

# Budget Workshop No. 5

*Date: April 30, 2018*



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# Budget Deficit

# 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
<b>2018-2019 Deficit</b>	<b>(\$115.6)</b>

### 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**  


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**-\$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**  


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**-\$115 MILLION**

# Budget Deficit Allocation

## (Before Small School Subsidy Change)

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### 2018-19 Initial Budget Cuts

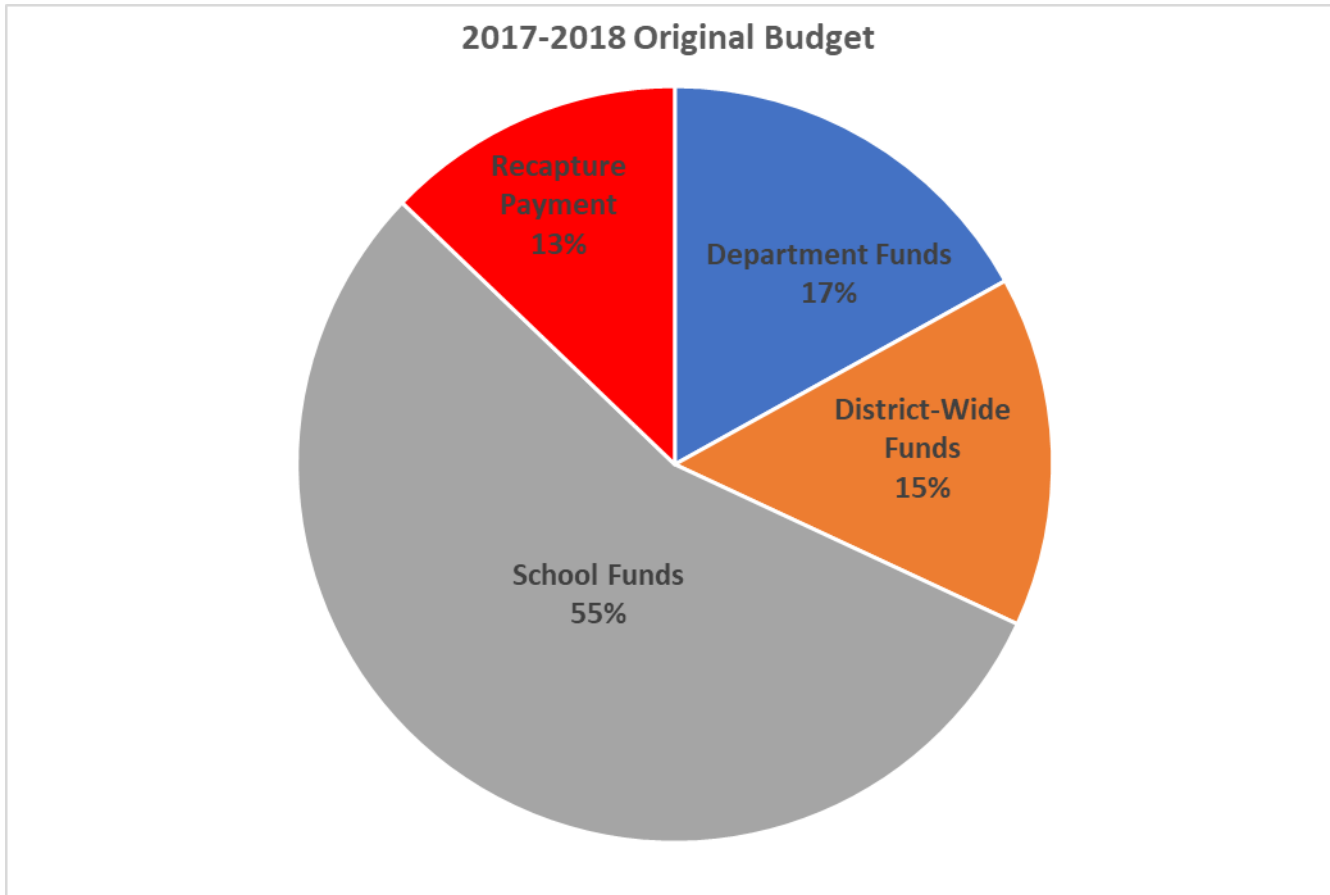
Departments	(\$70,000,000)	61%
Schools	(\$45,000,000)	39%
<b>Net Cut</b>	<b>(\$115,000,000)</b>	

# 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
<b>Total</b>	<b>224,170,017.00</b>	<b>73,338,935.00</b>	<b>297,508,952.00</b>	<b>70,000,000.00</b>

# 2017-2018 Original Budget Breakdown

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# School Funds Examples

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## School Funds

PUA Funds	Magnet	HS Allotment	Special Education
Targeted Assistance	Achieve 180	Career Technology Education	Campus Capital Outlay

# Department Fund Examples

## Department Funds

Faculties & Custodial	Transportation	Information Technology	Academics
Accounting / Budgeting / Procurement	Communications / Media Services	Human Resources	School Support
Area Offices	Governmental Relations	Chief Of Staff	Deputy Superintendent
General Counsel	Superintendent's Office	Development Office	Internal Audit



# District-wide Fund Examples

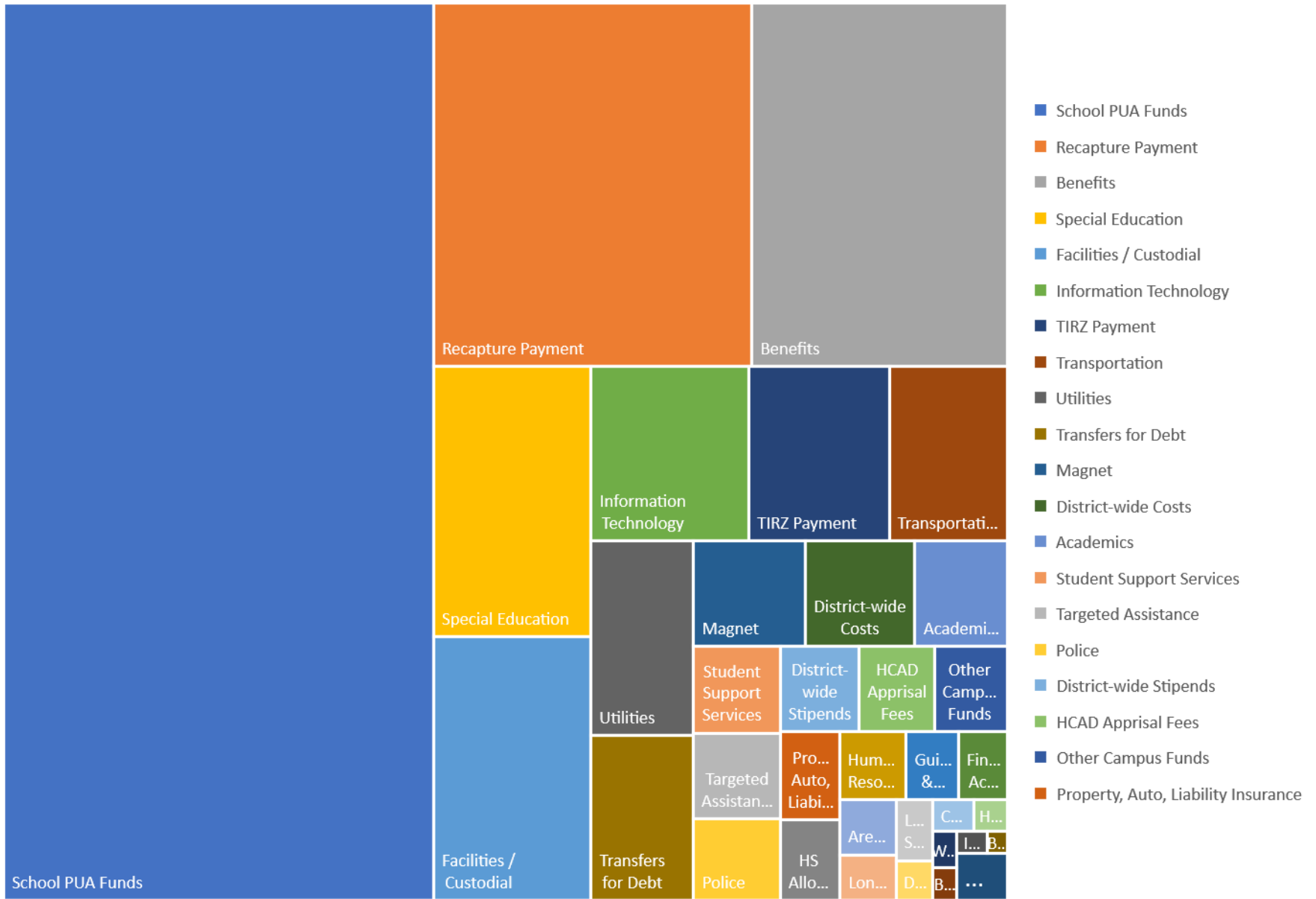
## District-wide Funds

Teacher Retirement System (TRS)	Property, Auto, Liability Insurance	Harris County Appraisal District Fees	Tax Increment Reinvestment Zone
Special Education Stipends	Critical Shortage Teacher Stipends	Bilingual Teacher Stipends	Hard to Fill Campus Stipends
Long-Term Substitutes	Campus and District Utilities	Non-campus Capital Outlay	Transfers for Debt Payments

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# 2017-2018 Original Budget Breakdown per Student

# 2017-2018 Original Budget per Student



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# Resource Allocation System (RAS)

# 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.

# Resource Allocation Handbook

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- 2018-2019 RAS Handbook will be taken to the board at the May 10, 2018 regular board meeting.
- Changes in the RAS Handbook
  - Small school subsidy change (discussed on next slide)
  - Change in average salary from 2017-2018 salary increases.
  - Change in PUA for 2017-2018 salary increases and 2018-2019 budget reduction.
  - Magnet changes
  - Centralization of CTE

# Current Small School Assistance

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- Small school subsidy-\$850 per student below each threshold. (e.g., Elementary campus with 360 enrollment gets 140 x \$850)
  - 500 threshold less 360 students = 140 units
- Capped at \$228,400 in 2017-18 or 15% of their Base Allocation whichever is less.
- 2017-2018 Budget for small school subsidy is \$7.5 million

# Recommended Change to Small School Assistance

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- 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 with total enrollment under 300 students receives \$1,500
  - Cap of 15% or \$228,500 eliminated
    - Exception Middle Colleges capped at \$228,500 because district funds text books and transportation.
  - 2018-2019 budget for small school subsidy projected at \$18.7 million



# Next Step on RAS: Resource Allocation Committee

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- 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.

# Budget Deficit Allocation

## 2018-19 Initial Budget Cuts

Departments	(\$70,000,000)	67%
Schools*	(\$34,000,000)	33%
<b>Net Cut</b>	<b>(\$104,000,000)</b>	

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

# Centralized Funding

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

# Other Resource Allocation Funding

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

# Happening now

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- School budgets have been distributed and Principals are working on them.
- Department budget templates have been distributed.
  - Cabinet still meeting on the recommended department cuts that will be submitted.
- All budgets due back to budgeting by April 27, 2018.

# Coming Budget Updates

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- Harris County Appraisal District (HCAD) estimated values will be released on April 30, 2018.
- Certified values from HCAD will be received in August.
- Student data will be updated in May, 2018
- Review of year to date property tax collection percentage to be used for 2018-2019.
- Review of outstanding lawsuits and protests from prior years that might impact 2018-2019.
- Changes to any of the above items will change the district's revenues and recapture payment.

# April-June Budget Calendar

DATE	FORMAT	WHAT
4/6/2018	Budget	School Budgets Rollout
4/13/2018	Budget	Department Budget Rollout
<b>4/20/2018</b>	<b>Deadline</b>	<b>School Budgets due to budgeting</b>
4/24/2018	Board Workshop	Budget Workshop on 2018-2019 Budget
<b>4/27/2018</b>	<b>Deadline</b>	<b>Department Budgets due to budgeting</b>
<b>4/27/2018</b>	<b>Deadline</b>	<b>Internal Service, Enterprise, and Capital budgets due to Budgeting</b>
4/30/2018	Notice	Certified Estimated Received from HCAD
<b>5/4/2018</b>	<b>Deadline</b>	<b>ALL BUDGETS COMPLETED &amp; READY TO COMPILE</b>
<b>5/18/2018</b>	<b>Deadline</b>	<b>ALL BUDGET SCHEDULES COMPLETED</b>
<b>ALL BUDGETS MUST BE COMPLETE OR BUDGET ADOPTION BOARD MEETING MOVED</b>		
5/24/2018	Deadline	Initial Truth In Taxation (TNT) Notice Sent to Houston Chronicle
5/28/2018	Deadline	Final TNT Notice Sent to Houston Chronicle
6/1/2018	Notice	TNT Notice run in Paper
6/14/2018	Board Meeting	Public Hearing on Budget and Tax Rate
6/14/2018	Board Meeting	Recommended 2018-2019 Budget presented to the Board for adoption

Board Workshops

Legal Requirements

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# Recommendations on Magnet Funding for 2018-2019



# What are our goals with the magnet recommendations?

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- Systematize:
  - Program creation
  - Program placement
  - Program type
  - Student recruitment
  - Student selection
  - Student identification
  - Funding

# Committee Members

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## Parent/Community Representatives

- Emily Guyre, Hogg MS
- Carla McQueen, Revere MS
- Amber Ontiberez, Garden Villas ES
- Marisela Vasquez, Carrillo ES
- Ken Williams, Kashmere HS
- Aimee Wood, Woodson PK-8

## High Education Representative

- Jay Aiyer, TSU
- Carol Carman, U of H
- Ruth Lopez-Turley
- Kori Stroub, Rice

## Partners

- Steve Igo, Pumps and Pipes
- Jennifer Sommers, Houston Ballet

## Facilitators

- Noelia Longoria, School Choice
- Mark Smith, Student Support

## Principals

- Scott Allen, HSPVA
- Justin Fuentes, Sterling HS
- Kim Hobbs, Rice School
- Jyoti Malhan, Baylor @ Ryan MS
- Ramon Moss, Carnegie HS
- Jonathan Trinh, Wisdom HS
- Roslyn Vaughn, Anderson ES

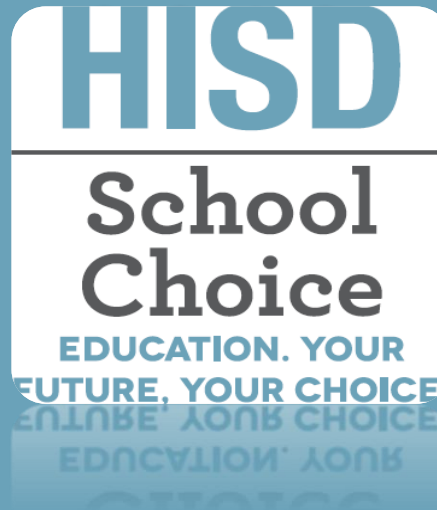
## Administration

- Rebecca Brown, West Area
- Michelle Burke, FACE
- Glenda Calloway, CTE
- Erica Deakins, Northwest Area
- Diana Gibson-Johnson, South Area
- Gracie Guerrero, Multilingual
- Adam Stevens, Innovative Curriculum
- Cynthia Wilson, Chief of Staff

# Deliverable – School Choice Manual

Houston Independent School District

## 2018- School Choice/Magnet



Hattie Mae White Educational Support Center  
4400 W. 18<sup>th</sup> Street  
Houston, TX 77092

# Deliverable – School Choice Manual - Table of Contents

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- Overview of Office of School Choice and Program Types
- Student Transfers
- Enrollment Goals
- Access to Magnet Programs
- Application Phases
- Magnet Recruitment
- Magnet Dates and Deadlines
- Program Placement
- Quadrants
- Establishing New Magnet Programs
- Evaluation of Magnet Programs
- Funding
- Transportation
- Timeline for Program Changes

# Magnet Funding Proposal

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- Capital Funding
- Annual Allotment
- Staffing
- Magnet Coordinator
- Unforeseen Costs

# Magnet Funding Proposal

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## Capital Funding

- Pending amount
- Facility improvements
- Technology
- Instructional materials

# Magnet Funding Proposal

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## Annual Allotment

- \$2M
- \$20 - \$50/student
- Supplies
- Consumables
- Training

# Magnet Funding Proposal

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## Staffing

- \$11M
- Specific to magnet program
- Not funded through another source
- Based on number of magnet students



# Magnet Funding Proposal

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## Coordinators

- \$7.5M
- 1.0 for every magnet school

# Magnet Funding Proposal

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## Unforeseen Costs

- \$2.0M
- Used at schools with impactful magnet funding losses in 2018-2019

# Magnet Funding Proposal

Program	Fine Arts	STEM	Montessori	CTE	IB	Language	Vanguard	Early College
Recurring Capital	Facility upgrade, equipment, instrument, uniforms/ costumes	Facility upgrades, technology, equipment	Montessori specific materials	Eligible for Karl Perkins Funds	—	—	—	College textbooks
Annual Materials & Supplies	\$50 per Magnet student	\$20 per Magnet student	\$20 per Magnet student	Provided by CTE Dept.	Costs associated with annual fees, training & testing	\$20 per Magnet student	Provided by GT per student funding and GT Dept. for identification testing	\$20 per Magnet student
Teachers	1:150 Magnet students +2 for high schools	1:250 Magnet students	—	Provided by CTE Dept.	—	—	—	—
Teaching Assistants	—	—	1:60 students	—	—	—	—	—
Coordinators	1	1	1	1	1	1	1	1
Unforeseen Costs	As Needed	As Needed	As Needed	As Needed	As Needed	As Needed	As Needed	As Needed

# Current Actions

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- Meet within the next two weeks
  - Discuss unmet costs with principals
  - Provide funding on an individual school basis
  - Magnet funding as part of the overall school budget
- Bring recommendations to the next Board of Education meeting

# Thank You

