

HOUSTON INDEPENDENT SCHOOL DISTRICT

Budget Workshop No. 4

Date: April 2, 2018



Move Towards Equity

Every child shall have equitable opportunities and equal access to an effective and personalized education in a nurturing and safe environment. Our students will graduate as critical thinkers and problem solvers; they will know and understand how to be successful in a global society.-HISD Board Of Education Vision, 2017

Deficit Estimate

Budget Deficit

LOHE Recognition and TEA Commissioner Adjustment

2018-2019 Deficit Without LOHE	(\$208.8)
Reduction in Recapture with LOHE recognition	\$51.1
TEA Commissioner Adjustment (Reduction in recapture)	\$42.1
2018-2019 Deficit	(\$115.6)

LOHE LAWSUIT

The LOHE lawsuit was filed by two districts after the TEA agreed to recognize half of the local homestead exemption given to property owners when it calculates HISD's recapture payment.

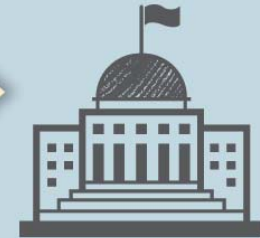
HISD's legal team feels strongly that the state will prevail in the LOHE lawsuit, which would reduce our recapture payment, and the deficit, by \$51 million.

-\$208 MILLION
+\$51 MILLION

-\$157 MILLION

TEA ADJUSTMENT

An anticipated adjustment to the property values by the TEA will reduce HISD's recapture payment and the deficit by \$42 million.



-\$157 MILLION
+\$42 MILLION

-\$115 MILLION

Budget Deficit Allocation

Budget Deficit Allocation (Current)

2018-19 Initial Budget Cuts

Departments	(\$70,000,000)	61%
Schools	(\$45,000,000)	39%
Net Cut	(\$115,000,000)	

Budget Cuts by Department

Chief_Rollup	Payroll & Benefits	Non-Salary	Total Budget	Budget Cuts
Chief Academic Officer	26,882,123	13,309,865	40,191,988	10,028,929
Chief Audit Executive	1,519,570	209,615	1,729,185	426,144
Chief Communications Officer	2,776,767	358,943	3,135,710	779,217
Chief Development Officer	989,379	97,447	1,086,826	258,988
Chief Financial Officer	8,351,137	357,137	8,708,274	2,119,261
Chief Government Relations and Strate	134,998	356,529	491,527	126,361
Chief Human Resources Officer	6,532,955	973,405	7,506,360	1,778,514
Chief of Police	13,700,616	622,616	14,323,232	3,354,041
Chief of Staff	762,574	468,580	1,231,154	308,687
Chief Operating Officer	126,333,690	35,877,695	162,211,385	37,293,864
Chief Student Support Officer	10,890,167	8,734,624	19,624,791	4,873,533
Chief Technology Information Officer	19,924,424	8,159,310	28,083,734	6,962,793
Deputy Superintendent	508,355	0	508,355	127,577
District-wide Operating	2,578,262	3,577,449	6,155,711	935,006
General Counsel	1,798,883	228,000	2,026,883	503,105
Superintendent of Schools	486,117	7,720	493,837	123,981
Total	224,170,017.00	73,338,935.00	297,508,952.00	70,000,000.00

Recommended change to Resource Allocation System (RAS) for 2018-2019

2018-2019 Per Unit Allocations

Level	2017-2018 PUA	2017-2018 Salary Increase*	2018-2019 Budget Cut (\$45m)	2018-2019 PUA
Elementary Schools	\$3,522	+\$107	-\$197	\$3,432
Middle Schools	\$3,558	+\$107	-\$197	\$3,468
High Schools	\$3,522	+\$107	-\$197	\$3,432

*Average salary increased due to 2017-2018 salary increases requiring an increase in the PUA.

Small Schools

- How does HISD define a small school?
 - Elementary less than 500 students
 - Middle less than 750 students
 - High less than 1,000 students
- In 2017-18 there are 83 campuses that fit the definition

Current Small School Assistance

- Small school subsidy-\$850 per student below each threshold. (e.g., Elementary campus with 360 enrollment gets 140 x \$850)
- Capped at \$228,400 in 2017-18 or 15% of their Base Allocation whichever is less.
- Budget for small school subsidy is \$7.5 million

Recommended Change to Resource Allocation

- Increase small school subsidy by \$11 million for 2018-2019.
 - Changes per student subsidy from \$850 to:
 - HS 300 to 1,000 students \$2,100
 - MS 300 to 750 students \$2,100
 - ES 300 to 500 students \$2,100
 - Any campus under 300 students \$1,500
 - Cap of 15% or \$228,500 eliminated
 - Exception Middle Colleges capped at \$228,500
 - 2018-2019 budget for small school subsidy projected at \$18.7 million

Budget Deficit Allocation

2018-19 Initial Budget Cuts		
Departments	(\$70,000,000)	67%
Schools*	(\$34,000,000)	33%
Net Cut	(\$104,000,000)	

*\$11m increase in Small School Subsidy is being funded from anticipated unspent funds in 2018-2019.

Why this change?

- Starts the process of addressing small school budget inequities.
- Reduces the impact of budget cuts on small schools, many campuses actually gain funding.
- Is a bridge into addressing equity in our RAS.

Resource Allocation Committee

- Starts in June, 2018
- Responsibilities:
 - Define equity for HISD
 - Review the current RAS and identify possible changes.
 - Equity and need focused.
 - Provide recommendations to administration and the Board.
 - Should be a standing committee that continues in future years.
 - Need to identify representatives on this committee.

Centralized Funding

- Special Education
- Career and Technology Education (Newly Centralized in 2018-2019)
- Targeted Assistance
- Achieve 180

Other Resource Allocation Funding

- Capital Outlay
- Magnet
- High School Allotment
- Title I
- Title III

Coming Deadlines

- Several board budget workshops scheduled over the next few months
- Campus and department budget amounts must be distributed in early April, 2018
- Campus and department budget amounts must be received by late April, 2018.
- Budgets must be compiled and entered into system by mid May, 2018
- Truth In Taxation Notice in Paper early June, 2018.
- Budget adoption in June, 2018

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Thank You

