruction for Parents of Preschool Youngsters (HIPPY) during the 2015-2016 school year. This was the first year of the program under the five-year, \$5.8 million Texas Home Visiting Program grant, which will help to expand HIPPY into the Sunnyside, Third Ward, South Park, and Hiram Clarke communities.

## **Arts Access Initiative**

HISD provided creative learning experiences to 11 schools through the innovative Arts Access Initiative, and that number will grow to 25 in the 2016-2017 school year. In just two years, the arts and cultural coalition has served nearly 17,000 HISD students, providing them with creative learning experiences. To become global learners, students need to develop four basic skills—critical thinking, communication skills, collaboration skills, and creativity.

## **Recruitment and Staffing Strategies Yield Better-Staffed Schools**

HISD approved a teacher salary increase from \$49,100 to \$51,500 for the 2015-2016 school year, and an increase to its bilingual stipend from \$1,250 to \$4,000. The district hired 2,147 teachers for the 2015-2016 school year, 400 of whom returned to the district; another 400-plus were internal teacher promotions. As of August 31, 2015, HISD had extended offers to 98 percent of job postings to fill teacher vacancies. Close to 63 percent of new teachers were hired in advance of July 1, a slight increase from the previous year's hiring season, when approximately 60 percent of new teachers were hired by that date. HISD had an increase in its campus-instructional retention rate to 85.6 percent for the 2014-2015 school year from 84 percent for the 2013-2014 school year.

## **Teach Forward Houston**

HISD and the University of Houston joined forces to offer a new teacher-preparation program that aims to bring HISD's brightest students back into the classroom upon college graduation. Through the Teach Forward Houston fellowship program, the first cohort of more than 60 seniors from 31 HISD high schools will pursue a degree in education. In exchange for a commitment to teach for four years in HISD after graduation, the district will supplement their financial aid and scholarship packages to ensure that 100 percent of their tuition is paid over all four years. It ensures that in the future, many HISD elementary and middle school classrooms will be staffed with talented, highly effective teachers who know the district and are driven to make a positive impact on its students.

## **Literacy in the Middle**

HISD is expanding the successful Literacy By 3 program to include middle school students. The Literacy in the Middle model includes best practices for read alouds, independent reading, writing, and small-group instruction across all core disciplines for students in grades 6-8. Ultimately, students will be further engaged in their classes while advancing their literacy levels at the same time. Schools will have additional classroom materials and classroom libraries to provide more access to literary resources for students. Middle-school teachers are receiving summer or pre-service training to align strategies and develop proficiencies.

school students had been issued a laptop. is being used by educators and students to give everyone involved in a child's education the information, digital tools, and resources they need to learn together—both inside and outside the classroom.

## **Thousands of HISD Students Benefit From MyON Summer Reading Program**

In support of Literacy By 3 and Read Houston Read, HISD elected to extend its partnership with myON, a reading website that gives students access to thousands of titles for free. Thousands of HISD students took advantage of this valuable resource last summer, and Apurba Roy, an eighth-grade student at Grady Middle School, was named by myON as one of the top 10 readers in the nation for logging more than 140 hours on that reading website over the summer break.


## **Coding Gains Popularity Among HISD Students**

In December 2015, HISD finalized a partnership agreement with Code.org to roll out a comprehensive computer science/coding initiative to all HISD campuses over the next three years. Cohort II of this initiative will take place during the 2016-2017 school year, and professional development for all participating campuses began in the spring of 2016. In support of coding, HISD celebrated Computer Science Education Week with a Month of Code in December, when students of all ages engaged in a variety of coding activities that immersed them in computational thinking.

In November, HISD students in grades 5-12 participated in the 45-minute international Bebras Computing Challenge, joining peers from more than 30 countries to tackle a variety of interactive computing challenges designed to get them excited about computing through tasks that do not require prior knowledge of digital technology. Through these challenges, students are exposed to computational thinking as a fundamental way of thinking logically and algorithmically, problem-solving, understanding, and communicating with people and the world around them, all of which have a direct impact on their learning in math, science, reading, and writing. In the process, they develop crucial Global Graduate skills, such as critical thinking, communication, adaptability, decision-making, and leadership.

## **Yoga-Style Classes Reduce Stress for About 25,000 HISD Students**

HISD, in cooperation with the Sonima Foundation, expanded a yoga-based health and wellness program to students at 26 HISD schools in April 2016. Breath control and yoga lessons are supplemented with group discussions and character education that help students focus, stay calm, and reduce stress.



Richard A. Carranza, Ed.D.  
Superintendent of Schools



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